

A CASE STUDY ON GUCCI

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1. GUCCI



Article Overview

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- Conclusion

The fashion designer and company founder Guccio Gucci, who just used his name and turned the company into a family enterprise, launched Gucci in Florence, Italy in 1921 as a maker of leather products. The firm suffered a great loss in 1953 (the year he passed away), but it also had a great victory when they opened its first location abroad in New York City, where his son took over the business. Gucci has the most retail outlets of any luxury brand, with 520 locations globally, and the company went public in October 1995 for 22 dollars per share. It now has offices in Milan, Paris, London, Hong Kong, and New York City.

2. SWOT Analysis

2.1 Strengths

Gucci has succeeded in building a strong production chain for its suppliers and merchants. Gucci has indeed been effective in developing a strong and long-lasting brand awareness and brand image in the fashion business.

Gucci currently has over 400 direct owned stores and has grown its family to include over 10,000 employees globally. As part of its CSR endeavour, it has also worked with UNICEF. When it comes to luxury clothes, it will be at the top of everyone's mind because of its powerful or strong marketing and advertising technique. It delivers a wide range of products, including outfits, watches, wallets, and accessories.

2.2 Weaknesses

To keep and sustain its brand image, the corporation must make significant investments. The business has to suffer losses as a result of inexpensive knockoffs or phoney goods. The use of sexuality in the majority of their advertisements has drawn criticism of their marketing technique.

2.3 Opportunities

They can keep expanding and opening new locations since they have such a solid reputation and are so profitable. The business should consider entering emerging economies with strong development in the luxury sector, such as China, India, and many others. It should make investments in developing items and designs that will appeal to young consumers.

2.4 Threats

There are other premium brand options than Gucci, thus there is competition in the market, which limits Gucci's market share and potential for development. The firm is likely to be impacted by fluctuations, pandemics, recessions, etc. because of its global reach.

3. Marketing Objectives

Due to the superior quality of the items it offers, Gucci has a stronghold on the luxury market. A higher probability of success is provided by consistently offering fresh ideas and technologies. Luxury firms frequently launch fresh goods or designs to boost near-term sales.

3.1 Segmentation of customers

Gucci audience segmentation may be classified into three categories:

3.2 Demographic Mapping

Segmentation is the process of targeting the right audience terms of age, gender, income, career, and family status. As a response, Gucci sells both male and female items, regardless as to whether a target market is infants or seniors with a higher socioeconomic class.

3.3 Psychological Segmentation

Customers are categorised based on their attitudes and lifestyles using psychological segmentation. Because it primarily focuses on client lifestyle, this category is crucial for Gucci. Gucci's target clientele is mostly upper-class consumers, many of whom are celebrities whose purchasing habits are influenced by the social class or rank they occupy. The primary factors influencing buyers to purchase a product are its reputation and status.

3.4 Behavioural Segmentation

The client is motivated by loyalty and trust along with a great shopping experience since the brand has been able to construct a very high position in the market. With such a segmentation, consumers are classified depending on their buying habits, brand loyalty, and higher brand selections.

4. Positioning

It is known as a high-end fashion brand that creates garments, luggage, & footwear. The firm concentrates on introducing fresh trends and styles to its merchandise, however the buyer already perceives it as a rising fashion house. According to the organization, one of their core values is their "culture of invention and innovation."

5. Gucci's Competitors

Louis Vuitton –Louis Vuitton, also known as LV, founded the company in 1854. With a brand worth of \$47.2 billion, it is regarded as one of Gucci's main competitors.

Armani – Giorgio Armani launched the brand Armani in 1975. It can compete with Gucci because of its excellent product quality and brand reputation.

Prada- It was created in 1913 by Mario Prada. It manufactures many things below apparel, cosmetics, fashion, etc. And it is one of Gucci's main rivals.

Versace – Versace was established in 1978 by Gianni Versace. Their primary assortment includes leather and ready-to-wear items.

Domenico Dolce and Stefano Gabbana – Domenico Dolce and Stefano Gabbana founded Dolce & Gabbana (DG) in 1985. Then it sells the same stuff as Luxury brands and is recognised as among the top Designer competitor.

Balenciaga – Cristobal Balenciaga created it in 1919. It is renowned for making garments to order. It is also well known for its handbags and is regarded as Gucci's main rival.

6. Conclusion

The fashion business is moving at a rapid rate in order to fulfil the constantly rising needs of the sector and achieve its aims and objectives. All age groups of people consistently have a use for these industry items. To meet the expectations of the fashion business, Gucci combines cutting-edge features and aesthetics.

Given that the cost of such things might have been prohibitively expensive for others, Gucci concentrates on attracting affluent or middle-class clients. Promotional deals might be incorporated into Gucci's marketing plan, which would help the brand attract more customers. They can start generating sales of somewhere between 15 - 20 percent. Because it will not eat up a huge portion of the amount and will try to encourage inner-class as well as some smaller users.