



CHANEL

Vanessa Nefve

Background and Mission

CHANEL IS A HIGH FASHION BRAND THAT FOCUSES MAINLY ON HAUTE COUTURE, READY TO WEAR CLOTHES, LUXURY PRODUCTS, AND FASHION ACCESSORIES. FAMOUS FOR REVOLUTIONIZING WOMEN'S FASHION AND INTRODUCING TIMELESS ELEGANCE AND STYLE. FOUNDED BY THE STYLISH GABRIELLE COCO CHANEL.

CHANEL'S MISSION STATEMENT IS, "TO BE THE ULTIMATE HOUSE OF LUXURY, DEFINING STYLE AND CREATING DESIRE, NOW AND FOREVER."

THE MISSION OF CHANEL'S "LOOK" HAS ALWAYS PORTRAYED AN IMAGE OF ELEGANCE, GRACE, AND STYLE FROM THE BEGINNING OF THE BRAND UP UNTIL TO MODERN TIMES. THE VISION OF THE COMPANY WAS FOR FASHION TO BE FUNCTIONAL. THE COMPANY WAS SHAPED ON COCO'S TERM OF RESHAPING FEMININITY FOR WOMEN OF HER TIME. CHANEL CONTINUES TO INSPIRE WOMEN WITH A TIMELESS TASTE OF FASHION, ALTHOUGH A WOMEN WHO HAS NEVER OWNED A CHANEL ITEM IS PROBABLE TO HAVE SOMETHING INFLUENCED BY THE ICONIC BRAND.





The Chamellia

THE CHAMELLIA BECAME COCO'S ICONIC SYMBOL AND WAS ONE OF HER RECURRING ELEMENTS OF HER STYLE. IT BECAME A MOTIF, ORNAMENT, AN ACCESSORY, AND STYLE TRADEMARK OF THE CHANEL BRAND. IT HAS MADE IT'S WAY ON TO EVERYTHING ON THE CHANEL BRAND FROM SHOES TO WATCHES.

"There are a hundred ways to wear a flower" -Coco Chanel

TIMELINE

CHANEL IS A HIGH FASHION BRAND THAT FOCUSES MAINLY ON HAUTE COUTURE, READY TO WEAR CLOTHES, LUXURY PRODUCTS, AND FASHION ACCESSORIES.



1883

Birth of Gabrielle "coco" Chanel in Saumur, France. Raised by nuns in orphanage, where she learned to sew at an early age

1910

Gabrielle Chanel opens her first shop at 21 Rue Cambon in Paris, making hats

1913

Gabrielle Chanel opens a new boutique in Deauville, France and introduces a collection of sportswear. Her line of jersey garments was revolutionary, changing women's relationship with their bodies and way of life. It was an immediate success.

COCO CHANEL



Gabrielle Bonheur "Coco" Chanel (19 August 1883-10 January 1971) was a pioneering French fashion designer whose modernist philosophy, menswear-inspired fashions, and pursuit of expensive simplicity made her an important figure of 20th century fashion. She is the founder of the infamous fashion brand Chanel. Her extraordinary influence on fashion was such that she was the only person in the couturier field to be named on Time 100: The most Important people of the Century. She was the very first fashion designer to send a woman down the runway in pants, and demonstrated that trousers were an option for women.

"The best things in life are free, and the second best are very expensive" -Coco Chanel

TIMELINE



1915

Gabrielle Chanel opens her first couture house in Biarritz, France

1918

Gabrielle Chanel opens her couture house at 31 rue Cambon in Paris

1921

Chanel No.5 comes out, becoming the best selling fragrance in the world. The name NO.5 came from her superstitious virtues of the number 5. It was also the fifth sample provided to her and the simple name stuck.

N.05



Chanel No.5 is released as her first fragrance and is quickly the best selling fragrance in the world.

The name No.5 came from her superstitious beliefs in the virtues of the number 5

In 1954 Marilyn Monroe famously answered the question "what do you wear to bed?" - "just a few drops of Chanel No.5"

Because of this interview popularity grew but the perfume lost its exclusivity so it was reinvented and made widely less accessible

TIMELINE



1924

Chanel presents its first makeup collection, featuring lip colors and face powders.

1924

On a trip to Scotland, Gabrielle Chanel discovers tweed, a traditionally masculine fabric which inspires her iconic women's suits.

1926

Gabrielle Chanel creates the iconic "little black dress". a style whose daring simplicity revolutionizes fashion.

The Little Black Dress



Chanel is also known for popularizing the little black dress

She created the chic silhouette after mourning the loss of a lover

The LBD is now a closet staple for all occasions.

Other designers had worked on black dresses before her, but none had turned them into a concept, nor made them suitable for cocktail or evening wear.

It was "little" because it was discreet yet essential, minimalist yet elegant, obvious yet sophisticated.

A woman dressed in black draws attention to herself, not her dress

"DRESS WOMEN IN BLACK OR WHITE AT A BALL. THEY WILL CATCH THE EYE"

TIMELINE



1927

Creation of the first line of skincare.

1931

At the personal request of Samuel Goldwyn, Gabrielle Chanel goes to Hollywood to create outfits for the leading stars of the silver screen.

1932

Gabrielle Chanel presents "Bijoux de Diamants," A dazzling exhibition of fine jewelry, staged in honor of the diamond in her private residence in Paris.

TIMELINE



1945



WW2 breaks out, compelling closures at the house of Chanel. Among the five boutiques on Rue Cambon, only one remains open: Perfumes and Accessories continue to be in high demand among Parisians and soldiers alike.

1954

At the age of 71, Gabrielle Chanel stages the grand re-opening of her couture house. Tired of the fashions of the time, She inspires a second fashion revolution with her original creations.

1955

Gabrielle Chanel launches the iconic 2.55 quilted handbag, naming the style after the date of creation. Combining leather with a gold chain, she invents a supple new style of shoulder strap that is uniquely strong and light, and that allows a woman's hands to remain free.

TIMELINE



1957

Gabrielle Chanel creates the legendary two-toned slingback shoe.

1971

Gabrielle Chanel dies on January 10th.

1978

The house of Chanel expands with the introduction of its first ready-to-wear collection and the worldwide distribution of its line of iconic accessories

1983

Karl Lagerfeld is appointed artistic director for Chanel Fashion, Designer of all Haute Couture, Ready-to-wear, and accessory collections.

Karl Lagerfeld



A German designer who was the successor of Gabrielle Chanel herself. He was the head of the iconic fashion house for over thirty years. Karl Lagerfeld reinvented the brand's codes created by Gabrielle Chanel: the CHANEL jacket and suit, the little black dress, the precious tweeds, the two-tone shoes, the quilted handbags, the pearls and costume jewelry.

REGARDING GABRIELLE CHANEL, HE SAID, "MY JOB IS NOT TO DO WHAT SHE DID, BUT WHAT SHE WOULD HAVE DONE. THE GOOD THING ABOUT CHANEL IS IT IS AN IDEA YOU CAN ADAPT TO MANY THINGS."

