

# A marketing plan as a marketing management tool

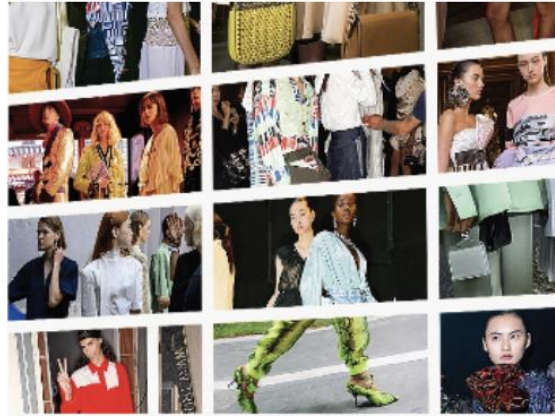
Defined business document	Marketing plan
Brand	Farfetch - farfetch.com
Market	Platform of luxury fashion
Marketing challenge	Diversification strategy: introducing a new rental service
Geographical focus	New-York City
Authors © 2019	Austin Pollak, USA
All rights reserved	Jimmy Gjergji, Italy Kianna Kaspy, Canada
Meeting point of the authors with Danny Abramovich	Polimoda Fashion School, Florence, Italy Master in Luxury Business
Content covered	Chapter 1, Marketing analysis ✓ Chapter 2, Strategy & objectives ✓ Chapter 3, Budgeted action plan ✓ Chapter 4, Control procedures ✗
Methodology used	The MODE - doing your marketing more effectively
Number of slides	31
Presentation format	pdf

# A marketing plan as a marketing management tool

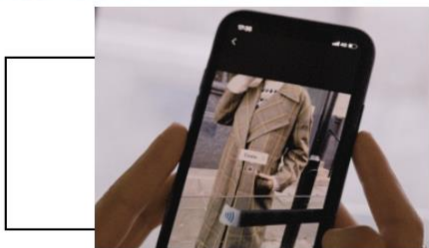
Copyright Notice: Following a written consent by the authors of this educational document, it is published in marketingPlanMODE.com for demonstration purposes only. During their academic studies, the authors have created this document as a group project under the guidance of Danny Abramovich, an International Instructional Practitioner Faculty and the Founder of The MODE. Digital images and logos used within this educational document were carefully selected under "Fair Use" conditions. All rights reserved to the authors whose names and nationalities are mentioned in the previous cover page © 2019.

# FARFETCH

## Mini-Marketing Plan Service Development Strategy for NYC Implemented by November 15, 2019



Created by:  
Kianna Kaspy, Jimmy Gjergji, Austin Pollak



## COMPANY PROFILE

- Mission: to be the the global technology platform for luxury fashion, connecting creators, curators, and consumers.
- Established 2007
- Revenues 2018 = \$602,384,000
- Products from over 700 boutiques
- 3000 employees
- 3000 different brands available on the marketplace
- 6+ consumer shopping categories
- Shipping to over 190 countries
- Localized websites in 14 languages
- Same-day delivery in 19 global cities
- Store to door in 90 minutes

[Source: Farfetch.com](https://www.farfetch.com)



## GEOGRAPHICAL FACT SHEET

Address: 30 West 21st St, 6th Floor,  
New York, NY 10010  
United States

### WHY NYC?

-Young, educated, wealthy, and fashionable population.



-Active participants in the sharing economy.  
For example, ride hail apps grew to more than 15,000,000 monthly rides in NYC by end of 2017

### RELEVANT/SUPPORTING DATA



Total population: 1,619,886  
Average household income: \$ 124,909.20

# Strategic Planning Marketing Analysis To-Date

## 1.1 Influential business trends to-date



### INFLUENTIAL BUSINESS TRENDS TO-DATE

The online luxury shopping habits of the Millennial generation is the most relevant social trend to-date driving Farfetch's business decisions. ●

## 1.2 Market analysis to-date



## MARKET ANALYSIS

### MARKET 1: Business to Business

Farfetch provides the most technologically advanced customizable ecommerce platform and services that connect retailers and consumers of luxury fashion.

### Market 2: Business to Consumer

Farfetch operates a global luxury digital marketplace in 14 languages where lovers of fashion anywhere in the world can shop for an unrivaled range of products from 3000 popular and niche brands from over 700 boutiques.



