

UNIQLO STRATEGIC DEVELOPMENT REPORT 2023



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EXECUTIVE SUMMARY

ABSTRACT

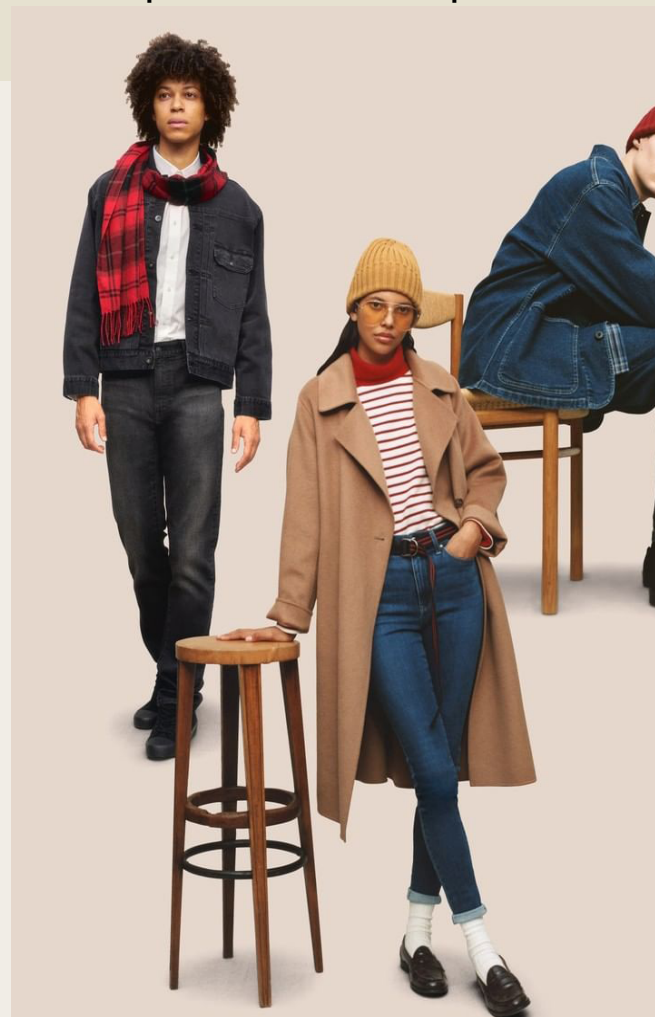
According to the expansion of globalised development of Uniqlo brand, the difference between the expansion in the UK market and the development in the Asian market is gradually revealing. This presents by operating profit decreased by 2% year on year to £737.89m [¥117,077] in the same period (Drapers). The pain points of Uniqlo is lack of marketing strategies and low transparency in supply chain. Meanwhile, the perspectives of brand development can concentrate on stimulate brand Omni-channel presence and put more on recycled material.

BRAND ISSUES

1. Financial issues
2. Poor marketing
3. Lack of sustainability
4. Accusation of Greenwashing
5. Area specific products
6. Limited shopping experience

PROPOSED TARGET CONSUMER

Customise products and services to the preferences and needs of different consumer groups, such as launching specially designed products for UK local styles and expanding the size range to broaden the consumer base.



SUSTAINABILITY M

With the Tag of 'Unlocking the Power of Sustainability', Uniqlo has set a focus on products, supply chain, and communities, Uniqlo is aiming to change the world better through our business.

BRAND MISSION

“The meaning of clothes is changing as we witness a strong shift from clothes worn to beautify or emphasise the social status of the wearer to clothes designed to enhance the comfort of everyday life. We continue to improve our clothing in line with our LifeWear concept, creating simple, quality garments designed to fully meet the needs of everyday life and enrich the lives of all people around the world as the basis on the premise of heightened environmental sustainability.

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MISSION

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STRATEGIC OBJECTIVES

INTERNATIONALISATION



- Expanding globally to reach out to new customers.
- Use social media for global expansion.

INNOVATION



- PHYGITAL experiences.
- Advanced digital technologies.
- Sustainability in supply chain and overall brand.

REBRANDING



- Target new customer demographic 6-15 years old.
- Refine current products.

Figure one: Key strategic themes with strategic objectives. (Author’s own, 2023)

PRODUCT MODIFICATION ALIGNED TO SUSTAINABLE

It is recommended that Uniqlo introduce a product transformation strategy that is in accordance with sustainable development trends in order to promote the implementation of Uniqlo's sustainable development plan and improve consumers' perceptions of Uniqlo's products as inexpensive and not durable. Clothing created from recycled materials can significantly enhance product lifespan while eliminating

environmental hazards throughout the manufacturing process, striving to improve customer impressions and committing to leaving a pleasant impression on consumers through sustainable development techniques. The utilisation of recycled materials and the usage of responsible down standard elements to give a positive image on consumers ready to support Uniqlo's development.

