

# An Exploratory Study on the Ralph Lauren Brand and Integrated Marketing Communications Strategy

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## ABSTRACT

Luxury brand marketing was fairly easy in the past. Commerce was national, competition was moderate and consumers, who were loyal and uncritical, were easy to segment and characterize. This has nevertheless changed, as luxury brands today, face a highly competitive and globalized market and critical consumers with sky-high demands for pleasure and creativity that, moreover, are difficult to segment due to a general increase in wealth that has made luxury more or less available for all. This has created challenges for luxury fashion brands that struggle to create synergy between today's need for globalization and constant recreation of originality on one side –that can be challenging to manage - and luxury fashion brands' fundamental traits of tradition and heritage that must be respected and treasured on the other.

The need for an organization to properly coordinate its marketing communication strategies in order to deliver clear, consistent and competitive messages about itself and its products has become highly imperative today for every result driven organization.

This study conducts a preliminary research on the Ralph Lauren brand. A combination of PESTLE, SWOT Analysis and Porter's 5 Forces was used to examine the macro and micro environment of the company. A study is conducted on Integrated Marketing Communication. An analysis and insight is given into marketing communication strategies used by

Ralph Lauren. A new era beckons international luxury brands to plan strategically for the future and seize the market. The ability and willingness to connect with the luxury consumer can make a difference between winning and losing a share of the luxury market.

The study looks into the marketing communication strategies employed by Ralph Lauren as an example to further understand how various communication strategies are employed by brands.

## INTRODUCTION

“Luxury” - a word most fashion brands would die to be characterized by but only a few in fact are. It connotes exclusivity, craftsmanship and uniqueness and justifies sky-high prices

The concept has throughout history played an important role in societies by being a clear indicator of knowledge and social class, and this has not changed in present time. Although, we have been freed from tradition-bound social stratification, this has, according to J.N. Kapferer and V. Bastien (2009), not changed people's human need for some kind of social class system, and they argue that luxury nowadays function to recreate this for us.

Being a social marker, luxury fashion products thus play a key role in our creation of identity – it

influences how we dress and enables us to signify a certain lifestyle, also if we chose not to buy luxury goods, and this is essential in our modern society, where we tend to define each other based on appearance and product choices.

## Background

In the past it was fairly easy to brand luxury, as competition was moderate and consumers were quite easy to define due to the above mentioned strict, social stratification and the tendency of consumers to remain loyal and uncritical towards a single-brand. This has nevertheless changed, as competition has increased and the consumer market has expanded, making it difficult to define whom to target. Thus the days are gone when luxury products simply had to be well-designed and expensive in order to sell. "Today's luxury consumers are different. They have to be surprised, tantalized, captivated, courted, pampered and constantly pleased without end."

Put differently, luxury brands nowadays have to constantly keep up with social trends and recreate themselves in order to stay successful and competitive. Simultaneously, it is nevertheless also crucial for luxury fashion brands to remain faithful to the brand's roots and original values and vision, if it wishes to keep its luxury status and this requirement for maintaining tradition is obviously quite difficult to preserve in communication, when the brand at the same time has to be original and keep up with the spirit of the time.

## Research Concepts & Analysis

### Company Profile

The Ralph Lauren Corporation is a world-renowned clothing company that defined what the American lifestyle is, through fashion statements that are deeply rooted in rich, American tradition.

The Ralph Lauren Corporation started in 1967, when Ralph Lauren himself began to sell a line of luxury ties. The styles of these ties were contrary to the traditional fashions in those times—narrow, bland ties. Instead, Lauren designed wide, colourful ties, which initiated a new trend that instantly distinguished the Polo brand. Since then, the Ralph Lauren Corporation has grown into an extraordinary mecca of apparel, footwear, luxury accessories and home furnishings.

### Research Objectives

1. To study the Ralph Lauren brand: Analysis of Micro and Macro environments, Target Segments and Brand Positioning
2. To define and provide and insight into Integrated Marketing Communications
3. To study the Marketing Communication strategies employed by Ralph Lauren
4. To study how brands communicate.