TIMELINE



1987



The first line of Chanel watches is launched with the creation of the premier watch.

2009

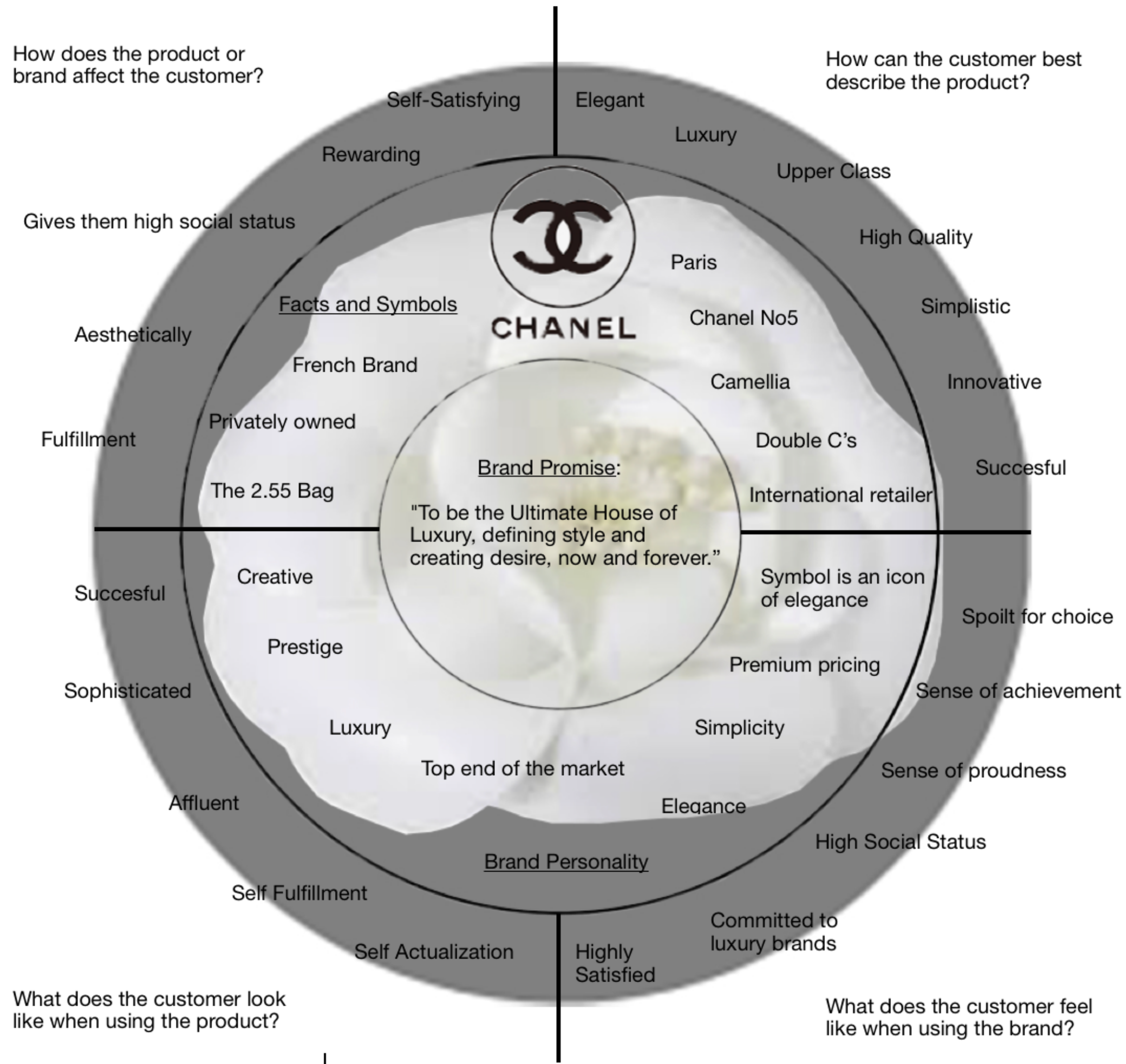
Chanel introduces rouge coco, a luxurious line of lip color. Inspired by Gabrielle Chanel.

2012

Chanel celebrates the iconic jacket with the launch of the book and photo exhibition.

How does the product or brand affect the customer?

How can the customer best describe the product?





Target Market

Chanel's products are targeted to different markets because of the diversity of their products. There is something available for everyone Chanel offers different product lines which are the target to different markets: Haute Couture Line, Resort line, Ready to wear line, Children's and men's collection. Skin care, make-up, Accessories, Jewelry, Footwear, and Fragrances.

The attitude of this target market is someone who wants to identify as what Chanel represents: someone who is elegant, modern, classy, and values simplicity. She is an upper-class woman with an annual income of \$100,000 or higher. Based on income she is also well educated with a minimum of a bachelor's degree. This buyer sees themselves as affluent; Chanel is a commodity that represents status. She is a romantic and values luxury. She lives in a city or near a city in a country that is fashion-forward. Chanel is most prominent in Europe, Asia, and North America. Demographic Segmentation- Chanel targets both genders in age between 20 and 80 years of age, who are wealthy and are able to afford their products. However, there are more products targeting women. Psychographic: Self-concept: see themselves as affluent individuals; Chanel is a fashion commodity that represents status.

The article for From the CNN Wire Staff on November 8, 2012, states: "Chanel has opened just three boutiques in Shanghai -- one of the world's most populous cities. Pavlovsky told CNN: 'We try to get the best three boutiques in Shanghai instead of having 10 boutiques.' That, he said, is the "number one" priority. 'We try to bring through the boutiques the best value of the brand... our idea is not to open lots of boutiques but be able to give, through the existing one, the best value and the best service to our customers.'

