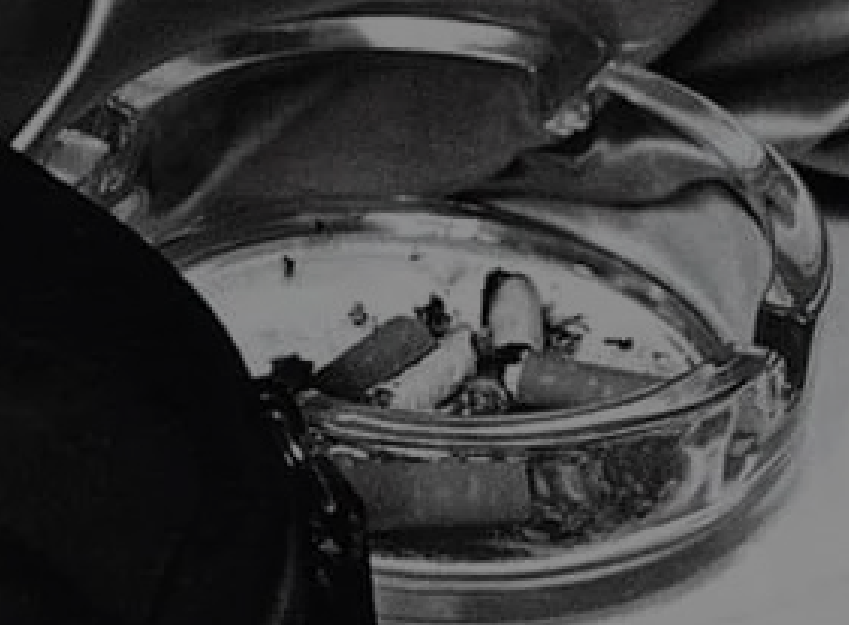




by
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for
Fashion Marketing & Management
18/02/2022

PRADA





PRADA

“Prada has a thoughtful and pioneering vision of fashion.
At a time of significant cultural and societal change, luxury needs to continue
evolving coherently with the market.

Our dialogues and fluid perspectives continually reinterpret luxury.
By being relevant, sustainable and impactful, we will drive long-term growth.”

-The Prada Group

VISION & MISSION

VISION

Through the safety of the past, we envision to empower everyone to be real and express themselves on a daily basis.

MISSION

We want to provide a handy product that helps people to express themselves wherever they are and safely store their moments to ensure they will always be able to look back to them as good memories.

PRADA

PRADA

MARFA

PRADA

**TRANSCENDING
TRENDS**

- Innovative approach
- Inspiration from an unconventional analysis of society
- Examination and association of variated disciplines (such as art, film and photography)

**TRANSCENDING
PRODUCTS**

- Unfettered from conceptual limitations
- Unfettered from the strict commitment to stylistic cohesion
- Manifestos of cultural emancipation that embrace the broadest aspects of life

**LOOKING FOR NEW
PERSPECTIVES**

- A state-of-the-art laboratory
- Grounded on the values of instinct and cultural inclination
- Expression of society and, as such, it changes while Prada evolves accordingly.
- Distorted & reconsidered classics and basics

**REINTERPRETING
SHARED
AESTHETIC CODES**

- Intellectual commitment to good taste
- Shared aesthetic codes are reinterpreted through an unusual perspective
- New products challenge material processes with the use of technology and know-how

**AN ENDLESS PLAY
OF PAST, PRESENT
AND FUTURE**

- What is considered beauty and what's deemed questionable are deliberately mixed in an endless play of past, present and future in which bourgeois codes are often broken down and reconstructed.

