

# **Introduction to Fashion Marketing**

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The word "MANGO" is displayed in a bold, black, sans-serif typeface. The letter 'O' is stylized with a small gap at the bottom. The text is centered within a thin black rectangular border.

**Presented To**

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<b>S.NO.</b>	<b>TOPIC</b>	<b>PAGE NO.</b>
<b>1</b>	Introduction	<b>1</b>
<b>2</b>	Mission	<b>2</b>
<b>3</b>	Market	<b>3</b>
<b>4</b>	SWOT Analysis	<b>3-5</b>
<b>5</b>	Consumer's decision making process	<b>5-6</b>
<b>6</b>	Segmentation	<b>6-7</b>
<b>7</b>	Targeting	<b>7</b>
<b>8</b>	Differentiation & Positioning	<b>7</b>
<b>9</b>	Positioning Map	<b>8</b>
<b>10</b>	Mango's value proposition	<b>8</b>
<b>11</b>	Bibliography	<b>9</b>

## 1. INTRODUCTION

Fashion, today, is not just a business. It is an expression and an extension to a person. Everyone has a particular taste and preference when it comes to fashion. From shoes, accessories to clothing, everyone chooses what makes them look beautiful and feel confident. However, not all fashion and apparel brands are out there in the market that provide with a whole lot of choices when it comes to fashionable clothing. Fortunately, MANGO, the hightrend Spanish retailer, does not disappoint.

MANGO MNG HOLDING, S.L.U. is the parent company of a group of companies whose principal corporate purpose is the design, manufacture, distribution and marketing of clothing garments and accessories through the MANGO/MNG fashion distribution chain. It is a family company and a sole trader.



Mango Design Centre in Spain  
(<https://wwd.com/wp-content/uploads>)

Originating in Barcelona IN 1984, MANGO has become a manufacturing powerhouse and multi-international clothing brand focusing on women's, men's and kids apparels and accessories with a clear intention to dominate and become a fashion empire.

Today, the brand has grown into Spain's second largest textile exporting company. By satisfying the fashion appetites of European markets and beyond since 1984, this innovative fashion mogul lends its continued success with the vision of establishing a fashion presence in every major city around the world. In spite of major competitors like Zara and H&M, MANGO continues to expand, by boasting a team of designers who are always up to date on the latest trends by doing researching, attending trade fairs and fashion events, reading fashion magazines, and travelling in order to see how the fashion sector is evolving in the world.

## **1.1. MISSION**

The mission of the company has always been “to be present in every city in the world”, but not to lose sight of the values which permeate the MANGO/MNG culture: Humility, Harmony and Affection.

MANGO was created with the aim of providing quality clothing for a young, urban market according to the latest fashionable trends at a reasonable price. To be able to carry out this mission it has based its business model in three basic aspects, their key to success: its People, Concept, and its Logistics System. Enric Casi, former Managing Director, emphasized that “to be able to maintain profitability, MANGO sets itself apart by means of its human capital, its processes and its technology”.

### **1.1.1. The People**

MANGO/MNG’s greatest asset is its people. Xavier Carbonell, Director of Corporate Social Responsibility, indicated in one of the interviews that “behind growth, there are always people” and Enric Casi added that “nobody is right and in an intensely creative, high tech company, order and control does not work”. MANGO has based its business culture on human relations, team-work and the continuous training.

### **1.1.2. The Concept**

What sets the company apart is their highly defined concept arising from the interrelation between a quality product with an original design and a coherent and unified brand image. This, along with Single Model Production Standardization (constant quality, same characteristics etc.) has allowed the company to transmit a unique brand concept throughout the world.

### **1.1.3. Logistics System**

Another of MANGO’s main motors of growth is the development of its own logistic system, SLM, which allows it to manage, direct and take decisions throughout the complex process of Design, Manufacture, Supply, Sales and After-sales in a completely automatic way. The main characteristics of this system reside in Speed, Information and<sup>14</sup> Technology. Its objective is to allow each establishment to be connected to MANGO’s headquarters in real-time through a Sales Management Program via Internet which allows it to obtain constant stock data from each store and to carry out article transfers between stores or garment replacements.

