

Uniqlo's Winning Strategic Capabilities

Nikoleta Alexopoulou
Janice Feng
Fiona Liu
Huirong Liu
Ziyan Liu
Cem Yenel





*Value
proposition*

*Made for All
Made you life
better
& effortlessly
chic*

Capabilities

*Brand
Building*

*Brand
Building*

*Sales &
Promotion*

Right to Win

*Brand
Collaborations*

*Low-cost
operational
strategy*

*Fast Global
Expansion*

Company Background

UNIQLO 101

Founder: Tadashi Yanai

-One win nine losses

-#1 Forbes Japan's 50 Richest 2020

Founded: 1949 (Ogori Shoji, Origin)

1963 (Fast Retailing)

Parent Company: Fast Retailing Co., Ltd

Global Stores: 2,260

Stock Exchange Listing:

Tokyo Stock Exchange (First Section)

The Stock Exchange of HK (Main Board)

UNIQUE CLOTHING WAREHOUSE



1999.2
Company stock (Fast Retailing) is listed on the First Section of the Tokyo Stock Exchange.

2014.3
Fast Retailing Hong Kong Depository Receipts (HDR) are listed on the Stock Exchange of Hong Kong.

1984.6 Hiroshima, Japan
First UNIQLO store opened

2000.10
E-Commerce business launched

2001.9 London, UK
First UNIQLO store outside Japan

2006.11 Soho, NYC, US
First UNIQLO global flagship store

2011.10 5TH Ave, NYC, US
Global flagship store

Company Financials

Stock Price & Volume



- Back to pre-Covid stock price level after ~6 months
- Investor sentiment slowly recovering because of growth of sales in APAC

UNIQLO INTERNATIONAL

FY2019 Results

Revenue	¥ 1.026 trillion	YoY +14.5%
Operating profit	¥ 138.9 billion	YoY +16.8%

- Rapid growth in Greater China and Southeast Asia & Oceania
- Aggressively opening stores in prime locations

UNIQLO USA



- US E-commerce grows 30% YoY
- More accurate regional products

Customer Value Proposition

Made for All

- Clothing for Everyone
- Transcend the divisions that separate people, such as age, race & gender

Make your life better

- Technology
- Utility
- Quality
- Culture

Make you effortlessly chic

- Only brand that provides vogue japanese fast fashion
- Fashionable but not trendy



See Why The Fashion Elite Loves UNIQLO

Strategic Capabilities in Brand Building

"Uniqlo is a modern Japanese company that inspires the world to dress casual."

- Clear version of brand positioning - Made for all
- Company culture & leader
Flat organization
Charismatic owner-founder
- Brand communication
Socially-conscious
Celebrity brand ambassadors

UNIQLO GLOBAL BRAND AMBASSADORS



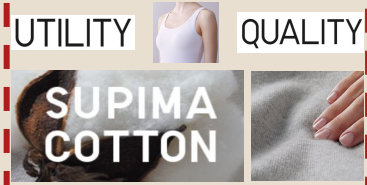
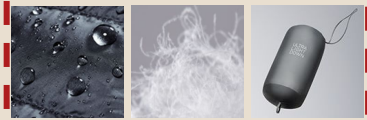
High quality
Performance
Universal
Basic casual
Affordable



UNIQLO Sustainability



Combination



Strategic Capabilities in Brand Building

"it is the store to go to when consumers seek trendy and chic items that also serve well as staples."

Uniqlo Collaborations - Foundation of The Brand

- **Cartoon Character**

KAWS x Sesame Street
Disney
Takashi Murakami x Doraemon



- **Famous Designer**

Jil Sander
Christophe Lemaire
JW Anderson



- **Cross-Border**

ramen
McDonald's



Tap on the star power of the biggest names in a variety of areas



Christophe Lemaire



Jil Sander @Peter Lindbergh



[View Items](#)



[View Items](#)

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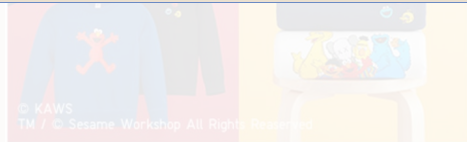
Jil Sander
Christophe Lemaire
JW Anderson

- **Cross-Border**

ramen
McDonald's

Right to Win - Branding collaborations:
partnering with the biggest names in a variety of industries

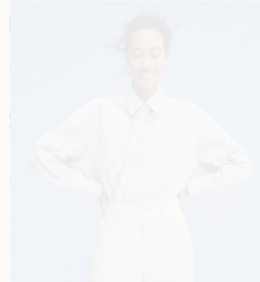
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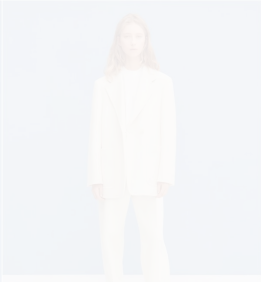
Christophe Lemaire



Jil Sander @Peter Lindbergh



View Items



View Items

Strategic Capabilities in Design & Production

"Uniqlo is not a fashion company, it's a technology company."

