Analysis and Marketing Strategy of
ELLE magazine in China

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Abstract

ELLE magazine was founded in France in 1945 by Helen Lazareff. It is now the world’s best-selling fashion magazine, with 42 international editions in over 60 countries. There are 27 ELLE websites globally, which collectively attract over 1 million visitors and 26 million page views per month. In addition, ELLE brand also has several branches, such as ELLE Décor magazine (18 editions), ELLE Girl magazine (5 editions), ELLE Cuisine magazine (5 editions), the website ELLE.COM (13 kinds of languages). ELLE brand also has a variety of licensed products including books, shoes, eyewear and other fashion boutiques.

ELLE is published under license by HEARST MAGAZINES CHINA. ELLE China, published in cooperation with Shanghai Translation Publishing House, a subsidiary of Shanghai Century Publishing Group, has been constantly setting milestones of fashion media since 1988. However, China market also carries many risks. In such a risky environment, ELLE doesn’t do very well because of so many strong competitors and many other reasons we will mention in the project.

The project will mainly focus on how ELLE exploiting China market and what ELLE has done in China. We will analysis the characteristics of fashion magazine in China market, such as Chinese audiences’ preference, the competitors and China’s economic and cultural factors, etc.. We will also analysis the opportunities for ELLE and difficulties it faced in China. Through the deep study on problems ELLE has in China, solution will be provided and a business plan for ELLE in first-tier cities and second-tier cities will be generated respectively for ELLE’s further development in China market.
Chapter 1 ELLE and Its Global Strategy

ELLE means “she” in French. It was founded in France in 1945. In the 1960s it was considered to “not so much reflect fashion as decree it”, with 800,000 loyal readers and a then famous slogan: “If she reads, she reads ELLE”.

ELLE's founder Helene Lazareff’s initial goal is to create a timing, trending and optional magazine which predominantly focuses on fashion, beauty and life of women. She also wants ELLE magazine to become a new promising fashion industry. Nowadays, ELLE exceeds the category of the fashion magazine and becomes an international fashion brand. It owns more than 150 copyright business and 250 product categories all over the world. It represents an image of modern women - confident, energetic, dynamic, lively, curious, attractive and free. ELLE’s 3S slogan is: “Sexy, Spirited and Stylish”.

ELLE is once owned by the Lagardère Group, which is a French-based multinational conglomerate headquartered in the 16th arrondissement of Paris. ELLE was published by Hachette publishing group, one of the publishing groups of Lagardère. Hachette publishing group ranks at the top list in the French periodicals. However, at the end of last year, Hearst, the US-based magazine publisher, has finalised the purchase of a rack of top titles from French publisher Lagardère, including ELLE Decor and the rights to ELLE magazine outside of France. Hearst also bought Hachette in China including the publishing rights of ELLE in China. ELLE is now a brand owned by Lagardere Active and published under license by HEARST Magazines China.
Core Competence of ELLE

For a magazine, the content is the core competitiveness. And for a fashion magazine, only to bring all the unique fashion content to the readers can attract more readers. As the French Hachette Group Vice President, Mr. Jean Paul said: Hachette momentum of the source is ELLE magazine. This is the Hachette Group's own core competitiveness point. The key of ELLE's success is that it embodies the distinctive characteristics, that is, as Jean Paul said, when after World War II, many women filled with a boring journal content, ELLE has its own outstanding female values, enhance the content and quality of life of women. As a feature, ELLE wants to stand out from the many female journal publications. And then it continues to improve this feature so the ability let it to become highly competitive brand.

ELLE guided fashion, beauty, life, the latest trends, but also close to the fashionable women's lives, helping them to become “Sexy, Spirited, Stylish” of modern women. The magazine’s content includes fashion, hair and beauty, pop culture, accessories, health and so on. ELLE has been playing a style of push hands and create the role of the trend. She influenced a generation of urban women's fashion and lifestyle concept. She always stood the forefront of international fashion trends, from fashion, beauty and lifestyle topics as well as other aspects of the dynamics at home and abroad to interpret the latest fashion. With the most personalized and most specific way that was presented to the reader, ELLE gives the readers inspire and space for reverie. ELLE’s readers are encouraged to pay attention to their own unique personality and self-development, promoting women to enjoy their own now, at the
same time broaden their horizons, open heart, to do a style of elegant women.

**ELLE’s Global Strategy**

ELLE magazine did very well in globalization. It is now the world’s best-selling fashion magazine, with 42 international editions in over 60 countries. There are 27 ELLE websites globally, which collectively attract over 1 million visitors and 26 million page views per month. In addition, ELLE brand also has several branches, such as ELLE Décor magazine (18 editions), ELLE Girl magazine (5 editions), ELLE Cuisine magazine (5 editions), the website ELLE.COM (13 kinds of languages). ELLE brand also has a variety of licensed products including books, shoes, eyewear and other fashion boutiques.

ELLE is owned by the Lagardère Group, Lagardère Group is a comprehensive French media, machinery manufacturing, aerospace, telecommunications companies. Company is under the jurisdiction of a publishing company, a satellite company and an aerospace company. As one of the world's three major publishing groups, Lagardere Group currently owns 259 magazines around the world. In 2010, group sales over 7.9 billion Euros, it has more than 30,000 employees worldwide. It has subsidiaries in more than 40 countries around the world and more than 66% of sales from countries outside their home country France. Therefore, the globalization of ELLE can’t live without Lagardère Group's powerful economic strength, deep industry background and its wealth resources.

Furthermore, the birthplace of ELLE is Paris, the capital of fashion with most cutting edge fashion information such as Paris Fashion Week, top fashion giants and
top designers, which act as a continuously fashionable information pool of ELLE.

ELLE magazine publishes over 5 million globally per month. Here is a table indicates the circulation of ELLE magazine in five countries.

<table>
<thead>
<tr>
<th>Country</th>
<th>Circulation</th>
<th>Publisher</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>1,132,860</td>
<td>Hearst Magazines</td>
<td>77</td>
</tr>
<tr>
<td>Spain</td>
<td>184,155</td>
<td>Hearst Magazines</td>
<td>10</td>
</tr>
<tr>
<td>Russia</td>
<td>220</td>
<td>Hachette Filipacchi Shkulev</td>
<td>8</td>
</tr>
<tr>
<td>France</td>
<td>382,875</td>
<td>Hachette Filipacchi Médias</td>
<td>34</td>
</tr>
<tr>
<td>Canada</td>
<td>130,958</td>
<td>Transcontinental</td>
<td>26</td>
</tr>
</tbody>
</table>

(Chart 1)


From this table, we can find out that the circulation in the United States is the largest. But the best ranking is in Russia. Different countries may have different environment and different environment may have different effects on magazine selling. So we use PEST model to analyze the marketing environment of ELLE in detail. We choose China and France to do the PEST analysis.

**PEST Analysis: (China & France)**

<table>
<thead>
<tr>
<th></th>
<th>China</th>
<th>France</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political/Legal</td>
<td>Communist state</td>
<td>Capitalist state</td>
</tr>
<tr>
<td>Socio-cultural</td>
<td>Popular culture</td>
<td>Paris is the birthplace of fashion.</td>
</tr>
<tr>
<td></td>
<td>Fast-food culture &amp; Consumer culture</td>
<td></td>
</tr>
<tr>
<td>Economics</td>
<td>Developing GDP per capita:$4382</td>
<td>Developed GDP per capita:$41019</td>
</tr>
<tr>
<td></td>
<td>country comparison to the world:95 (2011)</td>
<td>country comparison to the world:18 (2011)</td>
</tr>
<tr>
<td>Technological</td>
<td>Internet users: 389 million (2009)</td>
<td>Internet users: 45.262 million; 44.625 million</td>
</tr>
<tr>
<td></td>
<td>country comparison to</td>
<td>(metropolitan</td>
</tr>
</tbody>
</table>
What we find in this table is that if ELLE wants to go global, she must learn to think local because of the different situation of each country she wants to enter.

**Think Global, Act Local**

We may have this kind of question how could ELLE entry in different countries? According to Mr. De Luoxie, the vice president of international distribution, he said ELLE implemented the dual system in the global market, "Localization and standardization." On the one hand, hiring a local editorial team, the production has a "local flavor" of "ELLE". On the other hand, the various versions of the overseas development of harmonized standards and of different language versions of the magazine are strictly reflect "ELLE" style and features. To this end, the headquarters regularly organize international conferences, invited editorial and publishing staff, and share their experiences. In addition, different versions of the world's "ELLE" not alone from each other, but in exchange and develop, and the headquarters for distribution around the world to provide part of the editorial, "sharing" of the articles and pictures, to ensure that each version of "ELLE" can enter the world's leading stage.
Chapter 2: China Fashion Magazine Market Analysis

In this chapter, we talk about the history of China's fashion magazine and analyze the present market including a brief introduction, average sales, market share, competitive power and consumer insight.

History of China’s Fashion Magazine

Roughly speaking, China’s fashion magazine has gone through five periods as follows:

i. Shanghai courtesan style in late 19th century and feminist style in early 20th century.

This period is just like the embryonic period of China’s fashion magazine. People began to have the desire to get in touch with fashion information.

ii. Cosmopolitan lifestyle magazines in Shanghai in the 1920s.

Between 1931 and 1937, the Sanhe publishing company, located on Nanjing Road in Shanghai, published Ling long magazine (玲珑杂志), which they called Lin loon magazine in English. This pocket-sized weekly stood only 13 centimeters high. At that time, almost every female student had an issue of Ling Long magazine in hand. The goal of the magazine was "to promote the exquisite life of women, and encourage lofty entertainment in society." The magazine was divided into two parts, indicated by the front and back covers. The front cover usually featured a photograph of a woman who represented the magazine's ideal of the modern woman, while content on the back cover was usually related to the cinema.

iii. The War Eras (1937-1945; 1945-1949)

Fashion is not the main theme during that time, what people most concern about
is to live in a peaceful environment.

iv. The Maoist Era

Fashion resource during this period is limited. We can use what Harriet Evans said to describe how people was looking at that time. “Long sleeves, long trousers, high necklines and buttons ensured that little flesh was exposed… Urban hairstyles were mainly short, either bobbed or in tight plaits and pig-tails.”

v. Fashion magazines in the 1980s

After Reform and opening-up, China’s economy developed rapidly. The development of economy also led the development of fashion magazine. After the 1980s, the style of fashion magazines became diversified. Fashion(时装) was publish in 1980 and Popular film(大众电影) was published in 1986. These two magazines symbolized the beginning of modern Chinese fashion magazine. From 1980s, many foreign fashion magazines began to enter China market.

**Fashion Magazine Market in China**

China is a huge and potential market of fashion magazine so almost every foreign fashion magazine companies want to come to China to expand their market share in this market. “Rayli Magazine”, “Hearst” and “Conde Nast Group” are the main fashion magazine publishing group that occupied the Chinese fashion magazine market.

Rayli Magazine includes the familiar fashion magazines like “Rayli Costume and Cosmetics”, “Rayli Lady”, “Rayli Fashion Pioneer” and “Rayli Decoration”. Hearst contains what we all know like “COSMOPOLITAN”,“HARPER’SBAZAAR”
and now they also has ELLE China which we will mainly analysis in this project. Conde Nast Group published “VOGUE” and “Self”. Among all the fashion magazines in China market, “Rayli”, “ELLE”, “VOGUE”, “BAZAAR” and “COSMOPOLITAN” are the most influential and most representative fashion magazines that attract approximately 80 percent of the readers.

**ELLE**: This magazine's special 3S editorial concept--Sexy, Stylish and Spirited--was, is and will always influence its female readers. At the same time of leading fashion, beauty and lifestyle trends, it pays attention to inner world and human spirits than other magazines, helping readers to become a modern lady both inside and outside.

**VOGUE**: It calls itself as the 'Wind Vane of Fashion Image Culture ' and 'History of Fashion Shoot', so the magazine insists on noble taste in the qualified content since it entered China in 2005. 'If it wasn't in VOGUE It wasn't in vogue.' is their slogan.

**BAZAAR**: Modern and elegant is illustrated as the core spirit of Harper's Bazaar, which also introduces the latest fashion trend as well as classical fashion ideas.

**COSMOPOLITAN**: It not only delivers the most 'in' domestic and overseas fashion trends, beauty information, but also focus on Chinese woman's career development, emotional life and life style.

**Rayli Costume and Cosmetics**: A magazine that sparkplugs a combination of fashion hot spot and eastern spirit, providing urban white-collar women a fashion reference and helping them to improve temperament. It's a book of modelling guideline close at hand.
Comparing China's Fashion magazine market as a big cake, the five above are the ones who share the cake. They compete with each other to get their piece as large as possible. We found statistics from internet, which would help to do the market analysis.

In terms of the **average sales**, Rayli Costume and Cosmetics, who plays a role of the leader, shows absolute advantage in average sale. In the second half of 2011, the statistic was 55,700 all over the country. (The data is calculated by setting 10 major cities such as Beijing, Shanghai, Guangzhou, Chengdu and Hangzhou as range, plus every city’s average sale volume and then dividing 10.) It took the lead, beating other competitors far behind. Vogue, Cosmopolitan, ELLE, Bazaar's data separately was 17100, 16000, 13800 and 13100. Even the number of famous and historic Vogue was accounted for one third of Raily's. Obviously, Raily has its magic to conquer a large quantity of female readers. We'll talk about this specifically in the next chapter.

![Average Sales in Guang Zhou 2010](chart3.png)
Unsurprisingly, Rayli Costume and Cosmetics takes a lion's share in aspect of fashion magazine's **market share**. According to the retail monitoring data of the ten cities in 2010, Rayli Costume and Cosmetics occupied 18.37% with a rate of coverage of 95.92%. Together with other magazines of Raily Group, the company shares nearly half of the cake. Even if the rivals are strong, they can't totally win the Raily over. Among them, ELLE and Vogue's sales is stable one, and its market share practically hovers at 10~15%. Cosmopolitan and Bazaar are all below 10%, and their weakness forces them to compete with other magazines like Vivi and mina, grabbing the limited resources.

