

Management Strategies Adopted by Luxury Fashion Brand Retail Outlets in Uyo Local Government Area (LGA), Akwa Ibom State

Thompson .D; Nwonye N.U & Dominic .E
Department of Home Economics, Nutrition and Dietetics,
University of Uyo, Uyo, Nigeria.

Abstract

This study focused on management strategies adopted by luxury fashion brand retail outlets in Uyo LGA. Specially, it determined: the planning and controlling strategies employed by luxury fashion brand retail outlets in Uyo LGA; and constraints to the management strategies. Three research questions guided the study. Survey design was used for the study. Population for the study was made up of all 34 luxury fashion brand retail outlets in Uyo. Questionnaire was used for data collection. Mean and standard deviations were used for data analysis. Findings reveal eight planning strategies mostly used by the fashion brand retail outlets to include, among others, identification of business goals and business sub-goals; control strategies employed by the managers, among others, were assuming premise of future events, allow management examine assumption, recognise changes in the premise for adaptation, and evaluation of business plan. Findings reveal inadequate finance, scarcity of supply chain and high cost as constraints. Based on the findings of the study, it is recommended that managers of luxury fashion brand retail outlets should endeavour to employ appropriate planning and controlling strategies in their business management.

Key words: Management, Strategies, Luxury, Fashion, Brand, Retail, Outlets.

Introduction

The luxury concept has played an important role in social life of people in the past by being a clear indicator of knowledge and social class which has not changed at present but is only becoming catchier (Bothra, 2013). Today, the demand for luxury brands is ever increasing and brand offering is

continuously on the increase too. Luxury is anything that is desirable and more than necessary and ordinary (Bothra, 2013). Scholars explain it dynamically with changing times and scenarios. There are five characteristics of luxury according to Mortelmans (2005) which include restriction to elites by law or price; complexity of

acquisition; semiotic virtuosity; codes for appropriate consumption demanding specialized knowledge; and high degree of linkage of their consumption to body, person and personality. Since the 1980s, the luxury market has grown at about ten percent per year, a much higher rate than the world economy, making the luxury industry a relevant economic factor (McKinsey 2011). Despite the current economic uncertainties, Bain and Company (2011) forecast the luxury market to grow in the next few years by about five to six percent per annum worldwide. This thus creates current research concerns on luxury fashion products management of the luxury fashion brand retail outlets.

Management is often described as a ubiquitous concept, which is present in every aspect of human endeavour. Whether in business, hospital, religious setting, or even at home, management is indispensable. Management is useful especially in business sector where it is usually the driving force towards the achievement of the business objectives. It transcends from reforming the manager's individual endeavour to entire staff of the business outfit. Management when viewed as a practice is neither a common sense activity, application of common sense of leadership, and codified experience, nor mere financial manipulation (Okeke, 2001). The tasks of management include among others, the formulation, clarification, reinforcement, balancing and communication of objectives, and setting priority among objectives. About 80% of small and medium enterprises are stifled because of this problem of

poor financing and other problems associated with it. The problems that emanated from poor financing include lack of competent management strategies.

Management strategy is a collection of techniques that helps to create a unique identity for an organisation by maintaining brand character, quality and customer interactions. It provides greater appeal and differentiation to a brand; enhances customer loyalty and retention; increases employee engagement and alignment; improves perceptions about product performance; decreases vulnerability to competitive marketing actions; accelerates trade cooperation and consumer response; increases marketing communication effectiveness; Promotes licensing opportunities (Anisa, 2019). According to Gomez-Mejia, Balkin and Cardy (2008), managers play a pivotal role in getting things done by motivating, inspiring and leading others at work. Management strategy includes planning, organizing, staffing, leading or directing, and controlling an organization to accomplish the goal (Gomez-Mejia, Balkin and Cardy (2008). Management of fashion luxury retail outlets need to employ planning strategy for the goals of the organization to be achieved.

