

Analyzing the Comprehensive Influence of Prada's Business Strategies

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Abstract. Prada, founded in Milan, Italy in the 20th century by Mario Prada, is popular as a century-old luxury brand for many reasons. It was founded from the unique business and fashion vision of its manager, Miuccia Bianchi Prada - granddaughter of Mario Prada. Her creativity and vision, and her sense of fashion trends have made her a very successful brand. Later cooperation with Patrizio Bertelli also brought a good influence to Prada. Different from the earliest pure handmade production process, Patrizio Bertelli brought the business model of assembly line production, greatly improved productivity, reduced the time cost of production, and made more quantity and better quality products in a shorter time. Prada has a high status in people's hearts as a world-renowned brand, and has a certain influence on people's daily dressing style. Secondly, Prada is liked for its simplicity and durability, using the Re-Edition 2000 Re-Nylon recycled nylon Hobo as an example. The material of nylon is durable and waterproof, easy to damage, light weight, large capacity, good to match all types of clothing, and relatively cheap price compared to other big brands, until this year many people are willing to buy this product. In addition, Prada's attention to the time environment also makes it have a good impression in people's minds and they are more willing to pay attention to the brand.

Keywords: Luxury; Prada; sustainable development.

1. Introduction

"Luxury" is usually understood as a consumer product with unique, scarce, rare and other characteristics beyond the scope of people's survival and development needs, also known as non-daily necessities [1]. After the coronavirus incident in early 2020, people's demand for luxury goods inevitably suffered some shocks. Prada's role as a well-known luxury brand is also inevitable. Affected by the pandemic, people's purchasing power has declined, and Italy, which has the largest number of luxury brands in the world, has not been spared, with a sharp drop in the number of orders for major luxury brands and Prada canceling various event plans [2]. This article will describe the recent state of Prada's business and how to deal with the incident. "PRADA" is an internationally renowned brand, it was founded in Milan, Italy in the 20th century by designer Mario Prada. The brand's logo is minimalist and consists of an inverted triangular tin logo, with "MILANO" underneath the brand name, which is the place of origin, and "1913", which is the year the brand was established. Before 1978, the brand mainly dealt in leather goods and imported goods, it mainly sells high-end handmade products such as high-end handbags and luggage. After year 1978, the brand was taken over by Miuccia Bianchi Prada, which is granddaughter of Mario Prada, founder of the Prada brand. Miuccia Prada talent in the art of fashion, creativity that others cannot imitate and a keen eye for fashion trends and a sense of art trends, made Prada's achievements flourish, become better and lead the fashion trend for a while. Miuccia Prada also met a collaborator after taking over Prada, Patrizio Bertelli. The collaboration with Patrizio Bertelli has also had a good impact on Prada. The two gave full play to their respective strengths and mutually beneficial cooperation, allowing Prada to achieve a certain degree of superiority at that time, both in design and production. Miuccia Prada has a good ability to neutralize the collision of her own good creativity and classics, creating products that are extremely eye-catching and not easy to be eliminated. Patrizio Bertelli introduced a new business model, and the birth of the production chain replaced some manual production, greatly increasing the output and production speed. Under strict control management, the quality standards of the production chain are perfect. The combination of these conditions has led to Prada, a globally renowned brand

[3]. Prada's minimalist designs are great for everyday fashion pieces, such as the brand's classic recycled nylon Hobo underarm bag. This bag is light in weight, simple and easy to match, which makes it very high in daily use. The nylon material also makes this bag more durable, less likely to be damaged than leather goods, and the price is more acceptable. Not only this bag, but most of Prada's products are designed with the most traditional elements, and the simple design and exquisite details are combined with each other, which can be said to be loved by minimalists. For these reasons, Prada is being used by more and more people. The Prada Group combines its unique expertise with the principles of personal development, environmental protection, respect for ethical values and cultural promotion, and believes that inclusive economic development can be pursued in this way. "people must be agents of change" is the motto of Miuccia Prada and Patrizio Bertelli [4]. Prada was founded in the world for such a long time has a high status in people's hearts as a world-renowned brand, and has a certain influence on people's daily dressing style. Prada can be found in almost all high-end shopping malls, and people wearing Prada brand clothes or carrying bags can often be seen on the streets, which shows Prada's significant position. This study will allow public to learn more about Prada more realistically. Both in terms of its business model and future development, Prada's year-end report can determine whether the company is profitable and what changes in sales are. Such information can be seen as an indication of future development, which can help people decide whether to purchase or not. This is because as people know, buying luxury goods is sometimes also a means of financial management. This article is all about Prada, one of Miuccia Prada's brands. This article will focus on Prada's profit model, which is about advertising marketing, brand effect and so on. Prada's strengths and weaknesses with its competitors, types of products sold, its audience, whether age or gender, finally to analyse the number and type of stores are also the article's focus.