## COMPETITIVE ANALYSIS TO-DATE



## 1.4 Market segmentation to-date



## MARKET SEGMENTATION TO-DATE

Consumers who are technologically savvy prefer to purchase luxury goods from Farfetch because of their ability to offer on trend luxury products from niche and popular brands as a way for them to overcome the pressures of current fashion trends as well as providing them with incredibly quick service that caters to the impatient millennial

## 1.5 Marketing offer (offer-mix), past year

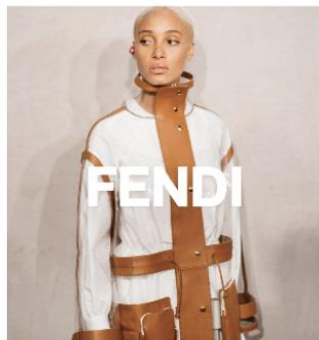


### MARKETING OFFER (PAST YEAR)

Farfetch's primary marketing offer is its products & services valued at 50%, followed by the brands that they showcase on their website at 25%.


Physical	Price	Brand	Quality of service
15%	10%	25%	50%

## 1.6 Marketing promotion (promotion mix), past year



### MARKETING PROMOTION MIX (PAST YEAR)

Farfetch currently uses the below means of direct marketing:

- Affiliate marketing (via Facebook, Instagram etc. ) makes up 30% 
- Email newsletters, which makes up 70%

# STRENGTHS & WEAKNESSES

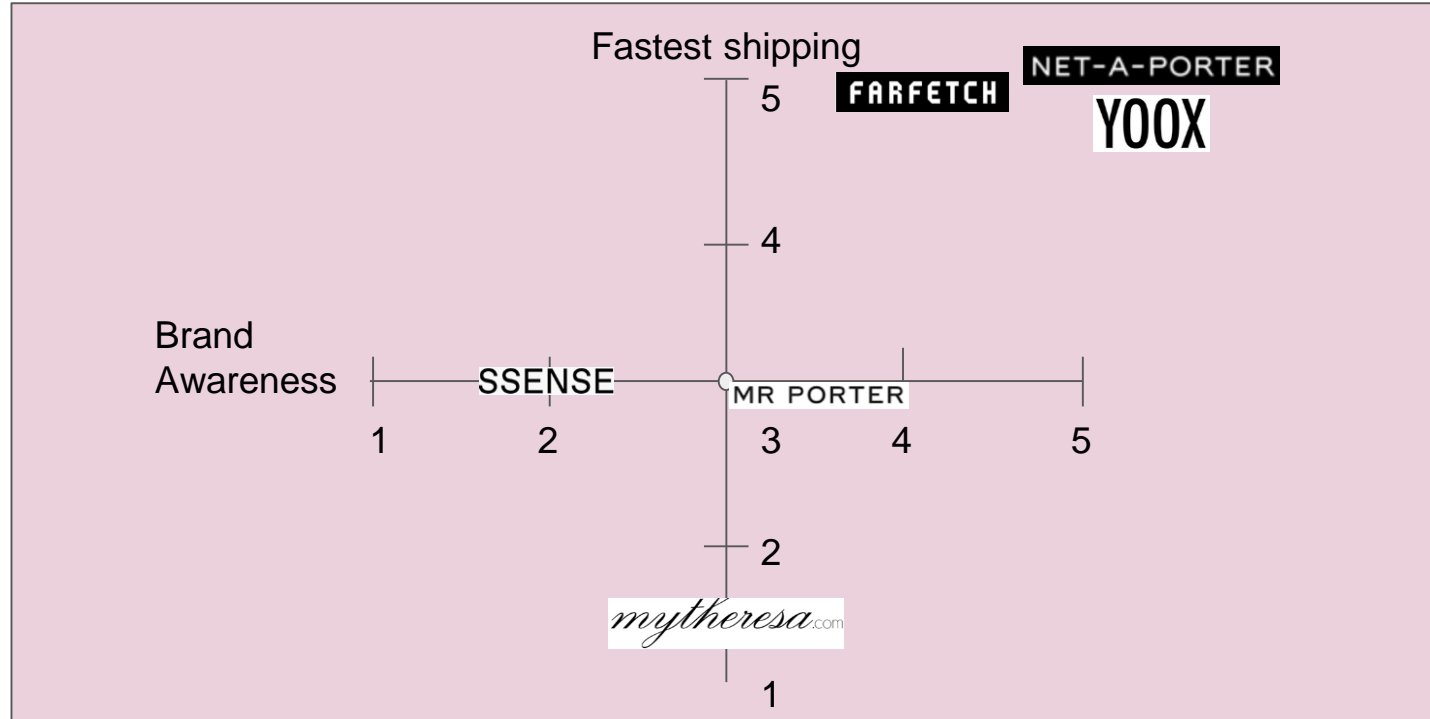
Until today, we believe the main strength of Farfetch is its drop shipping business model.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"><li>- Drop-shipping business model (no inventory)</li><li>- Wide geographic presence</li><li>- Strong partners networks</li><li>- Low cost structure</li><li>- High brand recognition</li><li>- Largest selection of niche brands</li><li>- Consumer facing site is better than competitors'</li><li>- Perceived as hipper than its competitors</li></ul>	<ul style="list-style-type: none"><li>- Employee turnover is high</li><li>- More expensive than direct competitors</li><li>- Revenue losses</li><li>- Few products have high market share, while most of products have low market share</li></ul>

