

Marketing Fundamentals

Analysis and Evaluation

Assessment 1



CHRISTIAN DIOR – MARKETING ANALYSIS

(INDIVIDUAL ESSAY)

LECTURE NAME –TUSHARA BALENDRAN

STUDENT NAME AND NR. :ANASTASIA SANDU (1915950)

INTRODUCTION:

Marketing is important in society as it allows companies and individuals to sell products and services. For any business to make cash, marketing is a vital channel to attain the goal. While marketing, companies use different strategies to ensure they create value for their consumers. Therefore, companies employ many strategies that form the marketing process, which allow them to create good relationships with their consumers. Moreover, the companies participate in different processes such as pestle and SWOT analysis, which allow them to understand their potential. Also, the companies involve themselves in a set of actions known as the marketing mix, which allows them to promote their products and brands (Ganesha & Aitha, 2020). In today's society, the marketing mix includes other P's such as positioning and packaging. All these processes allow the company to market itself in an appropriate manner to the consumers. In the paper the chosen company that would showcase the different process is Dior.

Marketing is an important business function that deals with customers. According to Kotler and Armstrong (2016), marketing is the process in which businesses can create value for their customers and create strong customer relationships for their business to gain value from the customer's in return. Therefore, marketing aims to keep and grow current customers by ensuring they are satisfied. Hence, marketing is critical for every organization's success, from large for-profit firms such as Microsoft to non-for-profit organization like schools (Kotler & Armstrong, 2016). For a company to achieve the goal of marketing, it has to follow the marketing process. The marketing course is a sequence of steps that allow businesses to understand the consumers, create value, and build a strong customer relationship (Thabit & Raewf, 2018). Five steps are contained in the process which include understanding the needs of the consumers, designing a

strategy, constructing an integrated marketing plan, building profitable relationships and capturing value from the consumers. The marketing process's main stages include the company's mission statement, situational analysis, objectives, strategy, implementation, and control.



Figure 1: Marketing Process

In the marketing strategies, all the main stages work with one another. The mission statement of the company is a component that drives the business and its values (Bowen , 2018). As a result, the mission statement guidelines all the other stages of the marketing process since all the activities have to relate to the company's mission. After understanding the mission of the

company, the next step in the process is the situation analysis. Situation analysis refers to methods that tend to be utilized by managers to analyze the internal and external environment of the company (Strakova et al., 2018). As a result of conducting a situation analysis, the management would understand the organization's business environment, customers, and capabilities. The company's marketing objectives are what the business sets to achieve from its marketing activities after understanding its capabilities. After coming up with the objectives, the next step is the marketing strategy, which refers to the company's overall plan to reach its consumers, which tends to contain the company's value proposition, target customers, and other elements. Finally, the implementation and control are the stages that ensure the achievement of the company's strategic objectives.

7 P's of Marketing

Once companies come up with a marketing strategy, the 7P's formula is used to evaluate and reevaluate the company's business activities continually. The seven P's include product, promotion, process, physical evidence, people, place, and price (Loo & Leung, 2018). The seven elements are part of the marketing mix. The mix tends to place business in the market strategically and can be utilized with different levels of force. The placement ensures that the target audience of a business is satisfied, the perception of the value is accurate, and the business stands out from the competition. When the P's are implemented correctly in a company, they result in the company benefiting from the strategy.

Product

The first P stands for the product. As it can be easily depicted, the first P stands for the products or services that a business is offering (Loo & Leung, 2018). When focusing on the

product, a lot of attention is paid to the needs of the consumers and the purpose of the services, and if they fulfill the consumers' desires compared to the competition.



Price

The price component encompasses the whole pricing methodology that is placed on the company's services and products and how the consumers would react. Additionally, the segment goes beyond the selling prices that the company sets for the consumers (Loo & Leung, 2018). The segment includes terms, fees, and even discounts. When the pricing is being arranged, the company's current position among its competitors should be considered. If a company advertises itself as having quality products, they should be portrayed in the company's pricing.

Promotion

The promotion component of the 7P's is the act of marketing to the consumers. Therefore, the P is responsible for ensuring that the company's product is known via advertising to the public (Loo & Leung, 2018). It is essential when it comes to ensuring that the company can acquire new customers and increase its sales.



