

**Universidad San Ignacio De Loyola**

***Fashion and Luxury Management: The New  
Challenge in Global and Digitalized Market***

**July 14<sup>th</sup> and 16<sup>th</sup> 2014**

**Cusco & Lima - Peru**

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Fashion Institute of Technology

New York



**UNIVERSIDAD  
SAN IGNACIO  
DE LOYOLA**

# Agenda

- **Introduction**
- **So fashion/ luxury business has changed...really?**
- **So marketing has changed...really?**
- **A Key Requirement: Marketing Discipline**
  - Marketing Objectives
  - Target Market
  - Value Proposition
  - Positioning
  - Integrated Marketing Communications
- **A Practical Approach: Workshops at all key stages**

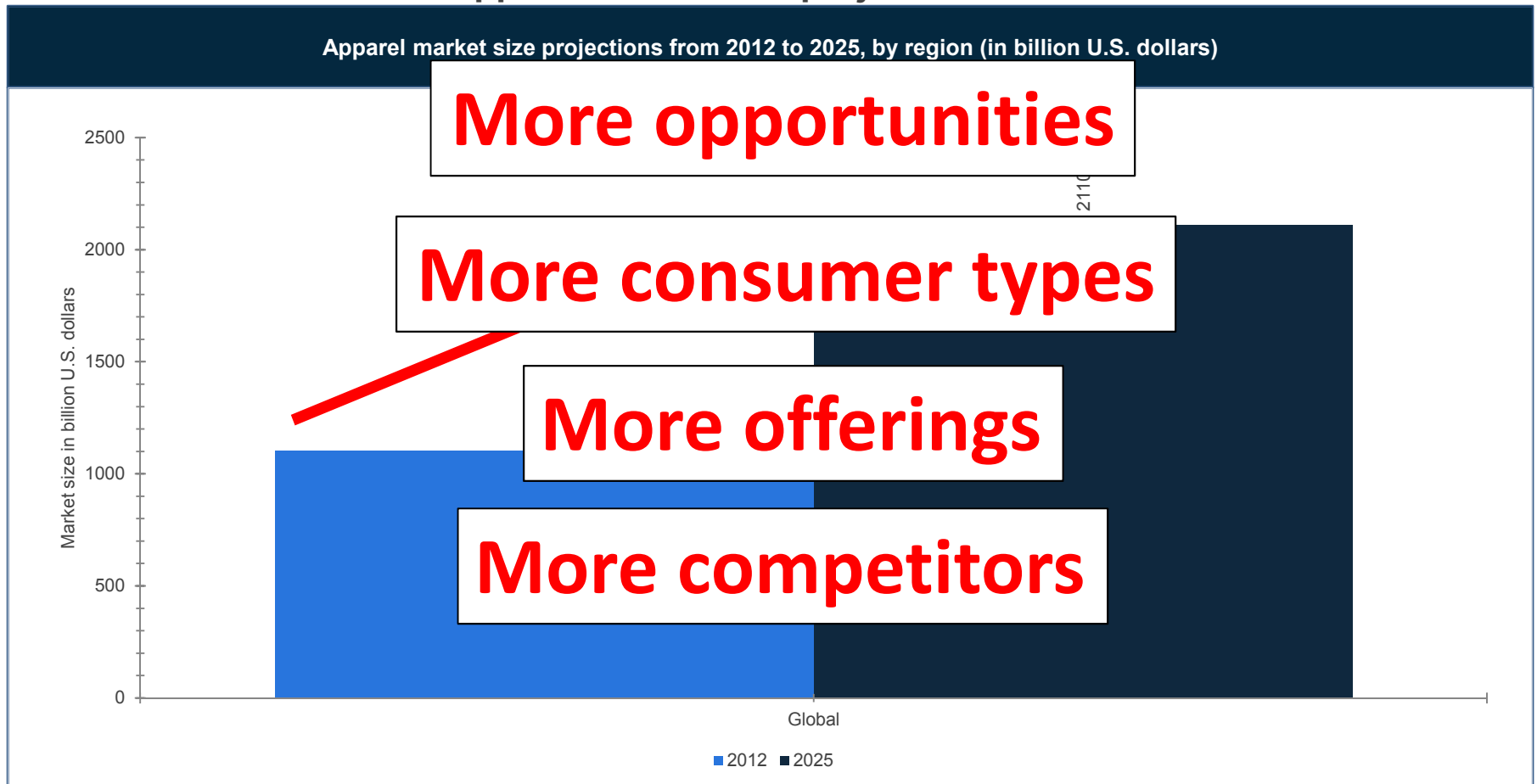
**95%**

**So fashion/business business has  
changed...really?**

# Globalization

## Global apparel market size projections 2012-2025

Apparel market size projections from 2012 to 2025, by region (in billion U.S. dollars)



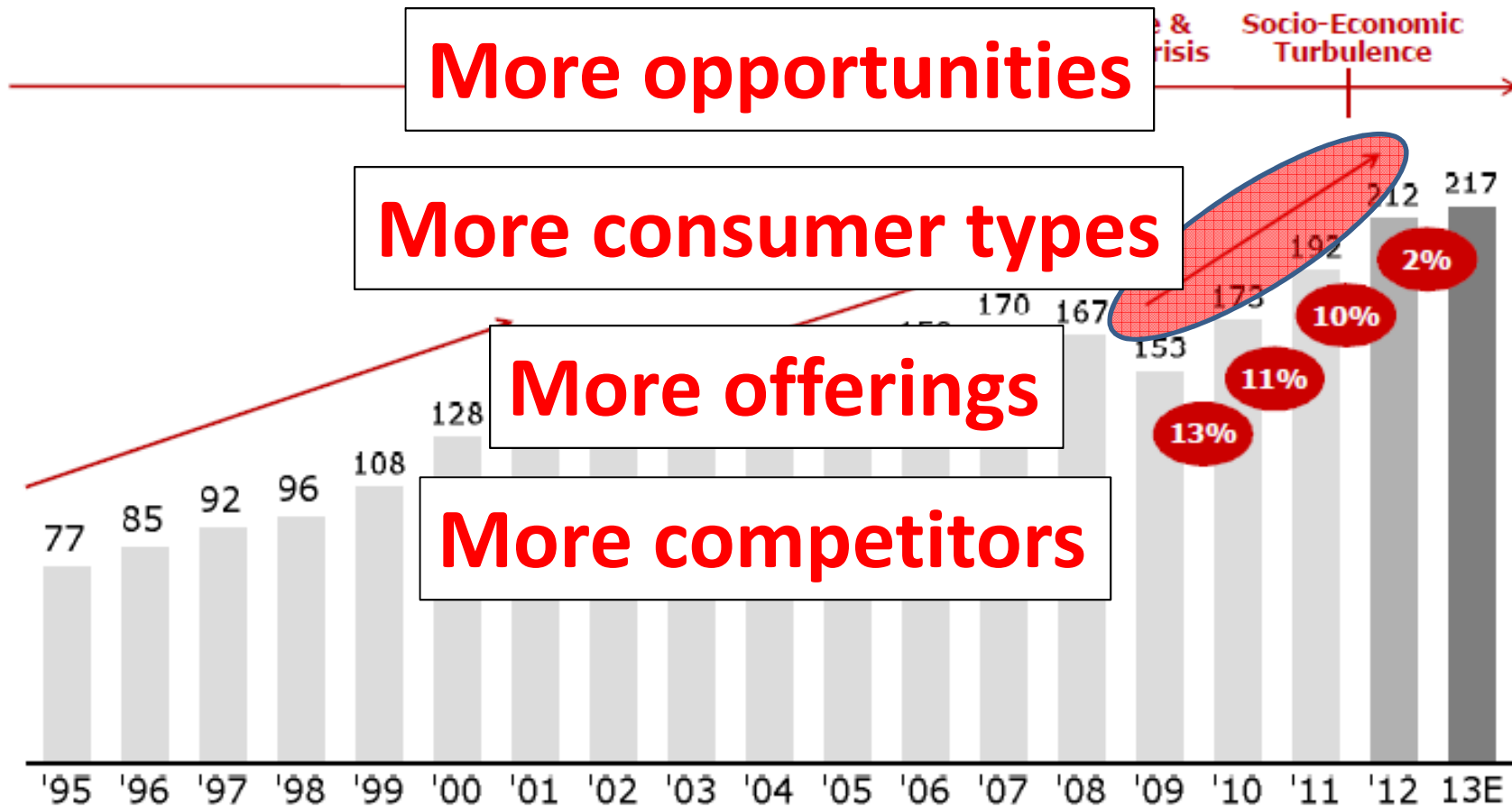
Note: further information regarding this statistic, such as comments and footnotes, can be found on page [8](#).

