


RIMOWA

STRATEGIC ANALYSIS REPORT

BA (HONS) Fashion Visual Merchandising and Branding
Fashion Visual Merchandising and Branding Strategy

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RIMOWA

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INTRODUCTION

This report is based on the luxury luggage company Rimowa and uses a full situation analysis to inspect external factors and internal environmental elements that impact on the brand's activities.

The full situational strategic analysis was conducted based on Aaker's Strategic Analysis model (See Appendix A). The aim of this report is to recommend strategical operations suitable for the given brand and current climate.



BRAND OVERVIEW

Rimowa is a luxury luggage brand under LVMH (see figure 1) focusing on suitcases and accessories. The brand is strongly related with its heritage as “Made in Germany” plays a primordial role in their business tactics on the operational level (Mornhinweg, 2013).

MISSION

The key mission of Rimowa is to mix innovation with craftsmanship (Creative Supply | Rimowa Brand Profile, 2020). The brand legacy has been and is strongly related to aviation (Baird, 2020). Rimowa provides modernity, utility and timelessness, (Baird, 2020) while appearing personal to its customers (Lung, 2020). The brand provides resilient tools needed for a lifetime of journeys as their brand ethos strongly states: “purposeful travel” (Morris, 2020). The company is eager to proceed with their pioneer status. The company is striving for excellence - revising and enhancing their current products (Mornhinweg, 2013) (see figure 3).

VISION

The primary vision of the brand is to become the one place where customers can find everything related to travel. Rimowa is aiming to expand to travel related services to go along with their products. Additionally, the brand aims to become the ultimate travel brand for millennials (Creative Supply, 2020).

GOAL

The main goal is to make their travel experience more complete and unique through luggage (Luxe.CO, 2019).

OBJECTIVE

The brand aims to provide unfailing performance and produce products with “zero defects.” The company is thriving towards becoming an epitome of quality, style and comfort (Mornhinweg, 2013) (see figure 2).

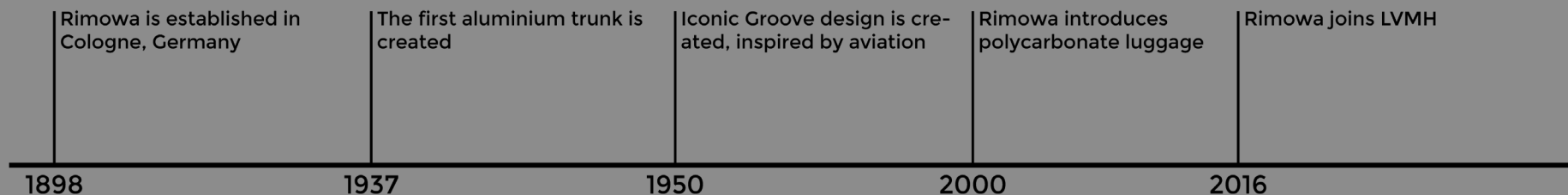


Figure 1: Rimowa brand timeline (Heritage, 2020)

CORPORATE GOALS AND OBJECTIVES

The main strategy of the company is to combine hand-made with high-tech. Rimowa is known to combine innovation with craftsmanship (Creative Supply, 2020) (see figure 4).

STRATEGY

Rimowa is using its position in LVMH to collaborate with well known brands. Collaboration is in the center of the brand and key factor in the current strategy. Meanwhile, the company is continuing to diversify its product categories and offering more lifestyle lines, such as eyewear, handbags and sportswear (Remsen, 2018).

MISSION

Legacy, craftsmanship, modernity, utility, timeslessness (Baird, 2020) Supply Rimowa Brand Profile, 2020)

“Handmade meets high-tech” (Creative Supply, 2020) Innovation, personal (Lung,2020)

VISION

To be “one place where one can find everything related to travel - not only products, also services” (Creative Supply Rimowa Brand Profile, 2020).

GOAL

To make customers travel experience more complete and unique through luggage (Lung, 2020).

OBJECTIVES

Ultimate travel brand for millenials (Creative Supply Rimowa Brand Profile, 2020).

Unfailing performance. To become “zero decets” with production (Mornhinweg, 2013)

Epitome of quality, style and comfort (Mornhinweg, 2013)

Figure 2: Rimowa missions, vision, goal and objectives (Author’s own, 2020)

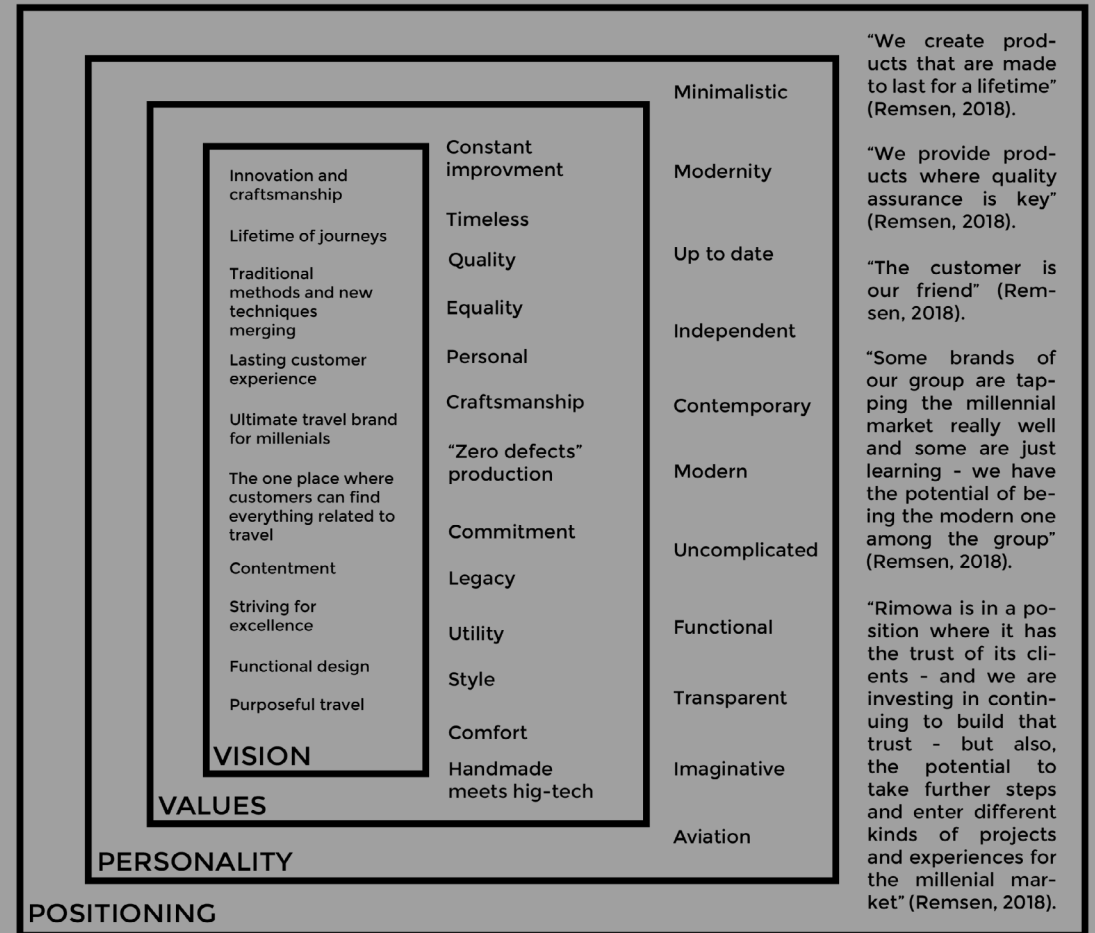


Figure 3: Rimowa Brand Onion (Posner, 2019)

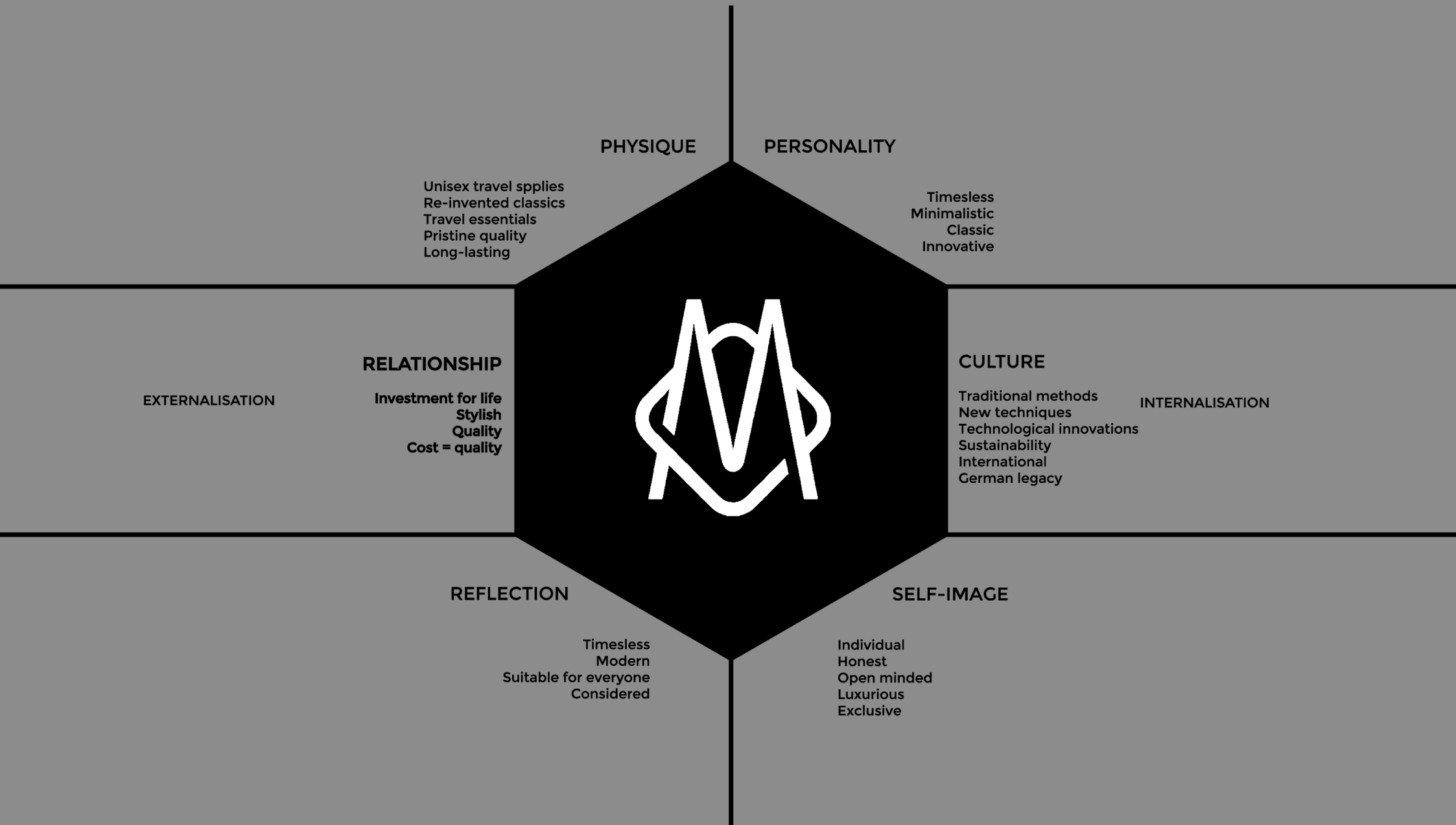


Figure 4: Rimowa Brand Prism (Kapferer, 1998)

ENVIRONMENTAL ANALYSIS

To analyse the external environment and its factors influencing the brand, a PESTEL analysis was created (see figure 5).

CHANGE IN CONSUMPTION AND SUPPLY CHAIN

Change in consumer spending habits changes increased pressure on certain goods whilst others are in decline. As companies are preparing for Brexit laws, main issues are expected with the supply chain, custom tariffs and workforce (Overview, 2020).

Online shopping has now become one of the most convenient for people for fashion consumers. People prefer to shop online rather than visiting busy shops (Smart Insights: Convenience is driving e-commerce growth, 2020).

Hong Kong is transitioning to global digital supply chain hub. Companies have begun assessing the viability of globally distributed production, while e-commerce is altering how and what people buy. (Russel, 2020).

Fifteen countries including China, Japan, South Korea and Australia have formed the world's largest trading bloc - The RCEP is expected to eliminate a range of tariffs on imports within 20 years (RCEP: Asia-Pacific countries form world's largest trading bloc, 2020).