● R&D to promote innovation



Word-of-Mouth Strategy
Spread awesomeness

All branded Competitors hard to match its point of differentiation

● Product planning in advance

NOT responding to fast-changing fashion trends

Come up with key product creation teams **1yr ahead**, no seasonality of production

● Strong production network



Outsource manufacturing

Relationships of strong trust with partners

● Stable supplies of top-quality materials

Direct negotiation with materials manufacturers

Place large-volume orders at low cost



Production Department

- Work with mkt department to understand what the end consumer thinks
- In-depth research and experimentation
- Monitor and resolve quality challenges
- Visit partner factories each week

Strategic Capabilities in Design & Production

“Uniqlo is the first to establish the SPA (Specialty store retailer of Private label Apparel) manufacturer retailer in Japan”

- **Mass production model**

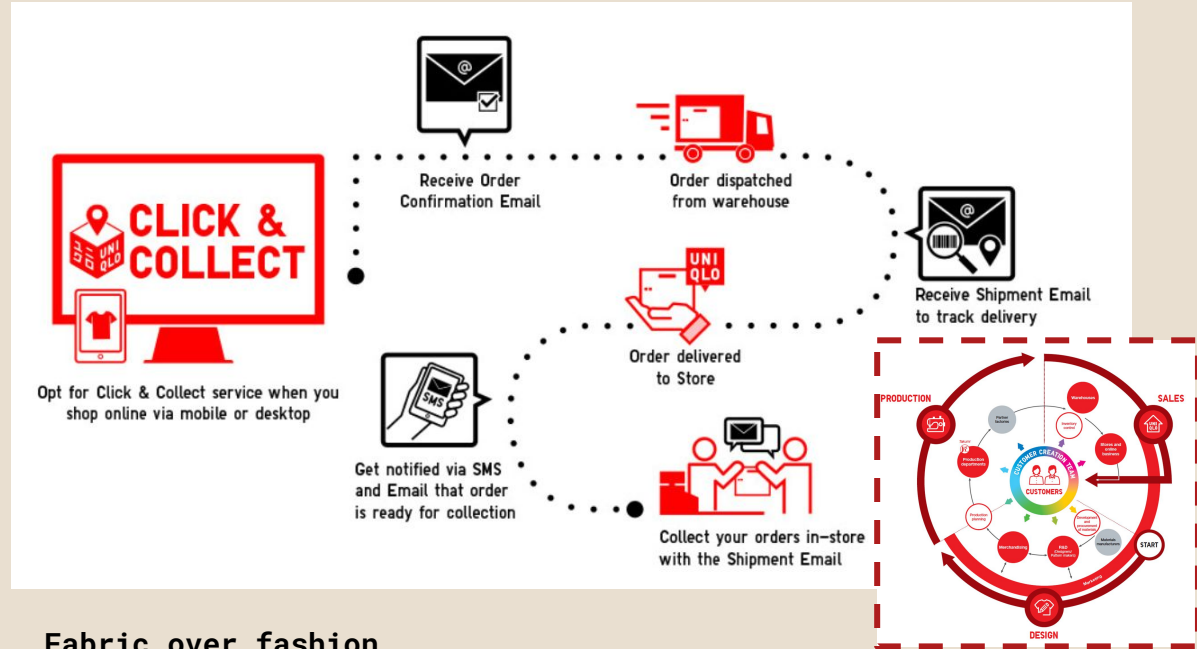
narrow selection of high-quality basics in timeless fashion

Jeans, undergarments, jackets and polo shirts in a plethora of colours



- **Inventory control**

Ensure optimal inventory levels by observing the sales and stock each week and sending out inventory and new products to **meet product orders**



- **Fabric over fashion**

Strategic Capabilities in Design & Production

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Takashi Murakami x Doraemon
KAWS x Sesame Street
Disney
Jeans, undergarments, polo shirts in a variety of colours

- Famous Designer
Jil Sander
Christophe Lemaire
JW Anderson

- Cross-Border
Lacoste
McDonald's

- Inventory control



Tap on the star power of the biggest names in a variety of

Right to Win - Low-cost operational strategy:
mass production of basic stable style and timeless fashion, inventory control, fabric over fashion

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Opt for Click & Collect service when you shop online via mobile or desktop



Get notified via SMS and Email that order is ready for collection

Order delivered to Store



Collect your orders in-store with the Shipment Email

- Fabric over fashion

Strategic Capabilities in Sales & Promotion

"Unlocking the Power of Clothing."



