

# Marketing on christian dior assignment

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Ref: Marketing 1. 0Introduction 1. 1The major intention of this report is to gain an understanding of how the two companies achieve their marketing corporate objectives through a comparison of two different companies based on their marketing mix. 1. 2The two companies that will be based on this report are Christian Dior and its competitor Chanel. Both companies are in the fashion industry. They are the top fashion brands to be known throughout the world. 1. 3The marketing mix includes 7 P's. The basic ones are, Product, Price, Place, Promotion, the extra ones are People, Processes, and Physical Evidence. 1. Each role of the individual mix will be clarified in each section. 1. 5Marketing mix stands in a very important position, and it achieves marketing goals. The reason marketing mix is used is because it sets the position of a company's product. If a company wants to be successful, it will need to blend all the elements of the marketing mix to match customer's needs, the marketplace, and the competitor's activities. If there is one element of the marketing mix is incorrect, it will lead to a failure of the business. Due to different geographic areas, the marketing mix will need to be altered to adapt different markets.

Marketing mix achieves marketing goals by meeting the standards of the market it is positioned, each of the mix will blend in with the standards of a company making it successful to market their product or service. The marketing mix of different companies differs from each other, due to the reason that each company will have its own goals. 1. 6The roles of the P's are stated in the following: Product: It can be a physical product or a service which an organization sells. Price: It is the cost of the product or service that customers need to pay if they wish to receive it. It is also the main financial

resource of the company, and it can generate the company's turnover, or lead to a loss of profit, if the pricing strategy the company uses is incorrect.

Place: It is the setting where the organization chooses to sell their products.

Promotion: It is the communication between the company and the customers. This will provide the information that is able to determine the decisions of the customer to purchase the product or service. It creates awareness and perception of the product. People: They are responsible for carrying out important information about the product to the customers. They must be skilled and motivated.

Processes: It is the way how customers get their products or services. For illustration; The way how the product can be ordered, by phone, in person, or by internet. Physical Evidence: It is the physical thing customers can see. It gives a perception of the product and the service to the customers. 2.

Product 2. 1The term product in the marketing mix can be either physical goods, or services. When a product is a physical good, it will be mass produced or manufactured. On the other hand, when a product is a service, it is often centered around tourism and customer service and so on . 2The main distribution of both Christian Dior and Chanel are Handbags, Accessories, Cosmetics, and Shoes. The only difference of products among the two companies is the Phone. Christian Dior had released 2 phones so far, and Chanel is still working on their concept phone which is still not confirmed to be released as an actual product. For product map, please see appendix.

2. 3Products from the product maps of both companies are existing products. Christian Dior's latest products are Escalea Pondichery, and Dior Addict Lip Polish; Diorskin Nude; and Fall Look 2009.

Christian Dior's latest handbags are known as the Granville collection. Chanel's latest handbags are "Chanel Vinyl cabas with stretch pipping inspired by CHANEL ballerina shoe", and "Quilted tweed pouch with leather strap and Mademoiselle turn lock" collections. Their latest make up are "The Vitalumiere Complexion", and "The Lift Lumiere Complexion".

2. 4 Christian Dior and Chanel dominates the fashion and beauty industry, in other words they belong to market leaders. There are 6 reasons that people buy these (designers) product. Product Quality, Consistency, Self Identity, Social Status, Uniqueness and Rarity, and Celebrities Wears Designer Clothes. " Reference: <http://collegecandy.com/2008/08/17/designer-brands-why-are-we-so-obsessed/> The 6 reasons can also be seen as the features of the products, because to these features that arise, it psychologically attracts people on purchasing these products. Another feature that strongly persuades people to buy these products is the brand image and packaging.

2. 5 Packaging is one of the most important elements that will persuade customers to purchase the product or not.

Packaging is also linked to brand image; because if the packaging is attractive, it builds up the brand image in a direct way. Due to the reason if a company want to stand out and differentiate from their competitors, brand image is very important as well as the packaging which has an influence on it. An example of the packaging for both Christian Dior and Chanel's product would be perfume.

3. 0 Price of similar distribution of Christian Dior & Chanel

3. 1 The price of a product is determined by the cost of producing, designing, and promoting.

Price in the marketing mix reflects the supply and demand relationship. The price of a product generates turnover of the company. However, setting a price of a product too high or too low could lead to a loss of profit for the company.

3. 2The following are the considerations when setting the price of a product.

- 1 ??? Competition of similar products
- 2 ??? Objectives of the company
- 3 ??? Recommended positioning strategies
- 4 ??? The target group, and the willingness to pay for the product

3. 3The price of the product is linked to the image or the perception from the customer towards the product.

The perspectives from customers are determined by the price and the packaging of the product. Price of a product being accompanied by respectable brand images, and glamorous packaging will be seen by customers as something that is unique.

3. 4Pricing Strategies are listed in the following:

- 1 ??? Penetration Pricing: It is when companies set their product price low to increase their sales and or shares in the market.
- 2 ??? Skimming Pricing: The company would set the price of the product very high when it is first put into the market.

But they slowly lower the price because of a variety of reasons, for illustration; new products that replaces the current one.

- 3 ??? Competition Pricing: Setting the price of a product which is similar to its competitors' product for comparison.
- 4 ??? Customer Value: Companies would use this pricing strategy when they identified the perception of the product, and the price would be based on their perception.
- 5 ??? Psychological Pricing: It is when companies consider the price and the positioning of price in the market. Usually charges ? 1. 99 instead of ? 2, or ? 399 instead of ? 00. It is

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used to persuade customers that the product is not as expensive as it is thought. 6 ??? Premium Pricing: The price of the product is set high, in order to reflect the exclusiveness of it. It is premium pricing that assume that expensive products enjoy an excellent reputation or symbolize extraordinary quality. 3. 5Pricing Strategy of Christian Dior and Chanel The pricing strategy that both Christian Dior and Chanel uses are premium pricing. Both of the companies are the dominants of the fashion industry, as well known as top designer brands in the market.

