

Marketing plan for giorgio armani



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The Armani group is one of the leading fashion houses in Europe, rivaled only by its main competitors Yves St. Laurent, Gucci, and Dolce & Gabbana. Its main strength that gives it a unique advantage over it is its uncanny ability to diversify, whether in its product line, designs, or businesses. While the first three, for example, have invested in fashion-related goods such as cosmetics, Armani has ventured into more distant ventures such as confectionaries and hotels.

This same ability can be seen in its accessories for males. Most fashion houses have the same cut, shape, and style for its accessories, but Armani makes a clear effort to make each product look different. It also offers accessories that are not available in its competitors.

This marketing strategy, as such, does not recommend the creation of new products or goods – but merely the creation of new designs of said accessories that would address the needs of certain segments in the male market that Armani has not catered to previously.

The need to branch out into new markets with an intense marketing campaign is made more imperative by existing threats and opportunities. An example of the first would be the infusion of new capital into competitors by mergers and companies from Asia, especially China. An example of the second would be the emergence of a new affluent class in the male sector that could be encouraged to spend their large disposable income by investing their self-image and style within the Armani brand.

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Current Marketing Situation Analysis:

Market description of the market segment who patronize Armani's fashion accessories for men:

Men who belong to the 25-40 year old age bracket

These men like to look good, project an image of confidence, class, style, energy, and modernity.

They like a sense of tradition and being part of a legacy to differentiate them from the crassness usually associated with the nouveau riche.

They can afford to buy luxury brands or are in a position to achieve that kind of access.

They are financially stable, have a regular source of revenue (or several), educated, and professionally are on the upswing.

They have a heightened sense of their individuality, that ‘ x’ factor that makes them stand out from the crowd – or even from their fellow members of the elite.

This target market’s specific needs:

A fashion brand that can project their exalted status while accentuating the qualities that make each one unique

A fashion style that is both modern, ‘ in’, and yet can claim a classical tradition that will not fade or be surpassed and replaced by up and coming brands

Our reason for choosing Armani’s fashion accessories for men:

It stands above the rest of its counterparts in the fashion luxury brand precisely because its combination of its decades-long history and current product offerings addresses the needs of the target market above.

The gap that Armani’s fashion accessories for men fills and how it outdoes the competition:

All brands in this category emphasize elegance, style, luxury. Armani’s stands out because of its greater product choices. The competition focuses on standard product lines such as wallets, key chains, sunglasses, and scarves. Armani sells these as well – and at the same time, offers distinct products such as bracelet chains, calling card cases, driving gloves, and hats.

Armani does not just lump all its 25-40-year-old buying market into one group, but creates specific designs and product lines that are attractive to the various age groups in that age group.

Examples: Giorgio Armani is the flagship that emphasizes the main fashion brand. Armani Collezioni offers accessories for yuppies working in the office and sports enthusiasts who race cars, climb mountains, and play soccer during the weekend. AJ/Armani Jeans has accessories designed for the more environmentally aware who campaigns for Greenpeace as well as the tech wizard who spends every waking hour in front of his computer. The accessories of Armani Exchange are for the urbanite who lives in the 'now,' who thinks and moves fast and wants everything 'yesterday.'

Product review

Armani Accessories is a brand and product design created to complement the main company Armani's core business which are generally described as understated but aristocratic-looking suits for male and female business executives.

Armani the company eventually branched out into creating and manufacturing less formal wear such as shirts, outer wear, and jeans.

Armani men's accessories are priced well above industry standard; \$30 and up for hats and caps, \$40-\$60 for belts, \$60 to \$70 for sunglasses, \$40-\$70 for bags, \$30-\$50 for scarves, and \$40-\$50 for wallets.

Strategy of competitors Gucci, Yves St. Laurent, and Dolce and Gabbana:

Note: one commonality among all these brands and Armani: international, luxury, stylish, elitist

Yves St. Laurent:

Position: Capitalizes on its French origins, positioned itself as the most artistic, creative, and innovative of all luxury brands

Marketing strategy:

Launch of an online shop

Launch of a magazine

Strong on women's brand; his designs introduced the varying versions of the 'modern woman'

Venturing into more 'unisex' brands

Promotion of its YSL mission and vision by encouraging its customers to adopt the YSL manifesto

Gucci

Position: Similar to Armani - modern but with a heritage of craftsmanship

Marketing strategy:

Projects itself as 'green' and eco-friendly

Currently is building an interactive ' Gucci museum' that will open in 2011

Created a downloadable Gucci application for the iPhone

Strong in e-commerce; launched its online shop as early as 2002.

Dolce & Gabbana

Position: The maverick and the trendsetter in fashion. Unlike other fashion houses, it is not apprehensive about using thinly veiled erotica - heterosexual and homosexual - in its advertisements.

Marketing strategy:

Sex sells. Its ads have been alternately praised and criticized for showing too much skin or even hinting of bondage and violence in its images.

