

@COSME: THE SEARCH FOR THE NEXT STORE LOCATION”

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Abstract

Originality is based on a critical awareness of management choice issues and the existing processes of knowledge generation connected to decision problems that may be solved analytically. @cosme's Hong Kong development has been documented in this report, including the company's history and the hurdles they experienced. Based on the SWOT analysis of the @cosme Hong Kong shop, it has been determined that there is an opportunity for further expansion. The strategic factors for @cosme's new Hong Kong shop location, including demographics and financial considerations, have been examined. The fifth and final place has been selected and the surrounding environment has been studied.

I. Introduction

Rental increases, coupled with high minimum rentals that are regulated by property leases, alarmed many merchants in Hong Kong. Growth and expansion were stymied by this. An other worry was the rise in retail employee pay, which increased by nearly 4 percent in 2018(Mertens, & Recker, 2020). Hong Kong retailers were likewise affected by fierce rivalry both domestically and internationally. @cosme's local rivals included Sasa, @COSME, Mannings, LOG-ON, and Watsons, which marketed not just cosmetics but also toiletries and healthcare items. There were tiny price differences between @cosme and its competitors, who marketed identical imported cosmetics in a parallel market(Jing, Avery, & Bergsteiner, 2020). One of the difficulties @cosme faced in a price-conscious market was this. For the sake of maintaining their brand image as a platform for the newest and most specialised knowledge about cosmetics, @cosme was unfazed by the presence of local rivals with cheaper costs.

II. The SWOT analysis of @cosme store in Hong Kong

The demonstrations, aims, ambitions, and goals of the group are all unique. When it comes to determining an affiliation, the process of integrating natural conditions may be used as a guide. Proposals for a strong client community, customer participation, and an honesty commitment are among the arguments to leaving the organisation. At the end of the market, @cosme is assisting a client with a portion of road(Zambrano-Rey, López-Ospina, & Pérez, 2019). At Cosmose, buyers can get high-quality items at affordable prices supported by a strong warranty.

III. Internal: Strengths

@cosme also has a strong pricing strategy. @cosme's pricing strategy is to cut the price of their products and increase sales volume in order to maximise earnings. As a well-established cosmetics retailer, @cosme has a strong connection with its suppliers, which allows it to negotiate better prices for large orders(Johansen, 2017). As a result, it is able to acquire items at a cheaper cost and label the products at a reduced cost.

IV. Internal: Weaknesses

Many private labels may be seen in the yearly reports of @cosme. @cosme owns brands including YUMEI, ESTILO, and A + Fit, among others. They're not all that popular. This is due to a lack of good brand name management(Schoemaker, Heaton, & Teece, 2018). Because these items lack a clear target audience, they are not effective. These items need to be promoted, but that's not enough. As a result, the company's products will not be able to produce a significant amount of income.

V. External: Opportunities

Individuals and businesses alike may now purchase goods and services via electronic transactions. To provide two examples, Taobao and E-Bay are electronic transaction platforms where individual sellers may sell their items to individuals across the world, whereas Amazon.com is a platform for corporate sellers to sell their products to individual buyers globally.(Mertens, & Recker, 2020) This is why in 2005, @cosme began selling its products directly to consumers using an online transaction platform. Taobao and Ebay, on the other hand, have a large floating population since they are well-known to Internet users(Halpaap, *et al.* 2020). Since these E-transaction platforms allow for the expansion of @cosme's retail company, it may work with them to do so.

VI. External: Threats

In 2008, the bull markets had been wiped out by a worldwide financial tidal wave. Governments throughout the world began implementing measures that would help them maintain economic development after the Great Depression(Beck, 2020). A worldwide financial market rebound is still questionable, however, due to Hong Kong's credit crisis and lacklustre economic growth in the United States. In addition, a bubble economy is growing. When the bubble economy bursts, firms throughout the world will have a hard time accessing capital(Chatterjee, 2017). Then, in order to save money, management is likely to cut pay or even terminate workers. As a result, people will cut back on spending in order to preserve more money for the future. Many things, including those offered at @cosme, will be cheaper for them(Jensen, Cole, & Rubin, 2019). As a result, @cosme's sales income in both retail and beauty services will decrease significantly.