Source: Wazir, The Road to 2025, page 5

[ID 279757](#)

# Globalization

WORLDWIDE PERSONAL LUXURY GOODS MARKET TREND (1995-2013E|€B)



# Customer segments multiplication

7 key segments to describe worldwide luxury consumers



**Conservative**  
*I buy it safe*



**Opinionated**  
*I know it!*



**Disillusioned**  
*I'm so over it!*



**Hedonist**  
*I love it!*



**Omnivore**  
*I want it all!*

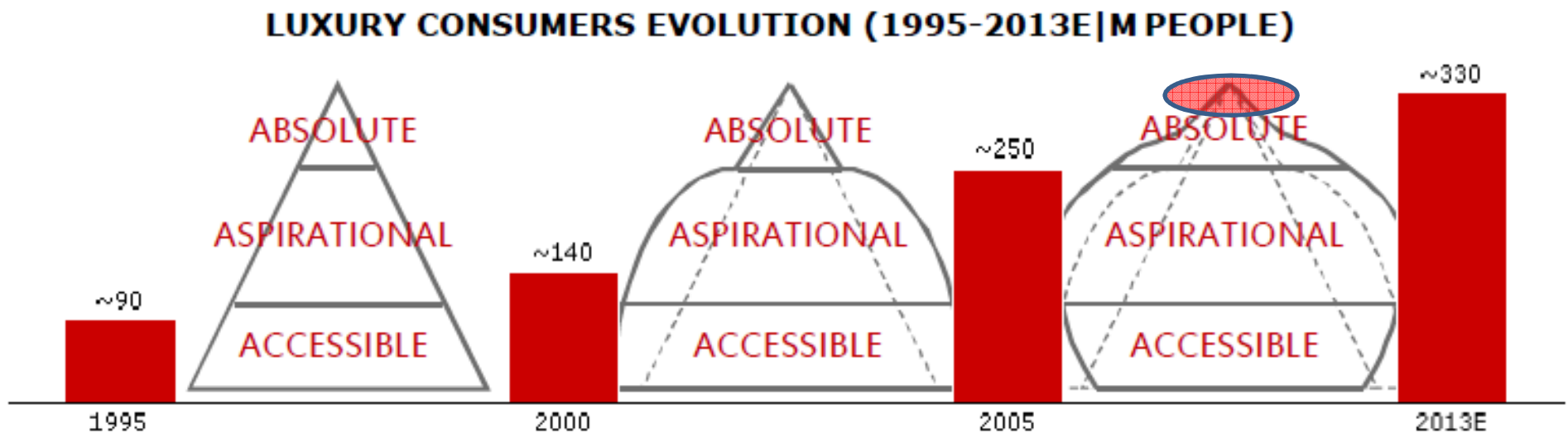


**Wannabe**  
*I desire it!*



**Investor**  
*It's worthy? I buy it!*

# Changing customer motivation(s)



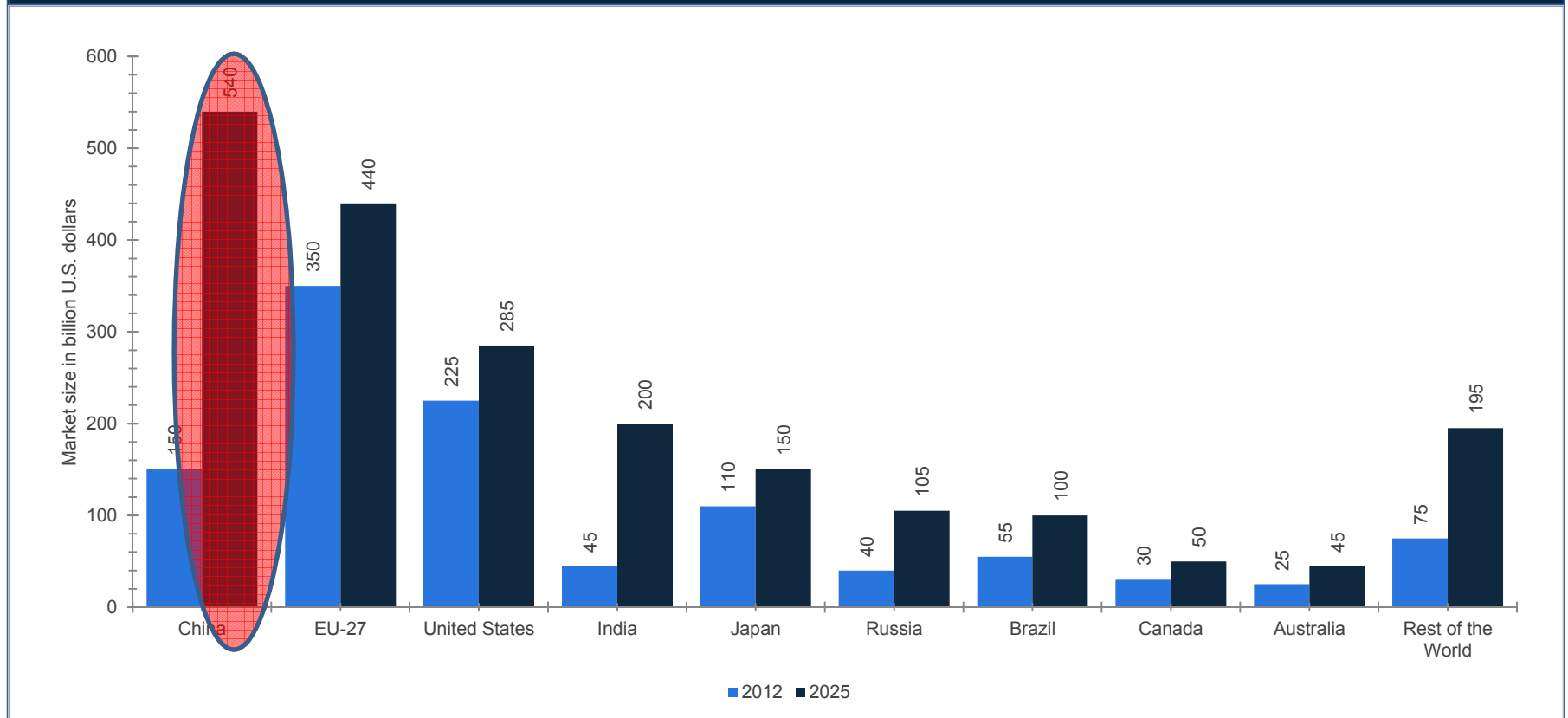
(Source: Bains company)



# Really international!

## Global apparel market size projections 2012-2025

Apparel market size projections from 2012 to 2025, by region (in billion U.S. dollars)



Note: further information regarding this statistic, such as comments and footnotes, can be found on page [8](#).