However, all the data above is not the end. After having an overview of the basic statistic, we also pay attention to the **market potential**, which means if a certain magazine has growing spaces, it may seize opportunities to become stronger and protect itself from dull of sale. From the data, we can conclude that if taking Raily as a representative of Japanese magazine, it actually acts more powerful than the Western magazines, but this does mean the later ones are fated to die away. By making face-to-face interview with 40 distributers in Hang Zhou, Nanjing, Chengdu
and Guangzhou, we found that most of the distributers were still confident in the western fashion magazines.

To sum up, the whole market can be divided into three levels vertically like an inverted pyramid. On the top is the Japanese magazines, they make better performance in sale and market share. In the middle are the western magazines. The bottom ones are the local ones. As we all know, a real fashion chain industry has not completely established in China. We have neither world fashion brand nor fashion background, so most of the fashion magazines choose to cooperate with foreign publishing group. ELLE, VOGUE, also Raily are all cases in point. However, comparing to Japanese magazine, western magazines are often treated as 'xxx's Chinese version', but Raily, full Asian elements, can resonate their readers. What worth to be rethought is, why ELLE, a fashion magazine that the first entered China and used to be the national sales champion, is keeping losing its attractiveness and competitiveness. We will try to figure out the reason in the 6 chapter.

At last but not the least, we must not neglect that nothing can be more important than the readers. In 2008, Beijing Shi Ji Wen Hua International Media Consulting Co. Ltd. did a readers' research in several cities like Beijing, Shanghai and Guangzhou, analyzing their structure and reading habit.
As can be seen from the three charts above, we can see that the target customers are majorly office ladies in both private and overseas-funded enterprises. Usually they are equipped with high education background and having high income and high consumption. With full passion for stylish life, they believe it is their own choice to decide the direction of life. The major readers basically ranges from 21 to 50, whose predilections to content are costume & cosmetic (25.89%), health & sports (18.77%). All those factors can be took advantages by fashion magazines in advertising campaign,
Chinese Consumer Insight into Fashion Magazine

Preference

With the improvement of living standards, Chinese people pay more and more attention to the quality of cultural life. They began to focus on fashion information all over the world to follow the footsteps of the fashion trend.

The definition of fashion in Chinese people’s mind is that you need to be fashion both outside and inside. Of course, you need to have a fashionable appearance that means your dress, hair and makeup are fashionable. What’s more, your ideas, your behavior or the way you think the world should be in line with fashion trends. Only a person’s inner quality and external wear are consistent, that can be the perfect performance of fashion. Therefore, only by understanding the real definition of fashion in Chinese people’s mind can the fashion magazines attract more readers and get more market share.

As the fashion industry has not been formed in China, many domestic fashion magazines choose to cooperate with foreign fashion magazines. However, because of the difference in many factors such as cultural, social and psychology, consumer in China may not have the same behavior or preference with the people in foreign countries. And consumer behavior may influence consumer insight in different country. First, Chinese consumers are practical oriented so they want to dress like the model in fashion magazine in daily life. If the models in the magazines all dressed like to attend the party how can the readers learn from them and be fashionable in their everyday life. Secondly, Chinese consumers are relatively conservative about
clothes and makeup. For instance, people in China are more subtle so they don’t like the clothes that are too flashy or too provocative. They want the clothes to be easy and decent. But western people dare to try various types of clothes that maybe too revealing or too offbeat for Chinese people. Another factor is about cosmetic, Chinese people focus on the information of skin care while western people pay more attention on makeup.

Different age has different preference and demand about the content of fashion. Readers under the age of 20 mainly use the fashion magazines as the guide for daily wear and they also concerned more about beauty and makeup. Readers between the age of 21 to 35 mainly want to know the latest information about fashion trend because they have their own style and own opinion of fashion. Readers over the age of 35 aimed to get the knowledge of skin care and inner beauty.

Ways people get fashion information

Chinese people can use variety of channels to get fashion information like TV, magazine, Internet, newspaper and also by talking with others. TV is the main source of fashion information. In China, we have many famous TV fashion programs like “Pretty woman” (美丽俏佳人) and “Lady” broadcasted by TVBS (台湾的“女人我最大”). Audience can easily learn how to make up and how to match clothes from the programs. Fashion magazine is also the main channel to get fashion knowledge, unlike the linear spread of television, you can read magazine at any time. Nowadays, the Internet develop rapidly, young generations prefer to surf the Internet to obtain fashion information. In China the well known fashionable websites are Haibao（海报
People can not only get information from the website they can also share their shopping experience or share their using experience of different goods. It is easy for us to find out that, currently Chinese people can only get fashion information passively. They normally accept the information rather than broadcast the information. Meanwhile, men and women are totally different. Women are more susceptible to be influenced by media and more willing to accept fashion.

The graph below is the fashionable index of China urban residents:

As can be seen from the graph that the score of “willing to accept fashion” is 79
and the score of “fashion behavior” is 67.57. It indicates that although Chinese consumers aspire to fashion, they have limited knowledge about fashion and limited ability to be fashion by themselves. And people need a good fashion magazine to guide their consumption.
Chapter 3 ELLE in China

As early as in 1985 ELLE exceed the boundaries of France and became the leader of fashion magazines in world. In 1988, ELLE entered the Chinese market. ELLE China《世界时装之苑——ELLE》successfully founded, it is the first foreign magazine issued in China with official license. During these years ELLE well received by young Chinese white-collar women of all ages, and has become the preferred media for internationally renowned brands in China.

Nowadays, ELLE has the publication of "ELLE · Home Gallery", "ELLE · Girl", "ELLE · Kitchen" as well as several other sub-issue of ELLE websites in China.

The Reason to Choose China Market

The Chinese economy continues to maintain double-digit growth; it created a huge advertising market and attracted those foreign publishers who wanting earn money in china. China has three aspects to meet their desire: more than 10 million people; cheap labor and a vast market untapped. With China joined into the WTO, China's economy-oriented market deepening, economic developing and urbanization continues to expand. The public income and consumption levels constantly increase; the cultural industries tend to be formed. What’s more the increased demand of modern information, market information and global information create chances for overseas capital invests in the media industries. Compare to Television media, it is relatively fewer restrictions to enter paper media in China. As we know journals is the least risky investment of project in Paper media. So Overseas capital is more likely to invest in the journal field, and mostly concentrated in the economy, fashion,
entertainment magazine. Therefore, the prospects of media industry are very good. On the other hand, with the economic reform and the policies of market liberalization, thousands of people became richer than before and foreign magazines settled in China one after another. Chinese women who keen on fashion and desire to have a more modern or more westernized external image, these foreign magazines just to meet their fanatical demand.

**Entry of ELLE in China**

With the deepening of reform, China's publishing industry will further expand the degree of openness, enhance cooperation with foreign news publishing industry, foreign companies will get much more opportunities in china. When envisioning global expansion, ELLE has to consider the conditions in the new markets they are wishing to expand into. ELLE has benefited from its worldwide reputation, but when it entering China as a new entrant it has to face many kinds of barriers, such as economic barriers, political and legal barriers, social and geographical barriers. The biggest challenge faced with the overseas media company into Chinese market is the political and legal barriers. Although Chinese law stipulate foreign citizens cannot establish Press and Publication Company in the territory of the China. It does not exclude cooperation with the international news publishing industry. There are three main Approaches for foreign publications into china: First, imports foreign press and publication products through the China Import and Export Corporation; secondly, individual or organization subscriptions; third, copyright cooperation. Many foreign newspapers cooperate with Chinese companies in China; it
is equivalent to entering the Chinese market. "Chinese version" and "copyright cooperation" are the most important two ways for foreign periodicals to enter the Chinese market. The biggest difference between the two types is: Chinese version of Foreign Periodicals use the same name as foreign version and about 80% of the content directly translate from foreign publications, and completely follow the brand and style of foreign periodicals; however, copyright cooperation refers to that Chinese magazines have own brand they just issued after purchasing and translating materials of foreign periodicals. ELLE belong to the first form.

Until 2004, the State Administration of Press and Publications of China finally allowed foreign investors to sell books, newspapers and magazines in China and to retail firms. However, this does not mean that the Chinese government intends to withdraw all restrictions. Even if the formal approval of the magazine, does not mean that can be published any content. On the other hand, regardless any type overseas edition of magazines will not be success just published translated foreign articles. Therefore, ELLE need to increase the localization content in magazine.

In the early days, when ELLE entered into China market, it must cooperate with Chinese publishing company to release their magazine. So in 1988, Hachette publishing group built up alliances with Shanghai Translation Publishing House to publish ELLE China (世界时装之苑). This cooperation made ELLE become the first foreign fashion magazine in China market.

In 2001, ELLE China began to have own local editorial team. They can modify the content in the magazine to be more appealing to Chinese readers. They can add
more Chinese elements into ELLE China magazine.

Then in 2003, it is the first time that ELLE represent China went to Paris Fashion Week. ELLE TV is China’s only video media that was invited to attend fashion week. So ELLE can broadcast first-hand exclusive fashion news to all the readers in China.

ELLE brought Fashion Award(风尚大典) into China in 2008, which draw all the superstars and media attention. In 2008, ELLE strongly invested ELLECHINA.COM as the preferred media of all the high-end women’s brands. They updated hundreds of news with clear and rich content daily to attract users and meet different needs of readers. Three years later, ELLECHINA.COM become China’s first vertical female web portal with over ten million page views. In addition, ELLE also has smart phone app which can make people more convenient to read the magazine.

In 2011, ELLE’s publishing rights was bought by Hearst Corporation then in 2012 ELLE China makes a big change. They change from originally monthly magazine to semimonthly magazine. After the revision, ELLE will be released on the 5th and the 20th of each month. They aim to cover various cities by using an exclusive perspective, the original content and high-end taste. ELLE want to be more international than local publications and closer than other traditional monthly magazines.

**Localization Strategy of ELLE in China**

In terms of ELLE’s localization strategy, compared with other fashion magazines, ELLE shows a strongest ability to illustrate "think global, act local". Globally, it owns 42 international editions in Europe, North and South America, Asia and even in the
Arab regions. In China, the strategy is carried out in two levels. In form, ELLE combined its spirit with Chinese culture through copyright cooperation with local publishing companies. In content, ELLE hires local editors and coordinate with local stars and brands, which make it more acceptable for Chinese readers.

Copyright Cooperation

In China, most of fashion magazine operates by doing copyright cooperation with some well-known foreign fashion magazine or publishing company. ELLE is the first one that took the method in China, so comparing with its competitors it has equipped with powerful international resource as well as localization degree.

The form of copyright can be divided into two categories. One is that Chinese companies buy the copyright from foreign companies, which rarely happens. The other one is that foreign companies treat copyright as a sort of investment and cooperate with Chinese companies, which often happens. ELLE China is the later one. It has gone through 23 years since Hachette publishing group made the deal with Shanghai Translation Publishing House to co-print the magazine in October 1988, which was considered as a break through at that time.

After entering China, on one hand, Hachette publishing group insist on its decision-making power, which means they stick to the French independent spirit and they do not lay down the rights like some American publishing companies. On the other hand, it put an emphasis on the market research of China, investing enormous amount of money to ask famous investigation institutions to do market research so that they can improve the magazine’s content due to market’s demands with a high
frequency.

Via this cooperation, for the magazine itself, the risk from strict publishing policy of China was decreased, the positioning was largely improved so that the major income resource—advertisement was also positioned in an exclusive level. For the readers, the market was specifically segmented, the quality was largely improved and such magazine became popular in China.

Localized Content

At the same time of keeping the core concept of ‘3S’, ELLE pays special attention to combine and involve eastern elements in its content.

In order to increase the brand awareness in China market, the staff of ELLE China is mainly Chinese. Comparing with talents from Europe, the local ones have better understanding of Chinese history, culture, tradition and what target customers want, in short, they understand the market deeper. Xiao Xue, the chief editor of ELLE China, has worked in ELLE for years.

Then, apart from seldom taking foreign stars on the cover, ELLE choose to invite some Chinese stars to draw public attention. ‘Zhang Ziyi is growing up together with ELLE.’ Xiao Xue said so in a TV interview.

At last, getting back to the pictures and articles themselves, though ELLE may introduce the first-hand fashion information and trend from those fashion weeks and use some original pictures taken by foreign famous photographers, it does not mean ELLE does not do any work locally. When reading the magazine, readers frequently see pictures taken by young Chinese photographers like Chen Man and also 40%
articles concerning the beauty, marriage, career and recreation are focusing the Chinese females, caring about their life physically and mentally. Humanistic concern is being well illustrated in this magazine.

Limitation

In terms of success of localization of ELLE China, it is still facing the constraints or limitation if ELLE aims to play the dominant role in Chinese fashion magazine industry.

i) Culture difference

ELLE magazine were thoroughly Westernized, from models to content. Many Chinese readers felt that ELLE promoted fashions that bore little relation to China. Chinese readers had no clue how to transfer the fashion displayed in the magazine to their own bodies. Thus their enthusiasm for these fashions was often a form of mere appreciation.

Currently, the fashion magazine industry in China has dominated by Rayli group, a Japanese based company. Unlike ELLE Chinese version, Rayli featured Asian models to relate readers easily. Chinese readers consider the styles featured in Rayli were fashion forward, practical, and easy to implement. Besides, the use of Asian models reduced the distance between international fashion and Chinese readers. In Chinese market, we can find out that readers prefer to buy Rayli’s major series, Xinwei(昕薇) and Mina（米娜）. Because these magazines are totally designed by Asian people, so they are more localized and more practical for Chinese consumers. Therefore, readers tend to buy these magazines instead of Europe style of fashion
ii) Market difference

Nearly all magazines depend on the revenue generated by their advertisers to stay in business. But the situation is quite different in European magazine market.

As indicated in the table, the advertising revenue is less important to European magazines than revenue from subscriptions and single copy sales. Advertising represents only around 30% of the industry’s revenue in Europe (compared with around 70% in China) for consumer magazines.