LILY

Audience Persona

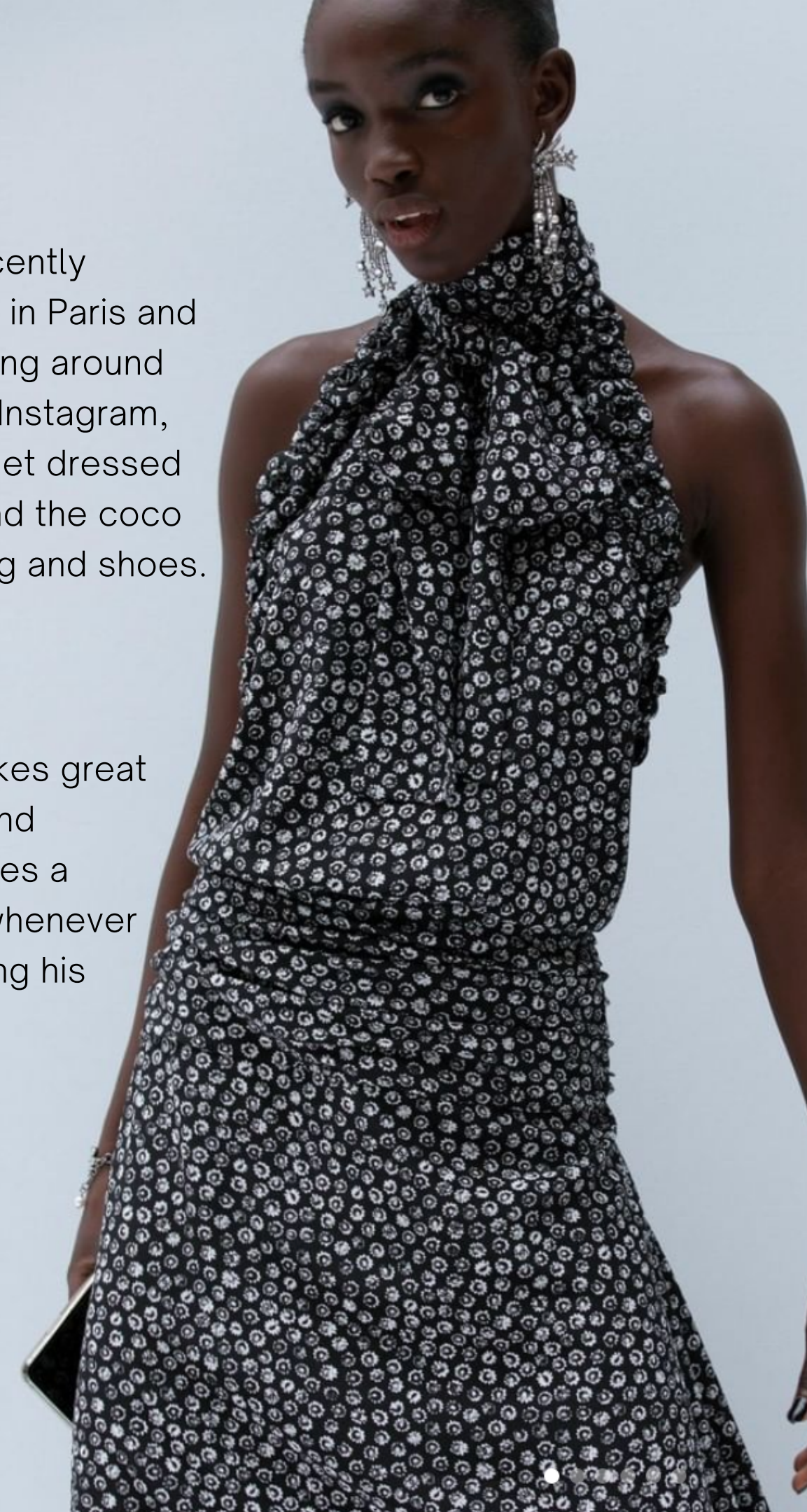
Meet Lily, She is 23 and represents Chanel's youth target market. She and her family are upper class. She recently graduated from la Sorbonne in Paris. She now lives in Soho, Manhattan. Her parents own multiple art galleries in Paris and New York and have made lots of money by investing in the stock market. They spend their summers at traveling around Europe. She always grew up in a luxury lifestyle and loves travel and fashion. Lily's favorite social medias are Instagram, Twitter, and Pinterest. She works at a marketing firm and makes \$100,000. During the weekend she likes to get dressed up to go out with friends for drinks and good food. She is a big fan of the Chanel classics like the 2.55 bag and the coco rouge lipstick is her go to but she also comes in every collection for their new and trendiest pieces of clothing and shoes.

MATTHEW

Meet Matthew, He is 32 and works in finance at BNP headquarters in Paris. He makes \$210,000 a year. He takes great pride in taking care of himself, he works out regularly and gets his hair cut every 2 weeks. He is very classy and romantic. He enjoys watching tennis matches at Roland Garros. He loves fine dining and red wine. He also loves a classic all black suit. His style icon is James bond. He enjoys vacationing in Italy with his long term girlfriend whenever he gets a week off of work. He is regular customer for Chanel cologne, wallets, watches, and of course buying his girlfriend perfumes, bags, and Jewlery.

MARY

Meet Mary, She is 42 a mother of two girls who just graduated high school. Mary is upper class, she graduated from UCLA and her and her husband are Lawyers, each making 182,000 annually. She enjoys a classic look where she looks sophisticated, elegant and colors that aren't too loud. She loves to spend quality time with her family and when she gets time off she loves to spend it on a beach and going sailing. She spends her weekends at the country club or sometimes at their home in the hamptons. She purchases the Chanel No.5, the 2.55 bag, Lipsticks and other beauty, clothing, and shoes.



*'A woman can
be overdressed,
never over-
elegant.'*



Brand Personality

CHANEL IS ALL ABOUT THE STRONG AND SOPHISTICATED WOMEN, FROM IT'S FOUNDER TO IT'S CONSUMER. SHE IS BOTH ELEGANT AND EDUCATED. SHE IS CLASSIC AND ROMANTIC. THE CHANEL BRAND'S HISTORY IS INCREDIBLY IMPORTANT AS THEY ARE PIONEERS IN CREATING ICONIC LOOKS THAT ARE TIMELESS. THEY STICK TO KEEPING THE BRAND A CLASSIC AND DON'T GET LOST IN FADS. BY STICKING TO THEIR CORE NATURE OF SIMPLICITY AND ELEGANCE THEY HAVE AN INCREDIBLY STRONG BRAND IDENTITY. THE CHANEL BRAND HAS STAYED SOPHISTICATED, ELEGANT, AND DARING FROM ITS CLOTHES TO ITS ADVERTISEMENTS.



Marketing Mix

Product

- Evening and daywear for men and women that is luxurious and elegant. With a color pallet of neutrals, pastels, grays, and black.
- Exquisite jewelry- All products are prepared from beautiful and sparkling diamonds and 18 carat white gold
- Exclusive men and women's bags
- Heavenly fragrances for men and women like No. 5, Coco Mademoiselle, and Les Exclusif
- Men and Women's designer shoes

Price

- Each year Chanel prices rise This year with the largest modern increase of \$200-\$2000 depending on the item
- Chanel has premium pricing for all of its products as it is centered on the fine quality of the products as well as the time it takes to make
- Customers of this brand are rich enough to pay extraordinary prices for this sought after, exclusive brand

Place



- Chanel operates in 310 boutiques worldwide, the majority of it's stores are distributed in North America, Europe, and Asia
- The location of Chanel stores is very important, only the most affluent places are chosen
- Chanel is also located in famous airports for wealthy business class passengers
- Chanel sells products online to all over the worlds
- Chanel products are also on display in high end department stores

