Introduction

My name is Joy Rao and I am a fashion marketing student at Raffles Design Institute in Shanghai. Through three years academic learning of fashion marketing and management. I have gained professional knowledge and got farther the training in Raffle Design Institute. It makes me have a full confidence to do a job.

In the last semester of our study we are required to do a Brand strategy doctrine case analysis as a final graduation assignment. This individual assignment will be accomplished on a medium to big international company in Shanghai.

The work will be viewed and marked by the lecturers from both Raffles Design Institute in Shanghai and the board of examinations from Northumbria University in Newcastle.
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Thanks are also due to my postgraduate friends, who never failed to give me great encouragement and suggestions.

At last but not least, I would like to thank my family for their support all the way from the very beginning of my postgraduate study. I am thankful to all my family members for their thoughtfulness and encouragement.
Executive summary

The objectives for the course:
More and more firms and other organizations have come to the realization that one of their most value assets is the brand names associated with their products or services.

In an increasingly complex world, individuals and business are faced with ore and more choices but seemingly have less and less time to make those choices. The ability of a strong brand to simplify consumer decision making, reduce risk, and set expectations is thus valuable. Creating strong brands that deliver on that promise, and maintaining and enhancing the strength of those worlds eye, is thus a management imperative.

- In increases understanding of the important issues in planning, implementing, and evaluating brand strategic.
- To provide the appropriate concepts, theories, models, and other tools to make better branding decisions.
- Understanding psychology principles at the individual or organizational level so as to improve managerial decision making with respect to brands.

Brief of the project
This project is about the case of Valentino, which is a classic luxury brand all over the world. You can solve several questions about the company after reading the project.
- What is the brand position for Valentino now
- Use the brand strategic process to analyze brand situation
- Find out the importance of branding
- The relation with marketing strategy with branding
- The brand future focus

This project includes each aspect of details of the branding process. See though the company and how marketing plans effect the brands, how branding effects the daily bussiness. At the same time study deeply about the current brand situation, and give the suggestion with future forecast as well.
Group worldwide

- Headquarters
  Valentino Fashion Group S.p.A
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  20121 Milano
  Tel +39 02 624921
  Fax +39 02 62492584

- Valentino Fashion Group France
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  75002 Paris
  Tel +33 1 43123660
  Fax +33 1 43123679

- Valentino Fashion Group Hong Kong
  Unit 3801-3, Vicwood Plaza
  199 Des Voeux Road Central Hong Kong
  Tel +852 2 7355822
  Fax +852 2 7369830

- Valentino Fashion Group Usa
  11 West 42nd Street 26 Floor
  New York - Ny 10036
  Tel 001 212 641 1600
  Fax 001 212 641 1630
The concept of the company:
The guidelines underlying the various group acquisitions over the years can be summarised into two key concepts: offer diversification and brand differentiation.

By exploiting each brand’s distinctive traits, while keeping with their strategic choices, the Valentino Fashion Group S.p.A has taken advantage of many development opportunities that the market had to offer.

Some important brands have been acquired as a result of this strategy, such as Valentino, Hugo Boss, and famous licensed brands like M Missoni and Marlboro Classics, which, along with its own brand Lebole make it possible to cover an extensive range of the fashion spectrum.
Price

<table>
<thead>
<tr>
<th>The category</th>
<th>Price range (Euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-quality ready-made clothing</td>
<td>2700—50,000</td>
</tr>
<tr>
<td>R.E.D Valentino</td>
<td>500-1,500</td>
</tr>
<tr>
<td>Wedding dresses</td>
<td>1,500-25,000</td>
</tr>
<tr>
<td>Men clothing</td>
<td>2,80—38,00</td>
</tr>
<tr>
<td>Shoes</td>
<td>4,80—7,80</td>
</tr>
<tr>
<td>Belts</td>
<td>2,60—3,60</td>
</tr>
<tr>
<td>Ties</td>
<td>1,26—2,66</td>
</tr>
<tr>
<td>Bags</td>
<td>2,80—28,00</td>
</tr>
<tr>
<td>Eyeglass</td>
<td>1,80—3,80</td>
</tr>
<tr>
<td>Perpumes</td>
<td>60-100</td>
</tr>
<tr>
<td>Watches</td>
<td>900-2,300</td>
</tr>
</tbody>
</table>

