



**CB AUDIT**

# **HERMÈS**

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# TARGET SEGMENT

## TRACEY KENNEDY: PERSONA



40 Years Old



Senior Partner at a Law firm



Investing in Quality &  
Representing the Cultural  
Symbol.



Showcasing Their Hard-  
Earned Success



Alternate personas...

# SEGMENTATION STRATEGIES



- High Income
- Middle Ages
- Mostly Female
- Sophisticated

## DEMOGRAPHICS



- Mostly Urban
- World-Wide Reach
- Culture

## GEOGRAPHIC



- Luxury Lifestyle
- Value Heritage
- Quality + Craft
- Exclusivity
- Arousal

## PSYCHOGRAPHIC





# PRODUCT POSITIONING CRITERIA FOR IDENTIFYING A GROUP

## Membership: The Hermès Circle

Membership in the Hermès Circle are for people who can afford the products showcasing the exclusiveness of Hermès. They are also individuals who are invited to purchase these exclusive items.

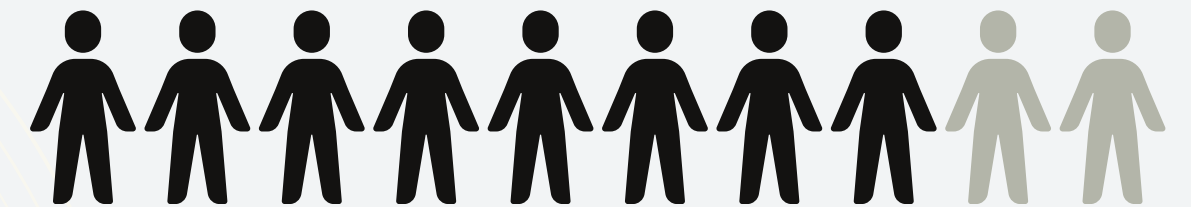




# STRENGTH OF SOCIAL TIE

Strength of Social Tie: The  
Bond of Sophistication

What makes the social tie strong is the  
**common theme** of owning these **exclusive**  
**products.**



# TYPE OF CONTACT

## *Face-To-Face Interactions*

Hermes contacts its customers more by face-to-face interactions. The employees at Hermes front of house are highly trained. They do not contact their clients through social media.

Hermes offers a highly exclusive Exhibitions only for individuals who are invited called "Hermes in the Making".

