

UNIQLO

Reaching the global presence

Presentation to Executive Board by Strategic Development Department

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‘UNIQLO has reached a solid positions in its Asian markets, it’s time to expand globally with a sustainable supply chain’

Agenda



Coping with the fierce competition, UNIQLO needs to expand aggressively and concentrate its production facilities

Build partnership with online retailers (Amazon, Ebay) to gain position in EU&US

Acquire smaller fashion retail chains

Centralize production in Bangladesh

Build an effective supply chain as a basis of UNIQLO's global presence

Analysis

Value drivers of the fast fashion industry

Economies of scale

Third world production

Frequent collections

Pull strategy

Fast supply chain

Directly visible sales data

Short online order waiting time

Huge marketing campaigns

Great value for the money

Intense competition in fast-fashion industry

Inditex

H&M

GAP



Asia is the most attractive market

Growing middle class

Concentration on tier two, three or four cities

Star designers

Low inventory costs

Directly visible sales data

Internal analysis of Uniqlo operation

Number of stores:

1. Japan 842
2. China 340
3. Korea 139
4. USA 39
5. Europe 10

Private Label fashion company

Reduced supplier base from 120 to 40

Superior fiber manufacturer partner

Core competence of Uniqlo

Kaizen philosophy

Rationalized
supplier base

Quality-control

R&D in synthetic
textile

Efficiency

Casio+Microsoft
technological
development for
sales tracking

What should Uniqlo improve?

More frequent collections

Directly visible data for better sales analysis





Shortening online order delivery time

Lowering inventory costs

Growing presence in the US and European market to diversify sales

Alternatives

Potential alternatives

	Impact on revenue	Efficiency	Cost effect	Manageability of supply chain
Factory expansion				
Concentrate on Asia				
Outsource				
Concentrate manufacturing				
Centralize production				

Recommendation

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1: Online presence in developed markets

WHY?

Time-to-market is higher than Asia it has to be reduced

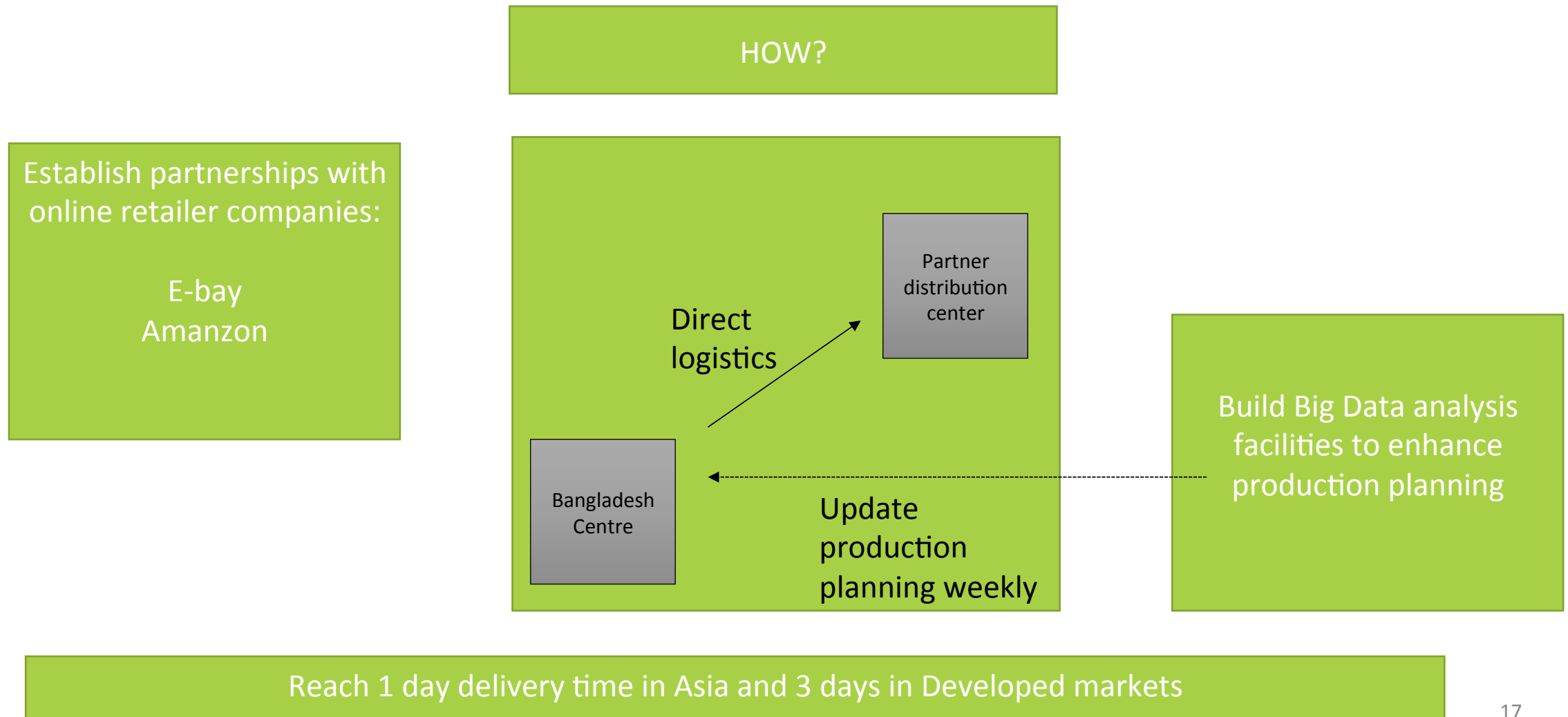
Developed market consumers use actively online stores

