

Analyzing of H&M Brand, H&M Home

by Nomany Sheikh Salman

Submission date: 25-Jul-2018 11:46AM (UTC+0600)

Submission ID: 985085179

File name: INTERN_REPORT_Final.pdf (1.3M)

Word count: 2989

Character count: 17743

**Analysis of H&M Marketing Strategy and Implementing such in Bangladeshi
Market of same Arena**



Letter of Transmittal

07 July, 2018

S.M. Asif-ur Rahman

8

Assistant Professor

School of Business & Economics

United International University.

Subject: Submission of Internship Report.

Dear Sir,

I have arranged an Internship Report on "Analyzing of H&M Brand, H&M Home" which I am submitting alongside this letter. It was a great experience to gain knowledge working under your guideline and setting up this report additionally improved my understanding about how to get ready and compose a report.

I am certain that this report will help you to comprehend the reason about my determination of the point and to get an understanding about the process of Branding and Marketing. I have attempted my best to take after your rules in setting up this report. I have displayed what I do accept to be most critical data to make my report as particular and rational as could reasonably be expected.

I trust that this report will satisfy your prerequisites. Much obliged to you for your kind thought and direction. I trust my exertion would fulfill you.

Sincerely yours,

Sheikh Salman Nomany

ID 111 143 152

Acknowledgement

I have many thanks to make, when preparing the report, my respected supervisor Tanzil Ahmed(HR Business Partner, Country and GPO, H&M Bangladesh) provided proper guidance and invaluable comments on each of the sections of the report. He has greatly improved the readability of the text. I am pleased to thank all employees of HR department for their unconditional help.

My sincere gratitude to my supervisor for letting me selecting this topic and helping with his guidance and support which brought outcome of this report.

All through my internship I have learnt numerous things about the H&M culture whose advantages are a long way past and I have created myself scholastically, professionally and socially.

Executive Summary

H&M is a global clothing retailer. Ever since the inception the company was always been in profit and growth. But the competitors like INDITEX, prime mark, CK H&M was facing some challenges in making profit by holding its existing market share. The inventory was piled up with almost 50% of the gross production. However Home Supply Chain with its new broaden product line helped to grow its existing market share into a bit. It did not only increase the revenue but also focused with minimum expenses thus maximum output. This can eventfully work with any falling industry which makes relevant product in Bangladesh.

Table of Contents

Letter of Transmittal	2
Acknowledgement	3
Executive Summary	4
Chapter-01.....	7
1.1 Introduction.....	7
1.2 Objective	7
1.3 Methodology	7
1.5 Limitation:.....	8
1.6 Company Profile	8
1.6.1 H&M at its Inception	8
1.6.2 Brands within the H&M group	11
1.6.3 H&M Values.....	12
1.6.4 Background and history	12
Chapter -2.....	15
2.0 Impact of Home Product Marketing in H&M.....	15
2.1 H&M Home Products	15
2.2.1 Home non-textile	21
2.2.2 PLASTIC MANUFACTURING PRODUCT.....	22
2.2.3 CANDLE MANUFACTURING PRODUCTS	24
2.2.4 GLASS MANUFACTURING PRODUCTS.....	25
2.3 Home Supply Chain Impact on Over All Marketing.....	26
Chapter- 3.....	27
3.0 Analyzing and applying new marketing strategy for H&M and Bothers Furniture	27
3.1.0 H & M HENNES & MAURITZ AB SIX-MONTH REPORT.....	27
3.1.1 Impact of home supply chain products into gross sale	28
3.2.0 Brothers Furniture.....	31
Chapter-4.....	33
Recommendation & Conclusion	34

Conclusion	34
Reference	34

Chapter-01

1.1 Introduction

According to my internship interview, I was selected in H&M Bangladesh under Country, Sustainability and GPO team as an intern. The courses related to Marketing and Finance I had so far completed; helped me to break the wall between the academic knowledge and practical experience.

The report focuses on the core of the effectiveness of hiring process staff for management and employee's performance evaluation in H&M. Moreover, the critical analysis of the whole marketing process in a bad situations and its effectiveness will be discussed in detail as well.

1.2 Objective

The objective of this report is to provide a clear vision of the overall marketing process of home supply chain in H&M Bangladesh its effectiveness. However, I will divide the objective part into two divisions.

