

## A marketing plan as a marketing management tool

Defined business document	Marketing plan
Brand	Stella McCartney – <a href="http://www.stellamccartney.com">www.stellamccartney.com</a>
Main market	Fashion
Marketing challenge	Launching a second life (secondhand service) as a pilot in one location
Geographical focus	London, UK
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Meeting point of the authors with Danny Abramovich	24Ore Business School Master in Luxury Management
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	23
Presentation format	Pdf

## A marketing plan as a marketing management tool

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# COMPANY PROFILE

STELLAMcCARTNEY

## MISSION

**“WE ARE COMMITTED TO  
OPERATING A MODERN AND  
RESPONSIBLE BUSINESS”**

***“We are agents of change. We challenge and push boundaries to make luxurious products in a way that is fit for the world we live in today and the future: beautiful and sustainable. No compromises.”***

- The company<sup>1</sup> was born in 2001: 50% Joint venture with Kering until 2018
  - Partnership with LVMH from 2019
    - 51 monobrand stores
- Distribution mainly through wholesalers
- Turnover: 150/200 million of euros<sup>2</sup>

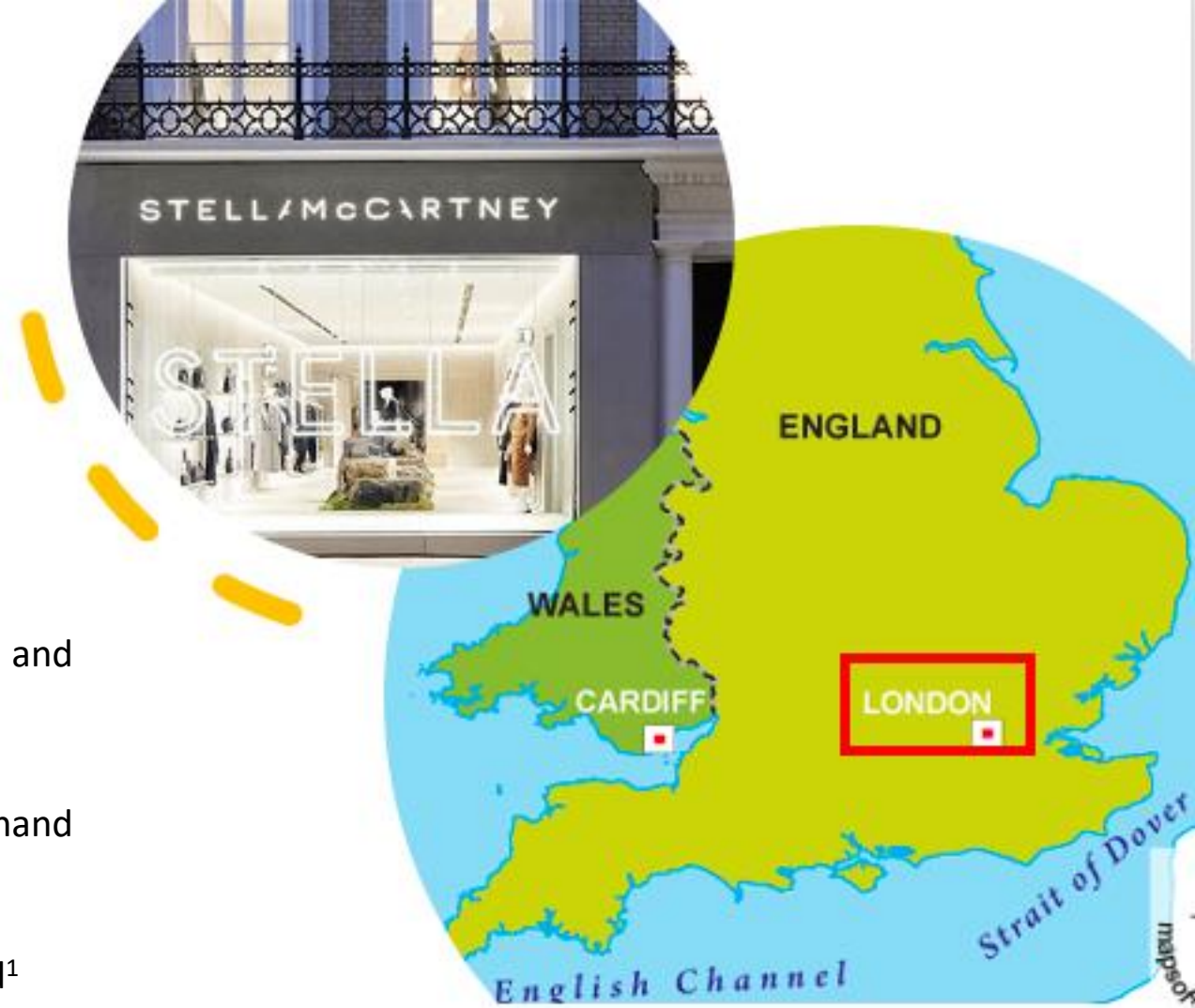
# GEOGRAPHICAL FACTS SHEET

## FLAGSHIP STORE

23 OLD BOND STREET, LONDON

## WHY LONDON?

- **London** is where Stella McCartney was born and raised and where she launched the brand in 2001.
- **The city** has a long experience in the luxury second-hand vintage market.
- The Flagship store is the **most sustainable** shop in the world<sup>1</sup>
- To improve the revenues of the brand that in 2017 raised only by 2% (£42 million) due to the Brexit<sup>2</sup>.