Gender-friendly, appeals to both heterosexual and homosexual markets, capturing the loyalty of the last group

Actively promotes its latest line-up through smartphones

Distribution review

Armani sells its accessories in the same location as it does its core brand, the main fashion line. It has 92 stores in 23 countries. Armani's accessories for men can also be found in luxury stores all over the world that sell high-priced goods.

SWOT Analysis

Strength: The company's ability to diversify, from its product lines to its designs to the acquisition or establishment of new businesses that are

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related to the core business of fashion. While other fashion brands have also gone into obviously related businesses such as cosmetics, Armani has ventured into

areas that may be linked to fashion but do require an entirely different world of skills, competencies, infrastructure, and operations. It has invested in up-market furniture (Armani Casa), confectionary (Dolci), flowers (Fiori), and recently a 14-hotel chain in the United Arab Emirates to be finished by 2011.

Weakness: The one weakness of Armani cannot be found in the accessories line per se, but is rooted in the entire Armani group. Founder Giorgio Armani, now in his 70s, has no chosen successor or path to succession that his lieutenants can ascend to in the event of his death. Armani is also the sole shareholder of his company and, in the light of current mergers and takeovers, has made the entire Group financially vulnerable to him.

Threat: The merger or take-over of one fashion brand over another, such as Gucci's purchase of YSL. The joint capital and resources make these brands a more formidable competitor.

Response: Given that Armani has only one shareholder, Armani accessories for men should strengthen its stock supported by marketing campaigns in stores and locations where these competitors are weak. To augment resources, each store holding the accessories must also manage spending while motivating the employees to sell more and increase revenue.

Opportunity: Fashion and its accessories are becoming more global. A younger generation is growing in previously hard-to-penetrate countries like

India and China as more and more fashion information is being shared through technologies such as the smartphones and the internet. The Asian economic boom has also given the young professionals in these countries more disposable income.

Response of Armani accessories for men: customize culture-sensitive marketing and advertising campaigns that will appeal to the young male adults of these countries in various kinds of media from the traditional, below-the-line, internet, to social media/

Threat: Chinese companies are actively looking for fashion houses in Europe that they can acquire, the most recent Cerutti House by Li & Fung. These companies may launch a hostile bid for Armani, or infuse capital into the competition.

Response: similar to the mergers of the European fashion houses; each store selling Armani's accessories for men must reduce spending and maximize profit in order to strengthen capital reserves and resources.

Opportunity: The male market, normally confined to the heterosexually handsome and physically fit, is now expanding to include the metrosexual and the homosexual. Recent gay-friendly events such as the repealing of the Don't Ask Don't Tell policy in the US military have made this diversity more acceptable to the mainstream market.

Response: Armani's accessories for men can capitalize on the company's capabilities to innovate product designs to create hats, purses, bags, calling card cases, etc. for the gay market.

Objectives and issues

Objective: To capture another 20% of the smartphone and Ipad-using yuppie crowd by encouraging them to download Armani accessories applications in their phones and computers and subscribing to our online shop newsletters

Issue: What kind of multimedia advertisement campaigns can we launch that will entice the male consumer, who traditionally uses his gadgets for games and chats, to become our active online members?

Objective: To capture another 10% of the growing market of Asian males in countries where Armani stores are located who are fast developing a taste for accessories.

Issue: How can we attract these young adult males, whose values and cultural norms may be different from their Western counterparts, into purchasing Armani accessories?

Objective: To design and launch a new line that would be more appealing to the young metrosexual and gay male (as opposed to the traditional macho male)

Issue: What kind of products and designs would capture the interest of this new target market? And how can we design them in such a way that will not imitate the more racy approach of Dolce & Gabbana, and at the same time not alienate Armani's mainstream male market?

Marketing Strategy

Positioning: Armani's accessories for men will build on its core strength and image by positioning itself as a brand that - while remaining classy, modern,

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and stylish – offers each individual as well as the market segment he represents (geek or sporty, gay or straight, office-bound or nature lover) an image that will heighten that uniqueness. At the same time, this approach shows that – again, without losing its luxury image – Armani offers ‘ a touch of class for every male.’ As such, the designs offer a wide range – they can be hip, formal, eco-friendly, or sheer leather. The up-and-coming young married boss who likes his wallets with a conservative cut, his hip metrosexual younger brother who likes to dangle beads around his waist, their Greenpeace activist neighbor who likes his hats with a touch of green, and the smart gay IT programmer who takes his iPad to bed – all of them can find the accessories that best suit each one of them in Armani. This universality can also extend to the young Asian males who are taking over the boardrooms of corporate America, Europe, as well as those of the businesses in their native countries.

Marketing research: The research would cover the accessory preferences, financial capabilities, and kind of promotional campaigns that would appeal to the new markets such as the Asians, metrosexuals, and gays.