- Broad objective is the general goals to be achieved on the basis of practical experience. To gather practical knowledge and experience about the marketing analysis of H&M Home supply chain and learn the corporate environment and norms for near future fulfilling the academic regulations.

1.3 Methodology

The report contains number of information related to Product Manufacturing and overall marketing department of H&M. So both primary and secondary method are used to collect data and information.

- **Primary Data:** To collect data related to cost including all expenses before sales, I had to conduct "structured interview" with Global Marketing Executive, Manager of Marketing Department. Basically, the analysis part was based on the information I have collected data through the

interview which I have conducted. However, some information is provided on the experience I gathered in my internship period.

□ **Secondary Data:** The report does contain the history, mission, values, merchandise related information, working capital of H&M, has been collected through the website.

1.5 Limitation:

I had to face some obstacles to complete this report accordingly. These hindrances have been considered as limitations. Such as-

□ Shortage of some information. □ Financial information cannot be disclosed fully as per H&M rule. So it was difficult to analyze these issues without having appropriate information. □ Limited knowledge area: in a period of 5 months, it was very difficult to understand the different aspects of H&M Brand rather understanding the procedure of particular department.

1.6 Company Profile

H & M is actually a Swedish international clothing-retail company well known for its growing-fashion clothing retail for men, women, as well as children. It can be seen H&M and associated entities operate more than 60 countries with over 4,900 stores and as of 2018 employed around 152,000 people. After Inditex this is the second-largest global clothing retailer (parent company of Zara).

1.6.1 H&M at its Inception

The H&M being a giant group comes into the fashion fans across the globe and has come a long way since the first Hennes store inaugurated in a Swedish city Vasteras.

First Important Era

4
During the year of 1946 the 30-year-old Swedish entrepreneur Erling Persson went on a business trip through the North America. In New York, however the idea of selling women's fashion in a maiden way is inception. The very next year, 1947, it refurbished a maiden womenswear store in Vasteras. It was eventually called as Hennes, Swedish for "Hers".

In the same year, Hennes took all page colour ad in a largest daily which belong to Sweden; a first belief in the level of marketing.

The Next 20 years

In the start of 1968, Hennes covered most of the Scandinavian-based dominating apparel as well as fishing equipment retailer Mauritz Widforss

It was real start of initiating men's and as well as children's retail garments

The expansion turned into even more dynamic in 1969, H & M contained 42 stores since that time. At these decades, the international also growth began. Scandinavian countries came first, followed by Denmark, U.K., and Switzerland.

In 1973, Hennes & Mauritz started selling intimates.

3
The growth pace increases even further, with five or six new stores opening every year.

Era of Transformation

⁷
In 2000, an important flagship under H&M retail opens on Fifth Avenue in US. The beginning of the first store in the New York. Celebrated the start of the potential outside Europe.

H&M and Karl Lagerfeld took the globe of fashion by great surprise during 2004.

The expansion of online sales then continued, introducing to Scandinavian countries.

Till Today

⁹
2010, H&M for the maiden time started a full fashion collection made from sustainable materials. The H&M Incentive initiative for all H&M group personnel launched in 2011.

The rapid expansion continued in Europe, North America, the Middle East.

In 2014, H&M new Sports launched with its style sportswear in many functional fabrics and cottons for the whole family.

1.6.2 Brands within the H&M group

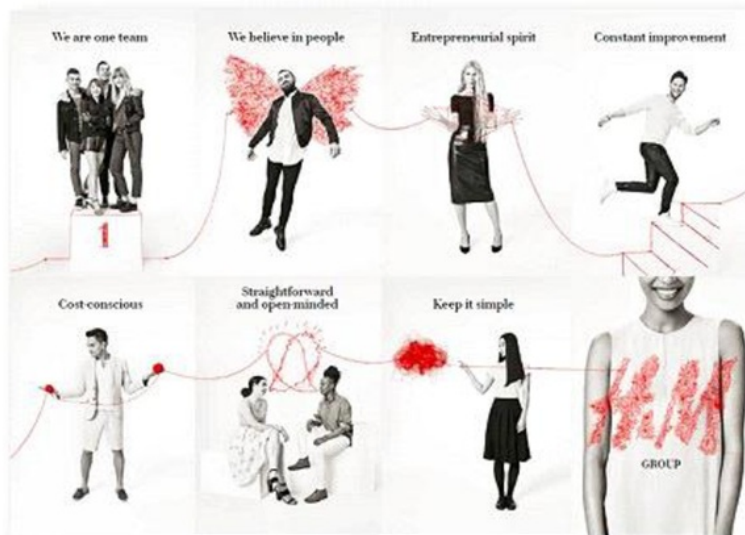
The H&M group provides a portfolio of clearly defined fashion brands.