[1]<https://www.architetturaecosostenibile.it/design/arredamento/stella-mccartney-londra-negozi-218>

[2]<https://www.google.it/amp/s/www.mffashion.com/amp/news/finanza/stella-mccartney-salgono-ricavi-e-utili-ma-la-crescita-rallenta->

# CHAPTER 1: MARKETING ANALYSIS

## 1.1 – Influential business trends to-date

The trend that most influences Stella McCartney business is the **Environment**.

Sustainability issues are a subject at the forefront on the mind of the company for the impact that have on the environment.

The main **problems affecting the UK** are: plastic pollution, water shortage; biodiversity, climate change and air pollution.

## 1.2 – Market Analysis to-date ([see Annex no.1](#))

The company is involved in the sustainable ready-to-wear market.

The analysis is focused on the core product: **Bags**

The **level of competitiveness** estimated as **4,2 out of 10**.

It is mainly influenced by **barriers of entry** (high investments, brand power) and **substitute products**.



### 1.3 – Competitive Analysis to-date ([see Annex no. 2](#))

The main **critical success factors** for Stella McCartney are:

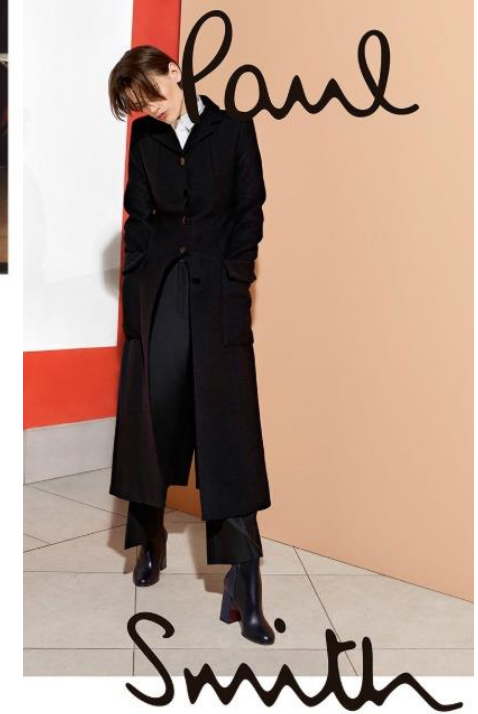
**location, sustainability, research of raw materials and innovation.** The level of competitiveness of Stella McCartney, compared to the three direct competitors (Alexander McQueen<sup>1</sup>, Paul Smith<sup>2</sup> and Vivienne Westwood<sup>3</sup>), is higher.

The factors that affect the most the result are:

- **Sustainability**
- **Research of raw materials**

While the weakest factor in which the company should invest more is **innovation**.

Alexander  
McQUEEN



[1] <https://www.alexandermcqueen.com/it>

[2] <https://www.paulsmith.com>

[3] <https://www.viviennewestwood.com/en/>

## 1.4 – Current market segmentation to-date

([see Annex no. 3](#))

Our main segments are:

1. people who follow **new trends** and need to have a **market recognition** (consumers)
2. a smaller, but growing part of **high loyal customers**, affected by **sustainability**.

## 1.5 – Marketing offer mix to-date ([see Annex no. 4](#))

- **Quality of service:** Stella McCartney aims to transmit her style and consciousness through the customers sharing with them an **emotional connection**<sup>1</sup>.
- **Brand Awareness:** High thanks to the iconic bag (*Falabella*<sup>2</sup>), the materials and the design.

## 1.6 – Marketing promotion mix to-date

([see Annex no. 5](#))

**Distrib.mix:**

**Indirect marketing (85%)** is the most important for the brand as its main distribution channel is through wholesaler like multibrand store and luxury malls.

**MarCom-mix:**

- **CSR (50%)**
  - Sustainability
  - Circular Economy
  - Partnerships
- **Collaborations (30%)**
- **Advertising (20%)**



[1] Chen, 2017

[2] [https://www.stellamccartney.com/gb/stella-mccartney/mini-bags\\_cod45496321gf.html#dept=main\\_bags](https://www.stellamccartney.com/gb/stella-mccartney/mini-bags_cod45496321gf.html#dept=main_bags)

## **1.7 – Actual Strengths and Weaknesses**

### **RATIONAL SELLING PROPOSITION**

- communication strategy
- social responsibility

### **EMOTIONAL SELLING PROPOSITION**

- sustainability
- brand recognition

### **WEAKNESSES**

- prices too high considering the materials used
- lack of economical resources
- lack of intelligent tech adoption in stores

## **1.8 – Actual perceptions: positioning ([see Annex no. 6](#))**

The brand is best perceived by the customers in comparison to **Alexander McQueen**, **Paul Smith** and **Vivienne Westwood**, as far as sustainability and brand recognition are concerned.