CURRENT CUSTOMER

DEMOGRAPHICS

- 1. Gender: Men and Women
- 2. Age: 25-45
- 3. Status: Upper class
- 4. Income: 75,000+

GEOGRAPHIC

- 1. Large cities
- 2. Tourist locations
- 3. Suburbs

SOCIOGRAPHIC

- 1. Socialites
- 2. Quality interested
- 3. Celebrities

PSYCHOGRAPHIC

- 1. Modern
- 2. Sophisticated
- 3. Attuned to stylistic innovations
- 4. Expects craftsmanship of the highest quality

TARGET MARKET

YOUNG SPENDERS : THE MILLENIALS

As consumer behaviors shift towards a more digital, social and experiential economy, so does the luxury industry.

18-34

PRADA

THE PRADA GROUP

A leading player in the luxury industry, Prada Group is an experimental workshop of ideas.

Unfettered by preconceived style codes, the creations of the Group's brands - Prada, Miu Miu, Church's, Car Shoe and Pasticceria Marchesi - represent the answer to the exploration of society, at the same time, serving as precursors and pioneers of ever-changing scenarios. A perspective that places at the heart of its inspiring and operative principles basic values as uncompromised quality, valorisation of labour and freedom of creative expression.

"Thorough observation and curiosity for the world around us have always been at the heart of the creativity and modernity of the Prada Group.

In society, and thus in fashion, which is somehow a reflection of it, the only constant is change. The transformation and innovation of references, at the core of any evolution, led us to interact with different cultural disciplines, at times apparently far from our own, allowing us to capture and anticipate the spirit of the times.

Today this is no longer enough: we must be the actors of change, with the flexibility required to translate the demands of the market and the society into tangible actions that inform our way to do business."