POLITICAL	<p>Covid-19 worldwide lockdown restrictions forbid public gathering (UK Government, 2020).</p> <p>UK fashion related imports expected to rise each year by £1 billion (Tobin, 2019).</p> <p>UK enters its third lockdown in January 2021 with further flight restrictions between multiple countries (Parker, 2021).</p> <p>In December 2020, New Zealand and Australia agree on quarantine-free travel bubble due to low Covid-19 cases (BBC: New Zealand and Australia agree on quarantine-free travel bubble, 2020).</p>
ECONOMICAL	<p>Covid-19 lockdown forces many business to adapt or close (Hui, 2020).</p> <p>Brexit laws affect the supply chain, custom tariffs and workforce (Overview, 2020).</p> <p>Change in consumer spending habits</p> <p>Lipstick effect in economic downturn</p> <p>British retail tycoon Phillip Green's Arcadia Group has collapsed into administration with 13,000 jobs now at risk (Abdulla, 2020).</p> <p>Lockdown 2.0 to cost UK retailers £2bn a week. An estimated £8 billion over November 2020 (Stevens, 2020).</p> <p>2021 Global Airline Revenue to Decline 46 Percent From 2019 (Habtemariam, 2020).</p>
SOCIAL	<p>Shifting of consumer preferences towards experiential spending</p> <p>Eco-anxiety caused by the climate change, pollution and over-consumption.</p> <p>Demographic segmentation impacting luxury markets growth</p> <p>Geographical and societal influences</p>
TECHNOLOGY	<p>Hong Kong transitioning to global digital supply chain hub to become a leading sourcing and digital supply-chain services hub (Russel, 2020).</p> <p>Digitalisation moving from competitive advantage to necessity (Russell, 2020).</p> <p>Ryanair is planning to close a purchase deal of Boeing 737 MAX jets worth US\$17b by November 2020 and is expecting to operate the first 30-40 of these jets by the summer of 2021 (Topham, 2020).</p> <p>G-RO releases a Carry-On - an all-terrain futuristic case including GravityRoll wheels designed for all terrains accompanied with a built-in, ejectable battery (Griffiths, 2021).</p> <p>Online shopping has now become one of the most convenient for people for fashion consumers. People prefer to shop online rather than visiting busy shops (Smart Insights: Convenience is driving e-commerce growth, 2020).</p>
LEGAL	<p>Jordanian garment manufacturers are hoping a newly formed government will help the country's clothing sector rebound from the impact of the Covid-19 pandemic (Cochrane, 2020).</p> <p>RCEP- Fifteen countries are expected to eliminate a range of tariffs on imports within 20 years (RCEP: Asia-Pacific countries form world's largest trading bloc, 2020).</p> <p>Covid-19 travel restrictions</p>

Figure 5: Rimowa PESTLE analysis (Author's own, 2021)

COVID-19

Covid-19 worldwide lockdown restrictions forbid public gatherings (UK Government, 2020). UK enters its third lockdown in January 2021 with further flight restrictions between multiple countries (Parker, 2021). The second lockdown cost UK retailers £2bn a week and an estimated £8 billion over November 2020 (Stevens, 2020).

In December 2020, New Zealand and Australia agree on quarantine-free travel bubble due to low Covid-19 cases (BBC: New Zealand and Australia agree on quarantine-free travel bubble, 2020).

2021 Global Airline Revenue to Decline 46 Percent From 2019 (Habtemariam, 2020).

Rimowa coped with the pandemic by analysing the decline of travel product in China. Travel restrictions caused consumers to lose interest in suitcases. Rimowa targeted the Chinese market by launching products outside the luggage category, such as iPhone cases, sunglasses and handbags (Segran, 2020).

Rimowa owns three in-house manufacturing sites in Germany, except the zip fasteners, which are produced in Japan (Mornhinweg, 2013).

However, amidst the temporary closure of production sites and the suspension of international travel, Rimowa illustrated its drive for innovation by preparing a series of product launches for the coming weeks and months (LVMH, 2020). Considering the pandemic and decline in travelling, Rimowa is successfully adapting to the current situation.

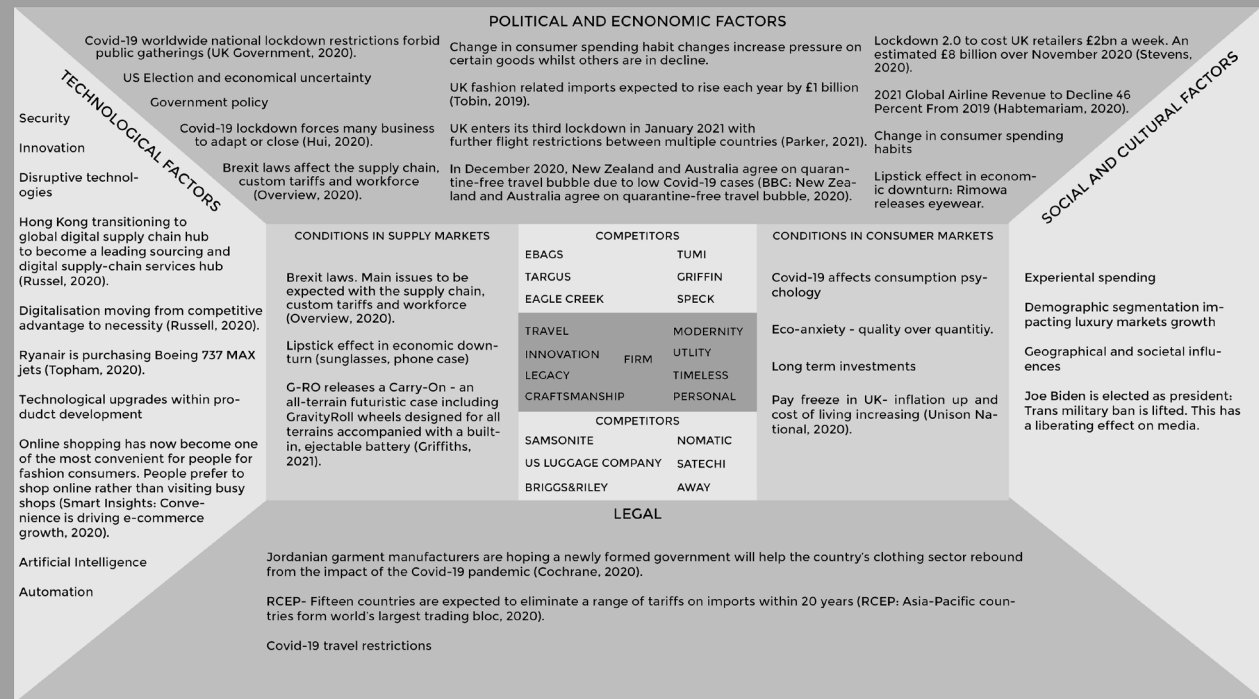


Figure 6: Rimowa Business Environment (Hines, 2012)

BREXIT

The UK imports approximately £10 billion worth of clothes and shoes from Europe. If the country's existing trade relations with the EU disappear, the fashion industry may have to pay £1 billion more in each year, causing a price hike for many clothing items (Tobin, 2019).

CUSTOMER LOYALTY

RIMOWA also ensures that sustainability is at the heart of its design ethos with an emphasis on materials, techniques and durability. The luggage is designed for a lifetime utility and additional maintenance services are provided post purchase (Morris, 2020).

A silver Rimowa suitcase and a white Rimowa shopping bag are shown against a light gray background. The suitcase is standing upright, and the bag is placed in front of it. The Rimowa logo is printed on the front of the bag.

RIMOWA

STRATEGIC INTERNAL ANALYSIS

Rimowa sells luxury suitcases and accessories. The product is sold at a premium price point and is considered as an investment piece. Rimowa is distributed internationally with nearly 150 stores in 65 countries. Their online presence is strong and diverse (see figure 7).

PERFORMANCE ANALYSIS

This following financial data is focusing on Rimowa after joining LVMH in October 2016 (see figure 8). This is due to the rebranding and change in strategic operations that commenced in January 2017. As LVMH does not publish financial data by brand, calculations were done to estimate the current revenue and profit. By the end of 2016, Rimowa had a revenue of 444 million euros (see figure 9). The brand's growth in revenue was consistent (27%) from 2014 to 2016 (see figure 9). Within LVMH, Rimowa is categorized under Fashion and Leather Goods. At the end of 2016, Rimowa brought in 3% in revenue compared to all LVMH Fashion and Leather Goods (see figure 9). This proportion was applied through all the years up to the third quarter of 2020. An assumption was made, based on the notice that Fashion and Leather Goods combined operating margin has been in consistent linear growth from 2016 to 2020 (see figure 10), that Rimowa operates similarly compared to other Fashion and Leather Goods brands. Therefore the average of the operating margins was considered to calculate Rimowa revenue and operating income from 2017 until the first nine months of 2020 (see figures 11 and 12).

As Covid-19 influenced the market in 2020, in the first half of the year Fashion and Leather Goods decreased in revenue, yet provided LVMH majority of its sales in the third quarter (see figure 13). It was then estimated that in from the first to the third quarter in 2020 Rimowa lost 11-20% in revenue. Additional reasoning for this is the fact that travel and tourism revenue was in decline from 2019 to 2020 is 315.57bn USD (Lock, 2020 and projected loss in business travel spending in 2020 is 810.7bn USD (Lock, 2020).

PRODUCT

Luxury suitcases, handbags, sunglasses and other accessories.
Unisex
Handmade meets high-tech
High quality
Related to brand history

PRICE

Luxury pricepoint. Compared to competitors, Rimowa's products are priced as one of the highest in the market. Rimowa states that in the long term, investment pieces are more affordable compared to the quantity of lower quality products (Remsen, 2018).

Polycarbonate suitcases: 500-900€
Aluminium suitcases: 800-3600€
Special collections up to 3000€ (Rimowa, 2021)

PLACE

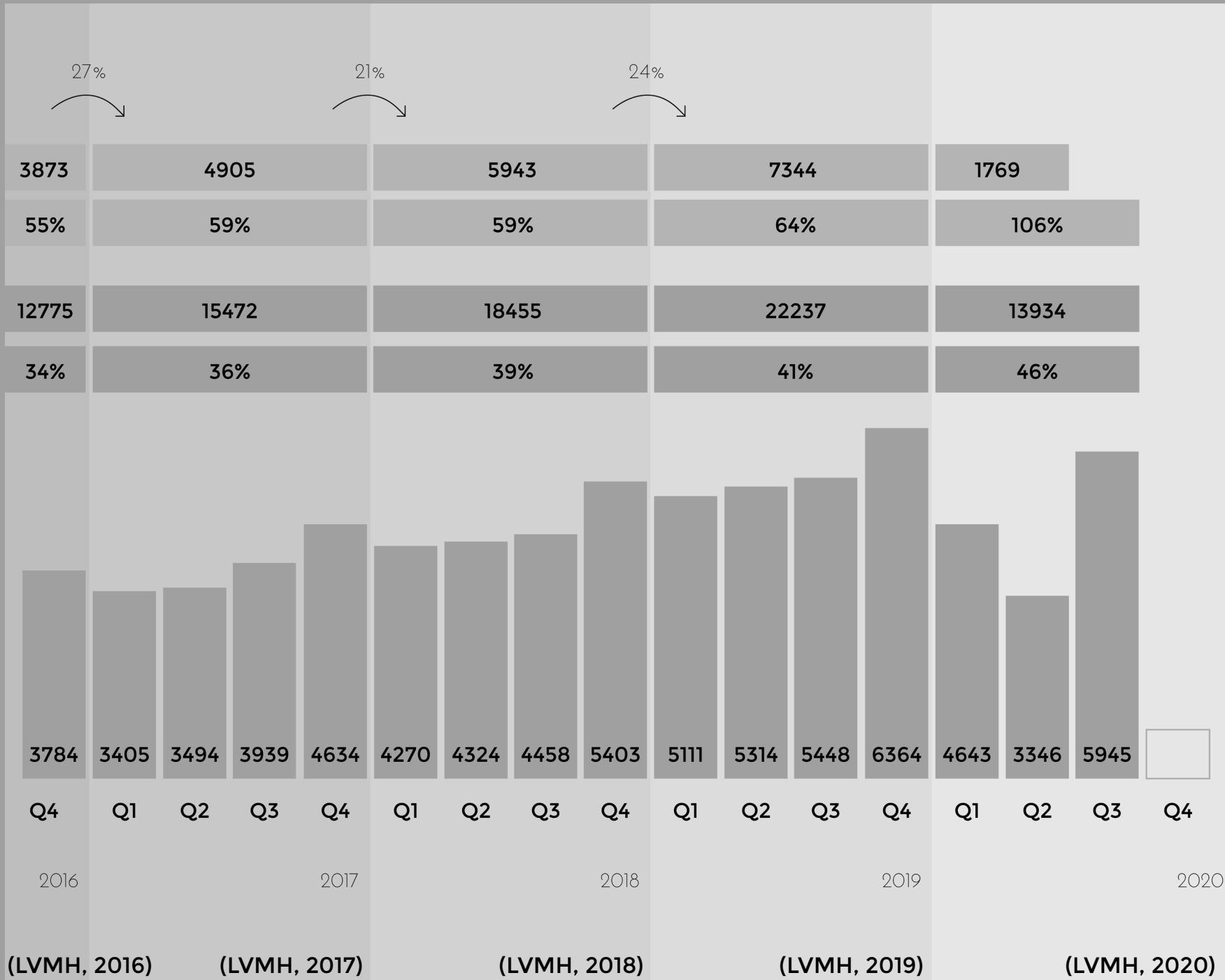
Rimowa products are now distributed in 65 countries, through nearly 150 stores (LVMH Group, 2019).