Considering the communication strategy, Alexander McQueen is still stronger than Stella McCartney. As we can see from the Instagram profiles of the brands<sup>1</sup>, there is a difference of 3 millions followers between the two.



# CHAPTER 2: MARKETING STRATEGY & OBJECTIVES

## 2.1 – Selected marketing strategy: next year

### Service development: **Stella McCartney**<sup>2</sup>

The strategy is to develop a new service concerned with **sustainability**. The aim is to give a ‘**second life**’ to our products in order to reduce the environmental impact of the company.

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

In **September 2020** we are planning to open a second-hand corner inside our flagship store in **23 Old Bond Street, London**. We are going to offer second-hand verified items completely restored.

## 2.3 – Targeting next year

- Mostly **women**<sup>1</sup> both locals and tourists
- Aged under 40<sup>2</sup>
- Influenced by the **lower price** of the products
- Interested in **vintage** products

[1] 85% of retail purchases, throughout the ages of 25-45 years old, (Kering, 2017)

[2] the most responsive age group for sustainability. (BSD Global)

## **2.4 – Revising the marketing offer next year** **(see Annex no. 7)**

In order to implement our strategy, most resources will be allocated to the **quality of service**: we want to offer the same exclusive experience even if the clients are buying second-hand products that have a lower **price**.

## **2.5 – Revising marketing promotion next year** **(see Annex no.8)**

Following the promotional strategy adopted by the brand, more resources will be allocated to the **Direct Marketing (+10%)**.

In order to promote the new service in London, the brand will adopt tactics with its loyal consumers, through **private events** inside the store, **one to one relations** and **flash sales**.

Anyway, **Indirect Marketing** and the **MarCom-mix** remain important aspects of the strategy. Stella McCartney will launch a **social media campaign** on Instagram and she will present the new service during the **fashion show** on September 2020.

The company will also **donate** part of the revenues from the second-hand business to no-profit environmental organizations.

## **2.6 – Transforming strengths & weaknesses into objectives** **[\(see Annex no. 9\)](#)**

Our objectives for September 2020

### Opportunities:

- **Sustainability** is the main strength of the company today and keeping to invest on it will be the reason of the future success of the brand.
- The lower **price** of the second-hand items could introduce to the brand the customers sensitive to price.

### Threats:

- Introducing a second-hand business into the company could reduce the **brand recognition** of the loyal customers.
- The **lack of economical resources** is a problem that has to be solved in order to reach a long-term financial health.

## **2.7 – Improving perceptions next year: position** **[\(see Annex no. 10\)](#)**

Stella McCartney has higher results than the competitors both in the **sustainability** and in the **brand recognition** criteria.

The aim of the company is to increase the perception of sustainability in order to improve the image of “**green brand**” in the customers’ minds.

The new service offered is the first step to strengthen this positioning.

## **2.8 – Conducting yearly sales forecast** **[\(see Annex no. 11\)](#)**

The expected sales forecast for the first year of the service is **£1,4 millions**.

# CHAPTER 3: MARKETING ACTION PLAN & BUDGET NEXT YEAR

## 3.1 – To pursue partnerships

The recommendation is to collaborate with the sustainable artist **Marina DeBris**<sup>1</sup> who will create unique pieces from the second-hand bags. The aim of this partnership is to increase the **perceived value** of the items by the customers, providing them a limited edition collection of 300 pieces. This added value can help the company to overcome one of its weaknesses: the high price. The collection will be presented during the opening event in the London Flagship store in September 2020.

## 3.2 – To maintain successful marketing activities

Stella McCartney has always been committed in promoting no profit organizations, in particular **Parley for Oceans**<sup>2</sup>. The suggestion is to continue to support them and moreover, to **increase the awareness** about ocean pollution through a social media campaign.



Marina DeBris



[1]: <https://capitalcultural.ro/en/interview-with-marina-de-bris-the-grotesque-beauty-of-art/>

[2]: <https://www.stellamccartney.com/experience/en/sustainability/collaborations/>

### 3.3 – To adjust the offer

#### Quality of service

- **Reconditioning** of the items.
- New **packaging** and label.
- Same standard of the sale and after-sale **service**.