### Segmentation:

**Demographics:** Women, Men and Children from middle and upper class.

- Professionals
- People of wealth and leisure
- People from affluent communities
- People with multiple residences. (city home + country home/holiday home)

- People who sail, ride horses, like to play golf and participate in sports such as rugby and polo.

- Aspires to be: Respected, admired, wealthy and worldly, sophisticated.

**Psychographic:**

-People who like the quintessential American look and timeless classic style.

-Who want good quality products and are looking for classical, versatile lifestyle.

- Wants: Prestige, Glamour, Luxury, Privilege
- Values: Quality, Exclusivity, Style, Fine living

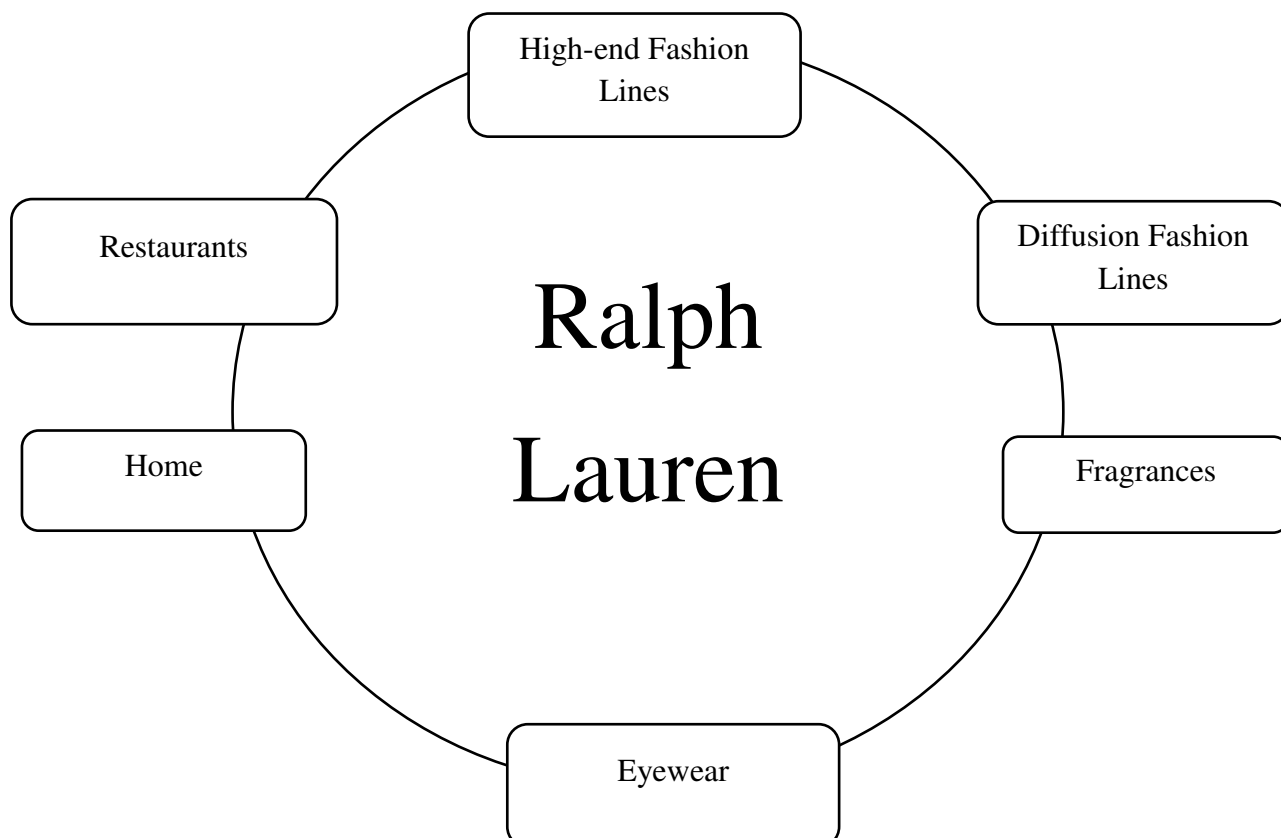
Diffusion lines often combine formal, informal and sportswear aesthetics as 1 Unique Selling Point (USP).