PROMOTION

Rimowa promotes through Instagram and their mobile app. Communication with followers include new products and collaborations.

Rimowa is successfully collaborating with celebrities, publishing campaigns and on-the-go images of their well-known customers using Rimowa products.

Figure 7: Rimowa Marketing Mix (Perreault, Cannon and McCarthy, 2014)



change of profit in millions of euros

profit in millions of euros

percentage of Fashion & Leather Goods from total LVMH profit in millions of euros

Fashion & Leather Goods revenue in millions of euros

percentage of Fashion & Leather Goods from total LVMH revenue in millions of euros

Fashion & Leather Goods revenue in millions of euros

Figure 8: Rimowa financial data (Author's own, 2021)

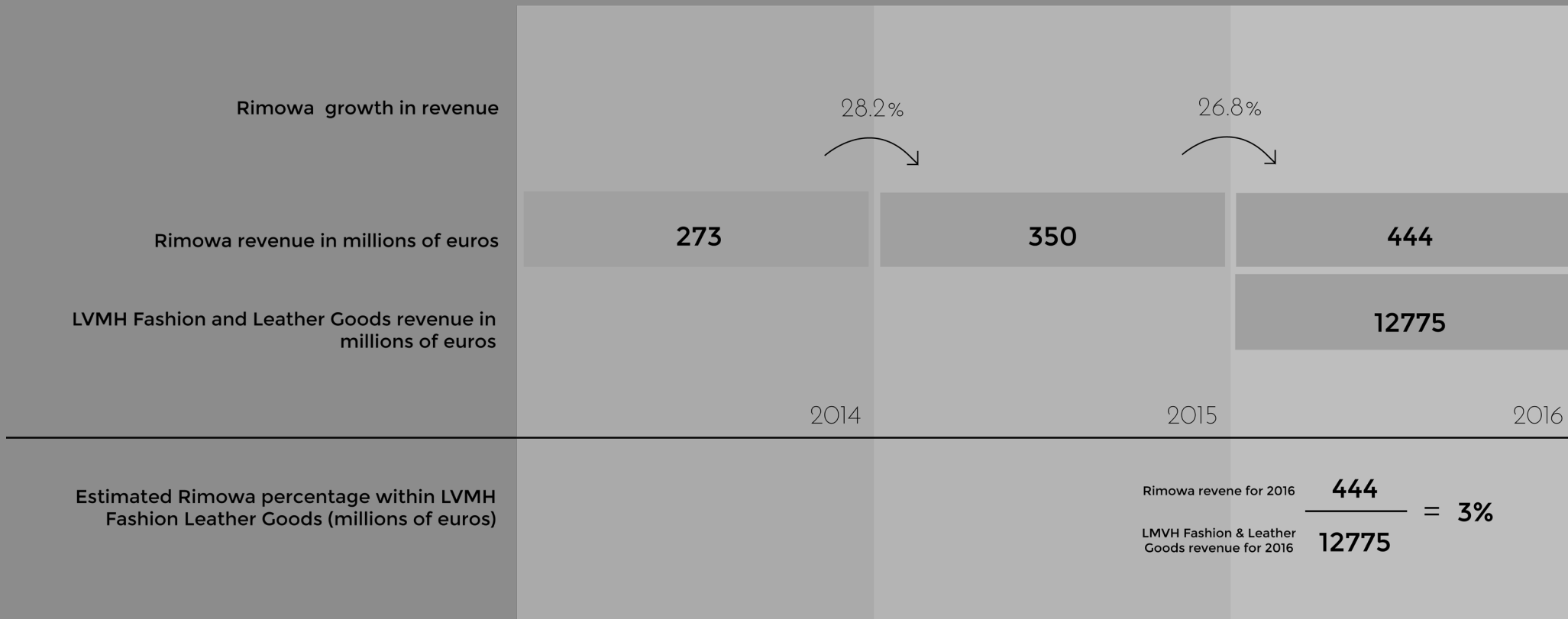


Figure 9: Rimowa financial data (Author's own, 2021)

LVMH Fashion & Leather Goods operating margin

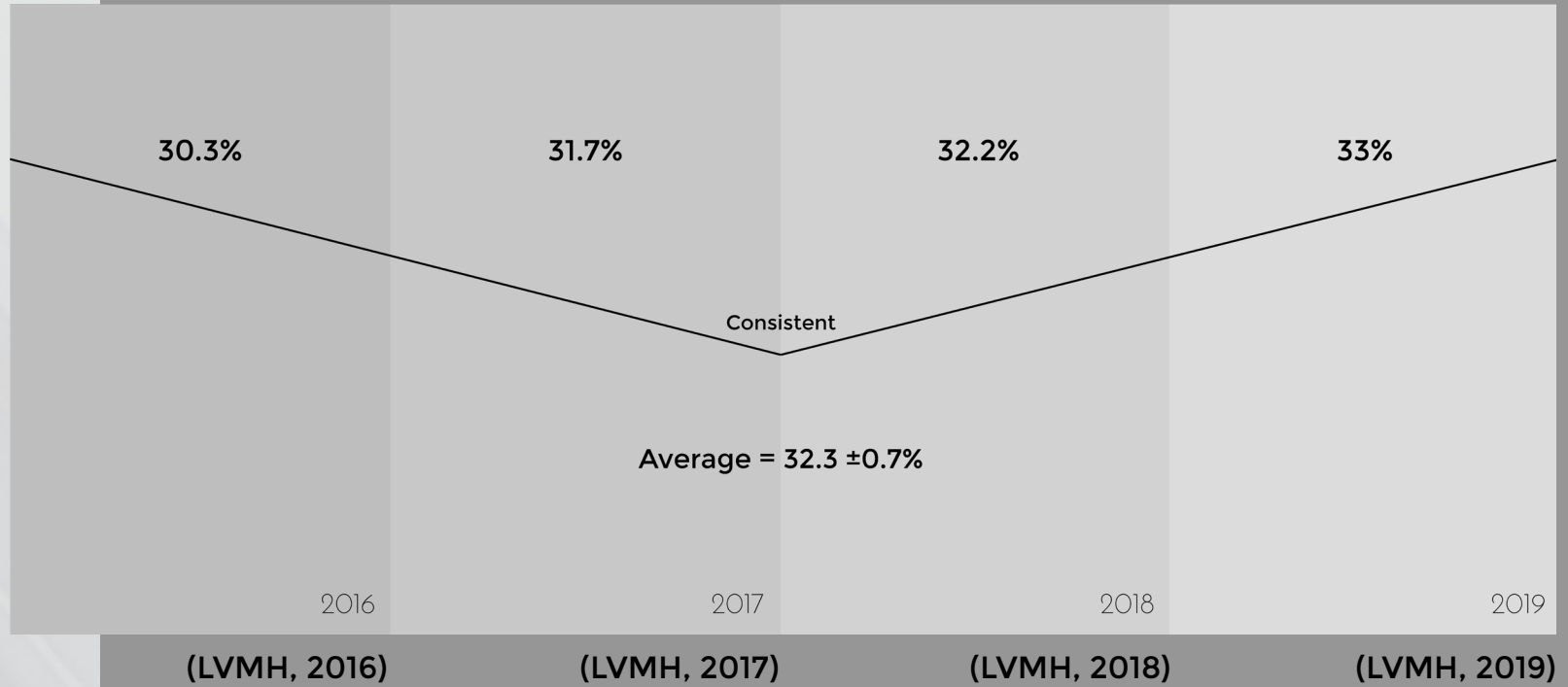


Figure 10: Rimowa financial data (Author's own, 2021)

	2017	2018	2019	2020 H1
LVMH Fashion and Leather Goods operating margin	31.7%	32.2%	33%	22.1%
LVMH Fashion and Leather Goods revenue (millions of euros)	15472	18455	22237	15472
Estimated Rimowa revenue (millions of euros)	464	554	667	240
Estimated Rimowa operating income (millions of euros)	147	178	220	53

OPERATING INCOME = REVENUE × OPERATING MARGIN

Figure 11: Rimowa financial data (Author's own, 2021)

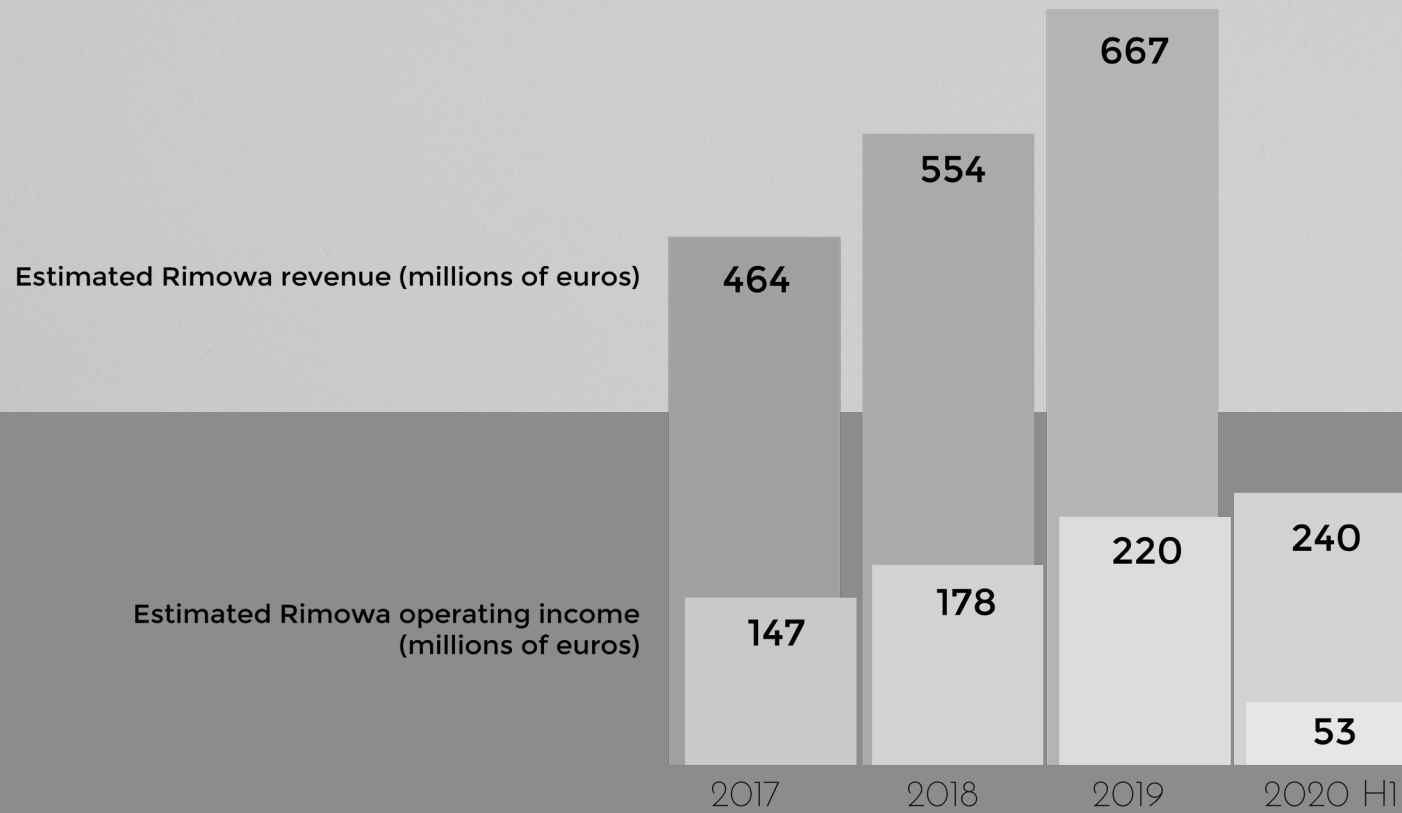
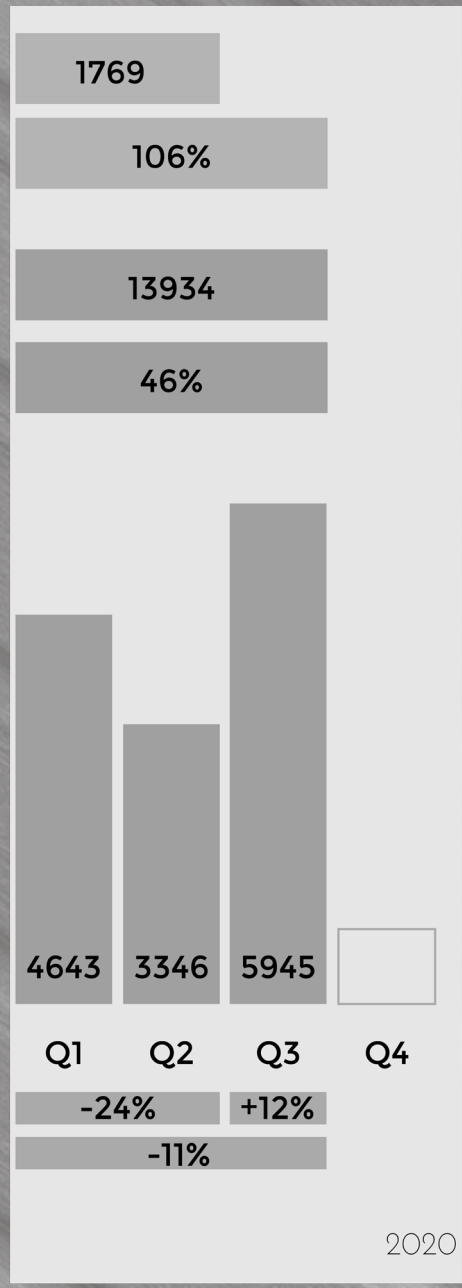