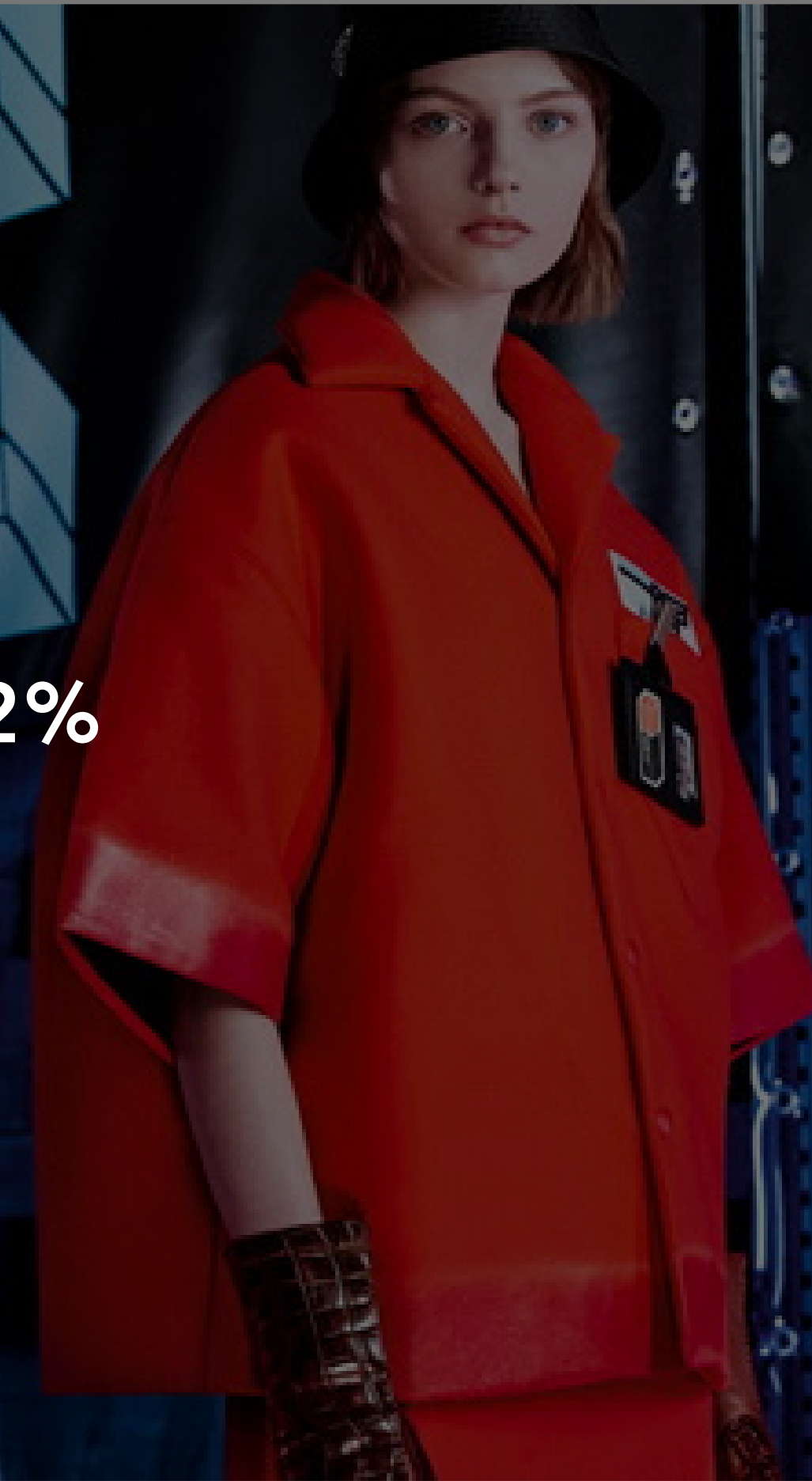
-Miuccia Prada & Patrizio Bertelli



THE PRADA GROUP FASHION ORIENTED BRANDS

PRADA

84,2%



Church's

1,5%



CAR SHOE

0,5%



PRADA Group



miu miu

13,8%

KEY FIGURES

(December 31st. 2020)

5

BRANDS

2,422,739,000 €

TOTAL NET
REVENUES

12,858

HEADCOUNT

633

DIRECTLY
OPERATED
STORES

70

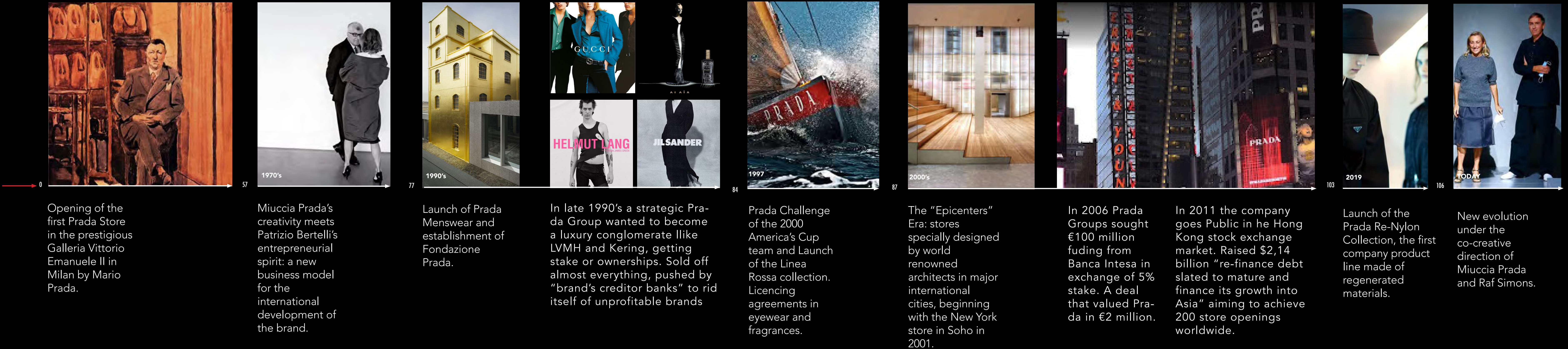
COUNTRIES

23

FACTORIES

BRAND TIMELINE

PRADA



The background image shows a historic building with a modern architectural extension. On the left, there is a traditional stone building with several windows. To its right, a modern structure with a dark, angular roof and circular openings is attached. In the background, a tall, light-colored building with arched windows is visible against a cloudy sky.

