

Armani

Business



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ARMANI INTRODUCTION: Giorgio Armani, 74, is the President and Chief Executive Officer of the Armani Group and sole share holder of Giorgio Armani, one of the world's leading fashion and lifestyle design houses, with 5, 000 direct employees, 13 factories, and a direct network of 500 exclusive retail stores in 46 countries worldwide. Under Mr. Armani's direction, Giorgio Armani, today stands as one of the few remaining independent, privately-owned companies in its sector, with a proven business strategy that has capitalised on the worldwide power and potential of the Armani brand name.

Born on July 11, 1934, Giorgio Armani grew up with his sister and brother in the northern Italian town of Piacenza. In 1957, following two years of study in medicine at the University of Piacenza, Giorgio Armani decided to leave in order to pursue his interest in fashion, accepting a job as a merchandiser at Milan's well-known department store, La Rinascente. Thereafter, Mr. Armani worked as a fashion designer for Nino Cerruti, and then as a freelance designer for various companies, an experience that resulted in an exceptionally rich and varied evolution of his style.

After several years of working as a freelance designer, Mr. Armani was ready to devote his energy to his own label and followed his partner Sergio Galeotti's suggestion that they open a company together. On July 24, 1975, the two business partners founded Giorgio Armani S. p. A. and launched a men's and women's ready-to-wear line. There are many products under the name of Armani such as Giorgio Armani, Giorgio Armani Prive, Armani Collezioni, Emporio Armani, AJ | Armani Jeans, A/X Armani Exchange, Armani Teen, Armani Junior, Armani Baby, and Armani Casa home interiors, offering a choice of lifestyles to the marketplace.

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In beginning the products were sold under the name of Giorgio Armani i. e. (GA) and later on the company diversified its business in Armani Jeans, Emporio Armani. The company's product range includes women's and men's Clothing, Shoes and Bags, Watches, Eyewear, Jewellery, Fragrances and Cosmetics, Home Furnishings, Cell Phones. The Armani Group now also come with the Armani Hotels and Resorts under an agreement with Emaar Properties in May 2005. Recently Armani is also sponsoring for England Football team with their sports and casual dresses which is also a part of their marketing.

SWOT ANALYSIS OF ARMANI

Strengths: ? Topmost brand in the fashion industry ? Range of products are sold under the brand name which has been created over the years ? Commitment to customer satisfaction and comfort.

Weakness: ? Price is on the higher side which caters only to the elite class. ? They are losing customers who are price conscious and opt for the competitors products

Opportunities: ? A large part of the Asian continent where Armani can penetrate into. ? Brand name created can be used to diversify into different sectors of business one of such initiative taken is to enter the hospitality industry.

Threats: ? Entry barriers in certain countries have stopped Armani from entering into a potential market which can act as cash cows for the company. ? Competitors like FCUK, Christian Dior, Diesel, Gucci etc are entering the fashion market in a great way.

MARKETING MIX PRODUCT:

Product is anything that can be offered to market for attention, acquisition, use or consumption that can satisfy wants or needs. Armani is one of the

well known brands in the world with various products under its name.

Different products are sold under different name.

Because of the high earnings from Clothing sector (i. e. STAR) it has become possible for them to invest capital in different sectors. The group has such high standard brand name that all products in which ever they have invested have proved Stars for them. The Company now produces not only clothes but shoes, sunglasses, under garments, other accessories etc. And recently they have also signed agreement with Emaar properties for Armani Hotels & Resorts and their 1st hotel will be available for Public from year 2009 in Dubai and almost all the rooms are booked till May 2010.

The current name and fame for brand was possible only because of Giorgio Armani marketing and promotional strategy. PRICE Price is the amount money charged o the product or service or the sum of values that consumers exchange for the benefits of having or using the product or service. Armani has always catered to high class consumers who are fashion savvy. Their price range has always been on the higher side creating a niche in the fashion industry. They have not compromised on the price in their business tenure and always have been a status symbol for the consumers using them PLACE

It is a network made up of the company, supplier, distributors and customers who “ partner” with each other to improve the performance of the entire system. Armani has concentrated on its channel partners to sell their products. They have their stores in almost all the major shopping malls across in more than 46 countries. PROMOTION Promotional Mix is one of the

activities to promote the goods in the market and attracting the customers to buy his brand products. The key functions of promotion of goods is through Advertising, Sales promotion, Visual merchandising, Public relations.