## 1.2. MARKET

MANGO currently has a total of 2,741 stores in 109 countries worldwide of which 1,103 are company stores and 1,638 franchises. As for national and international expansion, the brand has both company stores and franchise stores. The franchise system is used in countries where the cultural and administrative characteristics are different to theirs' and it is therefore more appropriate that people in their own country manage the stores. This management system is also used where there is a good location and when the characteristics of the market make it more appropriate. MANGO offers a "ready-to-go" business so that the company can concentrate on brand building and leave the expansion to its franchisee. They offer their franchise system throughout the European Union and in the major world capitals and cities.

## 2. SWOT ANALYSIS

Given below is a detailed SWOT Analysis of MANGO as a brand.

### 2.1. Strengths

- ✚ MANGO's mission has always been to have a strong brand presence in every city of the world. As a result, MANGO currently has a total of 2,741 stores in 109 countries worldwide.
- ✚ Strong roots, years of excellent service and continuous innovation has helped MANGO earn a strong brand name for itself, placing an additional value in the brand.
- ✚ MANGO has a solid business model with its people as their greatest assets.
- ✚ MANGO is considered as a people's company because of the close, personal treatment given to their employees. They also have their own logistics system allowing them to obtain constant stock data from each store and carry out article transfers between stores or garment replacements.
- ✚ As a part of their diversification strategy, MANGO has forayed into men's wear, kid's wear, plus-size women's wear and women's accessories and sports and intimates.
- ✚ MANGO expanded their global market rapidly due to franchise system with about 65% of franchised stores.
- ✚ The presence of stores at prime locations has given the brand a strong footing in terms of the overall brand equity.
- ✚ MANGO conducts design competition MANGO Fashion Awards and collaborates with renowned fashion designers and celebrities, which brings out new product concepts whilst arousing the attention from media and consumer.
- ✚ MANGO has launched an app for both its IOS and Android users to give its customers an experience of shopping-on-the-go.

## 2.2. Weaknesses

- ✚ All the apparel is designed and sourced from Spain which can cause serious concern when it comes to pricing as compared to its European counterparts.
- ✚ The major revenues earned by the brand are from apparel and not from other product lines.
- ✚ They lack competitive strength and do not regard what their competitors are doing for their businesses.
- ✚ Although they are a part of all the social media sites, MANGO isn't utilizing social media platforms to its full advantage, unlike its' competitors.
- ✚ Not all outlets in the world are retailing product lines other than women's wear.
- ✚ MANGO has not been able to clearly position itself in the fashion industry.
- ✚ Although MANGO states that design is one of their core activities, the products they offer do not seem to attract enough customers, as compared with other trend-oriented brands like Zara and H&M.
- ✚ As far as the price is concerned, there are many value brands that MANGO cannot compete with such as M&S.
- ✚ As a fast fashion brand, MANGO takes 3-4 months to bring out the garments from design centre to stores, which is much slower than the 4-5 weeks of Zara.

## 2.3. Opportunities

- ✚ MANGO can emerge into retail markets which are largely unsaturated and can instill growth and stability for the brand.
- ✚ MANGO could work on improving the time between design to sale to come at par with its competitors.
- ✚ They can expand their online influence by hosting online competitions, etc.
- ✚ They could leverage the balance sheet to allow MANGO to quickly expand into other markets and products, especially in fragmented industries.
- ✚ Use of new technology could help MANGO to better meet their customer's needs with new and improved products and services, as technology builds a competitive barrier against rivals.
- ✚ MANGO can differentiate from its competitors by re-evaluating its position in the market.
- ✚ MANGO can start including consumers with a reduced disposable income in order to expand its customer base.
- ✚ MANGO should start retailing its other product lines like MANGO Man, MANGO Kids, in other markets as well to give its best to its customers.
- ✚ They can work on their in-store merchandising as well as window displays to influence the minds of their existing and potential customers.