Competitors have closer manufacturing capacities closer to the market

Competitors have stronger retail presence

In order to reach global presence delivery times has to as low as possible

1: Online presence in developed markets



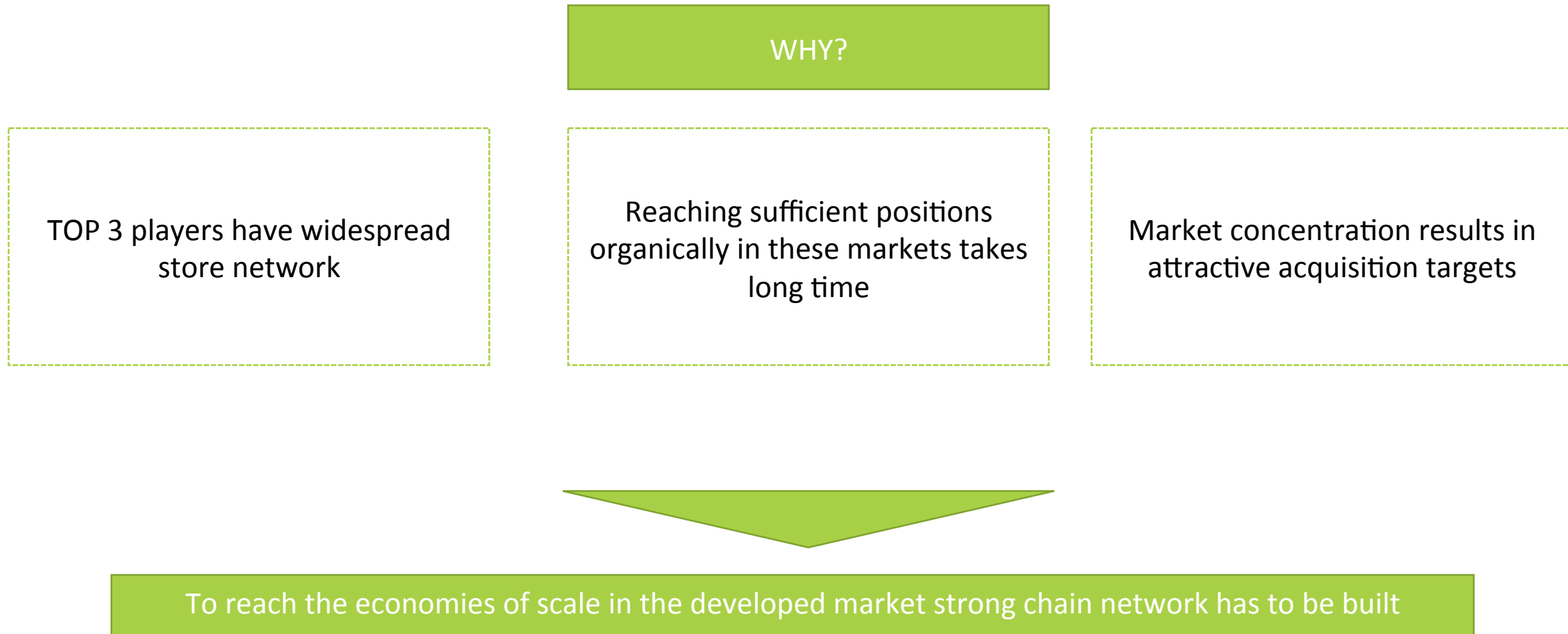
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2: Acquire smaller fashion retail chains