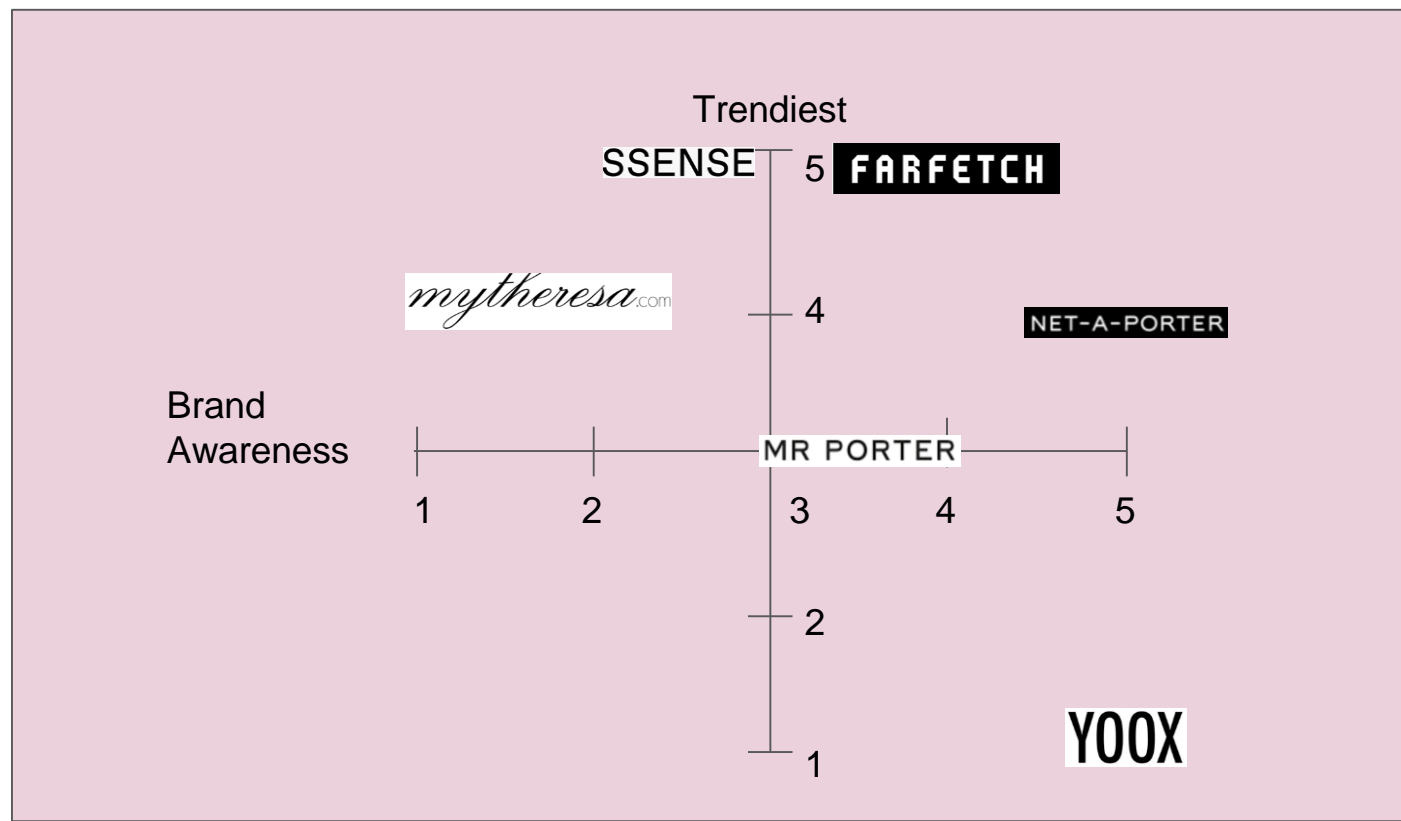


## 1.8 Actual perceptions: positioning

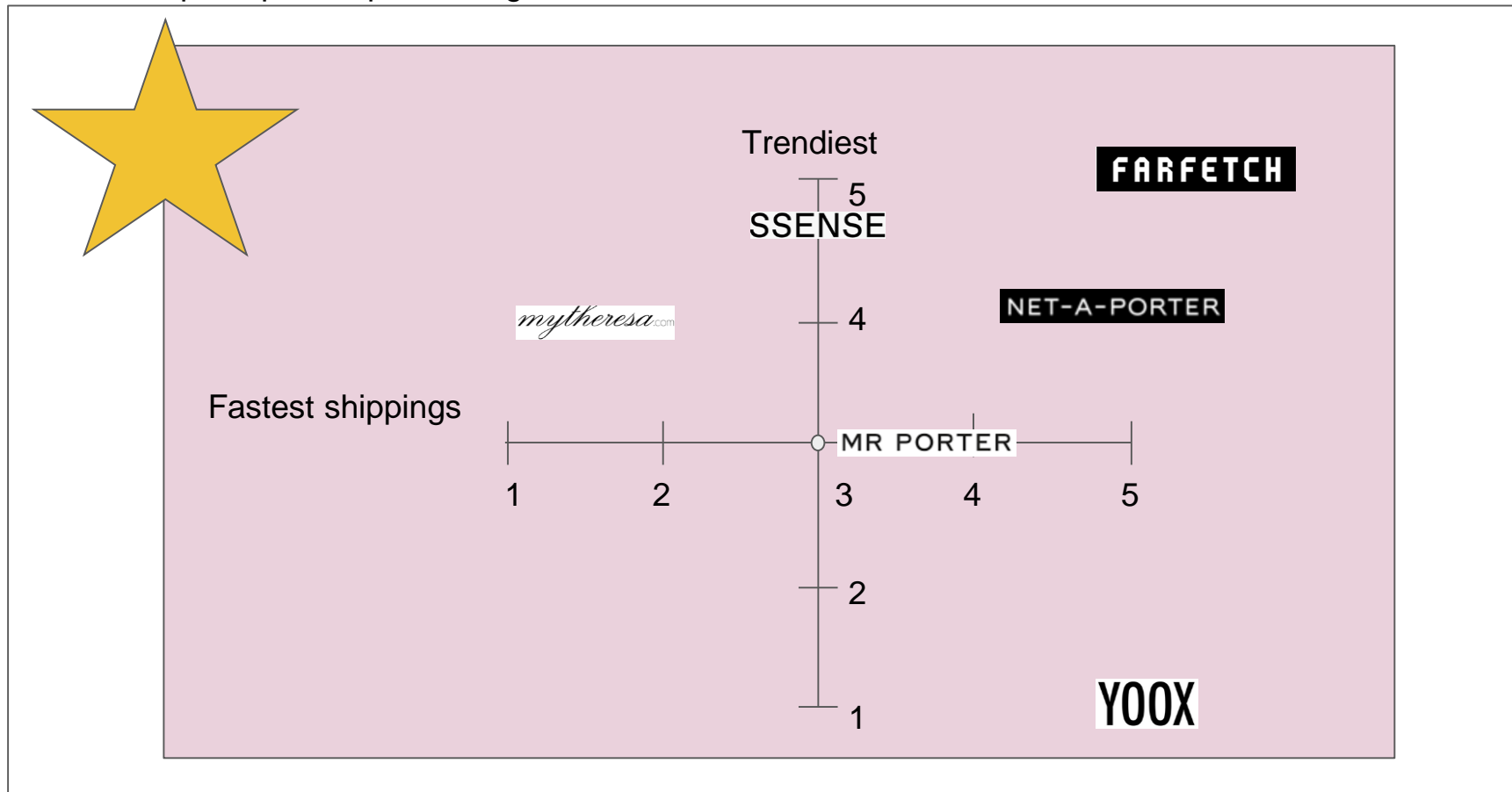
### ACTUAL PERCEPTIONS: POSITIONING



## 1.8 Actual perceptions: positioning



## 1.8 Actual perceptions: positioning





# **MARKETING STRATEGY & OBJECTIVES (NEXT YEAR)**

## 2.1 Selecting marketing strategy next year



### MARKETING STRATEGY FOR NEXT YEAR

Next year we are going to focus on the diversification strategy with the renting service program. The direct competitors are not present yet. The renting program will expect to add additional costs. Focus on a NEW customer segment by offering a NEW service.

## 2.2 Developing a value proposition to back-up the strategy



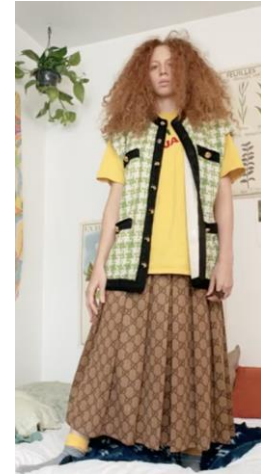
### VALUE PROPOSITION FOR STRATEGY

Our aim is to bring a win-win-win value proposition, with the innovation of a new service dedicated to renting clothes with a monthly subscription, it will be possible to attract and retain new target consumers with lower purchasing power to Farrfetch and its brands and multibrand partners.