#### Price

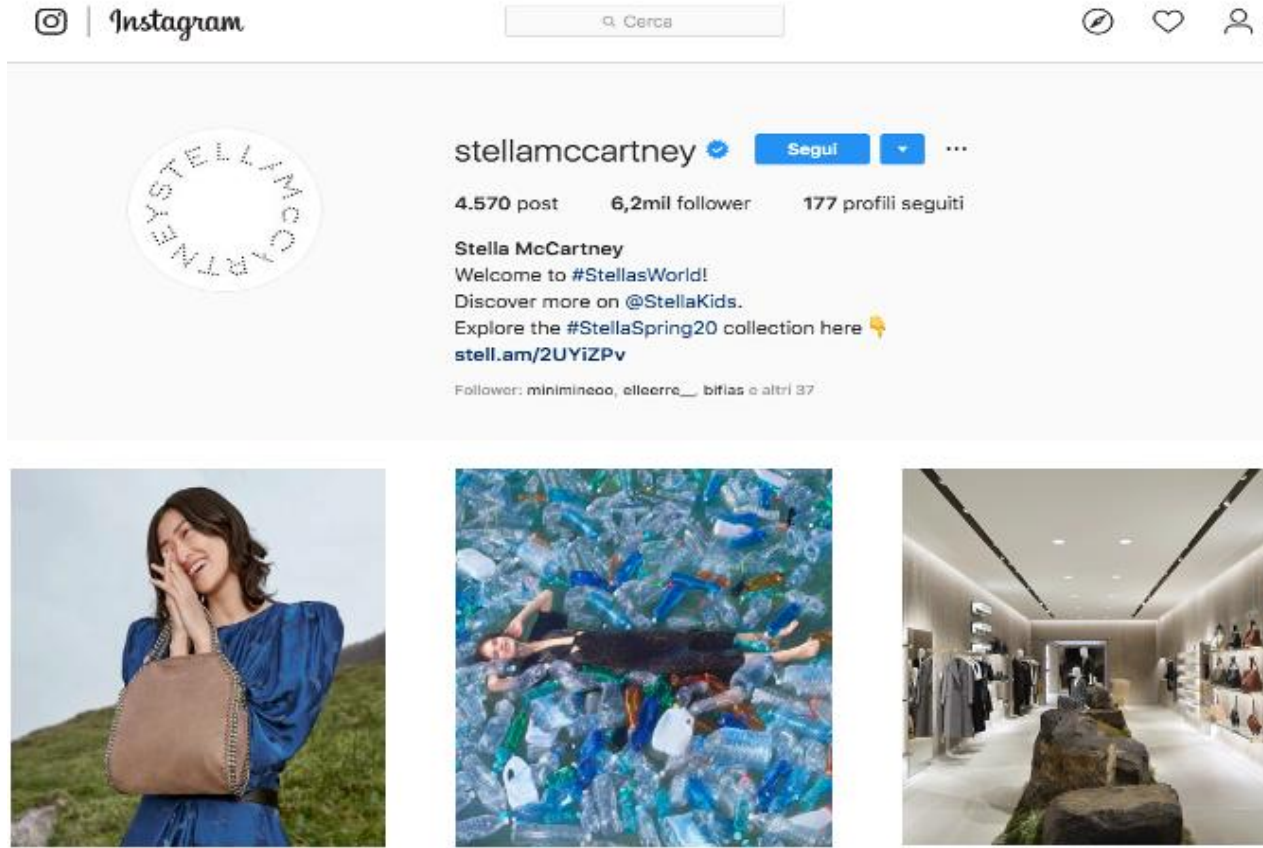
- Price of the second-hand items **reduced** by 30% comparing to the new ones.
- Price of the limited edition items **reduced** by 15% comparing to the new ones.

### 3.4 – To promote marketing activities



**Runway project:** during the fashion show in Paris in **September 2020**, models will wear second hand bags from Stella McCartney<sup>2</sup>.

### 3.4 - Social media campaign on Instagram



Before the opening of **Stella McCartney<sup>2</sup>** corner, the brand will post on the Instagram official page three images that will communicate the beginning of the new business.

The aim is to **inform and excite curiosity**.



**3.4 - The private event in store for the loyal customers:**



You are cordially invited to the  
*Stella McCartney 2*  
opening event

Discover the  
limited edition by  
*Marina DeBris*



10% exclusive  
discount on the  
second-hand  
collection

*Stella McCartney*  
Flagship Store  
23, Old Bond Street,  
London

September 12, 2020  
from 7:30 to 11 pm

PLEASE CONFIRM US YOUR PARTICIPATION

### 3.5 – To manage the marketing action plan projects

WHAT	BY WHO	WHEN		HOW MUCH	COMMENTS
		FROM	TO		
<b><i>Opening event</i></b>	PR Manager	12 September 2020 H 7:30 – 11:00 pm		£ 5.800	The event will take place in the London Flagship store for the launch of the new collection. The entrance will be by invitation.
<b><i>Flash sales</i></b>	Store Manager	12 September 2020 H 7:30 – 11:00 pm		£ 3.600	During the event the loyal customer will benefit from 10% of discount for the limited edition collection.
<b><i>Social Media Campaign</i></b>	Social Media Manager	September 2020-June 2021		£ 10.000	The brand will post weekly on Instagram photos and stories.