2. Prada's Business Strategy

2.1. Product Category

Prada's products are mainly divided into women, men, bags, gifts, etc. In the women's section, in addition to clothes, shoes, bags, etc., some jewelry is also included. In addition to these daily wear products, lifestyle accessories products are also one of the products sold by Prada, which can be used as home decoration while meeting some of people's daily entertainment needs. Prada's product bar in addition to daily wear also sells sports peripherals, such as basketball, table tennis sports kettles, and so on, closely following the trend of people's pursuit of health through sports, in addition to selling pets, most people in this era will have pets at home, Prada products tightly grasp the hearts of consumers who have pets at home and especially love pets. Prada's official website also has a sports section with some professional clothing such as swimsuits, mountaineering jackets, thermal clothing and cotton jackets for outdoor skiing. The audience of such products is people who love sports and want to have good looks. In addition to clothing and accessories, beauty and fragrance are of course essential. The audience of cosmetics is more female. There are many types of fragrance, which are also divided into men and women [4].

2.2. Price Strategy

At the beginning of 2020, the demand for luxury goods was greatly reduced due to the impact of COVID-19. In China, for example, the enactment of stay-at-home bans and the regulation of cross-border transport industries such as land and water transport have had an impact on the luxury industry. [5] In this case, some brands decided to lower prices, stimulate consumption, and adopt a strategy of small profits but high sales, but Prada did not do this, it did not reduce the price of its products. Take Prada's classic Re-Edition 2000 nylon handbag, for example. This bag was priced at 6,100 people on the official website at the beginning of 2021, and in 2023, the price of the official website has increased significantly, and the price of this bag is now priced at 10,000 yuan, almost a 64% increase [4]. Furthermore, Prada's decision to showcase its products through high-profile celebrity endorsements demonstrates the brand's unwavering confidence in its offerings. As a century-old

luxury brand, Prada has established itself as a symbol of timeless elegance and exceptional craftsmanship. This confidence is not only rooted in its rich heritage but also in the brand's commitment to producing products of the highest quality and design. Prada has a long history of creating fashion pieces that stand the test of time. Its iconic designs have graced the runways and red carpets for generations. By aligning itself with figures like Kendall Jenner, Prada sends a powerful message to consumers: The products are not just fashionable for a season; they are enduring statements of style and luxury. In an industry where trends can change overnight, Prada's ability to maintain its prestige and relevance is a testament to its commitment to excellence. The brand's products are not simply fashion items; they are investments in enduring style and sophistication. This level of confidence in their offerings sets Prada apart in a market where many brands chase fleeting trends. Moreover, Prada's decision not to reduce prices sends a clear message to consumers that the brand places a premium on the quality and value of its products. In a world where fast fashion and mass production have become the norm, Prada's stance is a bold statement in favor of craftsmanship and authenticity. By refusing to engage in price reductions, Prada communicates its dedication to maintaining the integrity of its brand and products. This strategic move also plays a pivotal role in stimulating consumption from another dimension. Consumers are acutely aware that luxury brands like Prada do not engage in frequent discounting. Therefore, when Prada hints that its prices are only going to rise higher in the future, it creates a sense of urgency among potential buyers. This urgency can be a powerful motivator for consumers to make a purchase now rather than later. The fear of missing out on an opportunity to own a Prada product at a relatively lower price point can drive consumers to take action. It taps into the psychology of scarcity—a phenomenon where people are more inclined to desire and acquire something when they perceive it as rare or in limited supply. Prada's strategic approach leverages this psychological trigger, encouraging consumers to make a purchase decision sooner rather than later. In conclusion, Prada's confidence in its century-old brand and its decision not to reduce prices serve as a testament to the brand's commitment to quality and enduring style. It communicates to consumers that Prada's products are not just fleeting fashion items; they are timeless symbols of luxury and craftsmanship. This strategy not only distinguishes Prada in a rapidly changing fashion landscape but also stimulates consumer demand by creating a sense of urgency and exclusivity. It reinforces the idea that owning a Prada product is not just a purchase; it is an investment in enduring elegance and sophistication.