China fashion magazine industry is highly depending on advertising revenue, especially from those luxury brands. Chinese women magazines are serving primarily as advertising vehicles for national luxurious fashion brands”. Therefore, the content of ELLE China also highly occupied by advertisements, especially upscale women magazines. These situations may cause an anti-readership---the more advertisements occupies in a magazine the more complain from the readers.

**Industry Environment Analysis (Five Forces Analysis of ELLE in China Fashion**
According to Five Forces model by Michael Porter, below is the Five Forces Analysis of ELLE in China fashion magazine industry.

1) **The threat of the entry of new competitors.**

The threat from new entrance of a certain industry depends on two factors, the height of barriers to entry and the reaction of incumbent firms. For fashion magazine industry in China, the height of barriers is low, though the government policy for publishing industry is quite strict and the existing famous fashion magazines like Vogue and ELLE have already got advantages in their brand name and resources. This is because: 1 to set up a magazine, the amount of investment(the cost) such as facility and labor consumption is small; 2 the price of magazine is low, which means the switching cost for customers from one to another magazine is not costly, so it is easy for new entrance to get readers. 3 the Chinese market is large and profitable. As to the reaction of incumbent magazines, because of the restriction of cost and high positioning existing magazines like ELLE and Vogue cannot and will not cut the price to compete with its rivals, the new entrance won’t suffer from intense retaliation from them. In short, the threat of new entrance is high in China’s fashion magazine industry.

2) **The intensity of competitive rivalry**

In Chinese market, we can find out that readers prefer to buy Rayli’s major series, Xinwei and Mina. Because these magazines are totally designed by Asian people, so they are more localized and more practical for China’s consumers. Therefore, readers
tend to buy these magazines instead of ELLE.

<table>
<thead>
<tr>
<th>Magazine</th>
<th>Rank</th>
<th>Character</th>
</tr>
</thead>
<tbody>
<tr>
<td>瑞丽服饰美容</td>
<td>1</td>
<td>Asian market oriented, local, practical</td>
</tr>
<tr>
<td>锐利伊人风尚</td>
<td>2</td>
<td>Office lady</td>
</tr>
<tr>
<td>听薇</td>
<td>3</td>
<td>Young generation</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>4</td>
<td>3F fun fearless female</td>
</tr>
<tr>
<td>Mina</td>
<td>5</td>
<td>Style of Japanese</td>
</tr>
<tr>
<td>Bazzar</td>
<td>6</td>
<td>Service elite women</td>
</tr>
<tr>
<td>ELLE</td>
<td>7</td>
<td>3S</td>
</tr>
<tr>
<td>Vogue</td>
<td>8</td>
<td>High-end luxury</td>
</tr>
</tbody>
</table>

(Chart 10)

3) The bargaining power of suppliers

i. Printing paper

We all know that fashion magazines just like the colorful album, so the fashion magazine require high quality of the printing paper. We can find from the chart below, fashion magazine unlike the news or sports magazines need to use “Art paper” which creative acceptance is five stars level. So if the printing company improved their paper’s price, fashion had nothing to do but accept the result. The quality of the paper will determine the overall quality of the magazine.

<table>
<thead>
<tr>
<th>Category</th>
<th>Quality</th>
<th>Paper Character</th>
<th>Creative Acceptance</th>
</tr>
</thead>
<tbody>
<tr>
<td>News</td>
<td>★★★☆</td>
<td>LWC</td>
<td>★☆☆☆</td>
</tr>
<tr>
<td>Fashion</td>
<td>★★★★★☆</td>
<td>Art paper</td>
<td>★★★★★☆</td>
</tr>
<tr>
<td>Educational</td>
<td>★☆☆☆</td>
<td>Offset paper</td>
<td>★☆☆</td>
</tr>
<tr>
<td>Business/Finance</td>
<td>★★★☆</td>
<td>LWC</td>
<td>★☆☆</td>
</tr>
<tr>
<td>Sports</td>
<td>★☆☆☆</td>
<td>Thin copper paper</td>
<td>★☆☆☆☆</td>
</tr>
<tr>
<td>IT</td>
<td>★☆☆☆</td>
<td>Thin copper paper</td>
<td>★☆☆</td>
</tr>
<tr>
<td>Professional</td>
<td>★☆☆</td>
<td>Black and white inside paper and ad color page</td>
<td>★☆☆☆</td>
</tr>
</tbody>
</table>

(Chart 11)
ii. Labor resources

ELLE has a lot of editors and reporters who are energetic, creative and experienced. They are the core resources or even the soul of the magazine, so they will demand higher returns. The magazine want to keep these elite-level talent, it will accept their bargaining and give them better welfare.

4) **The bargaining power of buyers**

Sellers always want to gain more profit from buyers, so sellers have to provide more unique selling points to occupy a favorable position. Media product, unlike the other ordinary products, has the features of secondary sale, so its buyers include the readers of the magazine and the advertisers. ELLE magazine’s content designed specifically for its target audiences aged mainly from 25 to 35 who has the strong purchase power and has strong willing to be fashionable. However, there are varieties of magazines in the fashion magazine market and all the content of fashion magazines especially western style magazines are the same. So it is not easy to built strong brand image among readers. People can choose the fashion magazine according to their price and the style of the magazine. So the readers have a relative strong bargaining power. Also if the magazine can attract more readers, it can definitely attract more advertisers. All the brands want to have advertisement on the magazine which can attract more people and those people have purchase power to buy their products. All fashion magazines need to try their best to attract more readers in order to gain more advertising funding.

5) **The threat of substitute product**
i. With the development of Internet and e-magazines, traditional fashion magazine like ELLE will certainly face the substitute product with strong power---electronic magazine. China’s largest shopping site Taobao (淘宝) recently launched their online magazine. You can buy whatever you see on the magazine immediately just need to click the screen. This advantage is unmatched by traditional magazine. Except for this advantage, electronic can bring threats to traditional magazine cause its publishing cycle is faster, its price is cheaper or it can be even download for free and what’s more its reader’s feedback is faster.

ii. The second kind of substitute product is the electronic version of traditional magazine. Because its content is similar with the traditional magazine, it can bring less threat to the traditional one.
Chapter 4 Literature Review

Basic Theories of Strategy

The term ‘strategy’ is derived from the Greek word for generalship or leading an army. In 1962, strategy was defined as 'The determination of the basic allocation of resources necessary for carrying out the goals.’ See also tactics. In 2004, Charles W.L. Hill’s GLOBAL BUSINESS TODAY (international edition), a firm’s strategy can be defined as “The art and science of planning and marshalling resources for their most efficient and effective use.” To be more specifically, strategies are “The actions that managers take to attain the goals of the firm.”

Charles also indicated the role of strategy. As many international markets are now extremely competitive due to the liberalization of the world trade and investment environment, in industry after industry, capable competitors confront each other around the globe. To be profitable in such an environment, a firm must both reduce the costs of value creation and differentiate its product offering so that consumers value that product more and are willing to pay more for the product than it costs to produce it, Thus, strategy is often concerned with identifying and taking actions that will lower the costs of value creation and or will differentiate the firm’s product offering through superior design, quality, service, functionality, and so on.

In Michael Porter’s book ON COMPETETION, he indicates several factors that are associated with strategy positioning. a) The efficiency in operation is not equal to strategy but it is critical to strategy. b) Strategy relies on unique activities and new positioning. c) The sustainability of strategy positioning. d) The integration brings
about competitive advantage and sustainability.

Based on the Heckscher-Ohlin theory and the Comparative Advantage, in 1990, Micheal Porter concluded the major international theories and constituted his own theory -- the national competitive advantage: Porter’s Diamond. These are factor endowments (a nation’s position in factors of production such as skilled labor or the infrastructure necessary to compete in a given industry), demand conditions (the nature of home demand for the industry’s product or service), relating and supporting industries (the presence or absence of supplier industries and related industries that are internationally competitive), and firm strategy, stricture and rivalry (the conditions governing how companies are created, organized, and managed and the nature of domestic rivalry). For business implications, there are location implementations, first-mover implementations as well as policy implications.

**International Business (IB)**

As the result of internationalization and globalization, the benefits of international trade were gradually revealed. The great strength of the theories of Smith, Ricardo, and Heckscher-Ohlin had made good explanations on this issue. In a word, people want to make more money so they do global business by making use of foreign resources and achieving more customers.

Anderson and Gatignon’s (1986) “Modes of foreign entry” and the Uppsala internationalization model (Johanson & Vahlne, 1977,1990) have both played an influential role in shaping the way international business (IB) scholars look at how the multinational enterprise (MNE) chooses its initial mode of entry into a foreign market.
and subsequently decides whether to increase its involvement there. For those authors, MNEs make these decisions unilaterally, based on a tradeoff between their need for control and their tolerance for risk (Anderson & Gatignon, 1986), with the latter a function of their degree of familiarity with the host country (Johanson & Vahlne, 1977, 1990).

In contrast, OLI and internalization scholars have stressed that, in order to operate in a foreign country, MNEs need to bundle two sets of assets, their transferable firm-specific advantages (FSAs) on one hand, and location, or country specific advantages (CSAs), such as natural resources and low-cost labor, on the other (Dunning, 1988; Dunning & Lundan, 2008; Rugman & Collinson, 2006; Rugman & Verbeke, 1990; Verbeke, 2009).

In our case, the relevant Environment Analysis, FDI, OLI, Corporate level strategy and business level strategy theories must be illustrated more specifically.

**Environment Analysis**

Strategic management is very important to a company. According to strategic management (Gregory G Dess, G.T.Lumpkin & Alan B Eisener), it consists of the analyses, decisions, and actions an organization undertakes in order to create and sustain competitive advantages. (Gregory G Dess, G.T.Lumpkin & Alan B Eisener, 2010) there are four mainly attributes of strategic management: first, strategic management is directed overall organizational goals and objectives. (Gregory G Dess, G.T.Lumpkin & Alan B Eisener, 2010) That is, the total organization should be taken care of. Second, strategic management includes multiple stakeholders in decision
making. Third, strategic management requires incorporating both short-term and long-term perspectives. (Gregory G Dess, G.T.Lumpkin & Alan B Eisener, 2010 P11)

Fourth, strategic management involves the recognition of trade-offs between effectiveness and efficiency.

Analyzing organizational goals and objectives should be at first, then analyzing the external and internal environment of the firm. After that the company should formulate business-level strategy, corporate-level strategy and international strategy. External environment includes the general environment, industry environment and task environment.

General environment generally beyond the company’s control but actually affect its operation. We can divide general environment into six segments: demographic, sociocultural, political/legal, technological, economic, and global. (Gregory G Dess, G.T.Lumpkin & Alan B Eisener, 2010).

Michael porter’s “Five-Forces” model can assess competitive environment and industry environment. It describes the competitive environment in terms of five basic competitive forces. i. The threat of new entrants; ii. The bargaining power of buyer; iii. The bargaining power of supplier; iv. The threat of substitute; v. The intensity of competitive rivalry. The model helps you assess how to improve your firm’s competitive position with regard to each of the forces. (Rivalry in the airline industry is discussed in: oust, D.2009. which airlines will disappear in 2009 business week, January 19:46-47)

Analyzing task environment we need to know the company’s target customer and
the main competitor of this company. We also need to analyze the behavior of its customer and whether the competitor competes with it aggressively.

To better understand the external and internal environment we should use SWOT analysis, it stands for strengths, weaknesses, opportunities, and threats. This analysis can provide some inside and outside conditions of your business. Analyzing ELLE’s SWOT we can understand how to operate ELLE magazine in China better.

**Foreign Market Entry Model**

There are mainly two categories of foreign market entry model: equity and non-equity modes. The non-equity modes category includes export and contractual agreements. The equity model just like FDI (Foreign Direct Investment) can be divided into joint venture and wholly owned subsidiaries. It would be the first step for foreign company to choose which kind of foreign market entry model they will use before they enter into foreign countries. And all the entry modes differ in degree of risk they present, the control and commitment of resources they require and the return on investment they promise. FDI is direct investment by a company in production located in another country either by buying a company in the country or by expanding operations of an existing business in the country. FDI is done for many reasons including to take advantage of lower labor cost, special investment privileges such as tax and great marketing potential. FDI in China, also known as RFDI (Renminbi foreign direct investment), has increased considerably in the last ten years reaching $185 billion in 2010. China is the second largest recipient of FDI globally. Many foreign companies invest more money in China to earn more profit and increase its
market share all over the world.

**The Eclectic Paradigm of International Production (OLI-Model)**

The Eclectic Paradigm (John H. Dunning, 1980) is a theory in economics and is also known as the OLI-Model. This theory is a further development of the theory of internalization as Dunning added three additional factors to the former internalization theory.

The core content of Eclectic Paradigm is Ownership advantage (O), Location advantage (L) and Internalization (I). Ownership specific advantages refer to the competitive advantages of the enterprises seeking to engage in foreign direct investment. Ownership specific advantage (O) includes the advantage of production technique, trademark, management capacity and returns to scale. Location advantages (L) indicate the host country or region could offer the company a superior market and more opportunities to access cheap and valued inputs including existence of raw materials, low wages, government’s policy and special taxes or tariffs. The company also needs to have the internalization advantage (I) if it wants to invest in foreign country in order to avoid the impact of incomplete markets to the enterprise while maintaining the core advantage by making it assets internal like the advantages by own production rather than producing through a partnership arrangement such as licensing or a joint venture. The greater the net benefits of internalizing cross-border intermediate product markets, the more likely a company will prefer to engage in foreign production itself rather than license the right to do so.

The enterprise must have a combination of both ownership advantages, location
advantages and internalization advantages to engage in foreign direct investment activities. If the enterprise only has ownership advantage and internalization advantage but does not have location advantage which means lack of favorable overseas investment locations and the enterprise can only take advantage of these factors in its own country. If the enterprise only has ownership advantage and location advantage means these factors are difficult for internal use and can only be transferred to foreign enterprise. If the company only has internal advantages and location advantages but have no ownership advantages means the company lack the basic premise of foreign direct investment and the overseas expansion can’t be successful. For our project ELLE has the ownership advantage because this brand is famous all over the world and has the high reputation among all the fashion magazines. ELLE magazine is in established in France which is a fashionable country that can provide lots of latest fashion information for ELEE magazine. In addition, China as a host country can provide the market which has low labor cost and great marketing potential. So ELLE can take these advantages to develop better in China. We can see from the following chart that in order to FDI, companies need some all these advantages to support it.

