

Bvlgari's Marketing Strategies: From the Perspective of 4P and SWOT Analysis

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Abstract: Renowned luxury brand Bvlgari has made a name for itself on the international scene because to its superb craftsmanship and distinctive fusion of traditional and modern design. This study explores Bvlgari's product offers, price, distribution methods, and promotional activities as it applies a 4P analysis to its marketing strategy. A SWOT analysis also highlights Bvlgari's disadvantages, such as a small market share and past PR issues, in addition to its advantages, which include its unique design philosophy and captivating brand narrative. Threats to growth come from fierce competition and shifting consumer preferences, while opportunities for expansion come from breaking into new sectors and using technology improvements. The report ends with suggestions on how Bvlgari might improve its marketing initiatives. These include focussing on the male market, modifying pricing tactics, and giving sustainability and social responsibility top priority. By employing these tactics, Bvlgari can stay ahead of the competition, handle market obstacles, and guarantee steady growth in the premium market.

Keywords: Bvlgari, Marketing strategies, 4P analysis, SWOT analysis.

1. Introduction

The well-known luxury brand Bvlgari has made a name for itself in the world of fashion and jewellery by providing a broad range of items, such as watches, jewellery, leather goods, and fragrances. Bvlgari, renowned for its exquisite workmanship, creates a distinctive fusion of modern innovation and classical beauty by fusing traditional artistry with contemporary design. The brand's vivid and appealing items are inspired by ancient Roman art, Italian and Mediterranean themes.

Bvlgari has effectively set itself apart in the very competitive luxury industry with its powerful branding, imaginative storytelling, and superior products. It does, however, also confront formidable obstacles, such as pricing tactics, public relations problems, and rivalry in the market, especially in the Chinese market. Despite these obstacles, Bvlgari continues to evolve, expanding its product lines and embracing technological advancements in areas such as ultra-thin watches.

The present investigation delves into Bvlgari's marketing tactics, encompassing its product offers, price, distribution methods, and promotional activities, in addition to examining the company's SWOT analysis. Through comprehension of these facets, the brand may optimise its approach to the market in order to continue growth, augment client loyalty, and uphold its leadership position in the luxury industry.

2. Description of Bvlgari

The luxury company Bulgari, sometimes known as Bvlgari, is well-known throughout the world for its superb watches, jewellery, accessories, and fragrances. Bvlgari was founded in Rome in 1884 by Greek silversmith Sotirios Voulgaris, and it quickly became a major force in the luxury market there. One of the most recognisable companies in the fashion industry, Bvlgari's unique designs combine current inventiveness with traditional art, drawing inspiration from its Roman past.

Initially, Bvlgari was mostly renowned for its handcrafted silver pieces. But, the brand's emphasis had changed by the 20th century from traditional diamond-centric items to high-end jewellery that boldly used coloured gemstones. This innovative approach helped Bvlgari carve out a unique identity among luxury jewelers, attracting a global clientele.

Bvlgari is renowned for its own style, which is distinguished by bold designs, vivid colour schemes, and homages to Roman mosaics and architecture. Its Serpenti line of timepieces and jewellery, which embodies both strength and elegance in the form of snakes, became an iconic representation of the business. Snake motifs are used in Bvlgari designs to represent rebirth and metamorphosis, giving their works an additional depth of symbolic complexity.

Beyond jewellery, Bvlgari has ventured into other product categories with the same level of craftsmanship and attention to detail, such as high-end watches, fragrances, and leather products. The company's entry into the watchmaking industry has brought it recognition in the industry, particularly because to their Octo Finissimo collection, which includes some of the thinnest mechanical timepieces ever made. With its bold designs and timeless elegance, Bvlgari continues to stand as a testament to luxury and creativity.