FONDAZIONE PRADA

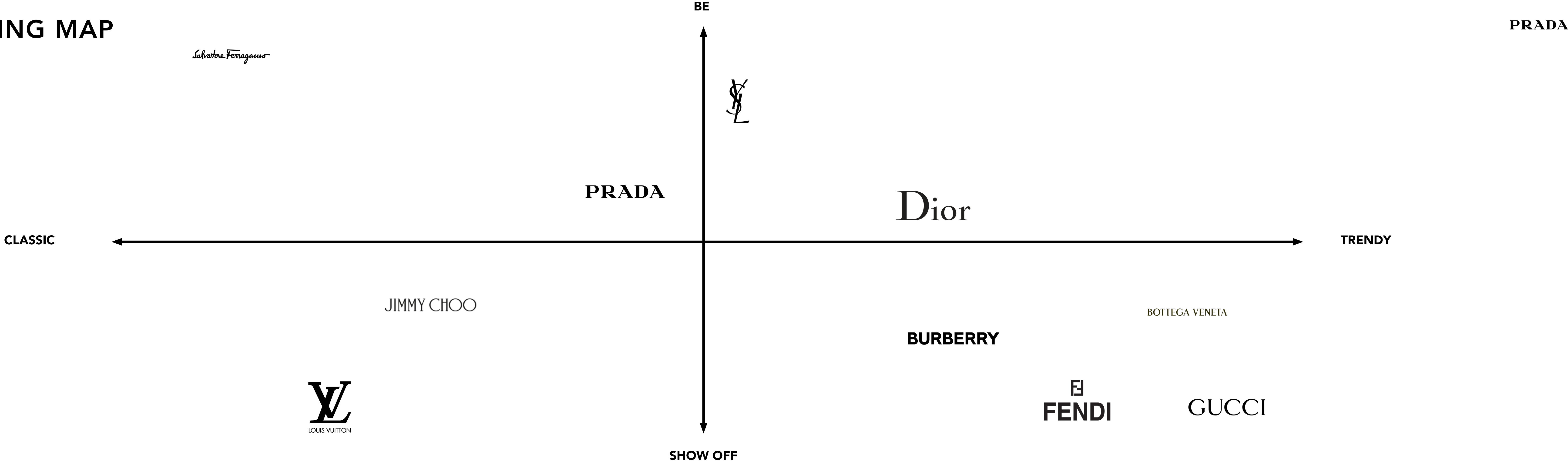
PRADA


“They (Raf Simmons & Miuccia Prada) share a belief that fashion needs to be about more than mere prettiness, but should grapple with issues of self and society, as well as a love of contemporary art, reflected in their personal collections and also in the Prada Foundation”

-The New York Times, Friedman, Feb.24, 2020

Founded in 1993, La Fondazione is a cultural institution of contemporary art, with three venues in Italy, two in Milan and one in Venice.

POSITIONING MAP



COMPETITORS	PRADA				
	<div> FENDI</div> <div>Fendi is an Italian luxury fashion house producing fur, ready-to-wear, leather goods, shoes, fragrances, eyewear, timepieces and accessories.</div>	<div>JIMMY CHOO</div> <div>Jimmy Choo is a luxury footwear and accessories company, primarily focused on women’s shoes.</div>	<div>BURBERRY</div> <div>Burberry is a manufacturer, wholesaler, and retailer of luxury goods.</div>	<div>G U C C I</div> <div>Gucci is a luxury fashion brand, manufacturing and distributing leather goods, shoes, ready-to-wear, silks, timepieces and fine jewelry.</div>	
	Founding Date	1925	1996	1856	1921
	Situation (Groups/Companies)	LVMH	Capri Holdings Ltd.	Burberry Ltd.	Kering
Tags	<div>Manufacturing & Industrial Retail</div> <div>accessories, clothing, fashion, jewellery, luxury</div>	<div>Retail</div> <div>eyewear, fashion, footwear, luxury</div>	<div>Manufacturing & Industrial Retail</div> <div>accessories, clothing, cosmetics, fashion, luxury</div>	<div>Manufacturing & Industrial Retail</div> <div>accessories, ecommerce, fashion. jewellery,luxury</div>	