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[ID 279757](#)

# Diverse purchase motivations!

## PURCHASING DRIVERS AND SHOPPING BEHAVIORS

**Luxury mature & detached**

**Luxury enthusiastic**

QUALITY & DURABILITY

BRAND & LOGO

VALUE FOR MONEY

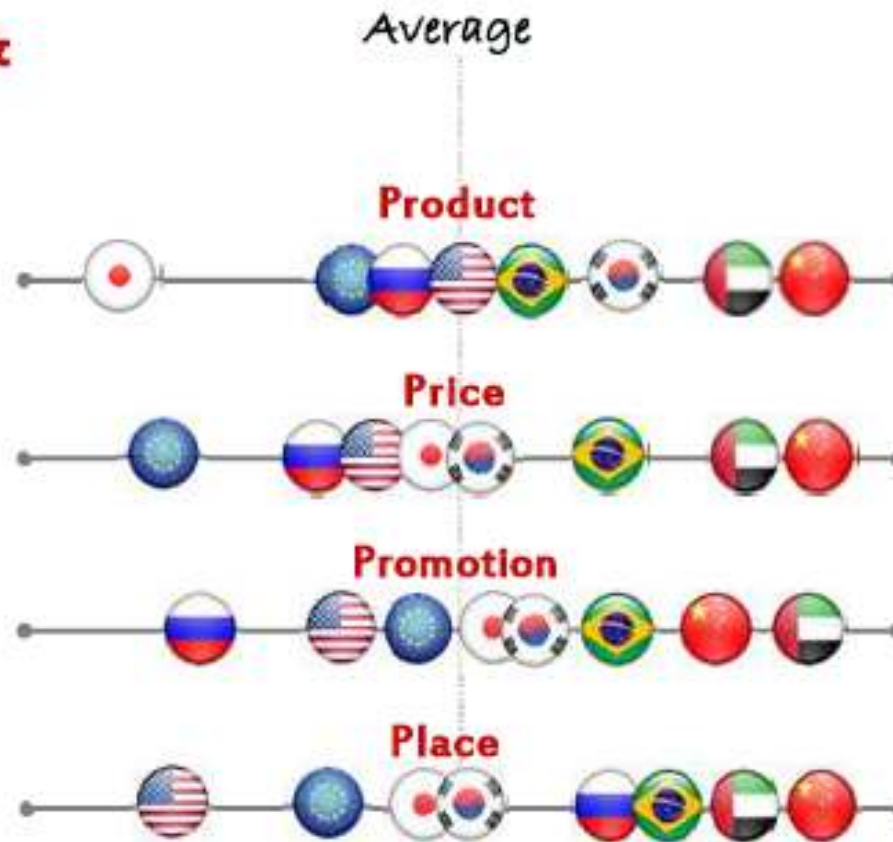
PRICE INSENSITIVITY

LOW ADVERTISING INFLUENCE

HIGH ADVERTISING INFLUENCE

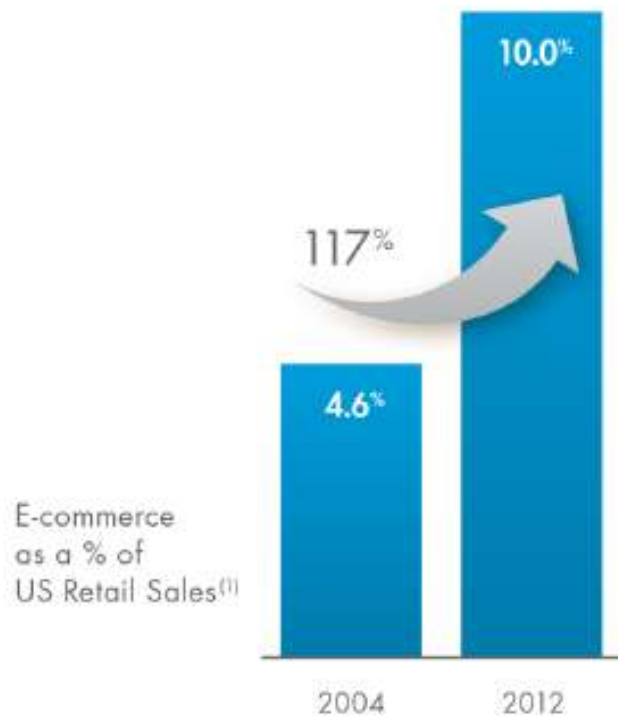
OWN COUNTRY

ABROAD

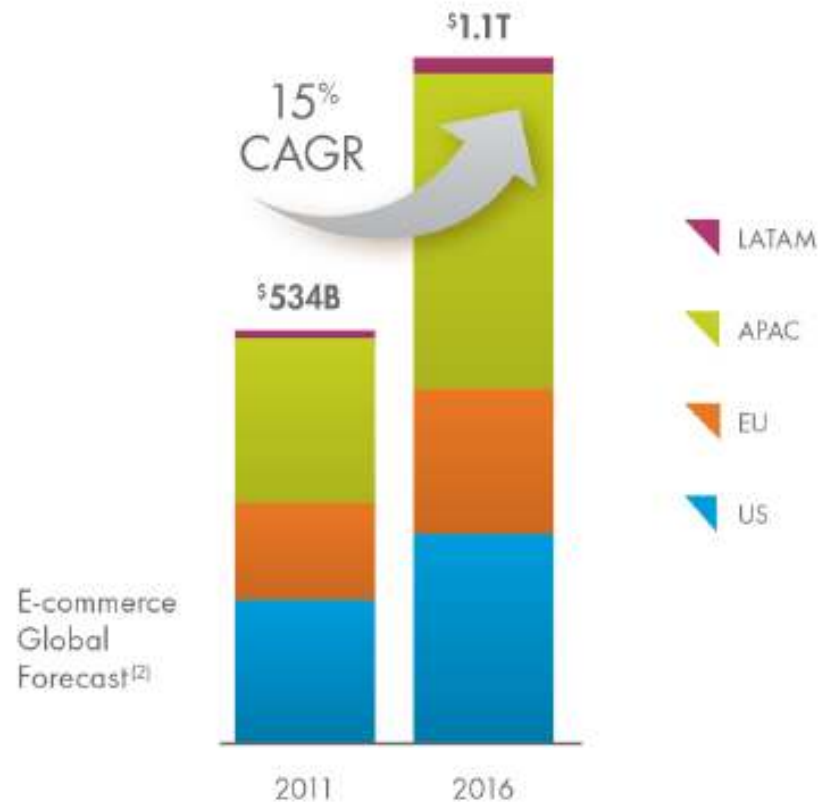


# Purchasing more and more online!

### E-commerce is Gaining Share of Retail Spend...



### ...Driving Future E-commerce Growth



# ...Across the globe!



2011

**\$192b**

Growth Rate  
**15%**

**\$165b**

Growth Rate  
**20%**

**\$278b**

Growth Rate  
**10%**

**\$87b**

Growth Rate  
**30%**

2017

**\$379b**

**\$457b**

**\$399b**

**\$220b**

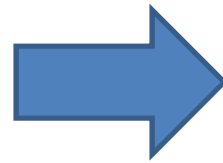
# ...For fashion as well!