Due to the reputation and product quality in both companies, premium pricing is the most ideal way to generate their sales. 3. 6To see the pricing of similar products of both companies, please see appendix. 4. 0Placement 4. 1It is the location where the product would be sold at. It can be a physical store, or online store. Every store is located at a place where the owners think it is convenience to customer, and high traffic. 4. 2When a company chooses its location for selling its products or services, there is a list of factors that the company needs to consider. 1 ??? Population and customers ??? Visibility and Traffic 3 ??? Cost of Location 4 ??? Competitions 5 ??? Signage, Zoning and Planning 4. 3The location would enhance customers the perception to their product in different ways. For illustration, when a store is located in respectable locations like airports, high streets it creates a better awareness of the product than it would if the store is located in other areas like urban areas. 4. 4Both companies choose their locations carefully. All of their stores are located where the traffic count and visibility is extremely high. In other words, they are all located in upscale shopping districts.

Their locations are exceedingly eye attracting, and will catch the attention of pedestrians; also for the reason that the exterior decoration of the facility is very fashionable. 4. 5 Their stores are often independents stores, like boutiques on high street, and departments inside department stores. They distribute their products to discounters, because it will affect their turnover. Christian Dior has an online boutique, but Chanel has closed down its online shop due to maintenance. 5. 0 Promotions 5. 1 Promotion is the communication between the company and the customers.

Promotion is another kind of strategy that the company uses to make consumers alert of the presence of the product, or the service that they is providing. It broadcasts information about the product, and it leads to the determination of decisions whether if the customer will purchase the product or the service. It creates awareness and perception of the product. There are four main features of a promotional mix. They are advertising, personal selling, promotions, and public relations. 5. 2 The reason why the company needs to promote their product is because they wish to persuade customer to purchase their product.

Also companies wishes to create awareness of the product, by delivering information of the product, the product line, the company, in that way; customers will have a clear idea what they are purchasing. Another reason why companies promote their products is because they have competitors that have similar products. When promotion is absent, the best product cannot be sold, and it will unquestionably affect the company's sales.

Promotion can also build up brand images, if their promotional methods are used correctly. Promotional methods for both Christian Dior and Chanel will <https://assignbuster.com/marketing-on-christian-dior-assignment/>

be clarified in the following paragraph. . 3 The promotional methods for Christian Dior and Chanel are: – Exhibition: it consists of fashion shows, and for another illustration; garments exhibits (often hold in museums). – T. V Advertisement: Both companies would arrange an agreement to the T. V channels, and during specific times, their advertisement would be played. – Posters & Billboards: They need to pay the billboard companies for them to post their advertisements. – Magazine & Newspaper: In fashion magazines and newspapers they would have their product promoted, they would need to pay the magazine, or the ewspaper company to publish their advertisements – Free Samples: In Boots or fragrance shops when customer purchases fragrances, they might get free samples given. – Internet Marketing: Mostly to VIP’s, or loyal customers, they will send newsletters, emails to inform them when they have events, and special openings. For normal customers, they can register for their newsletters, and they would inform them on every occasion they have ON SALE events. – Sponsorship: Products get promoted by celebrities, models.

It exceedingly creates awareness of the product, for the reason they are famous, and widely known. 6. 0People 6. 1They are responsible for carrying out important information about the product to the customers. They must be skilled and motivated. They are trained appropriately in order to deliver services, and information about different products. Staff must have the suitable appearance, interpersonal skills, attitude, and service knowledge to provide services that the customers are paying for. 6. 2They are important to the company, because without people, no companies can be administered.



If there aren't people, information about the product will not be provided, for instance, features, price, material used. They are individuals that influence the value of the product or service. People in the company will have an impact on customers. For illustration; customers make decision and deliver perception of the service, which are based on the staff they interact with. 6. 3Examples for people are: Workers, Employees, Management. 7. 0Processes 7. 1It is the way how customers get their products or services. For illustration; The way how the product can be ordered, by phone, in person, or by internet.

Processes can also be linked to the system used to support the company in distributing the service. In other words, how service is being consumed by customers. It is a system that helps the company to arrange services for customers. 7. 2Processes are important in ways of delivering information efficiently. However, " People" need emerge with " Process", when dealing with the purchasing process and returning policies. The process of " Processes" can be perceived in different ways. For illustration, tracking deliveries, to receive customer's feedback procedure (support, and complaints.

In that ways it can help improve the quality of the company), systems that allow customers check out with their products rapidly, the design of their website (a way to distribute information about the company, their service range, important information product, and at last, the " contact us" links which is located on websites. 7. 3Examples for processes for Christian Dior and Chanel would be: – Online boutiques – Websites – Procedures of customer's feedback – Tracking deliveries – Obtaining own distribution <https://assignbuster.com/marketing-on-christian-dior-assignment/>

network 8. 0Physical Evidence & Importance 8. 1It is the physical thing customers can see.

It is very important to have physical evidence, because it also gives a perception of the product and the service to the customers, so they understand how it looks like and what it's for. For instance, packaging, internet pages, brochures, show rooms, uniform, business card, the facility, and etc. Physical evidence essential, customers will make observation based on their vision of the service provision, which will have an influence on the company. 8. 2Examples of physical evidence for Christian Dior and Chanel: - Website - Staff Uniform - Packaging - Physical Store - Online Store - Customer Service Desk / Department - Business Cards