Promotion

- Chanel advertises in only the most expensive fashion magazines that cater to influential buyers, like Marie Claire
- Chanel uses famous brand ambassadors, Models and actresses like Marylin Monroe, Nicole Kidman, Vanessa Paradis, Lily Rose Dept, and Carole Bouquet. These famous ambassadors dive the company's exclusivity and charm.
- Chanel also utilizes the social media to engage with it's customers. Chanel has LinkedIn, Instagram, Facebook, Youtube, and Twitter. With a combined following of 57 million followers. The brand's videos and photos featuring their products follow their elite theme

Chanel Brand Color Themes

WHITE

#e6e3de

GREYS

#e6e3de

BLACK

#8a5435

**PASTEL
PINK**

#29261d

GREYS

#e6e3de



Industry Trend Analysis



MANY FIRST TIME BUYERS OF LUXURY APPARELS GO FOR THE PRODUCTS TO EXPERIENCE HIGH QUALITY AND TO PORTRAY A CERTAIN IMAGE IN THE SOCIETY. MOST OF THE TIMES, THIS CONVERTS INTO BRAND LOYALTY AND AS A RESULT, THEY DO NOT MIND SPENDING SOME EXTRA AMOUNT FOR PURCHASING FROM THEIR FAVORITE BRANDS. RECOGNIZED LUXURY BRANDS HAVE SOME CONSISTENCY IN THE QUALITY OF THE PRODUCT AND TAKE EXTRA CARE OF CONSUMER SENTIMENTS. THIS CONTRIBUTES TO THE EVOLUTION OF BRAND NAME. WORD-OF-MOUTH CONVERSATION FROM PUBLIC ALSO PLAYS A KEY ROLE IN PROMOTING LUXURY CLOTHING. WITH A RELATIVELY CONCENTRATED COMPETITIVE LANDSCAPE, ROBUST MARKETING CAMPAIGNING IS THE KEY FACTOR TO RETAIN THE CONSUMER INTEREST. AS A RESULT, THE KEY PLAYERS ARE HIRING VARIOUS RENOWNED CELEBRITIES FOR THEIR MARKETING AND PROMOTIONAL ACTIVITIES. FOR INSTANCE, RIHANNA AND LUXURY CONGLOMERATE LVMH LAUNCHED A BRAND FENTY MAISON IN LUXURY PRODUCTS SEGMENT. IN THE CONSUMER'S MIND, LUXURY PRODUCTS MUST HAVE A STORY TO TELL AND A TRADITION TO RESPECT, CONVEYING THE IDEA OF SOMETHING PRECIOUS AND REFINED. MANY LUXURY BRANDS, SUCH AS CHANEL OR DIOR, HAVE A LONG HISTORY AND THEIR SUCCESS STILL RELIES ON THEIR ABILITY TO BUILD PRODUCTS BASED ON THEIR ICONS, SUCH AS THE TAILLEUR OR PEARLS OF CHANEL OR THE STRUCTURED MIDI DRESSES OF DIOR. THE INVESTMENT IN THE CULTURE OR SPIRIT OF A LUXURY FIRM ULTIMATELY SUPPORTS THE BRAND..



Industry Trend Analysis

LUXURY BRANDS ARE UNDERGOING A PHASE LABELLED “ RE-BRANDING,” WHICH SIGNALS THE NEED TO PROFOUNDLY REVISE THE BRAND IMAGE TO CATER TO THE MOST CRUCIAL ‘MILLENNIAL’ NEEDS AND EXPECTATIONS. TODAY, MANAGERS WEAR SNEAKERS TO WORK. IS THAT COHERENT WITH THE HERITAGE AND BRAND IMAGE OF CHANEL? IN THIS RESPECT, MANY MANAGERS AND CEO INTERVIEWS SUGGEST A DIFFERENT INTERPRETATION OF THE “ RE-BRANDING” PHENOMENON. SOME SEE A PROFOUND DISENGAGEMENT WITH THE PAST SUCH THAT BRANDS AND NEW DESIGNERS, SUCH AS ALESSANDRO DI MICHELE IN GUCCI, VIRGIL ABLOH IN VUITTON OR DEMNA GVASALIA IN BALENCIAGA, ARE REWRITING THESE BRANDS’ DNA. OTHERS SEE PROFOUND CHANGES AND MULTIPLE RADICAL INNOVATIONS IN BRAND NAMES, SUCH AS YVES SAINT LAURENT BECOMING SAINT LAURENT. IN TERMS OF THE CONTENT OF COLLECTIONS, THEY SEE THE RELEVANCE OF STREET STYLE AND THE TIMING OF COLLECTIONS. FOR EXAMPLE, ALEXANDER WANG EXITED THE NEW YORK FASHION WEEK BUT STILL BELIEVES THAT BRAND SUCCESS IS ROOTED IN ITS HERITAGE. THE “ RE-BRANDING” PROCESS DRIVEN BY THE RISE OF YOUNG AND TALENTED DESIGNERS ALSO LEADS TO THE QUESTION OF WHETHER THE BRAND OR THE DESIGNER COMES FIRST. THIS QUESTION HAS ALWAYS ACCOMPANIED THE HISTORY OF LUXURY. UNTIL NOW, HOWEVER, THE PRINCIPLE OF THE CONTINUITY OF THE MAISON HAS BEEN GUARANTEED: NO MATTER HOW INNOVATIVE, EACH CHANGE MADE BY THE DESIGNER HAS HAD TO DEAL WITH THE HERITAGE OF THE BRAND AND IN SOME WAY ADAPT TO WHAT IT REPRESENTED BEFORE THEM AND WOULD REPRESENT AFTER THEM.

Swot Analysis

STRENGTHS

It is well established and everybody knows about the brand. It ranks 80th on the world's most valuable brand. highly established brand worldwide since many years. In 2019 Chanel made a revenue of 12.2 billion. Chanel has a strong brand portfolio. They have a successful track record of product innovation. Highly skilled workforce through successful training and learning programs. Chanel is investing huge resources in training and development of its employees resulting in a workforce that is not only highly skilled but also motivated to achieve more. Reliable suppliers – It has a strong base of reliable supplier of raw material thus enabling the company to overcome any supply chain bottlenecks. Chanel is especially succesful in creating a brand that sticks to the classics but innovates enough to stay on trend.

WEAKNESSES

Not very good at product demand forecasting leading to higher rate of missed opportunities compare to its competitors. One of the reason why the days inventory is high compare to its competitors is that Chanel is not very good at demand forecasting thus end up keeping higher inventory both in-house and in channel. Investment in Research and Development is below the fastest growing players in the industry. Even though Chanel is spending above the industry average on Research and Development, it has not been able to compete with the leading players in the industry in terms of innovation. It has come across as a mature firm looking forward to bring out products based on tested features in the market.



Swot Analysis



OPPORTUNITIES



New customers from online channel – Over the past few years the company has invested vast sum of money into the online platform. This investment has opened new sales channel for Chanel. In the next few years the company can leverage this opportunity by knowing its customer better and serving their needs using big data analytics. New trends in the consumer behavior can open up new market for the Chanel. It provides a great opportunity for the organization to build new revenue streams and diversify into new product categories too. They also have an opportunity to expand deeper into the Asian market.

