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# UNIQLO

## JET-SETTING FROM JAPAN

**With a presence in 18 countries, Japanese brand Uniqlo has been one of the most awaited brands in India. The brand's launch in India is yet to see light of the day but that does not stop it from winning patronage from people in India who have had a chance to experience it during their travel abroad. The Japanese brand has gone on to redefine casual clothing and as its brand message says 'Inspires the world to dress casual.'**

By Zainab S Kazi

**A**ccording to an article in The Wall Street Journal, Uniqlo aspires to be the leader in retail worldwide. Going by its presence and performance in Asia, this feat does not seem unachievable. In the past decade, the company has earned itself the tag of becoming Asia's biggest clothing retailer. A division of Japanese retail holding company – Fast Retailing, Uniqlo was started by Tadashi Yanai.

Fast Retailing owns UNIQLO, GU, Theory, Comptoir des Cotonniers, Princesse tam.tam and J Brand. The first Uniqlo store was opened in Hiroshima, Japan in 1984. The company originally called itself 'Unique Clothing Warehouse'. By joining these words together, Uniqlo was born. It was in 1998 that they began to open stores in urban locations and ran a fleece campaign that ignited a UNIQLO boom across Japan.

The founder – Yanai is believed to have intensely studied GAP and according to a news report in the Wall Street Journal, he called former GAP chief executive officer – Mickey Dressler “professor” when the pair first met because he held him in such high esteem.

The first UNIQLO International store opened in the United Kingdom in 2001. By August 2015, UNIQLO International constituted approximately 44 per cent of total UNIQLO sales, with 798 stores (versus 841 stores in Japan). China, Hong Kong, Taiwan, South Korea and other parts of Asia are generating strong growth.

### Holding it High

Nothing better to explain the adage – Where there is a will, there is Way; than talking about Uniqlo's constant efforts to beat all the odds that came their way. During mid 1990 when the brand was facing a slowdown, they went ahead to reorganize themselves and strengthened their women's line thus giving a strong pick-up to the brand.

The brand has found innovative means to overcome challenges like for e.g. to tackle Japan's high cost of labor and space, they went ahead to open their first 'self service' shop in Tokyo way back in 2007!

What makes Uniqlo successful is their mass production of designs in multiple colors. The focus is on designs and styles that would not go out of fashion soon and this also gives them a longer shelf life at the stores. In an interview in Forbes, Yanai mentioned that Uniqlo sets itself apart by not chasing trends. Rather, they focus on basics and make them more affordable.

### Maintaining Freshness along with Pricing and Quality Consistency

UNIQLO negotiates directly with materials suppliers around the world, placing large orders to ensure steady access to world-class natural materials. They also work with top synthetic fiber manufacturers to develop new functional materials. UNIQLO is known and loved by consumers worldwide for its ability to challenge the conventional wisdom of clothing.

### Getting it Right

UNIQLO's research and design (R&D) centers continually research analyze the latest fashions and lifestyles from around the world as well as look for new materials. Concept meetings are held roughly one year before a product's intended launch. On these occasions, designers meet with representatives from the merchandising, marketing, materials development and production departments to discuss and finalize concepts for upcoming seasons.

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### Crazy about Quality

UNIQLO deploys about 400 staff and textile takumi (skilled artisans) to offices in Shanghai, Ho Chi Minh City, Dhaka, Jakarta and Istanbul. Production managers visit partner factories each week to resolve outstanding issues. Customer concerns regarding quality are communicated immediately to production departments, and then improvements are made.

### Tadashi Yanai's Message

With a complete hands-on approach that Yanai executes over the brand, it is not difficult to see why the brand has always been surging ahead irrespective of global slowdowns. As shared on the company website, Tadashi Yanai, chairman, president and CEO says, "Fast Retailing enjoyed strong growth in recent years as we continued our drive towards true globalization. That vigorous performance was sharply curtailed in the first half of fiscal 2016, or the six months to February 2016, when our profits contracted. In a nutshell, the first half was not about true, sustainable growth but about bloated operations. We were lulled into complacency by our strong growth. We took our eye off the pursuit

of low-cost operations, and our products lacked the fresh, revolutionary features that customers demand. However, I see this period of lackluster growth as an opportunity to learn precious lessons and grasp business opportunities that might not present themselves in more buoyant times."

He goes on to talk about a tweak in the pricing, "From spring 2016, we began introducing simpler UNIQLO pricing bands (1,990 yen and 2,990 yen) that are easily recognizable to customers." On the spread and popularity of having an omni channel experience, he shares, "Fast Retailing is also keen to capitalize on the rapid spread of the internet among business and individual users to create a new industry to help fuel future growth. In fact, I want to create an entirely new business model by merging our physical stores and e-commerce operations. I intend to transform our current SPA-style business model, which progresses systematically from planning to production to marketing and retail, into a fresh business model that enables UNIQLO to communicate directly with customers, and swiftly create and commercialize the exact products that customers want." 

### TIMELINE OF UNIQLO SUCCESS STORY

1st Oct, 1984	Started journey at Hiroshima, Japan
30th Jan, 1998	Opened its 300th store in Japan
31st Dec, 2001	Launched 1st store in UK
26th May, 2005	Yani changed strategy
19th July, 2006	Started opening large stores in major cities around the world
26th Nov, 2006	Re-launch of the brand
27th Aug, 2008	Number of International Stores increased from 54 to 92
29th Sept 2013	Announced the plan of opening 500 stores in China by next 5 years
27th Oct, 2014	Declare plan to launch in India and Brazil