3. Analysis of Marketing Strategies

3.1. 4P Analysis

3.1.1. Product

Liu Yang (2014) discussed in his research that operators in luxury market can effectively segment consumer groups and understand consumer behavior characteristics through the 4P theory, in order to implement more efficient and targeted marketing strategies [1]. Bvlgari offers different original products. Its core product line include jewelry, watches, leather goods, accessories, and perfumes are all noted for their unique design, with exquisite workmanship and excellent quality [2]. The brand focuses on the combination of traditional craft and modern design to create products with both classical charm and modern sense. Its design draws inspiration from ancient Roman art and culture, showing a vibrant and charming image. Bvlgari's sales in 2010 reached 1 billion euros, half of which came from jewelry and approximately 20% from watches. Bvlgari will become the most important jewelry watch brand under the flag of LVMH [2]. In addition, Bvlgaria also has built its own hotels, which integrate the essence of a luxury jewelry brand into the hotel experience. One of the most outstanding is the Bvlgari Hotel Bali, which is an exclusive hotel on the island to give lodgers an unforgettable experience [3]. Besides, comparing with other products of similar brands, Bvlgari necklaces pay attention to the perfect proportion and line in the design, so that the wearer can show the best body proportion and elegant temperament. For example, the classic "fan" series necklace, its unique fan design is good for contouring the neck line, showing the elegant charm of women.

3.1.2. Price

As a high-end luxury brand, Bvlgari's products are priced at a higher level, reflecting the high quality of its products. For example, the B.zero1 series rings are priced at ¥17,700. This pricing strategy is

in line with its positioning as an end luxury item. The brand positions itself as a luxury jewelry brand, targeting consumers who are willing to pay a premium for memorable experiences. Bvlgari emphasizes the value of its products beyond just physical attributes. The brand's storytelling, cultural connections, and commitment to sustainability add significant value to the consumer experience.

3.1.3. Place

Bvlgari utilizes both online and offline distribution channels to reach its target consumers. For online, the brand operates a direct-to-consumer (DTC) website and sells through premium e-commerce platforms, such as Tmall Luxury and JD, which are online shopping platforms in China, and launched an innovative flagship store model that allows brand to customize store designs according to its tonality to better communicate with consumers in the digital age, providing convenient access to its products for consumers worldwide. For offline, Bvlgari has a large quantity of offline stores around the world. Bvlgari has more than 200 stores around the world. It has opened 41 stores in China, mainly located in Shanghai, Beijing, Guangzhou and Shenzhen. Bvlgari's initial business was mainly concentrated in Italy, but over time, Bvlgari began to expand its business and opened stores in many different countries for consumers to experience its products in person.

3.1.4. Promotion

Bvlgari regularly hosts events such as fashion shows, product launches and the launch of limited-edition products. These events provide consumers with an opportunity to get close up experience and understanding, so as to increase the brand's exposure. Bvlgari made a special style for charity. "Bvlgari charity style" is usually made of silver material, the price is relatively low, and Bvlgari will give part of its money to charity when every charity product is sold. At the same time, Bvlgari charity also invited famous stars to endorse this product to attract more consumers to buy it. Besides, the Bvlgari charity often collaborate with children's charity, in order to improve the living standards of the poorest children by providing them with educational facilities. On December 25, 2018, Bulgari published a video advertisement for this type of jewelry from Save The Children charity, and Bvlgari will donate \$100 for per unit of Save The Children jewellery been sold.

3.2. SWOT Analysis

3.2.1. Strength

Bvlgari has many strengths in its marketing. Bvlgari has a unique design idea to deliver a holistic aesthetic experience. Besides, it has creative storytelling, including a brand story, and every product has its own story, which lets people better recognize their needs for the product. For example, the snake element of Bvlgari was created in a huge and extremely rich background, which has historical and symbolic significance. In 2012, Bvlgari Serpenti Forever, a series of bags launched by Bvlgari, which has become an outstanding representative of bold innovation of this brand. The spirit snake carries multiple symbolic meanings: the totem to worship, the god to worship, the protective spirit object to seek good luck and avoid evil, and the messenger to communicate with the supernatural. In addition, Bvlgari has strong leadership, since its founder Sotirio Bulgari is a man of great strength and talent. His childhood was full of unhappiness, and he experienced family changes and wars. Sotirio learned silversmithing from his father when he was a child, and Sotirio was approved by his father. His family was originally an artistic family who lived on silver jewelry, scabbard and other trades. So that Sotirio has abundant experience on how to organize a jewelry brand. Furthermore, Bvlgari has a professional team to manage the brand. Team members include watchmakers, designers, marketers who are responsible for product design, development and marketing. Watchmakers in this

team went to Switzerland for training, or received strict standardized training in Switzerland to ensure the high quality and uniqueness of the products. These team members not only provide services for customers, but also bring advanced technical expertise to attract more consumers to buy the products.