### TARGETING NEXT YEAR

#### CONSUMERS

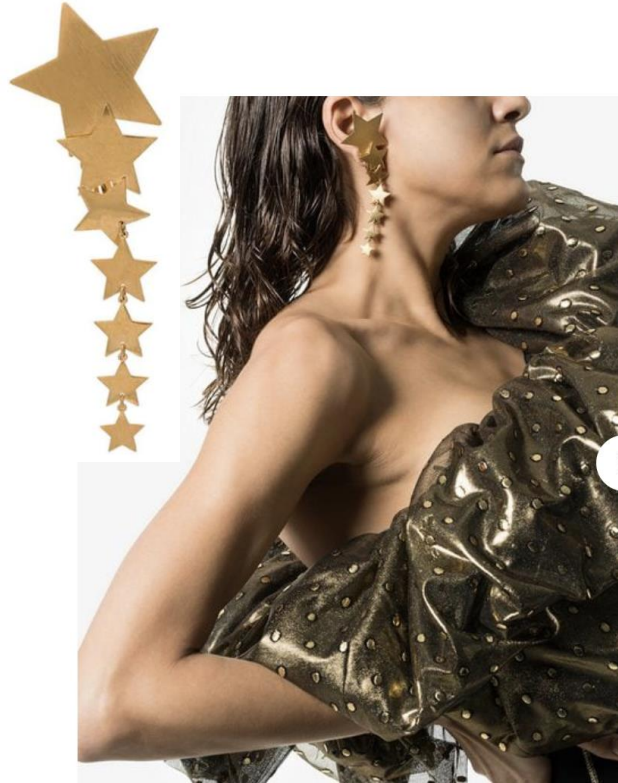
- Consumers who need frequent wardrobe changes in order to cater to their “always on the go” lifestyle (E.g. work, events, vacations, etc.).
- Who like to experiment with new styles and try new products from unknown or inaccessible brands.
- Consumers whose weight fluctuates frequently or pregnant women.
- One time special occasion, such as weddings, graduation etc.



#### PARTNERS

- Popular niche brands and multibrand stores that want to increase their reach by attracting a new target customer, and to let them experience their products first hand before they purchase.

## 2.4 Revising the marketing offer next year



### REVISING MARKETING OFFER NEXT YEAR

We strongly believe that our future customers, being sensitive to the rental price, will consider the price very much, as much as the quality of the service where they will rent the products as a synonym of guarantee. The platform from which they will make the purchase will be relevant, but not like the other two values described above.

Physical	Price	Brand	Quality of service
5%	40%	25%	35%

## 2.5 Revising marketing promotion next year

### REVISING MARKETING PROMOTION NEXT YEAR

In order to convert customers into consumers the main marketing vehicles will be the followings:

- 1) Direct Marketing:
  - 1.1. Letters to Farfetch loyal clients, recommenders, friends and stakeholder
  - 1.2. Newsletters and mail to return clients.
- 2) Public Relations through dedicated events, where journalists, influencers, bloggers etc. will give us a high exposure to our prospective clients.
- 3) Trade shows, to promote this service to future partners.
- 4) SEO Advertisement
- 5) Sponsorship with Uber (check point 3.1)