Figure 12: Rimowa financial data (Author's own, 2021)



profit in millions of euros

percentage of Fashion & Leather Goods from total LVMH profit in millions of euros

Fashion & Leather Goods revenue in millions of euros

percentage of Fashion & Leather Goods from total LVMH revenue in millions of euros

revenue in millions of euros

change in revenue

2020

(LVMH, 2020)

Figure 13: Rimowa financial data (Author's own, 2021)

BRAND OPERATIONS AMIDST COVID-19

As the Covid-19 pandemic has taken international measures, the brand has been forced to go against its essence - travelling. The company is deeply rooted in travel and the current market and limited movement has made the brand sensitive. Therefore, Rimowa has had to find alternative ways to communicate with their customers. One of the recent examples is a reflective movement called New Horizons, accompanied by a hashtag #TripsChangeUs. Rimowa is emphasizing that travel is not just about the act itself but the lasting memories and experiences one takes with them. This strategical movement is changing the perspective of travel, and therefore the brand, and allows customers to understand the company from a different point of view. Travel is not the location, it's what one learns about themselves that makes the memories of a trip worth holding on to. This action is determined by the customer's mindset (Morris, 2020).

STORE ENVIRONMENT

A store audit was completed (see appendix E) to analyse the current retail space. Additionally, a conversation was had with one of the sales associates who gave their insight regarding the New Bond Street flagship store in London.

The footfall had remained normal and the store capacity was filled to Covid-19 guidelines, however, physical sales had decreased due to the travel restrictions in the United Kingdom.

The interior of the store is minimalist yet futuristic and built with similar materials that are considered in the production of the suitcases. There is a definite emphasis on travel, utility and quality.

COLLABORATIONS

Collaborations with other fashion houses under the LVMH roof have played a huge strategical part. After the rebranding in 2016, the first collaboration was formed with Fendi, which prompted a large increase in sales. The brand has since collaborated with Louis Vuitton, Dior, Supreme, Anti Social Social Club, Off-White, Bape, 032c, Solebox, Nasaseasons and United Arrows (Sawyer, 2021).

In 2018, the Rimowa x Supreme suitcases had immense popularity among Asian consumers and became a „hype-beast item“ as they were sold on trading platforms for premium price (Lung, 2020).



RIMOWA X SUPREME COLLABORATION (EVANS, 2020)

ONLINE PRESENCE

Rimowa has an exemplary online presence. Their Instagram and Facebook actively used and the content is engaging. Published posts are of high production and professional, yet temporary Stories are casual and relaxed (see figure 14).

The website is operating successfully and is visually coherent with the brand image (see figure 15).

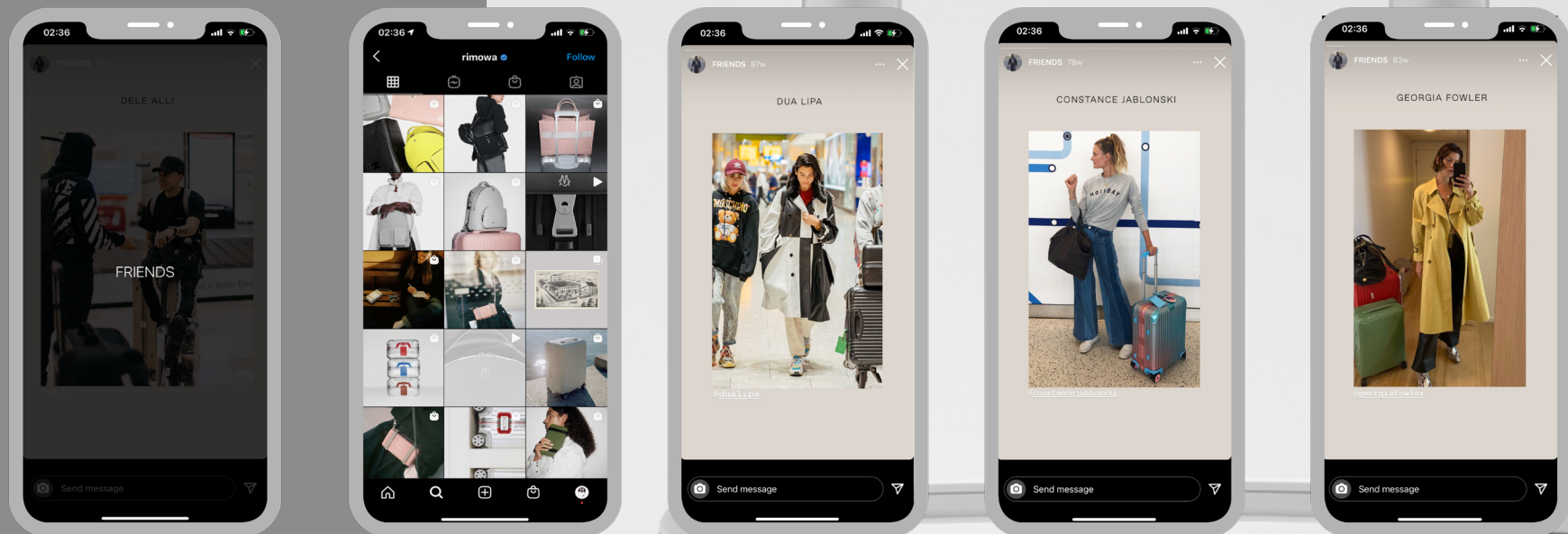


Figure 14: Rimowa on Instagram (Rimowa, 2020)

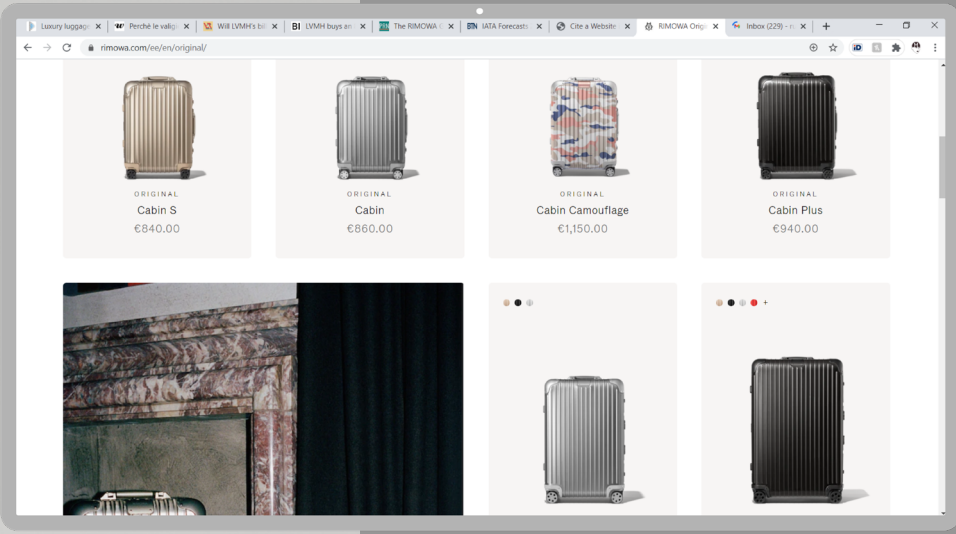
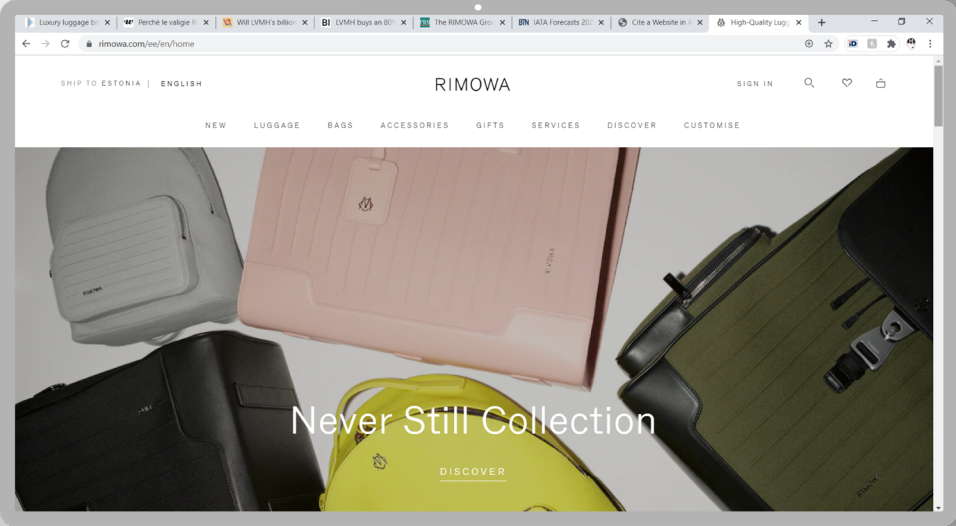


Figure 15: Rimowa website (High-Quality Luggage, Suitcases & Accessories | RIMOWA, 2021)

STRATEGIC EXTERNAL ANALYSIS

TRAVEL INDUSTRY

Rimowa is currently redefining the meaning of travel and expanding its product range. Despite having had a difficult year for the travelling industry the brand is continuing to spread in the Asian market with six new stores in China and four in Korea, Thailand and Taiwan all opened during the Covid-19 pandemic.

TARGET CUSTOMER

The company's buyer base comes from a globe-trotting spending group that "still shops, but wants the best. Quality over quantity." This also includes clients who might make one or two high-end purchases per year, and do not necessarily have large amounts of disposable income

COMPETITOR ANALYSIS

Rimowa has many competitors from high and low price points (see figure 16). The biggest composition is new and upcoming brands offering a similar product for 70% less compared to the price of Rimowa.

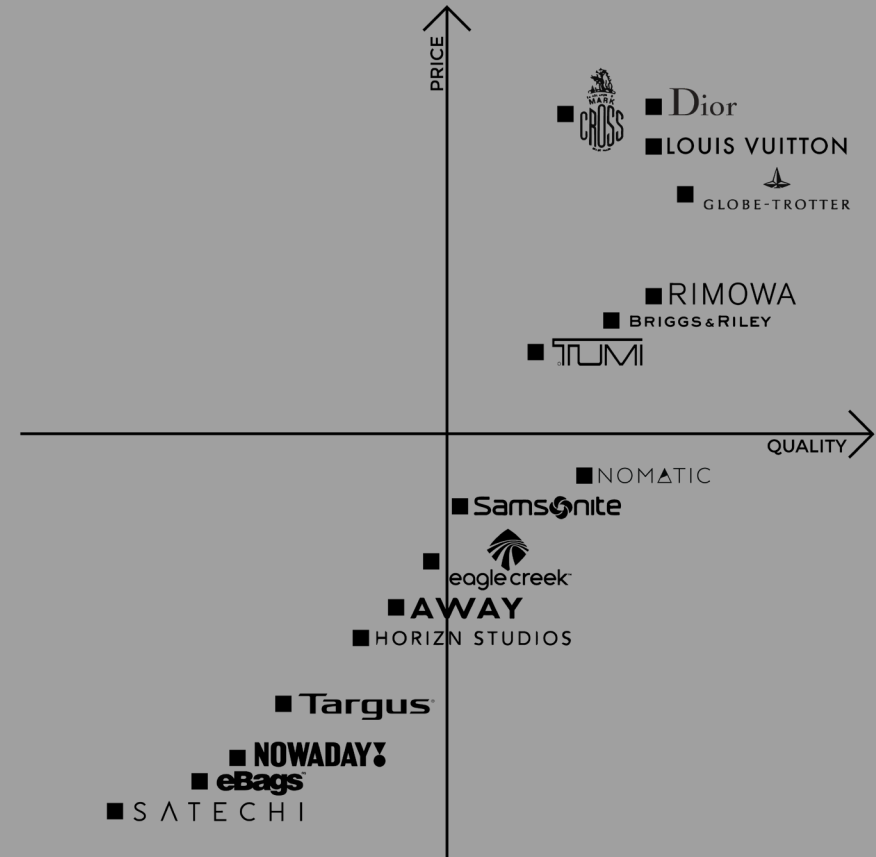


Figure 16: Rimowa positioning map (Author's own, 2021)

SUMMARY OF ANALYSIS

To illustrate the summary of analysis, a SWOT analysis was created (see figure 17).