THREATS

Intense competition – Stable profitability has increased the number of players in the industry over last two years which has put downward pressure on not only profitability but also on overall sales. Imitation of the counterfeit and low quality product is also a threat to Chanel's product especially in the emerging markets and low income markets. Cheap and lower brands attempt to copy Chanel's timeless styles and sell them at lower and affordable rates. No regular supply of innovative products – Over the years the company has developed numerous products but those are often response to the development by other players. Secondly the supply of new products is not regular thus leading to high and low swings in the sales number over period of time.

Company analysis



STRONG BRAND IMAGE

The story of stylish Coco Chanel, who famously said "fashion passes; style remains", conveys a very strong message for Chanel's timeless and elegant style.

EXCELLENT MANAGEMENT

Training for Chanel's associates is critical, to differentiate them with their service. Associates are sent to Paris to understand the company's heritage of the house and gathered for a conference for a conference for updates, acknowledgement and training for new products.

CULT DESIGNER KARL LAGERFELD

Always reinventing Chanel is known to have changed nothing yet everything about Chanel. Always daring to try something different for each show, keeping consumer's interest in Chanel

HIGH QUALITY

Beauty is in the details. Chanel is famous for tweed fabric, embroidery chain, and leather.

Competitive Analysis

Prada

ITALIAN LUXURY FASHION HOUSE
SINCE 1913.

- PUBLIC COMPANY
- MILANO IT, HQ
- "THE INTELLECTUAL"
- SIMPLICITY, MINIMALISM, -
INNOVATION
- THE PRADA GROUP
- INTELLECTUAL AND CREATIVE
FASHIONISTAS

L'Oreal

L'ORÉAL MANUFACTURES
AND SELLS COSMETIC
PRODUCTS FOR WOMEN AND
MEN WORLDWIDE.

- PUBLIC COMPANY
- CLASSIC,
ELEGANT, EXCELLENCE
- CLICHY, FR HQ

Louis Vuitton

A WELL-KNOWN FRENCH FASHION
HOUSE. THE COMPANY PRODUCES
VARIOUS PRODUCTS LIKE LEATHER
GOODS, SHOES, READY-TO-WEAR,
JEWELRY, WATCHES, SUNGLASSES,
ACCESSORIES, AND BOOKS.

- PARIS HQ
- CLASSIC, SUPERIOR QUALITY
- LVMH

Gucci

GUCCI IS A LUXURY FASHION BRAND,
MANUFACTURING AND DISTRIBUTING
LEATHER GOODS, SHOES, READY-TO-
WEAR, SILKS, TIMEPIECES AND FINE
JEWELRY.

- PRIVATELY OWNED
- FIRENZE, IT HQ
- SEXY, ARTISTIC, CREATIVE,
CONTEMPORARY, CUTTING EDGE
- MODERN, URBAN, FASHION-AWARE
PEOPLE
- PPR

Christian Dior

CHRISTIAN DIOR IS A
DESIGNER OF LUXURIOUS
FASHION APPAREL AND
ACCESSORIES.

- PUBLIC COMPANY
- 86.7 B VALUATION
- PARIS HQ
- ELEGANT, ATTRACTIVE,
ROMANTIC
- LVMH

Estee Lauder

THE ESTÉE LAUDER
COMPANIES IS A
MANUFACTURER AND
MARKETER OF SKINCARE,
MAKEUP, FRAGRANCE, AND
HAIR CARE PRODUCTS.

- PUBLIC COMPANY
- \$81 B VALUATION
- NY HQ
- \$191 B VALUATION
- INCLUSIVE,
QUALITY, INNOVATION

Competitive Analysis

Prada

PRADA IS SIMILAR TO CHANEL THROUGH PRICE AND MINIMALISTIC DESIGNS. CHANEL IS ABLE TO DIFFERENTIATE THEMSELVES THROUGH A STRONGER BRAND IDENTITY AND ESSENCE.

L'Oreal

L'ORÉAL IS CHANEL'S COMPETITOR IN THE SKINCARE AND MAKEUP MARKET BUT CHANEL HAS A MUCH HIGHER PRICE. CHANEL IS ALSO MORE EXCLUSIVE THAN L'OREAL.

Louis Vuitton

LOUIS VUITTON IS ONE OF CHANEL'S GREATEST COMPETITORS IN THE HANDBAG, CLOTHING, AND SHOE MARKET. LOUIS VUITTON IS ALSO A FRENCH COMPANY AND HAS A STRONG BUT VERY DIFFERENT BRAND IDENTITY YET CAPTURES A SIMILAR TARGET MARKET.

Gucci

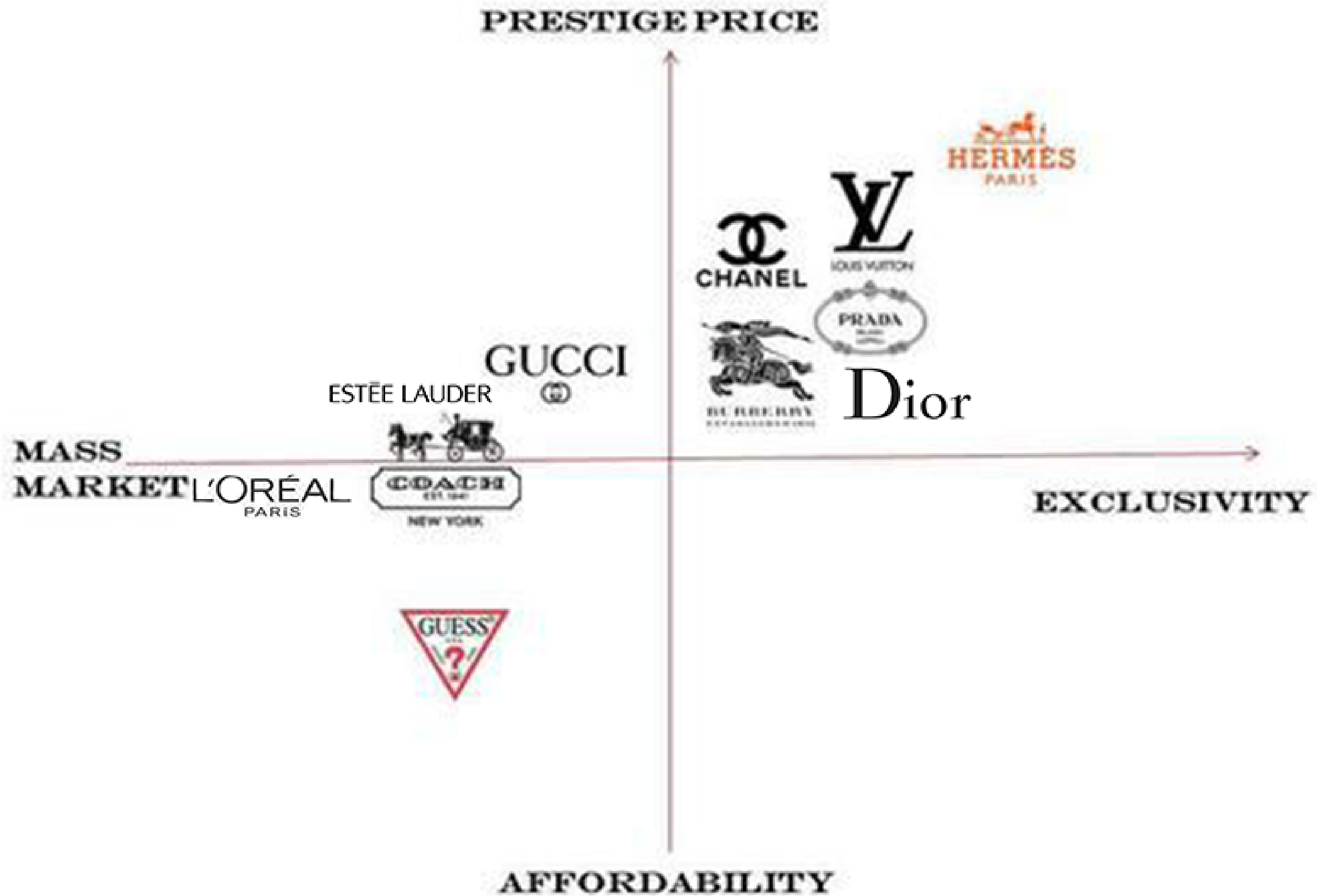
GUCCI IS CURRENTLY THE LEADING BRAND WITH GEN Z AND MILLENNIALS. THEY DO SO BY HAVING BOLD AND INNOVATIVE DESIGNS. CHANEL IS LACKING BEHIND IN THIS MARKET. (SEE RECOMMENDATIONS FOR MORE)

