

## Case Study A: David's Bridal (Bridal / Bridal-Retail)

### Background & Market Context

David's Bridal is one of the largest bridal retailers in North America. Before COVID-19, Moody's estimated its annual revenue for the year ended Dec. 29, 2018 at about US\$715 million, with about 34% of those sales from bridal gowns, 28% from bridesmaid dresses, 25% from accessories, and 13% from other dresses.

The bridal market is distinctive: high emotional involvement, long decision cycles, the importance of in-store experience (trying on dresses), and a mix of price points (from budget to luxury / couture bridal). During COVID, many in-person channels were disrupted, putting pressure on digital, virtual and hybrid experiences. David's Bridal went through bankruptcy in 2023 and has been trying to revamp itself.

### Marketing & Digital Transformation Actions

#### 1. Virtual Try-On / AR & Consultations

When store closures and restrictions occurred, David's Bridal introduced virtual consultations and augmented reality (AR) try-on features so that brides could view dresses, details like beading, stitching, and fit digitally. This shift was not just stop-gap; customers liked it so much that AR try-on is now a staple. Conversion rate for customers using the AR tech is reported to be 67% higher versus those who don't.

#### 2. Shift of Media & Social Focus

The brand reallocated marketing spend: large reductions in traditional linear TV in favor of digital channels. They leaned heavily on social media, particularly TikTok, and encouraged store stylists and staff to become content creators. Within eight months, their hashtag usage on TikTok grew from 25 million to 200 million, indicating vastly increased user-generated content and brand visibility.

#### 3. Social Commerce & Shoppable Content

David's Bridal launched shoppable content on TikTok using collection ads (a format where video content is linked to product listings). The campaign reached over 16 million viewers in one month and achieved a click-through rate that was twice the average benchmark on that platform.

#### 4. Data-led Segmentation & Appointment Growth

With the agency January Digital and use of a Data Management Platform (DMP), David's Bridal identified segments such as "almost engaged" customers, created lookalike audiences, personalized messaging by price point, and boosted in-store appointment bookings via paid social ads. The result: +101% in appointment volume; +48% in eComm revenue; +43% in eComm return on ad spend (ROAS) with only a small (3%) increase in spend during this campaign period.

### Challenges & Outcomes

- The shift to digital helped mitigate damage from pandemic disruptions. Even though e-commerce was a small part before, it grew in double digits from 2019 to the lockdown periods.

- But certain expectations (like trying on dresses in person, alterations, in-store experience) remain high in bridal: digital cannot replace all touchpoints. Hybrid models (virtual + IRL) seem especially important.
- Inventory forecasting and matching assortments was a problem: David's Bridal had a "forecast accuracy rate" of about 48% when introducing new dress styles; heavy markdowns and slow-moving items depressed margins. They used in-store testing, analytics, and perhaps reduced the depth of some product lines to try to improve.

## **Lessons**

- Emotional products with high physical-involvement (bride, dress, day) benefit from hybrid experiences that digital tools augment but don't fully replace physical.
  - Social media & UGC can dramatically increase reach and appointment or traffic volume, if properly tied in with commerce paths.
  - Data-driven segmentation and precision messaging (e.g. prices, "almost engaged") help improve efficiency (better ROAS, less wasted spend).
  - Managing product assortment, forecasting, and inventory is critical in fashion retail where styles can diverge wildly in popularity.
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## Case Study B : Hermès

### (Ready-Wear & Accessories / Luxury Leather Goods & Ready-Wear)

#### Background & Market Context

Hermès is one of the top global luxury houses, known especially for its leather goods and saddlery, ready-to-wear (RTW), accessories, silk & textiles, beauty, etc. In 2024, Hermès reported full-year revenues of \$15.170 billion, up from \$13.427B in 2023 with an increase of approx 13.0% published / 14.7% constant rate.

Segment growth: Leather goods & saddlery rose 16.4% (published) / 18.3% (constant rates) to €6,457 million; Ready-wear & Accessories up 13.6% published / 15.4% constant to \$4,405 million. Beauty & Perfume grew 8.7% published, 9.3% constant. Watches declined 5.6% in published, 4.2% constant.

#### Marketing, Branding & Design Strategies

##### 1. Brand Positioning & Scarcity / Desirability

Hermès has tightly controlled production, limited releases, and maintains high craftsmanship standard. Their product categories (e.g. Birkin, Kelly bags) also carry strong symbolism and desirability. Leather goods & saddlery continue to be huge profit and prestige drivers. The growth in that category (+16-18%) underscores how demand remains strong even with high price points.

