



данному суб'єкту господарювання розпорядатися грошовими засобами необхідними для своєчасного задоволення своїх господарських потреб. Крім цього, проведення аналізу на даному рівні дозволяє визначити недобросовісних партнерів, а також дає можливість застосування певного роду заходів по зменшенню ризику невиплати даної короткотривалої дебіторської заборгованості і утворенню просроченої заборгованості.

Так як у розглянутого суб'єкта господарювання існує короткотривала дебіторська заборгованість, з метою мінімізації ризиків, пов'язаних з нею, організації рекомендується проводити розподіл короткотривалої дебіторської заборгованості наявних покупців за термінами виникнення, що в свою чергу дозволяє оцінити ймовірність отримання даної заборгованості в повній сумі. В зв'язі з цим, доцільно закріпити за певним співробітником бухгалтерської служби оперативне отримання інформації по досліджуваному питанню і доведення її до головного бухгалтера і керівника з метою інформування їх про невідповідне виконання зобов'язань певними покупцями.

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### MALTY-NATIONAL ENTRY ANALYSIS OF UNIQLO COMPANY

**Abstract.** Uniqlo Company was launched in Japan as an apparel brand and retailer in 1984. During its launch, the company was well known for delivering high-quality essential casual clothing. The company entered the market and enjoyed a booming growth in the 1980s (Choi, 2011, 85-101). It controlled masses as a result of low prices for their products. However, later in the year, the company faced a downward trend as a result of low quality. As a result, the company launched various campaigns to get back its position in the market again. This paper identifies the implications of the five competitive forces on the Uniqlo Company and also the managerial implication. The paper will also analyze problems facing the company as well as recommending viable solutions.

**Identification of the problem.** Uniqlo Company forced its entry in international markets amidst all the competition and rivalry among existing customers. In the home market, the company was enjoying a double-digit market share. The company boasts of domination in the European market by 20% market share by the end of 2020. Uniqlo Company has penetrated France and the United