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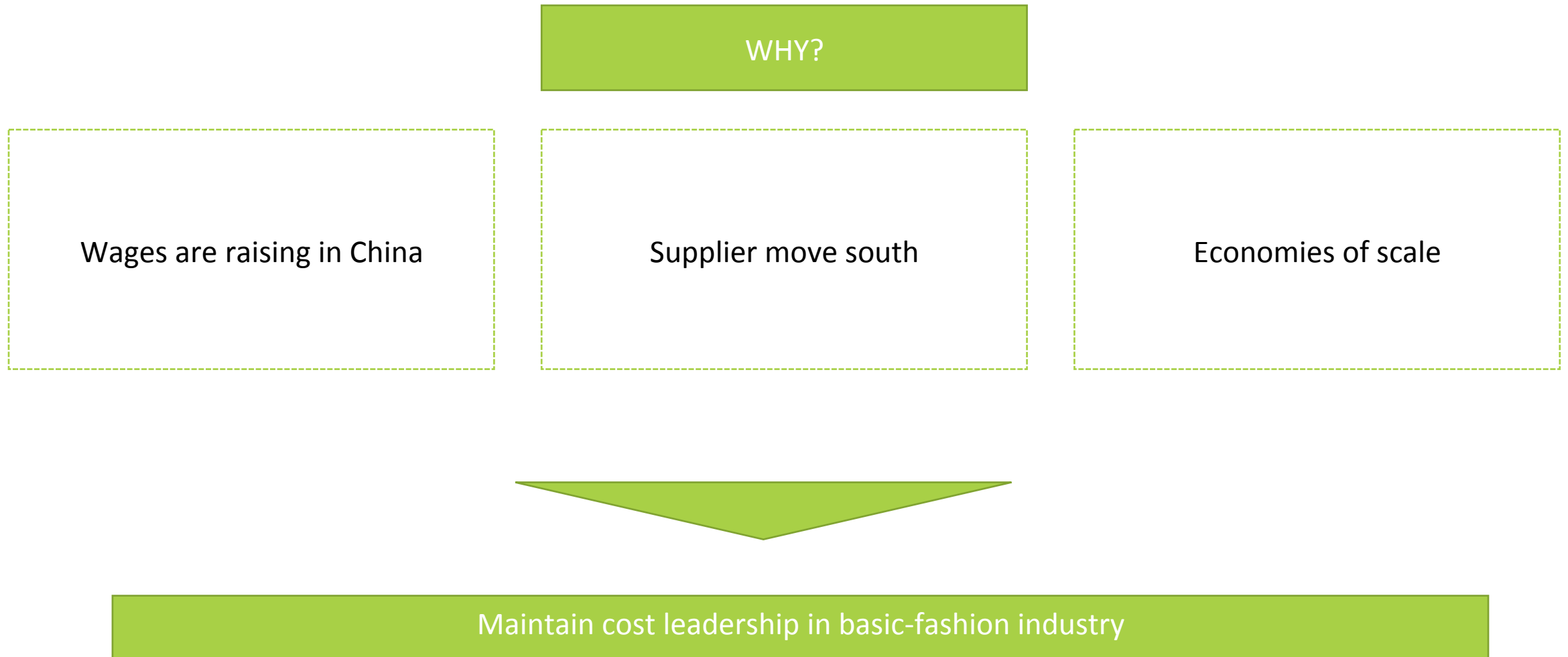
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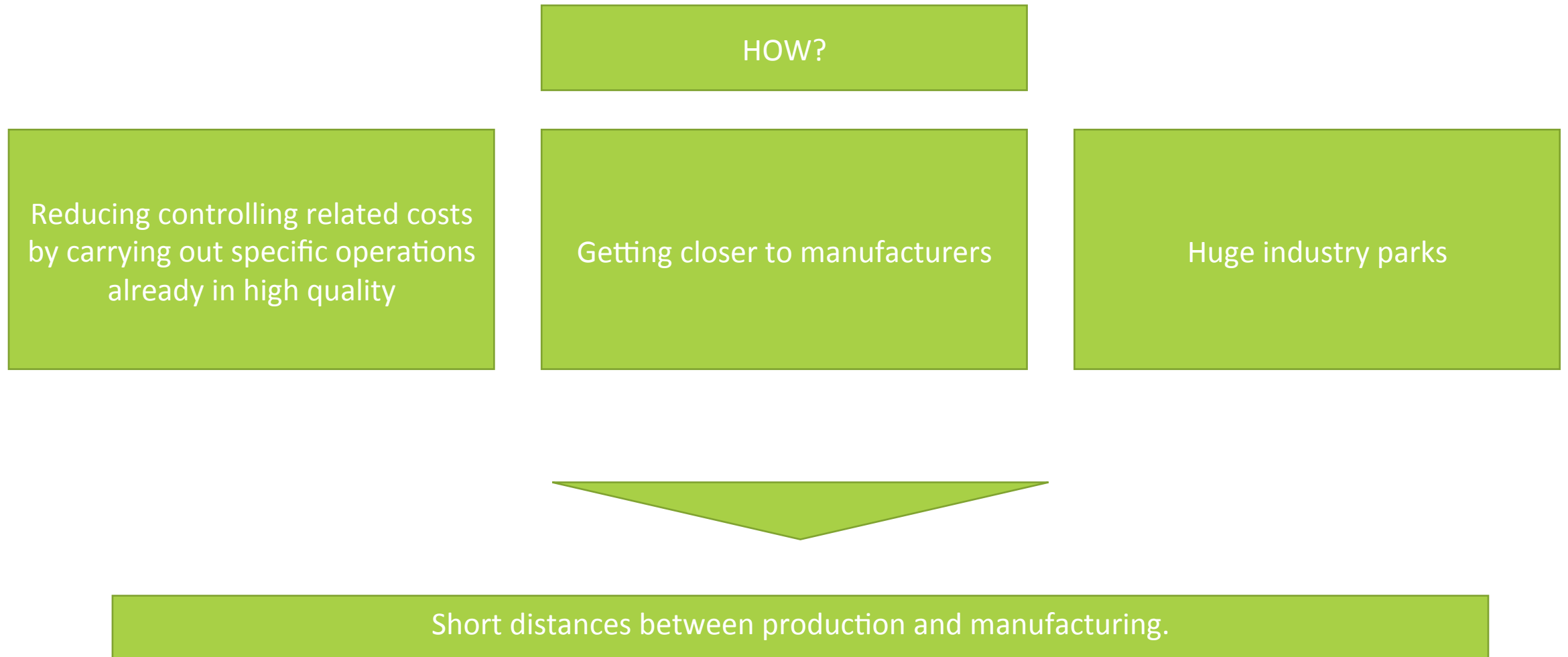
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3: Concentrate production in South-East Asia