After joining LVMH in 2016, Rimowa's rebranding has increased the brand's relativity to millennials. Combining the brand's social media output, visual campaigns and store interior has fixated the brand's positioning as one of the strongest luxury luggage companies. The brand's legacy allows the company to provide in-depth storytelling and association with quality. Rimowa's brand image is strong, accompanied by a recognizable logo. The company offers timeless products made to last for life along with customization to increase the personal communication between the brand and consumer.

Rimowa is successfully engaging with customers on Instagram, by reposting the clients images. However, the current photos displayed are from users with a considerable following. Rimowa could open this system to all types of consumers and allow them to be a part of the brand and inspire other customers.

While the travelling industry is waiting for its reboot, Rimowa has launched a series of product not related to aviation. This has successfully provided the brand to remain relevant and remind its customers the meaning of travel. Further expansion in accessories can aid the company to remain engaging with its customers during Covid-19. Rimowa could further configure the meaning of travel during the Covid-19 pandemic and its effect to the aviation industry.

Rimowa lacks of visual storytelling in its retail stores. In terms of visual layout, product placement and store interior, the operations lack in potential. Product placement in-store is of low maintenance and could possibly lead to decrease in sales.

The Covid-19 has had a negative economic impact on the majority of customers as they are looking at alternative brands providing similar product with smaller cost. Rimowa is facing a threat of losing customers to its competitors. Rimowa can overcome time by applying strategical multichannel operations to convince its customers to invest into their products.

STRENGTHS

Legacy
Timeless
Associated with quality
Customized product
Recognisable logo
Good social media engagement
Strong brand image
Known as under LVMH

WEAKNESSES

In-store product placement and interior lack in potential.

Customer interaction on social media is limited.

OPPORTUNITIES

Further expand the meaning of travelling through products and services.

Greater expansion in accessories

Redesign the flagship store and create higher standard for product placement in-store.

Engage with all customer types on social media to create a community.

THREATS

Competitors offer similar product starting from 50 Euros (Zoe Suen, 2019).

Further travel restrictions caused by Covid-19

Figure 17: Rimowa SWOT analysis
(Author's own, 2021)

RECOMMENDATIONS FOR FUTURE STRATEGIC PLANNING

The current decline in aviation industry represents many threats for the company. However, it opens an important opportunity for growth.

With global airline revenue to decline 46% from 2019 (Habtemariam, 2020), Rimowa should configure the meaning of travel through strong digital storytelling. Applying the lipstick effect and further expanding in accessories could provide a gateway of communication between the struggling customer and the brand and define Rimowa's positioning among the Luxury And Leather Goods brands in LVMH. Rimowa could promote these products through collaborative campaigns to engage a broader group of potential clients. Collaborative opportunities are numerous with the rise of TikTok and disruptive changes in celebrity culture.

To emphasize the meaning of travel, Rimowa could launch a pop up in Heathrow Terminal 5 after the Covid-19 restrictions are lifted. The presence in Terminal 5 appeals to an international crowd, and it could help the brand gain momentum and further communicate with the customers eager to invest in travelling once again.



APPENDIX

STRATEGIC ANALYSIS

STRATEGIC ANALYSIS

Customer analysis:
Segments, motivations, unmet needs

Competitor analysis:
Identity, strategic groups, performance, image, objectives, strategies, weaknesses

Market/submarket analysis:
Emerging submarkets, size, growth, profitability, entry barriers, cost structure, distribution systems, trends, key success factors

Environmental analysis:
Technological, governmental, economic, cultural, demographic, scenarios, information-need areas

STRATEGIC ANALYSIS

Performance analysis:
Profitability, sales, shareholder value analysis, customer satisfaction, product quality, brand associations, relative cost, new products, employee capability and performance, product portfolio analysis

Determinants or strategic options:
Past and current strategies, strategic problems, organisational capabilities and constraints, financial resources and constraints, strengths, weaknesses

STRATEGIC ANALYSIS OUTPUTS

Opportunities, threats, trends, and strategic uncertainties

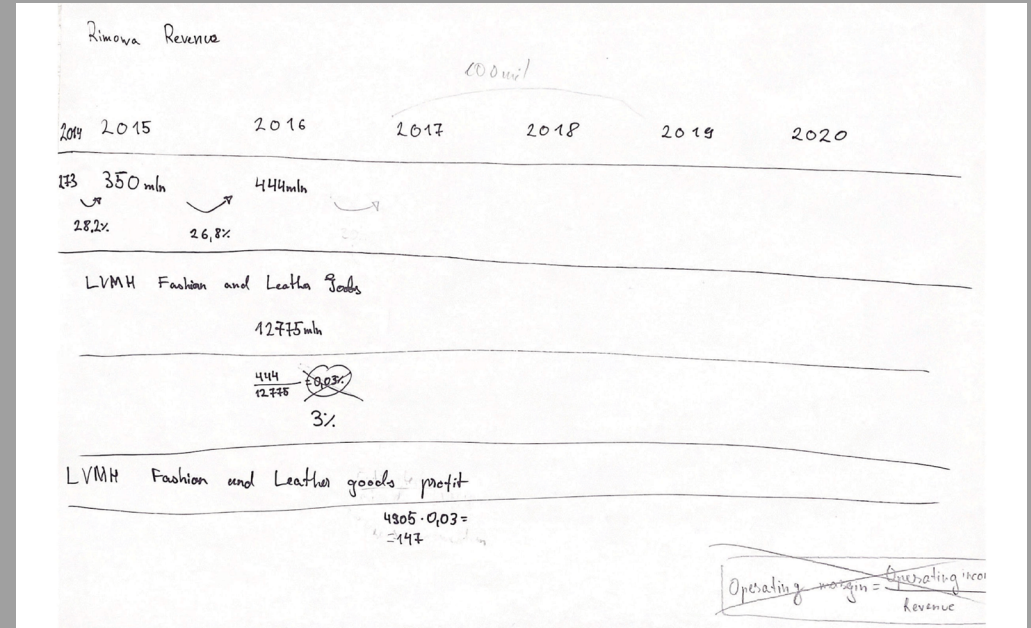
Strategic strengths, weaknesses, problems, constraints, and uncertainties

STRATEGIC IDENTIFICATION, SELECTION, AND IMPLEMENTATION

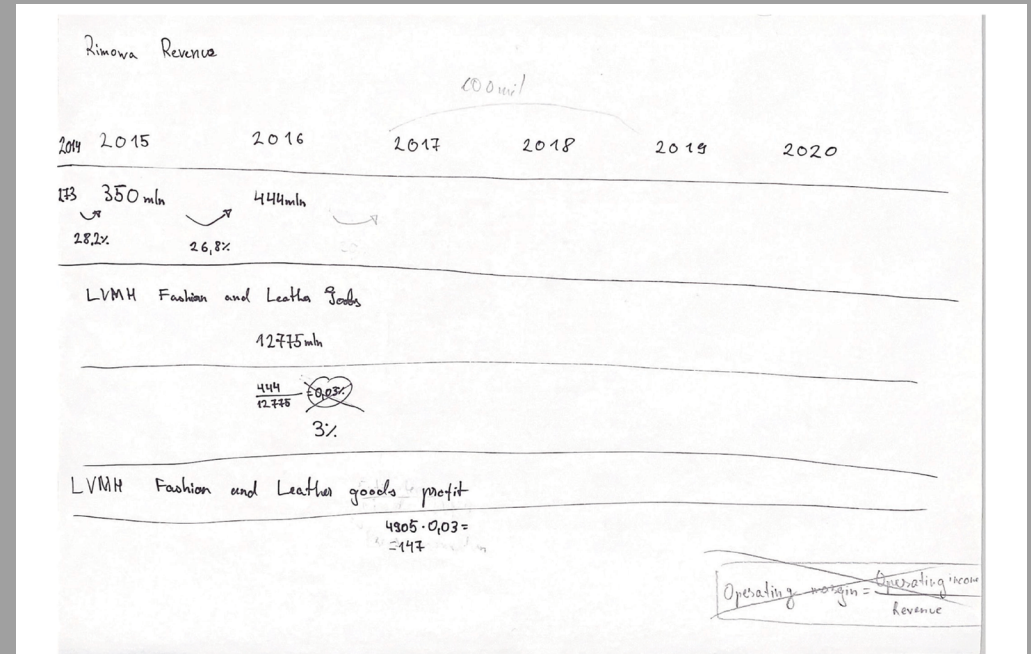
Identify business strategy alternatives:
product-market investment strategies
Customer value proposition
Assets, competencies, and synergies
Functional strategies and programs

Select strategy
Implement the operating plan
Review strategies

Appendix A: Strategic Analysis (Aaker and McLoughlin, 2015)



Appendix B: Calculations of Rimowa revenue and profit 2016-2020 (Author's own, 2020)



Appendix C: Calculations of Rimowa revenue and profit 2016-2020 (Author's own, 2020)

Operating margin = $\frac{\text{Operating income}}{\text{Revenue}}$ | Operating income = Revenue · Operating margin

Revenue = $\frac{\text{Operating income}}{\text{Operating margin}}$

	2016	2017	2018	2019	H1 2020
Operating margin	OM = 20,3%	OM = 31,7%	OM = 32,2%	OM = 33%	OM = 22,1%
Operating income	RE = 15472	RE = 12455	RE = 12455	RE = 22237	RE = 7989
Operating margin (calculation)	$0,1 = 0,317 \cdot 15472 = 4905$				
Rimowa revenue:	$15472 \cdot 0,03 = 464$	$12455 \cdot 0,03 = 374$	$12455 \cdot 0,03 = 374$	$22237 \cdot 0,03 = 667$	$7989 \cdot 0,03 = 240$
Rimowa income:	$464 \cdot 0,317 = 147$	$374 \cdot 0,322 = 120$	$374 \cdot 0,322 = 120$	$667 \cdot 0,33 = 220$	$240 \cdot 0,221 = 53$

OM → consistent (keuntungan 22,3 ± 0,7%)
 Assume that the operating margin is the same as the footwear and leather goods, as for Rimowa

Appendix D: Calculations of Rimowa revenue and profit 2016–2020 (Author's own, 2020)

Store Name	Rimowa
Store Location	New Bond Street, London
Building to the left of store	Hermes
Building to the right of store	Loro Piana
Building Opposite	Burberry
Date of Visit	06.12.2020
Time of Visit	14:00
Competitors	Dior, Samsonite, Tumi, Targus, Eagle Creek, Speck, Nomatic, Satechi, Away

EXTERIOR & WINDOWS

- Overall building – Architecture/Period

Historic building

- Fascia/shop front

Abstract window displays, clean, well lit

- Corporate Identity

Strong

- Entrances/exits

Sales Associate by the door

- What is the first thing you notice in the windows

The product

- What is the main message to the viewer

Quality

- How is the window communicating the brand identity

Selection of high quality materials

- How is the product presented

Industrial setting. Material relating to metals and aviation. Poorly lit at times

- Mannequins – type, poses, composition

None

- Describe props

Visually somewhat cohesive, materials match in color, monotone at times, samples of technical fabric on display

- Describe product

Luxury luggage, some made of aluminium

- Lighting i.e.: directional, atmospheric, etc.

Poorly lit at times, inconsistent

- Standards

Poorly placed, no symmetry, products left out of place after customers had moved them

- Graphics /POS

By the entrance there are travel cards related to travel

STORE LAYOUT

- How many floors & entrances

One floor, one entrance

- What product categories on which floors

Luggage, handbags

- How is the product segmented into departments/ areas

By material

- What are the product adjacencies

Products are placed either next to each other or partially in front of each other.