### 3.6 – To set a periodical marketing budget

Considering a forecast of £1,4 millions, the Company decides to allocate the 8% towards the marketing department as follow

Resources			Expenses		
CAPITAL (our money)	£92.000	82%	FLASH SALES <sup>1</sup>	£22.400	20%
LOANS		0%	EVENT	£11.200	10%
PARTNERSHIP	£20.000	18%	INSTAGRAM CAMPAIGN	£11.200	10%
			FASHION SHOW	£1.680	1,5%
			Marketing research	£11.200	10%
			Non-allocated	£54.320	48,5%
Total	<u>£112.000</u>	100%	Total	<u>£112.000</u>	100%

# CHAPTER 4: MEASURABLE RESULTS - PERIODICALLY

## **4.1 – The control bodies: who is to control our action plan?**

- The Project manager → service development manager
- The Financial supervisor
- The PR/social media manager.

## **4.2 – The control tools: how to control our action plan?**

- The satisfaction surveys directly provided to clients
- Financial analysis
- Feedback from social media

## **4.3 – Control milestones in time: when to control?**

The most important check controls will be during the high season, in which the brand predict more sales.

- Surveys: twice a year (October and March)
- Financial analysis: December and June
- Social media platforms: every week and more frequently during Christmas, Saint Valentine, Women’s day, during special sales and during partnerships.

## **4.4 – Selected criteria of success: what to measure to thrive improvement?**

One of the main criteria of success is the **quality** both of the product and the service. In order to maintain and improve the quality level the company will measure the perception of quality among customers.

# ANNEX

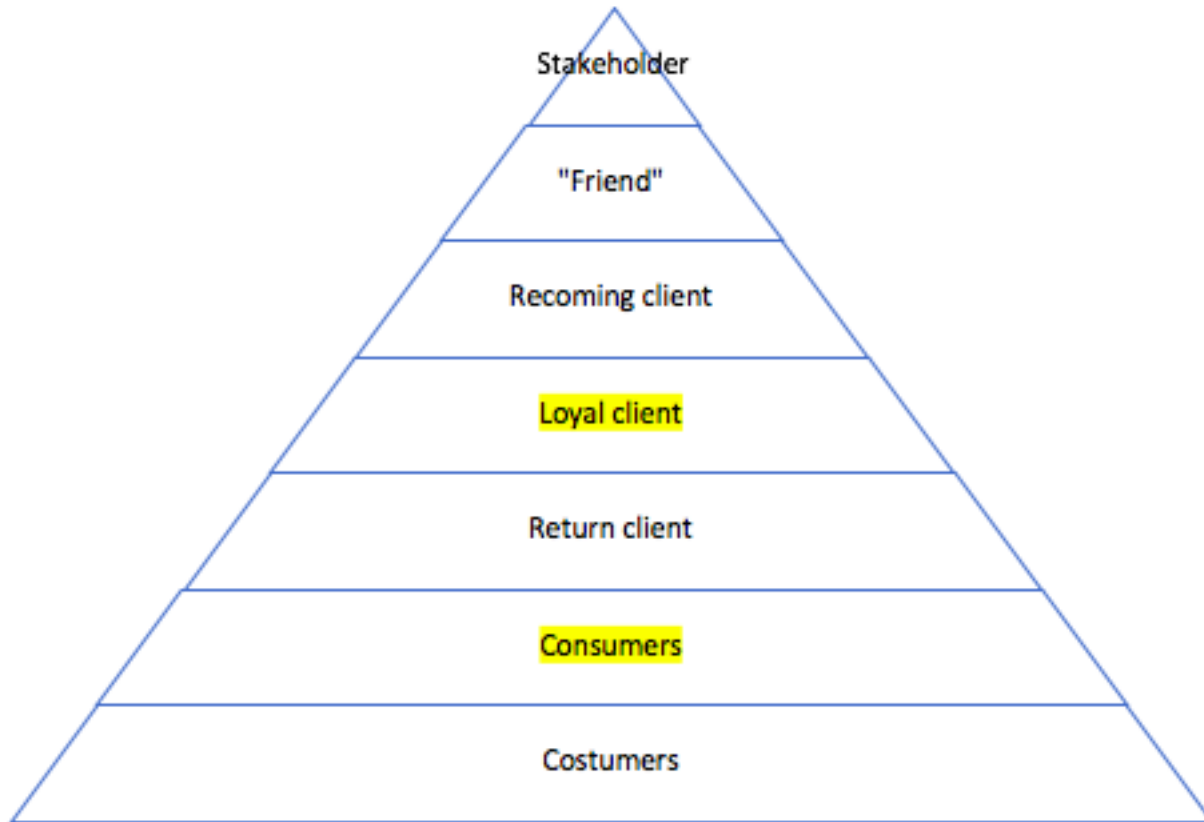
## ANNEX no. 1

- **Barriers of entry:** 5 (33%) → 1,65
- **Substitutdy:** 5 (33%) → 1,65
- **Bargaining Power of Suppliers:** 3 (20%) → 0,60
- **Bargaining Power of Clients:** 2 (13%) → 0,26
- **LEVEL OF COMPETITIVENESS:** 4,2