Planning strategy is the process of documenting and establishing a direction of your small business by assessing both where you are and where you're going. A well-written plan can play a pivotal role in your small business's growth and success because it tells you and your employees how best to respond to opportunities

and challenge (Eric, 2020). A SWOT analysis critically evaluates the company's Strengths, Weaknesses, Opportunities and Threats. In planning strategy, management defines the mission and vision of the organization. This involves defining business goals, determine staffing, budget and financial needs (George, 2018). In order to implement the planning strategy effectively, adequate control technique must come to play.

Control technique involves the monitoring and evaluation of plans, activities, and results with a view towards future action, providing a warning signal through diagnosis of data, and triggering appropriate interventions, be they either tactical adjustment or strategic reorientation (Julian and Scifries, 2018). Control techniques employed by business outlets are include, assume premise of future events, allow management examine assumption, recognise changes in the premise for adaptation (John, 2018), evaluation of business plan, (Julian and Scifries, 2018), special alert control to check strategy relevancy, evaluate plan on special alert control, monitor multiple source threat, attending conferences to be abreast with business trend which allows the management to monitor multiple sources threats.

Business organizations exhibit typical characteristics: short lifecycles, high volatility, low predictability and high impulse purchasing (Christopher, Lawson and Peck, 2004). This is not indifferent for the marketing of fashion products. It is of paramount importance that luxury fashion dealers

identifies and manages risks in the supply chain and understands the value of marketing in mitigating some of the risks associated to the sales of their fashion products. Managers face constraints which are forces that every organisation must contend with in order to execute management strategies (John, 2016). The author pointed out that, finance, managerial skills, resources, organizational structure, business ideas, poor public relation, high cost are constraint faced by business enterprises. Thiran, (2016) supports the fact by listing business model, organisational structure, leadership and culture as part of the constraints mostly faced by business enterprise like fashion luxury outlets. Carroll (2019) explained that faculty thinking, organisational process, time, culture economy and personal trait of the managers are constraint exposed to managers as they try to implement their strategic planning and control.

Irrespective of these constraints there is increasing demand for luxury brands which has resulted in the growth of emerging markets for luxury fashion houses in Uyo. While some of these fashion houses are having a good time soaring greener pastures in customer loyalty and sales turnover probably due to the brand names they project, their longstanding image and management strategies; others are yet to break-even. The stage gets tougher for the later especially in this wake of information technology where products are marketed via the internet or other e-commercial platforms. This gives an illusion that the management strategies of fashion luxury houses can contribute

a whole lot to the success of the business outfit. Thus, this paper makes an attempt to analyse the management strategies employed by luxury fashion brand retail outlets in Uyo, Akwa Ibom State.

The findings of this study will be relevant to luxury fashion dealers in Uyo, as it will guided them on the best management strategies to be adopted for effective sales. The result of the study will also become an invaluable resource material for subsequent research works in this similar. The study was restricted to luxury fashion dealers in Uyo, Akwa Ibom State.

Objectives of the Study

The main objective of the study was to investigate the management strategies adopted by luxury fashion brand retail outlets in Uyo, Akwa Ibom State. Specifically the study determined:

1. planning strategies adopted by luxury fashion brand retail outlets in the study area.
2. controlling strategies adopted by luxury fashion brand retail outlets in the study area.
3. constraints to the management strategies.

Research Questions

1. What are the planning strategies adopted by luxury fashion brand retail outlets in the study area?
2. What are the controlling strategies adopted by luxury fashion brand retail outlets in the study area?
3. What are the constraints to the management strategies of luxury fashion brand retail outlets in the study area?

Methodology

Design of the Study: The descriptive survey design was adopted for this study.

Area of the Study: The area for this study was Uyo Local Government Area (LGA) of Akwa Ibom State. Uyo is capital of Akwa Ibom State and located within North-East senatorial District of the State. It was appropriate for the study because there are small and medium scale enterprises in the LGA that engage in luxury fashion business. The people living in the area of the study patronize luxury brand fashion extensively.

Population of the Study: Population for this study consisted of all the managers of luxury fashion brand retail outlets in Uyo, LGA, Akwa Ibom State, who are registered with the State Ministry of Commerce and Industry. The number of registered luxury fashion houses in Uyo LGA was 34 as at the time of the study. This population was considered manageable, so the entire population was involved in the study. There was no sampling.

