

STRATEGIC DIRECTION:  
**EXPANDING INTO UK MARKET**

---



---

**STRATEGIC  
CONCEPT  
BRAND REPORT**



# EXECUTIVE SUMMARY

When Tadashi Yanai founded Uniqlo in 1974, he created a structure for 'simple made better' (Tillers, 2020) by designing garments for all age demographics. By 1998, Uniqlo exceeded over 300 stores in Japan, and their infamous fleece jacket had sold two million units in just 12 months (Tillers, 2020).

Fast forward to the 21st century, Uniqlo's Japanese heritage and iconic minimalism has listed them one of the World's Most Valuable Brands (Nazir, 2021). In 2021, Uniqlo generated a revenue of approximately 843 billion Japanese yen (Diep, 2023).

“CHANGE THE CLOTHES, CHANGE CONVENTIONAL WISDOM, AND CHANGE THE WORLD”

Uniqlo, 2014



According to the Ansoffs Matrix, Uniqlo is following the diversification strategy, as by expanding into the UK market, and by launching a new product range they are targeting a new market with new products.



Although Uniqlo have proven to be successful in the Japanese market, the brand has previously failed expansion into the UK. In 2011, Uniqlo reported to lose £9.74 million due to their turnover declining by 0.7% (Thompson, 2012). Today, Northern Europe have 71.3% less exposure than East Asia (Bloomstreet, 2021). This is a group proposal promoting brand expansion into the UK.

**71.51%**



**0.21%**

Statistics on store openings for Uniqlo - Bloomstreet

**3** keywords



**EXPANSION**

**NEW TECHNOLOGIES**

**DIVERSIFICATION**



Develop an innovated digital marketing strategy; Uniqlo will enter the Metaverse with virtual clothing in the video game, Fortnite.

Respond to post-Covid demand of sports equipment by introducing a sub-brand through logo and product development.

Digitising supply chain and build circular economy by using Blockchain technology to improve transparency and traceability.

Create a product range for a new market implimenting the benefits of 3D CAD technology.

Incorporating collaborative gameplay using XR technology to enhance the Metaverse experience.

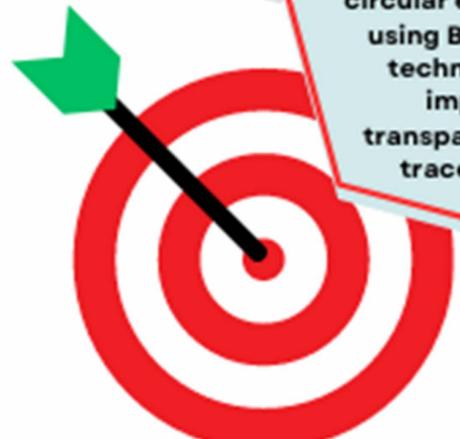
Execute pop-up stores to entice UK consumers and improve brand awareness.

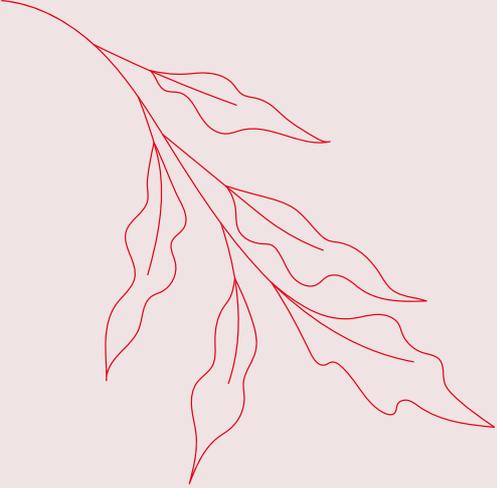
**KEY BRAND ISSUES**

17 stores in the UK, compared to Japan who maintain over 800 stores (Naho,2023)

The Fashion Transparency index rated uniqlo 49%, suggesting theres plenty of room for improvement

Lack of product differentiation - consumer demand since covid 19 has suggested that consumers invest in a wider product range





Since the Covid-19 pandemic, annual expenditure for footwear in the UK market has increased by approximately 2 million British pounds (Smith, 2021). Uniqlo has an opportunity to create an innovative product range that entices the UK consumer from high street and fast fashion retailers.

