

Victoria's secret | marketing essay



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INTRODUCTION

Victoria's Secret, currently a household name is a retail brand of lingerie and beauty products which is owned and run by the Limited Brands Company. On average Victoria's Secret accumulates more than \$4 Billion in sales a year. With over 1000 retail stores around the United States it contributes 42% of corporate profits of Limited Brand. Victoria's Secret promotes their products through extensive promotions and advertising such as catalogues (Appendix 4), online website (Appendix 1) and Victoria's Secret Direct with sales of approximately \$870 Million.

Victoria's Secret was first run and established by Roy Raymond in the San Francisco area during the 1970's. Raymond had a vision to transform underwear into fashion, although selling underwear wasn't the sole mission, its mission was to turn an ordinary generally standard piece of underwear and turn it into fashion.

Their products stood out from the white cotton pieces which department stores produced and displayed with more emphasis on attractive colors and design along with giving it a sense of allure. Victoria's Secret enjoys nearly a monopoly position on the retail of intimate apparel in the US.

The promotional campaigns will be looked into closely into this report in dealing with different markets. When dealing with different markets one should also understand that every market isn't the same. There are a few factors that differ from country to country and in turn market to market. We will be looking at France commonly known as the fashion capital of the World, India a powerhouse in Asia and a trend setter from those in South

Asia, United States of America that along with France are dub as Fashion Icons. The Middle East which rules and regulation are from the other end of the spectrum and would be closely analyzed in order to overcome such barriers and hinders.

In this report we will be looking at the obvious cultural factors along with a few other factors that would offer a company like Victoria's Secret promising insight as well as a lookout at the problems they might face.

The United States of America

We look at the birth place of Victoria Secret where the brand as well as the company has thrived to hold a sort of like monopoly status in the industry. They state that advertising and promotion is one of the main reasons as to why they are where they are. In an industry where the physical exterior is about everything, the business that sells an image and lifestyle advertising is critical. Victoria's Secret spends \$66 million each year on advertising, essentially defining beauty and packaging it for consumers. Thousands of newspaper ads, catalogues, and televised fashion (Appendix 5) shows convince women that buying Victoria's Secret products will boost their confidence and enhance their appeal.

As long as they don Victoria's Secret lingerie, women can be transformed like Cinderella from the ties of domestic life to one of the angels seen on the walkway. Moreover, Victoria's Secret has managed to create a visible place for itself in pop culture. " A 1998 survey rated it the nation's ninth-most recognized brand and the company's name has grown to be synonymous with romantic and stylish lingerie" (McAfee, 2004). It has established

credibility and reputation to its sexy, sophisticated brand name. They have achieved this through several promotional and advertising methods that will be talked about in this report.

Culture in America

The women's apparel industry appeals to an enormous clientele. The individuals who stem from this market are qualified through understanding various socio-cultural factors. These factors, properly observed, aid in detailing who the clients are, what factors make the client, and where future clients exist.

America is composed of people from nations all over the world. A majority of people come from Europe, Asia and Latin America, but immigration is not limited to only these regions. Further American surveys show that 34 percent of Americans are obese. For clothing retailers, this information reveals that customers are going to have vastly different cultural body types of all different fitness levels.

Clothing sales have been on a phenomenal increase in America in particularly the Lingerie industry amidst the Global Financial Crisis, creating a bombardment of media imploring men and women to get fit, get healthy, and look sexy. The Victoria's Secret Fashion Show is a centerpiece for the brand's intricately designed and elegantly functioning advertising machine. With this event, Victoria's Secret reaches an audience of over 1 billion people, including news coverage. Televised annually, the Victoria's Secret Fashion Show Extravaganza has an exclusive contract with nationwide broadcasting station CBS. Newspaper and magazine ads are effective for

reaching a wide audience (McAfee, 2004). In particular, Victoria's Secret targets magazines it expects its consumer base to read, which include Cosmopolitan with a first quarter circulation in 2009 of 1, 616, 908 followed by People Magazine which we could assume that the people of America find more importance when it comes to their looks and lifestyle than the politics and world affairs. Victoria's Secret catalogues are more prolific than many news magazines with over 390 million copies of the Victoria's Secret catalogue are distributed in the U. S. alone.

