

**ALMA MATER STUDIORUM - UNIVERSITA' DI BOLOGNA**

**SCUOLA DI LETTERE E BENI CULTURALI**

Corso di laurea magistrale in

**Scienze della Comunicazione Pubblica e Sociale**

Titolo della tesi

**Marketing Strategies of Italian Fashion Brands in China. Case Analysis**

Tesi di laurea in

**Models of Marketing**

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Sessione

**Terza**

Anno accademico

**2014-2015**

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## **Introduction**

Over the last thirty years, China has overtaken Japan as the world's second largest economy. Owing to its high development rate, China has become important to many foreign brands as an emerging market. In the contemporary era of globalization, the internationalization of an enterprise has become a common pattern in the modern world competitive environment. Due to this circumstance, more and more Italian fashion brands have entered into the Chinese market, seeking for business opportunities; most of them are luxury brands that have already been presented in the other foreign markets. However, in recent years, these brands have had to face a heavy blow due to the decline of Chinese economic growth, the anti-corruption measures taken by the new administration, as well as the consumers' deepening understanding of luxury which results in rational consumption. In China, specific marketing strategies are required to deal with the characteristics of the market, and the local consumption patterns. This research aims to explore which marketing strategies the Italian fashion brands could implement in the Chinese market by studying the case of Armani. As a symbol of Italian fashion, Armani is one of the very first brands which have made its way into the market of China. During the 17 years, Armani has adapted to the market perfectly and achieved success, in the meanwhile, the brand is also facing new opportunities and challenges.

Chapter 1 introduces the definition of Fashion and Fashion industry, analyzes the development of the fashion market and fashion industry in China by studying the political, economical, and social background of three different periods after the establishment of the new republic, to understand the characteristics of fashion industry, the segments and trends of fashion market, as well as the consumption patterns and behaviors of the mass public.

Chapter 2 focuses on the rise of Italian fashion, along with its performance, and influence in China.

Chapter 3 studies the luxury market in China, since most of the product lines of Armani are performing in the high-end market, studying the microenvironment where they are staying could help to understand better the marketing strategies of the brand. Chapter 4 is divided into two parts, the group Armani and its development in China, to study the history, culture of the brand, as well as its connection with the Chinese market.

Chapter 5 is the case study, which analyzes the main marketing strategies that Armani has taken in China, first of all, I have used the theory of SWOT to know the strengths, weaknesses of the brand as well as the opportunities, threats it's facing in the Chinese market, and the theory of marketing mix, the 4Ps to the general strategies being utilized in four essential sections, and then the particular marketing strategies have been studied thoroughly.

Chapter 6 summarizes the highlights, which have determined Armani's success in China, and puts forward several suggestions for improving the strategies, in order to capture the new opportunities in the market.

## **Conclusion**

Armani has gained success in the Chinese market for the last 17 years, the highlights of its marketing strategies could be good examples for the other Italian brands which have already run the business in this market or the brands that are preparing to make its way to China. However, facing the new challenges and opportunities, Armani also needs to improve the strategies continuously.

### **6.1. Highlights of Armani's marketing strategies in China**

Generally, the highlights of Armani's marketing strategies are as follows:

#### 1) Wide coverage of terminals and channels of communication

In the Chinese market, Armani has applied different campaigns and marketing strategies in various channels, and almost all of the opportunities for channels of communication are utilized. In the meantime, Armani also dedicates attention to various terminals, especially the mobile devices. By using these terminals effectively, Armani is able to build a positive reputation in this market and to demonstrate the importance of communication by reaching a wide range of consumers.

#### 2) Innovative forms of communication

Every brand in the market aims for innovation through complexity. The goals are to cultivate and promote creativity, both in design, and the process of buying, selling and demonstrating the value of the products. The success of Armani clearly illustrates this fact. For example, broadcasting collections live on the internet for the very first time was a creative and innovative decision, as this (at the time) new form of communication could attract much attention from the public, by reaching a wide audience. Creativity gives wing to marketing and inculcates the elements of color and success into a brand. The success of the live stream broadcast on Sina Weibo in 2012 for the big event One Night Only in Beijing, without a doubt, has shown that the diversity and innovation of the brand's marketing activities and forms of communication have left a new impression that is quite different from the one remembered by the public in the past.

#### 3) Sensitivity to trends, and a rapid response rate to change

Armani is very sensitive to the trends of the market, the demands of consumers, and is able to respond rapidly to evolving trends. While other luxury brands are still holding out, Armani has already realized the potential of the online market in China, and thus launched an online store offering products from all collections, as well as special discounts for online shopping. The sensation of the market has contributed to its success. When a product or a service doesn't really match the taste of the consumers, Armani adjusts the strategies promptly, based on customer response. For example, in the first Beijing boutique, located in the Palace Hotel, which opened its doors in October 1998, black granite floors were featured, as well as rice-colored walls and fitting rooms with red doors, with each area divided into different categories of merchandise. However, the Chinese consumers seemed to desire something more unique and typically Armani, rather than a quotidian aesthetic endemic to their cultural milieu, effectively staging the designer's boutique as separate and removed from their everyday. Therefore the boutique was refitted soon after, to mirror more exactly the so-called authentic Armani aesthetic showcased in the original Milan boutique.

#### 4) Promotion beyond the fashion brand, to the lifestyle of Armani

Armani's product lines are involved in all aspects of life, and all the necessities: eating (Armani Café, Armani Dolci), clothing (multi brands), living (Armani Casa, Armani Fiori) and traveling (Armani Hotel and Mercedes designed by Armani). Besides, Armani also does crossover cooperation with other industries like technology, autos, etc. All these lines insist the philosophy of the brand: simple, modern, elegant. It is quite possible for a person to live a life with Armani products, he could dress in Armani, lives in an apartment with Armani furniture/decoration, drinks Armani coffee, and even drives a car with an inner design of Armani. Armani is no longer a fashion brand, but a lifestyle brand, it offers a complete lifestyle experience.