Product forms geometrical shapes which have been used to place the product in visually pleasing ways. At times, there seemed to be lack of space to place the products as the products were too close to each other.

- Customer flow through escalators, entrances, stairs, lefts

Low (Covid-19 affected, according to the sales associate)

- Customer navigation

Eight shape (8)

- Focal points

In the middle of the store there is an industrial fixture displaying product (visually more pleasing than the product placement by the wall as products are placed with larger gaps inbetween- providing a more luxurious environment)

- Till points

Not visible, Transactions done back of house

- Service areas

Everywhere

- Customer service / information points

No signage, customers have to communicate with sales associates.

- Fitting rooms

None, although the store had two large mirrors in the back.

STORE DESIGN & DECORATION

- Overall ambience

Industrial

- Wall treatments

White walls

- Floor treatments

Wood

- Ceiling treatments

White ceiling

- Materials used in store design

Wood, aluminium, foam

- Colour

Grayscale, metallic

- Trends

Futuristic

- Lighting

Ceiling and walls, strips and spotlights

- Digital engagement

None

- Interior signage

Brand logo on the walls. Masks and hand sanitizer provided at entrance on a chair

- Visual communications

Minimal

PRODUCT

- How is the merchandise presented? E.g: colour blocked, tops over bottoms?

Merchandise is mostly presented on metal shelves. Other shelves are made of plastic with a light lit from below. Some suitcases were fixed to the wall to form a circular shape.

- Major Categories

Metal suitcases, plastic suitcases, handbags. (No sunglasses)

- Brands / Own Brands

Rimowa exclusively

- Product information / ticketing

No signage

- Brand messages

Travel related. Holiday themed postcards, quality, futuristic, timeless

Appendix E: Store Audit (Author's own, 2020)



Appendices F and G: Rimowa New Bond Street store in London (Author's own, 2020)



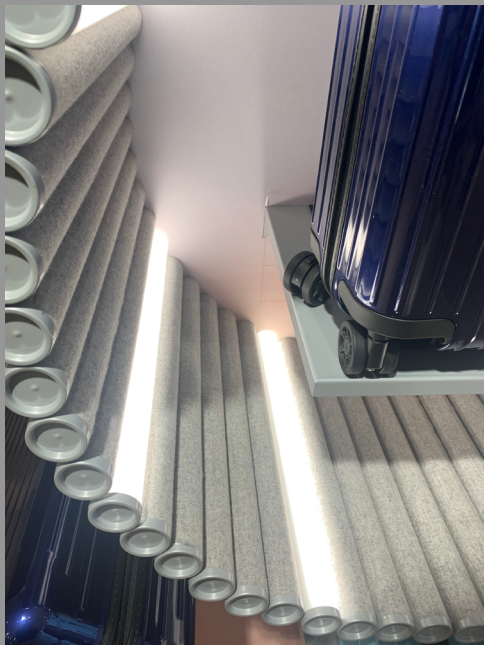
Appendices H and I: Rimowa New Bond Street store in London (Author's own, 2020)



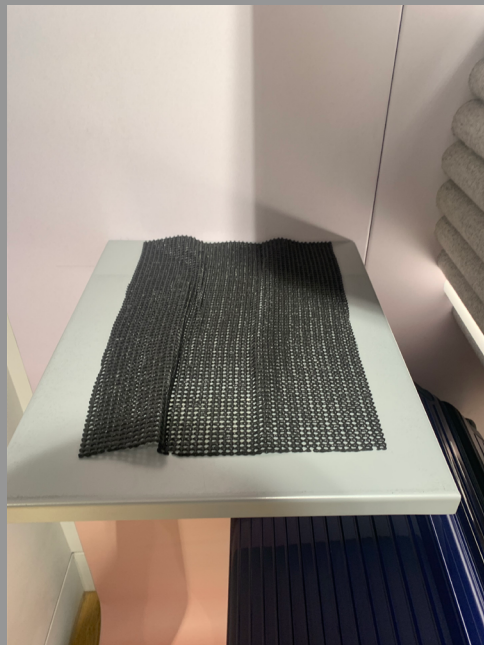
Appendices J and K: Rimowa New Bond Street store in London (Author's own, 2020)



Appendices N and O: Rimowa New Bond Street store in London (Author's own, 2020)

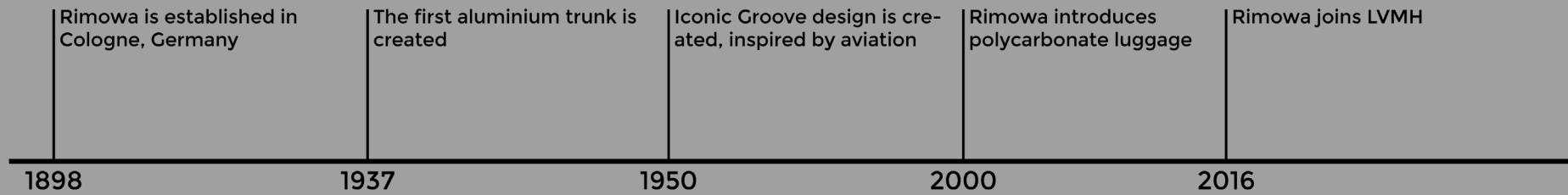


Appendices L and M: Rimowa New Bond Street store in London (Author's own, 2020)



Appendices P and Q: Rimowa New Bond Street store in London (Author's own, 2020)





Appendix R: Rimowa brand timeline (Heritage, 2020)

MISSION

Legacy, craftsmanship, modernity, utility, timeslessness (Baird, 2020) Supply Rimowa Brand Profile, 2020)

“Handmade meets high-tech” (Creative Innovation, personal (Lung,2020)

VISION

To be “one place where one can find everything related to travel - not only products, also services” (Creative Supply Rimowa Brand Profile, 2020).

GOAL

To make customers travel experience more complete and unique through luggage (Lung, 2020).

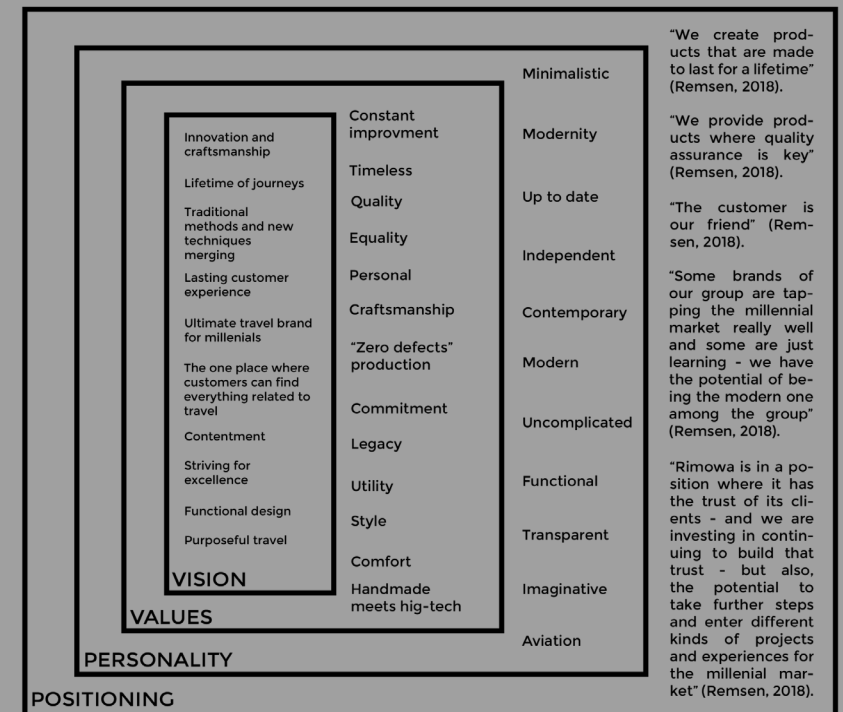
OBJECTIVES

Ultimate travel brand for millennials (Creative Supply Rimowa Brand Profile, 2020).

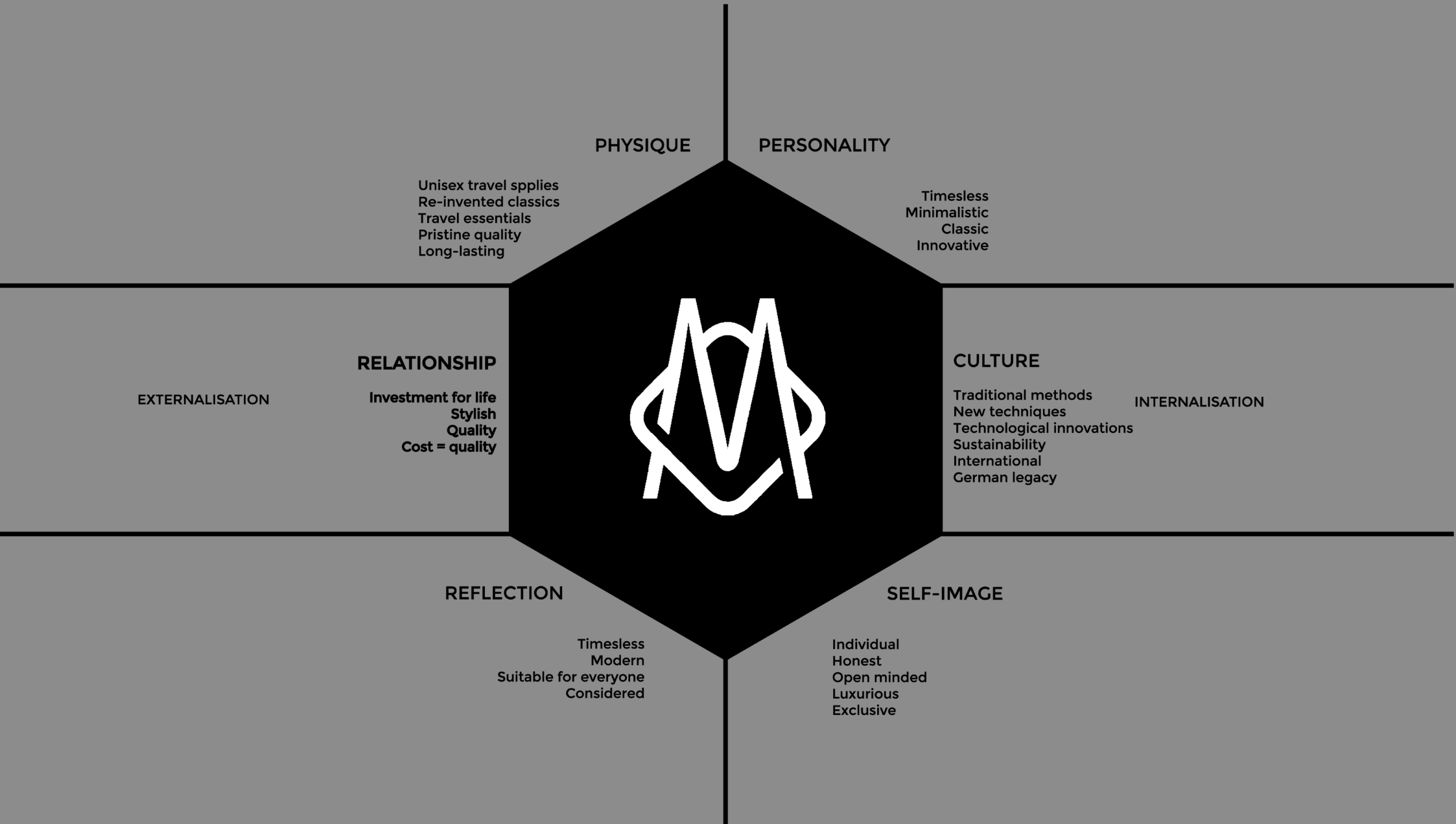
Unfailing performance. To become “zero decets” with production (Mornhinweg, 2013)

Epitome of quality, style and comfort (Mornhinweg, 2013)