Place

The place component covers many locations, including where the product is sold, viewed in advertisements, made, and dispersed. As a result of this P, the company has to ensure that its consumers can easily find their services and products (Loo & Leung, 2018). Moreover, the product needs to be accessible for the customers at the correct location and time.



People

People in the 7P's do not include the people they are selling to or advertising only. The component also entails the customer services team, staff, and any individual involved in the sales and marketing process (Loo & Leung, 2018).



Process

The step involves the act of delivering services or products to consumers. Maps should be made available to outline functions, processes, and tasks. Such a strategy ensures that the different processes that the company engages in can run smoothly (Loo & Leung, 2018). The process has to be checked to ensure that they are simple and increase its ability to generate revenue.

Physical evidence

When consumers make purchases, they should always receive something physical to validate their purchases. Individuals like to receive something that would evoke their senses and confirm that they have indeed purchased a product (Loo & Leung, 2018).



Segmentation, targeting, and positioning

The company Dior utilizes a mix of psychographic, behavioral, and demographic segmentation strategies to make its products and services available to its target market. The founders launched the company with the aim to satisfy the sense of high-class people (Darbinyan , 2020). When it comes to the company's demographic, it targets consumers who are found between the ages of fifteen to forty years. Its consumers' psychographics is mainly individuals who are tasteful and found within the middle and high class. Additionally, in targeting the company applies differentiated targeting strategies in order to attract and promote its products to the segment found within its segment. Such consumers are attracted to the company as a result of its positioning. The company has been successful in positioning itself as a brand with a very rich heritage while still challenging the status and trends in the fashion industry in modern society.



Porters 5 forces model

Bargaining power of Buyers

The bargaining power of the buyers is low when it comes to the company Dior. The company Christian Dior tends to be focused on their products rather than the market. The products it produces are a luxury and high-end products. As a result of the company's products, it has its customer base who are willing to buy their products despite the prices they use (Baer, et al., 2018). The presence of such consumers allows the company to gain an upper hand over its consumers.

Bargaining Power of Supplier

The bargaining power of the supplier is low. The company Christian Dior is being in the fashion industry; it has very few competitors. As a result of its industry, it means that the company would need materials such as original leather, which has few buyers who are never disclosed by the companies (Webb, 2017). Therefore, the company has more control over the prices.

Threats of new entrants

The threats of new entrants towards the company are low. The fashion industry is saturated with luxury, local, and niche brands (Baer, et al., 2018). Therefore, it has become mandatory for new entrants in the industry to always prepare themselves to face the existing brands in the industry. Additionally, it would be difficult for the new companies to gain the trust of the consumers in a short time as they compete with the already existing rival brands such as Christian Dior. In order for the new entrants to grab the market, they have to come up with more differentiated products.

Threats from the substitute products.

The threats from substitute products including counterfeit products are medium towards Dior (Purwanto et al., 2019). The threat is moderate as the company is involved in the manufacturing and retailing of its products. Moreover, the company is diversified and does not only make one product since it produces makeup, jewelry, etc. However, the company's threat is the probability of losing its customers to other brands or rivals. As a result, the company has to ensure it engages its customers in order to build a strong and loyal customer base.

SWOT analysis

Strength

- Parent company

The company Dior is forming the Christian Dior, which owns luxury brands such as LVMH and jewelry brands such as Hublot (Jingjing et al., 2015).

- Strong Branding

The brand has strong visibility among its consumers and its social media presence. Additionally, associating itself with brand ambassadors such as Johnny Depp and Rihanna contributes to its presence (Hobdy , 2015).