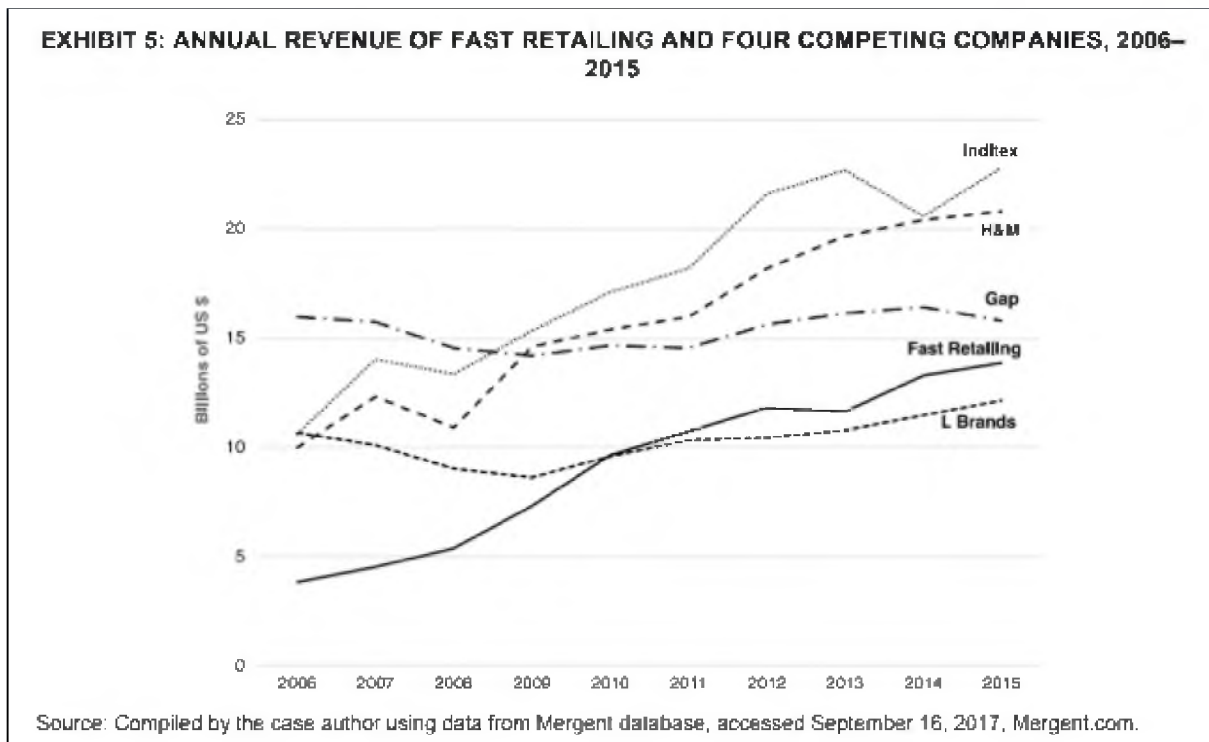


States market. On international levels, the company has achieved well in Asian markets; however, its facing difficulties in penetrating and cover ground in the united states markets. Various stores operating in the United States have reported losses. According to company executives, penetrating the United States market would mark a breakthrough and become a global brand (Usui et al., 2017, 1-20). Since 2011, the company has expanded its operation across the United States. For the past years, the company has been blaming its shortcomings to unseasonably warm weathers, which disadvantage their Heateach apparel and coats. This shows that the Uniqlo Company is not swift enough to adapt to changing market requirements.

Through analysis of the five forces, one uncovers ways to strategically position his company to gain a significant advantage over rivals. The strategic performances includes establishing a niche. Uniqlo's inability to penetrate international markets is also related to a lack of effective communication on its brand. The common brand name "life wear" is only common in the japans market. However, the name is not common in the international market, and instead of the brand name suggesting its simplicity, quality, and longevity, it appeals as another overpriced wear. A good company can build itself and realize opportunities by addressing differences in customers' preferences, identifying the power of suppliers, a threat that may be offered by substitutes, the threat posed by new entrants, and rivalry that may build up among existing customers. According to porter, the five competitive forces help the managers to determine if an industry is attractive to invest in and help them to plan for positive and negative shifts in the industry that may occur in the future (Porter, 2008, 25-40).

**Key implications and concerns.** Uniqlo Company faces stiff competition from several mass markets, fashion-focused and primary clothing brands, therefore, reducing its number of buyers. In Japan, Uniqlo faces competition from the Shimamura Company. Shimamura enjoys a significant market share since it has been in existence before the launching of the Uniqlo Company. The massive financial stability of the Shimamura enables it to manufacture low-priced and enjoy prowess in the bargaining market. According to its president, the company does not gamble in the market, and it only goes for the chances that they are confident they can win. The company buys apparel items from manufactures and high volumes, giving them an upper hand in the bargaining. The company has grown rapidly, and as of 2016, it has more than 2000 stores and annual revenue of \$4.8 billion. Muji Company also deals with clothing's and together with Shimamura, they fished 7.9\$ billion in revenue from their sales.

On its attempt to penetrate the United States market, Uniqlo has faced competition from Forever 21, Gap, H & M, and Zara. A company like H& M is well known for following vertically integrated models. Using this model, the company keeps planning, design, distribution, and retail functions in the house while depending on independent suppliers in Asia and Europe for manufacturing services. In the United States market, H & M controls 468 stores, and in the fiscal year of 2016 experienced a successful marketing year with a return of \$3.1 billion (Arrigo, 2018, 121-137). Zara Company offers stiff competition due to its speed in the manufacturing process. New products designed are introduced into the market after a short span of four weeks (Anwar, 2017,26-35). The availability of products in the market for a short period forces customer to make up their minds fast before they miss the items in question. Regardless of Zara being highly priced as compared to Uniqlo, the company remains in the market since it focuses on high-quality products and at low prices.



Penetrating the US market has remained a nightmare for the Uniqlo company. In the year 2016, the company had many stores in Taiwan compared to stores in the United States, and this point out the company's inability to fitting in the international market. Uniqlo company structure has resulted in its employees in the United States being branded 'Uniqlo clones' as a result of the forms of greetings and how the company organizes its goods. The company has brought new products in the market that may fit the American style, but the strategy has not borne fruits.

**Analysis of viable solutions and recommendation.** The competition Uniqlo is facing can be solved by developing a clear and differentiated brand that will set Uniqlo at par in relation to other companies. The company should create an objective of manufacturing products of high quality and those that are outstanding in the market. Therefore, the products must be accessible to all and at low prices. Competitors of Uniqlo Company analyze the market and decide on the latest trend to settle on. Uniqlo can be exceptional by avoiding chasing after trends and make clothes that are comfortable for everyone. The majority of buyers are not well informed about Uniqlo products (Huang et al., 2014, 42-45). Therefore, press launching can be conducted when presenting a new product into the market. This will ensure that the brand name sticks in the mind of the buyer and will consider the item while making purchases.

Uniqlo can compete in the market if it directs the right energy to constant and unique brand innovations. The market is ever-changing, making various products lose their bargain in the market. Therefore, Uniqlo should take the initiative of moving with the market trends. It should be innovative in the development of new products and perform sufficient market research to determine the existing gaps. In the past, Uniqlo has developed brands such as HeatTech, AIRism, and Lifewear. The innovation behind the manufacture of the HeatTech brand, which was the most famous among the millennials, was the outstanding feature of fabric that turns moisture into heat and also with air pockets that retain heat (Woo and Jin, 2014,4). These features made the brand cut against closest rivals, and therefore controlling the international market will require the same special features. To create awareness of new designs, the company can provide the product at a low price. When new products are at low prices, people generate consciousness about them and thus increase their market share.