Each brand for its own non identical identity complement each other well which enable it to offer customers a group segment of different fashions and trends under different price tags.

H & M Hennes & Mauritz AB comprises have global eight distinguished brands:

The H&M logo, featuring the letters 'H' and 'M' in a stylized, bold, sans-serif font, with an ampersand between them.The COS logo, featuring the letters 'COS' in a clean, modern, sans-serif font.The WEEKDAY logo, featuring the word 'WEEKDAY' in a bold, sans-serif font.The MONKI logo, featuring the word 'MONKI' in a stylized, handwritten-style font.The H&M HOME logo, featuring the letters 'H&M' in a stylized font above the word 'HOME' in a smaller, sans-serif font.The & other Stories logo, featuring the words '& other Stories' in a handwritten-style font.The ARKET logo, featuring the word 'ARKET' in a bold, sans-serif font.

1.6.3 H&M Values in practice



The value of values

The fabric of the company values are woven into everything it can do. Individually H&M values has always seemed obvious.

1.6.4 Background and history

Values are not just words. It starts thus practice since Persson established the entity in 1947. From the very start he combined an entrepreneurial business mind with a value driven way of working.

All Retail Shop in Global Arena

Country	Code	Stores	
Austria	AU	45	
Australia	AT	86	
Bahrain	BH	5	
Belgium	BE	98	
Bulgaria	BG	20	
Canada	CA	91	
Chile	CL	8	
China	CN	513	
Colombia	CO	4	
Croatia	HR	15	
Cyprus	CY	1	
Czech Republic	CZ	51	
Denmark	DK	109	
Egypt	EG	14	
Estonia	EE	11	
Finland	FI	64	
France	FR	240	
Georgia	GE	1	
Germany	DE	460	
Greece	GR	35	
Ireland	IE	24	
Israel	IL	22	
Italy	IT	175	
Japan	JP	85	
Jordan	JO	4	

Kazakhstan	KZ	3	
Korea, Republic of	KR	43	
Kuwait	KW	18	
Latvia	LV	8	
Lebanon	LB	13	
Lithuania	LT	9	
Luxembourg	LU	10	
Macao	MO	2	
Malaysia	MY	44	
Mexico	MX	38	
Morocco	MA	4	
Netherlands	NL	146	
New Zealand	NZ	3	
Norway	NO	122	
Oman	OM	4	
Peru	PE	9	
Philippines	PH	34	
Poland	PL	179	
Portugal	PT	32	
Puerto Rico	PR	2	
Qatar	QA	9	
Romania	RO	56	
Russian Federation	RU	136	
Saudi Arabia	SA	58	
Serbia	RS	13	
Singapore	SG	12	
Slovakia	SK	24	
Slovenia	SI	12	

South Africa	ZA	18	
Spain	ES	175	
Sweden	SE	168	
Switzerland	CH	99	
Taiwan	TW	12	
Thailand	TH	26	
Turkey	TR	68	
United Arab Emirates	AE	37	
United Kingdom	GB	290	
United States	US	546	
Viet Nam	VN	3	
Total	69	4790	

Chapter -2

2.0 Impact of Home Product Marketing in H&M

2.1 H&M Home Products

5

Shop by Room

- [Bedroom](#)
- [Living Room](#)
- [Bathroom](#)
- [Kids Room](#)
- [Kitchen](#)
- [Outdoor](#)

[Shop by Product](#)

- [Bed Linen](#)
- [Cushions](#)
- [Bathmats](#)
- [Towels](#)
- [Shower Curtains](#)
- [Blankets](#)
- [Curtains](#)
- [Rugs](#)
- [Storage](#)
- [Decorations](#)
- [Candles & Candleholders](#)
- [Glassware](#)
- [Porcelain](#)
- [Kitchenware](#)
- [Tablecloths](#)
- [Table Runners](#)
- [Tea Towels](#)
- [Napkins](#)
- [Aprons](#)
- [Dressing Gowns](#)









2.2.1 Home non-textile

Specific Information related to Home interior non-textile products of H&M group.