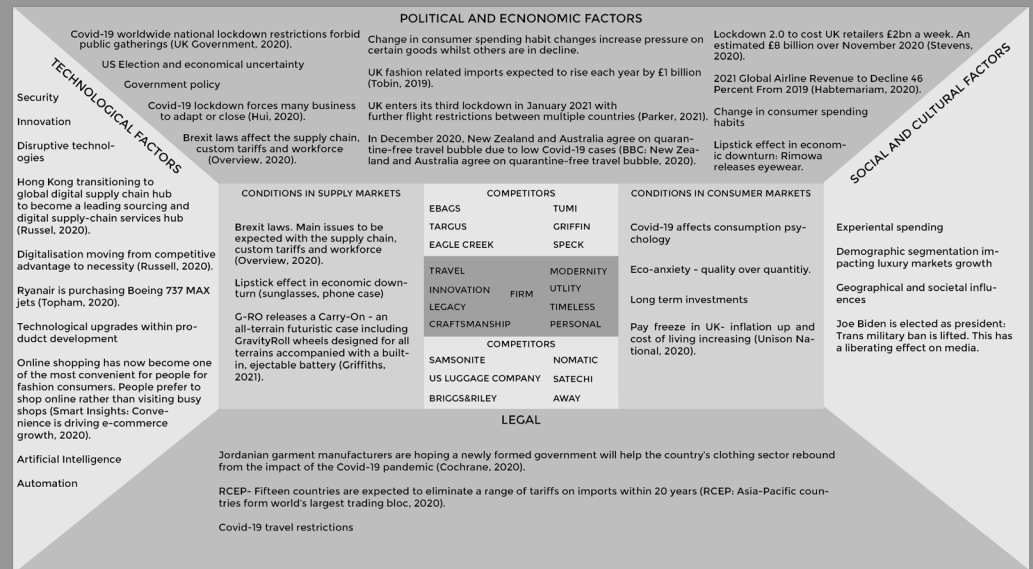
Appendix S: Rimowa missions, vision, goal and objectives (Author’s own, 2020)



Appendix T: Rimowa Brand Onion (Posner, 2019)



POLITICAL	<p>Covid-19 worldwide lockdown restrictions forbid public gathering (UK Government, 2020).</p> <p>UK fashion related imports expected to rise each year by £1 billion (Tobin, 2019).</p> <p>UK enters its third lockdown in January 2021 with further flight restrictions between multiple countries (Parker, 2021).</p> <p>In December 2020, New Zealand and Australia agree on quarantine-free travel bubble due to low Covid-19 cases (BBC: New Zealand and Australia agree on quarantine-free travel bubble, 2020).</p>
ECONOMICAL	<p>Covid-19 lockdown forces many business to adapt or close (Hui, 2020).</p> <p>Brexit laws affect the supply chain, custom tariffs and workforce (Overview, 2020).</p> <p>Change in consumer spending habits</p> <p>Lipstick effect in economic downturn</p> <p>British retail tycoon Phillip Green's Arcadia Group has collapsed into administration with 13,000 jobs now at risk (Abdulla, 2020).</p> <p>Lockdown 2.0 to cost UK retailers £2bn a week. An estimated £8 billion over November 2020 (Stevens, 2020).</p> <p>2021 Global Airline Revenue to Decline 46 Percent From 2019 (Habtemariam, 2020).</p>
SOCIAL	<p>Shifting of consumer preferences towards experiential spending</p> <p>Eco-anxiety caused by the climate change, pollution and over-consumption.</p> <p>Demographic segmentation impacting luxury markets growth</p> <p>Geographical and societal influences</p>
TECHNOLOGY	<p>Hong Kong transitioning to global digital supply chain hub to become a leading sourcing and digital supply-chain services hub (Russel, 2020).</p> <p>Digitalisation moving from competitive advantage to necessity (Russell, 2020).</p> <p>Ryanair is planning to close a purchase deal of Boeing 737 MAX jets worth US\$17b by November 2020 and is expecting to operate the first 30-40 of these jets by the summer of 2021 (Topham, 2020).</p> <p>G-RO releases a Carry-On - an all-terrain futuristic case including GravityRoll wheels designed for all terrains accompanied with a built-in, ejectable battery (Griffiths, 2021).</p> <p>Online shopping has now become one of the most convenient for people for fashion consumers. People prefer to shop online rather than visiting busy shops (Smart Insights: Convenience is driving e-commerce growth, 2020).</p>
LEGAL	<p>Jordanian garment manufacturers are hoping a newly formed government will help the country's clothing sector rebound from the impact of the Covid-19 pandemic (Cochrane, 2020).</p> <p>RCEP- Fifteen countries are expected to eliminate a range of tariffs on imports within 20 years (RCEP: Asia-Pacific countries form world's largest trading bloc, 2020).</p> <p>Covid-19 travel restrictions</p>



PRODUCT

Luxury suitcases, handbags, sunglasses and other accessories.

Unisex

Handmade meets high-tech

High quality

Related to brand history

PRICE

Luxury pricepoint. Compared to competitors, Rimowa's products are priced as one of the highest in the market. Rimowa states that in the long term, investment pieces are more affordable compared to the quantity of lower quality products (Remsen, 2018).

Polycarbonate suitcases: 500-900€

Aluminium suitcases: 800-3600€

Special collections up to 3000€ (Rimowa, 2021)

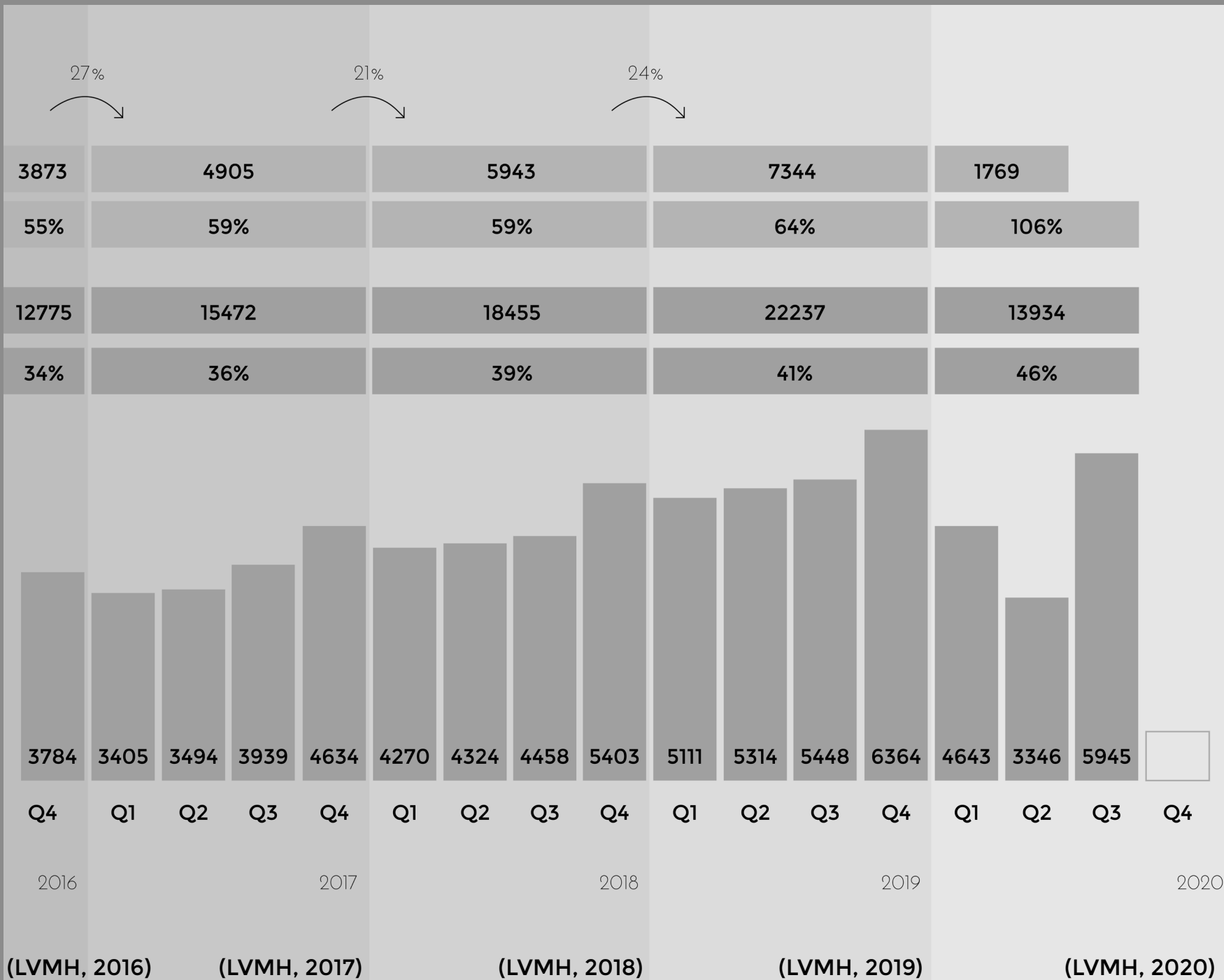
PLACE

Rimowa products are now distributed in 65 countries, through nearly 150 stores (LVMH Group, 2019).

PROMOTION

Rimowa promotes through Instagram and their mobile app. Communication with followers include new products and collaborations.

Rimowa is successfully collaborating with celebrities, publishing campaigns and on-the-go images of their well-known customers using Rimowa products.



change of profit in millions of euros

profit in millions of euros

percentage of Fashion & Leather Goods from total LVMH profit in millions of euros

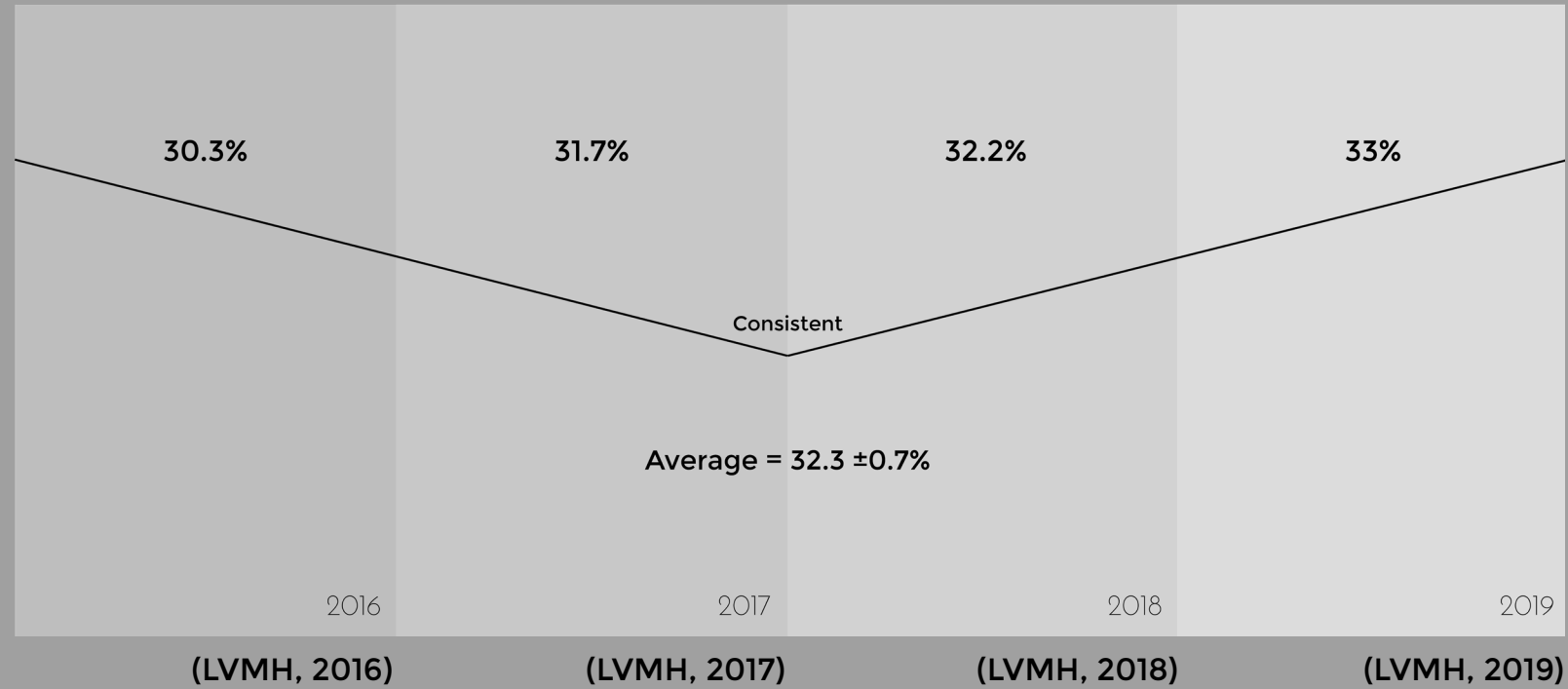
Fashion & Leather Goods revenue in millions of euros

percentage of Fashion & Leather Goods from total LVMH revenue in millions of euros