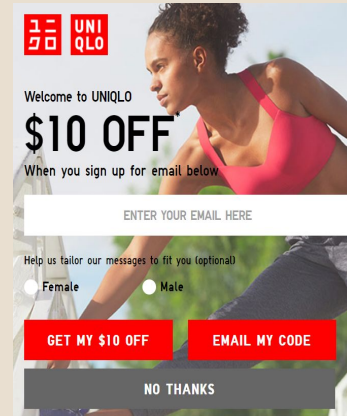
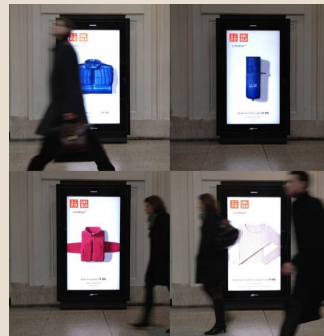
- Heavy advertising, especially digital

Both online and offline

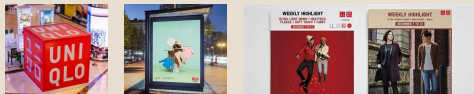
Own website along with Facebook, YouTube and Twitter

Periodic SMS & weekly promos to regular customers

Quirky and viral marketing, e.g., UniQlock, UniqloJump



- Gender-based promotions coupon
Girls, women, boys, men
- Global brand campaigns
- Sustainability in focus
- Minimalism



Multi channel advertising

Strategic Capabilities in Sales & Promotion

"We feel the customer deserves to understand it like this, and it's effective to explain products."

Educating Customers: Very In (store)

- **Train Uniqlo's retail staff**

Uniqlo do not have rules and guidebooks. There's just a sense of urgency about **everything in this place**.

- **Electronic monitors**

Being placed around the stores and playing media that **explains** the unique **attributes** of different kinds of **fabrics**.

- **Omni-channel retail strategy**

across online, offline and mobile, providing convenience for shoppers, such as increasing **coupon value**, **getting info** of products, accumulating **rewarding points**

"Hello, my name is ____, how are you today?"

"Did you find everything you were looking for?" (between floors)

"Let me know if you need anything. My name is ____."

"Thank you for waiting."

"Did you find everything you were looking for?" (at checkout)



Strategic Capabilities in Sales & Promotion

"We need to go where the customer is and cannot forget the locals."

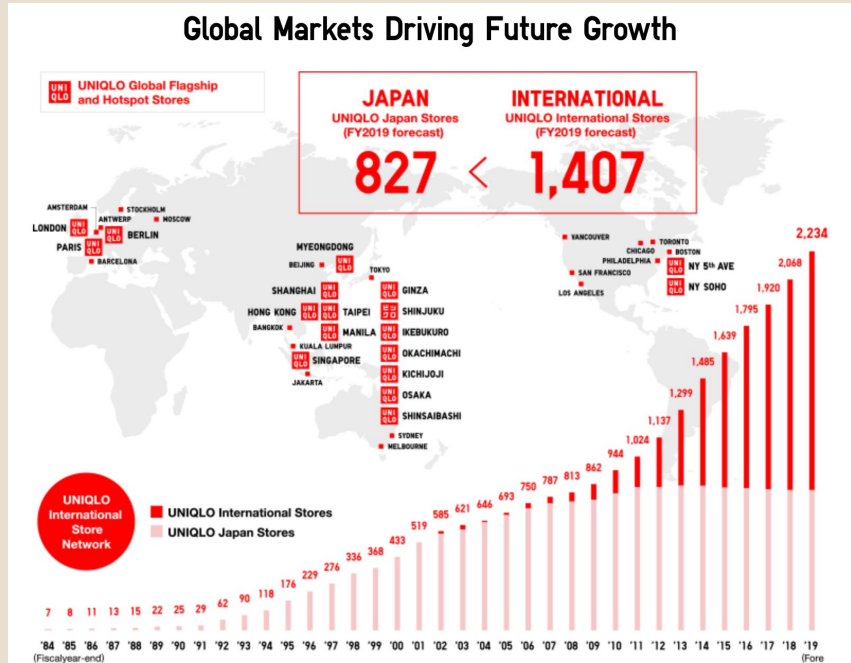
- Global Expansion

The Group's main sources of UNIQLO-driven growth are gradually expanding beyond Japan to Greater China (Mainland China, Hong Kong, and Taiwan) and Southeast Asia.