<table>
<thead>
<tr>
<th>Form of market entry</th>
<th>Ownership advantages</th>
<th>Location advantages</th>
<th>Internalization advantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Licensing</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>FDI</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Dunning(1981)
Aaker Brand Equity Model

According to David Allen Aaker’s famous article *Managing Brand Equity*, we are able to associate the concept for building brand equity with the below five following points:

Brand Awareness: Building a powerful brand that defines a compelling purpose; a big idea stands out from the crowd and to reflect the customers. The company needs to build an image and reputation in the mind of the customer that has personal relevance.

Brand Loyalty: To establish the brand loyalty the marketer has to create the unforgettable that offers distinct services and privileges to retain their quests.

Perceived Quality: To engage a higher service quality, customer satisfaction and company profitability are intimated connected. Higher levels of quality result in higher levels of customer satisfaction.

Brand Associations: A successful brand is the most valuable resource a company has, and a form of "statement of value" for their services to be intangible, inseparable, variable and perishable to reflect as the value of their brands. Brands are used as external cues to taste, design, qualify, prestige, value and so on. In other words, consumers associate their perceived values with the brand. Specifically, brand association is anything that is linked in memory. The association reflects the fact that services are to reflect social positions and their professional roles.

Other professional assets: These kinds of assets are the competitive advantage of
Business-level and Corporate-level Strategy

The company should decide if they should put much more resources into their companies. Then the company should formulate their corporate-level strategy. There are two key alternative methods: related and unrelated diversification. The potential benefits of related diversification mainly come from horizontal relationships. That is, businesses sharing intangible resources (e.g. core competencies such as marketing) and tangible resources (e.g. production facilities, distribution channels) (Gregory G Dess, G.T.Lumpkin & Alan B Eisener, 2010), and it also can benefit from vertical integration, it means businesses seek to control activities in the value chain. It includes backward integration (BI) and forward integration (FI). This strategy helps lowering transaction costs and improves coordination. Unlike related integration, unrelated integration few benefit from horizontal relationship. Instead, it mainly gain benefits from vertical relationship.

Michael porter presented three strategies to achieve competitive advantages. i. The overall cost leadership, which is based on creating a low-cost-position; ii. Differentiation, which requires a firm to create products and/or services that are unique and value;iii. Focus strategy directs attention (or focus) toward narrow product lines, buyer segments, or targeted geographic markets and they must attain advantages either through differentiation or cost leadership.(Pfizer deal helps lift stocks. 2009. Online.wsy.com January 26: np)

For ELLE it utilizes its competitive advantages to attain much market shares and
enhance its reputation through corporate-level strategy. In terms of Horizontal integration of ELLE can merge and acquisition other fashion magazines. For ELLE, vertical integration means acquisition upstream enterprises, such as printing companies and paper mills to printing its own magazine and produces their own coated paper. Or ELLE built its own franchise shop to sell its own brand only.

As for business-level strategy ELLE uses unique advertising to attract attention of the public, cooperates with local well-known, authoritative publishers and well-known cosmetic brands, holds all sorts of activities named ELLE with diversity sponsors to expand the social impact and improve brand awareness and ELLE reinforces the relationship with governments, complying with different cultures in different countries.
Chapter 5 Methodology

Data Sources and Data Collection Methods

The data sources we use in this project are divided into two categories: first hand data as social survey and second hand data from the Internet and the printed resources. Social survey provides the latest and first hand information which can help us most understands what ELLE fashion magazines’ readers really think about this brand. In addition, by conducting social survey we can know the advantages and disadvantages about ELLE magazine to know the real preference of Chinese readers. So later we can give recommendations and provide strategies to ELLE fashion magazine according to the social survey. Besides the social survey we also get data from the professional Internet websites and the Journals. These could all provide the latest views and development in the study of fashion magazine area and the direction for our recommendation to ELLE in China. We also collected 10 issues of ELLE monthly magazines and 2 issues of ELLE semi-monthly magazines as the sample. We also get information from ELLE.COM and ELLE’s Weibo.

For social survey, we delivered the questionnaires to 335 mainland China people and most of them are female aged from 22—45 which are also the target readers of ELLE in China. We also conduct face to face interview and telephone interviews to get more samples. Then the readers are divided into two parts according to the city they lived: First-tier city (一线城市) and Second-tier city(二线城市). Later we will also give recommendation and detailed strategy to ELLE China in focus region like first-tier city and second-tier city.
Data Analysis

We have 33 questions in our questionnaires. Before the data analysis, the reliability and validity of the research were tested. Then we generate pie charts or bar graph under each of the 33 questions to do the comparison and discussion later. We give our recommendations of ELLE China magazine in the adjustment on 4Ps and after the survey findings we give them suggestion respectively. Regard on the survey, we give the further strategy for ELLE separated in the first-tier cities and second-tier cities in China.

Limitation

Although secondary data collection is very useful for us to collect the existing information, the information collected through this method may be incomplete. And the data and information that you want to collect through this method must be the real and existing information available in the market. So this method just can help to collect the past and historic information and can’t collect the in-depth information. The data sources of secondary data collection are from the public and existing materials and are not directly from the customers or other market sources.

Primary data collection is every important for us to collect in-depth data and information, while secondary data collection only can provide us with the existing and skin-deep data and information. However, we can only target limited people and we can’t make sure everyone truly answer the questionnaire from their points of views. So maybe the result of the survey does not have strong representative and may influence the further recommendation the strategy.
Chapter 6 Survey and Suggestion

General Information

In this survey, we investigated 335 individuals by online survey, face-to-face interview and telephone interview, containing 297 women and 38 men and the percentage of each is as follows.

![Gender Chart](image)

(Chart 13)

In terms of the age, as can be seen from the bar chart below: 46% of them ranges from 16 to 24 years old, following by ladies between 26 and 34, which accounts for 39%. Women between 36 to 35 years old get 3% endorsement and those below 15-year-old or above 46-year-old only share a tiny part, showing respectively only 1% and 3%.

![Age Chart](image)

(Chart 14)

Due to the GDP of the cities in Mainland China, they are distinguished into 3
categories in a descending order: 1) first-tier cities including Beijing, Shanghai, Guangzhou, Tianjin & Shenzhen; 2) second-tier cites including Nanjing, Hangzhou, Chengdu, Chongqing, Xiamen, Changsha etc.; 3) third-tier Jilin, Ma Anshan, Lhasa, Guilin etc.. Among the interviewees, 18% are from first-tier cities, 61% are from second-tier cities, and the rest of them are from third-tier cities or others, accounting for 21%.

(Chart 15)

For the occupation, students take a lion’s share accounting for 58%. Those who work in the foreign enterprises share 8%, in the state-owned enterprises and government bureau share 21%, in the private enterprises share 5% and others occupy the rest percentage.
Among the interviewees, the people whose salary per month between 1001-3000 Yuan take the large share, accounting for 36%, which is followed by people earn 3001-5000 Yuan, showing 26%.

For the education degree, 56% of them have bachelor degrees, 28% of them are or were postgraduate and doctors and others take the rest part.
So the features of the interviewees can be described as: a group of people mostly are students and office ladies living in first-tier and second-tier cities, with relatively high education background but average monthly income in the present stage. Though they might not be the most specific target readers for ELLE, they will become the largest group of people who consume ELLE and what ELLE advertise in the near future.

**Product**

**Investigations for Product**

When the interviewees were asked about whether they bought ELLE or not, 62% of them gave the positive answer, 24% of them said they did not buy ELLE and 14% of them indicated that they may or may not buy the magazine. That is to say, although over half of them know the magazine, there are 38% of them have not established a clear brand image and brand loyalty.
As mentioned above, ELLE China has transformed from a monthly magazine into a semimonthly one. The interviewees’ attitudes towards this change can be illustrated the pie chart below: 48% of them consider it now is better than it was before because the circle is shortened and they can get the most IN fashion trend. 11% of them hold a neutral attitude and consider that the change do not influence them a lot. The rest 41% think it is worse than before because there are too many magazines already.

The second question is “Which kind of cover star do you like?” As can be illustrated from the bar chart below, nearly 60% of them choose domestic star which means this one could attract them most to purchase the magazine. The international
star and famous models almost break even, taking the second and third place.

(Chart 21)

As is well known, normally the book size for fashion magazine is 16kai that is nearly the same size as A4 paper. However, in this question of “Which book size do you like?”, surprisingly 52% of them choose the not common one—the smaller one and 12% of them do not care the book size. This may be the consequence of the phenomenon that people often travel a lot and want to carry a smaller and more convenient one.

(Chart 22)

Due to the high standard requirement of fashion magazine, the quality of paper type must meet the luxury style of pictures and contents. To achieve the best visual
impact, nearly all the high-end magazines use the most expensive type of paper – the coated paper. The result below also illustrates that 39% of customers are in favor of the qualified coated paper and the Matt Art Paper also accounts for 25% and even 20% of them do not care the type of paper. Personally, it may because the interviewees do not have a exact image of the professional paper type.

![Paper Type Chart](chart23)

After finalized the question on coverage, the questions pay a special attention to the significant elements of a fashion magazine – the pictures and contents. When being asked about “Between the picture and content, which one do you think is more important for you?”, 49% of them address that picture is critical for ELLE, and 37% of them also point out that the combination of picture and content is the soul of a fashion magazine.
In terms of the content of ELLE, the beauty part including cosmetics, bodycare and haircare and the fashion clothes part including the fashion trend, the collection and information from foreign fashion show seasonally win the championship and second place in customers’ minds. Otherwise, the special topics for both local and global stars and life style information also get supports. Obviously, the advertisement is the last choice for them.

The next one is the affection of the content. The first question is that whether the customer will be affected by ELLE’s content. 56% said YES, 31% said No and the rest of them showed a flexible attitude, which means there are 69% of interviewees...
definitely will be affected by the content that ELLE present. Then the second question wondered that which part could affect the customer behaviors to the largest extent. The result shows that the costume about clothes, shoes and bags as well as cosmetics about make-up, body care and hair care could easily capture the customer’s attention and consequently they will be affected by the information provided by ELLE.

![Chart 26]

(Chart 26)

![Chart 27]

(Chart 27)

However, when the question is about the advertisement the answers are quite various. Only 18% of them said they though ad is favorable, and 19% even dislike all the advertisement. 25% would like to see the pictures that are beautiful and 38%
would scan the advertising page if there is some products they have interest in. So ELLE must be very careful when dealing with the proportion and quality of advertisement.

(Chart 28)

The last questions but not the least, frankly speaking, ELLE always insists on its 3S edition concept (Sexy, Spirited and Stylish) for decades, which advocates an elegant, positive and exclusive life both from the material level and the spiritual level for their target customer – ladies with high education background, high salary and high consumption. So in our times, whether the idea is suitable for Chinese people and for today’s life is questionable. As can be seen from the table below, actually there are still over half of them very agree or agree with the values of ELLE, which means although the rest part of them buy the magazine they may not identify with the values, which can be a potential problem in the future.
Strength and Weakness of the Product

Based on the analysis and survey results above, from the surface to the inner parts, the advantages and limitations for ELLE China (only magazine itself) can be summarized as the table below.

<table>
<thead>
<tr>
<th>Strength</th>
<th>Weakness</th>
</tr>
</thead>
<tbody>
<tr>
<td>• High brand awareness and stable reader storage.</td>
<td>• The book size is not easy to carry.</td>
</tr>
<tr>
<td>• Sufficient feedback and timely update.</td>
<td>• Too frequent may lead to aesthetic fatigue.</td>
</tr>
<tr>
<td>• Good localization (editor, coverage and content).</td>
<td>• Picture’s quality is not as good as Vogue.</td>
</tr>
<tr>
<td>• Strong influence on the customer behavior.</td>
<td>• Too much advertisement.</td>
</tr>
<tr>
<td></td>
<td>• Lack of appetency (not so practical as the Japanese magazines).</td>
</tr>
</tbody>
</table>

To be more specifically, for the strengths, the high brand awareness, the advanced background and resources has brought ELLE China stable and continuous reader storage. By interacting more frequent, ELLE can get more sufficient feedback from readers so updating the fashion trend information becomes more timely. Thus the relationship between magazine and readers is reinforced. And comparing with
ELLE’s competitors, the better localization in editors, cover stars and contents makes it more easily for a French magazine to be acceptable. As a consequence, once it is accepted by readers, the content could influence the consumer insights and customer behaviors, which is certainly a big attraction for advertisers.

Nevertheless, for the weaknesses or limitations, as the consequence of pace of life, people usually like to read magazines on the road or in the restroom, so the book size may be too big and too heavy to carry. Too much frequency on one side could bring about efficient work but on other side it may lead to aesthetic fatigue as there has already been too much magazines in China market. Besides the content itself, the picture’s quality is also a critical element for a fashion magazine. In most cases, the image of a fashion magazine depends on the visual impression of those pictures. Comparing with Vogue, the pictures of ELLE are not so fascinating and eye-catching. Lack of appetency is the dark side of high brand positioning. Since ELLE is a typical European style magazine, it advocates a future fashion concept or adventurous creative ideal, which is too sharp to be neither genial nor practical in daily life.

**Recommendations on the Product**

In this part, the recommendations will be majorly concentrated on the limitations of ELLE China.

First of all, as for the book size, ELLE could try an advance copy of smaller books which sell at half price than the bigger ones so when people are on the way of travelling to somewhere they may choose the smaller ones that can be put into common-sized bags.
Then for the frequency of circulation, out of question ELLE China is a foregoer in changing the speed of magazines. Indeed, the faster and faster speed of information communication of new media has formed enormous threats to traditional media like ELLE. At the same time of combining the new media and traditional media, the latter one has to do something to catch up with the speed. Thus whether the change of frequency is a limitation till remains to be seen.