## ANNEX no. 2

<i>C.F.S.</i>	<i>WEIGHT</i>	<i>STELLA McCARTNEY</i>	<i>Alexander McQUEEN</i>	<i>PAUL SMITH</i>	<i>VIVIENNE WESTWOOD</i>
<i>Location</i>	35%	8	8	8	7
<b>Research of raw materials</b>	15%	9	6	6	6
<b>Sustainability</b>	20%	10	7	5	5
<b>Innovation</b>	30%	7	10	5	9
<b>TOTAL</b>	100%	<b>8,3</b>	<b>8,1</b>	<b>6,2</b>	<b>7,1</b>
<b>% competitiveness</b>			<b>2%</b>	<b>25%</b>	<b>15%</b>

***ANNEX no. 3 (Loyalty pyramid)***



**ANNEX no. 4**

<b>PHYSICAL</b>	<b>PRICE</b>	<b>BRAND AWARENESS</b>	<b>QUALITY OF SERVICE</b>
20%	30%	10%	40%

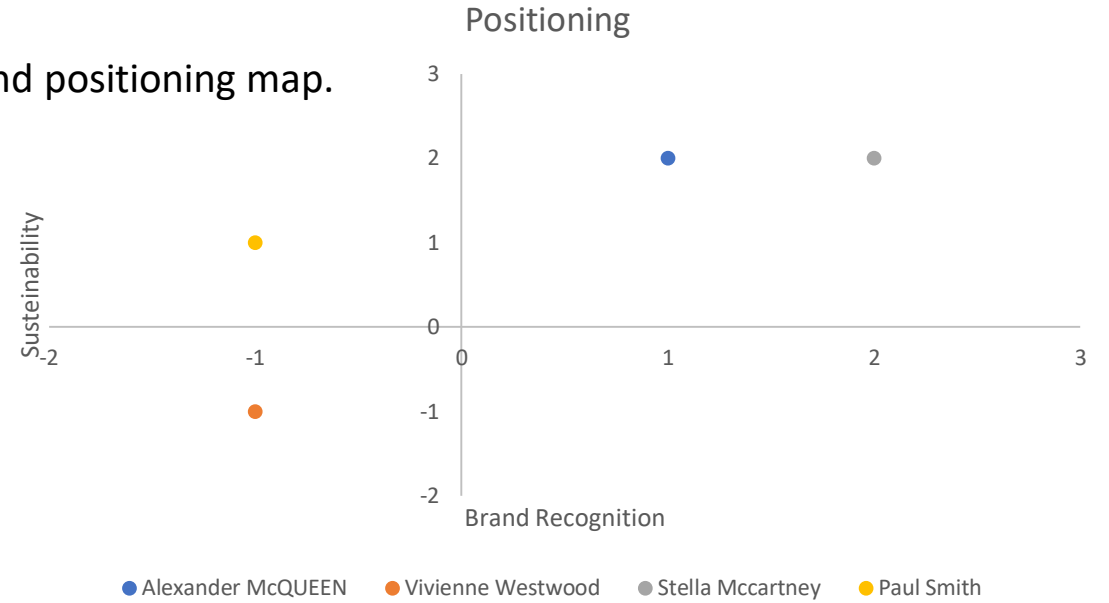
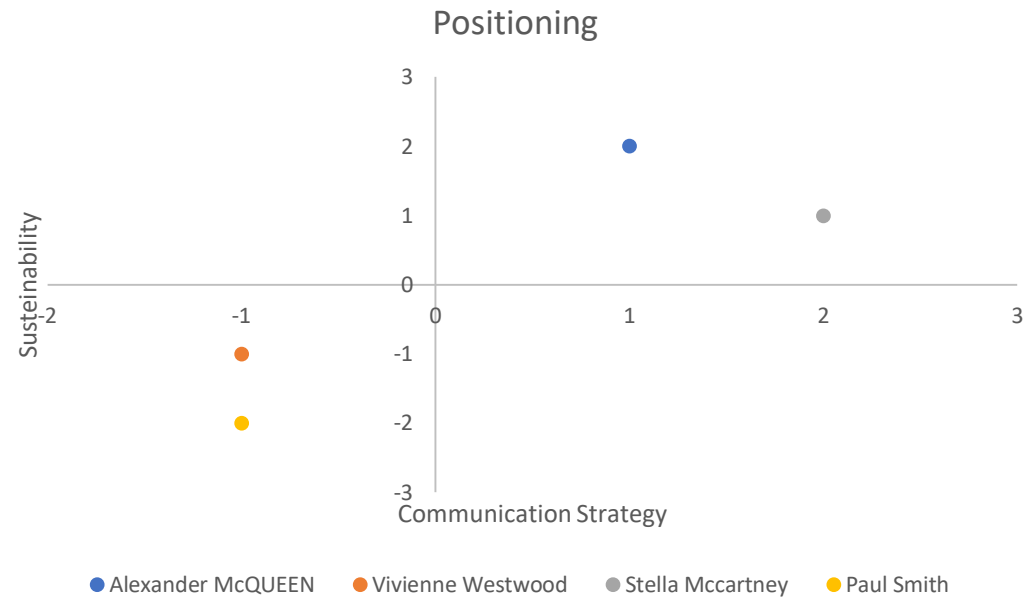
**ANNEX no. 5**

