



Expansion of East Coast Lifestyle Brand — A Wise Choice or Not?

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Abstract: East Coast Lifestyle (ECL), a regional apparel company in Canada, has developed rapidly in recent years, with more than 500,000 products having been sold out and getting the recognition as well as promotion of high-profile celebrities, though some relevant issues are inevitable. In order to keep the substantial growth of this brand, the company tended to expand its market in various territories such as America and Australia (Pancer, Ferguson and Pooley, 2017). The business expansion option for East Coast Lifestyle, given the environment of globalization it is a beneficial strategy to ensure sustainable development in the long run, as it owns large potential market, strong brand culture, various distribution channels, etc. However, weaknesses and issues both internal and external such as organizational structure, relying heavily on retail partnerships, trademark issue, high import taxes should not be ignored.

Keywords: ECL brand, expansion, globalization, brand image, product

Introduction

ECL was founded by a young only 25-year-old chief executive officer Alex MacLean as a regional brand, which stresses a notion that everyone should be proud of their hometown regardless of their hometown is poor or rich. This is also the most distinctive character of ECL to attract target consumers in different regions. As the apparel industry is usually characterized by uncertainty and also in order to develop in a globalized environment, exploring more international market is a wise choice for ECL as it has established furnished distribution structures as well as operation system, and both its brand notion and product have been recognized by the public gradually, though the most suitable market -- the US Eastern Seaboard has become saturated, thus making it hard to launch ECL products. Consequently, it is vital for ECL is to choose a suitable and feasible strategy to expand on a global basis.

1. SWOT analysis of ECL

Table 1. SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Strong brand culture and consumer loyalty • Celebrity effects • Potential leader • Completed distribution channels • Innovative and distinctive products • Sound social communication • Active promotion on social media platforms 	<ul style="list-style-type: none"> • Organizational structure is incomplete • Less competitive than some apparel companies with strong financial backing • Lack of experienced leader • Relying heavily on retail partnerships • Less profitable business • Difficult to achieve a balance between keeping uniqueness and increasing sales
Opportunities	Threats
<ul style="list-style-type: none"> • Large potential foreign market in the US, Australia and Japan • Globalisation trend • Development of digital media platforms • Partnership with various organizations 	<ul style="list-style-type: none"> • Fierce competition in apparel market • Saturated foreign market especially in the US • Uncertainty of apparel industry

2. Strengths

2.1 The brand story of ECL

ECL owns strong brand culture that stresses an image of taking pride of your hometown. Historically speaking, the region of ECL establishment used to rely heavily on maritime industries, so the brand logo is designed as an anchor to show their maritime pride and connect with each other when they are out. And this brand image is easy to be recognized by the public and thereby resonating with consumers even they are not from Canada but being proud of their own hometown, which

could reinforce loyalty of consumers, to some extent.

And the brand image is also the most distinctive character of ECL on account of its meaning focus. As a market leader in regional lifestyle apparel, ECL focus on high-quality surfing, skating and skiing fashions and continue to launch several new products one year including specific limited editions such as the Wu-Tang hockey jersey to keep a fresh as well as premium position of this brand.

2.2 Celebrity effect

Furthermore, ECL has also caught the attention of many celebrities who have perhaps become the greatest ambassadors of the brand. ECL products have been worn by Wu Tang Clan, Ed Sheeran as well as Adam McQuaid who has been photographed and punted on various social media platforms (Nowns, 2017). The celebrity effect it generated could be an efficient business promotion strategy.

2.3 Ambitious CEO

CEO of this company is young and has received accolades for his potential ability as well as leadership. He is ambitious for expansion. With a good knowledge of consumer elasticity and psychology as a youngster, he could target the consumer group more accurately. And as a young CEO, he has utilized and become active on various media platforms such as Twitter and Facebook for promotion thus wider consumers would take notice of the relevant information.

2.4 Sound social communication network

In addition, different from other apparel industries that just own offline sale channels or online channels, ECL has three distribution channels, including 4 ECL retail locations, an online website as well as various other retailers, which could cover a wide consumer scope even all over the world. In terms of promotion strategies, ECL ran a brand ambassador program and went back to local community, enhancing consumer loyalty and expanding consumer group.

Considering the opportunity of globalization, there are wider potential market in the US and Australia that can be explored properly by ECL through cooperation with local retailers and other means though some difficulties are inevitable.

3. Weaknesses

3.1 Immature leader

Nevertheless, CEO of this company is just in his twenties who was a student before, lacking of professional experience though owning some relevant theoretical knowledge. Therefore, most of his decision was ambitious but not mature enough. Plus, internal organizational structure is incomplete to some extent, on account of lacking of monitoring sectors, which may lead to company's decision being far more subjective.

3.2 Numerous external uncertain factors

Besides, though ECL has potential foreign market in the US where suits it to develop. Actually, the apparel market in the US has become saturated in recent years. Its competitors are numerous large local-based apparel companies that own sufficient funding, taking up large part of market share, making it harder for foreign company to entry the US apparel market.

And digital development has increased the intrinsic uncertainty of this industry, ECL is not an exception either, which make it difficult to comprehend foreign market situation and thus deciding the suitable strategy.

In terms of distribution sector, as sales of ECL retail stores is lower than others, it has to rely heavily on retail partnerships to ensure the sales volume. There is no doubt this is a noticeable weakness in its distribution sector, but by expanding its business to deal with this weakness, some issues about the profit and balance may emerge.

4. Issues

By expanding ECL business to other regions, some issues including trademark issue, retail partnership issue, import taxes issue have emerged. ECL has a sibling brand for Canadians in British Columbia and Alberta, this is part of its expansion and has caused a trademark issue which eventually was successful and made sibling brand rightful owner of West Coast Lifestyle (WCL), replacing the anchor symbol with mountain ranges, producing apparel in completely different styles (Burke, 2015), showing its place as a real global player (Nowns, 2017).

Besides, by opening numerous small stores in other regions to make more profit, existing retail partners may get affected, as the uniqueness of ECL products especially limited-edition apparel tend to be decreased, thus undermining premium positioning of the brand, to some extent. Consequently, expansion of ECL may make it difficult to achieve a balance between maintaining brand position and pursuing profit.

Plus, considering the high import taxes and foreign market entry barrier especially in the US, it is hard for ECL to be profitable by expanding to other regions. And the deal with Korea would lead to lower profits and less control but mitigate expansion risk for ECL, which is a suitable step for ECL to expand currently.

Conclusion

This article has overviewed current situation of ECL with analysis of its expansion choice, utilized SWOT analysis model to analyze strengths and weaknesses respectively, and finally the relevant issues including trademark issue, partnership issue, import taxes issue have been identified. As a rapid developing company in apparel fashion industry under the trend of globalization, exploring suitable market in other regions step by step could be regarded as a wise choice, so the option of cooperate with Korea organization is feasible, to some extent. And it means mitigating risk and keeping brand image are important factors in expansion, then making good use of its brand strengths and avoiding weaknesses by devoting to product innovation is essential market strategy. Only in this way, can ECL keep a sustainable developing trend while expanding to other regions.

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