Average Age

The American population is composed of men and women (1: 1) with 15-64 years: 67% (male 102, 665, 043/female 103, 129, 321). The median age for American women is 38 with fertility rates in at their all time lowest. This indicates the need to capture and hold clientele through quality products. They market our brand to modern and sophisticated women who value the importance of buying undergarments that have a positive emotional effect on themselves. We envision " Victoria" as a sophisticated English woman who is successful, confident and very elegant. She is well traveled, glamorous and enjoys luxury in life. Women like Victoria exemplify the women we imagine wearing our brand (McAfee, 2004). We see Victoria's Secret as Victoria's lingerie closet, allowing our clientele to enjoy her sense of style and shop her closet. We seek to target women who are fashion-conscious and enjoy luxuries. Our target market in the United States consists of these like-minded women from the ages 15- 34. The high Individualism (IDV) ranking for the United States indicates a society with a more individualistic attitude and relatively loose bonds with others (Hofstede,

2009). They hold dear the notion of individualism and the importance of self-expression. This creates difficulty for organizations attempting to gain large market share because of the differing ideals of people and the ensuing influx of brand and store availability and service such as store interiors are also consistent with the Victoria's Secret image. Wallpaper hues of soft pink promote a soft, feminine environment. Victoria's Secret stores are meant to evoke images and class of a Victorian boudoir, hence the name (McAfee, 2004). Not surprisingly, female shoppers are more comfortable openly walking into a Victoria's Secret store and walking out with one of Victoria's pink striped bags. The presence of valet parking at a sprinkling of stores confirms that Victoria's Secret markets to high fashion and quality.

The importance of individualism and equality make the marketplace very sensitive to new products. Coupled with a short-term orientation which is why Victoria's Secret need to drive constant development to remain competitive in a marketplace that is undergoing continual change (Hofstede, 2009). They do this through advertising being the innovative player and the trend setter in the industry. Occasionally, Victoria's Secret also puts on special events to heighten the publicity surrounding the release of a new line of lingerie. Victoria's Secret holds one of the most important input supplies in the lingerie industry: supermodels. Victoria's Secret models are synonymous with beauty. Advertisements capitalize on this association and cement in consumer minds that Victoria's Secret represent beauty and class.

FRANCE

The French lingerie industry is the largest in the world and is well known for exceptional quality and style. In order to compete with the higher priced

luxury lines of lingerie that is offered in France, including the Italian La Perla, Victoria's Secret are introducing a new line for French women that will be only promoted in the French stores, catalogs and the French Victoria's Secret Direct (Victoria's Secret – France, 2003).

The French lingerie market can be segmented by gender, purchase occasion, age, and consumer emotion. The vast majority of consumers who purchase lingerie are women. Although women also purchase upon the happening of these types of events, they often purchase lingerie out of necessity. There are approximately 19, 583, 850 women between the ages of 15-64 who comprise over 91% of the female users of lingerie. Although girls between the ages of 15-24 comprise 21% of the market's population, they are responsible for over 26% of the lingerie purchases making them the largest consumer of lingerie products (Appendix 2). These girls however, purchase less expensive lingerie than any other group (Victoria's Secret – France, 2003).

The vast majority of consumers who purchase lingerie are women; however, men also purchase lingerie. Most purchases by male consumers can be characterized by events such as an anniversary, birthday, or special occasion. Although women also purchase upon the happening of these types of events, they almost always purchase lingerie out of necessity.

They are targeting this age and psychographic segment in France. Like the marketing plan in the U. S. A., they will be marketing their lingerie to fulfill the consumer's needs for special occasions as well as their daily needs. They also have a more diverse product offering than our major competition with

the exclusion of Sara Lee who distributes more than one brand. They, however, have more variety within our brand than any of Sara Lee's brands.

They plan on differentiating ourselves from our competitors by emphasizing our accessible luxury. Their products will be available to our clientele through free standing stores in France as well as through a mail order catalog and an e-commerce website, known as Victoria's Secret Direct. Each of these distribution channels is easily accessible to women in our target market and will exude the type of luxury that is expected of our brand. Victoria's Secret's marketing strategy is reaching customers anyhow, anywhere and anytime-and offering them the same high-quality merchandise. Across all channels – catalog, stores and Internet, the same products are launched at the same time in exactly the same way with the same quality and same price. Until they gain market experience, all three French Victoria's Secret stores will be located in northern France.

The downside to this would be the ad valorem (tax) and VAT taxes that will be added to the imported products (Victoria's Secret – France, 2003) (McAfee, 2004). Our visual branding consists of our signature pink, as well as black and cream. One of our major competitors, BodyOne has free standing white wood paneled, brushed aluminum accented stores with a similar color scheme of pink and navy blue. They will have to differentiate ourselves in the French market place to ensure that our brand does not get confused with theirs. In France they intend to emphasize the black and cream more than pink in our existing visual branding and using the softer lighting scheme in our white wood paneled stores to our advantage. Pink, our signature color, will be used subtly in certain areas and tinted lighting in focal wall displays.