## *Exclusive Workshops*

# ATTRACTION

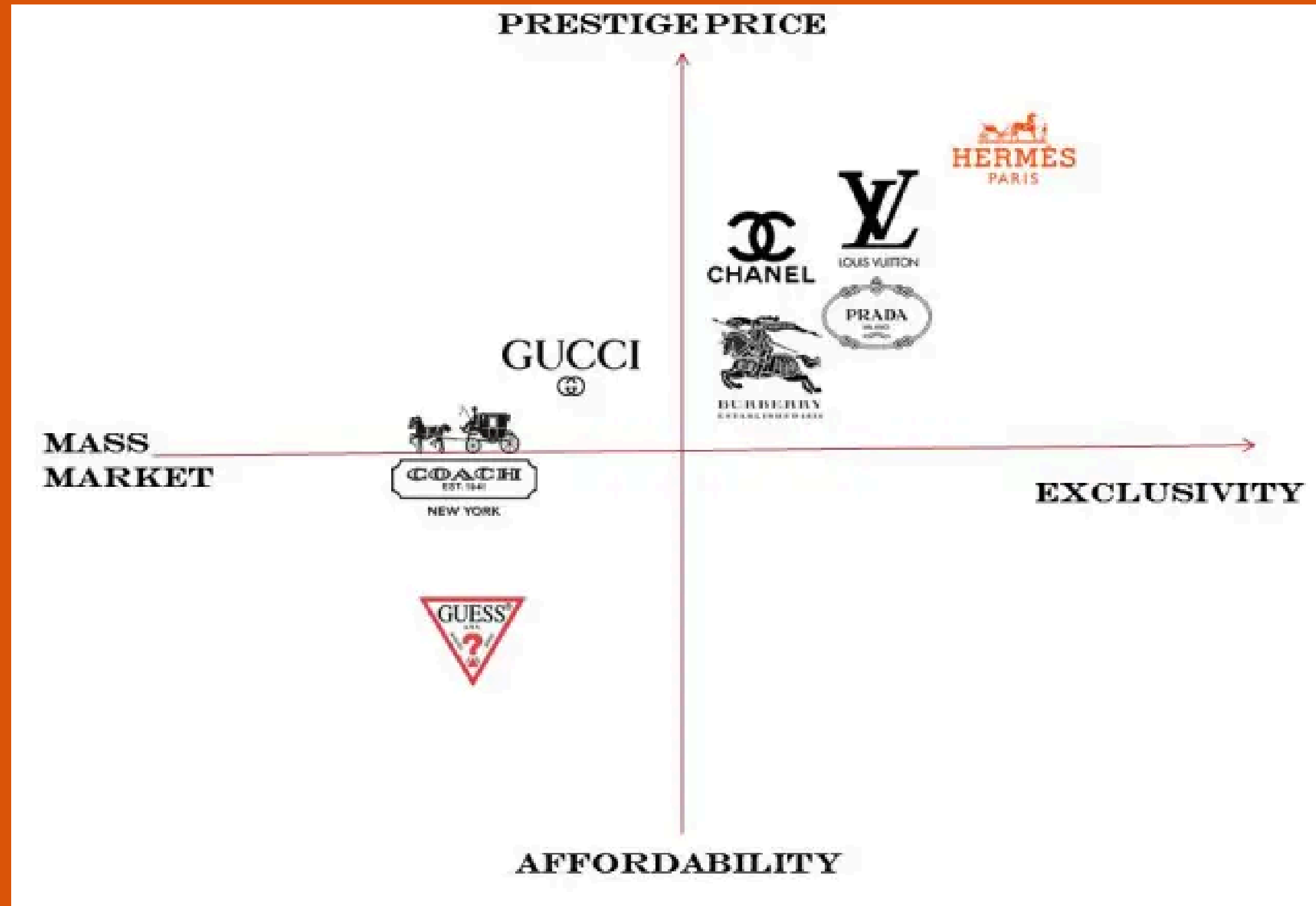
## GLAMOURIZING HERMES

Their products also **cannot be replicated** because they are made in such a way that draws buyers to their brand. Hermes attracts people who love real luxury.





# PERCEPTUAL MAP



# PRICING

## Surrogate Indicator

Higher price = Higher Quality

Price does not affect decision

On average, their competitor:

**Louis Vuitton**, Bags range from \$2,000- \$50,000 which is much lower than Hermes



Hermès  
Birkin

25 Himalaya Niloticus  
Crocodile Diamond  
Encrusted Hardware

\$500,000



Hermès Bag

Garden Party 49  
voyage bag

\$5,000



Silk Scarf

Della Cavalleria  
double face  
scarf 90

\$690



Revitalizing care  
mascara,

Trait d'Hermès,  
Noir Fusain

\$68

# PRICING

## RESELL

Do not want their clients to resell bag. Hermes wants their clients to purchase from their store.



Many buyers purchase the bag for it's investment value. The resale value of Hermès' handbags is up 28%. Average selling price up over \$4,000 year-over-year.





# DISTRIBUTION STRATEGY

Hermès employs an **exclusive strategy**

that aligns with its selective brand image and high-end positioning. The company strategically chooses to distribute its products through a limited number of select retail partners



This selective approach helps maintain the brand's prestige image.