For the pictures, ELLE may coordinate with some international famous photographer and art editors. And for the advertisement, ELLE has to be more careful when choosing the advertisers and when dealing with the visual enjoyment of pictures because from the survey we can see that people do not feel boring with advertisement only when the pictures are beautiful or they have interests on a certain product.

For the lack of appetency, ELLE has done something to make the magazine more suitable for Chinese readers. For instance, it cut the price for semimonthly magazine and add advertisements of some middle-end brands that can be seen in ordinary shopping mall around us. But the rest point between how to maintain the French style and how to be more practical is very difficult to find. So our recommendation is that ELLE China pay more attention to the group of readers living in the second-tier cities who has the potential ability to buy the high-end products and this will demonstrated in detail in our recommended strategies in the next two chapters.
At the beginning of the 80's, in order to attract new subscribers ELLE customized some special gifts with the ELLE logo and the results beyond all expectations that these gifts were so popular. “Many female readers call to ask, where can buy ELLE gifts," Asia’s executive director Anne Gu Ya Neal Mary said. In order to get these gifts, many customers had subscribed many copies of ELLE magazine.

Although ELLE knows that the circulation does not simply rely on sending gifts to consumers, after all it is an effective means to ensure not to lost readers. ELLE not only often sends its own brand of exquisite gifts, but also sends big gift of other famous brands to consumers.

In June 2003, ELLE and Marie Claire work together, it is the bundling sale depreciation extent is amounted to 25% and they also send Olay mask to customers for gifts. In October 2004," ELLE” gift CK perfume and ELLE cosmetic bag with magazine to celebrate its 16 anniversary and this action caused huge markets reflect at that time. In August 2005, a value of 150 yuan of Estee Lauder mascara and large
folio volumes with autumn and winter fashion ELLE were sold and set off a wave of panic buying in the black market they even enhanced the price from 20 yuan to 40 yuan. This may also cause the problem that people who are real the loyalty readers of ELLE fashion magazine can’t buy the magazine and will have bad effect among the target readers.

In 2001, ELLECHINA.COM was created, and today is one of the leading female portal websites. It has 1,800,000 registered users, with 680,000BU/day and 10,000,000PV/day.

In 2009, ELLE China launched ELLE Credit Card which is the first female only “Gold” card that targets upscale and stylish women. This card is also cooperating with many famous and luxury brands that with this credit card people can get discount when buying the products. Now it has more than 1,000,000 credit card holders and is still increasing. At the same year, ELLE TV launched and is well-recognized as top fashion video program widely spread on websites.

![Chart 32]

Will you still buy ELLE if it stops to offer any gift?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Uncertain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion</td>
<td>43%</td>
<td>31%</td>
<td>26%</td>
</tr>
</tbody>
</table>

However, as the survey indicates offering free gifts is not a wise choice for ELLE’s further development. If ELLE stops to offer the gift, 26% of the interviewers
will not choose to buy ELLE magazine anymore and most people (43%) are not sure whether they will still buy this magazine which means that without gifts ELLE magazine lost some kind of attractiveness. So besides offering free gifts to readers, ELLE should pay more attention to other promotional methods.

We can see from the chart that “Cooperation with social media” gets the second highest rate. Nowadays, as the development of Internet technology, people spend more and more time surfing the Internet to get information including fashion or trend information. With social media, people can contract with their friends and share the latest information with them. Social media allowELLE has already cooperate with Sina Weibo(新浪微博) and they also has RenRen home page(人人网公共主页) and QQ.zone (QQ 空间) which are all social media that Chinese young people often use in their daily life. Although many people know that cooperation with social media is one of ELLE’s promotional methods, from the survey we find out that few people really focus on ELLE’s Weibo.

![Pie Chart](chart33.png)

(Chart 33)

In order to attract more people to focus on ELLE’s Weibo to further improve the brand image of ELLE, ELLE should know what people really like and what
information they want to get through the social media ELLE used such as Weibo. It is interesting to find out that “Share products use experience” gets the highest rate and “Provide street shooting pictures” also gets 25% endorsement which indicates that Chinese people would like to pay more attention to the practical information that they can use in their daily life. For instance, when female consumers want to try a new cosmetic product, they want to get the real comment of this kind of product from people who has already used it before. If they find out that people’s comment of this cosmetic product is not as good as the shop assistants say maybe they would like to choose another one which is more suitable. This kind of sharing use experience is very welcome by the women.

Practical information also includes street shooting pictures. We all know that the models in the fashion magazines such as ELLE are all very thin and most of them are foreign models who wear exaggerated clothes. For Chinese readers, they want to see people whose figure most like them and what they wear is suitable for them to wear in daily life. So they would like ELLE’s Weibo can provide more street shooting pictures.

```
Which of the following activities can attract you to focus on ELLE’s Weibo?

- Offering Gift: 23%
- Share products use experience: 27%
- Provide latest fashion information: 12%
- Provide street shooting pictures: 25%
- Introduce new product: 5%
- Provide beauty knowledge: 8%
```

(Chart 34)
Since 1988, ELLE cooperated with Shanghai Translation Publishing House in mainland China, it has created many first in Chinese fashion industry. ELLE was the first fashion magazine in China which sent Chinese editorial team to attend the Paris Fashion Week. ELLE was also the first one independent released the complete coverage of the trend of four major international cities.

In 1997, the English version of ELLE first held the ELLE Style Awards. Now this event has become the festival of all the world’s versions of ELLE. In October 2008, ELLE Style Award first debut in Shanghai to celebrate the 20th anniversary of ELLE in China. Since then, in 2010 and 2011 ELLE Style Awards were both been held in Shanghai. This event is not only a festival of all ELLE’s version but also attract many superstars, models and excELLEnt designers which can to some extent improve the brand image of ELLE fashion magazine.

Early of 2011, they created ELLESHOP.COM.CN as an exclusive upscale digital e-commerce service platform to provide a unique shopping experience on line. However, few people know about it as Taobao is the No.1 C2C shopping websites in China, now ELLE shopping websites can’t attract many Chinese consumers, so we will provide further strategy to ELLE later.
In 2009, ELLE China cooperate with the popular talent show of Hunan TV “Happy Girl” (快乐女声) to create the “Cover Girl”. In western country, fashion industry has already stepped into television industry, but in China this kind of collaboration is still the first try. ELLE spend a lot of money to do this promotion. They build the ELLE Studio in Hunan TV Center and invited international front-line artist and well-known designers, stylists, photographers every week in order to tap the potential of every happy girl and modeling for them. By seeing the perfect transformation of every happy girl, ELLE wanted to tell every audience that fashion is not just simple brand-name spELLEd but the release of their own qualities. Grass-roots are simple but can also be amazing and fashionable. More and more people know ELLE and understand the true spirit of ELLE fashion magazine and recognize the fashion near them. Furthermore, this kind of promotion can also improve the brand image of ELLE and provide a better strategy for ELLE to develop in China in the future.

“Fashion goes by, style lasts.” ELLE, the first international upscale female magazine launched in China since 1988, has never failed to surprise its audiences.
Now, it reaches a new height by announcing its semi-monthly publication from March 2012. ELLE China team took the opportunity of Paris Fashion Week to host a “Shanghai Loves Paris” fashion night in Paris. This is also the first time that a Chinese fashion media comes and speaks out on the international fashion stage.

More than 600 guests from France, China and all over the world gathered at The Ecole Nationale Superieure des Beaux-arts de Paris on the night of March 6th 2012. Key persons from French luxury and fashion industry have mostly attended this unique Chinese-French party. The evening launched with famous Chinese fashion figures on the red carpet, including stars and international super models, such as Xun Zhou (Best Actress of 2009 Asian Film Award); YuQi Zhang (recently seen in Berlin Film Festival); the Kunplug Shanghai opera singer Zhang Jun; the world well-known top models — Wen Liu, Shupei Qin, Sui He, Ming Xi; the Chinese rising stars — Ady An, Ran Chen, Peng Lin, Alice Tzeng; as well as fashion designers — Ling Liu, Dawei Sun; the Chinese jewelry designer Baobao Wan; the China ELLE Style award winner Judy Hua; and the international photographer Chen Man. Those Chinese talents and celebrities have come together to join in this evening to celebrate and witness a fresh new view on fashion and style of modern China brought by ELLE China. The highlights of the evening were the shows of photo and video exhibition demonstrating the most trendy and beautiful faces of China today.

24 years ago, ELLE was the first to introduce global upscale lifestyle concepts to China. 24 years later, on March 6th, 2012, the “Shanghai Loves Paris” fashion night present dynamic Chinese fashion talents under the world’s most glamour spotlight.
The vision of ELLE China will remain and enhanced to be the bridge of Chinese consumers talents to the world, and at the same time performing her role of an ambassador for the upscale brands towards the world’s future biggest luxury market.

**Suggestion:**

**Cooperate with social media to achieve the truly interaction with ELLE’s readers**

We all know that the interaction between the fashion magazine and readers is not timely. Each issue of ELLE magazine has reader feedback form. ELLE also has reader club that readers can give advice to ELLE’s editor to improve the content of the magazine. However, we think in the future ELLE should take advantage of social media that readers can communicate with ELLE immediately.

This year is a new beginning of ELLE China magazine, in order to fulfill the fast developing needs of Chinese consumers, ELLE China has announced to take on the lead and move from monthly to semi-monthly edition. We think we can conduct an activity among all ELLE’s readers in China on Sina Weibo (新浪微博). Readers can post their photo with ELLE China magazine in their own city in China. People can choose the special place of their city as the background of the photo to express the true spirit of ELLE fashion magazine. ELLE has already been published in China for 24 years, so the editor will choose 24 pictures of 24 cities in China and allow readers to vote on Sina Weibo to decide who the champion is. The award of the champion reader is the ticket to go to Paris Fashion Week and round-trip ticket. Other 23 readers can both get one year free subscription of ELLE China magazine. This activity won’t cost ELLE too much money but can mobilize all the readers to participate in this
activity to win the prize. It can also attract many potential readers to pay more attention to ELLE magazine. What’s more, pictures provided by readers are huge wealth for ELLE magazine. These pictures can also be made as an advertisement of ELLE in China to see the stylish and fashionable atmosphere of each city in China.

**Cooperate with Chinese designers and Chinese brand**

This year, ELLE China hosts the Paris Fashion Night in Paris. This is also the first time that a Chinese fashion media comes and speaks out on the international fashion stage. ELLE as the first foreign fashion magazine came into China market, it introduced many western fashion information to Chinese readers, it brought the international fashion trends to Chinese consumers. Since its launch, ELLE China has accompanied Chinese urban female for generations to shape their style and to be connected with world fashion. At the early age of its launch, ELLE China was edited with more than 50% of pick up stories from international editions, but now it has own editorial team and it produces 80% of content locally. ELLE China as the witness of the rising China fashion talents should make people all over the world see the creativity of China fashion industry and the charm of Chinese elements.

So we think ELLE can cooperate with Chinese designers to promote Chinese fashion industry and its own brand.

**Place (distribution)**

With the the development of technology, people obtain information more diversify. More and more people choose the network to obtain information.
According to the chart bellowing, 89% of people online every day, only 2% of the people do not use the Internet. The chart about “what do you usually do online?” indicates that 88% of people chatting on the Internet, 80% of the people will watch the video, 75% of people will read the news, 72 percent of people will update the blog, 68 percent of the people check the information, 55% of online shopping, 43% of people would play games. So the network is becoming the main channel of people get information.

(Chart 36)

(Chart 37)
According to the way to get fashion information in this survey, 80% chose TV, 72% of the people choose the network, 57% of people choose magazine, and 34% of people choose the newspaper. Television as the traditional media still has a great influence on the audience. Networks and magazines are also the main channel to get the information of fashion.

![Bar chart](chart38)

Which way you would choose to get fashion information?

In the location of the survey, we found that most people know ELLE magazine through newsstand, ranking followed by the advertising and introduced through friends. This shows that the newsstand still the main way people know the magazine.

![Pie chart](chart39)

Where do you usually buy ELLE?

- Post Office Subscribe
- Buy online
- newsagents
- only watch the free publications provided in public places

(Charts 38, 39)
According to the survey on the place of purchase of ELLE magazine, the purchase of ELLE magazine is generally purchased through newsagents or post office subscription. This once again illustrates the newsstand is still audience favorite way to buy magazines. At the newsstand to buy the magazine, you can see the magazine entity and compare with other magazines, and you can choose the one you like in many magazines, so the fixity of that kind of consumer is weak, the loyalty of the magazine is not very high. Comes to the Post Office subscribers, 35% of people would subscribe from the post office. This shows that these consumer have a certain loyalty of the magazine, these people are fixed consumers of the magazine. From the survey, a large part of the purchase of ELLE is ELLE’s loyal buyers.

In the survey, 52% of people choose to read fashion magazine at home, 21 percent of respondents selected in the office, 15 percent choose on the transport and on the road. This indicates that home is the main location of the respondents read the fashion magazine. Daily activities at home after work is generally more relaxed and casual, more in line with the relaxed environment to read fashion magazines. Of course, like ELLE fashion magazine is heavy, not suitable for on the transport and road to read. But 15% of the people choose to read on the road, indicating that some people may use the phone to watch the fashion magazines’ electronic version.
Recommend strategy:

Online

Through the above investigation, we found that the network is becoming the main channel of reading. So expand the ELLE network marketing is very important. At this point, ELLE already established platform online. This following chart shows the daily page views of the of ELLE’s portal site (www.ELLEchina.com) in the first three months of 2012, it shows that ELLE’s portal site is very popular online.ELLECHINA.COM, as the preferred media of the high-end women's brand network, updated daily hundreds of news, clear and rich content to attract users with a unique style to meet the different needs of readers and users. ELLE extends from the traditional paper media to a diversified field and came to be accepted by the public.
ELLE should enhance the link between its official website with the social network, for example, renren network and Sina micro blogging, which are conducive to the promotion of the ELLE network platform, ELLE should establish an electronic magazine, and then readers can download the paid version of the electronic magazine directly on the official website.