Instrument for Data Collection: Questionnaire was used for data collection. The instrument was adopted and modified from General Business Management Questionnaire (Coach, 2003) and Osotimehin, Jegede, Akinlabi and Olajide (2012). They had a 5-point scale for each of the items. It was validated by three experts Business Management.

Data Collection Method: Thirty four copies of the questionnaire were administered by hand to the respondents. The objectives of the study

were carefully explained to the respondents. Thereafter they were given sufficient time to respond to the questionnaire items. All the 34 copies of the questionnaire were retrieved. This represents 100 percent return.

Data Analysis Techniques: Data were analyzed using mean (\bar{X}) and standard deviation. Means score of 2.50 and above ($\bar{X} > 2.5$) were regarded as

“agreed” and any mean below 2.50 ($\bar{X} < 2.5$) was regarded as “disagreed”; in terms of adoption /non-adoption of strategies. The means were also used to decide on the constraints and non-constraints to planning and control strategies

Results

Table 1: Mean Responses on Planning Strategies Adopted by Luxury Fashion Brand Retail Outlets Uyo LGA

S/N	Planning Strategies	Mean	Std. Dev.	Rank
1	Identify business goals.	4.31	1.09	2 nd
2	Identify their business sub-goals.	4.26	0.94	3 rd
3	Define their business mission and vision.	3.95	0.85	5 th
4	Evaluate staff, budget and financial needs of their business.	3.86	0.83	6 th
5	Study the overall market.	4.35	0.83	1 st
6	Evaluates strength of the business.	2.32	0.76	8 th
7	Evaluates weakness of the business.	1.87	1.47	9 th
8	Evaluates business opportunities available to the outlet.	3.97	0.66	4 th
9	Evaluates business threats that need to be addressed	2.87	0.54	7 th

Table 1 shows that eight planning strategies are mostly adopted (used) by fashion brand retail outlets in Uyo LGA. All the items, except No 7, each has a mean score of 2.5 and above item ($\bar{X} > 2.5$). No 7 has a mean of 1.87 ($\bar{X} < 2.5$). This shows that it is not adopted or been utilized by the outlets in the area of the study.

Table 2: Mean Responses on Control Strategies Adopted by Retail Outlets in Uyo LGA.

S/N	Control Strategies	Mean	Std. Dev.	Rank
Manager:				
1	check on factors influencing their business, such as inflation.	2.85	0.43	5 th
2	compares actual result of factors against accepted business/outlet standard.	2.87	0.54	4 th
3	recognises changes in the business and adjusts its strategy.	3.97	0.66	2 nd
4	revaluates the business plan of the fashion outlet.	4.04	1.38	1 st
5	reassesses a given strategy in order to check its relevancy to the fashion outlet.	2.34	0.67	7 th
6	assigns responsibilities of handling unforeseen events to crisis team.	1.87	1.47	8 th
7	mentions and checks multiple sources threat.	3.86	0.83	3 rd
8	attends conferences to be abreast with business trend.	2.65	1.43	6 th

Table 2 shows that seven out of the eight control items, each has a mean of $\bar{X} > 2.50$. This means that the seven strategies are presently adopted by the outlets. The No 6 has a mean of 1.87 ($\bar{X} < 2.5$). That means that the managers “do not assign responsibilities of handling unforeseen events to crisis team”.

Table 3: Mean Responses on Constraints to the Management of Luxury Fashion Brand Retail Outlets in Uyo LGA

S/N	Constraint to the Management of Luxury Fashion	Mean	St. Dev.	Rank
1	High cost of fashion products.	2.71	0.73	1 st
2	Inadequate financing to meet the demands of costumers.	2.36	1.08	2 nd
3	Scarcity of supply links for luxury products.	2.29	0.83	3 rd
4	Poor public relations with costumers.	1.93	1.00	4 th
5	Lack of managerial skills by managers.	1.86	0.86	5 th
6	Lack of efficient storage facilities for luxury products.	1.86	0.95	6 th
7	Lack of business ideas to overcome inadequate digital marketing of products.	1.71	0.99	7 th

Rank 1st is the most pressing constraint while rank 7th is the least pressing constraint.