# WHERE HERMES IS SOLD



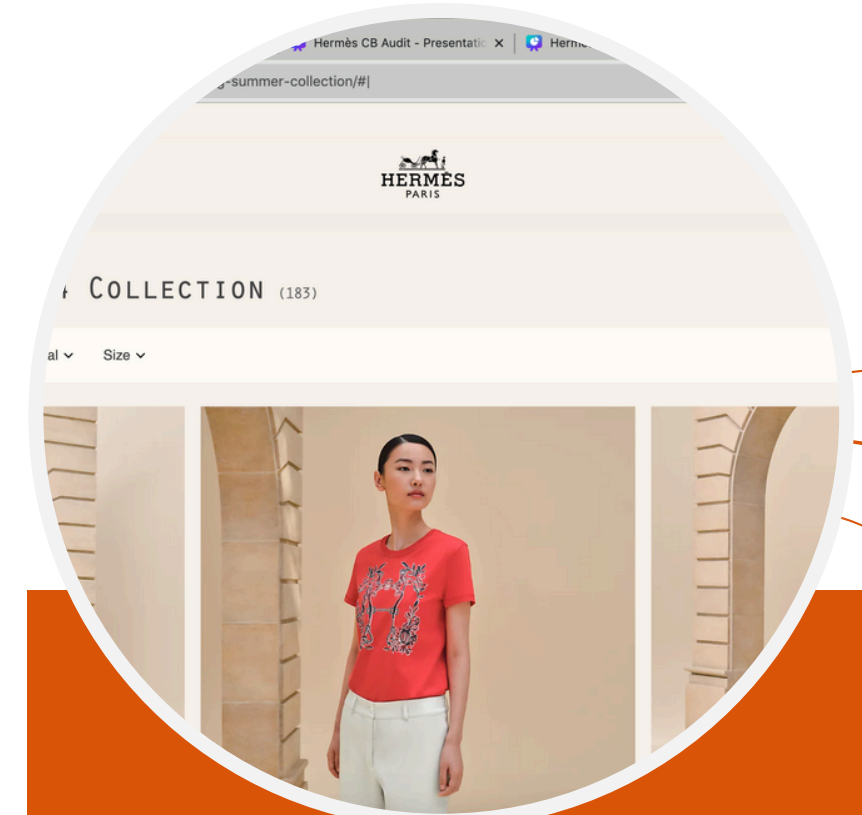
## Hermes Owned Boutiques

- Hermès operates its own network of boutiques located in major cities worldwide.
- They showcase a wide range of Hermès products and offer a luxurious shopping experience with personalized service.



## High-End Retailers

- Some high-end department stores such as Neiman Marcus and Saks Fifth Avenue will have dedicated sections within their stores. Limited supply such as lipsticks, perfumes, and scarves.



## Online Sales

- Customers can browse and purchase a selection of their products.
- This offers a less personalized shopping experience but a more convenient one!

# RETAIL ATMOSPHERICS IN DISTRIBUTION

Hermes boutiques are known for their carefully curated boutiques, which create a unique and luxurious shopping experience aligned with customer motivations. Here's a detailed look at how Hermes' retail environmental personalized service caters to customer needs and motivations

## STORE DESIGN

- Boutiques are designed to display elegance and sophistication.
- This ambiance is calming and exclusive, appealing to customers seeking a premium shopping experience

## PERSONALIZED CUSTOMER SERVICE

- Sales associates in Hermes boutiques are trained to provide personalized assistance and guidance to customers.
- This personalized service offers customization options for certain products, further enhancing the sense of exclusivity.

## DISPLAY

- Hermes products are thoughtfully displayed in a way that showcases their beauty and craftsmanship.
- Emphasizing their quality and design. The displays are designed to evoke desire and appreciation for the brand's heritage and craftsmanship



# PROMOTION

## OVERVIEW OF THEIR PROMOTIONAL EFFORTS

- **Brand Identity:** Timeless Luxury
- **Target Audience:** Upper-class/ old money
- **Print Advertising:** high-end fashion magazines/ lifestyle publications
- **Digital marketing:** use socials to engage with luxury enthusiasts
- **Event sponsorship:** Sponsored fashion shows/ charities/ art exhibitions
- **In-store experience:** Immersive and personalized shopping
- **Brand Ambassadors:** Kim Kardashian promoting super-sized Birkin
- **Limited editions:** Seasonal fashions for a limited time
- **Heritage:** promotes their equestrian roots in ads / classic orange



“Less is more”



# PROMOTION

## BRAND AWARENESS

- Main goal: maintaining exclusivity
- Showcase/ create brand awareness
- Celeb endorsements to show desirability
- Unique runways
- Birkin is mainly WOM promo (is a status symbol)



