

Overview of the benetton group essay



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1. Overview Today, the Benetton Group is present in 120 countries around the world. Its core business is clothing: a group with a strong Italian character whose style, design expertise and passion are clearly seen in the United Colors of Benetton and the more fashion-orientated Sisley brands, and in sportswear brands Playlife and Killer Loop.

The Group produces over 110 million garments every year, over 90% in Europe. Its retail network of 5, 000 stores around the world is increasingly focused on large floor-space points of sale offering high quality customer services and now generates a total turnover of 1. 9 billion euros, net of retail sales. 2. The company's history In 1945, Luciano Benetton lost his father when he was only ten years old. In difficult post-war times in Italy, the little Venetian boy had to sell newspapers to help his family make ends meet.

In the sixties, Guiliana, Luciano's sister, was so good at knitting they decided to set up a small pull-over company. One would design the woollen models (when the current trend was for acrylic pullovers) and be in charge of fabrication, while the other would handle the marketing side, acting as commercial representative. Luciano went to England to study a technique whereby one knitted in off-white yarn, only dyeing the wool at the last minute, thus keeping up with ever changing fashion trends. In 1963: The Benettons opened their own shops, one after another, as soon as the receipts started rolling in.

Unlike most small producers, who invariably opt for the widest possible distribution, they decided to create a network of exclusive distributors, and use sub-contractors. In 1966: The French designer Lison Bonfils came to

advise them, and worked with them for ten years. Success was so extensive that Luciano Benetton bought and restored the Villa Minelli, which became the company's head office, and he opened his first factory. In 1969: The style, the colors and the targeted clientele (young and not particularly well-off) were three factors working in their favour when they set up shop in Paris.

Their first boutique opened on the rue Bonaparte, with a selection of 8 to 12 Fair Isle pullovers, with 48 to 58 colours per season. In 1972: Benetton left their small Italian publicity agency to sign with Eldorado in Paris. In 1981: After sponsoring the Trevisse rugby team (in 1978), Benetton now put the local basketball team in their colours. In 1983: A production factory opened in Troyes, and Benetton launched another label : Tip-Top shoes.

The company sponsored Tyrell's Formula 1 team. In 1985: The company was a true family business, composed of four brothers and a sister, each with a specific role to play in the business. Luciano (born in 1935), who started the company, was in marketing, Guiliana (b. in 1937) directed the design department, Gilberto (b. in 1941) handled administration and finance and Carlo (b.

in 1943) managed production. Benetton International Holding had its' headquarters in Luxembourg, and its' strategy could be summed up in two words : internationalisation and diversification. The company had nine factories operating in Italy, France and Scotland. Benetton had several different labels available, according to the targeted clientele : " 0-12" with pullovers, trousers and shirts for children; " Merceria" with pullovers, and shirts (mainly for women; " My Market" with pullovers and shirts, " Benetton"

with pullovers, trousers and shirts, “ Tomato” with pullovers, trousers and shirts for juniors.

Benetton’s purchase of Toleman’s Formula 1 team contributed to the brands diversity. In 1987: The Trevisse volleyball team was now sponsored by Benetton. In 1988: Benetton watches were commercialised. After conferring the cosmetics branch of the company to Leslie Grunberg in 1986, Benetton launched the perfume “ Colors” this year.

Designer Francesca Mattei worked exclusively for Benetton, along with the photographer Toscani. Every one of the Benetton shops was conceived by Italian architect Tobia Scarpa along the same lines of clarity, simplicity and order, so that clients can grasp the collection’s trends at a single glance. In 1989: The men’s version of “ Colors” was launched in Europe. In 1992: Benetton brought out a fortnightly international magazine called “ Colors”, jointly published in French and English, general interest magazine with emphasis on images, available in Benetton shops. In 1993: A new Women’s perfume came out : “ Tribu” (to be pronounced Italian style : tribou), commercialised in the US, in Europe and in the Middle east, and then in Asia.

The Benetton group reaffirmed its’ position with regard to its’ more conservative clientele, with the “ Sisley” label. A model shop was opened in the centre of Paris, and a new line of shirts was created “ And”. the agency Inedito “ pool of production for Fashion images” was founded by Toscani, entirely financed by Benetton. the purpose of this agency was to sell fashion coverage to French and foreign magazines, with a minimum 10 to 30% of Benetton clothes.

In 1995: The school project “ Fabrica” was launched. Benetton F1, with Renault engines, came in second place in the race drivers’ Championships, with Michael Schumacher behind the wheel, and won first prize in the manufacturer’s event. In 1997: Benetton operates in 120 different countries, with the United Colors of Benetton label, O12 and Sisley in textiles. It has widened sphere of activity to three main areas ; “ Benetton Sport system”, which – since 1989 – manages the ensemble of labels in the Sports field (Asolo, Ektelonn, Grafalloy, Ki½stle, Killer Loop, Langert, Nordica, Nitro, Prince and Rollerblade), “ Major distribution and Fast Food industries” since 1995 (Eurmercato, and in the catering field Finanzaria Autogrill) and “ 21 Investimenti”, the financial company investing in small companies and industries in fields as diverse as the farm-produce industry, health foods, hydra-massage showers and tubs, televisual services, multimedia firms.

.. 3. United Colors of BenettonA global brand, and one of the most well known in the world, United Colors of Benetton has an international style that combines color, energy and practicality. The womenswear, menswear, childrenswear and underwear collections offer a total look for everyday, for work and for leisure, in the city and outdoors.

The brand is broadening its horizons, expanding into new areas of merchandise from Home Collection, kitchen accessories, terrycloth line, to baby products, new toiletries line, perfumes and exclusive watches. The above products are available in numerous Benetton stores and in selected specialized shops worldwide. Undercolorsis an extension of the Benetton brand, featuring underwear, beachwear and sleepwear collections, as well as accessories for women, men and children. A wide selection of recurring basic

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colors is enriched every season with the latest trends. Undercolors is available in its own chain of stores which now has more than 500 locations in thirty countries and in selected Benetton Shops. Sisley This is the Group's most trend-setting brand, at the forefront of fashion.

Season after season, its bold, forceful collections full of fashion ideas set the trends for young, dynamic women and men. Its creative artists and sales team concentrate their efforts on its image and on strong-impact advertising campaigns. Playlife is Benetton's sportswear label. Collections for men and women offer a casual yet sporty look designed to provide maximum comfort, freedom of use, unrestricted by any single sporting discipline.

Footwear and accessories complete the collection reflecting the latest trends. Killer Loop A brand dedicated to young people, Killer Loop has become an icon for dynamic lifestyles thanks to its assertive clothing and footwear ranges, and to Killer Loop equipment for the Triple S sports of snowboarding, skateboarding and surfing. 4. Financial Highlights*Normalized net income before non-recurring items⁵. A creative think tank Fabrica is Benetton's communication research centre, created in 1994 from Benetton's cultural heritage.

Fabrica is housed in a stunning building by Japanese architect Tadao Ando and is situated outside Treviso in Northern Italy. Guided by an international team, which also supervises its strategic, cultural and communication policies, Fabrica supports the creative development of young artists/researchers from all over the world. Following a careful selection process, they are invited to develop concrete communication projects in

sectors ranging from cinema to graphics, from industrial design to music, from publishing to new media and photography, under the direction of some of the main players in these areas. In its role as an applied creative laboratory (its name comes from the Latin word meaning workshop), Fabrica experiments new forms of communication, following two parallel guidelines: a hands-on approach to training and interactivity. In terms of both the projects and cultural identity, whose plurality is guaranteed by the mix of young people from countries with different languages, cultures and attitudes.