2.2.2 PLASTIC MANUFACTURING PRODUCT

A system for plastic production and potential risks.



Introduction

The steps to guide shareholders understand the ultimate production system starting raw materials to the finished products.

Physical properties

- Resistance thus corrosion
- Low electrical eventual thermal conductivity
- High strength and weight ratio

1.2. Raw materials

- Polyethylene terephthalate
- PETE
- Polyvinyl chloride

2.2.3 CANDLE MANUFACTURING PRODUCTS



2.2.4 GLASS MANUFACTURING PRODUCTS



Physical properties

1. Brittle
2. Amorphous
3. Good electrical insulator
4. Transparent

2.3 Home Supply Chain Impact on Over All Marketing

Non Season Issue

Usually H&M as a retail store display and sells woven, knit, intimate, shoe other than home product. But most of us we can understand product sell has got some season impact. However in case of Home Product it does not need any such season campaign reflection. Because in most cases such home utensils are purchased randomly. Although during festival eve the sell can get increase little bit. Still people frequently buy home products. So during winter season even the regular knit sell goes off still home product goes one.

Improvising Sales

The retail stores in Germany, China, Hong Kong, France, and Australia have shown rapid sales in some off peak season. It is because of the product demand that time. During travelling time u can take some fish catcher. This is basically angling sort of thing. However this has happened while few travelers had gone to buy garment product and found stuffs like home. None of them were aware about the fact that H&M has retail home products and differentiated.

Lower Advertising Cost

As there are any products thus the advertising cost is already averaged. But since home supply chain is added then on the public connection has been an issue. Previously it was only connecting the segments of youth, adolescent. Now it is focused with mid aged people as well. That is an important breakthrough now. As a result the advertising expenses have gone down.

Sustainable

Home product is the most sustainable product. Because it can be either reused and destroyed by natural impact.

Chapter- 3

3.0 Analyzing and applying new marketing strategy for H&M and Bothers Furniture

3.1.0 H & M HENNES & MAURITZ AB SIX-MONTH REPORT

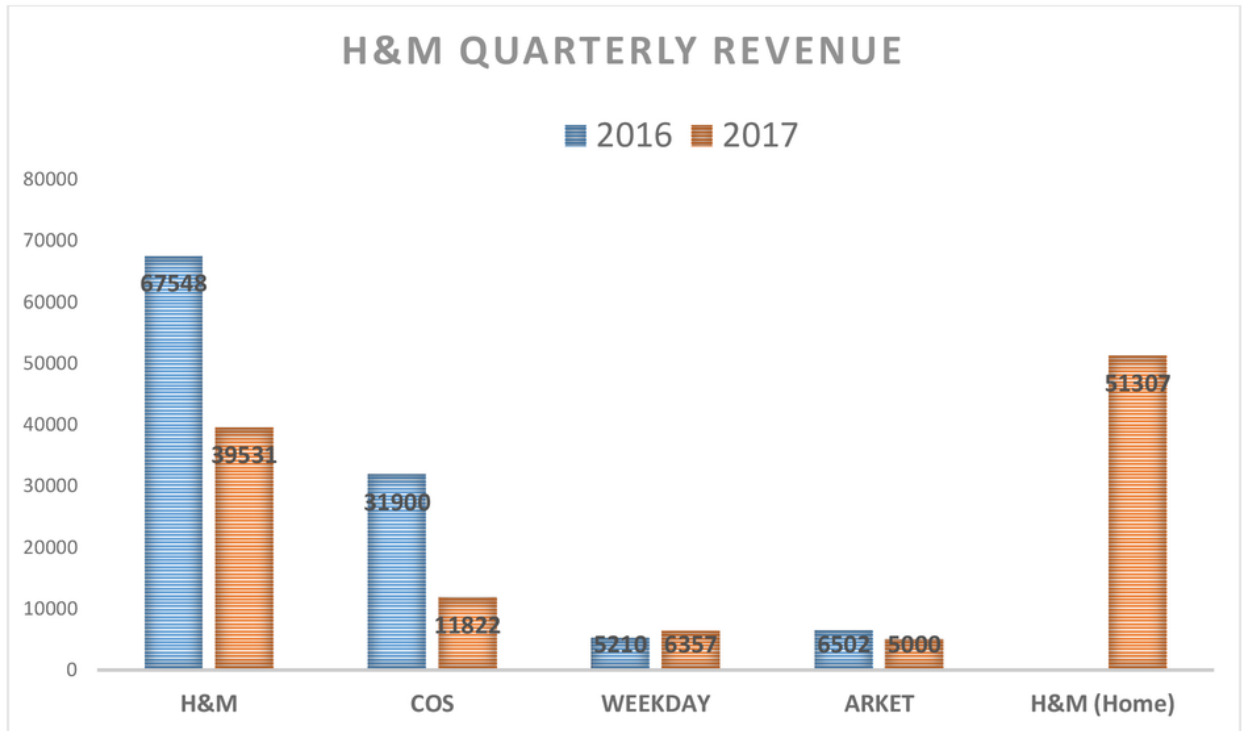
Latest half-yearly (1 December 2017 – 31 May 2018)