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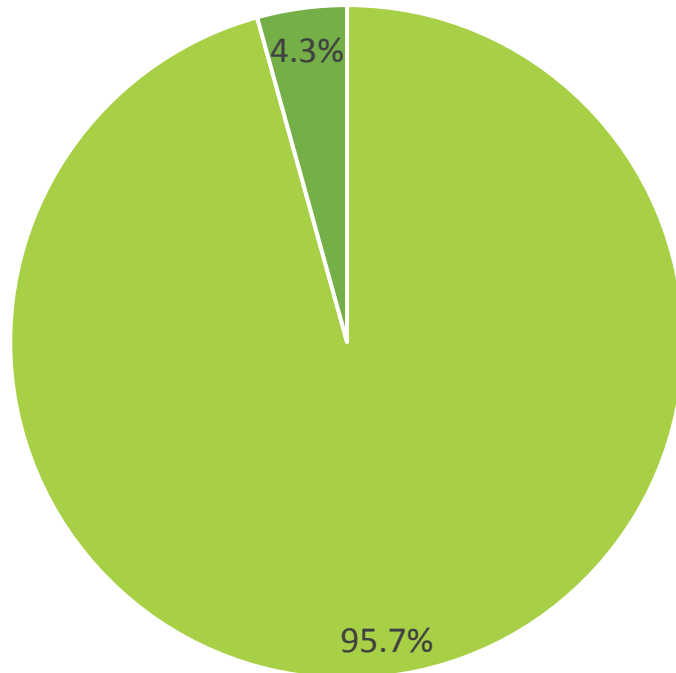
Results

Main assumptions

1. There are no black swans
2. The e-market is growing rapidly
3. The Asian market has a growth of approx. 10% a year
4. Average of 15 bY investment annually

