

CHANEL

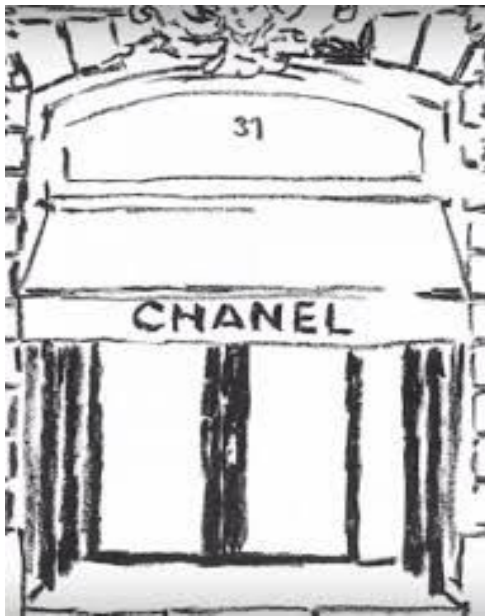


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Mission and Vision

“The Chanel company mission statement is: "To be the Ultimate House of Luxury, defining style and creating desire, now and forever." ... The visionary of the company is for fashion to be functional.”



Profile/ History

Gabriel Coco Chanel founded her brand in France 1910 (BOF Team, 2018). She began with a small boutique style shop mainly selling hats. Her lover at the time helped her get started with the shop and investments. She released her first sports wear collection in 1923. Chanel was one of the first designers of her time producing ready to wear collections. She loved the idea of being able to dress everyone and practicality. Some competitors of Haute Couture frowned upon the decision although in the long run it worked in Chanel's favor.

Chanel managed to become well known and famous for introducing the little black dress to the world, Chanel No 5 fragrance, the tweed suit, and the 2.55 quilted bag. The company is privately owned by Alain and Gerald Wertheimer. The headquarters will be located in London the company did have a headquarters in New York however, recently made a switch in 2018. Chanel has strategically chosen to not sell its ready - to - wear pieces, handbags, accessories, or shoes online. For them this is a marketing strategy, that seems to be working in their favor. In 2017 for the first time Chanel released there financial earnings and the company saw an eleven percent increase from the year before, and admitted that the bulk of the profits was from the beauty and fragrance line.

Swot:**Strengths:**

Chanel has many strengths, it is a brand that has been around for decades, introduced in the twentieth century. Being that the brand has been around for so many years, it is already established and well known. Almost everyone knows who Coco Chanel is, what the brand is, and what it sells. There is an automatic association with fashion, luxury, style and exclusivity when you hear the name Chanel. Another strength is that they have a very low ecommerce presence and are not known to do business online. This allows the brand to remain exclusive and luxurious. It also keeps the Chanel consumer interested, intrigued, and allows them to feel special in a sense. The absence of an online presence prevents knock offs, one of the major issues in the fashion industry.

Weaknesses:

Yes, being established and well known as a brand can be one of the biggest advantages but at the same time if your not strategic enough it can come as a disadvantage. The way of the world is changing, with technology and the generation shifts. Yes Chanel is established and well known, but mainly to a specific group of people. There is nothing wrong with Chanel being strategic and selective with who they target, and advertise to. However, with the generation shift and technology I think this becomes bigger than status and income. The Chanel consumer will always have to be a consumer of certain income bracket but just because the consumer may have the funds for the products does not mean they will be interested. Millennials are the consumers in charge right now and although there is a good percentage that may not be able to afford Chanel right now you would still like to stay connected to them for the future and even the generation behind them. I think that the brand is doing a good job with the social media presence and

remaining relevant. I think that the brand just has to make sure it remains modern but not lose its original sense to avoid being looked as boring, a thing of the past, or for older people.

Opportunity:

The brand can consider sustainable practices and let it be known to its consumers.

Sustainability, has been a major topic of discussion and is becoming more and more important to consumers.

Threats:

Some threats that the brand may face is that the world is getting smaller as we all keep hearing, because of technology and other factors. With that being said there is a stronger chance of maybe a certain group of people or celebrities misrepresenting the brand in the image of Chanel and over all. A smaller world in spite of Chanel's online absence for certain pieces, allows others to watch each other and copy, which can lead to knock offs. I feel that this leaves the brand with a bit of fear that the perception of the brand may slightly be altered.

As far as Chanel's brand portfolio I feel that they have a great mix and offering of products. One thing they can consider for 2020 is making exclusive limited amount or addition pieces. This can be with any of their products in any category. It would be about selecting the right category for the right target market.

Goals and Objectives

The focus for spring 2020 will be to push and enhance beauty products. As mentioned before Chanel's beauty and fragrance has had major contributions to the company's success and revenue. We want to enhance the make up formulas to make them as vegan and cruelty free as possible. The millennial consumer is very cautious about these issues, generation Z is as well and they now have spending power and make decisions.

Beauty is the specific focus because I feel it has a great area of opportunity. As mentioned before Chanel is an established luxury brand. Which is a great thing however, at the same time it may possibly not be. I know it may sound very contradicting, but such a status may scare off a group of possible consumers, who have potential. Eventually that strong clientele base will fade off because of natural causes, such as age and passing on. Again, I do not feel that Chanel has to worry much, being established and being able to remain exclusive and relevant in recent years. However, we have to look at figures realistically.

If beauty is bringing in most of the profits to the brand then there should be a focus on this area. It is a lower price point and it is understandable how it may not want to be the main focus or if that client may not be your priority. However, inviting in that entry level client and planting the seed of other Chanel products, what's offered and the possibilities is not harmful at all. The generational and societal shifts have to be considered. Many speak of millennials for example how they tend to live at home longer. Although all other life and world factors that are very different from previous generations and eras are not considered, not to make excuses for any generation. Point being of the example is the current consumer with the power may need a

little time to warm and become established. Or maybe Chanel literally needs to invite this client in because there are a lot of other options and maybe this consumer is frankly not that interested.

I feel that the brand has nothing to lose to try and strengthen this area.

Spring 2020	Action
January	Introduce Makeup insta ad with celeb
February	Makeup services provided in store
March	Focus on vegan/ cruelty products
April	Push spring makeup (tones/palette
May	Mothers Day ads/ campaigns
June	Introduce vegan products

Work Cited

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