The sales prices denominated in Euro, of the Group’s products have increased on average 2-3% per year over the last two years, depending upon the product category. The Company believes that information on average prices is not meaningful in consideration of the variations in prices within the vast range of products offered as well as the variation in prices applied to final consumers in the various geographic markets where the Group’s products are sold.
**Place**

The Group selects stores for the distribution of its products on the basis of the positioning of the relevant brand, the location, the level of service provided, the degree of visibility given to its products, as well as profitability studies.

The Group’s directly operated stores are generally located in cities where the Group has extensive knowledge of the market and which, thanks to their prestige and importance, are considered strategic for the relevant brand. Most of Valentino bouqiques are in North America, South America, Europe, Asia, Middle East. Most are in the big companies, because they have the highly developing economimc and a large number of luxury goods customers.
The Group’s public relations activities focus primarily on the following:

- Management of relationships with principal Italian and international press and monitoring of editorials;
- Regular contact with the most famous international celebrities;
- Organization of events in connection with, for instance, the launch of collections, the opening of new markets, or new DOS in prestigious locations;
- The organization of shows (for the Valentino and Hugo Boss brands) during the fashion weeks in Paris and Milan and during special events in certain major cities (such as Shanghai, Berlin and Tokyo);
- Sponsorships of cultural events (Guggenheim Museum) and sporting events (such as tennis, formula one, regattas).
The role of celebrities

Celebrities are key to the success of most luxury brands. The number of advertisements featuring celebrities has doubled in the past 10 years. Today, celebrities are highly important and valuable to brands, especially in the luxury fashion sector.

He has dressed a great many of the beautiful and famous women of the world, including Jacqueline Kennedy Onnasis, Joan Collins, Princess Grace of Monaco, Gloria Guinness, Elizabeth Taylor, Audrey Hepburn, Sophia Loren, etc. In addition to the elegant ladies of yesteryear, Valentino also dresses the ladies of today. Valentino has been popular with famous, well-dressed women for more than four decades, including Jackie Onassis, Elizabeth Taylor, Halle Berry, Jennifer Garner, Julia Roberts, Jennifer Aniston, Naomi Watts, Claire Danes, Gwen Stefani, Lindsay Lohan, Claudia Shiffer, Jennifer Lopez, Cate Blanchett and Gwenyth Paltrow.

6 http://space.taobao.com/3beb43ceff5b49dd7f93e1ce581de0098.htm
delivered to the Group’s testing department where quality control verifications are carried out on the fabrics and a portion of the accessories (linings, internal components and color accessories). Any non-standard materials are returned to the suppliers which either replace or repair such materials, while the suitable materials are organized within centralized warehouses where production materials are managed.

**Production**

Depending upon the characteristics of the clothing and accessories collections, the production of the Group’s products is carried out internally by Group production facilities or by third parties, through façon workrooms or straight outsourcing arrangements.

All design activities for the Valentino brands are carried out directly by the Group. With respect to production, the haute couture collections are produced in the Valentino atelier in Roma, the prêt-à-porter collections are produced by two facilities (in Turin and Maglio) which carry out the realization of the prototypes and product samples for the prêt-à-porter and diffusion collections.

The production of the prêt-à-porter and diffusion collections and accessories is carried out by approximately 50 carefully selected third party contractors located almost exclusively in Italy and coordinate by the Group’s operations management department. This system allows the Group to achieve flexibility while maintaining high quality production processes. The agreements with the above third party contractors contain provisions setting out minimum quality standards, penalty payments in the event of delays in delivery and confidentiality and exclusivity agreements.

The control of the production process represents a key priority for the Group and allows us to ensure the high quality standards required in light of the positioning of the Valentino brand, as well as to meet delivery deadlines.