The prices vary only slightly. The most expensive being the Collection lines, aimed at old money buyers. The golf and tennis sportswear line are among the more affordable.

Hence all Ralph Lauren brands are equally important.

**The Ralph Lauren Model:**

A reflection of different expressions of Ralph Lauren's talent and art of living:



**Porter's 5 Forces:****Bargaining Power of Suppliers:**Supplier Power—moderate and stable

Polo Ralph Lauren contracts for the manufacture of their products. The Company is not entirely reliant on one manufacturer as they contract with over 400 different manufacturers around the world.

Hence no single supplier or manufacturer has too much power over the company. Raw materials necessary for the production of the Company's products include but are not limited to fabrics, buttons, and other trims.

Given the fact that Polo Ralph Lauren contracts with numerous manufacturers, supplier power is moderate and stable because if an individual manufacturer becomes too expensive the Company can dissolve their business relationship with them. However, it is worth mentioning that switching suppliers may be costly for the Company.

**Threats of New Entrants:**Barriers to Entry—moderate and increasing

This year has been marked by significant cuts in discretionary spending by consumers due to a housing market crash, stock market crash, and an overall downturn in the global economy. The lack of consumer confidence and decreased spending would place significant pressure on a new company's operating margins.

In addition, consumers often buy the brand of clothing that they are the most familiar with.

Brand recognition is very important, and it is difficult for a relatively unknown company to compete with Polo Ralph Lauren on this basis. In addition to the importance of brand name recognition, a company would have to acquire adequate floor space to compete with Ralph Lauren. Acquiring this floor space could become difficult as department stores, such as Macy's, are often already pressed for space. Hence the barriers to entry are moderate and increasing.

**Bargaining Power of Buyers:**Buyer Power—Moderate and increasing

For the most part, Polo Ralph Lauren provides products that are a luxury and not a necessity. This means that their sales directly depend on consumer confidence. Individual consumers lives often do not depend on the ability to consume Polo Ralph Lauren or other fashionable products. Consumer preferences drive the fashion industry, and as the economy continues to weaken product pricing is becoming more important than usual for their demographic consumers. Individual consumers are spending less money this year and are willing to forego the purchase of expensive clothes. In addition, the Company's wholesale segment has two large customers. The loss of one of these customers would be great, which gives wholesale customers a certain degree of leverage over the Company. The fact that Polo Ralph Lauren provides a luxury good as opposed to a necessity and that the Company has two large customers in the wholesale segment leads one to believe that buyer power is moderate and increasing.

## Threats of Substitute Products:

### Threat of Substitutes—Low and stable

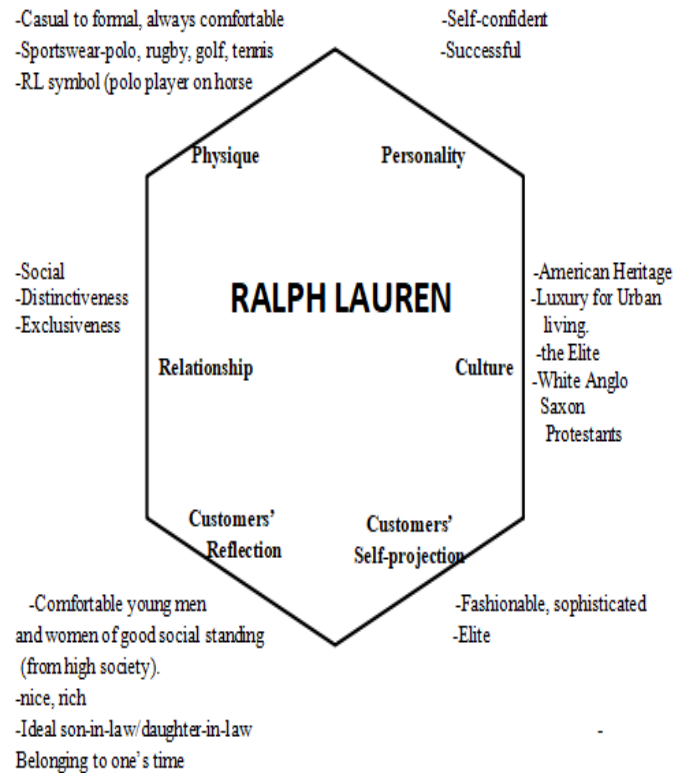
The threat of substitute goods is low and stable. Polo Ralph Lauren targets the upper-middle class- to upper class consumers. These social groups tend to dress formally and to buy other formal lifestyle products. Stereo-typically, these social groups have the most disposable income and are likely to buy formal clothes to enhance their wardrobe. Given a long enough time frame, there is also little substitute for clothing. There is always the possibility that people will choose to dress down, but it is unlikely that the “formal look” will ever go out of style.