Training staff on customer relationships would improve the buyer's loyalty to the company. Uniqlo Company has Japanese roots; back at home, they are driven by the phrase *kaizen*, which means looking for perfection. Excellent customer relation gives them a reason to always visit the store. To improve the way customers are handled by staff, the company should involve the team in training that will set the difference between them and workers from rival companies. The company can closely monitor the performance of its workers and identifies areas that need strengthening. Uniqlo has made massive steps in improving staff skills. It has set a Uniqlo University and aims at using the institution to train more than 1500 sales managers each year (Taniguchi, 2015,1). Improved customer relations will create awareness in the community about the company, hence attracting more buyers.

The company should consider a slow- and smart- approach to the United States market expansion. In early 2000, the company approached the American market without performing adequate research. This resulted in many stores that had been opened to close down after facing stiff competition. According to Hayashi, the company executive officer, the company is not well known to Canadian consumers. Other brands, such as Zara, have controlled the market for a long time. Therefore, to enter the market and manage a significant number of buyers, the company can shape its pricing strategy and also tailor its products to meet Canadians expectations.

To create awareness among members of the community, the Uniqlo Company can engage in corporate social responsibilities. One of these initiatives is the all-product Recycling Initiative that requires customers to donate the old-Uniqlo items for recycling. Some of the items donated are in good condition, and they are distributed to refugees around the world (Jogie and Shukat,2010, 10-71). These initiatives build positive brand awareness among members of society. Community awareness attracts more customers to the company and expands its market scope. Sponsorship of renowned athletes can also create mass consciousness of the brand. In the recent past, the company-sponsored Djokovic as a brand ambassador. Djokovic is an athlete who is always under the limelight, and therefore using him to create awareness attracts a massive number of customers from his loyal fans. Thus, the company can identify an athlete who commands a large number of fans in the united states and use him to penetrate into the market successfully (Marmbrandt and Dolge, 2012,25-39).

**Managerial implications.** Uniqlo Company is headed by Tadashi Yanai, who inherited it from his father in 1972. The success of the Uniqlo Company is attributed to Tadashi. Tadashi is an outgoing person, and during his visits to Europe and the United States, he came across large cloth line companies such as Benetton and Gap. Amidst their significant market share, Tadashi saw an opportunity for Japan casual market. Tadashi realized that many companies were vertically integrated and therefore controlled the suppliers and the buyers. The manager has seen the company transition from being known as a retail shop selling cheap and low-quality clothes to the suburbs (Yi,2016,1-22).

Tadashi argued that a company that does not grow is dead. He was an aggressive achiever and well known in setting goals. He criticized the business structure when he realized that profits were not increasing. Tadashi claimed that low profits were as a result of paying little attention to the business. In Japan, many companies did not put much effort into the realization of profit. Tadashi's emphasis on profit creation made people view the company as a foreign entity (Reboux, 2014,87-102). In the Uniqlo Company, Tadashi ensured that the business aimed at meeting customer's requirements rather than its stability. In 2009, Tadashi sent an email to employees directing them to destroy bureaucracy, elitism in management, large company frame of mind, and perception (Takeuchi, 2011,16 -24). Tadashi wanted them to focus on analysis and reports to improve the company. Though his mode of management was harsh, his robust control and positive ambitions made the company realize changes that resulted in its expansion and success (Choi, 2014,240).

Uniqlo Company employs a large-scale multinational's combination strategy in its operations. It takes globalization as the main idea and local strategy as a supplement. Using the



globalization strategy, the headquarters in Japan control product development, design, production, logistics, and sales. This enables the company to cut costs and remain in control. The company also employs a localization strategy where each country having its branch has the authority to make decisions on marketing (Wang, 2018, 301-308). The host country's subsidiary can blend products to meet the customer's requirements. Since the opening of online stores in 2009, the company has directed its energy to internet marketing and has been successful. Uniqlo has used artificial intelligence in developing a platform that provides the customer with digital information.

Lastly, Uniqlo company expansion strategy is plausible if the company upholds the recommendations. Stiff competitions from companies that have stable ground in the United States market can be dealt with by developing high-quality and low-priced products. The company should also invest in mass awareness of the existence of products and how their products are different from those in rival companies. Extensive research is required to determine customer's requirements; in addition, the company should be swift enough to adjust to the changing market environment.

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