

The branding luxury brand valentino marketing essay



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A luxury brand or prestige brand is a brand for which a majority of its products are luxury goods. It may also include certain brands whose names are associated with luxury, high price, or high quality, though few, if any, of their goods are currently considered luxury goods.

Luxury goods are said to have high income elasticity of demand: as people become wealthier, they will buy more and more of the luxury good. This also means, however, that should there be a decline in income its demand will drop. Income elasticity of demand is not constant with respect to income, and may change sign at different levels of income. That is to say, a luxury good may become a normal good or even an inferior good at different income levels, e. g. a wealthy person stops buying increasing numbers of luxury cars for his automobile collection to start collecting airplanes (at such an income level, the luxury car would become an inferior good).

Valentino: haute contour dressing:

The Valentino Fashion Group S. p. A is a natural extension of the Marzotto Group's industrial experience. Over the years, through specific acquisitions aimed to strengthen their presence in the clothing sector, it has gradually shifted approaches, becoming less production-oriented and more fashion-driven and market-oriented.

The fashion industry is a highly competitive industry, where product life cycles are short. The economies gained by product differentiation are built on brand image and product styling can be quickly imitated. These developments force firms to innovate at a rapid pace, denying them the benefit of lasting advantage.

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Valentino includes the following brands: Valentino, Valentino Garavani, Valentino Roma e RED Valentino. It operates in the upper end of the fashion and luxury market, offering exclusive products in the couture, ready-to-wear, designer, diffusion and bridge segments.

Nature of the Brand:

This business unit gets its name from Valentino Garavani, the undisputed master of haute couture and one of the leading representatives of Italian style and creativity in the world of fashion and luxury. In over 45 years of being in business, his collections have dressed and accessorised top international celebrities time and time again. Its image of glamour, exclusivity and strong style make Valentino a brand well known for the sophistication and elegance of its creations.

Valentino Haute Couture offers a variety of collections made up of unique items singularly handcrafted in the prestigious atelier situated in Rome. A team of about 40 “Premiere” is entirely dedicated to the highest quality manufacturing of one of a kind precious creation. Valentino Prêt-à-Porter presents sophisticated, exclusive lines for women and men intended for an elegant, but unconventional young clientele belonging to the new international jet-set. Valentino surprised everyone with a revamped vision of haute couture – a reference to a new, younger target market who loves the exquisiteness and exclusiveness of the upper end of fashion. The collection is colourful, with saturated neon tones. Maria Grazia Chiuri and Pier Paolo Piccioli bring us the wilder side of the Valentino woman. With fluorescent bustier, translucent garments and tulle leggings, this is a truly revamped

collection that experiments with new silhouettes. The designers are sure about one thing: this collection is designed for a younger audience. The brand took inspiration from a lush, colourful interpretation of Eden full of birds, innocence and sensuality.

Target Market:

Valentino have made their Spring Summer 2010 campaign a tribute to their revamped target market. Maria Grazia Chiuri and Pier Paolo Piccioli are thinking of a new generation of clients, and they've revamped their target market in collaboration with Cole Mohr and Dree Hemingway.

Their party dresses look more youthful, and their unique fairies have inspired new designs featuring organza in gold, pink and nude tones.

Brand Positioning:

The Valentino Fashion Group S. p. A plays a vital role in the world of fashion and luxury, with a rich and well-diversified portfolio of products which includes clothing, accessories, and footwear for men and women.

In the highly discriminating world of fashion and luxury, few players have gained the international fame the Valentino Fashion Group S. p. A has achieved. The Valentino Fashion Group S. p. A offers an array of complementary brands characterised by a consolidated global presence, excellent brand awareness, and strong product recognition. The group's activities are broken down into two business units, covering the entire luxury and fashion sector where a wide range of styles and products are offered:

Valentino, featuring the prestigious brands Valentino, Valentino Garavani, Valentino Roma and RED Valentino

Licensed brands MCS Marlboro Classics and M Missoni, in addition to its own brands Lebole, Oxon and Portrait.

Until 23 December 2009 there were three business units, which even included Hugo Boss, a company which was relinquished on that date and therefore no longer a part of the consolidated group. The Valentino Fashion Group S. p. A operates in over 110 countries, with more than 1, 600 single-brand boutiques and 433 directly-managed shops. The Group's consolidated revenue for the 2008 financial year is approximately 2. 206, 9 million. More than 13. 081 employees work in directly controlled companies and branches spread across 28 countries.

It's no secret that Valentino has been sending the costume department of Gossip Girl clothes and accessories – almost every main female character on the show, save maybe Vanessa and Lily van der Woodsen, have sported Valentino bags, dresses, and even headbands more than once. One recent episode even revolves around Jenny and a fiasco involving a one-of-a-kind red Valentino gown.

At first, I thought product placement – there was too much of the brand for it not to be a coincidence. But is the Gossip Girl market really Valentino's target market? Apparently it is now: the brand is going for rapid expansion and one of their main checkpoints is “ To attract a younger, trendier consumer while not losing the brand's current clientele.” And there you have it, product placement at work.

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Brand Promise:

Today's fashion world is a framework, which enhances values such as style and research, creativity and innovation, technology and craftsmanship. Its distinctive feature is the skill to merge many spirits into a harmonious balance. The real protagonists in this global scene are those who offer proposals charged with irresistible value and designed to integrate an extensive variety of products and trademarks by converging the offer's quality and variety and consumer satisfaction. The goal is:

To be the fashion world's protagonists in the fashion and luxury sectors.

Ensuring the highest quality standards in all market segments we serve.

Steadily focusing on the demands of an unwaveringly evolving cosmopolite consumer.