Uniqlo on Tmall.com in China



Global Markets Driving Future Growth



Localization of its growth strategies



Strategic Capabilities in Sales & Promotion

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- Mass production model
- Global Expansion

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Cartoon characters fashion
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and polo shirts
Global M
colours

- Famous Designer
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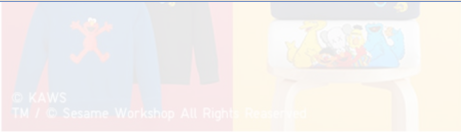
- Cross-Border
Japan
McDonald's

- Inventory control



Tap on the star power of the biggest names in a variety of

Right to Win - Global expansion: especially China's burgeoning eCommerce market



Opt for Click & Collect service when you shop online via mobile or desktop

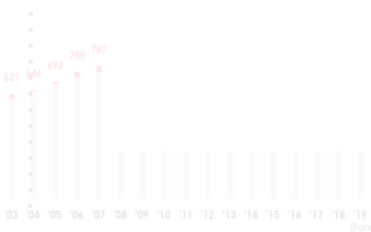


Get notified via SMS and Email that order is ready for collection

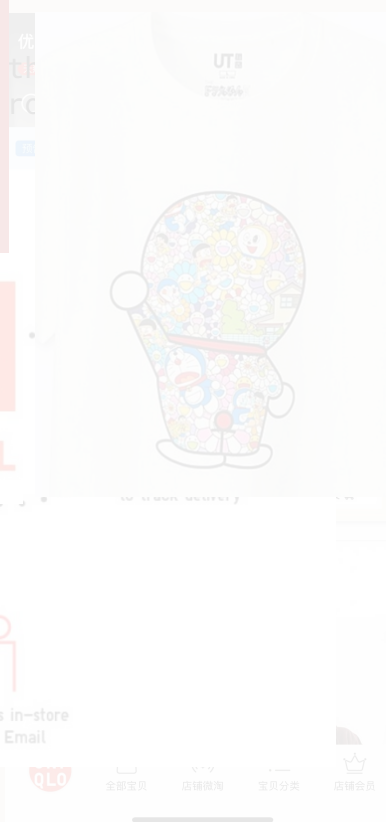
Order delivered to Store



Collect your orders in-store with the Shipment Email



Uniqlo on Tmall.com in China



Competitive Analysis - Direct Competitors

"We do not make disposable clothes" -Tadashi Yanai

Uniqlo

- Clear brand positioning
- Collaborations with

& other stories

- Feminine take on basics
- Importance of personal

Under Armour

- Image: brand for hard-working,

H&M

- The everything brand
- Collaborations with



Expected Outcomes: Challenges/Covid-19

CHALLENGES

- **Low Global Market Penetration**
 - struggling to break into the market share of leading retailers in the US such as Gap and Tommy Hilfiger.
 - Low brand recognition overall
 - Weather sensitive apparel (Heat-tech) not adaptable outside of Asia
- **Supply Chain**
 - issues in scaling up supply chain to reach out to global markets.
- **Decelerating Growth**
 - the retailer's profit forecast missed expectations by 9% in 2019
- **Intense online competition**
 - Massive competition with Amazon

COVID-19

- **Current Losses**
 - Not incorporated the declaration of a state of emergency into business estimates
 - International stores reopened later than initially predicted
 - Impairment losses
- **However, forecast for business profit remains unchanged at 150.0 billion yen**
 - Successful global control of discounting to draw in customers
 - Stronger cost-cutting: basic production
 - UNIQLO Greater China recovering fast.

Expected Outcomes: Opportunities

Opportunities

E-commerce

- FY19: 12% of revenues online
- Goal: 30%

Indian Market

- low priced products attracting Indians but it's still very early days
- successful debut October 2019

Trend with Millenials

- Low cost, decent quality, easy match attributes
- Gap losing edge due to overexpansion

Digitization

Seamless supply chain: revolutionizing logistics with AI, 90% robotic logistics



Impr
accura
sal
predic

System suggests the best course of action after factoring in such variables as production status, inventory level, shipping time etc

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jn and
on

SHIMA SEIKI

ARIAKE PROJECT

- \$917 million upgrade: same front end, more efficient and automated back end
- goal: becoming a "digital consumer retail company"

Current Initiatives

AIRism Face Mask

- Huge instant success in Japan, started world-wide
- 99% filtration
- Comfortable/washable/3 colors-sizes



Re-Uniqlo Project

- Bring old-receive a store voucher
- Started in September, 2019
- 620,000 jackets reprocessed



Blending Virtual & Real New Uniqlo App features

- recommend ways to match clothing according to purchase history
- wider variety of sizes exclusively online
- don't wait the long line, from warehouse delivery



あなた専用の
お買い物アシスタントが、
ついに登場!



Conclu



Thank you!
ありがとうございました

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ahead!

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UNI
QLO