Most expensive Birkin "the Himalayan"





# PRODUCT

## *External Influences*

- High Spending Power
- Luxury and Prestigious Cultural factors

- Perception of the Hermès
- Key Motives

## *Internal Influences*

## *Situational Influences*

- Social Surroundings; Runways
- Physical Surroundings

- Products meeting the uniqueness and exclusivity

## *Decision Process Influences*

### × MENU

WOMEN

MEN

HOME, OUTDOOR AND EQUESTRIAN

JEWELRY AND WATCHES

FRAGRANCES AND MAKE-UP

GIFTS AND PETIT H

SPECIAL EDITIONS AND SERVICES



# CUSTOMER SATISFACTION

## INFLUENCING FACTORS

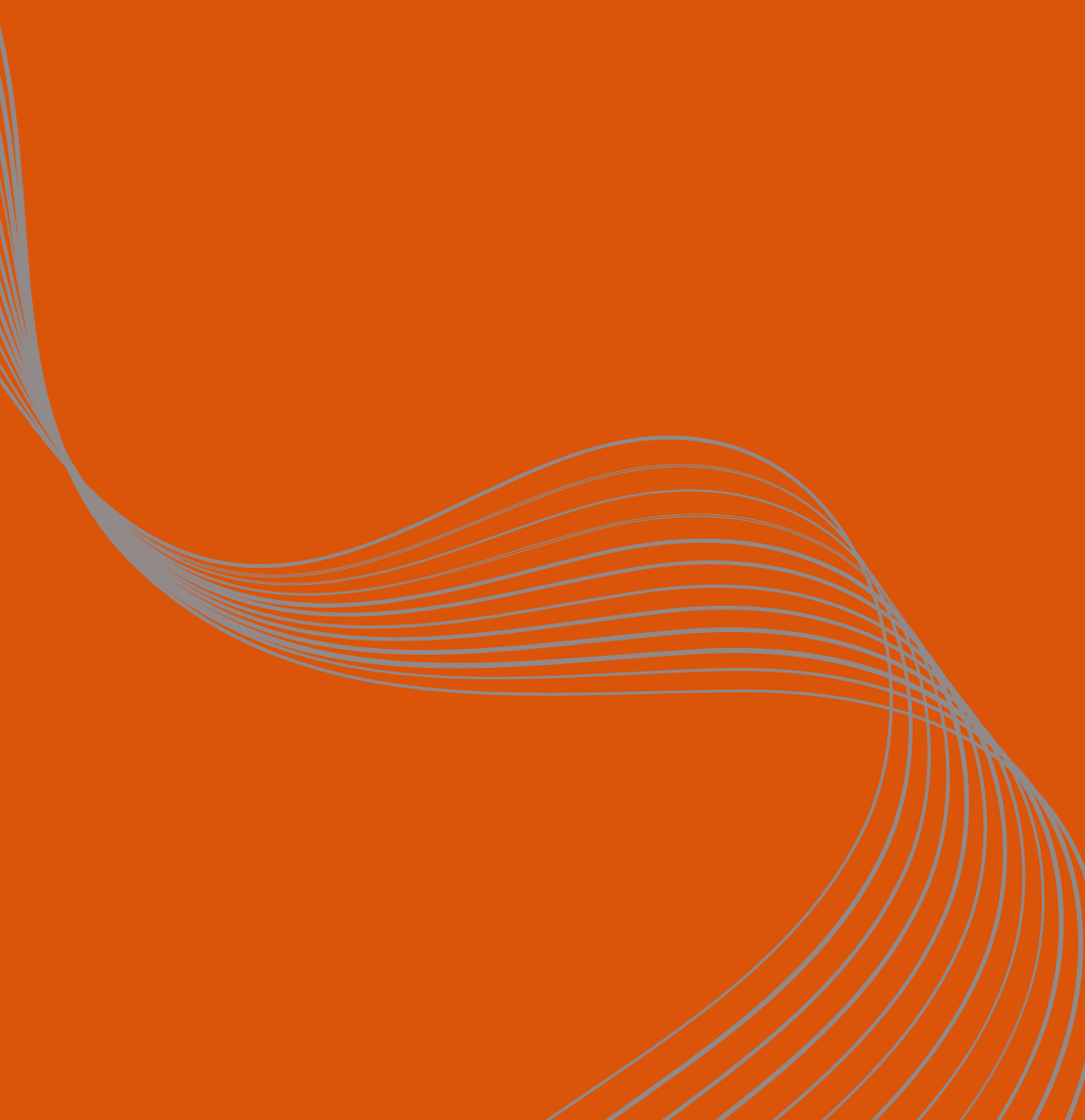
PRODUCT QUALITY

IN STORE  
EXPERIENCE

CULTURAL  
INTEGRATION

POST PURCHASE

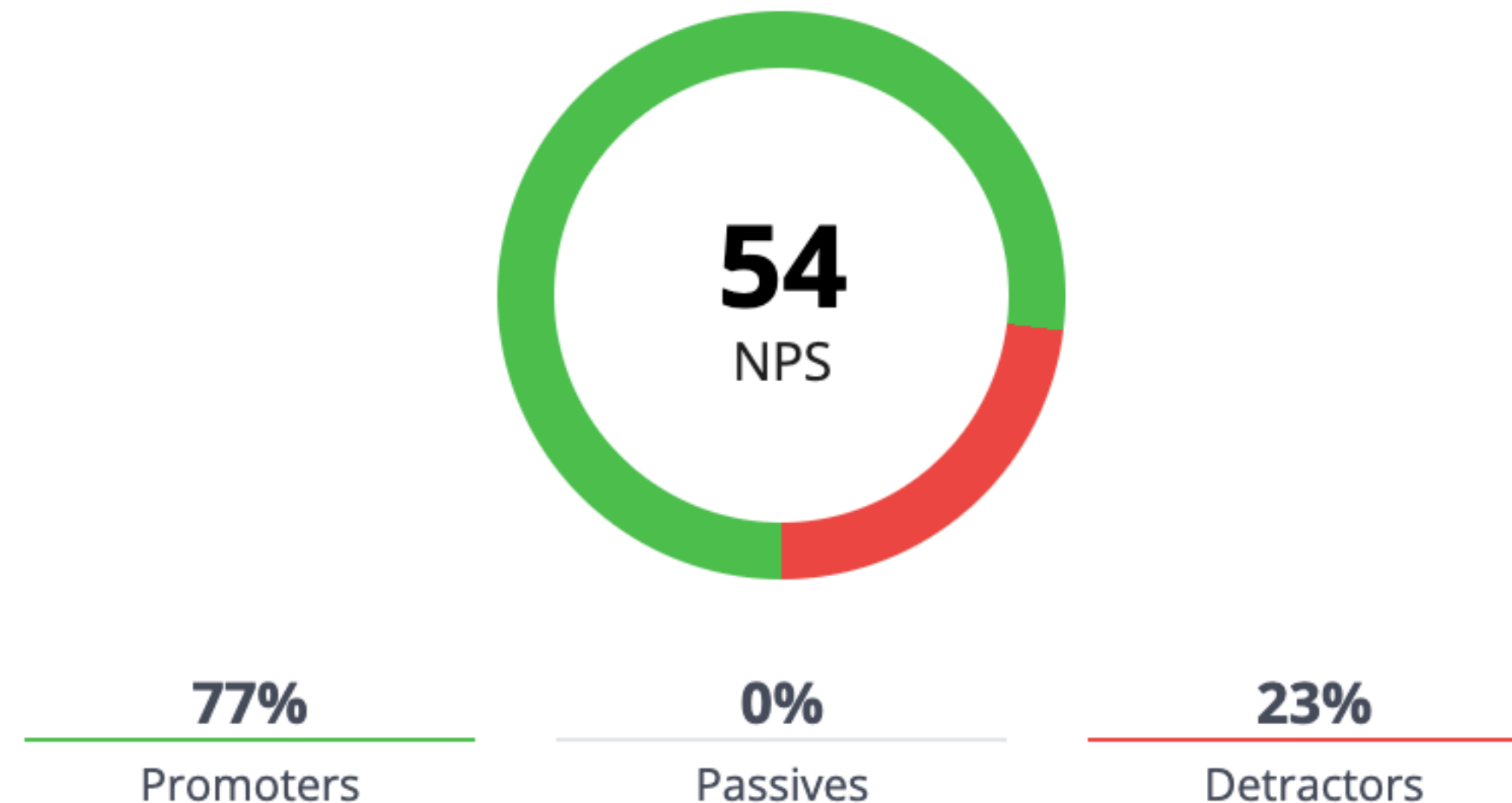