3.2.2. Weakness

However, Bvlgari has some weaknesses. Its market share is limited due to the fierce market competition. First of all, Bvlgari's target customers are mainly in middle and upper income groups, especially for those people who have social status and pursuit personalized consumers. This type of market positioning means that Bvlgari's products and services are mainly aimed at a specific group of people, rather than a broad mass market. Therefore, the growth of its market share is limited by the size of the target customer base and purchasing power. In addition, some netizens found that Bvlgari had been negligent in handling some public relations issues, such as the problem in the labeling of the distribution information of the official website stores [4]. Bvlgari was found to have listed 'Taiwan' alongside 'China' without adding the word 'China' before the 'Taiwan' logo on its overseas official website. What Bvlgari did is a grave affront to China's sovereignty [4]. On July 12, the People's Daily continued to comment that Bvlgari had remained silent at the beginning of the incident, and only apologized after persistent queries from Chinese netizens. Such apology was insincere and untimely. To be more specific, the apology was not made by the Bvlgari Group, and the seal indicates that the apology was issued by the Chinese branch of Bvlgari. Although the brand was subsequently corrected and apologized, this incident exposed the deficiencies of Bvlgari in brand management and public relations, and failed to quell public doubts and criticism in time. What is more, Bvlgari's financial position is unstable. Its financial condition have fluctuated over the past few years. Particularly it suffered a loss of £26.3m in the first quarter, with jewellery sales decreased by 22%, which could lead to a break in the capital chain and legal risks.

3.2.3. Opportunity

There are also opportunities for the brand. The development trend of the jewelry industry shows the characteristics of continuous expansion of the market scale, diversification and individuation of consumer demand, technological innovation to promote the development of the industry, intensified brand competition and diversified sales channels. In the future, the jewelry industry will continue to maintain the momentum of rapid development, in order to give more opportunities and choices to investors and consumers. With the change of consumers' consumption concept and the increasing popularity of online shopping, jewelry consumption tends towards daily development. In addition, consumers have increased their consumption on daily wear and self rewards even except for important holidays like wedding anniversary and valentine's day. Besides, the retail market size of China's jewelry industry reached 841.30 billion yuan in 2023, and it is expected that the retail market size of China's jewelry industry will grow to 1137.72 billion yuan by 2023, and the average retail price of jewelry is expected to increase to 1745.5 yuan/piece. Also, Bvlgari's technology has improved. In general, Bvlgari has been recognized and favored by more consumers through continuous technological innovation and breakthrough.

Bvlgari's progress in technology is mainly reflected in the design and manufacture of its ultra-thin watch, which has set a record for the world's thinnest watch. For example, Bvlgari created the Octo Finissimo Ultra watch, which is only 1.7 mm thick, and its technological progress has also proved its potential and strength [5]. Bvlgari created Octo Finissimo Ultra-thin automatic tourbillon in 2018, Octo Finissimo Self-winding Chronograph in 2019, Octo Finissimo Cutout tourbillon automatic chronograph in 2020, Octo Finissimo perpetual calendar in 2021 [5]. During this period, Bvlgari also

won the affirmation of the Geneva Watch Award (GPHG) many times, and even won the highest award "Golden Pointer Award" [5].