##### 2. Geographic & Category Diversification

Hermès has benefited from strength in multiple regions even when some markets like beauty or watches have soft patches. Their ready-to-wear & accessories and leather goods segments are less sensitive to some of the volatility in beauty or fashion trends. In Q2 2025, leather goods & saddlery were up 14.8%, ready wear/accessories up 3.8%, perfumes and beauty down 7.2%.

##### 3. Design Continuity with Innovation

RTW and accessories collections are carefully curated, showing design consistency (arts & crafts, heritage colorations, design motifs) but Hermès also introduces seasonal limited editions, new fragrances, nail enamel lines, etc., maintaining interest. The company attributes growth in beauty in part to new fragrance launches and limited editions.

##### 4. Controlled Pricing & Margin Discipline

Hermès often increases prices to offset cost pressures, import tariffs etc. This helps maintain margin even when volumes might be constrained by capacity. Also, maintaining exclusivity helps avoid discounting. For example, in Q2 2025 the company raised US prices in May to offset a new 10% import tariff.

#### Challenges & Outcomes

- Beauty and watches saw declines in certain quarters, showing that even held brands have ebb and flow across sub-categories. Hermès' beauty sector fell 7.2% (perfume/beauty) and watches down 5.5% in Q2 2025.
- The pressure from macroeconomic conditions, inflation, input costs, and global supply chains continues. Some price increases may face push-back from consumers or regulatory scrutiny.

## Lessons

- For heritage luxury brands, maintaining desirability (via craftsmanship, scarcity, heritage cues) supports premium pricing.
  - Having strong core categories (e.g. leather goods) that are less trend-sensitive can stabilize revenue even when more volatile segments suffer.
  - New product development (e.g. new fragrances, accessories, limited editions) is important to keep brand fresh and drive cross-category lift.
  - Pricing discipline plus margin control are essential when costs rise, especially for luxury goods where consumers expect quality.
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## Case Study C: Chanel (Couture / Haute Couture / Luxury Fashion)

### Background & Performance Trends

Chanel is widely seen as one of the top luxury fashion houses, known for couture, ready-wear, leather goods, handbags, watches, beauty, etc. In 2023, Chanel revenues rose 16% (excluding currency shifts) to **US\$19.7 billion**, driven by both price increases (around 9%) and greater sales volumes.

In 2024, however, Chanel saw a revenue contraction of about 4.3%, to approximately €17.9 billion, with operating profit down 30%. Key markets, particularly China and the U.S., showed weakening demand.

### Marketing / Design & Brand Strategy

#### 1. Iconic Products & Heritage Storytelling

Chanel leverages its heritage heavily on quilted leather handbags (Flap, Classic), its identity with couture, the house crafts, and its long history (Coco Chanel, etc.). A strong part of Chanel's appeal is its continuity: consumers trust the heritage, visuals, and identity. It also uses signature assets (tweed, classic flap bag silhouette, camellia, etc.) in marketing and design to signal "Chanel-ness."

#### 2. Price Positioning & Premiumization

A significant portion of Chanel's 2023 revenue growth came from **price increases**, 9% of the 16% total growth. That implies that when demand remains relatively steady, raising price can meaningfully contribute to growth, especially in luxury, where exclusivity matters.

#### 3. Investment in Store expansion, internal capabilities

Chanel increased its capital expenditures. Between 2020-2023, its distribution network, store base, and internal capacity expanded. The brand has invested in upgrading stores, better customer service, in-house manufacturing / supply chain control. Also moving beauty business more into retail (possibly owned boutiques) rather than purely wholesale or department stores.

#### 4. Strategic Marketing & Campaigns

Chanel supports its product launches with high profile marketing: celebrity face associations (e.g. Timothée Chalamet for Bleu de Chanel), campaign visuals, and preserving its couture salon events. Even as overall growth slows, Chanel maintains investments in brand image, flagship redesigns, prestige store locations. For example, in 2023 it opened 47 new stores (31 dedicated to beauty & fragrance).

### Challenges & Outcomes

- The downturn in 2024 reflects macroeconomic headwinds (inflation, weakening consumer confidence, China's regulatory / consumption cycles). Even leading brands cannot fully immunize themselves.

- Operating profit dropped significantly (30%), even though revenue declined only 4%. This indicates margin pressures: rising costs, perhaps promotional pressure, cost of investment, or inefficient channels.
- Consumer backlash to price increases and concerns about quality (noted on social platforms) are risks when pushing premiumization strongly.