3D CAD software shortens the lead time from 3D design - review - sample - market, saving time and resources (Islam, A et al., 2020). By maintaining a linear progress from design to manufacturing (Islam, A et al., 2020), Uniqlo can exceed their competitors by reducing overall lead time.

**"THE UK FOOTWEAR MARKET IS PREDICTED A 9% INCREASE BY 2027"**

*Smith, 2021*

## JUSTIFICATION

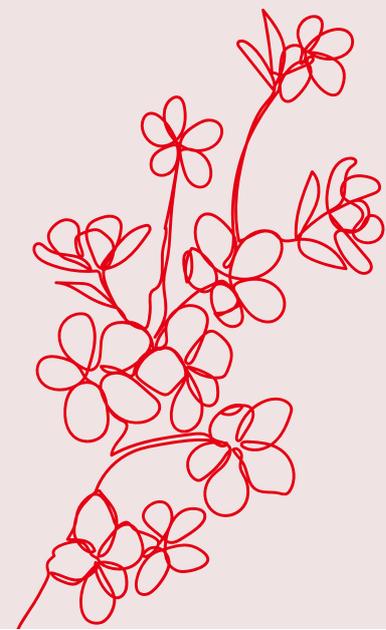
Analysing Uniqlo's rivals through a competitor analysis will help strategise the differentiation of Uniqlo's product range. Furthermore, Henderson's Growth-Share Matrix (BCG Matrix) will determine Uniqlo's current product placement and long-term growth for horizontal brand extension.

### OBJECTIVES FROM RECCOMENDATION:

**One  
Two**

IMPROVE MORAL REPUTATION THROUGH INVESTMENT OF NEW SUSTAINABLE MATERIALS AND 3D CAD DESIGN.

EXCEED UK COMPETITON BY INTRODUCING NEW PRODUCTS TO A NEW MARKET

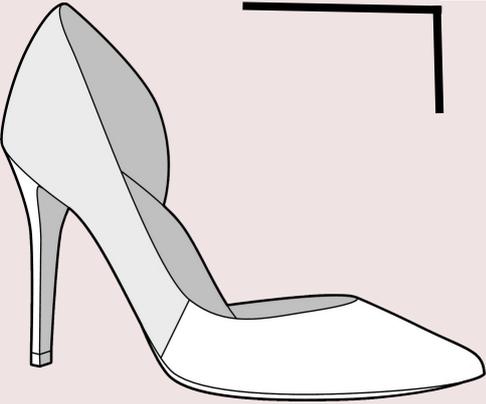


A/W  
THE FEMININE PARADOX

23/2

2D CAD

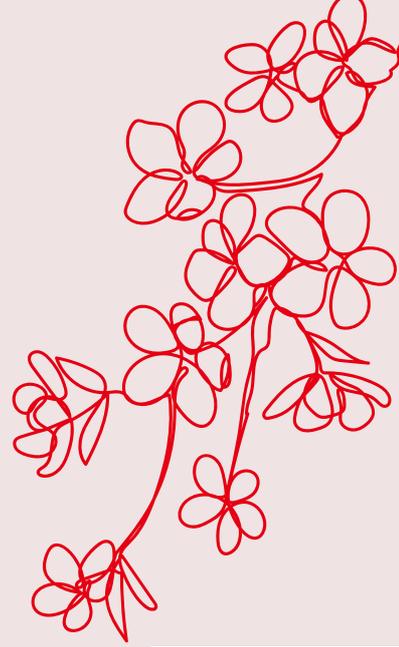
FLAT



(WGSN, 2023)

4  
COLOUR: BLACK

Black is an expected to increase by 13% during A/W, taking nearly half of the colour mix for the season (Smith et al., 2023).  
Cosmopolitan UK reflects Outdoor Grunge through a dainty silhouette by Saint Laurent (Harding, 2023).



THE POINT-TOE HEEL  
3 INCHES /  
7.62CM  
SIZES: 1-9

3D CAD DESIGN



TEXTILE/FABRIC: QUILTED  
Inspired by Project Tokyo, WGSN #contemporaryquilting is predicted by WGSN for A/W 23/24 through tonal patterns and jacquard prints (Chow, 2023).