<b>DIRECT MARKETING</b>	15%
<b>INDIRECT MARKETING</b>	85%

<b>ADV</b>	20%	Green advertising (winter 2019)
<b>CSR</b>	50%	<ul style="list-style-type: none"><li>• Sustainability</li><li>• Circular economy: «The future will be restorative and regenerative by design and the clothes we love never end up as waste».</li><li>• Partnerships: The Ellen MacArthur Foundation, Cradle to Cradle Products Innovative Institute, Clevercare</li></ul>
<b>COLLABORATIONS</b>	30%	Parley for Oceans, Natural Resources Defense Council, Ethical Trading Initiative, Coty, Adidas

ANNEX no. 6

We choose the second positioning map.



**ANNEX no. 7**

<b>PHYSICAL</b>	<b>PRICE</b>	<b>BRAND AWARENESS</b>	<b>QUALITY OF SERVICE</b>
10%	40%	10%	40%

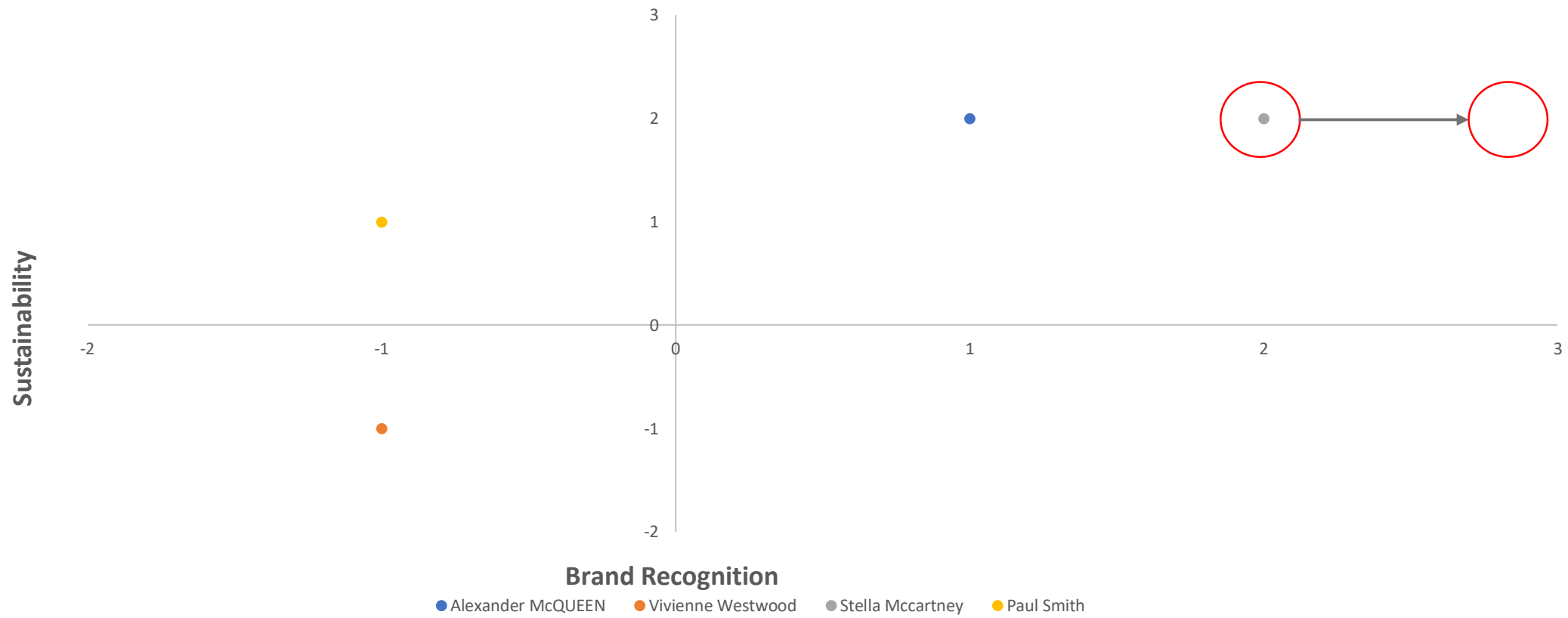
**ANNEX no. 8**

<b>DIRECT MARKETING</b>	30%	<b>ADV</b>	5%
<b>INDIRECT MARKETING</b>	70%	<b>CSR</b>	35%
		<b>PR: COMMUNITY RELATIONS, DONATIONS</b>	50%
		<b>COLLABORATIONS</b>	10%