### **Lessons**

- Heritage brands can lean on legacy and iconic products to maintain customer loyalty, but must continually invest in product, service, and retail experience to justify pricing.
  - Price increases are a useful lever when demand is strong, but must be managed with sensitivity to quality, communication, and perceived value.
  - Diversification (products, regions, channels) helps absorb shocks when some segments underperform.
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## Case Study D: Christian Louboutin (Accessories: Shoes & Shoes + Expansion)

### Background & Brand Value

Christian Louboutin is one of the most iconic footwear brands in high fashion, known for its red-soled heels. As of recent reporting, the brand was valued at approximately **US\$3.2 billion** (per Exor's estimation after acquiring a stake in 2021).

The brand sells over 1 million pairs of shoes per year.

### Marketing & Growth Strategies

#### 1. Strong Brand Iconography & Trademark Enforcement

The red sole is a signature, both in design and legal strategy. The brand aggressively protects its red sole trademark through lawsuits globally. This ensures the design remains strongly identified with the label.

#### 2. Category Expansion

Beyond women's shoes, Louboutin has launched men's shoes, children's lines, handbags, beauty products, and even accessories like sunglasses. These move lever off of brand prestige and allow capture of more wallet share from existing (or aspirational) customers.

#### 3. Boutique Expansion & Global Retail Footprint

As of the reports, Louboutin operates more than 160 boutiques in 32 countries (with 35 in the US, 23 in Japan, 20 in China). This supports both brand visibility and experience-based premium positioning.

#### 4. Digital / Content / Influencer Levers

The brand leverages storytelling (craftsmanship, exclusivity, artistry) via content marketing, editorial, and visual campaigns. It invests in paid digital, social media presence, influencer collaborations. According to some cases, social media engagement has grown year-over-year (e.g. 40%+ via digital content), though some of that is qualitative.

### Challenges & Outcomes

- Even with strong brand & pricing power, Louboutin is sensitive to macro-factors: raw material cost, logistic disruptions, currency fluctuations, and slowing luxury demand in certain regions like China. Example: in H1 2023, net profits were down 51% from same period in 2022, partly due to supply chain and material cost issues.
- The high-priced nature of product means that downturns or weaker consumer confidence can reduce demand for non-essentials (e.g. fashion styles distinct from classics).

### Lessons

- Accessories/footwear brands that have a strong design signature (red sole, etc.) can leverage that across capacities (product lines, geographies).

- Expanding category / channel needs to be consistent with brand voice. Louboutin's extensions into bags, beauty etc. are logical because their target customers often buy multiple accessory categories.
  - Global boutique presence helps in prestige branding; but should be supported by consistent quality, omni-channel service, and digital content to support in-store desire.
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## Case Study E: Bvlgari

### (Jewellery / Handbags / Luxury Jewellery-Accessory Blend)

#### Background & Performance Trends

Under the leadership of CEO Jean-Christophe Babin, Bvlgari has grown significantly. Over about a decade, revenues have more than doubled from \$1.5 billion to over \$3.5 billion.

Bvlgari is known for its jewellery, watches, accessories, and handbags, including iconic collections like Serpenti, Diva, B.zero1, etc. The strategy has been to cross-utilize such icons across categories rather than siloing them.

#### Marketing, Design & Strategic Actions

1. **Unified Iconography Across Categories**

Bvlgari adopts a strategy where its icons (e.g. Serpenti, Bvlgari Bvlgari) are used across jewellery, watches, and accessories. This strengthens brand recognition and allows efficient content / advertising (visual assets usable across sub-brands).

2. **Global Market Expansion & Localized Marketing**

Significant growth has come from Asia, especially China, and other emerging high net worth regions. High-profile events in Beijing, expanding retail footprint, and strong presence in travel retail are parts of the strategy.

3. **Marketing via Events, Collaborations & Prestige**

Bvlgari leverages high visibility events (celebrity endorsements, red carpet, film festivals) and partnerships (e.g., boutique openings, globally significant locations) to enhance aura and luxury status. Design storytelling (craftsmanship, heritage) is central.

4. **Streamlined Visual & Advertising Narrative**

Because use of icons across categories allows repetition of visual motifs, campaign imagery can be more coherent, reinforcing key signature designs in customers' minds. This also reduces marketing cost per product launch because shared visual language allows reuse.

#### Challenges & Outcomes

- Retail / luxury jewellery is sensitive to fluctuations in precious metals prices, currency fluctuations, regional regulatory / import issues, and changing consumer tastes (towards sustainable or ethically sourced jewellery).
- Increasing competition from both traditional rivals and newer brands, including via direct-to-consumer and digital natives.

#### Lessons

- Using signature iconography consistently across product categories strengthens recall and makes cross-selling / extension easier.

- Expanding globally while maintaining local relevance (store presence, localized designs, local celebrity/influence) helps capture high-growth markets.
- Marketing investments in events and brand moments (flagships, red carpets, etc.) remain important for high luxury/trophy-piece brands.