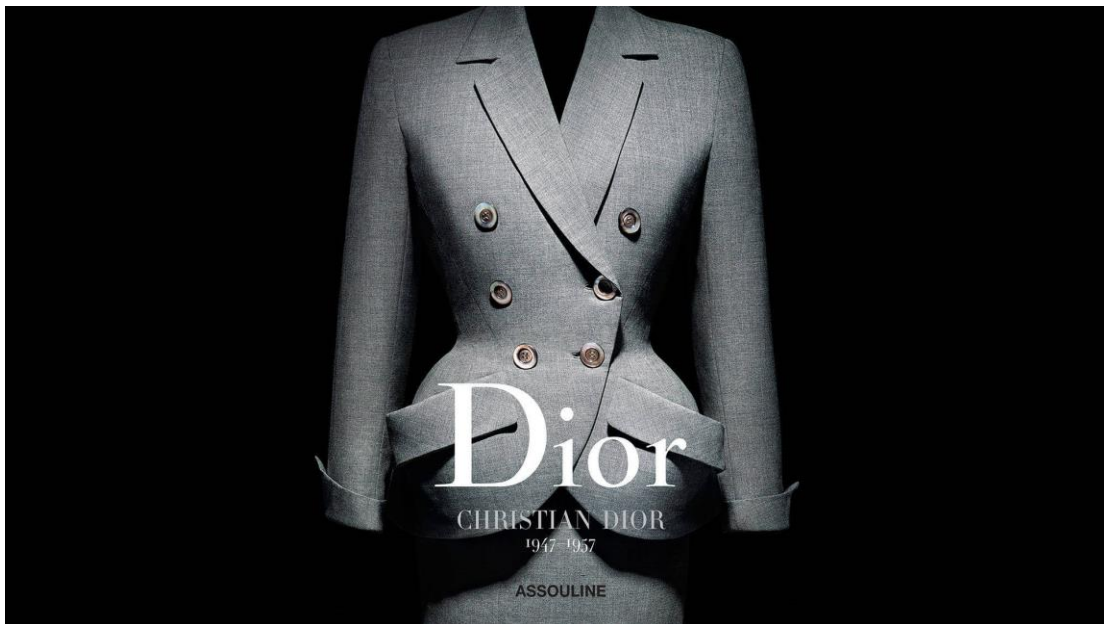
Weakness

- Seasonality

The company's activities are subject to seasonality, which affect its demand, which compromises its business earnings and volume (Gazzola et al., 2020).

- International Exposure

The company Dior is in around sixty countries (Denis, 2017). As the company is present in many countries, it faces the risk of economic changes and workforces' structure in different countries.



Opportunities

- Demand for premium products

There has been an increased demand for premium products, and penetration to such markets is the only way to maintain a competitive market (Purwanto et al., 2019).

- Limited reach to nations

The parent company is in about thirty-five markets (Denis, 2017). Therefore, Dior has an opportunity to enter into new markets that would allow it to go ahead of the competition.

Threats

- Competition in the market

The fashion industry is facing competition from many local and national players who deal in the same industry (Gazzola et al., 2020).

- Counterfeit Products

The local players in the industry tend to imitate the styles and designs of brands such as Dior, which is a threat as it results in erosion of the value of the brand (Purwanto et al., 2019).

Porters 5 forces and SWOT Analysis

Porter's forces and SWOT analysis are both tools that are used in analysis and making strategic decisions in companies. Analysts and investors use Porter 5 forces to analyze the competitive environment that is the industry (Varelas & Georgopoulos, 2017). However, when it comes to an understanding the organization's internal potential, a SWOT analysis is utilized to allow the look deeply into the organization (Nazarko, et al., 2017). Both models, however, try to define the company's position when it comes to its market. Therefore, the tools can be used to create the strategic planning of an organization allowing it to be successful. The advantage of utilizing the Porter five forces model is that it allows a company to keep up to date with its competitors and what they are doing. Therefore, it allows the company to understand what to avoid and what it should be doing. One of the method's weaknesses is that it contains blind spots;

thus, it cannot accommodate changes such as rapid technological developments and globalization. When it comes to SWOT analysis, one of its benefits is that it allows companies to process large amounts of data and grasp the overall situation. However, the method has a disadvantage as it oversimplifies data, which may result in important issues not being addressed.

Conclusion and Recommendation

The company Dior being a leading luxury brand, has a lot of advantages over the fashion industry. However, it faces some challenges that it needs to address in order to remain at the top, such as the threat of competition and seasonality in the market. The issue can be addressed by the company diversifying its products. Diversification would allow the company to meet consumers' increasing demand for premium products that the company offers. Moreover, it would increase its sales volume and stay ahead of its competitors in the same industry. Also, as technology continues to advance, the company should engage its consumers using methods such as virtual reality (Gazzola et al., 2020). Engaging with its consumers in such a manner would allow the company to increase the company company's online sales. As a result of the utilization of technology, the company would also reach more countries than relying on brick and motor buildings to interact with its consumers worldwide.