## Competitors:

### Degree of Rivalry—Moderate and Increasing

The rivalry between companies targeting the upper-middle class to upper class is high. There are numerous brands to choose from, and companies compete primarily on the basis of brand recognition and consumer preferences. Price competition is usually not a significant issue for companies like Polo Ralph Lauren due to their demographics disposable income base, but as the economy continues to weaken more and more people are willing to forego certain purchases due to pricing factors. The current stressed global economy is putting more pricing pressure than usual on companies like Polo Ralph Lauren.

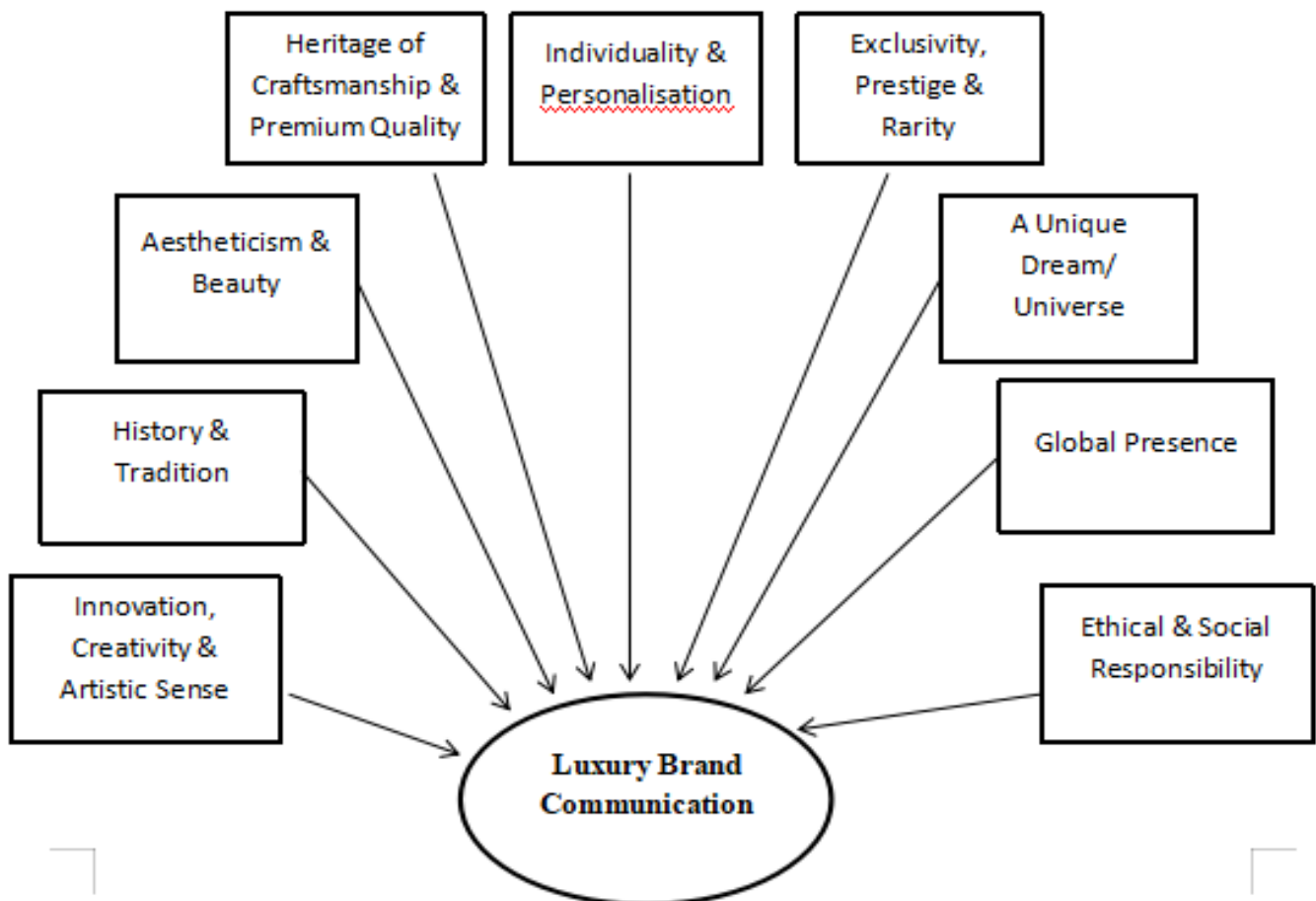
### Brand Identity Prism:



Ralph Lauren aims to communicate the notion of a dream build on class, timeless and natural beauty, American heritage, sensual femininity and confident individualism, with high quality products that have been innovatively created -yet with respect for tradition- for powerful and elegant women, who belong to the elite and seek exclusive and understated, hedonistic offerings.

**Ralph Lauren's largest competitors in the apparel clothing industry are The Jones Group Inc. (JNY), Liz Claiborne Inc. (LIZ) and Ann Inc. (ANN).**

	Sustainable Competitive Advantage	Core Competencies
<b>The Jones Group</b>	Expansion to create a wide variety in products for girls and women	1.Knowledge and experience in female fashion 2. Breadth of brands for females 3.Brand name appeal
<b>Liz Claiborne Inc.</b>	Appeal to large market through diversity in brands and price points	1.Brand portfolio 2.Appeal to men and women 3.Potential for growth
<b>Ann Inc.</b>	Ability to closely connect and build relationships with clients	1.Close client relationship 2.Knowledge of target market 3.Company mission





Ralph Lauren Collection communicates and build its identities on the following facets:

- EXCLUSIVITY, PRESTIGE & RARITY
- INDIVIDUALITY & PERSONALISATION
- INNOVATION, CREATIVITY & ARTISTIC SENSE
- AESTHETICISM & BEAUTY
- A UNIQUE DREAM / UNIVERSE
- A HERRITAGE OF CRAFTMANSHIP & PREMIUM QUALITY
- TRADITION & HISTORY

### Conclusion:

It is worthy to note that many companies still rely on one or two marketing communication tools in their attempt at achieving their marketing communication objectives. This practice persists despite growing sophistication of consumers, dynamic nature of the market, growing competition in most industrial sectors and the need for efficient allocation of marketing communication budgets. Yet, the wide range of marketing communication tools, messages and audiences make it imperative for companies to move towards the IMC approach in an effort to ensure clarity of messages, consistency, credible and a competitive message cross to target audience.

### Suggestions for Future:

As mentioned on their website – [www.polo.com](http://www.polo.com), Polo Ralph Lauren has many growth initiatives. Including:

- Expanding their international presence, principally in Asia and Europe

- Extending their direct-to-customer reach via Ralph Lauren stores and e-commerce
- Innovating and expanding new and emerging merchandise categories, particularly accessories
- Investing in infrastructure to support their growing global reach
- Developing their global talent pool

These expansion strategies by the company show that it is aware of the product life cycle and the need to complement its mature, flagship brands with new and emerging brands as well as reinforcing the older brands and expanding to new market segments throughout the world.

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**Acknowledgement: Ms. Elizabeth Mary Mathew,** Alumna, Amity Global Business School, Chennai