## **2.4. Threats**

- ✚ Trade barriers in terms of fluctuations in terms currency denominations can be a serious threat to the overall sales revenues.
- ✚ The highly fragmented fashion industry means low brand loyalty and high bargaining power for consumers due to low switching cost. However, MANGO's bargaining power and brand identity is feeble as compared to its competitors.
- ✚ The emergence of many new designers/brands in this segment could pose a serious threat to the brand.
- ✚ MANGO is constantly considered as a strong competitor of Zara and H&M, the two retail giants with more influence than MANGO. Both of these brands use a multi brand approach to occupy wider audience and expand market rapidly. Each of their sub-brands creates a clear brand personality.
- ✚ Since its advertisements lack originality, concept and effectiveness, MANGO might soon become a 'boring' brand and start losing its recognition in the industry.
- ✚ The availability of substitute products by other brands hurts MANGO's ability to raise prices, because customers can easily switch to another product or service.
- ✚ The concerns of ethical fashion and transparency of supply chain has been increasingly arousing the attention among the government and the customers, risking all major brands including MANGO.
- ✚ While the franchise system takes MANGO into the international markets effectively, there are challenges that MANGO might face including maintaining relationship with franchisees, keeping business in control, and raising the profits.

## **3. CONSUMER'S DECISION MAKING PROCESS**

Consumer buyer behavior refers to the buying behavior of final consumers that can be individuals and households who buy goods and services for personal consumption. Below are some factors influencing the MANGO consumer's buying behavior.

### **3.1. Cultural**

MANGO adapts its design to reflect the cultures of culturally distinct countries. This is a way MANGO responds to consumer ethnocentrism, a psychological construct whereby consumers intuitively make sense of their world and interpret their environment from their own perspective.

### **3.2. Social**

MANGO consumers love scrolling on social sites like Instagram, Facebook and so on. Therefore, the brand makes sure it is up to date with trends. They hire influencers or brand ambassadors to provide assurance to the customers.

### **3.3. Personal**

Buying behavior of MANGO consumers depends on their lifestyle. Their consumers are the middle to upper middle class so prefers an affordable apparel. They are young to old and does like to indulge once a month in their favorite store. The MANGO consumers are always on the go so they like to see the advertising and marketing of MANGO.

## **4. SEGMENTATION**

MANGO's segmentation is done on the basis of product lines they offer. Hence, MANGO Woman will have a different segmentation as compared to MANGO Man, MANGO Kids and so on.

### **4.1. Geographic Characteristics**

Customer clothing preferences vary with different regions or geographical areas. MANGO establishes its stores in markets that have emerged as fashion-conscious or are emerging in this sector. They focus on the urban areas of a region to match with other variables. They create collections for both Spring/Summer and Autumn/Winter and hence, they don't have a climate preference as such.

### **4.2. Demographic Characteristics**

MANGO consumers are kids from newborn to 17 years of age and the ones who are of 18 years all the way up to 50 years of age including men and women. This includes all the young, the middle-aged and the early old-aged men and women. Their customers vary from ages because they speak out to the clientele who keep a sense of simplicity that never gets old. Hence, they can belong to a joint family or could be living nuclear, can be married, committed or single.

### **4.3. Psychographic Characteristics**

MANGO's clientele is those who are price-conscious and highly aware of the latest fashion trends. They are well-aware of the fact that for good quality products, like those offered by MANGO, they need to pay a reasonable price and they respect that. They are always on the go with the right fashion sense. They like to be current and have the latest in trends. MANGO's customer has a keen eye for style and is active and driven. They aim to be successful. Compulsive, outgoing, sensible and creative, they are an avid user of the MANGO website,



browsing the current collections. Technology plays a big part in their lives; they can be found tweeting their thoughts or instagramming their daily doings. Cocktails, family, and weekends are high in their priorities also.

#### **4.4. Behavioral Characteristics**

For MANGO, its customers belong to the Upper class and Middle-class segment, earning a comfortable life for themselves or living one. They can be a working who is aware of their surroundings and educated enough to make their own choices. Hence, they target people who are literate as such embodies the very essence of the brand.

### **5. TARGETING**

MANGO has targeted fashion conscious females and males from the middle-age group belonging to the upper and upper-middle section of urban cities as its potential customers. For them, age is just a number and that cannot stop them from following the latest fashion trends. They understand the value of what they buy and hence, spend the hard-earned money on quality. Mango has positioned itself as a complete and unique lifestyle brand that offers trendy and up-to-date apparels. The consumers are up to date with technology, fashion and the world. They are independent, literate and find fashion as an expression of who they are.

