

## BENETTON

### 1 - How do you justify the revenues decrease of Benetton and the loss of its notoriety in Europe? (3 points)

- ✿ Consumer are more selective and exigent;
  - Higher levels of education and more offer to chose from;
- ✿ Benetton's campaigns;
  - Created a negative perception of the brand with its shock campaigns;
  - The absence if its products from advertising might have created the idea of a non fashionable brand;
- ✿ Asian competition;
  - Lower prices and increasing quality.

### 2 - Do you agree that the communication strategy has not been the most proper? Suggest an event where it would be possible to launch a new phase of Benetton's communication. (2 points)

The subjects that in other times were taboo are no longer today



Appeals primarily to issues of humanity and not properly for the sale of their products, cannot have success in our days

- ✿ Benetton must adapt to the reality of today;
- ✿ Keep the philosophy of concern about the problems of the world ("Festival Músicas do Mundo 2010")
- ✿ Implement Color Magazine's project "Music from the rest of the world"
- ✿ Join fashion with music festivals
- ✿ Main sponsor
- ✿ Advertisement campaign, with pictures of the people around the world, representing their culture, dresses and instruments
- ✿ Make everyone wear Benetton with different colors to show life and happiness and in the same time advertise their products as a product of life, happiness and vivacity

### 3 - Regarding in the information available, build up a SWOT Analysis. (4 points)

#### STRENGTHS

- ✿ Benetton Group is one of the world leaders in the design and manufacture
- ✿ Benetton clothes are perceived as high quality products
- ✿ Stores are managed by third parties which allows high flexibility and quicker expansion of store network
- ✿ It has its own communication research and development center: Fabrica

#### FRAQUEZAS

- ✿ Shocking advertising can make retailers stop selling Benetton products for not losing costumers
- ✿ In Europe, Benetton products are expensive
- ✿ Consumers don't view Benetton as fashionable as its competitors
- ✿ Little control on the management of each store

#### OPORTUNIDADES

- ✿ Benetton doesn't have a lot of market share in the emerging markets, so it can improve its position in those markets

- ✿ Diversifying its markets will make Benetton less sensitive in regards of the fluctuating economy
- ✿ Development of new advertising strategies like guerrilla marketing
- ✿ Growing environmental concern in society

#### AMEAÇAS

- ✿ The apparel market is getting saturated and the competition is getting tougher
- ✿ Controversial communication strategy may have a bad impact on consumers
- ✿ Decrease of apparel sales in Europe
- ✿ Difficult access to credit

#### **4 - Considering the new political and social trends what should be done in the context of environmental and social responsibility? (2 points)**

Os anos 90 trouxeram sensibilização para diferentes problemas, o que resultou numa estratégia bem sucedida que deu notoriedade à marca:

##### AMBIENTE

1. Associação com a cor verde, amiga do ambiente
2. Reforçar a importância da reciclagem

##### RESPONSABILIDADE SOCIAL

1. Dos outdoors à realidade
2. Desenvolvimento de campanhas de voluntariado para os assuntos abordados

#### **5 - What do you think of Benetton's position on the perceptual Map? Would you try to change it? If so, what strategy would you use? (4 points)**

1. A Benetton fala com os consumidores mais novos, e deve-lhes dar por isto o que eles procuram
2. Considerando a sua posição no mapa perceptual proponho uma forte aposta na abordagem do mercado fashion/design.

Afinal juventude = design = United Colors of Benetton

#### **6 - Should Benetton re-organize their offer? Is the current offer adequate to all the target segments? Bear in mind that Benetton Children was the only brand that has grown in the last few years. (5 points)**

- ✿ Benetton was only successful in the children segment;
- ✿ Wide range of target segments (Benetton XXI, Benetton Children...)
- ✿ Different store layout, separating the brands;
- ✿ Opening of smaller brand shops, more target-oriented
- ✿ Benetton doesn't have an online presence. The creation of an online service is in order