TRANSFORMING OUR
FUTURE, STEP BY STEP



Clothes made from recycled polyester

Uniqlo manufactures clothing from recycled polyester. It not only helps to reduce PET bottle pollution to the environment, but it also allows consumers to enjoy the product's smooth touch. Although the percentage of recycled material varies between products, such items that conform to sustainable development principles, on the other hand, might leave a pleasant impression on consumers and motivate them to make future Uniqlo purchases.



High Tech Vegan Leather

The use of plain leather rather than animal leather is regarded as a product transformation in keeping with long-term development trends. For example, Modern Meadow produces leather by fermenting yeast cells in the same way as beer is produced. With Grand View Research (GVR) estimating that the global faux leather market would reach \$85 billion by 2025 and more consumers opting for animal-free items, Uniqlo should grab the chance.

Upcycling

Upcycling involves reusing lightly used materials or unsold stock to create new clothes. According to GlobalData Retail data, 56 million women purchased used products in 2018, a 27% rise over the previous year. It is predictable that second-hand fashion will quickly catch up with and surpass fast fashion. This method can benefit Uniqlo in more ways than one. Helping Uniqlo lower product costs can also leave consumers with the sense that Uniqlo promotes sustainable development, allowing Uniqlo to acquire a competitive advantage.



Justification

Consumers are becoming more aware of critical environmental issues and are demanding greater accountability from fashion firms. Gen Z customers are action-oriented, and they want to buy brands with product-level sustainable credentials. In addition, according to a recent Drapers poll, 92% of shoppers are becoming more interested in sustainability. To meet the needs of future consumers, Uniqlo, a traditional fast fashion company, must pay attention to the use of recycled materials, plain leather materials, upcycling old clothes, and other sustainable product transformations that meet the trend of sustainable development.



UNIQLO OMNI-CHANNEL DIGITAL CAMPAIGN

Casual Essentials

The omni-channel digital campaign developed for Uniqlo seeks to boost sales and customer interaction through a variety of digital channels. The shaped utilisation of the most leading-edge digital technologies to offer a seamless, integrated customer experience, including search advertising SEO, social media, email marketing, content and influencer marketing implementation.

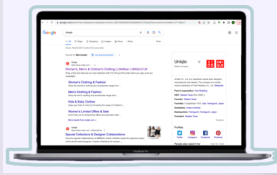
The campaign is intended to increase brand recognition, boost traffic on Uniqlo's online presence, and generate channestream sales. To fulfil the campaign's mission statement, it prioritises customised messaging, high-quality correlations, and cutting-edge digital experiences.

Businesses utilise omni-channel management to respond to the proliferation of digital and sharing economy business models that demand convenience of products and services. Uniqlo's omni-channel digital campaign aims to offer a smooth, captivating, and uniquely tailored customer experience across all digital channels.



Casual Essentials

Develop A Consistent Brand Image



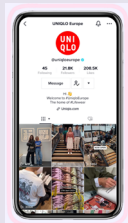
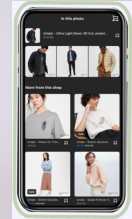
01

By generating a search engine optimisation, Uniqlo can provide its target audience with an apparent and enjoyable browsing on the top search result of any mainstream search engines, ensure the swift shopping experiences at this fast-paced retailing environment when they have the intentions to search brand on any website.

02

Interactive Communication

Provide the estheticism, and entertainment experiences within social media platforms to allow Uniqlo and its products are implemented under the rational and emotional consumer decision-making perspectives and enable to direct to the purchase journey. To generate the cohesive consistently customer experience with interactive, immersive, and engaging perception.



03

There is an interactional communication to align with co-creative generation to engage among all parties: Uniqlo's products, social media platforms, influencers to lead content marketing. Not only leverage and enhance the relations between the three parties to build a more solid long-term collaboration, but a prominently preferable user-generated content creation with more interactive, escapist and immersive participation for audiences.

04

Uniqlo omni-channel digital campaign consistently generate and deliver personalised emails to promote credibility and customer engagements through blog subscribers' newsletters, follow-up emails to website visitors who downloaded something, customer welcome emails, holiday promotions to loyalty programme members might send during an email marketing campaign.