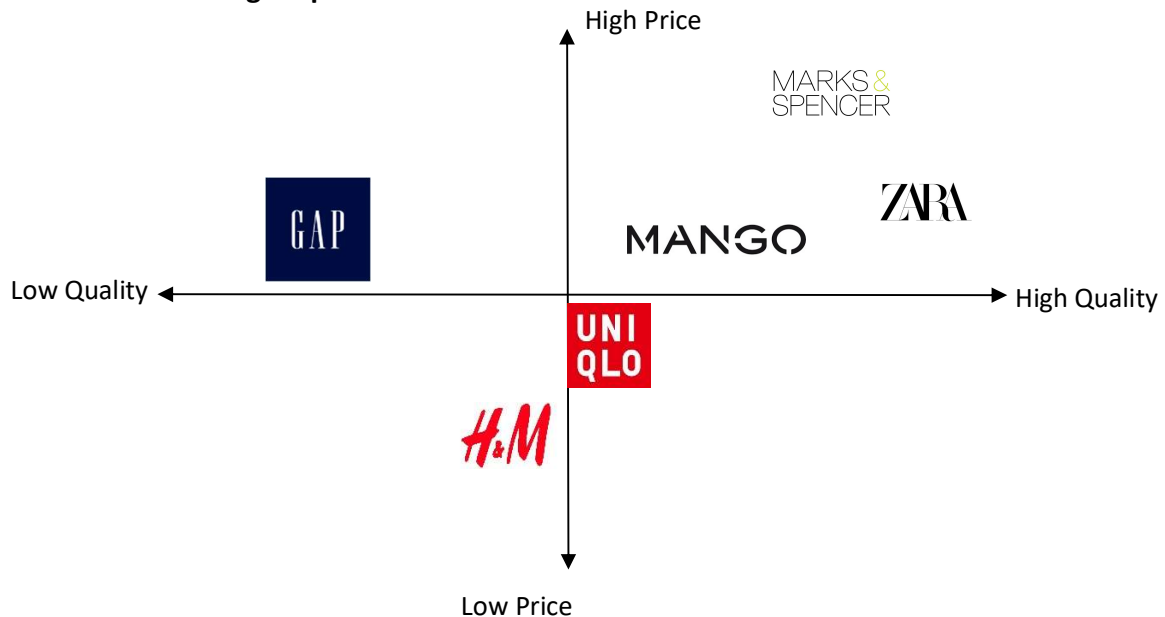
“We have a very focused strategy,” as per Enric Casi, MANGO’s former chief executive. “We target people who want the latest in fashion trends. If we were aiming at the entire public, we would not be loyal to our true customers.” Casi asserted that their target is “30% of the people who pass by our shops; we could not try to attract all 100% because we would lose our identity.” He added.

### **6. DIFFERENTIATION & POSITIONING**

MANGO is a complete lifestyle brand retailing product for the mass market and the fashion comes from Spain. They are medium-priced and are perceived to be a privileged brand that caters to the mass of people who can afford it. MANGO’s products are considered reliable and make the customers feel young and trendy. They are more about day-to-day wear, offering colours and silhouettes that are comfortable. MANGO is all about being minimalistic and this design quality has helped MANGO in meeting eye to eye with its competitors.

MANGO faces competition from a lot of well-established fast fashion brands such as H&M, Marks & Spencers, Gap and Uniqlo. But the major competition comes from Zara as they have a lot in common. Mango is less trendy than H&M and more intimist than Zara.

### 6.1. Positioning Map



### 6.2. Mango's Value Proposition

MANGO offers high quality and well-designed clothes at reasonable prices for young and urban women all over the world. "Amazing fashion. Amazing prices" is what the company aims to emphasize in the mind of its target customers. Following Zara's footsteps, MANGO does not replenish in two – three weeks but instead replaces sold-out styles with new looks. That way, shoppers know to purchase an item when they see it because they might not have the opportunity to again, resulting in fewer markdowns and stronger margins.

The concept of a global brand, the efficiency of its computer and logistics systems, as well as its team of professionals have been key factors for MANGO'S sustained growth over these years. Presently, the company is developing a dynamic advantage in dealing with continuous changes in the environment. This requires continual readjustment to productive-logistic processes through IT. This competitive advantage along with the culture of human relations means that the business model can continue to maintain its sustained growth.

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