3D CAD USING AI SOFTWARE, MIDJOURNEY, DISCORD (AUTHORS OWN WORK, 2023)

"34% OF UK ADULTS WOULD BE INTERESTED IN FOOTWEAR MADE FROM SUSTAINABLE MATERIALS"

Mintel, 2022

COMPOSITION: UPPER:  
100% RECYCLED LEATHER,  
INSOLE: POLYURETHANE  
THERMOPLASTIC

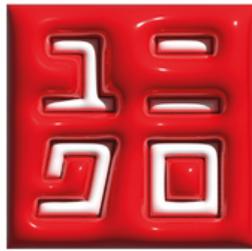
WGSN predicts leather to increase by 20% for a/w 23/24 (Martellini et al., 2023) additionally, consumers are expecting brands to take responsibility for sustainable material sourcing.



# Development of an innovative Marketing Strategy for the implementation of Pop-Up Stores in the UK

To support and optimise UNIQLO's expansion strategy, the brand should implement pop-up stores across popular UK shopping centres. Introducing Japanese-style service through the pop-up stores develops a key differentiation point that UNIQLO can use to facilitate brand awareness within the heavily populated UK fashion market. Additionally, pop-up stores establish a unique brand experience and allow UNIQLO to experiment with innovative digital technologies, as seen with the AR mirror on the layout.

This marketing strategy also minimises risk for UNIQLO's expansion as it safely explores new markets, helping to gauge target consumers without having to commit to permanent retail space. Furthermore, to generate buzz and excitement around UNIQLO's expansion into the UK, an exclusive product, limited to pop-up stores, should be developed. Creating an 'exclusive' brand image will attract the vibrant and diverse UK consumer, therefore increasing demand and brand awareness.



# Concept Research and Analysis

|  |   |  |
|--|---|--|
| <b>Internal factors</b><br><b>External factors</b>   | <b>Strengths (S)</b> <ul style="list-style-type: none"> <li>S1 - Access to innovative and market-leading technology</li> <li>S2 - Japanese heritage brand</li> </ul>  | <b>Weakness (W)</b> <ul style="list-style-type: none"> <li>W1 - Higher pricing points in comparison to competitors</li> <li>W2 - Fewer innovative promotion methods and online appearances</li> </ul>  |
|  | <b>Opportunities (O)</b> <ul style="list-style-type: none"> <li>O1 - Ability to introduce and improve technology internationally</li> <li>O2 - Introduce Japanese-style service and culture</li> <li>O3 - Increase brand awareness internationally</li> </ul>   | <b>S-O strategies</b> <ul style="list-style-type: none"> <li>SO.1 - Implement AR/VR into stores to trial effectiveness and response from UK consumers</li> <li>S2.O2.O3 - Establish Japanese visual merchandising in pop-up stores across the UK to gradually introduce UNIQL0's brand heritage</li> </ul> |
| <b>Threats (T)</b> <ul style="list-style-type: none"> <li>T1 - Fierce competition in highly populated marketplace</li> <li>T2 - Lack of study into UK culture may prove detrimental</li> </ul> | <b>S-T strategies</b> <ul style="list-style-type: none"> <li>ST.1 - Use technological advancements to gain a competitive advantage over competitors (differentiation point)</li> <li>ST2 - Ensure thorough research into UK culture and identify gaps where UNIQL0 can introduce Japanese heritage effectively</li> </ul> | <b>W-T strategies</b> <ul style="list-style-type: none"> <li>WT.1 - Aim to lower pricing during market penetration strategy</li> <li>WT.2 - Incorporate UK culture into marketing tactics to ensure recognition from UK consumers</li> </ul>   |

➤ "Thus, pop-up can be regarded as an experiential marketing tool that enables the curation of a personalised brand experience to enhance customer engagement" (Warnaby and Shi, 2017)

➤ "The space that the brand conceives and builds in order to create awareness, to inform, to instruct, to show, to encourage discovery or to give the visitor a chance to take an important part in engaging with the space" (Boustani, 2019)

Figure 1 - TOWS Matrix (Author's own work, 2023)