As per The H&M overall group's sales including tax amounted to SEK 114,017 m (113,907) at the first half-year. Sales excluding tax amounted to SEK 98,165 m (98,368). In general currencies, contribution including tax remain unchanged.

CM after usual economic items calculated to SEK 7,275 m (10,920).

In recent times The H&M group is going through a period of transformation to make the entity even more customer oriented, efficient thus flexible.

3.1.1 Impact of home supply chain products into gross sale



In two comparative years the sale could have imposed a negative growth but thanks to Home Supply Chain with multiple new segment added. Even the brand value is increased as home product is cheap and the sale is increased in many times. On the other hand the advertising expenses to go down because of new market segment.

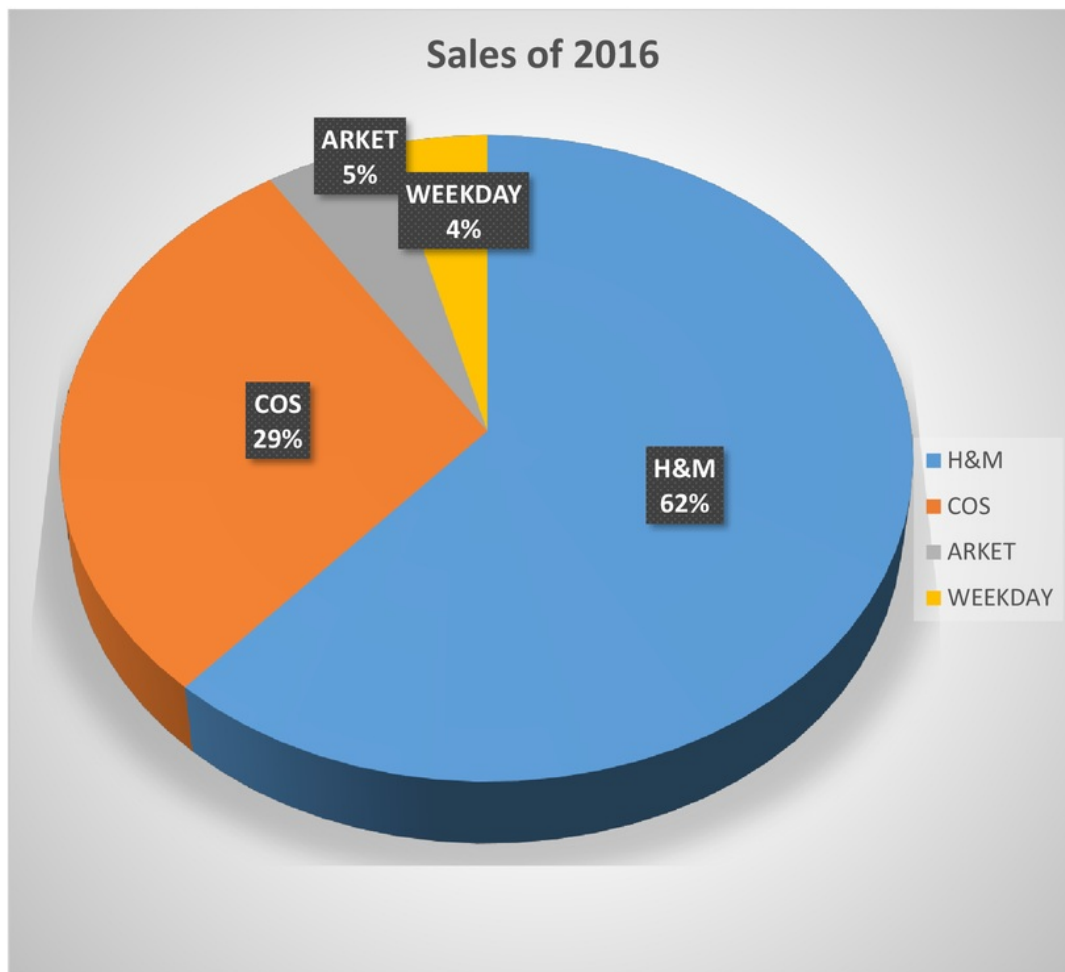


Fig: Impact Percentage before 2016

As per the report analysis 2016 was the indicative year for declining sales for H&M. Compared to 2011-2014 the impact was turning serious because common dress and no new trend added as fashion. Even the inventories were plying up.

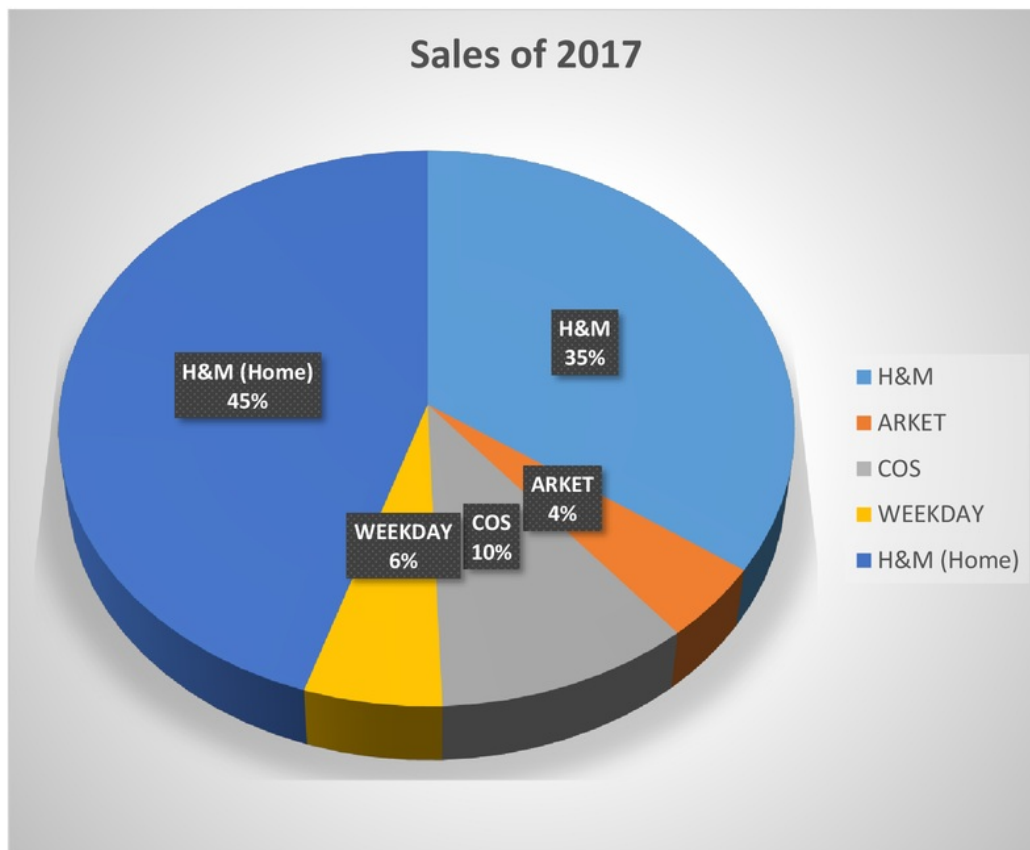


Fig: Impact Percentage 2017 including home supply chain

H&M was expected a loss in boom for the quarters 2017-2018. However it did not happen because introducing home supply chain in vast quantities. The home products are cheap costed but for the patent value and market demand impacted great significance. Whereas small brand like ARKET , COS was turning sedative for H&M.