Photography used in the store's visual signage is closely tied with the style that is presented in the catalog and online. This photography emphasizes the supermodels assertiveness and creates a shopping experience representative of the Victoria's Secret lifestyle. They also intend to include seating areas within our store that can be utilized by our clientele or their companions. Perhaps the most aggressive way that they can target our market is through our mail-order catalog that offers a huge visual impact (Victoria's Secret – France, 2003). They can romance our clientele through use of world-class supermodels in exotic locations such as the beaches of the Bahamas and the French Riviera. The Victoria's Secret catalog in France will contain all the same photographs and products as the catalogs in America except the product descriptions will be written in French.

INDIA

Lingerie is heading towards a new stage in the growth cycle of the industry, the once traditional and conservative nature of the Indian society has kept the industry more of a secret than anything else. With western influences coming in and the perception changing due to intense advertising with a high degree of advertising is intended both to entice and to educate consumers about the fashion and utility nature of innerwear has played a key role in changing the outlook of industry letting people know that lingerie can be fashionable instead of stereotyping it being raunchy.

Majority of the advertising is being done through Television and Print Media. Victoria's Secret uses TV channels such as Channel V, MTV and Fashion TV all with their major target market between 16-35. These stations reach the more westernized and affluent segments of Indian society (Kuruvilla, 2005).

Magazines are also a huge advertising tool that Victoria' Secret capitalizes on with such fashion magazines like Femina and Women's Era are the most popular print mediums used for advertising. Once again these premium class of magazines target the more affluent of the Indian consumers. The brands also use " Bollywood" (Indian Film Industry) as a means of attracting and retaining consumers. Film actresses are used both in electronic and print media as brand ambassadors.

The model used by Victoria's Secret USA is being used with Fashion Shows exhibiting the line of work and displaying the trend in with India and their culture is heading towards (Textile, 2004)

Promotions offered by the innerwear industry are limited to seasonal sales. The consumer buying habits and spending has evolved over the last decade. The urban population has become fashion conscious and is constantly seeking to be abreast of the trends. The consumers look for a western image with an Indian identity. The middleclass is keen on showing off its wealth and affluence and brands have managed to leverage this to their advantage.

The consumer buying habits are also dictated by festivals and cultural events, which leads to seasonal fluctuations in sales (Appendix 3).

Saudi Arabia

The term advertising and everything it stand for and tries to accomplish generally don't go hand in hand with the working and the rules and regulations of the Middle East. What comes into being is the industry stereotypes, cultural restrictions, uniform creative designs, finding the right people, and the lack of reliable market research. This is not the case,

however, as the region moves towards 2009 and a more robust and growing advertising industry that is continually quashing the ever-present skewed stereotypes of the region (Jaffrey, 2009).

The market have opened up to the West and the west trends and fashion have changed the once rigid stand point of the Middle Eastern and especially Saudi Arabian culture and with more people in the region embracing Western culture and hence encouraging advertisers to test boundaries with an increasing variety of converging media vehicles, especially the Internet, mobile and ambient marketing.

In terms of creative improvement, a budding young audience that is affluent and media-savvy is forcing advertisers to be more creative. Fresh graduates returning from abroad are bringing back with them a plethora of creative insight and ideas that are quickly being adopted into the markets. Despite this positive outlook on future creativity, almost all Middle Eastern markets are expected to face a dearth in the advertising employment sectors in 2009 (Jaffrey, 2009).

The apparent lack of transparency and accountability in all the markets has cast a shadow of doubt on the market research segment of the industry. This has led to the issue of accurately segmenting markets and calculating the returns on marketing spend for efficient allocation of resources.

It's an irony of the kingdom's strict segregation of the sexes. Only men are employed as sales staff to keep women from having to deal with male customers or work around men.

But in lingerie stores, that means men are talking to women about bras or thongs, looking them up and down to determine their cup sizes, even rubbing the underwear to show how stains can be washed out. The result is mortifying for everyone involved – shoppers, salesmen, even the male relatives who accompany the women (Associated Press, 2009).

This is a point that Victoria's Secret has capitalized on and promoted the fact that the products can be bought through their website where the customers have their privacy to do buy what they want with all the details given there about the product and they could inquire about anything via email to the customer service address or telephone number.

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Victoria's Secret website

Appendix 2

The following graph demonstrates the percentage of lingerie purchases by age groups:

Source: “ La lingerie femme 2005” carried out by IFM

Appendix 3

The above graph shows that the sales of innerwear peaks between April-May and September-October. The peaks are driven by festivals like Divali and Id as well as traditional marriage seasons. The sales hit its lowest points during monsoon periods.

Appendix 4

Victoria's Secret Online Catalogue

Appendix 5