BRAND EXTENSIONS & LICENSES

PRADA



Mens&Womenswear



Linea Rossa - Sportswear&Streetwear

Licens **LUXOTICA**



Eyewear&Jewellery

Licens **L'ORÉAL**



Perfumes

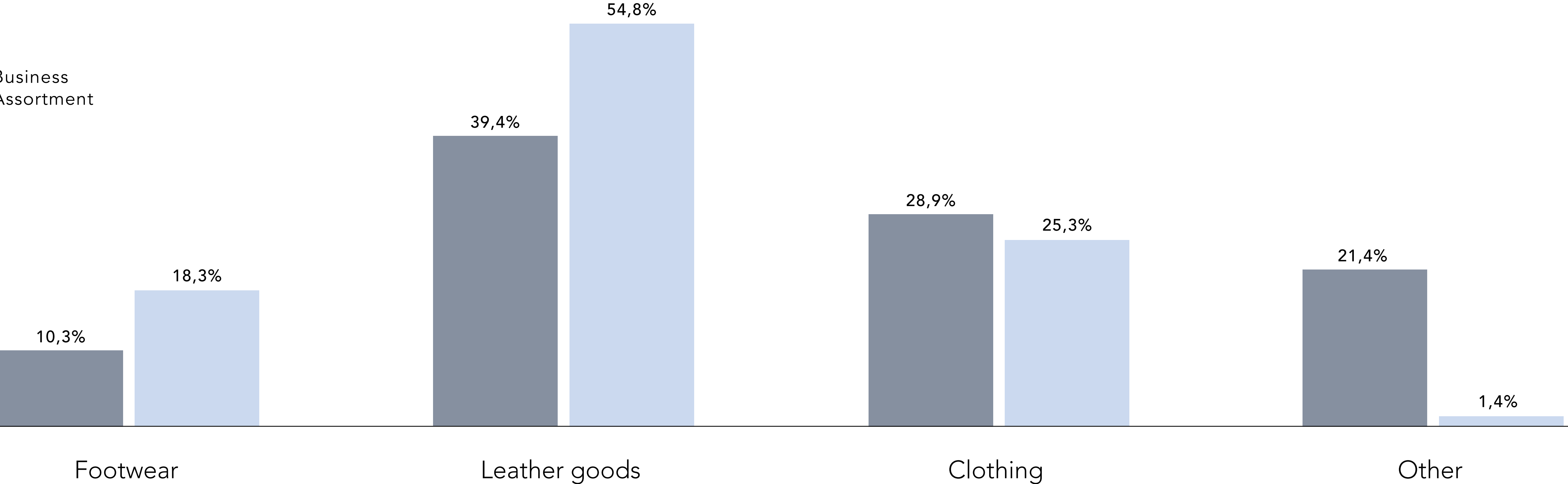
Menswear and
womenswear,
including
leather goods,
bags,
nylon line,
shoes,
clothes and
accessories.

PRODUCT ASSORTMENT ARCHITECTURE

PRADA

Share of Business vs. Share of Assortment

■ Prada Share of Business
■ Prada Share of Assortment



- Prada's strategy is to invest in leather goods and clothing, which together represent 80% of net sales.
- Although accessories are the main source of revenue for many luxury houses, they generate Prada's lowest business share.
- The Italian luxury house is still growing globally and improving relationships with its customers.

PRICING STRATEGY

- Prada has a high brand value and adopted a Premium pricing policy for its costumers.
- Bags: From €200 to €7000 with €2,400 most frequent price.
- Clothing: Minimum price increased 68% to €370 in 2021 and most frequent price is €850.