**2<sup>nd</sup> largest e-commerce sector WW**

# To succeed, a fashion/ luxury brand needs to move...

**From...**



**To...**



 **L'ORÉAL**

**So marketing has changed...really?**

# Digital

- **Web Marketing**



- **Email Marketing**



- **Mobile Marketing**



- **Social Media Marketing**





# Really big?

The Google logo is centered on the page, rendered in its characteristic multi-colored font.

Each day 20% of Google searches have never been searched before



About 33,100,000 results (0.38 seconds)

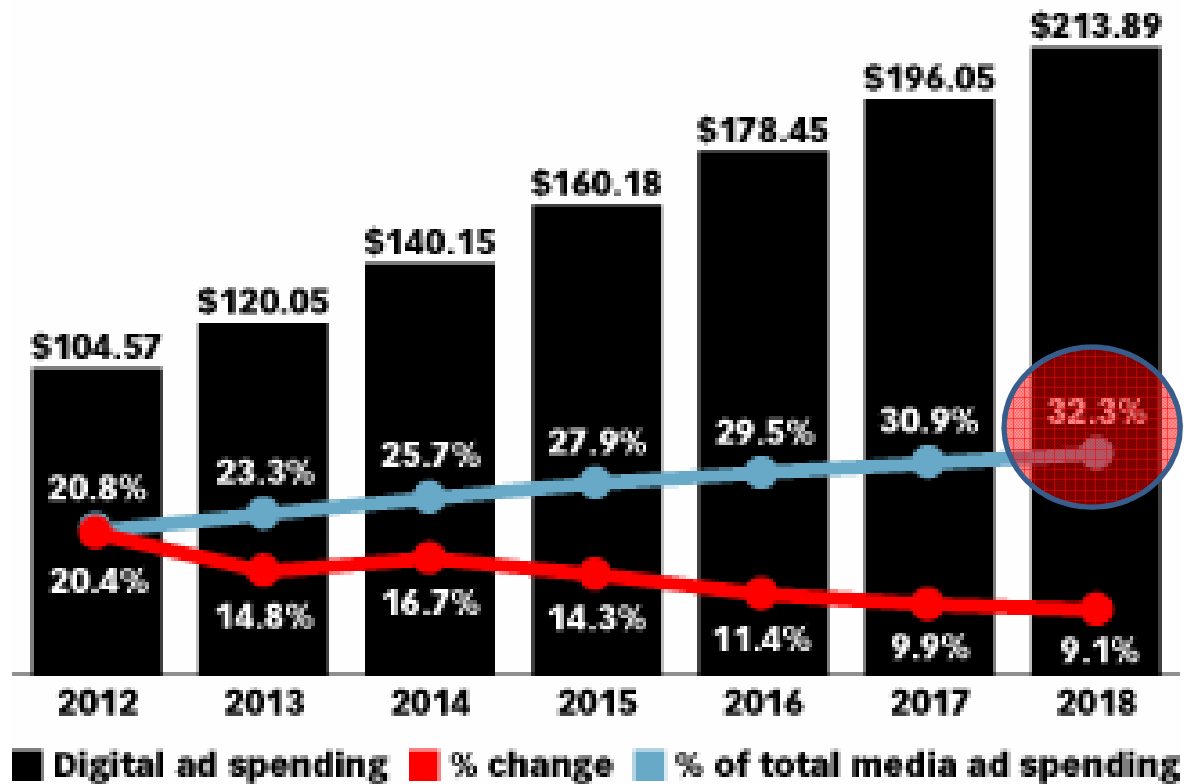


# Really complicated?



# Really serious?

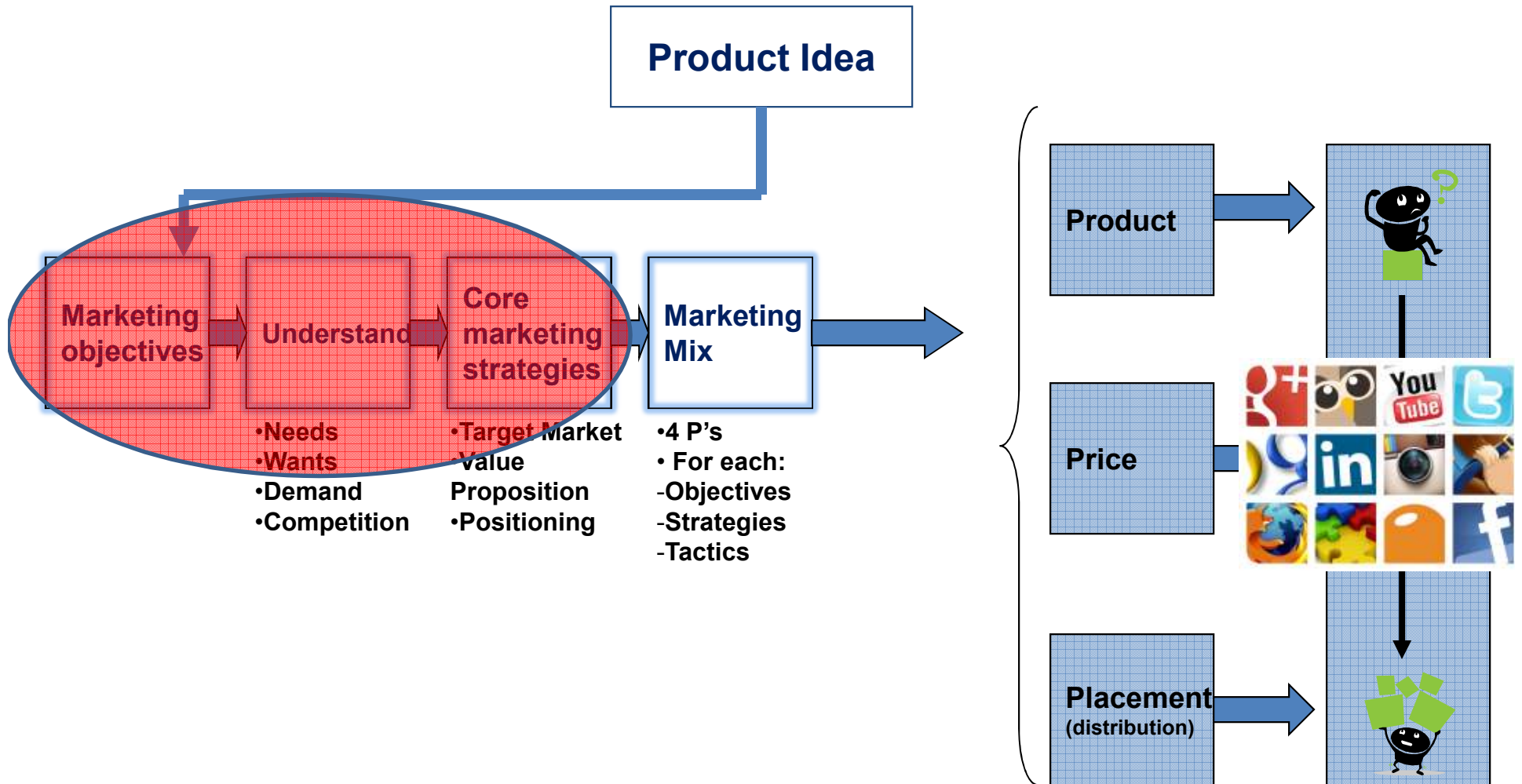
**Digital Ad Spending Worldwide, 2012-2018**  
*billions, % change and % of total media ad spending*