VII. The opportunity for further expansion based on the SWOT analysis

Two or more parties agree to combine their resources in order to help the firm succeed. Breaking into a worldwide market that is much smaller than the economy of your native nation is much easier with a joint venture(Kumar, 2018). At order to open a shop in Taipo Mega Mall, foreign enterprises must first organise joint ventures (PRC formation Catalogue). According to the PESTLE study, the legislative constraints of Taipo Mega Mall hinder FDI.

In Taipo Mega Mall, supermarkets are the most common form of retail. Convenience and low prices have an influence on consumer choices, as demonstrated by Taipo Mega Mall customers. So, supermarkets take up 70% of the market share. This type of company, on the other hand, is plagued by a lack of customer loyalty to its brand. Taipo Mega Mall's supermarket location, price, and brand discounts will influence a customer's decision to purchase there. Because of their company's values and culture, they've decided to work with a diverse group of rivals. A wide variety of supermarkets carry the product line so that the brand may appeal to a wide range of individuals without confining its market to a particular demographic(Mertens, & Recker, 2017). The retail market is dominated by Sonae, Jerónimo Martins, and Lidl, with a combined 79.3% market share. A distribution

deal will be established with the top three companies first, and then the remaining three companies will be included in the strategy.

VIII. The strategic criteria that @cosme is considering for their new store location in Hong Kong related to Customer Demography and Financial Considerations.

Taipo Mega Mall should create strategic collaborations with local companies in order to expand its market share. Apparel has a long history in European culture. Taipo Mega Mall, in particular, has a long history of producing high-quality goods (Chatterjee, 2017). They're often given out with the garments, especially during social events. Large supermarkets, such as those I described before, are good places to shop for the majority of clothing brands. The company will be able to lower clothes prices for Taipo Mega Mall customers through partnerships with other businesses. As Taipo Mega Mall has a high Uncertainty Avoidance Index, buyers are more likely to place their faith in companies they are already familiar with, therefore the clothing brands' familiarity will appeal to the Taipo Mega Mall market (Nagaraj, 2020). Therefore, strategic market penetration is achieved through agreements with previously established Taipo Mega Mall brands that are also supplied by the same distributors.

As a benefit, it provides access to the host nation's distribution networks and suppliers. According to industry surveys, the low number of suppliers in the country gives suppliers more clout in the sports goods market. The supplier classification also reveals that the first group is dominated by large international corporations (Kumar, 2018). A local (domestic) player will be able to tap into the partner's resources as well as their supplier relationships, which will benefit @cosme more than the other type of vendor. This will also aid the company in its fight against the expanding influence of suppliers.

IX. The best location for fifth @cosme in Hong Kong (between option 1-4 by substantiating the advantages of the new location.

For those looking for some retail therapy in the northeast New Territories near MTR Tai Po Market Station, Tai Po Mega Mall is an excellent option. Each of Tai Po Mega Mall's zones is unique from the others. In addition to a wide variety of merchandise (from clothing to beauty goods) and eating options (from worldwide cuisines to famous local flavours), the mall has more than 180 companies, making it a one-stop shop for all your shopping needs.

The Taipo Mega Mall contained two Mannings stores and one LOG-ON and one Watsons store apiece. Mannings and Watsons each have five more locations in the region. In the Taipo Mega Mall, Uniqlo had a single location, however MUJI did not have a single location in the shopping centre or the surrounding neighbourhood.

X. Conclusion

To get to Taipo Mega Mall, the closest metro station was Tai Wo, which was just a 30-minute ride away from the station closest to the Chinese border. People from the mainland came here to shop. There were 272,500 people in this choice despite the fact that it had the lowest population of any of the other three alternatives. @cosme's intended market was mainland China, yet the majority of its customers were locals. The mismatch between the brand's image and the location was largely to blame for this discrepancy (there was a preference for

reduced prices and discounted products while the company did not aim for this strategy). In addition to sophisticated commercial complexes, there was an abundance of vegetation, which gave the city a more laid-back atmosphere (Jensen, Cole, & Rubin, 2019). Compared to other possibilities, there were less competitors.

XI. References

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