EXCLUSIVITY



# MEASUREMENT

## NET PROMOTER SCORE

### Hermes Innovation Overall NPS




*Source: Comparably*

# CUSTOMER REVIEWS

HERMES  
Posts

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8,864 likes

hermes Sculpted silhouettes slicing through matte and shiny winter evenings

Comments

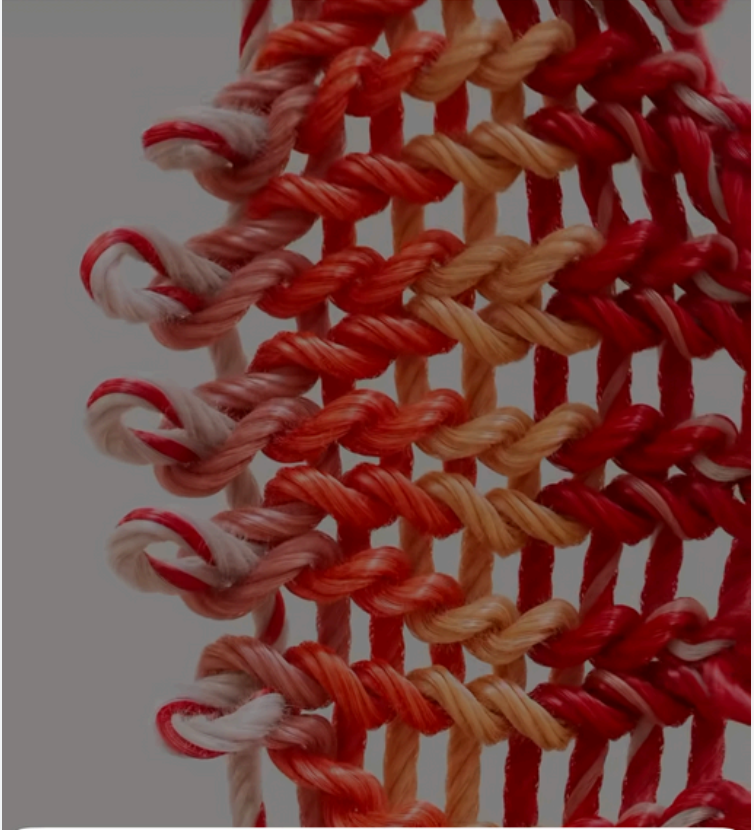
thesoftasylum 11w

Those subtle shimmers in the fabrics are gorgeous. Not over the top but done just right. I love metallic in the winter, it's perfect 🙌🙌

4

HERMES  
Posts

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Comments

mmmmmm 7w

Soothing 🥰🥰🥰

3


ozdendora 7w

I guess the word weaving takes on a meaning that goes beyond its own specific technical aspect : basically putting threads together to create a new structure (whatever the actual technique to do so).  
But given how clearly this video shows the loops coming together, it requires at least a mention of the technique . It is Knitting magic. ❤️ and a very beautiful video! I love Hermès and the colours are gorgeous 🥰

28

HERMES  
Posts

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19,566 likes

hermes Puzzling! 🧩 A few swipes and the pieces fall into place... 🛍️🛍️

Artwork by @nm.nellymaurel

#AllAboard  
#PuzzlingPaintings  
#Hermes

View all 185 comments

Comments

mashalunam 9w

great, love it! .... Now, can I buy one? For what ever reason it seems impossible.

9

Reply

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