#### 5) Localized products and experiences

Localized products and experiential marketing can reduce the sense of distance between the foreign brand and the local consumers; Armani is adept at localizing both. For instance, Armani from time to time releases a special edition item for festivals

with traditional elements of China, such as the latest limited edition powder with the Chinese letter 'Fortune' on the packaging, and a figure of a monkey on the powder as a tribute to the year of monkey. In addition, Armani released a limited edition men's watch, on which the number eight is emphasized as it has the meaning of 'making money' and 'obtaining fortune' and is always used as a blessing in Chinese culture.

## **6.2. Suggestions for the improvement of marketing strategies in China**

### 1) Be more interactive with the local hot issues, and create topics

Judging from the performance and grade of activity of Armani on social media, it is not so interactive with the local hot issues on the internet, and not overly effective at creating topics. There are some missed opportunities, which could have been utilized by Armani, such as the wedding of George Clooney, the ceremony of Impossible Mission, or the wedding of Beatrice and the prince of Monaco. Armani is often worn in these big ceremonies, and these events are discussed extensively on social media, yet the clothes of Armani haven't been mentioned much, which indicates that in the future, Armani should find a way to better utilize these opportunities for marketing purposes. For instance, at the end of 2015 an article regarding Kate Blanchet in her latest film as a lesbian character was reposted frequently on social media. The diversity of characters she has portrayed, her unique charm and beauty were highly appreciated by both men and women. Armani could have seized this opportunity to post their official video for the perfume Si in which Kate Blanchet has showed her various features, to remind the public of this product while she was in the spotlight.

### 2) Storytelling on products and application of local campaign

Storytelling is a method of building strong relationships with customers and a thriving community of loyalists over time. This method is often used by Armani, such as the campaign for Acqua di Giò and the new Frames of Life. The brand pushed its lifestyle and eyewear in the latest campaign, which brings together the stories that happen in different cities, by cooperating with various famous film academies. These sweet stories are combined perfectly with the atmosphere of these cities as well as personal memories. New components are added into Frames of Life throughout the years, such as encouraging consumers to upload images of themselves wearing their



favorite sunglasses, encouraging international fashion bloggers and fans to create short videos on mobile video-sharing application VideofyMe with its own branded filter, and cooperating with film academies to make a series of short films telling the stories happening in various cities. However, the campaign is not widely communicated on social media in China. First of all, the topic Frames of Life remains in English in the commercials, with little explanation, which makes it difficult for fans to understand what the campaign is about. On Sina Weibo as well as Wechat, fans who have read the articles which contain keyword 'Frames of Life' are less than 2000. The main reason may be that the local campaign is not actually promoted with effort, therefore the local consumers are not engaged, and they don't have a real emotional connection with the stories. Also, the visual stories, the short films of cities, do not have Chinese titles... although they are amazing, the lack of translation brings difficulty of understanding. Armani could cooperate with local applications or bloggers to launch similar campaigns as they have done in the other countries, to make the consumers feel more involved.

### 3) Local celebrities

Topics related to celebrities easily become hits and have a huge influence on consumers. In the series of topics by Armani, the #Famous stars with the Armani hashtag have obviously gained the highest popularity. However, the engagement of fans is less compared to Gucci, due to the fact that Gucci often integrates with young idols who have a larger fan base. In the cooperation with celebrities, Armani should consider the most popular young idols for attending ceremonies or events wearing the collections targeting at the young generation.

### 4) Update of information and details of various platforms

The online store is certainly the highlight of Armani's strategy in China, but lately, the management of the website is rather loose. For example, the store locator, which is vital for helping the consumers find offline stores, is a mess. If the city is set as Shanghai, there will be six results, yet all their locations are the same on the map. When Armani Charter House was in the Bund Waitan before 2013, there was also Armani Fiori and Armani Dolci in this flagship, yet after it moved to a nearby

commercial center, there was no further information about it.

Armani should update the information on its online store, which serves also as the official website in China, and focus more on the details.

5) Being more concise and focused in the communication

Generally, the communication of Armani in China in different channels, especially those online, bears one weakness, which is not enough emphasis on the main concept.

When the football team Bayern Munich visited China, many fans were crazy. As the group Armani is a sponsor of the team, three players shot a series of photos in Armani suits for a fashion magazine, *Ellemen*, at Beijing. By collecting the posts in the month during which the issue was released, there are several responses: the football fans claim it's the first time they bought a fashion magazine, because they wanted to see the photos of players; yet the devout readers of this magazine barely knew who these players were and simply skipped the pages where were their shots. It seems that Armani should pay more attention of choosing to right channel to deliver the messages to the exact target who may interest in.

In the titles of emails, of articles or subscriptions on Wechat, and in the messages of posts on Sina Weibo, it is hard to decipher the keywords soon after reading. In this era when netizens are easily buried in information, emphasizing keywords is essential.

With the various sub-brands, it is a challenge for Armani to send a clear message indicating different styles and product lines clearly in various channels. It is better to review the trends of different age groups, to understand their preferences through market researches or data analysis via the social media accounts, to know how they receive information and what kind of information could draw their attention, then make necessary adjustments by dividing the consumers into different groups as well as sending customized information and messages related to the brand to raise their interests. If they find they can always get the information they want to know, they will keep paying attention to the brand.

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