## 2.6 Transforming strengths & weaknesses into objectives



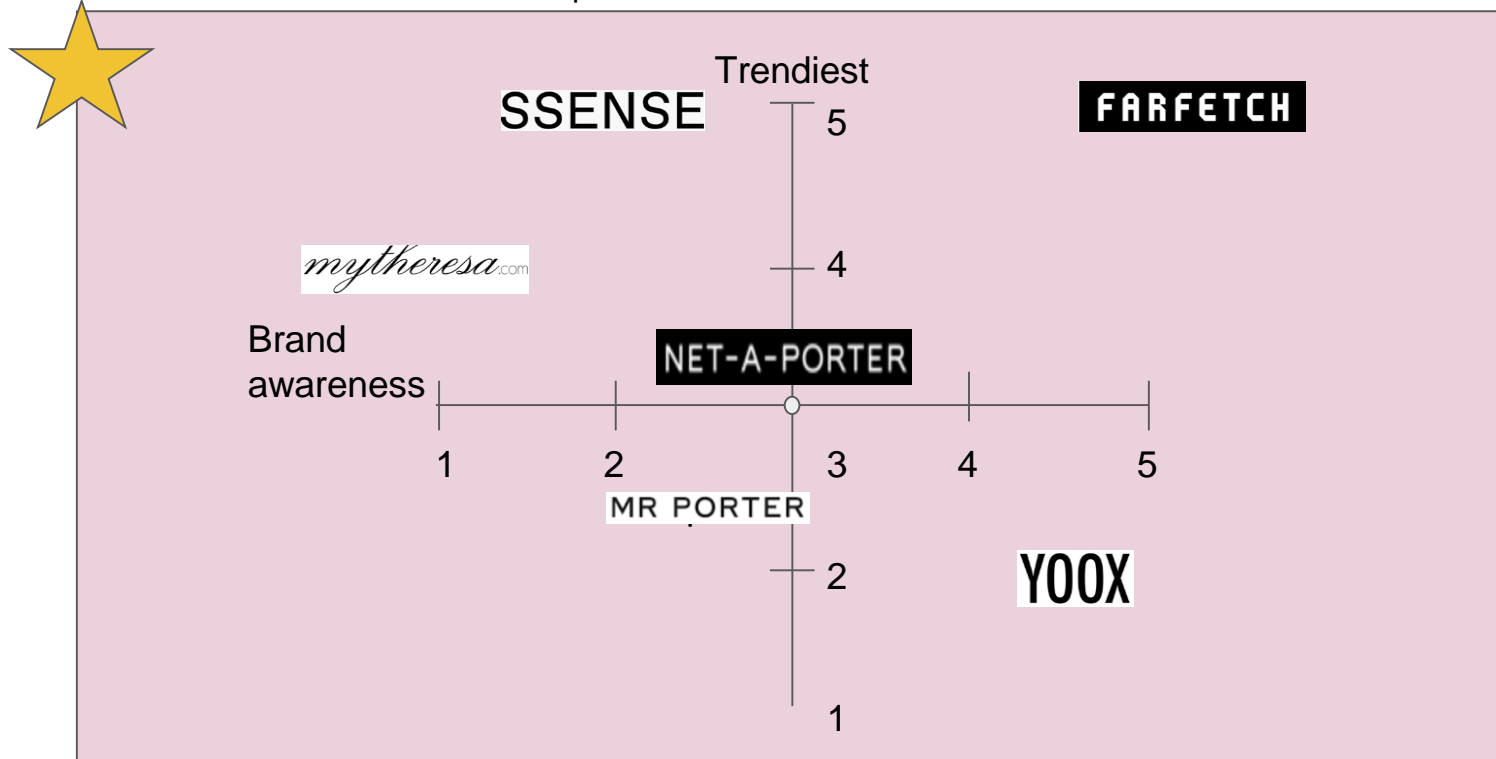
### TRANSFORMING STRENGTHS & WEAKNESSES INTO OBJECTIVES

STRENGTHS (2.6.1)	WEAKNESSES (2.6.2)
By offering a mix of the trendiest products and by proposing a mix of popular and niche brands, we will be able to attract a wider range of clientele to our rental program.	Few products offered have high-market share, while most of the products have low-market share. Due to this, there will be a higher percentage of customers experimenting with niche brands, driving them to try new brands.

## 2.7 Improving perceptions next year: position

### IMPROVING PERCEPTIONS NEXT YEAR: POSITION

Thanks to this service, in our perception, next year Farfetch will gain an important gap in term of awareness comparing to its current competitors