JUSTIFICATION

Omni-channel

JUSTIFICATION

Omni-channel

Generated Engagement ·

· Personalised Customer Experience

Increased Brand Awareness ·

· Targeted Higher Conversions

Improved Customer Retention ·

· Data-Driven Optimisation

01 Find online-exclusive designs and sizes on search engines



02 Create a list of your favourite looks recommend on social media platforms



03 Sign up for notification through email marketing



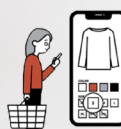
04 Enter Keywords and look through social media content with recommendations provided



05 Get inspirations with content sharing and from influencer referrals with UNIQLO's best styling suggestions



06 Confirm online availability of your chosen items and styles



UNIQLO



DIGITAL CHANNELS

REALIGNMENT

Individual Brand Concept

According to the 2023 Uniqlo Strategic Development Report, the analysis of Uniqlo's brand issues proposes three main goals of internationalisation, innovation and re-branding (Group 9, 2023). In response to Uniqlo's current issue of limited retail shopping experience and the re-branding focus on the baby and kids market aged 0-14 years old, the Uniqlo Kids & Baby Pop-up Store is proposed.

As the oldest members of Uniqlo's main consumer group, Generation Z, have turned 28 in 2023, the majority of them are becoming new parents and the primary consumers of infant and children's clothing, which will lead to a generational shift in the infant and children's wear market (Wu, 2023).

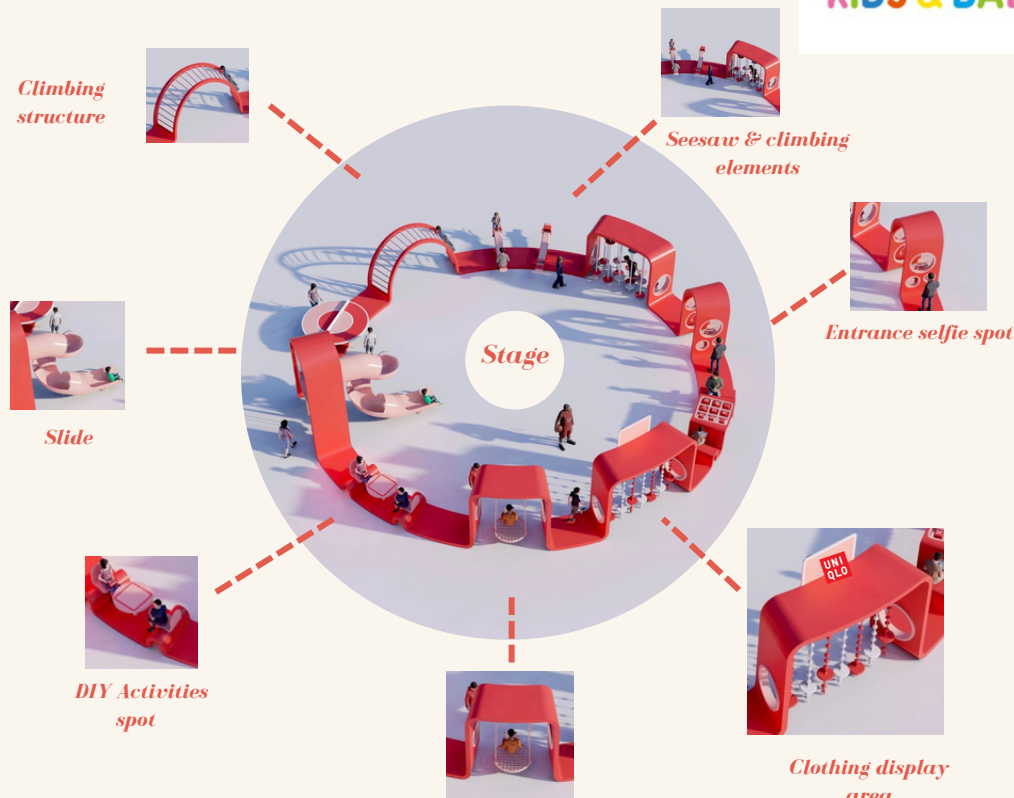
Moreover, the Uniqlo Kids & Baby Pop-up store concept will be piloted and implemented in the Chinese market, as the brand's development trend in China is quite promising. In 2022, sales in the Chinese market increased by 1.1% to 538.5 billion yen, accounting for 23.4% of the brand's total revenue, second only to the 35.2% share of the Japanese business. Additionally, the number of stores in China has reached nearly 900, exceeding the number of stores in Japan (Fast Retailing, 2022). China also has a large population of children, and the number of newborns is increasing, making the Chinese infant and children's clothing market more advantageous (Statista, 2023).



