



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS

DEPARTMENT OF ECONOMICS, MARKETING AND ENTREPRENEURSHIP

EXAMINATION PAPER

MODULE CODE : MBA612
MODULE TITLE : STRATEGIC MARKETING
DURATION : 3 Hours
LEVEL : 2.1
DATE : 24 SEP 2025

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. Use of silent, non-programmable calculators is allowed
3. Answer question number **one (1)** in Section A (Compulsory) and any other **three (3)** questions in Section B.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets []
6. Show all workings, where applicable.

Question 1: [40 marks]

CASE STUDY H&M partners to rapidly build second-hand business

Fashion giant H&M has been quick to see the potential in tapping into the market for pre-loved fashion, rolling out a range of Pre-loved options across various European markets in 2023 as this segment of the fashion market rapidly expands.

In fact it has been so successful that the retailer has extended the offering to the lucrative US market, where it sees even more opportunity.

But to go from zero to full-on resale and repair the fashion retailer has had to partner and acquire, opting to initially work with a Swedish company called Sellpy, which H&M subsequently bought outright in late 2022.

H&M's fashion resale arm is called, appropriately enough, Pre-Loved and was launched in Sweden and Germany in early 2022. It was then rolled out in the UK and, as the year progressed, eventually reached 20 markets all covered by Sellpy. The second-hand products on offer are all shipped via Sellpy and on offer are second-hand products from H&M Group brands, as well as third-party labels including ASOS, Nike, Zara and Abercrombie & Fitch.

At the time of the launch, H&M's sustainability manager Felicia Reuterswärd said that the company was looking to make "second hand fashion the new normal" and, with research showing that such circular business models covering both rental and resale have the potential to take 23% of the global fashion market by 2030, there is every chance that that is already happening.

H&M has already seen an 85% increase in revenue from its resale partnership with Sellpy, targeting €90 million in resales in 2023.

Sellpy, which handles the entire process from picking the items up from the sellers home, to listing, selling and shipping, first launched in Sweden in 2014. H&M has invested more than 20 million euros (\$24.38 million) in Sellpy and owns around 70% of the company, Wessman told Reuters.

Sellpy said it had started a collaboration with H&M that gives it access to an H&M warehouse in Poland, as well as service around distribution, quality control of garments and order handling. "We see a steady growth in demand for sustainable consumption, where second-hand is a great option," adds Michael Arnör, CEO of Sellpy.

“Every garment bought pre-owned saves resources for our planet. It’s therefore very exciting that we continue to grow and empower more customers in Europe to live circular.” Sustainable consumption is becoming an integral part of H&M Group’s sustainability work in order to reduce the environmental impact of the entire textile industry and to grow new revenue streams for the company.

“We’re excited about Sellpy’s continued international expansion which we support with our investment and strategic partnership,” says Nanna Andersen, Head of CO:LAB H&M Group.

“We truly believe in the entrepreneurs and team behind Sellpy and their unique circular business model, which perfectly aligns with our vision to become fully circular.” Meanwhile, H&M is teaming up with ThredUp in the US to offer shoppers a resale programme called H&M Pre-loved. The move follows the fashion retailer’s roll out of H&M Pre-loved in Sweden in May 2022.

Questions

1a) Examine how H&M's second-hand business can contribute to creating additional value for customers. **[8 marks]**

b) What are the key benefits customers can expect to derive from this initiative? **[8 marks]**

c) How can H&M measure the success of its second-hand business in terms of customer satisfaction and loyalty? What metrics should be used? **[8 marks]**

d) Analyse the competitive landscape for second-hand clothing. How does H&M's partnership position the company relative to its competitors? **[8 marks]**

e) Discuss the potential impact of H&M's second-hand business on the overall fashion industry. What implications does this have for competitors? **[8 marks]**

SECTION B. ANSWER 3 QUESTIONS FROM THIS SECTION. EACH QUESTION CARRIES EQUAL MARKS

Question 2:

Critically analyse the key stages involved in the marketing strategy process. Explain the importance of each stage and how they interrelate. **[20 marks]**

Question 3:

Discuss the challenges and opportunities associated with implementing a growth strategy. What are the key factors to consider when selecting a growth strategy?

[20 marks]

Question 4:

Outline the key stages of the strategic marketing planning process. Explain the importance of each stage in achieving organizational goals. **[20 marks]**

Question 5:

Analyse the competitive positions of market leaders, challengers, followers, and nichers. What strategic options are available to each? **[20 marks]**

Question 6:

Discuss the key performance indicators (KPIs) that can be used to evaluate the effectiveness of marketing strategies. How can these KPIs be measured and interpreted? **[20 marks]**

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