Christian Dior

DIOR HAS THE CLOSEST BRAND IDENTITY TO CHANEL OUT OF ALL THEIR COMPETITORS. THROUGH THEIR FRENCH HISTORY AND ROMANTIC IDENTITY THESE TWO BRANDS ARE CLOSELY RELATED. CHANEL CAN DIFFERENTIATE THEIR HISTORY THROUGH FOCUS ON THEIR ICONIC AND POWERFUL FEMALE FOUNDER.

Estee Lauder

ESTEE LAUDER IS ALSO A PREMIUM BRAND OF MAKEUP AND SKINCARE AND IS A DOMINANT POWERHOUSE IN THAT MARKET CHANEL MUST



PESTEL Analysis



POLITICAL- FOR CHANEL'S SS15 SOW THEY EMULATED A FEMINIST PROTEST, CHANTING EMPOWERING WORDS AND LARGE SIGNS WITH "LADIES FIRST". THIS SHOWS HOW OPULENT POLITICS CAN BE IN FASHION.

- LOW MINIMUM WAGE, MEANS A HIGHER PROFIT MARGIN

- DEMOCRACY & OTHER DEMOCRATIC INSTITUTIONS – ACCORDING TO MUKTI KHAIRE, KERRY HERMAN THE DEMOCRATIC INSTITUTIONS ARE NEEDED TO BE STRENGTHENED FURTHER SO THAT BUSINESS SUCH AS CHANEL WOMEN'S CAN THRIVE IN AN OPEN, TRANSPARENT AND STABLE POLITICAL ENVIRONMENT.

- INTERNATIONAL TRADE & OTHER TREATIES – THE COUNTRY HAS A GOOD RECORD OF ADHERING TO INTERNATIONAL TREATIES IT HAS DONE WITH VARIOUS GLOBAL PARTNERS. THE GOVERNMENT OF EACH PARTY HAS ADHERED TO THE TREATIES DONE BY PREVIOUS GOVERNMENTS, SO THERE IS A CONSISTENCY IN BOTH RULE OF LAW AND REGULATIONS.

ECONOMIC- ONE OF THE ECONOMIC FACTORS FOR CHANEL IS THE INCREASE IN PURCHASING POWER IN THE DEVELOPING WORLD WHICH LEADS TO RISE IN THE DESIRE FOR LUXURY GOODS AND THE DISPOSABLE INCOME TO BUY IN COUNTRIES IN AFRICA AND ASIA.

- A HIGH LEVEL OF UNEMPLOYMENT MEANS THERE IS A HIGHER SUPPLY OF JOBS THAN DEMAND, SO PEOPLE ARE WILLING TO WORK FOR A LOWER WAGE

- LEVEL OF HOUSEHOLD INCOME AND SAVINGS RATE – INCREASING CONSUMPTION AND STAGNANT HOUSEHOLD INCOME IN UNITED STATES HAD LED TO CREDIT BINGE CONSUMPTION. IT HAS DECIMATED THE CULTURE OF SAVINGS AS PEOPLE DON'T HAVE ENOUGH TO SAVE. CHANEL WOMEN'S NEEDS TO BE CAREFUL ABOUT BUILDING MARKETING STRATEGY THAT IS DEPENDENT ON "PURCHASE ON CREDIT" CONSUMER BEHAVIOR.

- FISCAL AND MONETARY POLICIES – THE REPUBLICAN GOVERNMENT TAX BREAK CULTURE HAS INCREASED THE DEFICIT AND IT CAN LEAD TO FISCAL TROUBLE FOR THE ECONOMY IN COMING YEARS.

PESTEL Analysis



SOCIAL- THE MAIN SOCIAL FACTOR FOR CHANEL IS THE EXCLUSIVITY OF THEIR PRODUCTS AS THEY ARE ACCESSIBLE TO THE SUPER RICH.

- THE CLASS DISTRIBUTION AMONG THE POPULATION IS OF PARAMOUNT IMPORTANCE: WOULD BE UNABLE TO PROMOTE A PREMIUM PRODUCT TO THE GENERAL PUBLIC IF THE MAJORITY OF THE POPULATION WAS A LOWER CLASS; RATHER, THEY WOULD HAVE TO RELY ON VERY NICHE MARKETING.
- EDUCATION LEVEL IN SOCIETY – EDUCATION LEVEL OF THE SOCIETY IMPACTS BOTH THE QUALITY OF JOBS AND LEVEL OF INCOME. HIGH LEVEL OF EDUCATION OFTEN RESULTS IN BETTER JOBS, HIGHER INCOME AND HIGHER SPENDING ON COMPLEX AND ASPIRATIONAL PRODUCTS.
- SOCIETAL NORMS AND HIERARCHY – WHAT SORT OF HIERARCHY AND NORMS ARE ACCEPTABLE IN SOCIETY ALSO INFLUENCE THE TYPES AND LEVEL OF CONSUMPTION IN A SOCIETY. IN HIGHLY HIERARCHICAL SOCIETIES THE POWER OF DECISION MAKING OFTEN RESIDE AT THE TOP

TECHNICAL-

- RESEARCH AND DEVELOPMENT INVESTMENT LEVELS – IF THERE IS HIGH LEVEL OF INVESTMENT IN TECHNOLOGY DEVELOPMENT SECTOR THEN THERE ARE HIGH CHANCES OF BUILDING A SELF SUSTAINING ECOSYSTEM THAT DRIVES INNOVATION. CHANEL WOMEN'S CAN LEVERAGE SUCH A SITUATION TO HIRE THE BEST PEOPLE IN BUSINESS.
- ACCEPTANCE OF MOBILE PAYMENTS AND FINTECH SERVICES – ONE OF THE AREAS WHERE US ARE LACKING BEHIND CHINA IS MOBILE PAYMENTS. CHANEL WOMEN'S SHOULD ASSESS WHAT ARE PREFERRED CHOICE OF MOBILE PAYMENTS IN LOCAL ECONOMY AND CHOSE THE BUSINESS MODEL BASED ON IT.