Armani adopted various strategies to make his brand famous. In 1980's there was sudden change in fashion industry. The demand for fashionable goods was high. And this was the time when this brand came into existence with various varieties of products. Armani used the reputed personalities or super stars and model to promote his goods. He made promotional schemes offers to get his products well known. Armani also arranged campaigns to promote his products and make it well known in peoples eyes. Advertising: Giorgio Armani uses the cognitive consistency approach to its advertising.

The idea that things should be simple and consistent is the reasoning behind this theory. The need for Ego Gratification comes out in the advertisement- where it is directed at consumers whom have the need to go beyond a high self-worth and into the highest form of egocentrism. Additionally, the need for a Sense of Power comes through in the imagery used and the rough looking style of the product. The sense of mysteriousness can be associated with power. Armani deeply concentrated on the Advertising media for his brand promotion. He kept on giving ads in Newspapers, Television, Radio, Magazines etc.

This is done to create awareness about their new range of products that are launched in the market. He used Superstars like David & Victoria Beckham, Tom Cruise have been roped in to promote his brands. Sales Promotion: Armani also used Sales promotion strategy; they gave huge discounts on

their products the goods were sold at lower rates. Offers like buy 1 get 1 free. Lucky Draw system. E. g. If you buy for more than ? 200 you can meet your favourite celebrities or free trips, because of which customers were attracted more. Public Relations:

Public relation is concerned with company's various publics by obtaining favourable publicity building up a good corporate image and handling and heading off unfavourable rumours, stories and events. Giorgio Armani is going to dress the England football team. The prominent designer was picked for the job by team captain David Beckham and coach Sven-Goran Eriksson. Armani is going to create two separate outfits each - one formal, the other smart-casual - for the squad of 26. The outfits cost GBP 3, 500 for each player but Armani will reportedly do it for free as he will benefit from the publicity.

Direct Marketing Direct marketing is direct communications with carefully targeted individual customers to both obtain and immediate response and cultivate lasting customer relationship. Armani promotes its products online and you can even buy various products through the internet. You can buy the products from anywhere in the world and the products are delivered at your doorstep. This helps in keeping contact with their loyal consumers.

Personal Selling This is the personal presentation by the firm's sales force for the purpose of making sales and building customer relationship.

Personal selling comes in form of Fashion shows to Armani where a range of their products is displayed and sold. BCG Matrix for Armani Armani falls into the STAR category of the BCG Matrix. Over a period of time Armani enjoys

high growth and high market share. Being in this category they can invest their profits generated into their subsidiary business units who are the cash cows. The best example would be Armani venturing into the hospitality industry and coming up with a hotel and simply the hotel being booked till 2010. COMPETITION:

Though Armani has established itself into the fashion world and other range of products sold under their brand name, there is a lot of competition coming up. French Connection, Gucci, Christian Dior are storming the market with different range of products with variety of price range. With the current economic crisis, retail outlets like Marks & Spencers, Debenhams are offering their products at a discount as never seen before. Armani will have to review their strategy, to maintain their competitive advantage over the competitors.

CONCLUSION

Today as Armani business is spread all over the world it is diversifying its business in different sectors also. There are many promotions made by Armani today like Seasonal goods to attract new customers and old customers in every seasonal change. Gifts for small children on purchasing of Armani Junior are specially produced for them. Variety of clothes for men's and women's with new latest designs. Overall the image of luxury of the brand is maintained and becomes more persuasive by using language, which promotes feelings and emotions of masculinity and mysteriousness.

The colors of the advertisements already do an excellent job of keeping mystery in the minds of the readers by using black/white photos and rich, and bold colors. Reasoning from comparison is used throughout these

advertisements. The message is: if you use our products or wear our clothing, you will be popular, beautiful, successful, etc. <http://ezinearticles.com/?Giorgio-Armani:-A-Persuasive-Campaign&id=24792> Giorgio Armani: A Persuasive Campaign By Scott Fish