Pursue excellence and innovation by establishing an on-going dialogue between passion and experience.

Brand Essence:

Increasing the value of human resources, work in team and development of individual skills are the key for the VFG success. People that we are looking for should be active and determined, with spirit of enterprise and innovative capacity; they put themselves on the line and give all their best in everything they do.

Creativity and quality - the central factors of creative processes detailed research and skilled choice of materials; total control of all processing phases

Differentiation and selection - multiple styles; an extensive diversified offer

Flexibility and efficiency - excellent production processes and logistics; sourcing management designed to ensure the highest product quality

Continuity and innovation - enhancement of each brand's distinctive features; application of advanced techniques to the management of global brands; consistent strategic choices for global development

Ethics - integrity, fairness and transparency in business relations with all stakeholders; total compliance with international laws and regulations concerning labour protection

The consumer's central role - never failing to keep in mind that we concretise our Consumers' dreams.

Research and Evidence:

Article # 1435:

VALENTINO FASHION GROUP 2008 RESULTS:

TURNOVER UP 5% AT CONSTANT EXCHANGE RATES AND EBITDA STABLE

Milan, April 17th 2009 - Valentino Fashion Group's consolidated net turnover in 2008 rose to 2. 206, 9 million Euro, an increase of 3% at current exchange rates and 5% at constant exchange rates, compared to 2007.

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This result reflects the positive performance of Hugo Boss (turnover up 6% at constant exchange rates), of Valentino (turnover up 5% at constant exchange rates) and of the other brands belonging to the Group (turnover up 5% at constant exchange rates, with the M Missoni licensed brand posting an increase of 27%). Hugo Boss. Despite very difficult market conditions, Hugo Boss strengthened its market leading position internationally. Hugo Boss' broadly flat revenues in a subdued German market were counterbalanced by sales increase in other markets. Sales in Germany were 357 million Euro (down 1%), while sales in the Americas and in Asia enjoyed double digit increases: in 2008 sales in the Americas increased to 307 million Euro (+10% at constant exchange rates) while in Asia/Pacific sales rose to 162 million Euro (+25% at constant exchange rates).

Valentino. The considerable growth of Valentino in the first half of the year was offset by the negative performance of the retail business in the second half of the year, following the gradual worsening of the international macroeconomic environment. Valentino's core markets, Europe and the US, both suffered, posting respective turnovers of 130 million Euro (-1%) and 50 million Euro (-5% at constant exchange rates). By contrast, the Asian markets held up well as sales increased to 56 million Euro (+19% at constant exchange rates). Revenues at Valentino Fashion Group's direct operated stores channel increased to 390 million Euro, up 7% compared to 2007. This increase reflects the expansion of the retail network, which amounted to 433 points of sale at the end of 2008 (December 2007: 369). Valentino Fashion Group EBITDA, adjusted for one-off costs relating to management changes at the Board of Hugo Boss and the reorganization of the Group, reached 320, 4

million Euro (14, 5% on revenues), broadly stable compared to the prior year (330, 3 million

Euro), with an Operating Income of 248, 3 million Euro (11, 3% on revenues), a decrease of 7% compared to 2007.

Stefano Sassy, CEO of Valentino Fashion Group, commented: “ The group posted solid turnover growth and succeeded in maintaining its profitability despite challenging market conditions in 2008. The outlook for 2009 remains difficult and the Group acted quickly to optimize processes and save costs where necessary. Notwithstanding the uncertainty of the current environment, we are confident that the breadth and strength of our brands leaves us well positioned to deliver on our ambitious growth objectives in the medium term”.

February 17 2010

Valentino supports Francesca Rava – N. P. H. Italia Onlus Foundation for Haiti children

Milan, 17th February 2010 – During Milan and Paris fashion weeks, the House of Valentino will support an initiative of great significance and value to benefit Haiti children.

In collaboration with Francesca Rava – N. P. H Italia Onlus Foundation (www.nphitalia.org), forever engaged in continuous charitable activity throughout Haiti, Valentino boutiques of Via Montenapoleone and Avenue Montaigne will host an exclusive evening starting from 6: 30 pm: Milan on 24th February and Paris on 10th March.

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Valentino Creative Directors Maria Grazia Chiuri and Pier Paolo Piccioli, profoundly involved in this important project, will personally take part to both events to present an exclusive t-shirt expressly created by them to support the initiative. This significant item will be available in both boutiques throughout Milan and Paris fashion weeks respectively. All t-shirt profits will be entirely donated to Francesca Rava Foundation, which during the Paris event will collaborate with N. P. H. France, to support focused rehabilitation and medical-surgical programs. Day to day beneficial mission involves working towards providing a physically and emotionally new alternative life to all children affected by Haiti earthquake.

This special t-shirt will also be available on valentino.com website starting from March 15th. All proceeds will once again be devolved to sustain this significant charitable project.

During Milan and Paris fashion weeks, the House of Valentino will continue to actively support the same initiative by devolving part of Montenapoleone and Montaigne boutique in store sales.

In collaboration with photographer Stefano Guindani, the book "HAITI through the eye of stefano guindani" will be available for purchase in Valentino Milan and Paris boutiques. This unique volume, published by Electa, is the pure result of an extensive and in depth photo reportage from Stefano Guindani. Entirely dedicated to Haiti children and withholding images featuring voyages performed prior to the tragic earthquake, this book has recently highlighted many endless dramatic events linked to a

country devastated by poverty and civil battles. All book profits will be entirely donated to Francesca Rava - N. P. H Italia Onlus Foundation.

The House of Valentino dedicates total commitment towards this important philanthropic operation, triggering awareness around the internationally proclaimed immense emergency for Haiti children.