

Case Study

China Apparel Retail Market Entry Strategy



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About the Client



- A European apparel company, with presence in most major cities globally

Client Objectives / Goals



- The client wanted to understand the consumer/apparel landscape in China
- They also sought to analyse the competitive landscape in the Chinese apparel retail market

Approach and Methodology



- Conducted extensive primary and secondary research
- Estimated the current market size and forecasted future growth
- Benchmarked the apparel spend in China with various other countries
- Identified the growth driving segments and purchasing habits
- Created detailed player profiles, highlighting their market entry strategies
- Benchmarked the players by creating a player comparison matrix

Sample Output



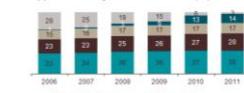
Chinese apparel market is characterized by pragmatic shoppers and different shopping habits amongst regions

Motivators for purchasing new clothing (% of consumers)*, 2012



- Chinese consumers demonstrate a perceptible level of self-control in their apparel shopping habits
 - Most buy new clothing for need-based reasons such as replacement or seasonal change
- Sales growth can be achieved by marketing efforts that appeal to consumers' pragmatism and help create a need for new apparel purchases

Apparel sales by distribution format (%)



- Apparel shopping habits differ by regions**
- Northern consumers are the most scrutinizing apparel shoppers and place a great deal of importance on environmental friendliness
 - Eastern shoppers are greatly influenced by promotions and are the most brand-conscious
 - Southern consumers are more apathetic towards clothing and prefer to shop for other products
 - Western consumers are extremely pragmatic shoppers who are becoming more influenced by promotions
- Department stores is the dominant channel and online is emerging fast**
- Department stores are the leading distribution channel as:
 - Consumers consider them a premium shopping experience
 - Concentration of stores in the best shopping areas
 - Apparel purchases form the largest share (36%) of the Chinese online digital wallet

Results / Value-add



The inputs enabled the client to shortlist the key locations for opening stores in the country and decide on the product assortment