**ANNEX no. 9**

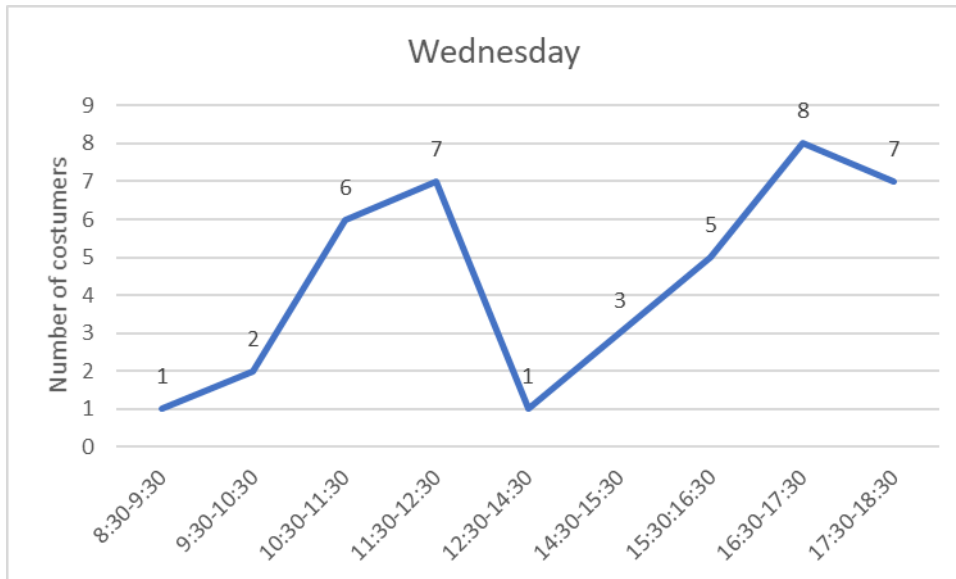
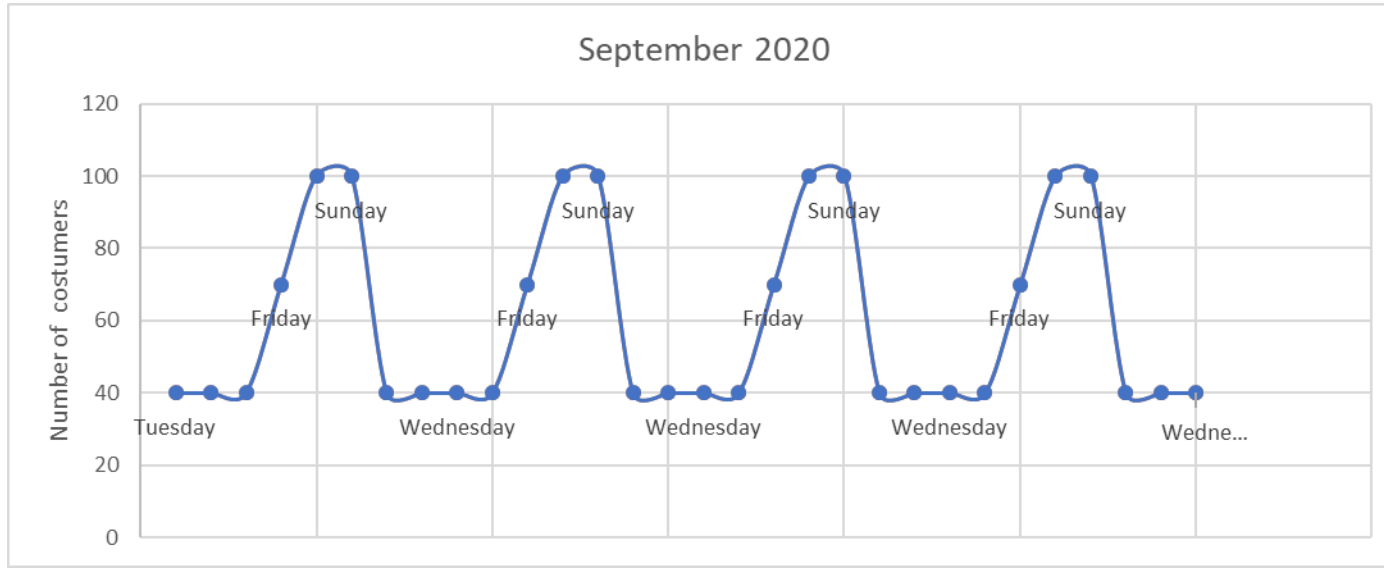
	<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<b>OPPORTUNITIES</b>	Sustainability	Prices
<b>THREATS</b>	Brand recognition	Lack of economical resources

**ANNEX no. 10**





**ANNEX no. 11**



The estimated number of customers that enter inside the shop on an average day of the week is 40. 12 customers out of 40 are effective buyers of second-hand products with an average spending of £400. Considering the UK VAT of 20%, the calculation of the

revenues is the following:

$$12 \times 7 \times 50 \times 400 = \text{£}1.680.000$$

$$1.680.000 / 1.2 = \text{£}1.400.000$$