*Note: includes advertising that appears on desktop and laptop computers as well as mobile phones and tablets, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising*  
*Source: eMarketer, June 2014*

**A Key Requirement:**  
***Marketing Discipline***

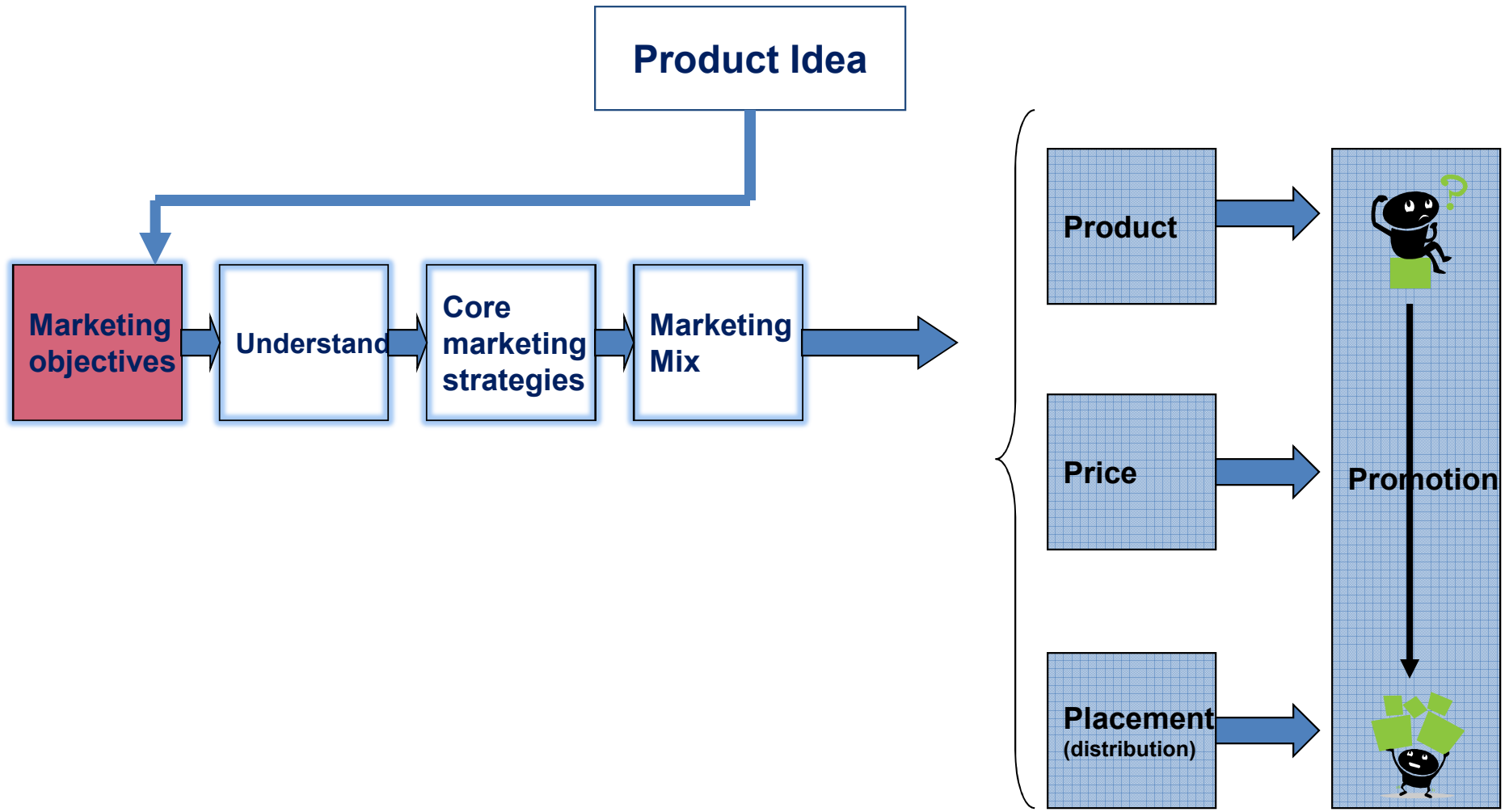
# Making the *right* choices...



# Marketing definition!

- **3 keywords:**
  - *Consumers*
  - *Value*
  - *Relationships*

# Understanding Marketing Process



# Marketing objectives

- 3 keywords:

– Consumers

– Value

– Relationships



# Defining clear and focused marketing objectives

## Focused on building profitable consumer relationships

- Acquisition



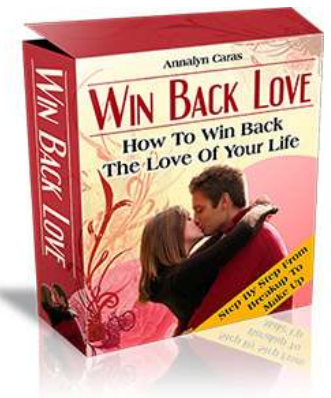
- Loyalty



- Retention



- Winback



## *Defining your marketing objectives(s) in fashion/luxury*



# *Defining your marketing objectives(s) in beauty*



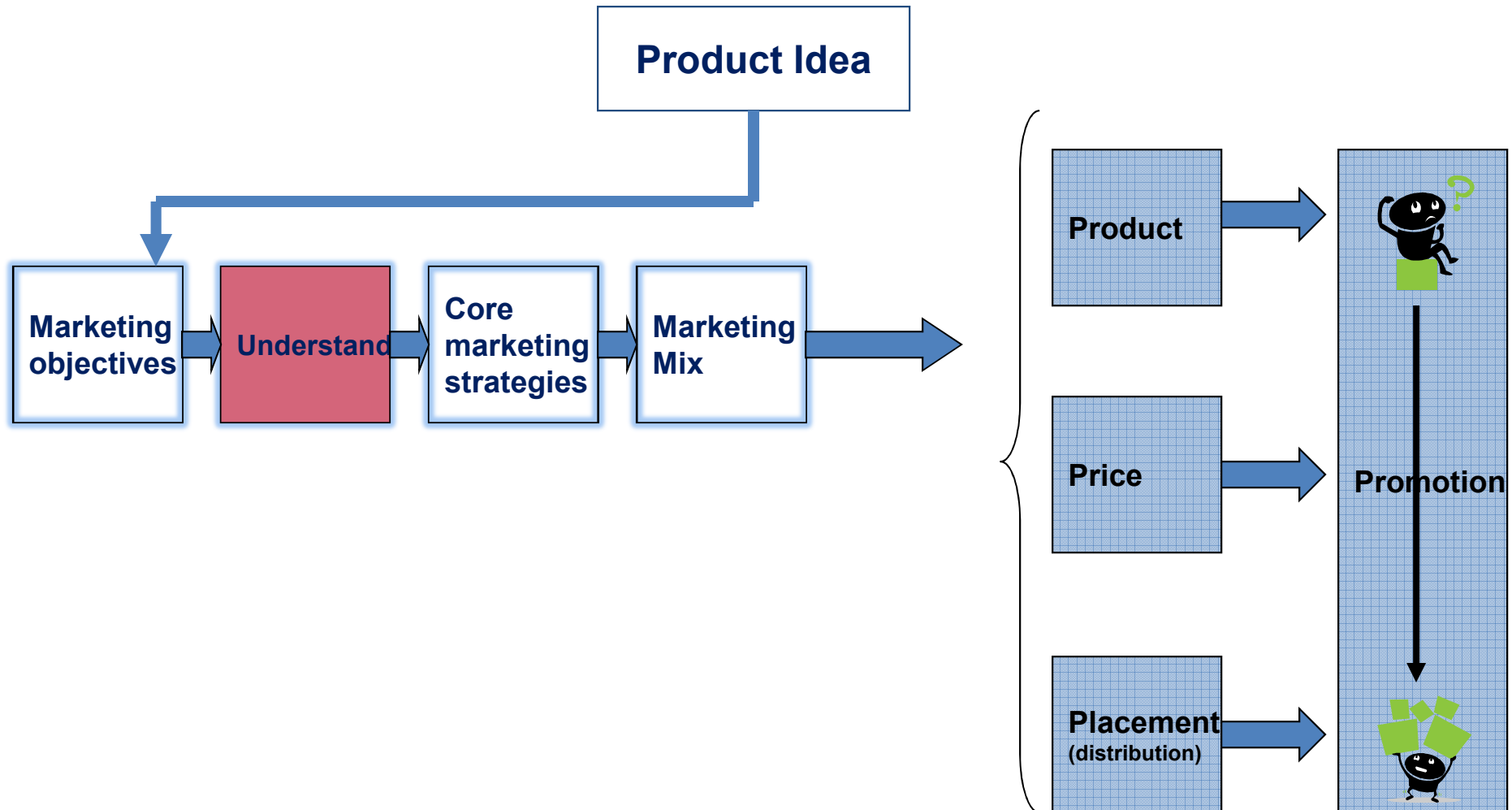
# Workshop I - Time to work!