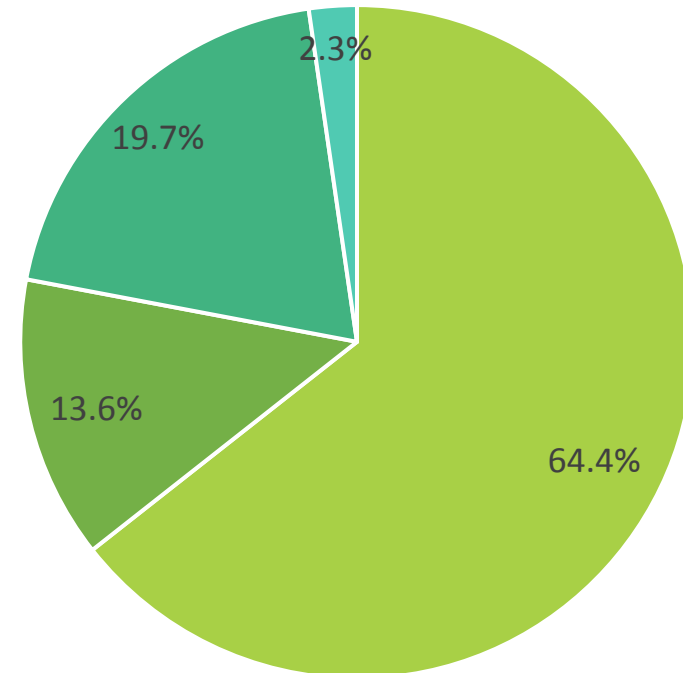
Number of stores by 2020

2015 – approx. 1500 total



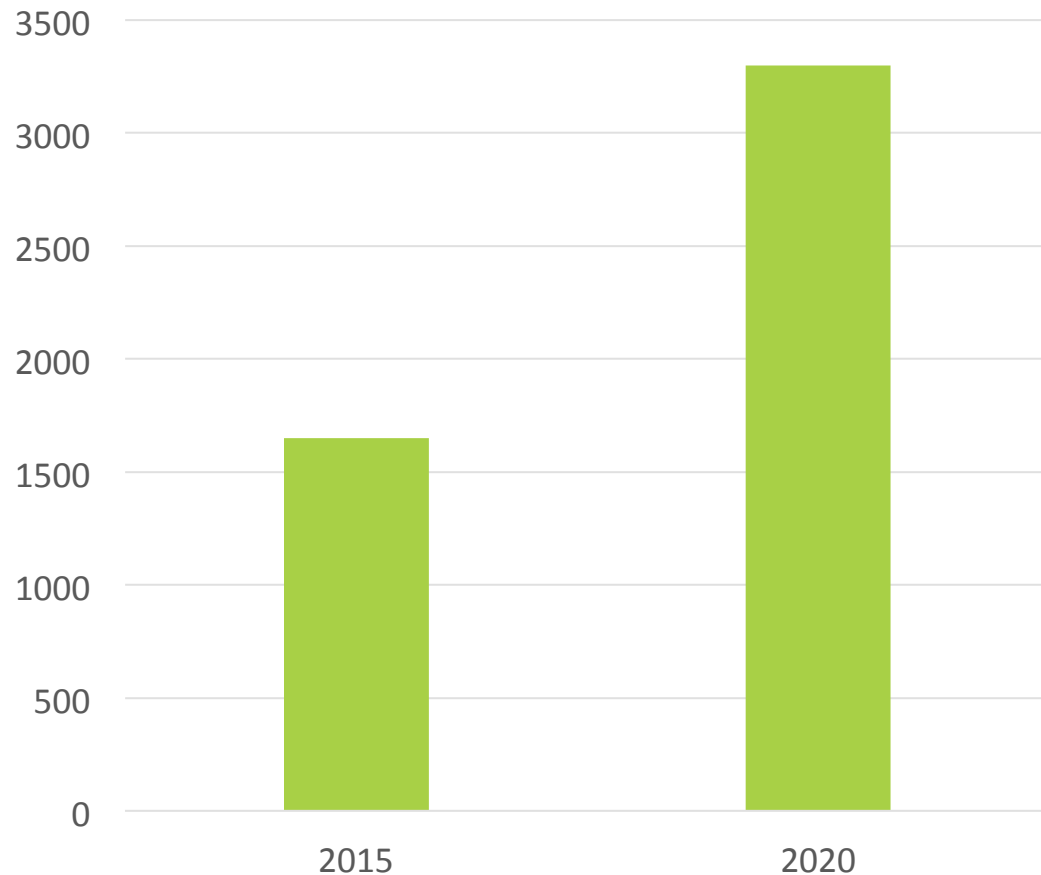
■ Asia ■ others

2020 – approx. 3000 total



■ Asia ■ EU ■ US ■ others

Revenues by 2020



- With expanding rapidly, the revenue growth will continue the exponential trend
- Average growth of 15% annually
- By 2020:
revenues will range from 3100-3500 bY

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