Victoria's Secret | Company Briefing

Description: Having taken a relatively cautious approach to international expansion, US lingerie retailer Victoria's Secret is poised to enter the European market with two full assortment stores in London in summer 2012. The retailer's strong global brand awareness aided by its keen presence on social media sites, and its strength in product innovation will provide differentiation in the UK lingerie market. Benchmark Victoria's Secret's performance by discovering its five year sales and profit history.

Discover Victoria's Secret's brand positioning in both North America and in the UK to understand its potential impact on your business. Consider your own international expansion strategy by building awareness of Victoria's Secret's plans for overseas growth. Victoria's Secret has achieved a sustained period of comparable store sales growth, with its core fascia and its Victoria's Secret Beauty fascia posting comparable store sales growth for 30 consecutive months.

This can be attributed to its strong product offer, as well as its effective and careful use of promotions, which drive traffic to stores. Lingerie is a difficult sector to sell remotely as fit, comfort and customer service are all important features in the buying process so unless the customer is loyal and has a good knowledge of how Victoria's Secret underwear fits it will be difficult for the retailer to grow its online presence and share of total sales.

The US has very few lingerie specialists large enough to pose as a threat to Victoria's Secret, enabling it to hold a strong market position and making it a go to destination for women looking for good value and interesting ranges with a high fashion influence—which many of its midmarket competitors fail to achieve, offering more basic propositions.

How have Victoria's Secret's lingerie sales and densities developed and how does Verdict see this changing as it enters new markets? How will the retailer adjust its price architecture for launching in the UK and how will consumers react?

- Who will its competitors be in the UK?
- Which countries offer Victoria's Secret the most growth potential and why?
- What should it do ahead of opening physical stores in new markets?
- How beneficial would country specific websites be to Victoria's Secret?
- What other multichannel facilities would enhance its shopping experience?

A new one-stop destination for unique data and opinion on Victoria's Secret global lingerie proposition. Targeted at retailers, and stakeholders to the company, we assess its performance, strategic direction and provide Verdict's view on its future.

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OVERVIEW

Introduction
Summary
- Targets new markets through online and physical stores;
- Strong brand identity supports group performance and future expansion opportunities;
- Achieves double digit sales growth as it broadens reach through innovation;
- Raises operating income more than 2.5 fold in three years through careful cost management;
- Develops multichannel capabilities to grow sales;
- Utilizes social media to engage with shoppers.

STRATEGIC ACTION POINTS
International expansion
Pricing
Product innovation
Marketing and advertising
Multichannel
Store formats

VICTORIA'S SECRET

Strong brand identity fuels future expansion opportunities
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