Marketing organization: The universality of the overall luxury brand would be the headline of the campaign and the launch. Then it would be supported by more specific marketing campaigns offering the diverse product lines to the new markets (Asians, metrosexuals, and gays) while still continuing a campaign that would resonate with the traditional male market. Customer segmentation of the countries where the brand is currently strong, e. g. the U. S., would be the first priority. This would be followed up by similar

launches to their concerned target markets in the Asian countries at a later date.

Product strategy: Highlight the different products in the accessories that champion or emphasize individuality. Do not focus on products that follow a specific cut or design, regardless of how elegant or classy it looks like. Instead, point out that motorbike lovers can have strong, comfortable gloves that no other fashion house offers, or how the environmentally conscious can now enjoy wallets that are not made of leather. Build up the fact that only Armani's offers scarves holders, rosary clasps, and credit card holders - customers won't find them in Gucci or Yves St. Laurent.

Price strategy: The price would remain as they are, to make them affordable and accessible to the present and future markets, without compromising on quality.

Distribution strategy: The products would be marketed at their current location, the Armani stores, but the more unique customized lines would be given more emphasis in the stores that are located near the specific target markets: e. g. Armani stores where Asian immigrants have a high population, or in areas that are frequently populated by gays, or near bars and coffee shops where gadget-lovers and sports enthusiasts have their regular huddles.

Promotional strategy: Launch with a big splash in the Armani way by using popular stars who can represent the brand and its diversity in billboards, posters, and TV ads. For the gay and metrosexual crowd, Armani itself has made the first step by sponsoring a Lady Gaga event. To counter the YSL

manifesto, and without giving in to the strong arms tactics that has alienated its audience, Armani accessories corporate communications office should publish its own kind of statement that expounds on this respect of diversity that is underlined by a philosophy of universality. Armani then should invest heavily in promoting this launch in smartphones, iPads, and all the other wireless reading applications. Facebook, YouTube, and the other popular social networking sites should promote the new product line showing the many different faces it represents.

On the international front, Armani would have to target the Asian countries with an affluent young adult male population who would have an interest and openness in fashion accessories. The campaigns and advertisements in these countries would be different, paying respect to the respective cultures, focusing on the values that are important to these young Asian males, and all the while selling them on the pitch that buying an Armani accessory is opening them up to a new world of privilege that they had not known before.

The integration of the mix: Conduct the market research. Conceptualize, develop, and plan the launch. Conceptualize and develop the new product line. Prepare the stores, the personnel, and everyone in the whole supply chain for the launch; train them about the new campaign, immerse them in the new product. Launch the campaign.

Action programmers

What needs to be done now

Conduct market research on the different target markets – both domestic and international – must be finished in three months' time

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Conduct separate study on what competition is doing that can be a threat to our plans

After market study is finished, advise design to start creating the new product lines

After market study is finished, plot out which stores are integral to the process and advise the managers on future plans

Engage marketing arm or advertising group to start conceptualizing campaigns and press launches that will address the target markets

What needs to be done in six months' time

Approval of new campaign concept

Plan out international marketing and public relations campaign on all fronts: print, TV, internet, social media, billboards, flyers, radio, etc.

Product development and testing, to completion and perfection

Manufacture of products upon perfection

Coordination with store managers, bringing them on board to see how the launch can be more successful, get feedback on what kind of resources are still needed, e. g. more personnel, a larger area for display, more signs

After nine month, release of teaser campaigns as a prelude to the launch

Strengthen and test IT infrastructure and websites and online shop

What needs to be done in a year - the launch proper

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Products must have been tested, manufactured, price-tagged, distributed to the concerned stores

Press launch and full-blown marketing campaign

Budget: A projected 50% of the overall annual budget for the design of the new product lines and the intensive marketing communications campaign

Control:

Goal: Capture of a new market for Armani's accessories for men, specifically the metrosexual, the gay, and the Asian

Measure of performance: 80% of the new product line for these markets must have been sold

Goal: Increased membership in the Armani accessories' online shop

Measure of performance: Membership list and subscription to newsletter must increase by 40%; sales at the online shop must increase by 20%.

Goal: Increased market share in international stores in Asian countries with a heavy male population like China and India

Measure of performance: Increase of sales in these stores by 30%.

Social analysis

Fashion accessories for males, especially for the luxury brands, have often been regarded as an option, or just an add-on for the suit that looks good or the jacket that makes him look 'hot.' In recent years, though, they have become components of necessity and not just of style, but of function.

Armani's accessories, for example, tend to diversify its bags, distinguishing the clutch and carry pocket types to messenger bags for the club-loving youth.

In this marketing campaign, Armani's accessories raises the bar higher and introduces a social aspect by targeting specific male groups that are not yet accepted widely in the mainstream, such as the up and coming Asian (native or immigrant or descended from immigrants), the coy metrosexual, and the once distant gay. By customizing the designs for these specific segment groups within the male market, Armani's accessories enables them to have a style of their own, which can enable them to promote and be proud of their unique identities.