

A woman with her hair pulled back, wearing a black top, is holding a white Celine bag. The background is a plain, light-colored wall. A semi-transparent white box is overlaid on the image, containing the text.

CÉLINE

Report: New Economy Marketing
Strategies

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EXECUTIVE SUMMARY

This report examines the topic 'new economy marketing strategies', and focuses on the digital revolution and the impact that it has had on marketing. Particular emphasis is given to the promotion and distribution of marketing, which has been identified as the two major marketing functions that have been influenced by the digital revolution. These functions have been explored through the recommended learning outcomes, which consist of new economy industries, characteristics of the new market economy, the customer experience model, questions for new economy marketing and revenue models for e-business.

Celine has been identified as a luxury fashion house that is yet to embrace the digital revolution. The absence of an online store and the lack of social media presence mean that Celine faces the prospect of falling behind other luxury fashion brands who continue to adapt their marketing endeavours to an economy that is influenced by digital advancement. The report addresses this issue by recommending the strategy that Celine should join the digital revolution, and propositions how they should do so through the implementation of e-commerce and social media platforms.

1.0 INTRODUCTION

1.1 Digital Revolution

The digital revolution has been described as the new industrial revolution, where advancement in technology has drastically altered manufacturing and business processes (Digital Experts Academy 2015). One of the major facilitators of the digital revolution is the introduction of the Internet, which has drastically impacted how businesses operate and interact with their stakeholders. This was an important factor in retail growth over the last few years, where e-commerce grew by 400% between 1999 and 2009 (Study.com 2016). Other innovations include mobile commerce, and social media, but also the technology that has allowed retailers to move towards an omnichannel approach where they can integrate functions from purchasing to distribution and the in-store experience.

1.2 New economy industries

New economy industries are businesses that provide information and knowledge-based products and services. The new economy consists of industries driven by the Internet and telecommunication services while also relying on the development of computer technology including hardware and software (W10_RCO1). Industries within the new economy are on the forefront of modern technology, causing them to be a driving force in economic growth.

1.3 Celine Company Profile

Celine is a luxury French fashion label that was founded in 1945 by Celine Vipiana. In 2008, the luxury fashion house obtained creative director Phoebe Philo and since then Celine has renewed its reputation for creating the highest quality bags, shoes and ready to wear collections. Celine is well known for its timelessness, sophisticated and strong silhouettes featured in all of their designs and also is carried out through their advertising campaigns and retail spaces. Marco Gobetti, Chairman & CEO of Celine says “We believe that it is of prime importance for Celine to innovate while standing the test of time. It is our aim to continue building an iconic global, luxury fashion House for today and for the future” (Celine 2016).

1.4 Celine and the Digital Revolution

Currently, it can be argued that Celine has not embraced the digital revolution due to their lack of e-commerce and minimal social media presence (LVMH 2016). However, traditionally luxury brands have purposely resisted the digital revolution by not implementing an online store. The reason they have done this is to retain the exclusivity and of their products. Additionally, luxury fashion brands put a large emphasis on their in-store experience and don't feel that shopping online would result in the same unique experience (Zorzini 2015).

For Celine to join the new economy and embrace the digital revolution, they must start by creating an e-commerce store, to sell their products through their website. Secondly, they must establish a social media page (for example on Instagram) that is cohesive with the brand image and will allow for an added platform to sell and market in the new economy (appendix 1).