Avarage Price

PRADA



SUPPLY CHAIN

ACTUAL STRATEGY: VERTICAL INTEGRATION

“The philosophy that the Prada Group has always pursued is direct control of the entire supply chain to ensure uncompromising quality. This strategic investment allows us to preserve the know-how and a century-old tradition of an Italian excellence”

- *Patrizio Bertelli*

LATEST ACQUISITIONS

- Joined with Ermenegildo Zegna Group, in June 2021 they announced the acquisition of the majority shareholding in Filati Biagioli Modesto S.p.A, experts in production of cashmere.
- Ennepi S.r.l & Figline S.r.l expert factories in leather goods production.

This strategy has reduced the cost of collections in 50% by decreasing prototypes and doing many more digital simulation.

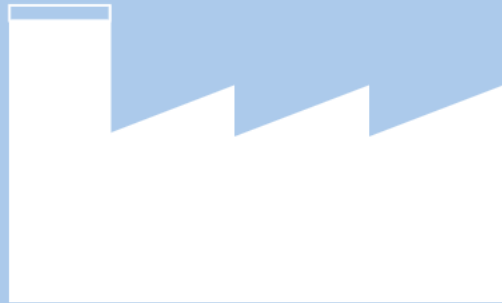
PRADA



By 2022, the Prada Groups owns 23 factories, approximately 3,000 employees, and maintaining 80% of their production in Italy.