**Mobile and ELLE apps**

According to the latest report released by the Ministry of Industry, 2012, Chinese mobile phone users have exceeded one billion, of which total about 1.44 billion 3G subscribers. The smart phone is still great potential in China. Phone is no longer just the tools to call, it also has become the tool of entertainment, more and more people choose to read the news, watching videos by phone. The advancement of technology and the emergence of smart phone meet the needs of multi-function of mobile phone. Apps are the abbreviation of Applications, the apps software support for the iPhone and Android’s mobile phones. Mobile app, in a nutshell is an installation program on the user’s mobile phone. The widespread use of smart mobile phone is the biggest
promoter of the apps. ELLE more innovative integration of the two-dimensional media, the 3G network, database marketing and new media marketing tool, launched the ELLE shop and ELLE shopping Journal of customized e-commerce service platform, as well as issued 150 units of the country's first magazine vending machines. ELLE Series apps download so far has exceeded one million.

![Chart 41](chart)

However, in the survey of whether downloaded ELLE apps, most people said they have not downloaded ELLE apps, it means ELLE on network publicity still need to strengthen. Although ELLE has its own network platform, but there are still many potential consumers have not been excavated, the publicity of the ELLE network platform is inadequate.

ELLE can introduce some ELLE app promotional activities in ELLE magazine, to attract people to download and subscribe online edition of ELLE, such as the limited time free to download the ELLE app. Integration of the existing network resources.

Nowadays, ELLE have the apps of ELLE constellations, ELLE TV, ELLE star,
ELLE International, which available for the smart phone users to download, but we find ELLE do not have the apps of ELLE magazine Chinese edition. ELLE's main advantage is in fashion magazines, but not horoscope and star news. ELLE should still strengthen the advantages of their own interpretation in the fashion, and combine with the paper edition of ELLE, produce ELLE fashion magazine in the apps in line with the tastes of Chinese people; it will contribute to maintain ELLE’s core competitiveness.

In addition, we also cannot ignore the traditional newspaper sales outlets; newsagent retail is still one of the main ways of ELLE sales.

**Price**

Consumption of fashion constantly develops in China. Fashion magazine play a vital role that enhance fashion accomplishment of the society and increase the demand of fashion information in daily life. And more and more luxury brand needs to send the brand message to customers by fashion magazines. So, Fashion magazines are also gradually becoming an important force in China's media market. There are a large number of fashion people are willing to spend money on these kind of magazines.

According to the chart below, 25% of people spend 11-30 Yuan on fashion magazines every month, this data accounted for the majority of our survey. 16.67% of them consumes 31-50 Yuan on fashion magazines. There are less than 3% of people spend 100 Yuan to buy fashion magazines. It illustrates that most people buy 1-2
fashion magazines monthly. The next chart indicates that subscribing ELLE for whole year only occupies 15% of readers. The majority of people buy ELLE occasionally; people buy ELLE very random (if they find there is ELLE in the newspaper stand then they will buy one.).

![How much do you spend on fashion magazine every month? (yuan)](chart42)

![How often do you buy ELLE?](chart43)

According to the position of fashion magazines, the price of fashion magazine is about 15-25 Yuan. Fashion magazines want to attract some first-tier brand advertisements that let they should not make a low price. And with the development of Chinese economic, consumers pay more and more attention on spirit consume. Most of people (about 50%) think ¥20 of retail price for ELLE is reasonable. About 48% of
them believe the price of ELLE is too high; however, there is only less than 2% of people view that ¥20 is too low to them.

Also we can find from the chart below, people want to read thick magazines. Thicker magazine let them feel it is worth to spend 20 Yuan on it. Most of them hope there are approximate 400 pages in magazines, then 240 pages. The less people will pay 20 Yuan to buy a 128-page fashion magazine.

As we know, ELLE always send gifts for readers. But now almost all of fashion magazines send gifts to customers. Should ELLE reduce price to attract attention? We can find the answer in chart below. According to the target customers of ELLE who is
upbeat, highly educated women with high spending power, they are the high consumption class and economic independence women, so that they can enjoy a luxury life; They like the famous brands and expensive products, and they are glad to show their femininity. So the most of readers believe the decreased price have no appealing for them. By contrast, they are worried about price cut will reduce the quality of ELLE.

![Pie chart showing Will you buy ELLE if it reduces price?](image)

**Suggestion:**

The position of magazine, consumption power of readers and market strategy decide the price of the magazine. Therefore, the price of ELLE (20 Yuan in china) is reasonable.

First, as ELLE is a fashion magazine, the primary aim is to introduce the newest fashionable information and fashion trend including domestic and foreign to readers. The major contents of magazine are fashion clothing, beauty as well as the modern life style. ELLE's target reader is highly educated women with an ideal job which income is above-average, as well as they should maintain good taste and femininity, and also concern about their career development. That is, this kind of women are
pleasant to spend 20 Yuan to buy fashion magazines. Because ELLE provide a full range of fashion information for women, including the latest global trend of fashion, cosmetic products and fashion trends, as well as the latest and most abundant information of the network. ELLE covering all aspects of fashion needs of modern women in their life - food, travel, fitness, career and interpersonal relationships. It will timely introduce open, fashion, innovative entertainment idea and first hand popular information to readers through cross-media. These target women understand the value of this magazine is much higher than ¥20, so they are willing to spend 20 Yuan to buy the popular information.

Then, ELLE is a high-cost magazine, a print runs (16 pages) of coated paper costs about 0.8 Yuan (Calculated by the cheapest one). only the paper cost of a 200-page magazine is about 10 Yuan, however, fashion magazines always more than 300 pages, besides ELLE use the best paper and the best printing plant ... what's more there are a large number of expenses spend on promotion which send bags, umbrellas, lipsticks as gifts . as well as advertisements in ELLE always are first-tier brands and second-tier brands, so ELLE must be use thick coated paper to improve the image of the top brands.

ELLE select international large format and size, this form satisfies the vanity of luxury pursuit of the young women, so the printing costs grow exponentially. Therefore ELLE must spend large money on print quality that can let the reader feel valuable. So 20 Yuan pricing is not high.

Finally, ELLE collaborated with the Shanghai Translation Publishing when it
first entered into the Mainland China. After entered into Chinese market ELLE attach importance to the China market research, they spend huge sums of money to invite an international renowned company for investigation, bought and consulted the survey report from professional organizations. They also keep instilling entire staff that the position of their market and target readers, the overall editorial ideas and distinctive style, and this work persists long time, what’s more, the survey results are looked as the main basis for assessing and improving magazine. When ELLE founded in the late 1980s, almost all contents imported from overseas, there were only few local editors to choose, translate, adapt, and review these overseas content. ELLE gradually cultivates their own independent and creative reporters and editors, extensively contact with a number of photographers, designers, models, and freelance writers, there are more and more local interview, the quality of localized content is also rising. ELLE’s unique business model, means that it is a high-end magazine, ¥20 retail price is very reasonable.

As a first high-end fashion magazine entered China, ELLE announced that the magazine became a semi-monthly magazine on 6th march. The price of new ELLE is 10 Yuan; it is half of the previous price. Though the price of ELLE reduced, there are still 400-500 pages of the magazine. That is ELLE did not sacrifice the quality for price. The price will certainly impact on the magazine industry, especially those magazines which priced at around $ 10.

However, we have mentioned above that the cost of ELLE is very high; it looks like that ELLE will lose a large number of money because of price cut. As we all
know, most of the revenue of magazines comes from advertising. There are a lot of brands want to advertise on ELLE, after revising to semi-monthly magazine, advertising will also be paid more times and advertising revenue will also increase.

After all, the previous ¥20 price is reasonable and it should be illustrated the revised price (¥10) is appropriate after a period of time.
Chapter 7 First-tier Cities Strategy

The Characters of First-tier Cities

The first-tier cities which indicate the cities have an important position in political, economic and other social activities and have the leading role among all the other cities in China. In China, we mainly have four first-tier cities: Beijing, Shanghai, Guangzhou and Shenzhen. The standard of first-tier cities mainly reflected in the level of urban development, the comprehensive economic strength, attractiveness of talents, the ability of information exchange, international competitiveness, scientific and technological innovation, transportation accessibility capabilities and other factors. As we need to provide the strategy for ELLE to develop better in first-tier cities, we need to know the character of first-tier cities associated with fashion industry.

Purchasing power

<table>
<thead>
<tr>
<th>城市</th>
<th>GDP (亿元)</th>
<th>GDP per capita (元)</th>
<th>双双GDP增速（%）</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 上海</td>
<td>19195.09</td>
<td>82560</td>
<td>8.2</td>
</tr>
<tr>
<td>2 北京</td>
<td>18000.40</td>
<td>80394</td>
<td>8.1</td>
</tr>
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<td>3 广州</td>
<td>15436</td>
<td>215878</td>
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</tr>
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<td>4 深圳</td>
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<tr>
<td>5 北京</td>
<td>11502.96</td>
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<td>6 天津</td>
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<td>9 杭州</td>
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<tr>
<td>10 浙江</td>
<td>8880.15</td>
<td>107964</td>
<td>11.6</td>
</tr>
</tbody>
</table>

(Chart 47)

As we can see from the chart above, the GDP and GDP per capita of the first-tier cities is high so the purchasing power of consumers in these four cities is also very high. People in first-tier cities have strong purchasing power to consume the products which advertising in ELLE fashion magazine especially those luxury brands.
More luxury brand shops

The chart above is about the number of luxury brand shops and the luxury stationed rate in different cities. Beijing gets the highest rate and Shanghai gets the second highest rate. Both Beijing and Shanghai’s luxury stationed rate is 100%. So people in first-tier cities have more chance to buy luxury brands in their own cities if they see the advertisements of the brand on ELLE fashion magazine.

High educational degree

The target customers of ELLE China magazine is the female aged from 22 to 45. Those target customers in first-tier cities mostly have high educational degree, and some of them also have overseas study experience. They are easily to accept the foreign fashion concept and foreign culture so they may like foreign fashion magazine such as ELLE more than other local fashion magazines.

More opportunity to get in touch with ELLE

ELLE has held the ELLE Style Award in Shanghai in 2008, 2010 and 2011. This year ELLE held the ELLE Style Night in Beijing to celebrate the birth of semi-monthly ELLE China magazine. So people in first-tier cities have more
opportunity to get in touch with ELLE’s events in such a close proximity.

Social culture factor

![Total retail sales of social consumer goods (Units:100 million yuan)]

(Chart 49)

The chart above indicates that the consumption structure in China has already changed from survival to development level. People would like to spend more money to improve the quality of their life. Also, feminist thought is very popular in first-tier cities because female in these cities both have good education background and high salary. They can use their own ability to improve their life and when they have big pressure on work or life most of them will chose shopping as the very first choice to relax themselves and release the stress.

**Problems**

After analyzing the characters of first-tier cities those are relevant with fashion industry we find out some problems the ELLE facing in first-tier cities.
Most people in first-tier cities know ELLE and have already read it before, only 1% of know have never heard about it. So the brand awareness in first-tier cities is high.

However, the brand loyalty is not that much high. 66% of them only read ELLE when they have free time. Sometimes in the café or other public places that occasionally have ELLE China magazines. The brand loyalty of ELLE in first-tier cities is not as high as its brand awareness may because that people don’t consider ELLE as the necessary magazine they need to read. The reason of this phenomenon may as followings. The working pressure of people in first-tier cities is greater than other cities, so they may have limited time to read the fashion magazines. What’s more, many elites in first-tier cities have already had their own concept of fashion, they can be the leader of their style so they don’t need a magazine that teach them what is fashion and how can you look more fashionable.
Strategy

The main idea of the strategy we provide for ELLE China magazine is that “ELLE is not only a fashion guide, ELLE is also a platform.” As we know many white collar especially those elites in the cities, they have their own concept of fashion and they have enough purchasing power to buy good products. So in this circumstance, ELLE can’t only be a fashion guide it needs to provide a platform for those people to show themselves to show their own idea of fashion. We recommended ELLE to hold the fashion party among the readers. People in first-tier cities who want to participate in this party must register as the member of ELLE reader club. ELLE will hold the fashion party every six months and each time the party will have special theme like “The European Court Style”, “80s Vintage Style”, “Navy Style” and so on. If you want to know the detail of the party you need to buy ELLE magazine, because all the requirements and the detailed information of the party will be given in the magazine. Also ELLE magazine will invite famous designers and famous stylists to share their fashion information with all the readers come to the party.
This activity can both improve the brand awareness and brand loyalty because this make ELLE magazine different from other fashion magazines that it can closely contract with all the readers and really provide a platform for them to show their own fashion style.
Chapter 8 Second-tier Cities Strategy

Why ELLE Choose the Second-tier Cities in China?

Base on the political status of Chinese cities; economic strength; city size and regional radiation power. The widely recognized second-tier cities in China are following:

Strong second-tier cities: Hangzhou, Jinan (economic development, sub-provincial level, the province capital), Tianjin (important economic port), Chongqing (municipality), Qingdao, Dalian, Ningbo, Xiamen (economic developed)

Medium Second-tier cities: Nanjing, Wuhan, Harbin, Shenyang (good economic development, regional centers, sub-provincial capital), Xi’an, Chengdu, Changchun (regional centers, sub-provincial capital), Changsha, Fuzhou, Zhengzhou, Shijiazhuang (good economic development, ground-level city, the provincial capital), Suzhou, Yantai, Foshan, Dongguan (Economic Development)

Weak second-tier cities: Taiyuan, Hefei, Nanchang, Nanning, Kunming (the capital of prefecture-level cities) in Wenzhou, Wuxi (important economic city), Zibo (an important industrial city).

There are five reasons why ELLE choose the second-tier cities in China as their target market. At first, China’s second-tier urban population is relatively dense, such as Tianjin: 5066129, Wuhan: 4488892, Chongqing: 3934239, Nanjing: 2822117. This indicates that there are a lot potential consumers in these areas.