3.2.0 Brothers Furniture

2 Brothers Furniture Ltd is a brand that is related with quality modern productions. The technical knowledge and experiences are not only limited within the territory of Bangladesh, rather it has broadened throughout the whole world. The sales and decorating staff have only but one mission to assist and help you become a satisfied client. It is dedicated to provide you with proven expertise with your fabric coordination and finish selection. Its production coordinators strive to have a quality product produced in a timely and efficient manner. In the unlikely event a defect is found, your complete satisfaction in quality and workmanship is guaranteed. Increasing demand for our wooden home furniture office furniture, door, mattress and hospital item. They are one of the very few among Bangladeshi furniture manufacturers experiencing export business which gives us opportunity to achieve an international quality.

Brothers Furniture Ltd guarantees you two things:

- First, our prices are guaranteed to be the competitive most.
- Second, we guarantee your satisfaction in quality and workmanship.

Mission

Grow through service

Vision

11 Brothers is dedicated to the highest quality of customer service delivered with a sense of warmth, friendliness, individual pride and company spirit.

Product Categories:

❖ BED ROOM

- Bed
- Almira
- BST
- Chest of Drawer

❖ DINNING

- 10
- Dining Table
 - Chair
 - Side Board
 - Showcase

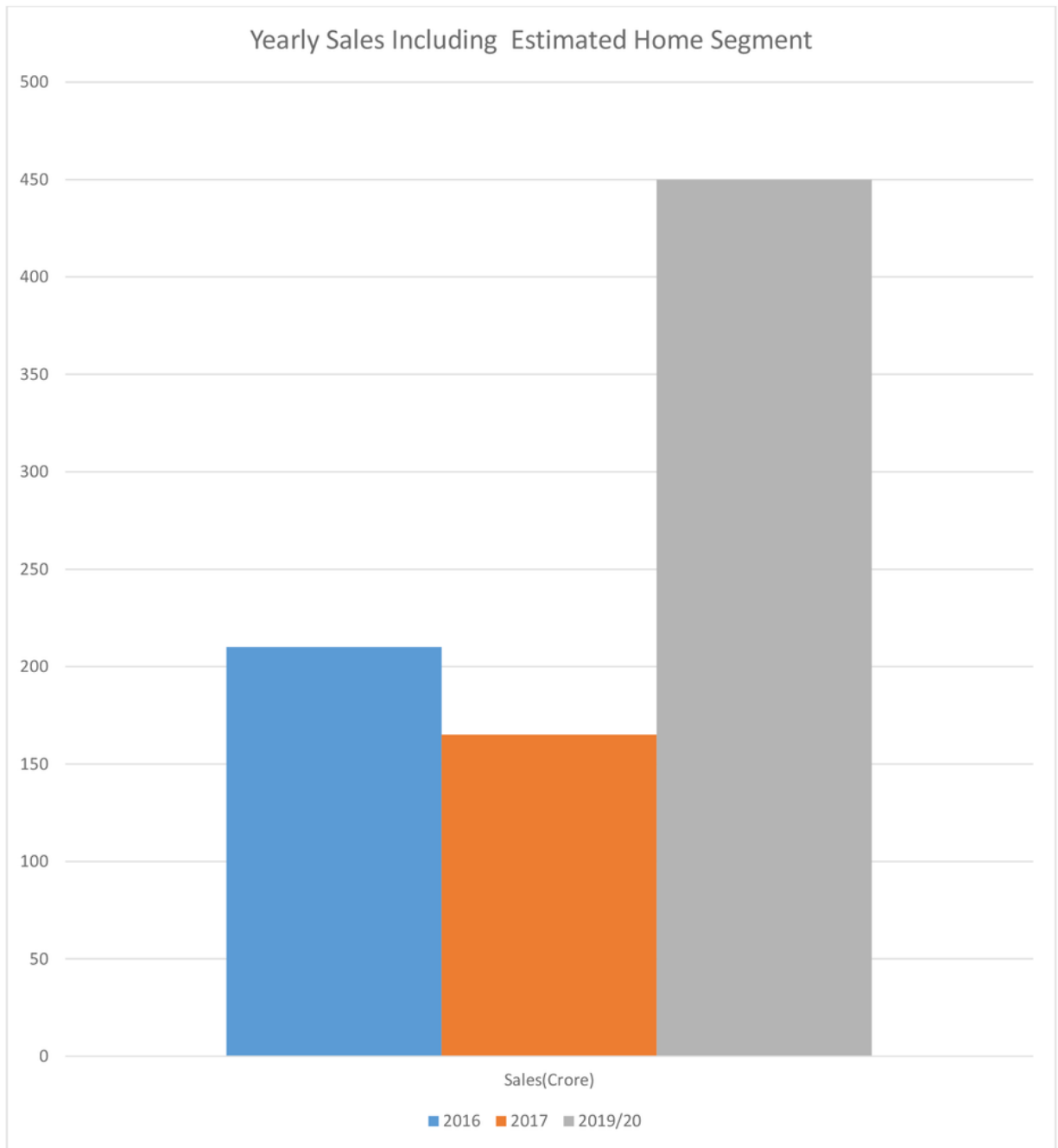
- Rocking Chair
- Oven Stand

❖ LIVING ROOM

- Sofa
- Center Table
- TV Trolley
- Magazine Trolley
- Magazine Shelf
- Divan
- Telephone Table
- Shoe Rack
- Coffee Table

Estimated table for Brothers furniture (inclusive and exclusive of Home Products)

Products	2016	2017	2019/20(Estimated)
BED ROOM	75crore	85crore	115crore
DINNING	110crore	65crore	155crore
LIVING ROOM	25crore	15crore	60crore
HOME PRODUCT (All)			120crore
Total Sales	210cr	165cr	450cr



Chapter-4

Recommendation & Conclusion

Recommendation