PRODUCTION SITES OVERVIEW

Data as of 31 december 2020



23

INDUSTRIAL SITES

20

in ITALY

235,000

Sqm TOTAL AREA

LEATHER GOODS

Arezzo - Italy

Via Gobetti, 82/86

52100 Arezzo (AR)

Figline - Italy

Via Urbinese, 33 Località Matassino

50063 Figline e Incisa V.no (FI)

Figline - Italy

Via J.F. Kennedy, 21

50063 Figline e Incisa V.no (FI)

Limoges - France

65 Route de Périgueux Lieudit Parpaillat

87170 Isle

Milan - Italy

Via Ripamonti, 129

20141 Milan (MI)

Piancastagnaio, Siena - Italy

Via Arno, 39

53025 Piancastagnaio (SI)

Scandicci, Florence - Italy

Via Pisana, 463

50018 Scandicci (FI)

Sibiu - Romania

Popa Șapcă, 1

550108 Sibiu, Jud. Sibiu

Terranuova, Arezzo - Italy

Via Poggilupi, 992-998

52028 Arezzo (AR)

Valvigna, Arezzo - Italy

Strada Lungarno, 1213-1261

52028 Valvigna (AR)

FOOTWEAR

Buresta, Arezzo - Italy

Via Aretina, 552-556

52025 Arezzo (AR)

Civitanova Marche, Macerata - Italy

Via Pertini, 41

63812 Civitanova Marche (MC)

Dolo, Venice - Italy

Via Dell'Industria, 1/A

30031 Dolo (VE)

Levane, Arezzo - Italy

Via Carducci, 6

52023 Levane (AR)

Montegranaro, Fermo - Italy

Via Alpi, 97 Loc. Villa Luciani

63812 Montegranaro (FM)

Northampton - UK

St. James Road

Northampton NN5 5JB

San Giovanni Valdarno, Arezzo - Italy

Via Pruneto, 6

52027 San Giovanni Valdarno (AR)

CLOTHING

Ancona - Italy

Via Luigi Albertini, 20

60131 Ancona (AN)

Città di Castello, Perugia - Italy

Via C. Treves, 13 Loc. Cerbara

06012 Città di Castello (PG)

Fucecchio, Florence - Italy

Via F. Magellano, 5/7

50054 Fucecchio (FI)

Levanella, Arezzo - Italy

Via Aretina, 403

52025 Levanella (AR)

Montone, Perugia - Italy

Via dell'Industria, 10-12

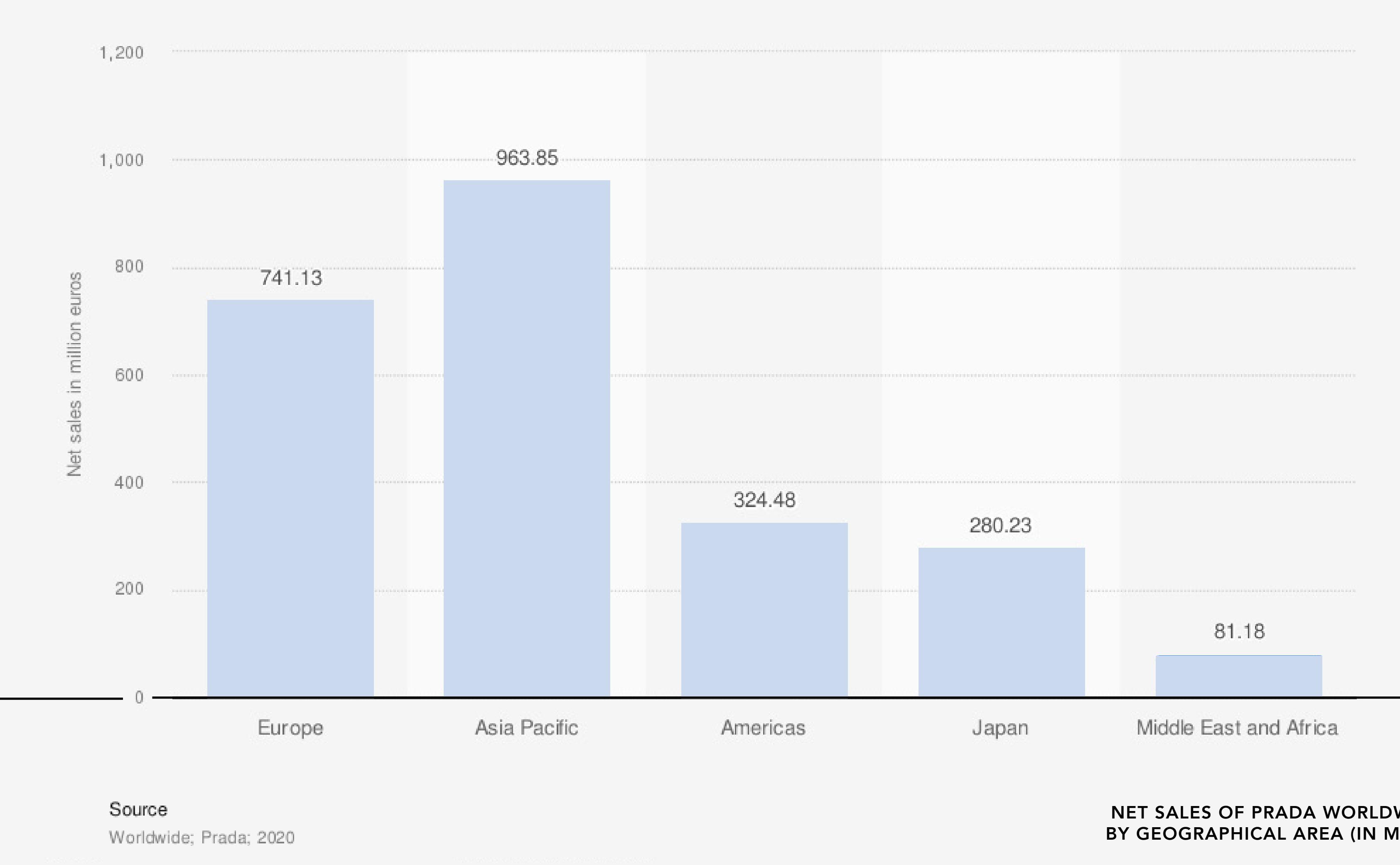
06014 Montone (PG)