Table 3 shows the mean responses on constraint items, ranked in an order of decreasing value and their corresponding standard deviations. Table 3 also reveals that the management of luxury fashion brand retail outlets is mostly constrained by high cost of fashion products ($\bar{X} = 2.71$). Other constraints to the management of luxury fashion brand retail outlets are “inadequate finance to meet costumers demand” and “scarcity of supply links for fashion product with mean of 2.36 and 2.29 respectively. The Table further shows that four items have means scores less than 2.5. Poor public relations with costumers ($\bar{X}=1.93$), lack of managerial skills by managers ($\bar{X}=1.86$), lack of efficient storage facilities for luxury products ($\bar{X}=1.86$), and lack of business ideas to overcome inadequate digital marketing of products ($\bar{X}=1.71$), were not constraints

to the management of luxury fashion brand retail outlets in Uyo LGA.

Discussion of Findings

The adopted planning strategy by luxury fashion retail outlets in Uyo indicated that dedicated efforts are put in place to define the business goal, mission and vision. This goes to support Eric, (2018) and Anisa,(2019) that these variables speak well of why an organization exists. This is to ensure that the business is effectively run to meet up with pre-defined objectives and targets. George, (2018) supports this finding by stating that effective planning strategy articulates not only where an organisation is going and the actions needed to make progress, but also how it will know if it is successful.

Managers of luxury fashion retail outlets in Uyo acknowledged that studying the overall market pave way for the success of fashion business.

Završnik and Mumel (2000) supports this finding by stating that properly studying the overall market is a factor for success in the clothing industry. Based on the findings managers of luxury fashion retail outlets employ control strategy through assume premise of future events, allow management examine assumption and recognising changes in the premise for adaptation. This finding is in line with the statement of John, (2018) that aforementioned control strategy will help the organisation recognize changes in the premise for proper adaptation. The finding also reveals that manager of luxury fashion brand retail outlets implement control by evaluating their business in relation to organisational goals. Julian and Scifries, 2018 buttress this finding by pointing out that the implementation control evaluate plans, programs and projects by actually guiding the organisation towards its pre-determined goals. luxury fashion brand retail outlets managers do not employ special alert as control strategy and this is against the fact emphasised by John, 2018 that special alert control allows an organization to reconsider the relevancy of their strategy in light of these new events and prepare how they will handle these special alerts with procedures to be followed, priorities to keep and tools to be used. The findings also revealed that managers monitor multiple source threat and attend conferences to be abreast with business trends. In support of this John, (2018) stated that Strategic surveillance control allows the management to monitor multiple

sources threats and Continually safeguards strategy by following trade journals, attending conferences and keeping awareness of industry trends to meet the risks as they arise.

Furthermore, the findings unveiled that management of luxury fashion brand retail outlets are constrained by inadequate finance, scarcity of supply links and high cost. This finding confirms the statement of John,(2016) that managers face constraints which are forces that every organisation must contend with in order to execute its management strategies. The author pointed out that, inadequate finance, high cost are constraint faced by business enterprises. The findings also showed that Poor public relations, lack of managerial skills, lack of efficient preservation system and lack of business ideas were not constraints to the management of luxury fashion brand retail outlets. This finding is not in agreement with John,(2016), Thiran, (2016) and Carrol, (2019) as they clearly pointed out that manager contend with these constraints in every organisation in order to execute their management strategies.

Conclusion

In conclusion, this study explored management strategies employed by luxury fashion brand retail outlets in Uyo. The study unveiled that managers employ planning and controlling strategies to ensure efficiency in their business organisation. Irrespective of the strategies employed the face financial, scarcity of supply link and high cost as constraints. Therefore they need appropriate management

strategies to be able to contend with the constraints they face.

Recommendation

Based on the findings of the study the following recommendations are made:

1. Managers of luxury fashion brand retail outlets should endeavour to employ appropriate planning and controlling strategies in their business management.
2. Managers of luxury fashion brand retail outlets should endeavour to attend conferences as to abreast with business trend.
3. Managers of luxury fashion brand retail outlets should endeavour to employ appropriate premise control and acquire managerial skills in other to contend with financial skill.

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