**Logistics**

The Group’s logistics operations are managed through various logistics platforms where the delivery of the Group’s products to the distribution network is managed. Of such logistics platforms, 11 are distribution centers for Hugo Boss, including the primary center in Metzingen, which in 2006 shipped over 22 million garments. In Italy, near Valdagno (VI), the Group owns two central warehouses belonging to the business unit regarding Valentino, Marlboro Classics and other brands. In 2004, approximately 6 million products were shipped from these warehouses.


**Distribution channels**

The exercise of close control over the distribution network represents a fundamental tool for purposes of maintaining the image of the Group’s brands and protecting the exclusivity of its products. The selection of sales channels varies based upon the geographic market and the relevant brand in question.

The Group’s products are sold through a wholesale network, comprised of mono-brand stores managed by third parties, multi-brand stores, department stores and importers/distributors, and a retail network comprised of directly operated stores (DOS). The Group works with importers and distributors in markets requiring the presence of local partners capable of ensuring that the brand image is maintained in such market. In recent years, the Group has adopted a policy aimed at increasing the number of directly operated stores for purposes of reinforcing the brand image and improving market recognition.

The distribution network is comprised of approximately 10,000 stores, sub-divided as follows:

- 127 DOS;
- 1,171 mono-brand stores managed by third parties;
- 8,680 multi-brand stores.

**Geographical Expansion: Global player**

![Map showing distribution of stores around the world](image)

The Group selects stores for the distribution of its products on the basis of the positioning of the relevant brand, the location, the level of service provided, the degree of visibility given to its products, as well as profitability studies.

The Group’s directly operated stores are generally located in cities where the Group has extensive knowledge of the market and which, thanks to their
**Brand Blueprint**

A key component of the BrandMindset is the procedure for properly constructing and communicating a brand’s identity. A Deliberate methodology for developing a successful brand identity is crucial to maximizing brand equity. We call this a Brand Blueprint. It is our methodology for building a successful brand identity in today’s crowded marketplace.

A good brand blueprint should ensure that all brand massages are consistent with “what the brand stand for” and the desired perceptions. It can effectively determine the character and style of the brand and reflect the brand promise. The blueprint’s function is to direct and drive all brand communication and messages, including advertising, promotion and the public relation. Valentino’s success is greatly depending on its effective and absorbing brand blueprint. Subsequently, let’s explore some questions.

1. What Valentino’s blueprint consist of
2. What the characteristics of each component has
3. How they work together to ultimately position a brand in the customer’s mind
Watches:

The brown color packagings are special for the high-end series products, like wristwatches and the jewelry. Because brown gives customers one kink of Junoesque feeling. Also have the Valentino logo on the box. Each product has the particular ID card and the product certification. Can prove that these products are produce by Valentino.
Eyeglass and perfumes:

The eyeglasses packaging is use the white and red color together. And also have the observably Valentino brand logo on it. There has two kinds of eyeglasses box. One is hard, another is soft. The customers can choose either they like.

The perfume packagings. They all have the well-marked logo on them. Also use the Vlantino Red with the white.
Shoes:

The shoes are in the Valentino Red. And also with a cream-colored hop-pockets with the shoes, to protect the shoes. Every shoe has a red color label with it, the label has all of the information about the product, like size, color, price and so on. The shopping bag has two colors, white and red.
The Company is aware that providing an adequate system to penalise the breach of the rules of conduct and the Protocols discussed in this document for the purposes of preventing the offences covered by the Decree is a crucial, unavoidable aspect in constructing the Model. Therefore the Company adopts an effective disciplinary system.

The application of such a system and the relevant sanctions presupposes the simple breach of the provisions of the Model and is independent of the implementation and outcome of any criminal proceeding that may be started by the Judicial Authority if the conduct to be punished should be part of one of the offences covered by the Decree.

Customer service: Valentino.com

Valentino has a complete website and can be read in 3 different languages. The site not only serves the consumers but also investors and suppliers.

The web design is in harmony with the Valentino brand and is fully communicating their brand promise. It is very easy to navigate the website, it doesn’t need much time to load and the context is easy to read.

The website is divided in 4 main sections: Group profile, Press room, Brands and Contacts. There is an online product support and costumer service. But only offer to the American people.