Second, in the new round of economic growth process, the booster effect is no longer the first-tier cities, but those second-tier cities, the economic growth of a large
number of second-tier cities has been faster than the first-tier cities like Beijing, Shanghai and other. China Index Research Institute data show that the growth rate of investment in 2008 and the second-tier cities is significantly higher than the national average. Investment, such as Beijing, Shenzhen, Shanghai and Guangzhou, an increase of 7.1%, 1.7%, 4.7% and 13.4%; second-tier cities such as Xi'an, Nanchang and Tianjin, respectively, 39.8%, 35.0% and 28.9%; Suzhou, Dalian, Hangzhou and other cities, the growth rate of investment exceeds 20%. GDP growth rate in 2011 of some second-tier cities is higher than the first-tier cities such as Suzhou, 916.8 billion, an increase of 13.0%, Tianjin, 910.883 billion, an increase of 17.4%. And the per capita income in 2010, Dongguan 20,526 Yuan; Wenzhou 19,805 Yuan, 18,645 Yuan more than the first-tier cities such as Shanghai 18,287 Yuan and Guangzhou 17,653 Yuan.

<table>
<thead>
<tr>
<th>2010 China's urban per capita income of the top 10</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranking</td>
<td>City</td>
<td>RMB</td>
</tr>
<tr>
<td>1</td>
<td>东莞</td>
<td>22882</td>
</tr>
<tr>
<td>2</td>
<td>深圳</td>
<td>21494</td>
</tr>
<tr>
<td>3</td>
<td>温州</td>
<td>19805</td>
</tr>
<tr>
<td>4</td>
<td>珠海</td>
<td>18908</td>
</tr>
<tr>
<td>5</td>
<td>上海</td>
<td>18645</td>
</tr>
<tr>
<td>6</td>
<td>台州</td>
<td>18313</td>
</tr>
<tr>
<td>7</td>
<td>广州</td>
<td>18287</td>
</tr>
<tr>
<td>8</td>
<td>北京</td>
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<tr>
<td>9</td>
<td>佛山</td>
<td>17424</td>
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<tr>
<td>10</td>
<td>宁波</td>
<td>17408</td>
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</tbody>
</table>

(Chart 52)

This shows that the residents of the second-tier cities have enough financial capacity to have the spirit of entertainment consumption.

Third, the educational level of the second-tier cities continues to increase. On the pursuit of spiritual and cultural needs also expanded. According to the 2011 survey on
mobile Internet users of the first-tier to sixth-tier city, the urban mobile Internet educational differences in analysis, the second-tier cities of the highly educated more than first-tier cities. ELLE’s target audience is highly educated, the pursuit of the spirit of the consumption of white-collar workers. If ELLE development by online platforms, it will have great potential market in the second-tier cities.

In addition, happiness index of the second-tier city residents is higher. Compare with living in the first-tier cities, the pressure of life is not that big, so the residents have more time to buy and read magazines, which is easier to ELLE to cultivate the fixed audience in the second-tier cities.

**Problems and suggestions**

According to “2010-2011 Chinese luxury consumption Urban Survey Report” by the World Luxury Association: the top three of China's luxury consumption capacity is Hangzhou, Wenzhou and Qingdao. These three cities are all second-tier cities in China. People in these cities need more information from ELLE to help them know the most fashion style or most popular luxury products, etc.

Though ELLE still occupies a certain market share, and it is also the main force in the fashion magazines market. As the previous leading fashion magazine in China market the circulation of ELLE in the second-tier cities is not optimistic. Not because people don’t want to buy ELLE but the awareness of ELLE is low. In 2003, the national circulation of ELLE is as high as 348,738, however, Beijing, Shanghai, Guangzhou occupies a total circulation of 45.5%.

Compared with the first-tier cities, the sales markets more stable in second-tier
cities, truly sales rates and coverage are more than 80%, selling stalls is about 45.67%. This also means that these cities will be the main battlefield of the future development of fashion magazines.

So, there are some problems for increasing market share of ELLE in second-tier cities.

1. Only few avenues for purchasing.

The magazine issue is the process that magazines reach to readers in the circulation. The issue of the magazine is an important component of the magazine operation. It includes retail and subscription two parts. Abroad magazine issue generally relies on the professional distribution services company but in China, magazines mainly use the post office network to issue, China postal distribution has some characters: wide range of network systems, many retail outlets, but the expenses of issue are high and there is a lack of promotion for magazine image.

ELLE are often sold in newspaper stands, subway, convenience stores, airports, hotels and other sales channels in the first-tier cities. Although the fierce competition of the various channels, they cooperate with others and interact information with others. The circulation keeps stable as well as the market share keeps high.

As we know, ELLE choose the postal distribution channels to issue magazines in the early stage of development in china (determined by the unique situation of China). For second-tier cities, there are not so many other distributions as first-tier cities, so ELLE is mainly concentrates in the postal newsstand sales. However, not every newsstand offers broad and comprehensive fashion magazines. And postal sales
have some disadvantages, such as the existence of rigid management mechanism, the low logistics speed, sales attitude of inert and other issues. More importantly, by postal channels, magazines cannot get the reader's information and feedback timely; it is harmful to the development of ELLE. The single sales channel is unable to meet the diverse purchasing needs of the readers in second-tier cities; ELLE should try varieties of marketing channels, and actively promote the marketing channels more diverse, specialized, and three-dimensional.

2. Random Purchasing

In the survey we can also find that the frequency of people buy ELLE is not fixed, which means few people read ELLE as a habit. However, modern women are willing to spend about 30 Yuan on purchasing fashion magazines monthly, which indicates that the reader is random to buy fashion magazine that is if there are no ELLE people may buy other fashion magazines instead. We can say that, although many people know and buy ELLE in the second-tier cities, but they are not so loyal to ELLE.

Although, ELLE launches promotions to attract consumers and increase market share, it cannot enhance the loyalty of readers.

**Suggestion:**

1. Developing cross-industry distribution channels.

Since 2003, China has gradually open journal distribution market to foreign investing companies. the magazine issue need to reform on the modern enterprise management, high-tech means, the construction of modern logistics, the channel expanding, reader services, and other aspects. ELLE should cooperate with other
industry brands; utilize their mature sales network to open up the magazine market. In addition to relying on traditional Mailroom it should also develop new distribution and sales channels, try to set up outlets where the target audience often reach.

For example, explore the cooperation with retail industry, in addition to strengthen the existed newsstands, bookstores and other retail channels, high-end shopping malls, office buildings, cafes, fitness clubs and beauty shops and other places can also be developed as new retail channel of ELLE.

2. Increase market share and enhance loyalty of consumers

According to the target consumers of ELLE, university students can be taken as potential consumers. So ELLE can emphasis on the university bookstores and other places, to cultivate the reading habits of the target readers.

ELLE has its own reader database, it can use this to create the book club, organized a small gathering regularly. And use high-tech to push a message to members who may in need of the latest fashion information.

**Strategy One**

Cooperation with the second-tier TV stations, integrating a variety of media.

We know that ELLE has been a great investment in new media, strong investment ELLECHINA.COM of 2008, as the preferred media of the high-end women's brand network, updated daily hundreds of news, clear and rich, with a unique style to attract users, to meet the different needs of readers and users of the site in three years it become China's first vertical female portal, the current daily flow of more than ten million. ELLE TV as China only invited four fashion week video media,
the first exclusive video of real-time delivery with international standards.

ELLE can continue advantage in the new media, it can use their existing network platforms and fashion resources to start their own fashion shows, not only in the ELLE TV player, and also play in second-tier cities’ local television, cooperation with local television stations. Forms of cooperation can be divided into two, one is ELLE Hire the professional presenters and guests to introduce the clothing, fashion, information hairdressing to make a video program and sell the program to the local television stations. Another is to integrate the resources of the local television station, naming and sponsorship of television fashion shows, the program will introduce the relevant product and content in ELLE magazine. These two methods are conducive to the integration of multi-media marketing of ELLE magazine.

Cooperation with the TV mainly considered in the questionnaire, many second-tier cities, white-collar or watch it on TV to accept the fashion information.

**Strategy Two:**

With the rapid development of network technology, ELLE also can use this channel to find another way to survive.

Because of the powerful impact of the network and new media, ELLE should understand the advantages of new media and cooperate with these high-tech platforms to achieve win-win situation, the digital strategy is important to the future development of ELLE.

We know, ELLE guides fashion, beauty, the latest trends, but also close to the
fashionable women's lives, ELLE readers are encouraged to pay attention to their own unique personality and self-development, promoting women to enjoy their own, at the same time broaden their horizons, open heart, to be a elegant women. Women live in second-tier cities now want more fashion magazines to help them in some aspects of life. Based on the development of new media and the needs of target consumers, ELLE need to combine the hardware and software.

First, ELLE can use electronic recipes in café and high-end restaurants which the target readers always go to. Now many restaurants begin to use electronic menus, after ordering customers can use this electronic device to play games, learn the detail of the meals and so on. For ELLE, this is a very good approach to do placement advertising. When they waiting for food, they also can read some information about ELLE, if they are interested in the contents, they can buy ELLE in the café or restaurants directly, and they also can get some discounts by buying this magazine.

The contents of ELLE will be shown through these HD electronic devices such as ipad, and it may increase public awareness of ELLE through 3D effects, video effects, audio effects and hyperlinks effect. Compared with other advertising platform this kind of promotion is more precise and makes full use of the youngest, the most fashionable new media and it can achieve the best results.

Secondly, as in the era of information explosion, every day we are surrounded by all sorts of information, so a lot of information will be ignored. ELLE should strive to let people to accept their information, so that to expand influence and let more and more people know ELLE, ultimately increasing market share.

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Based on that building TV is a good choice for ELLE. ELLE may advertise on elevators in High-end residential buildings, Office buildings, fitness club, beauty salon and some other places. Buildings television is a new media, it use audio, video and multimedia technology to play advertising images and wonderful music to attract attention. From the audience perspective, this new media form to kill boring time when they are waiting for elevators; it can also ease the repressed emotions.

Buildings television is a combination of audio and video, and more expressive and powerful attraction than the conventional outdoor advertising. As we believe that people tend to feel bored when waiting for the elevator. The visual and auditory information appears easier to be aware and accepted at that time, so the buildings television may have mandatory effect. In addition, building TV placed in the high-end apartments, offices, it can more effectively direct reach the highly educated, high income people.

People living in high-level buildings need to use elevator every day, and every person use elevator at least 3-4 times up and down stairs per day, so every page will be seen at least 3-4 times. This is a very high frequency.

More important, ELLE can’t just put the cover of magazines on the building TV. It can broadcast its electronic magazines, but not the whole contents. Maybe the introduction of some new fashionable styles or some beauty researches those women interested in. overall, ELLE need show their target consumers the most attractive content in the magazine,

In addition, ELLE can notice what gift will be sent with the magazine in the
advertisement.

**Strategy Three:**

To be remembered by readers is one method to increase market share for ELLE. Creating brand image and unique brand culture can help enhance the awareness of people. It may spread its unique brand culture to consumers by new media. Former Intel CEO Grove once said: "The whole world will launch the campaign to compete for" eyeballs ", which can attract more attention, who can become the master of the 21st century." The products will be out of the market if they cannot attract people's attention.

By disseminating brand culture and lead the cultural taste of a particular class of consumers, it lead to the recognition and resonance of consumer psychology, so that they get the satisfaction from ELLE.

Feelings are the key to enhance brand loyalty of consumer, if ELLE cannot resonate with consumers; it will be abandon by consumers. The content of ELLE is fashion information, it should also concern about the physical and mental health of women, communicate with readers on an emotional level.

Unique Brand culture provides consumers a clear reason to buy the magazine. Though it is not a necessity of life, it is a significant presence to spice up their lives; this is also the product attributes of the magazine needs to build a unique brand to impress consumers, and further to be able to consolidate the market share.

Powerful prominent characteristics of brand culture and strong product advantages can attract readers' attention and stimulate their buy. ELLE should be
more aware of the importance of the difference and distinguish it from competing products in terms of content positioning or overall layout style, so that the symbolic characteristics of the brand will be remembered by the target consumer and so as to consolidate the reputation and loyalty.

Brand culture of ELLE must come from the readers’ inner needs. ELLE should consider the characteristics of the target consumer group, consistent with the needs of the target consumer group. It also need to always pay attention to the concerns and key points of target consumers, such as what they recently interested in then fully integrate these contents with the magazine, so that can stimulate the interaction and consumption.

For ELLE, it should be more localization. The brand culture should close to women in second-tier cities. So they can truly find suitable dress for their physical and mental conditions in ELLE.
ELLE is a brand owned by Lagardere Active and published under licence by HEARST MAGAZINES CHINA. ELLE China, published in cooperation with Shanghai Translation Publishing House, a subsidiary of Shanghai Century Publishing Group, has been constantly setting milestones of fashion media since 1988. ELLE China, as the first international fashion magazine entering in China, now reaches over 1.3 million readers. ELLE teaches Chinese customers especially female consumers what is fashion and how to be fashionable both in appearance and in attitudes toward life style. ELLE is a foreign brand but it thinks global and acts local in China to attract readers.

Since 2008, it has held No.1 advertising market share among the upscale fashion magazines. In 2001, ELLECHINA.COM was created, and today is one of the leading female portal websites. In 2009, ELLE China launched “ELLE Credit Card”, which is the first female only “Gold” card that targets upscale and stylish women. ELLE China also has ELLE TV and ELLESHP.COM.CN which is created as an exclusive upscale digital e-commerce service platform to provide a unique shopping. In 2011, ELLE iPhone APPs came to the market with various innovative services. ELLE also do many activities to promote the brand in China. They cooperate with online video websites such as Youku and other social media such as Sina Weibo. ELLE also held some famous events in China like ELLE Style Award, China Fashion show which all attract many superstars and the attention of the readers. This year ELLE China magazine changed from monthly magazine to semi-monthly magazine and the price
decreased to 10 yuan with 400 pages.

Although ELLE did many things in China to promote itself, it still has very low market share in China market comparing to its main competitor “Rayli”. Many readers think the content of ELLE is not practical for them to use in their daily life. Also as the emergence of new media, people’s reading habit also changed. People tend to use their iPhone and iPad to read the electronic magazines which also bring threats to ELLE magazine. In order to know why ELLE has low market share, we conduct a survey among 300 people to get the information about the real preference of Chinese readers. The survey is divided into four parts: product, promotion, place and price. According to the survey findings, we give further recommendation and strategy to ELLE China magazine. For product we give recommendation about the book size, the pictures and the content of the magazine. For promotion we suggested ELLE to cooperate with social media to improve the brand awareness and make closely interaction with its readers. For place we suggest ELLE to distribute its magazines through the new media channels like the mobile phone and the Internet.