Fashion & Leather Goods revenue in millions of euros

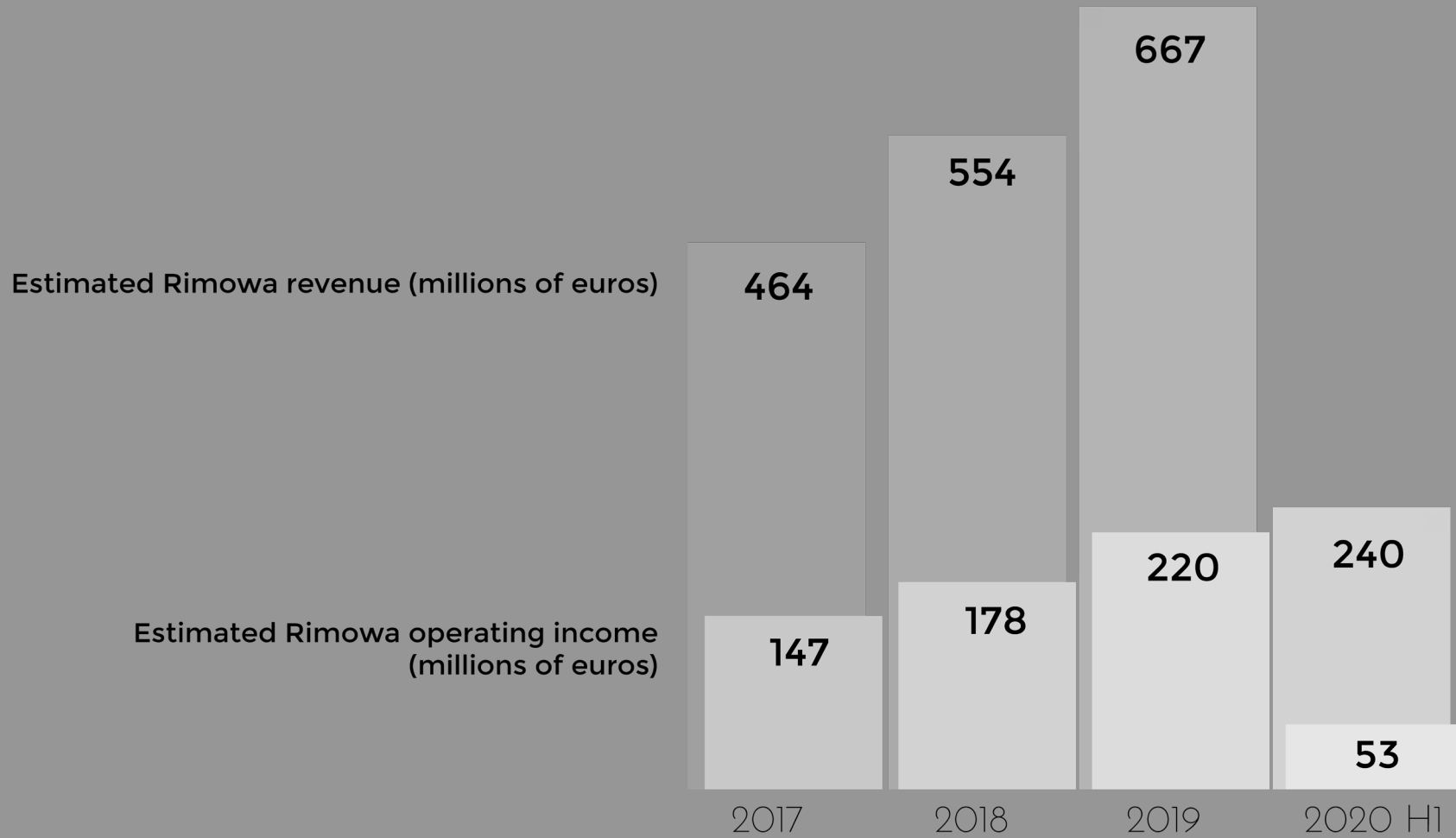
Rimowa growth in revenue		28.2%	26.8%
Rimowa revenue in millions of euros	273	350	444
LVMH Fashion and Leather Goods revenue in millions of euros			12775
	2014	2015	2016
Estimated Rimowa percentage within LVMH Fashion Leather Goods (millions of euros)			$\frac{\text{Rimowa revenue for 2016 } 444}{\text{LVMH Fashion \& Leather Goods revenue for 2016 } 12775} = 3\%$

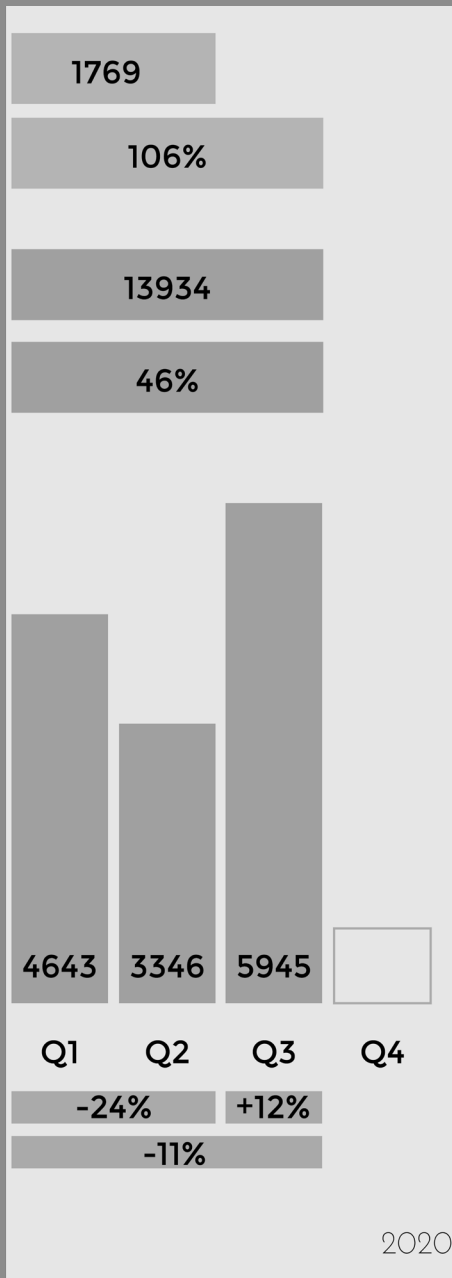
LVMH Fashion & Leather Goods operating margin



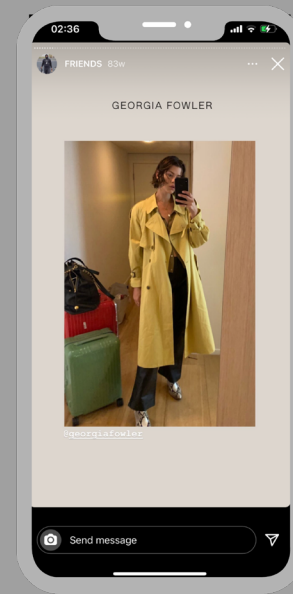
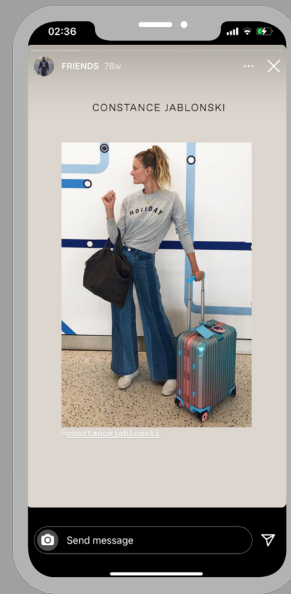
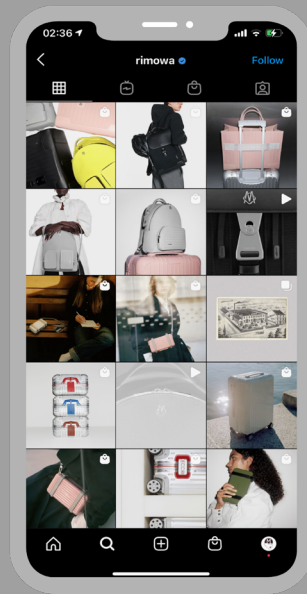
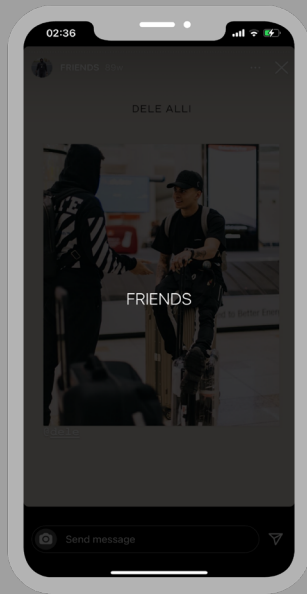
	2017	2018	2019	2020 H1
LVMH Fashion and Leather Goods operating margin	31.7%	32.2%	33%	22.1%
LVMH Fashion and Leather Goods revenue (millions of euros)	15472	18455	22237	15472
Estimated Rimowa revenue (millions of euros)	464	554	667	240
Estimated Rimowa operating income (millions of euros)	147	178	220	53

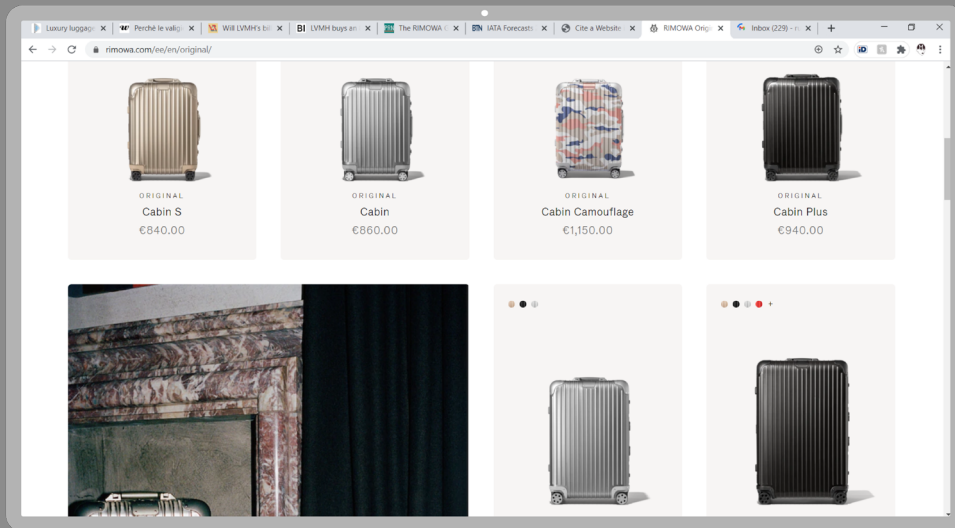
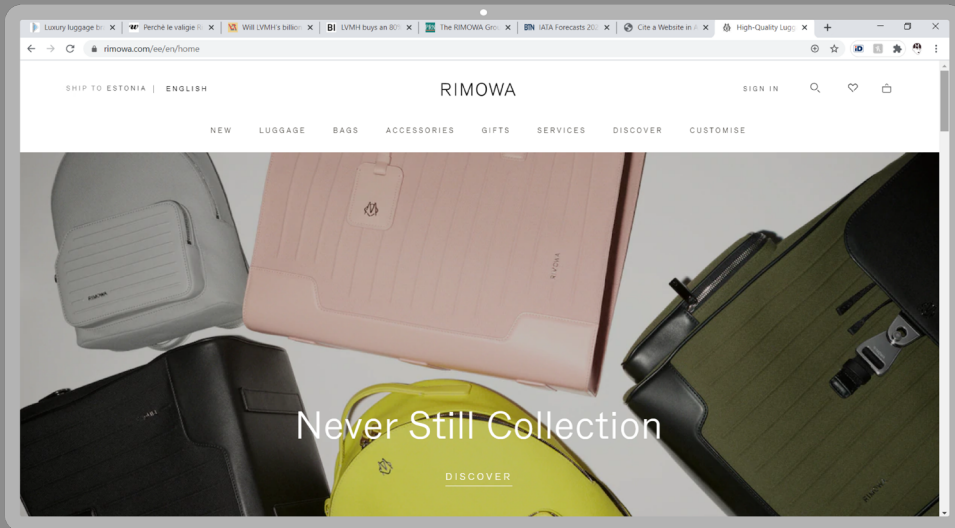
OPERATING INCOME = REVENUE × OPERATING MARGIN





(LVMH, 2020)





STRENGTHS

- Legacy
- Timeless
- Associated with quality
- Customized product
- Recognisable logo
- Good social media engagement
- Strong brand image
- Known as under LVMH

WEAKNESSES

- In-store product placement and interior lack in potential.
- Customer interaction on social media is limited.

OPPORTUNITIES

- Further expand the meaning of travelling through products and services.
- Greater expansion in accessories
- Redesign the flagship store and create higher standard for product placement in-store.
- Engage with all customer types on social media to create a community.

THREATS

- Competitors offer similar product starting from 50 Euros (Zoe Suen, 2019).
- Further travel restrictions caused by Covid-19

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