- H&M is needed to focus on customer needs as different need is found now with separate customer segment.
- H&M needs to work with Quality and R&D team.

Conclusion

H&M is the finest company who maintain all norms relevant to compliance and tax. The global marketing team always work with due diligence. However to continue with this success the focus should be updated and diversified. On the other hand company like Brothers should bring better combination of new concentration. Thus the growth with good profit can always be ensured for customers.

Reference ⁱ

PULS TRADING FAR EAST LTD, <http://nccib.com/project/puls-trading-far-east-ltd/>

H&M GLOBAL, <https://about.hm.com/en/investors>,

BGMEA, www.bgmea.com.bd/

DailystarNews Paper, www.thedailystar.net

www.prothom-alo.com

Brothers Furniture

www.wikipedia.org

Analyzing of H&M Brand, H&M Home

ORIGINALITY REPORT

23%

SIMILARITY INDEX

13%

INTERNET SOURCES

0%

PUBLICATIONS

15%

STUDENT PAPERS

PRIMARY SOURCES

1

Submitted to BRAC University

Student Paper

8%

2

www.everjobs.com.bd

Internet Source

5%

3

about.hm.com

Internet Source

2%

4

Submitted to University of Bedfordshire

Student Paper

1%

5

www2.hm.com

Internet Source

1%

6

dspace.bracu.ac.bd:8080

Internet Source

1%

7

Submitted to Argosy University

Student Paper

1%

8

www.slideshare.net

Internet Source

1%

9

Submitted to Bocconi University

Student Paper

1%

10

brothersfurniture.com.bd

Internet Source

1%

11

Submitted to American Intercontinental
University Online

Student Paper

1%

12

Submitted to University of Hong Kong

Student Paper

1%

Exclude quotes On

Exclude bibliography On

Exclude matches < 1%

Analyzing of H&M Brand, H&M Home

GRADEMARK REPORT

FINAL GRADE

/0

GENERAL COMMENTS

Instructor

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 10

PAGE 11

PAGE 12

PAGE 13

PAGE 14

PAGE 15

PAGE 16

PAGE 17

PAGE 18

PAGE 19

PAGE 20

PAGE 21

PAGE 22

PAGE 23

PAGE 24

PAGE 25

PAGE 26

PAGE 27

PAGE 28

PAGE 29

PAGE 30

PAGE 31

PAGE 32

PAGE 33

PAGE 34

PAGE 35