10 minutes

- In your table teams
  - Pick a **product or service** to “market”
  - Pick a **country** to market the product into
  - Select **which marketing objective(s)** are applicable
  - Develop your **rationales**

You will have to present a summary at the end!

# Understanding Marketing Process



# Understanding the context!

Firefox trendwatching.com's Trend Briefing cov... trendwatching.com/trends/7trends2014/ Google

Most Visited Gmail Accounts Google+ Chase Online - Logon Bing My FIT Portal FIT ANGEL Database, Direct and D... Sign In | LinkedIn McGraw-Hill's Connect Google Apps Google Analytics

trendwatching.com

HOME FREE PUBLICATIONS PREMIUM SERVICE **NEW!** (inc. 2014 Trend Report) REGION SPECIFIC SERVICES TIPS PRESENTATIONS ABOUT US CONTACT Premium Login

Read this Trend Briefing in these languages:

January 2014 Trend Briefing:

## 7 CONSUMER TRENDS TO RUN WITH IN 2014

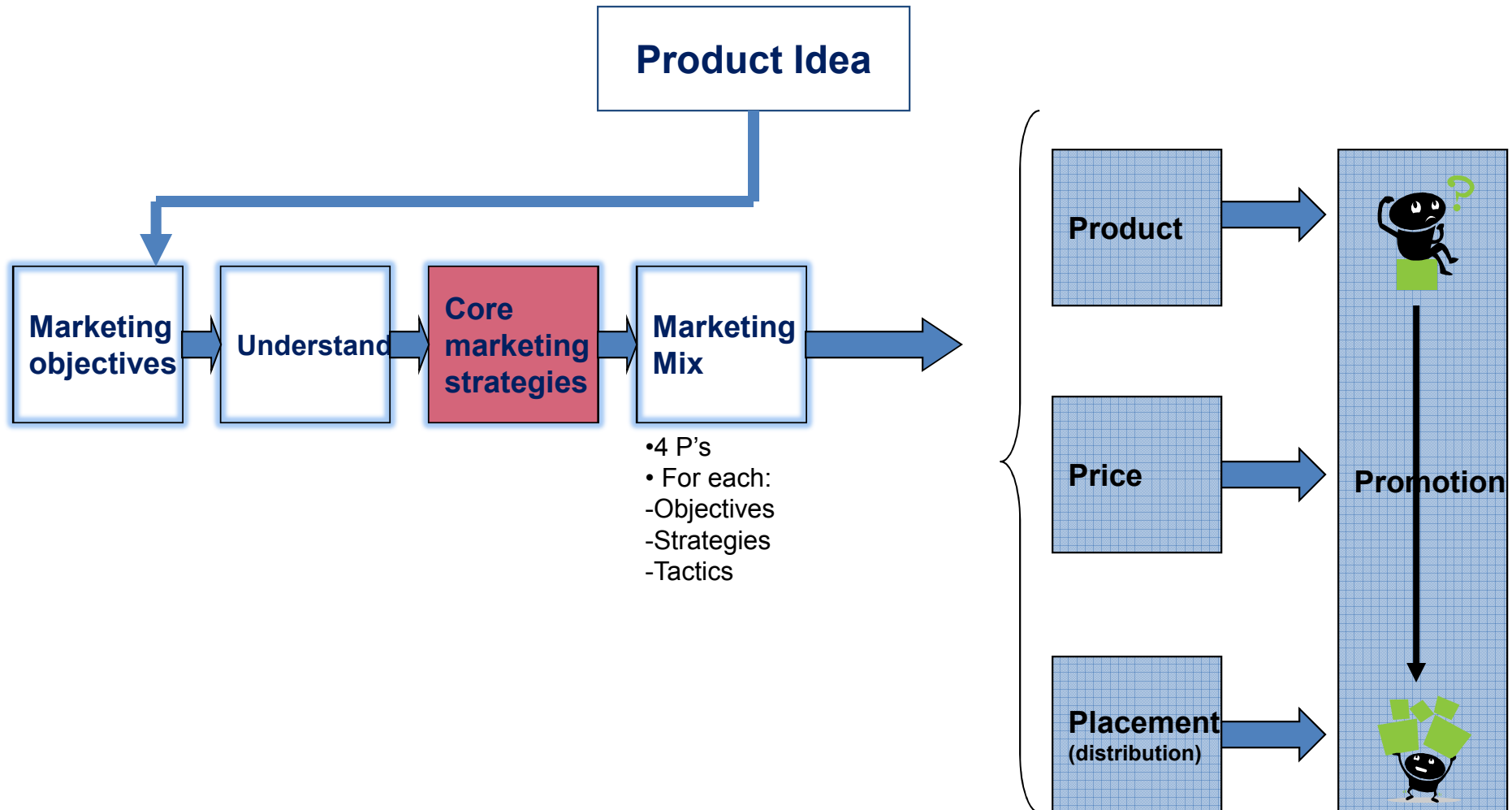
Remember, the lazy will NOT inherit the earth in 2014!