Not everybody knows that there is a Valentino.com website. People simply expect a big company like Valentino to have a website nowadays. There are not so many of the interviewed people that have actually visited the website because the website doesn’t have the Chinese language. And people hope that Valentino can put the Chinese version on it and provide the online store for the Chinese people.
Communication plan:
The Group’s marketing strategy includes all of the principal methods of advertising and promotion, from the press (newspapers and magazines specialized in the fashion and luxury goods sector), television advertising (used for promoting fragrances), billboards, to the promotion of international fashion events, and sponsorships of sporting events and cultural events.
**Product:**

**Valentino may produce the cosmetics series:**

In Valentino all product line, has only lacked cosmetics industry. In the luxury goods industry, the cosmetics sales volume may lead the raise of the brand profit, also can lead the raise of the brand popularity as well as the brand image. The advantages of produce the Valentino cosmetics series include several: First may cause more young consumers to know about Valentino brand, because the cosmetics series are more cheaper than Valentino clothing series, , even more can accept by the ordinary consumer, can also lead Valentino clothing series sale through the cosmetics sale. Second may better consummate the Valentino product line, cause Valentino product coverage to be broader. Moreover cosmetics counter's quantity possibly greatly surpasses than the Valentino clothing exclusive agency, like this may cause the coverage rate of Valentino brand to be higher in China. In the other words, the Valentino cosmetics counter’s sets up was equal to the free advertisement to Valentino clothing series.

I have designed the cosmetic counter for Valentino, use the Valentino classic red color as the main color.

![Cosmetic Counter for Valentino](image)

**Produces the Chinese characteristic product line, arouses the resonance:**

2008 the World Olympic Game is held in Beijing China, so 2008 we called the Chinese year, more international vision went to Chinese this developing country. Simultaneously China has the glorious history, rich cultural inside story, moreover is more and more accepted by the world. Now many brands already join the Chinese elements in the design process, The Chinese traditional luxurious brands have also been raising slowly. Therefore if Valentino wants
better close the consumers in China, must to integrate the Chinese elements in
the product design. China's embroidery and the silk unifies Valentino’s classics
red V collar evening dress, believed that can better arouse the Chinese
customer's resonance, lets the Chinese customers feel that the Valentino
respects the Chinese culture, and already attach importance to the Chinese
market.

http://bbs.joy.cn/showtopic-2233828.htm
Publish own fashion magazine “VALENTINO”

Valentino publish own fashion magazine, this magazine called “VALENTINO”, it can propagandizes own brand in China, on the other hand may also disseminate the fashion knowledge and the fashion information. The Valentino magazine can raises more customers that are the adherent of fashion in China, and also the follower of Valentino brand. Is raising the Chinese consumer's fashionable idea, than can be better to sale and promote Valentino product. This magazine sale in 20 RMB, and now only sell in sevel place, for examples: the five-star hotels, the golf courses, the airports, the luxury goods exhibition, the fashion party and so on. But later on will sell to the whole market.

Magazine

Advertising Valentino 2009 collection and images on the fashion magazine<< Vogue>> <<Bazaar>> and << Elle>> every month and selecting other famous fashion magazines to carry on the seasonal activity and latest trends of Valentino collection.
Billboard & Outside light box
Set the billboards (1.5M*3M) on the large stations of Subway Line 1, Line 2 and Line 3, also the interchange passageway.

Subway Station
Interchange passageway

Position: People Square, Zhongshan Park, Jiangsu Road, Jingan Temple, South Huangpi Road, South Shanxi Road, Middle Henan Roan, Shimenyi Road, Lujiazui and Xintiandi.

The billboard in Jingan Temple
The outside light box in People square
**Outside LED**

Play Valentino new advertisement of the 2009 F/W collection on the outside LED in big shopping mall or Plaza.

The advertisements are playing on the screen throughout the period of pushing the latest seasonal products. The advertisement lasts 20-30 seconds and it will be broadcasted 60 times in one day.

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**The airplane first-class stateroom cabin**

The aviation crowd is the community that most has the commercial value, in the high expense sales market have the huge expense ability, expense control strength and the expense influence, in it contains the extremely huge expense energy. Valentino published the advertisement in the aviation magazine, to introduce the new collections and the Valentino brand.