POP-UP
STORE



Output Visualisation

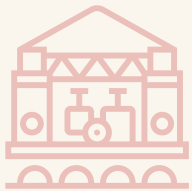


LAYOUT PLAN

The pop-up store is planned in the form of a 'play circle', with a main stage in the middle of the circle. The main colour is a light red similar to the Uniqlo brand colour, a bright colour that is attractive to babies and children and in keeping with the brand's tone.

Uniqlo's pop-up store features different areas catering to for different age groups of children and babies and parents of children.

For infants and toddlers within the age of 2, the DIY activities spot are set up. Since they at this age tend to focus on color recognition and developing hands-on skills, parents can engage with their babies in painting and hands-on activities at the DIY activities point. The parent-child DIY works can be ordered and printed on baby apparel exclusively at Uniqlo pop-up store through the pop-up store's mini-program.



The main stage area is used for safety observation and safety reminders for the play area, as well as for warming up for raffle promotions or celebrity parent story-sharing sessions.

Children over the age of 2 can generally play alone without their parents, and the main focus is on physical movement activities, with easy activity areas such as slides and seesaws available for younger children and climbing areas for older children. At the same time, parents can take photos with children at the selfie spots or shop for new children's clothing in the display area.



Justification

Uniqlo's pop-up store strategy for the Chinese kids and baby's clothing market targets a continuously growing niche market with tremendous potential. The large population of children in China, coupled with the influence of the three-child policy, has led to an increasing proportion of newborns and a steady rise in the market share of baby and children's clothing.

Additionally, the pop-up store model offers several advantages for Uniqlo:

1. Testing new market segments with fewer time and location constraints.
2. Enhancing brand exposure.
3. Strengthening consumer interaction and improving retail experience.
4. Lower rental costs compared to fixed locations, allowing for efficient coverage across multiple cities.



Justification

The new Convert Garden store is a major retail space that focuses on life's essentials—clothing, art, and community and promotes sustainable concepts in store. UNIQLO offers opportunities to experience enriching activities at the Convert Garden store including customization of T-shirts, Repair & Reconstruct old clothes, flower pop-ups, and a café.

1. *Improve customer experience*
2. *Maximize the effect of the store environment*
3. *Applied digital technology*

However, this store is more complicated than other stores. Thus, employees need to be fully trained and ensure every activity needs to be considered customers' safety as the priority.



In-store atmospherics



Design factor:

The building is bathed in natural light courtesy of the vaulted glass atrium over the open courtyard at the heart of the store, which adds to the relaxed and spacious feel of the store designed to allow people time to view the collections alongside comfortable seating areas throughout. UNIQLO utilise this courtyard to influence shopper moods which

Ambient factor:

This space also has a plant and flower pop-up with JamJar, offering potted plants, dried flowers, books, flower presses and prints, as well as self-service check-out points. The decoration of flowers is one of UNIQLO's touchpoints in the customer journey. Flowers have a long-term positive effect on moods, therefore it can influence the customer behaviours.



Social factor:

This space creates for a coffeeshop inside of Convert Garden store. Shoppers can enjoy the smell of coffee and chat with friends in-store. The new UNIQLO store provides a social attribute to our clients which is the touchpoint to enrich customer experience.



Trialability factor:

The UNIQLO Repair Studio will provide both simple and elevated repair services based on the Japanese Sashiko stitching technique. People can DIY the prints on T-shirts, and the purpose of this section is to promote interactions with our customers. UNIQLO can enhance the relationship with customers during the process of repairing. Customers can feel the brand culture and concept in the in-store journey.



Ambient factor:

This is a live-music play to celebrate the opening of Convert Garden store. Music as a medium to help UNQLO to close the distance with shoppers in-store. People feel relaxed in-store and usually respond to approach behaviours such as purchases and store exploration.



Trialability factor:

UNIQLO applies Self-checkout technology in the UK physical stores. It helps UNIQLO to stand out in the fast fashion market and gives high expressions to customers during the purchase stage. At the same time, it can help UNIQLO to reduce labor costs.



*The Retail In-store Atmospherics of **UNIQLO***



Executive Summmmary

Managing store atmospherics is an important task for UNIQLO. UNIQLO claims that the purpose of physical stores is to create seamless shopping experiences for our shoppers and enhances interaction with consumers in the retail atmospherics. Thus, UNIQLO opens its 17th store at the Convent Garden, London. This store passes the concept of LifeWear and adds some activities to stimulate shoppers' behavior in order to generate purchases. Furthermore, UNIQLO aims to open 30 new stores each year in Europe and North America to let more people experience its products offline. Hence, UNIQLO will continue to improve customer experiences in the future.

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