7 GUILT 4 MYCHIATRY

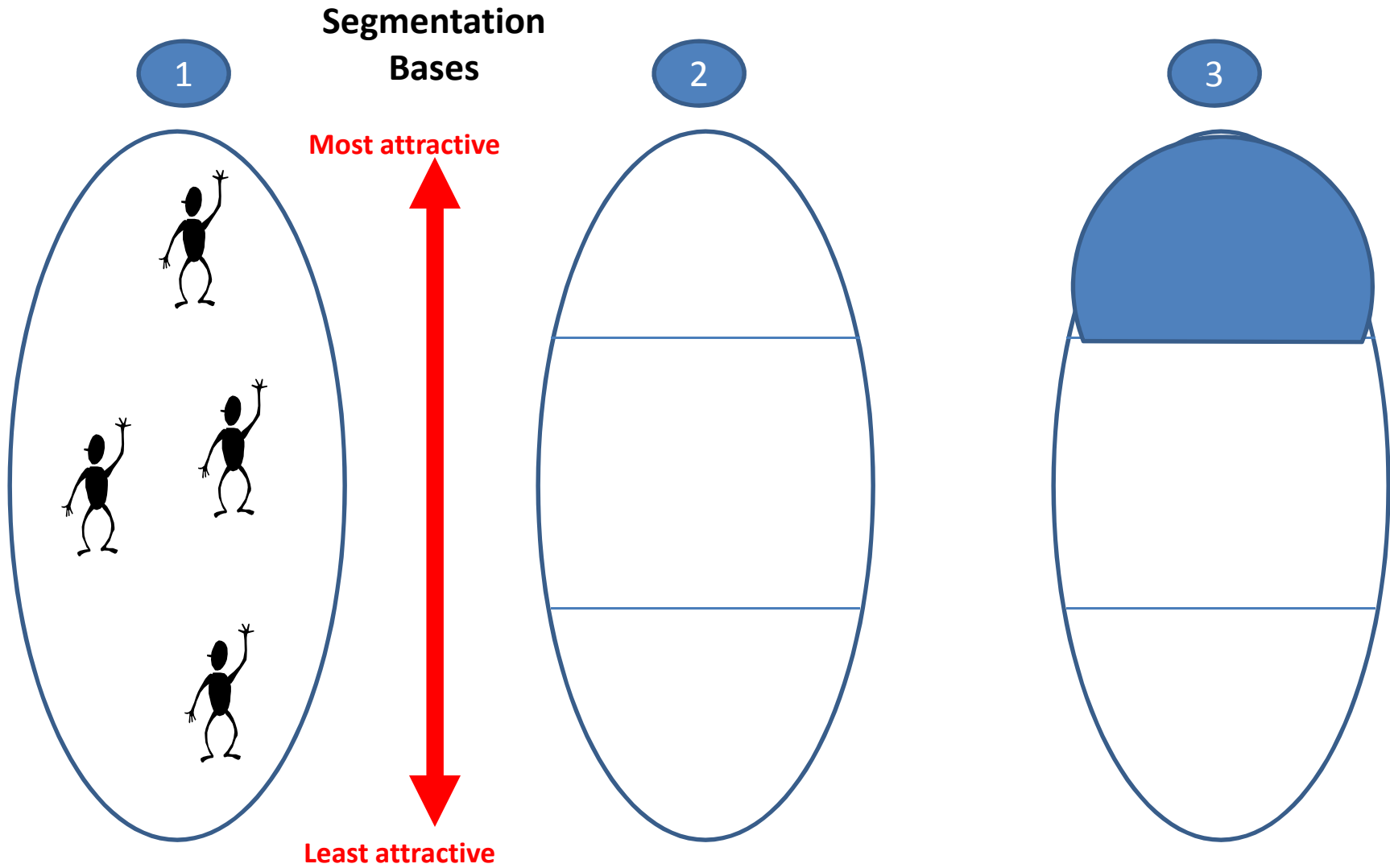
Back to top

Windows taskbar: e, Chrome, Firefox, File Explorer, Word, Outlook, Bing, 8:05 PM 2/6/2014