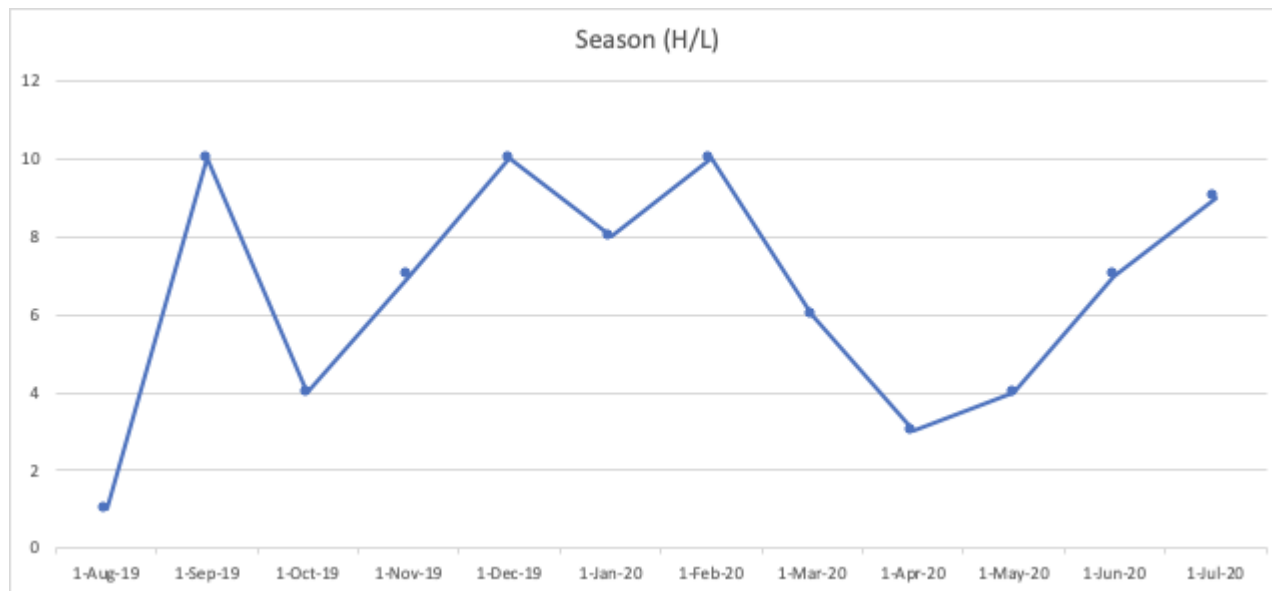




## 2.8 Conducting yearly sales forecast

# CONDUCTING YEARLY SALES FORECAST

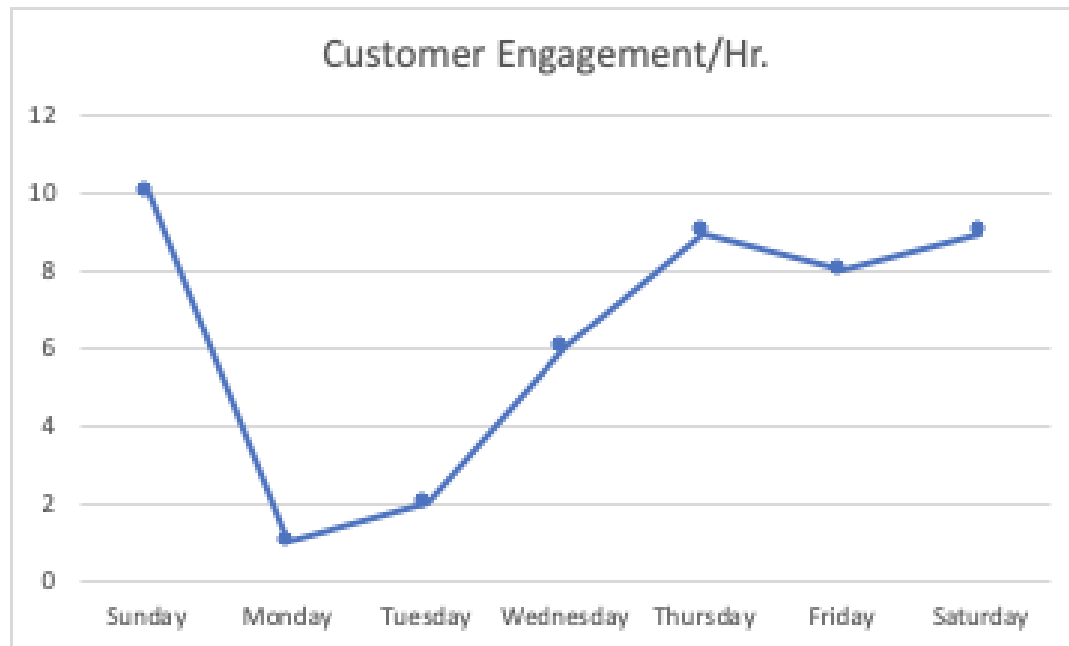
### 2.8.1. Seasonality



X-axis: Month  
Y-axis: Projected demand; 10 = high demand; 1 = low demand

## 2.8 Conducting yearly sales forecast

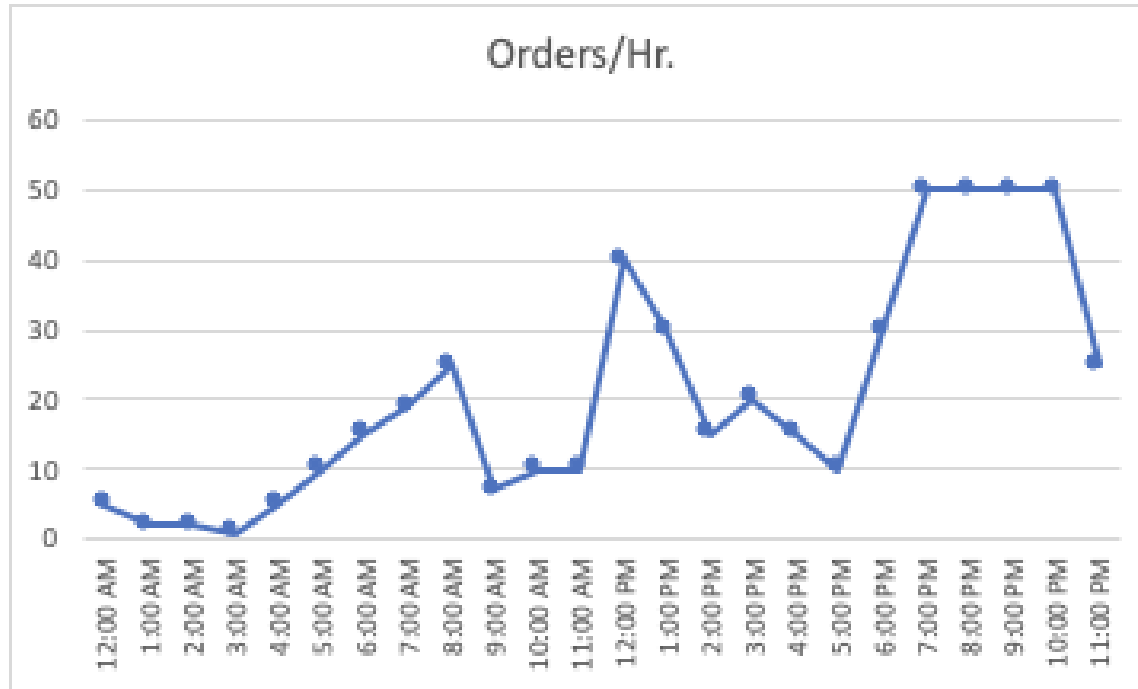
### 2.8.1. Seasonality



X-axis: Day of week  
Y-axis: Projected demand; 10 = high demand; 1 = low demand

## 2.8 Conducting yearly sales forecast

### 2.8.1. Seasonality



X-axis: Time of day  
Y-axis: Projected # of orders/hr.

## 2.8 Conducting yearly sales forecast

### 2.8.2. Facts and Assumptions

Facts: 24 hours/day

Assumptions: 496 transaction/day on an average day (Thursday in May)

Maximum length of time rented: 1 month

Cost of monthly membership subscription: \$250

New York State sales tax: 8.875% ●

### 2.8.3. Calculation

Transactions		Days of operation/yr		\$	Total
496	x	330	x	250	\$40,920,000

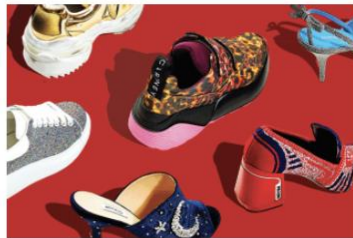
After sales tax:  $\$40,920,000 / 1.0875 = \$37,627,586$

Discount by 10% for over estimation:  $\$37,627,586 / 1.1 = \$34,206,896$

Our revenue forecast is \$34,206,896 for the new service beginning in November 2019

## **PART TWO: MARKETING ACTION PLAN & BUDGET**

### 3.1 To ensure partnerships: $1+1>2$ - 3.2 To maintain successful marketing activities



#### **TO PURSUE PARTNERSHIP: $1+1>2$**

Initiate a pilot collaboration with Uber whereby Uber drivers provide the delivery of goods purchased through the "F90 store-to-door in 90 minutes" program, and Farfetch provides a 10% discount on future Uber Black rides.