We find out the difference consumer’s behavior between the first-tier cities and second-tier cities in China. Regard to these differences, we provide the strategy to improve the brand awareness and brand loyalty among all the readers. The customers in first-tier cities have stronger purchasing power and already have the concept of fashion so they need more than the fashion director but the fashion platform. The customers in second-tier cities still need the magazine that can guide their fashion style and introduce new and fashionable life style to them.
Chapter 10 Limitation of this Project

The Limitations of the Questionnaire

Our project is about Marketing Strategy of ELLE magazine in China, the target demographic of the questionnaire should cover all of China. For the limitations of time and resources, we did not receive feedback from all regions of China. We focus on first-tier cities (Beijing, Tianjin, Shanghai, Guangzhou and Shenzhen), some typical second-tier cities (Hangzhou, Nanjing, Chengdu, Xiamen, Changsha and Wuhan) and few third-tier cities for analysis. The results of our survey may represent some more advanced cities but not all cities in China. In addition, we designed “do you buy ELLE once?” Instead of “do you read ELLE Before?” that is we ignored those who read ELLE but did not buy it. What’s more, some options were not conduct clear which may result to confusion. For example, the expression of first-tier cities, second-tier cities and third-tier cities some people may do not know that their cities should belong to which category. Finally, we did not arrange open-ended questions so we cannot find own opinions of respondents.

The Limitations of Resources

The resources we use in this project come from the Internet and the printed resources. At the beginning of the project, we plan to interview the editor of ELLE China we send e-mails and micro-blogs to ask if there is any editor can receive our interview. However, the requests were refused by staff of ELLE. That is, we did not get first-hand resources from ELLE.

All our analysis based on second-hand materials and they are not as
comprehensive as first-hand materials. Taking that into account, we searched materials as many as possible by other means to offset this disadvantage in order to achieve a relatively comprehensive analysis.

**Further Study**

The strategies we mentioned in the project aim to first-tier cities and second-tier cities. However, there are many cities in China and that is larger market than we mentioned in this project. First-tier cities and second-tier cities can not represent the whole China market; we can concentrate on some other types of cities in further study of ELLE.

Since ELLE was acquired by The Hearst In January 2011, the Lagardere Group reached an agreement with the Hearst Publishing Group. Under the agreement, Lagardère would full transfer the magazine "ELLE" to Hearst. In December 2011, The Hearst completed the acquisition of Hachette China. Different parent company has different market strategies; such as ELLE changed to semi-monthly magazines in 2012 and the price was reduced to 10 Yuan with about 400 pages in order to adapt to rapid development of media and meet consumers' desire for quick information. And it is the only one semi-monthly magazine in all of editions of ELLE. So we also can focus on the new developments after be acquired in our further study.

Owning to Chinese strict policies on foreign media, we can recommend few strategies to ELLE. However, the government has gradually eased the regulations of foreign magazines publishing in china in recent years. For further study, we should analyze the more fierce competition in the new environment.
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Appendix I:

问卷调查

背景信息
1. 您的性别？
   □ 男  □ 女

2. 您的年龄？
   □ 15 岁以下  □ 16~25 岁  □ 26~35 岁  □ 36~45 岁  □ 46 岁以上

3. 您所居住的城市？
   □ 一线城市（北京、天津、上海、广州、深圳）
   □ 二线城市（杭州、南京、成都、厦门、长沙、武汉等）
   □ 三线城市（桂林、拉萨、马鞍山、吉林等）
   □ 其他

4. 您的职业？
   □ 学生  □ 外企  □ 国企  □ 私人企业  □ 政府人员  □ 其他

5. 您的学历？
   □ 专科  □ 本科  □ 硕士  □ 博士  □ 其他

6. 您的月收入水平？
   □ 1000 以下  □ 1000~3000  □ 3001~5000
   □ 5001~7000  □ 7001~9000  □ 9000 以上

产品
7. 你是否购买过《ELLE 世界时装之苑》
   □ 购买过  □ 没有购买过  □ 不记得

8. 您喜欢以下哪类人做封面人物？
   □ 国内明星  □ 国外明星  □ 国内外个性名人
   □ 名模  □ 漫画或静物  □ 其他______

9. 您愿意接受的杂志开本是
   □ 16 开（如《ELLE》）  □ 32 开（如《cosmopolitan》旅行版）  □ 其他

10. 作为一本时尚杂志，你希望 ELLE 使用什么样的纸张？
    □ 铜版纸（《ELLE 世界时装之苑》）  □ 哑粉纸（如《花溪》）
    □ 轻涂纸（如《三联生活周刊》）  □ 无所谓  □ 其他

11. 当您阅读时尚杂志时
注重图片
注重文字
注重图片和文字的结合
随手翻翻，并不会仔细看

12. 你最喜欢阅读的内容版块是？（多选）
□时装（当季潮流、服饰搭配、时装大片）
□专题（国内外明星专访、两性情感、理财）
□美容、美体、美发
□生活（家居、美食）
□广告

13. 通常情况下，时尚杂志的内容会对您的消费产生影响吗？（若回答“会”请继续回答 14 题）
□会  □不会

14. 时尚杂志对您的消费影响主要体现在以下哪个方面？
□服饰、鞋、包以及配饰
□美容化妆用品
□名车、名表
□电子产品
□家居产品
□与旅游相关的产品
□广告

15. 您对《ELLE 时装之苑中》广告的态度是
□基本不看  □拍得美的会看  □感兴趣的产品会看  □基本都会看遍

16. 您认同 ELLE 所提倡的消费观和价值观吗？
□完全认同
□比较认同
□不太认同
□完全不认同

17. 您会效仿 ELLE 所倡导的生活方式吗？
□会
□不会
□看情况，有选择性地效仿

**推广**
18. 您知道 ELLE 以下哪一种推广方式？（多选）
□送礼品
□和招商银行合作推出联名信用卡

101
□社交网络媒体（人人网、开心网、微博、QQ空间等）合作
□举行活动如风尚大典
□广告
□ELLE购物网站
□ELLE TV

19. 如果ELLE不再继续送礼品您仍然会买吗？
□会 □不会 □看情况

20. 您的微博是否关注了ELLE？
□有 □没有 □不记得

21. 以下哪种方式可以吸引您关注ELLE的微博？
□送礼品 □提供时尚资讯 □提供时尚街拍
□介绍品牌最新产品 □分享产品使用心得

22. ELLE举办或赞助的哪种活动最能吸引您？
□ELLE风尚大典 □选秀节目
□国内时装周活动 □国际时装周活动 □慈善活动 □其他

分销
23. 您是怎样知道ELLE杂志的？
□朋友介绍
□广告
□样刊
□网络介绍
□报摊

24. 您通常在哪里购买ELLE？
□邮局订阅
□网上购买
□报摊购买
□不购买，只看公共场所提供的免费刊物
□其他

25. 您通常在哪里阅读时尚杂志？
□家里
□单位或办公室
□图书馆阅览室
□在交通工具上或路途中
□其他

26. 您是否下载过ELLE的以下apps？
27. 您获取时尚信息的主要途径？
□ 网络 □电视 □报纸 □杂志 □广播 □他人

28. 您上网的频率？
□ 每天都上 □每周至少 2 次 □有事才上 □从不上网

29. 您上网通常会做什么？
□ 上社交网络聊天 □更新博客 □查邮件 □看视频 □网购 □看新闻 □查资料 □玩游戏 □其他

定價
30. 您每月会花多少钱购买时尚杂志？
□ 0～10 元 □11～30 元 □31～50 元 □51～100 元 □100 元以上

31. 您购买 ELLE 杂志的频率：
□ 订阅了一年 □每月 □偶尔

32. ELLE 的价格是否合理？
□ 合理 □能接受 □偏高 □偏低

33. 如果 ELLE 降价您觉得
□ 很吸引 □没什么吸引力
Questionnaire

Background information
1. What’s your gender?
   □ Male □ female

2. How old are you?
   □ Below 15 □ 16-25 □ 26-35 □ 36-45 □ 46 above

3. Which city do you live in?
   □ First tier cities (Beijing, Tianjin, Shanghai, Guangzhou, Shenzhen)
   □ Second tier cities (Hangzhou, Nanjing, Chengdu, Xiamen, Changsha, Wuha)
   □ Third tier cities (Guilin, Lasa, Maanshan, Jilin)
   □ Others

4. What’s your occupation?
   □ Students □ Employee in foreign enterprise □ Employee in National enterprise □ Government □
   Private company □ Others

5. Education background?
   □ Junior Colleges □ Bachelor □ Mater □ PHD □ Others

6. Monthly income?
   □ Below 1000 □ 1000-3000 □ 3001-5000 □ 5001-7000 □ 7001-9000 □ 9000 above

Product
7. Have you ever brought ELLE?
   □ I have □ Never □ Can’t remember

8. What kind of Cover people do you love most?
   □ Domestic Star □ International Star □ Famous Models □ Cartoon or stillleben □ Others

9. What kind of book size do you prefer?
   □ 16kai □ 32kai □ Whatever

10. What kind of paper type do you prefer?
    □ Coated Paper □ Matt Art Paper □ LWC □ Whatever □ Others

11. When you read magazine…
☐Mainly focus on pictures ☐ Mainly focus on content ☐ combination of pictures and content ☐ Whatever

12. What’s your favorite content of fashion magazine?
☐ Fashion clothes ☐ Special Topics ☐ Beauty ☐ Life ☐ Ads

13. Will the content of magazine influence your consumption decision?
☐ YES ☐ NO ☐ It depends

14. What kind of content will influence you most?
☐ Clothes Shoes Bags and Accessories ☐ Cosmetics ☐ Exclusive Cars and Watches ☐ Digital Products ☐ Home Furnishing ☐ Travelling Products ☐ Others

15. Attitude towards Advertisement?
☐ Like ☐ Pay more attention to the beautiful ones ☐ Pay more attention to what I like ☐ Dislike the ads in fashion magazines

16. Attitude toward ELLE’s value?
☐ Agree ☐ Disagree ☐ It all depends

17. Will you imitate the life style that ELLE initiates?
☐ Will ☐ Will not ☐ It depends

Promotion:

18. Which of the following promotional methods of ELLE magazine do you know?
☐ Gift Bags ☐ Cooperation with CMB ☐ Cooperation with social media ☐ Held Event such as ELLE Style Award ☐ ELLE ADS ☐ ELLE shopping websites ☐ ELLE apps ☐ ELLE TV

19. Will you still buy ELLE if it stops offering any gift?
☐ YES ☐ NO ☐ Uncertain

20. Have you focus on ELLE’s Weibo?
☐ YES ☐ NO

21. Which of the following activities can attract you to focus on ELLE’s Weibo?
☐ Offering gift ☐ Share products using experience ☐ Provide latest fashion information ☐ Provide street shooting pictures ☐ Introduce new product ☐ Provide beauty knowledge
22. Which of the following activities held by or sponsored by ELLE can attract you most?
□ ELLE Style Award □ Talent Show like super girl □ China Fashion Week □ Charity Event □ World’s major fashion week

Place
23. How do you know ELLE?
□ Via friends
□ Ad
□ Sample magazine
□ Internet
□ News-stands

24. Where do you purchase ELLE mostly?
□ Post station □ Internet □ News-stand □ Not buying, but reading the public magazines □ Others

25. Usually where do you read the fashion magazines?
□ At home □ In the office □ in the library or reading room □ On the transportation □ Others

26. Have you ever downloaded the ELLE apps as follows?
□ ELLE STAR □ ELLE TV □ ELLE constellation □ ELLE International □ ELLE shop □ None of the above

27. What are the major resources that you access to the fashion news?
□ Internet □ TV □ News □ Magazines □ Radio □ Others

28. What’s your frequency of surfing the Internet
□ Everyday
□ At least twice per week
□ Only when I have something
□ Never

29. What do you often do when surfing the Internet?
□ Chat □ Update my blog □ Check the e-mail □ Watch videos
□ Do online shopping □ Scan the news □ Search for information
□ Play game □ Others
**Price**
30. How much will you spend on magazines monthly?
   - 0～10 yuan
   - 11～30 yuan
   - 31～50 yuan
   - 51～100 yuan
   - 100 yuan

31. How often do you purchase ELLE?
   - I subscribe for 1 year
   - Monthly
   - Occasionally

32. Whether the price is reasonable?
   - Reasonable
   - Acceptable
   - A bit high
   - A bit low

33. If ELLE reduces the price, you think it is
   - Attractive
   - Not attractive
Appendix II

Plagiarism Declaration Form

This form must be completed, sighed, dated and included with the Media Management Project submitted to the University for marking.

Student Name: Zhou Yu, Leng Shujia, Zhang Ge, Zou Wei

Student Number: 11408170, 11407441, 11426365, 11417234

Title of Project: Analysis and Marketing Strategy of ELLE magazine in China

Submission Date: 2012. 05.05

Declaration:

I have read the relevant sections on Plagiarism provided in the Handbook for Graduation Project and observed the standards of conduct. I am fully aware of the consequence in the event of plagiarism.

I declare that, to the best of my knowledge, this project represents my own work and all sources have been properly acknowledged, and the Project contains no element of plagiarism.

I further declare that the Project has not been previously included in a thesis dissertation or report submitted to this University or to any other institution for a degree, diploma or other qualification.

Students’ signatures: __________________________________________________

Date: _______________________________________________________________
Appendix III

Authorization of Library Placement

Authorization

This is to authorize the School of Communication and School of Business at Hong Kong Baptist University to place my project entitled “The Development of Free Dailies in Hong Kong” in the HKBU library for general public reference and inspection.

Names in block letters: ZHOU YU, LENG SHUJIA, ZHANG GE, ZOU WEI

Students’ ID: 11408170, 11407441, 11426365, 11417234