## Pop-Up Store Objectives:

- Minimise risk in UNIQL0's expansion into the UK through temporary retailing and marketing
- Increase brand awareness during market penetration
- Introduce a Japanese heritage brand to the UK

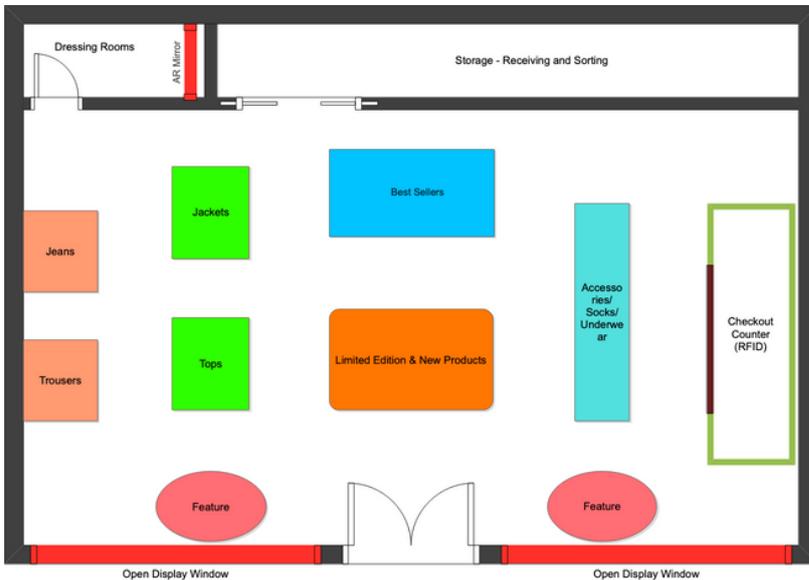


Figure 2 - UNIQL0 Pop-Up Store Layout (Author's own work, 2023)



Figure 3 - Pop-Up Store Print Ad (Author's own work, 2023)



Figure 4 - UNIQL0 Limited Edition T-Shirt (Author's own work, 2023)

## Justification

Developing multiple pop-up stores across UK shopping centres with high foot traffic will help achieve increasing brand awareness for UNIQL0 (Yu et al., 2018). Creating a mature yet vibrant retailing experience that reflects Japanese culture will create a unique experience that gives UNIQL0 a competitive advantage (Cahill, 2017) which is necessary during market penetration (Czinkota, 2021). This unique experience encourages engagement which will result in a lasting impression on the customer which is the main objective of this marketing strategy. This proposal focuses on generating buzz and excitement for UNIQL0's expansion and will gain substantial awareness. therefore minimising risk (Czinkota, 2021) when entering the UK market.

# Sub Brand strategy

To help Uniqlo UK expansion and cater to local consumers, a sub-branding strategy will be introduced to provide a new product line to refocus on the target group. In order to support the sub-brand launch, three specific campaigns will be conducted.



## Three specific campaigns:

1. Skateboarding campaign (skater endorsement).
2. Signed up new artistic director.
3. Sports event sponsorship.

The sub-brand will offer lightweight outdoor products based on skateboarding culture to cater for "the closeness to nature" of European and British consumers. They will seek to improve brand awareness by increasing brand exposure and attract target customers.

## Research & Analysis

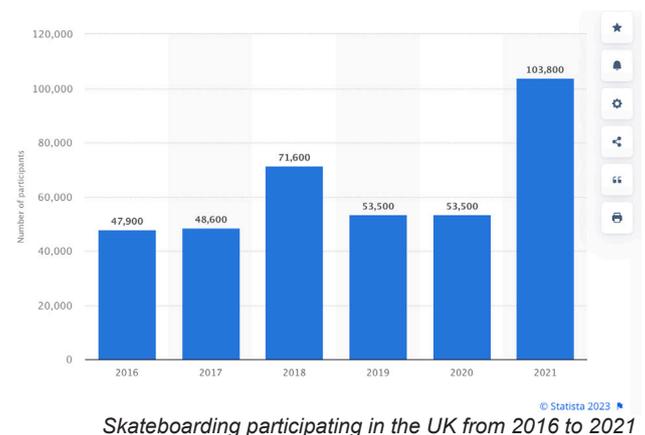
The implementation of these three strategies is based on market analysis, competitor analysis and consumer behaviour and the significant information is summarised in the following points:

- National participation in skateboarding shows an increasing trend rise to 103,800 adults in 2021. (Statista)

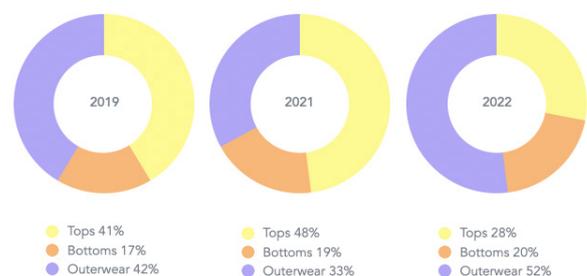
- A "post-epidemic sports wave" indicates a significant increase in demand for sports clothing. (Mintel)

- Overpriced outdoor gear is not suitable for all groups, professional adventure account for very less. (opportunity for Uniqlo)

- There is a growing demand for tech-infused Gorpcore outerwear. (Edited)



Skateboarding participating in the UK from 2016 to 2021

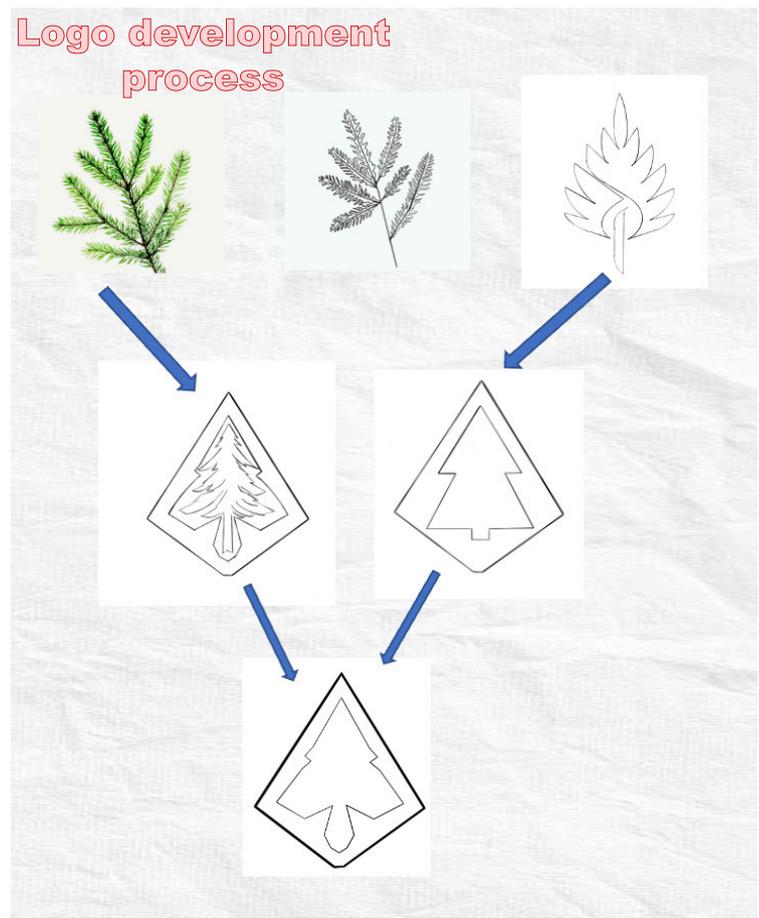


UK Men's Technical Assortment (Edited)

## Output Visualisation

The overall style focus on the combination of fashion and functionality, but still minimalist. NPD continues to follow the spirit of its parent brand Uniqlo "LifeWear", offering utility clothing that focuses on urban commuting and outdoor sports.

The new palette will rectify the aesthetics of the product range. The logo development inspired by the leaves of the ancient pine tree, the texture of naturally dried leaves is needle-shaped, which means tough and sharp. The triangular silhouettes symbolise calmness and strength.



## Justification

From the branding perspective, the three strategies combine the marketing and product category. Skateboarding campaign and sponsors events are key to generating and boosting brand identity and brand loyalty. The new design concept has repositioned the target group and evoked the feelings of the consumers in terms of functionality, design of the garments.