PESTEL Analysis



ENVIRONMENTAL-

- FOCUS & SPENDING ON RENEWABLE TECHNOLOGIES – HOW MUCH OF THE BUDGET IS SPEND ON RENEWABLE ENERGY SOURCES AND HOW CHANEL WOMEN'S CAN MAKE THIS INVESTMENT AS PART OF ITS COMPETITIVE STRATEGY.
- INFLUENCE OF CLIMATE CHANGE – HOW CLIMATE CHANGE WILL IMPACT CHANEL WOMEN'S BUSINESS MODEL AND SUPPLY CHAIN. FOR EXAMPLE IF THE SUPPLY CHAIN IS NOT FLEXIBLE IT CAN LEAD TO BOTTLENECKS IF SHIPMENTS FROM ONE PART OF THE WORLD ARE DELAYED BECAUSE OF SUDDEN CLIMATE SHIFT.
- WASTE MANAGEMENT – WHAT IS THE POLICY OF WASTE MANAGEMENT IN THE PROSPECTIVE MARKET AND HOW CHANEL WOMEN'S CAN ADHERE TO THE WASTE MANAGEMENT REQUIREMENTS IN THAT MARKET.

LEGAL-

- BUSINESS LAWS – BEFORE ENTERING INTO NEW MARKET – CHANEL WOMEN'S HAS TO ASSESS WHAT ARE THE BUSINESS LAWS AND HOW THEY ARE DIFFERENT FROM HOME MARKET.
- HEALTH & SAFETY LAWS – WHAT ARE THE HEALTH AND SAFETY LAWS IN THE COUNTRY AND WHAT CHANEL WOMEN'S NEEDS TO DO TO COMPLY WITH THEM. DIFFERENT COUNTRIES HAVE DIFFERENT ATTITUDE TOWARDS HEALTH AND SAFETY SO IT IS BETTER FOR CHANEL WOMEN'S TO CONDUCT A THOROUGH RESEARCH BEFORE ENTERING THE MARKET.
- EMPLOYMENT LAWS – WHAT ARE THE EMPLOYMENT LAWS IN THE COUNTRY AND ARE THEY CONSISTENT WITH THE BUSINESS MODEL OF CHANEL WOMEN'S. FOR EXAMPLE UBER EMPLOYMENT SYSTEM IS NOT CONSISTENT WITH FRENCH LAWS AND IT IS FACING CHALLENGES IN THE COUNTRY.



Value proposition and positioning

IF A CONSUMER AGREES THAT A BRAND IS WORTH PREMIUM PRICES, IT IS OFTEN AN INDICATION OF THE BRAND'S OVERALL VALUE. AS SUCH, AFFLUENT WOMEN RANKED CHANEL AND FRENCH LEATHER GOODS MAKER HERMÈS AS THE TWO FASHION HOUSES MOST WORTH THEIR PREMIUM ASKING PRICES, FOLLOWED BY CHRISTIAN DIOR, LOUIS VUITTON AND PRADA. CHANEL HAS AN INCREDIBLY HIGH BRAND AWARENESS AROUND THE WORLD MAKING IT UNIVERSALLY DESIRED.

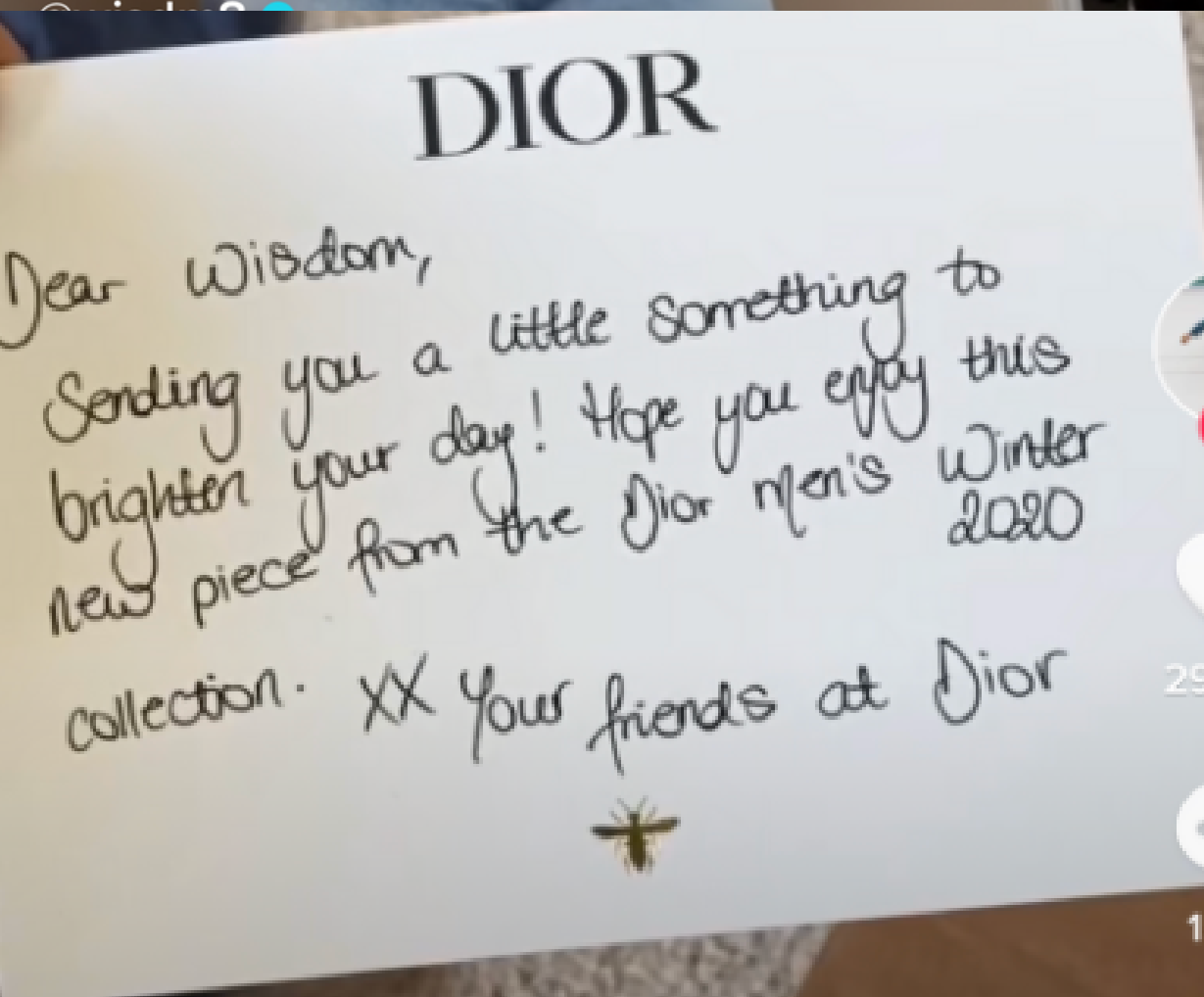
CHANEL'S EMOTIONAL BENEFIT IS THE SOCIAL ACCEPTANCE AND APPROVAL THAT IS GIVEN FOR HAVING LUXURY PRODUCTS. THE CONSUMER ALSO GETS TO BE SEEN AS FASHIONABLE THROUGH THE PRAISE CHANEL RECEIVES FROM THE FASHION INDUSTRY. THE CONSUMER FEELS SELF FULFILLMENT FROM BEING ABLE TO AFFORD THE BRAND. THE CONSUMER ALSO ALIGNS THEMSELVES WITH THE BRAND ESSENCE.