Torgiano, Perugia - Italy

Loc. Ferriera, 46

06089 Torgiano (PG)

PRADA



PRADA WORLDWIDE

PRADA

EUROPE

- Trend heavily impacted by the absence of tourists and store closures
- European local customers up double-digit in H2
- Outstanding growth in Russia (+46% yoy)

ASIA PACIFIC

- Back to pre-pandemic levels for the year
- Strong growth in H2 driven above all by China (+52%), Taiwan (+61%) and Korea (+22%)

AMERICAS

- Sound performance in H2 thanks to strong local consumption
- Brazil exceeded FY-19 levels

JAPAN

- Particularly impacted by store closures in tourist destinations (Hawaii, Guam and Saipan)
- Improving local consumption in the second part of the year

MIDDLE EAST

- Significant turnaround in H2 driven by all countries

Focus on Direct Distribution

- Prioritise Direct Channels for high quality customer experience and engagement
- Increase productivity of retail network
- Grow space selectively in markets with higher potential and lower penetration
- Double online penetration and deliver superior omni-channel journeys¹

E-COMMERCE

- Prada has been revamping its e-commerce business and prioritizing digital customer experiences. AI-powered chatbots boosts client services.
- Prada e-commerce sales increased by 200 percent in 2020¹

DIRECTLY OPERATED STORES

- In 2020, the number of Directly Operated Stores owned by Prada was 633. Specifically, 222 were located in Europe, while 198 in the Asia Pacific areas.

FRANCHISED STORES

- In 2020, Prada operated 26 franchised stores worldwide.

DEPARTMENT STORES

- Saks Fifth Avenue
- Bergdorf Goodman
- Selfridges
- Macy’s
- Nordstrom
- Harrods
- Bloomingdales
- Galeries Lafayette
- El Corte Ingles

E-TAILERS

- Barneys
- Net-a-Porter
- Amazon
- Saks 5th Avenue
- The Outnet
- Farfetch
- YOOX
- Matches Fashion
- Prada Online

1: 2020 fiscal year report

SWOT ANALYSIS

- It has a strong association of luxury and exclusiveness attached to it
- The brand has a strong presence in and around the world
- Well curated communications strategies with strong visual identity
- A strong legacy of the brand Prada since its inception in 1913 shows its popularity in the luxury segment
- Open mindness to omnichannel strategies
- The company has an annual revenue which exceeds more than \$4 billion

Strengths

- Lack of entertainment in digital content
- Lack of variety in visual detail oriented elements for apparels
- Strong presence in Asia: for several years the group has recorded its best growth rates in Asia. The area has been particularly affected by the COVID crisis, and the impact has, therefore, been significant for Prada
- Not essential” positioning. Luxury goods, leather goods and perfumes are considered by most consumers as non-essential goods. These can easily be reduced or removed in the event of declining purchasing power, economic or financial uncertainty, as is currently the case for many households following the COVID crisis

Weaknesses

- Digitization process. Although the company has not had a significant online presence, Prada has continued its digitalization in recent years. Even though online sales remain confidential in terms of overall revenue, they are growing in excess of double digits, witnessing sustained demand. This could offer Prada new distribution channels and new growth drivers
- Resumption of activity and travel. In the fall of 2021, the COVID crisis slows down, economic activity resumes, as well as private and business travel. This represents great sales opportunities for the group in its various countries of operation
- Potential in core material (Taking the material {Prada Re--Nylon} into expended levels

Opportunities

- COVID crisis. The COVID crisis has negatively impacted the income and amounts available for the expenditure of many households. This is felt in the markets linked to household consumption. Also the COVID crisis has created disruptions in supply chains
- Massive digitalization. The COVID crisis has pushed many players to go digital, improve their online presence, and develop their digital stores. However, luxury is suffering from these new uses, with most consumers looking for a specific and individualized customer experience, especially when purchasing a luxury product

Threats



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