In conclusion, the role of marketing in society cannot be underestimated. As a result, the companies pass through the different stages of the marketing process that allow the company to stand out from the competition. The companies' marketing process begins with the companies' mission statement, which guides all the other processes to align with the company's values. The process is further strengthened with the use of situation analysis strategies such as the SWOT analysis and Porter's five forces. The strategies allow companies and managements to assess their

situation to develop and implement strategies that would allow them to market themselves in an effective manner. Their potential can be clearly showcased with the company Dior's assessment, which can utilize the feedback to improve their performance in the market by diversifying. Additionally, all these strategies would contribute to the marketing mix as they would allow the organization to come up with strategies that would improve its prices, products, promotion, and place.

References

- Baer, T., Coppin, G., Porcherot, C., Cayeux, I., Firmenich, Sander, D., & Delplanque, S. (2018). "Dior, J'adore": The role of contextual information of luxury on emotional responses to perfumes. *Food Quality and Preference*, 36-43.
- Bowen, S. A. (2018). Mission and vision. *The international encyclopedia of strategic communication*, 1-9.
- Darbinyan, M. (2020, May 18). *Target Markets of Dior and Chanel*. Retrieved from The Social Grabber: <https://thesocialgrabber.com/target-markets-of-dior-and-chanel/>
- Denis, P. (2017, July 3). *Dior fashion show celebrates 70 years of traveling spirit*. Retrieved from Reuters: <https://uk.reuters.com/article/us-fashion-paris-dior-idUKKBN19O22E>
- Ganesha, H. R., & Aitha, P. S. (2020). Establishing True Lifestyle Brand in India: An Integrated Marketing Mix Framework. *International Journal of Management, Technology, and Social Sciences (IJMTS)*, 5(1), 261-284. Retrieved from <http://doi.org/10.5281/zenodo.3901365>

- Gazzola, P., Pavione, E., Pezzetti, R., & Grechi, D. (2020). Trends in the Fashion Industry. The Perception of Sustainability and Circular Economy: A Gender/Generation Quantitative Approach. *Sustainability*,.
- Hobdy , D. (2015 , March 15). *Rihanna Becomes First Black Ambassador of Dior*. Retrieved from Essence: <https://www.essence.com/news/rihanna-becomes-first-black-ambassador-dior/>
- Jingjing, Z., Jinhua, R., & Shouzhong, H. (2015). Dior Product Mix Analysis Research. *Journal of Human Resource Management*, 3(4), 31-41.
- Kotler, P. T., & Armstrong, G. (2016). *Principles of Marketing* (16 ed.). Pearson.
- Loo, P. T., & Leung, R. (2018). A service failure framework of hotels in Taiwan: Adaptation of 7Ps marketing mix elements. *Journal of vacation marketing*, 79-100.
doi:10.1177/1356766716682555
- Nazarko, J., Ejdys, J., Halicka, K., Magruk, A., Nazarko, Ł., & Skorek, A. (2017). Application of enhanced SWOT analysis in the future-oriented public management of technology. *Procedia Engineering*, 482-490.
- Purwanto , P., Margiati, L., Kuswandi , K., & Prasetyo, B. (2019). Consumer motives for purchasing counterfeit luxury products: behind the status signaling behavior using brand prominence. *Business: Theory and Practice*, 20.
- Strakova, J., Pártlová, P., Dobrovič, J., & Váchal, J. (2018). Situational analysis and its role in the process of strategic business management. *Polish Journal of Management Studies*.
- Thabit, T. H., & Raewf, M. B. (2018). The Evaluation of Marketing Mix Elements: A Case Study. *International Journal of Social Sciences & Educational Studies*, 4(4).

Varelas, S., & Georgopoulos, N. (2017). Porter's competitive forces in the modern globalized hospitality sector—the case of a Greek tourism destination. *J Tour Res.*

Webb, J. (2017 , April 24). *Report Finds Fashion Supply Chains 'Not Transparent': Dior, Prada And Giorgio Armani In Bottom 10%*. Retrieved from Forbes:
<https://www.forbes.com/sites/jwebb/2017/04/24/report-finds-fashion-supply-chains-not-transparent-dior-prada-and-giorgio-armani-in-bottom-10/?sh=3451ff4f20ef>