Recommendations for the future

AT THE HEART OF CHANEL IS THE CLASSY PARISIAN GIRL. CHANEL NEEDS TO FIGURE OUT HOW TO CONNECT TO THE YOUNGER GENERATION WHILE STILL STAYING CLASSICAL CHANEL. GUCCI IS THE TOP NAME AMONG ALL MILLENNIALS THEY GOT HERE THROUGH A CREATIVE AND ARTISTIC STYLE. CHANEL SHOULDN'T CHANGE THEIR CLASSICAL NATURE BUT THEY CAN UTILIZE ART TO MAKE THEIR BRAND MORE PERSONALIZED AND TO MARKET TO A YOUNGER CROWD. I WOULD SUGGEST THAT CHANEL WORK WITH ARTIST, AND FORMER PARSONS GRADUATE, RACHEL CUNNINGHAM, SHE IS BASED IN PARIS AND HER WATERCOLOR PAINTINGS FEATURE THE PARISIAN FASHION, CULTURE, STYLE, ARCHITECTURE, ETC.. I WOULD SUGGEST A COLLABORATION BETWEEN CHANEL AND RACHAEL. SHE COULD CREATE PERSONALIZED PRINTS FOR CUSTOMERS, CHANEL COULD RUN AN AD CHAMPAIGN SIMILAR TO THE VOGUE COVER WITH ARTIST JAMES JEAN, RACHAEL COULD DRAW A SIGNATURE PRINT FOR CHANEL THAT THEY COULD USE ON THEIR SCARVES, PACKAGING, AND EVEN IN STORE.





Recommendations for the future

I WOULD ALSO RECOMMEND THAT CHANEL COULD DEVELOP THEMSELVES AS LEADERS IN THE SUSTAINABILITY MOVEMENT. SUSTAINABILITY IS A LARGE FOCUS OF THE NEWER GENERATIONS AND IN ORDER TO CAPTURE MORE OF THIS MARKET CHANEL SHOULD APPEAL TO THEIR VALUES. AS THEY ALREADY HAVE A LARGE CUSTOMER AND ARE WELL RESPECTED THIS SHIFT WOULD REFLECT POSITIVELY ON CHANEL.

I WOULD ALSO RECOMMEND THAT CHANEL UTILIZE THE PLATFORM TIKTOK, AS THIS IS ONE OF THE LARGEST PLATFORMS FOR GEN Z AND MILLENNIALS. THEIR RIVALS GUCCI HAD GREAT SUCCESS ON THIS PLATFORM AND JUMPED ON THE HASHTAG GUCCICHALLENGE AFTER MANY VIRAL TIKTOKS SURFACED USING THIS HASHTAG AND GUCCI WAS SUCCESSFUL IN "RIDING THE WAVE" BY BECOMING A PART OF THIS CONVERSATION. IT IS IMPORTANT THAT CHANEL JOIN THIS PLATFORM TO MONITOR THE CONVERSATIONS ABOUT THEIR BRAND AND ENGAGE WITH THEIR YOUNGER CONSUMERS. THEY ALSO CAN CONNECT TO GEN Z THROUGH USING THIS PLATFORM BY WORKING WITH "TICKTOKERS" WHO ARE INFLUENCERS IN FASHION LIKE DIOR AND GUCCI HAVE DONE BY SENDING THESE INFLUENCERS CLOTHING AND EVEN PICKING SOME TO WALK THEIR RUNWAYS. IT IS ALSO IMPORTANT THAT THEY HAVE A TEAM WHO IS FAMILIAR WITH THE PLATFORM SO THEY USE IT PROPERLY AND DO NOT LOOK OUT OF TOUCH. IT IS IMPORTANT THAT CHANEL REACH OUT TO GEN Z SO THEY CAN MAKE SURE THEIR BRAND IS SEEN AS CURRENT WHEN THEIR COMPETITORS ARE DOING A BETTER JOB OF COMMUNICATING WITH GEN Z. INFLUENCERS ARE VERY IMPORTANT TO CHANEL BECAUSE THEY ARE OFTEN TRUSTED LIKE A FAMILY MEMBER OR FRIEND AND LUXURY GOODS RELY HEAVILY ON WORD OF MOUTH. IT IS A RELATIVELY CHEAP WAY OF ADVERTISING AND GETTING VAST RECOGNITION.



References

- CHANEL, COLLECTIONS AND CREATIONS
- [HTTPS://WWW.NYTIMES.COM/TOPIC/PERSON/COCO-CHANEL](https://www.nytimes.com/topic/person/coco-chanel)
- THE LITTLE BOOK OF CHANEL
- COCO'S WORLD
- FASHION MARKETING, 2019
- THE FASHION BOOK
- THE END OF FASHION, MARKETING
- [HTTPS://WWW.CHANEL.COM/](https://www.chanel.com/)
- [HTTPS://WWW.INSTAGRAM.COM/CHANELOFFICIAL/?HL=EN](https://www.instagram.com/chanelofficial/?hl=en)
- [HTTPS://WWW.BUSINESSOFFASHION.COM/ARTICLES/TAGS/ORGANISATIONS/CHANEL](https://www.businessoffashion.com/articles/tags/organisations/chanel)
- [HTTPS://WWW.BUSINESSOFFASHION.COM/ARTICLES/TAGS/ORGANISATIONS/CHANEL-1](https://www.businessoffashion.com/articles/tags/organisations/chanel-1)