#### **TO MAINTAIN SUCCESSFUL MARKETING ACTIVITIES ●**

Farfetch should continue to utilize email newsletters as its primary tool of direct marketing because it has proven to be an effective medium to reach consumers, and can be used to communicate new services.

### 3.3 To adjust the offer, 3.4 To promote marketing activities



#### TO ADJUST THE OFFER

Train the Farfetch retail partners to promote Farfetch and its customer facing services (e.g. the launch of the rental service program) in store and through the retailer's official e-commerce and social media platforms.

#### TO PROMOTE MARKETING ACTIVITIES

For next year, sponsorships will be the most important marketing activities. Examples of sponsorships that we will do will be the collaboration with Uber whereby Uber drivers provide the delivery of goods purchased through the "F90 store-to-door in 90 minutes" program, and Farfetch provides a 10% discount on future Uber Black rides. See ANNEX.

### 3.5 Intentionally Not Included, 3.6 To set periodical marketing budget



## TO SET PERIODICAL MARKETING BUDGET



Resources			Usages		
Our Money	\$2,052,413.79	60%	2.5 Events		
			Direct Marketing	\$855,172.412	25%
			Sponsorships	\$513,103.448	15%
			PR	\$342,068.965	10%
			ADV SEO	\$684,137.93	20%
			Trade Shows	\$171,034.482	5%
Short-Term Loan	\$1,026,206.9	30%	Marketing Research	\$171,034.482	5%
1+1>2	\$342,068.965	10%	Non-Allocated Funds	\$684,137.93	20%
Total	\$3,420,689.65	100%	Total	\$3,420,689.65	100%



## Annex 3.4