3.2.4. Threat

Bvlgari has external threats, mostly from its competitors, such as Cartier has a huge sales and after-sales service system to provide convenient official repair and maintenance services. The design style of Cartier watches is unique, full of art and fashion. Whether it is a simple classic style or a complex limited edition watch, it is full of creativity and imagination. Another competitor is Van Cleef & Arpels, whose products combine classic appeal with a modern sense of fashion. Van Cleef & Arpels necklaces have a unique perspective when it comes to color matching. The designers skillfully combined different colored gems and metals to create visually striking color effects. For example, in a specific Van Cleef & Arpels necklace, the designer used red, green, blue and other colors of gems, and used clever design techniques to harmoniously integrate them together, making the whole work more visually colorful. It is also noteworthy that Bvlgari lacks of respect for Chinese territory. As a result, the lapse in public relations caused damages to its brand image and reduced its market share. The incident has triggered widespread of public dissatisfaction and criticism, especially in such an important market as China, which caused serious damage to Bvlgari's brand image. In addition, Bvlgari's apology was seen as lacking sincerity and simply correcting mistakes without in-depth reflection and improvement. This further exacerbated public dissatisfaction and criticism. Overall, with the continuous development of the market, the competition between jewelry brands is intensifying day by day. Factors such as brand awareness, product quality, innovation design, and service level will become important considerations for consumers to choose between different kinds of jewelry brands.

According to SWOT analysis, there are several weaknesses of Bvlgari. The following are some recommendations for optimizing the marketing methods of Bvlgari.

Bvlgari need to adjust its pricing strategy in order to meet the needs of different consumers. Bvlgari can optimize its pricing strategy from the perspective of market requirement, brand positioning and competition state. In this case, Bvlgari can launch different price lines. For example, it is possible to design products that are at moderate cost, but still remains the brand characteristics to attract a wider customer group to buy its products. It is worth noting that the brand needs to adjust pricing strategy reasonably based on market demand, competitive environment and cost.

In addition, Bvlgari should pay attention to both market performances and pricing strategies of its competitors, which mentioned in SWOT analysis. By understanding the product characteristics, price ranges and market share of competitors, Bvlgari can adjust its pricing strategy to ensure that it maintains advantages in competition. Bvlgari should regularly evaluate the effectiveness of its pricing strategy to ensure that the product price matches with the market demand and competitive environment, means that people should concern about cost changes, in order to adjust prices in time, and maintain the market competitiveness of the brand.

Moreover, depending on market changes and promotions, Bvlgari can adopt flexible pricing strategies such as seasonal discounts, membership benefits to increase sales volume.

Male market has huge potential since the attention of men to luxury goods has increased, so Bvlgari can strengthen the development of the male market. For male consumers, Bvlgari's marketing content needs to have clear logic, unique creativity to make it vivid and humorous. Bvlgari can publicise its exquisite male products on multi-platform advertising and social media platforms. This specific behavior can highlight brand differences and attract male attention. Besides, Bvlgari can consider providing personalized customized services to meet the needs of male consumers for personalization and uniqueness. And by offering customized products and services, Bvlgari can further strengthen its connection with consumers and promote brand loyalty.

Furthermore, Bvlgari should increase attention to sustainability and social responsibility. Since it can enhance brand awareness, promote the brand image, and consumer preference for the brand. This measure is conducive to establish the trust between brands and consumers, in order to expand the influence of corporate brands. Moreover, Bvlgari should learn a lesson from this Taiwan incident. Bvlgari needs to reflect on this kind of mistake and adjust the global public relations strategy of the entire brand to ensure its respect for China's sovereignty and territorial integrity can be maintained under any circumstances [4]. Through these measures, Bvlgari can gradually restore its reputation and position in the Chinese market. In conclusion, Bvlgari has both opportunities and challenges for the future [6-8].

4. Conclusion

Bvlgari's marketing techniques have helped them succeed in the premium market. Because of its distinctive design philosophy, engaging brand storytelling, and capable leadership, the brand has been able to create a devoted following of supporters. However, threats to its continuous expansion include limited market share, prior PR setbacks, and fierce competition.

Bvlgari should think about changing its pricing approach to appeal to a larger client base while preserving its brand positioning and competitive edge in order to maximise its marketing efforts. Its client base can be increased by focusing on the male consumer segment with specialised services and marketing materials. Prioritizing social responsibility and sustainability can also increase brand awareness, provide a positive brand image, and increase consumer trust.

Bvlgari can regain its reputation and hold its place in the luxury market by reflecting on its past missteps, including the incident in Taiwan, and adjusting to new market trends. Prospects for expansion can also arise from embracing technical innovations and venturing into novel markets. To be successful in the luxury market going forward, Bvlgari will need to adopt a well-rounded strategy that plays to its advantages, solves its disadvantages, and seizes possibilities.

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