# Understanding Marketing Process

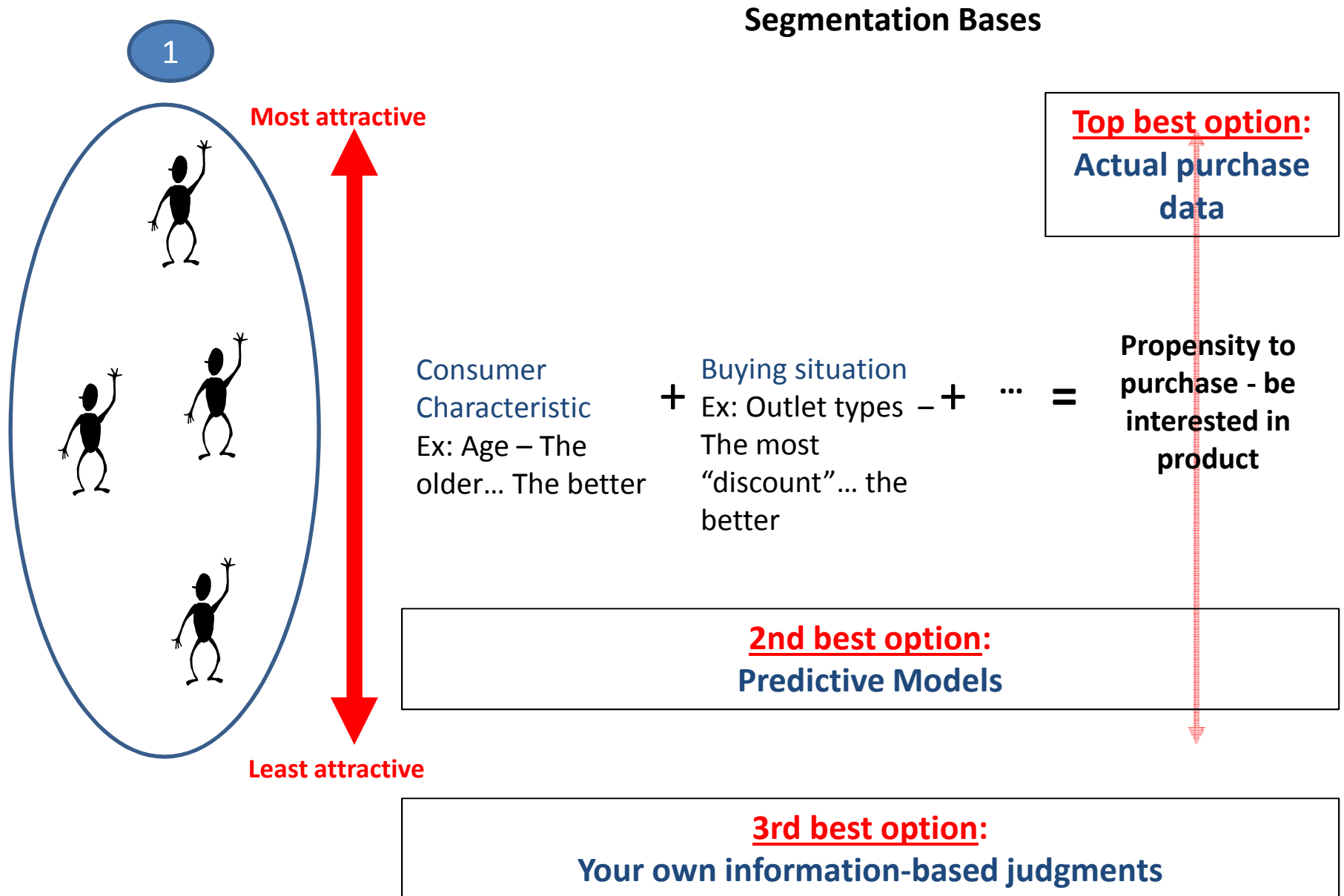


# 1) Defining your target market





# The Segmentation Logic



# Defining your segmentation base(s) in fashion/luxury



## Customer Characteristic(s)?

- Demographic
- Psychographic
- Socio-economic
- Geographic

## Buying situation?

- Behavior
- Outlet type
- Benefit
- Awareness
- Usage

# Defining your segmentation base(s) in fashion/ luxury

## BURBERRY



### Customer Characteristics?

- Demographic
- Psychographic
- Socio-economic
- Geographic

### Buying situation?

- Behavior
- Outlet type
- Benefit
- Awareness
- Usage

# Defining your segmentation base(s) in beauty



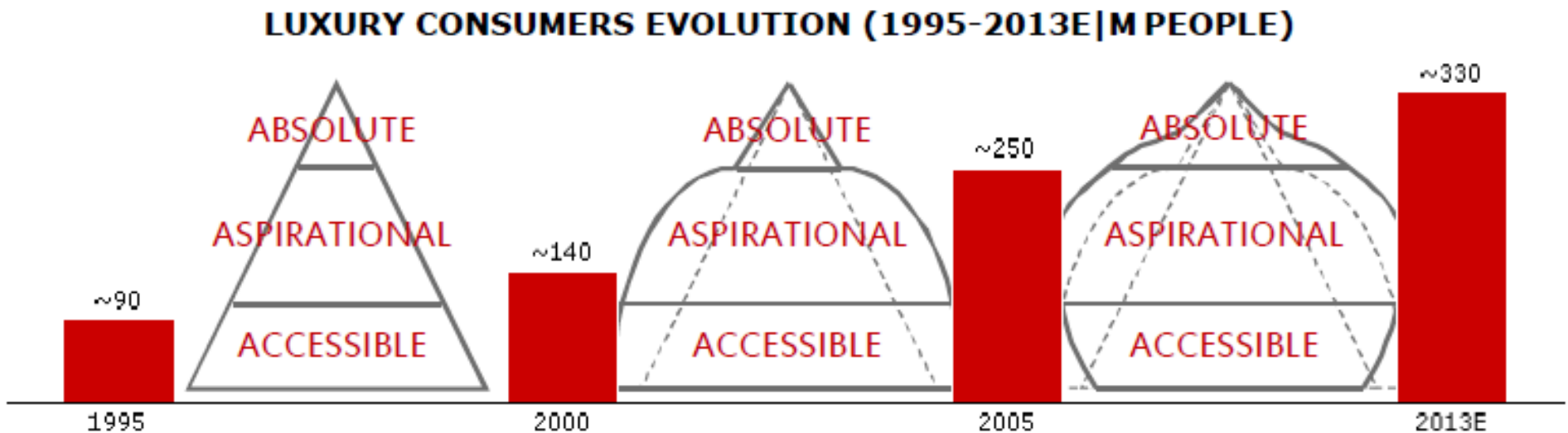
## Customer Characteristic(s)?

- Demographic
- Psychographic
- Socio-economic
- Geographic

## Buying situation?

- Behavior
- Outlet type
- Benefit
- Awareness
- Usage

# Choosing your (market) segments



(Source: Bains company)

# Choosing your (consumers) segments

7 key segments to describe worldwide luxury consumers



**Conservative**  
*I buy it safe*



**Opinionated**  
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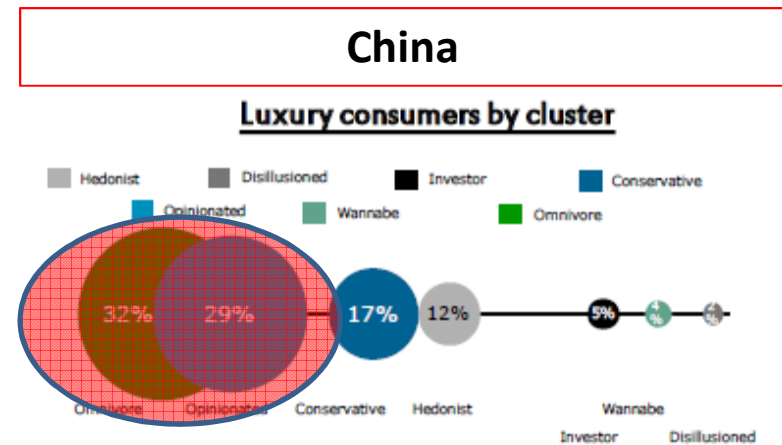
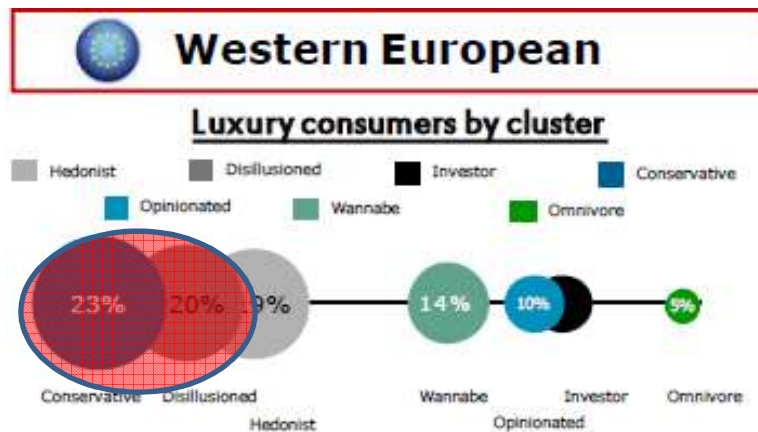
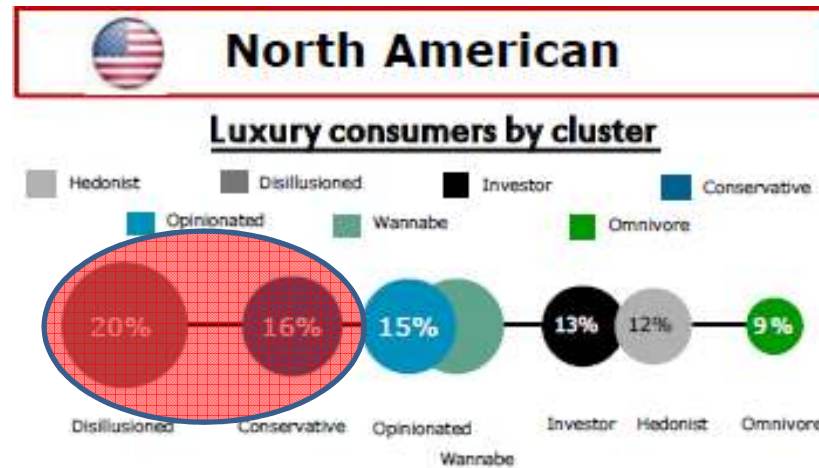


**Wannabe**  
*I desire it!*



**Investor**  
*It's worthy? I buy it!*

# Top US segments vs. other countries



(Source: Bain & Company)

# Workshop II - Time to work!

10 minutes

- In your table teams
  - For the **product or service** and the **country** that you have selected...
  - For the **marketing objective(s)** that you have chosen...
  - **Pick your target market**
    - **What segmentation base(s)?**
    - **What target? (Market segment and consumer segment)**

You will have to present a summary at the end!



## 2) Defining your Value Proposition

“Your unique competitive advantages set for your Top Target  
*against your top competition*”

Price

	More	Same	Less
More			
Same			
Less			

**Benefits**

Linked to:

*Features*

*Quality*

*Brand image*

*Customer service*

*Etc.*

**...Seminar goes over other aspects of the marketing plan including marketing communications...and leads to 2 more workshops.**

# Workshop III - Time to work!

10 minutes

- In your table teams
  - For the **product or service, country, marketing objective(s)** and **target market** that you have chosen...
  - Define your **specific competitors**
  - For that target and against those competitors, select your **winning**
    - **Value proposition**
    - **Positioning strategies mix**

**You will have to present a summary at the end!**

# Workshop IV - Time to work!

- In your table teams

*10 minutes*

- For the **product or service, country, marketing objective(s), target market, value proposition and positioning strategy** that you have chosen...

- Decide your **top communication methods & techniques**

*5 minutes*

**You will have to present a summary at the end!**