However, the market for outdoor brands is particularly competitive, and behind the various categories and similar products is more of a test of the strategy executed by the company. To enable expansion into the UK market, the sub-brand will align with Uniqlo's roots and pursues a contemporary silhouette that offers simplified and comfort wardrobe.



**STUDENT NAME: JUQING JIN**  
**STUDENT ID: 10716254**



## **PHY-GITAL RETAILING**

To realize a successful expansion into the UK of the Japanese brand Uniqlo, a new retailing system with the help of technology and innovation is essential. Phygital retailing represents for both physical and digital platforms of retailing, in the physical retail recommendation, it is suggested Uniqlo to introduce Virtual and Augmented technology to its physical stores whereas on the digital side, Uniqlo should open a virtual store in the Metaverse using blockchain technology. Both strategies aim to use innovative and existing technology to enhance the brand image and improve the shopping experience for UK customers both online and in physical stores.





Conceptual customers experiencing VR technology, such as collaborative gameplay with products (Fortnite is mentioned in the digital marketing section), and AR technology, such as projection technology, which allows customers to see what they look like wearing clothes without actually trying them on, are shown in Image 1 and Image 2, respectively. This provides more interactivity and a better shopping experience.

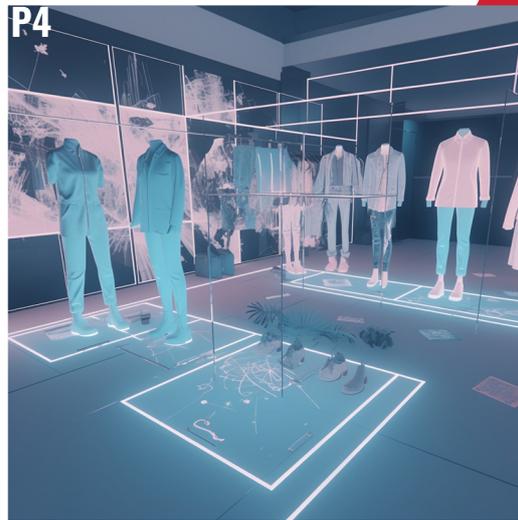


Image three and four respectively are the exterior and interior layouts of a conceptual Uniqlo virtual store in the Metaverse. The store incorporates cyberpunk and the latest virtual technology to greatly pique consumers' interest in the brand.

## JUSTIFICATION:

The proposed strategy of incorporating phygital retailing, which combines physical and digital platforms using innovative technology, is a sound approach to improve the shopping experience for UK customers, both online and in physical stores.

In-depth research and investment estimates in the technological area greatly ensure the feasibility and return rate of the strategy. The goal is to improve the shopping engagement of UK consumers. With a better shopping experience generated by a more engaging shopping environment, comes successful expansion into the UK.



# Sustainable

## Supply Chain Strategy

In order to achieve a sustainable supply chain, Uniqlo will use the blockchain technology provided by Provenance to digitize the supply chain. In addition, cooperating with Fashion Revolution to provide digital supply chain data can help Uniqlo get better scores in the Transparency Index 2023 and improve its position in the hearts of sustainable consumers.

Uniqlo will build a circular economy by improving just-in-time supply systems, including facilitating work organization and evaluating all of UNIQLO's suppliers. According to the supplier selection framework proposed by De Boer (2001), the three-step determination method is improved to measure the supplier's ability and performance.



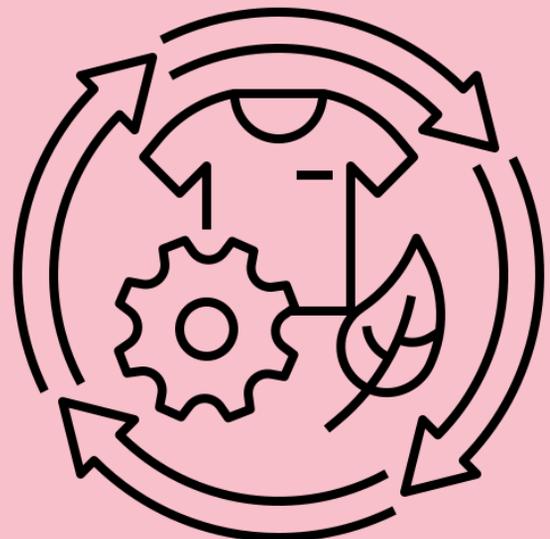
MANAGED ON

**Provenance  
Blockchain**

**FASHION  
TRANSPARENCY  
INDEX**

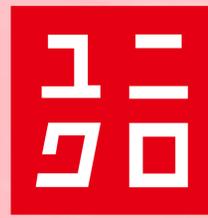
2022 EDITION

A review of 250 of the world's largest fashion brands and retailers ranked according to their level of public disclosure on human rights and environmental policies, practices and impacts.



# Output

# Visualization



## Justification:

Unethical and unsustainable behaviors such as material pollution and employee exploitation in the fast fashion industry cannot be eradicated in a short time, but the digital and transparent supply chain can show social consumers that Uniqlo is determined to reform and has taken practical actions. Screening and evaluating suppliers is to solve these problems from the source, not only to provide better protection for employees but also to create a sustainable and efficient circular economy. Here are three key goals of these innovations:

- Improve transparency & traceability and avoid ethical issues.
- Minimize cost and increase efficiency.
- Create a green and sustainable supply chain

## Output 1:Blockchain



Registration: members includes producers, manufacturers, registrars, standard organizations, certifiers and auditors and consumers



Standard program: Modern Slavery Act 2015, Employment Rights Act 1996, National Minimum Wage Act 1998, Better Cotton Initiative, United Nations Global Compact



Manufacturing program: Labeling all manufacturers productivity and other parameters first and then start to produce



Linking: NFC, QR code

SCAN QR CODE  
YOUR TAGLINE HERE

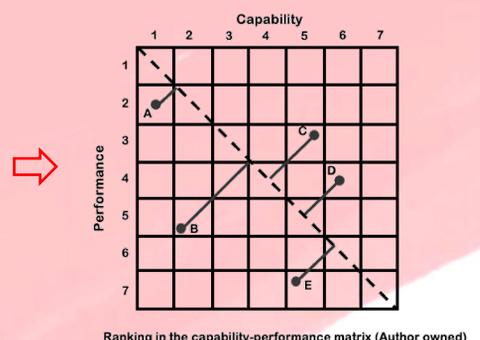
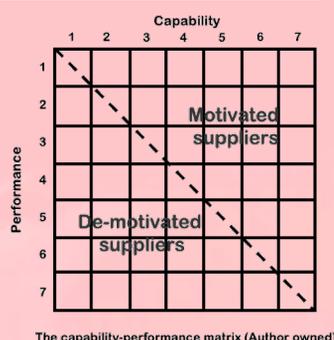


Consumer get all the information

## Output 2: Evaluation model (3 steps)

|             | Supplier incentive from Uniqlo |        |      |
|-------------|--------------------------------|--------|------|
|             | Low                            | Medium | High |
| Short term  | ✓                              | ✗      | ✓    |
| Medium term | ✗                              | ✗      | ✓    |
| Long term   | ✗                              | ✓      | ✗    |

Supplier incentive & Extent of relationship desired(Author owned)



*Pushi Patel*

10680151



# DIGITAL MARKETING - METAVERSE VIRTUAL STORE

Research methodology used:

Within the project proposal report, a complete context analysis has been conducted alongside other marketing models to achieve insightful and accurate data, to ensure success.

The findings found that Uniqlo is a top-performing brand within its parent company but needs to improve on digital marketing strategies by putting the brand out there, as they currently focus more on brand and celebrity collaborations as their main marketing strategy.

Internal analysis

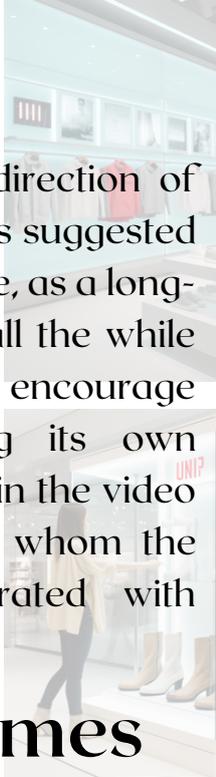
- The Value Chain model
- SWOT analysis
- TOWS analysis
- Consumer analysis
- 4ps

External analysis

- PESTLE analysis
- Competitor perceptual map

Individual recommendation: Join the Metaverse to create a unique digital marketing campaign

As a part of Uniqlo's strategic direction of expanding into the UK market, it is suggested that the brand enter the metaverse, as a long-term digital marketing strategy, all the while using the same platform to encourage metaverse shopping by selling its own product range as virtual clothing in the video game Fortnite (as avatar skins), whom the brand has previously collaborated with (Jamier Boatman-Harrell, 2019).



## Intended Outcomes

- 1 To create a USP and a point of differentiation on the high street, only a few high street retailers have joined the Metaverse, including Zara (Bailey, 2022)
- 2 Provide a new platform to customers where they can better understand the brand and view products
- 3 To form brand recognition within the video gaming community, by releasing new product lines onto the metaverse in the form of Fortnite 'skins'.



# UNIQLO

## OUTPUT VISUALISATION

Figure 1- 4 give a visual representation of what the inside of Uniqlo's virtual store will look like, it still has the same subtle decor that the current stores have, with a slightly more futuristic finish to show a separation between their current stores and the metaverse store.

figure 1

figure 2



figure 3

figure 4

## JUSTIFICATION

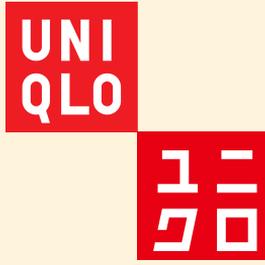
2022 was the year of the rise of the Metaverse (Douglass, 2022). Virtual events such as the Metaverse Fashion Week allowed brands and department stores to strategically place themselves within the digital world and open up a new marketplace to sell their products (both digital and physical)(Douglass, 2022). The metaverse is changing the way fashion is understood(Jana, 2022) by showing innovative ways of showcasing products and allowing brands to create their own world to represent their brand, in a way that no other marketing method could (Hetler, 2022).

figure 5 (authors own work)

The 4 visual outputs (figures 1-4) were produced using AI technology (Discord) and are the authors own work.

| SMART GOAL  | SPECIFIC<br>What needs to be achieved?<br>Who is responsible for it?<br>What steps need to be taken?  | Measurable   | Achievable<br>Realistic?  | Relevant<br>Why is this the goal?   | Time- bound<br>When should this be achieved by?  |
|---|---|--|---|---|--|
| To introduce a metaverse virtual store as Uniqlo's new digital marketing strategy on Fortnite | <ul style="list-style-type: none"> <li>- Work with the design team to establish the product range</li> <li>- Establish necessary in store technologies that will be required</li> <li>- Collaborate with Fortnite again – use Uniqlo clothing as skins</li> <li>- Collaborate with VM team to design metaverse store</li> </ul> | <ul style="list-style-type: none"> <li>- Success will be measured by the number of garments (skins) purchased on Fortnite</li> <li>- Increase consumer engagement instore using AR/ VR technologies by 15%, (and in the pop-up store)</li> </ul> | <ul style="list-style-type: none"> <li>- The goal is achievable as it has been done in industry previously, Selfridges department store opened up a virtual store using Decentraland during the metaverse fashion week (Northman, 2022).</li> <li>- High street retailer Zara have also launched their third digital collection with Zepetos metaverse (Zara.com, 2023).</li> </ul> | <ul style="list-style-type: none"> <li>- The metaverse brings together the convenience of online shopping with the ability to experience products virtually through immersive technologies, it will also allow Uniqlo to cost effectively test new designs, such as the pair of heels (product development project) and gather feedback from consumers (Dey, 2023)</li> </ul> | <ul style="list-style-type: none"> <li>- Launch in time for A/W 22/23, video game spending usually peaks in November/ December (Richter, 2020), therefore launching the metaverse store around this time is advantageous to generate a buzz for potential customers</li> </ul> |

# UNIQLO



**Freya Clark 10739654**  
**lushi Patel 10680151**  
**Imogen Schofield 10743779**  
**Xiaotian Zhang 10664350**  
**Juqing Jin 10716254**  
**Haichuan Wang 10558698**