2.3. Sustainable Development

"The Prada Group has long been committed to investing in energy efficiency with the aim of reducing greenhouse gas (GHG) emissions and contributing to the global goal of combating climate change." Prada wrote on its official website flyer. In this big world environment, the serious consequences of joint global citizens, environmental pollution and global warming have been widely concerned by the public. Prada has also noticed these problems in its production, making its processes more environmentally friendly and significantly reducing carbon emissions. It plans to reduce greenhouse gas emissions by 29.4% in 2026 and 42% in 2029 [6]. A range of measures are taken in the sound field process, such as the use of electricity from renewable sources in the production process; electrification of heating systems at production sites; Increase the number of green fleets and reduce vehicle exhaust and harmful emissions such as carbon monoxide and carbon dioxide. In addition to the environmental aspect, Prada also has some other sustainable developments. For example, Prada's workforce is diverse, with employees from 104 different countries and regions coming together and an inclusive work environment that maximizes everyone's potential. People are often in such an environment, different cultures, ethnicities and ethnicities. Such a working environment can not only learn different knowledge and skills from different people, but also promote global cultural exchange, which is a better and more complete cultural inheritance.

3. Business Strategy Success Cases

Advertising as a major marketing tool has also brought many good influences and good results to Prada, although these spokespersons were subsequently suspended for various reasons, but it is undeniable that they bring Prada profits and sales. Take Asian stars Cai Xukun, which is Prada's former brand ambassador as an example. As a popular idol, he has driven the attention and consumption of the younger generation to Prada, so that more people support the brand he endorses because of their idols, on the one hand, to enhance the recognition of celebrities, on the other hand, Prada also takes advantage of more sales, thereby making a profit. Research shows that Cai Xukun performed well as an ambassador at the event in Milan, and wearing Prada's suit was very eye-catching, which allowed Prada to earn about \$3.6 million in a week. Unfortunately, the star also terminated Prada's contract shortly afterwards due to a personal incident. In the subsequent selection of spokespersons, Prada chose Chinese basketball players to ensure that the spokespersons not only have a good image, but also have good conduct and stable influence. The failure of several spokesperson selections has triggered many netizens to discuss, and this move has also invisibly helped Prada to move towards more people's vision [7]. Furthermore, the influence of celebrity endorsements in the fashion industry cannot be overstated. When world-class supermodel Kendall Jenner was spotted carrying Prada's Hobo bag while strolling the streets of Milan, Italy, it created a significant buzz in the fashion world. This kind of attention can have a profound impact on the desirability and popularity of a fashion item, and the Prada Hobo bag was no exception [8]. Kendall Jenner is not just any celebrity; she is a fashion icon and trendsetter with a massive following on social media platforms. Her impeccable style and influence in the fashion industry mean that her fashion choices are closely scrutinized by fashion enthusiasts and the media alike. When she chose to showcase the Prada Hobo bag as part of her ensemble, it sent a clear message to her millions of followers: this bag is not just a fashion accessory; it's a must-have statement piece. The power of celebrity endorsements lies in their ability to connect with consumers on a personal level. People admire and look up to celebrities, often aspiring to emulate their style and lifestyle choices. When a celebrity like Kendall Jenner embraces a particular fashion item, it becomes a symbol of status and sophistication. Her endorsement lends an air of exclusivity and desirability to the product, making it more than just a bag—it's an iconic piece of fashion history [9]. Moreover, the Prada Hobo bag itself is a masterpiece of design and craftsmanship. Prada, as a renowned luxury fashion brand, has a long-standing reputation for creating timeless and elegant pieces. The Hobo bag is no exception; its clean lines, high-quality materials, and meticulous attention to detail make it a standout accessory in the fashion world. When combined with Kendall Jenner's endorsement, it becomes a symbol of both fashion excellence and celebrity allure. Consumers, captivated by the allure of Kendall Jenner's fashion choices and the inherent appeal of the Prada Hobo bag, eagerly sought to follow in her footsteps. Many were willing to invest in this luxurious accessory, not just as a bag but as a symbol of their own style and status. Fashion enthusiasts and trendsetters worldwide saw it as an opportunity to make a statement and elevate their own fashion game. The ripple effect of Kendall Jenner's endorsement extended far beyond the streets of Milan. Social media platforms lit up with images of the supermodel carrying the Prada Hobo bag, creating a viral sensation that further propelled the bag into the spotlight. Fashion bloggers, influencers, and enthusiasts shared their admiration for the bag, further fueling its popularity [10]. In conclusion, Kendall Jenner's endorsement of Prada's Hobo bag in the fashion capital of Milan, Italy, was a game-changer for the bag's visibility and desirability. It showcased the powerful synergy between celebrity influence and exceptional design. The bag transcended its status as a mere accessory, becoming a coveted symbol of style and sophistication. In a world where fashion is a form of self-expression, Kendall Jenner's endorsement amplified the message that the Prada Hobo bag was not just an accessory; it was a statement of elegance and individuality. This collaboration between a supermodel and a luxury brand exemplifies the magic of fashion—the ability to transform a simple bag into an iconic piece of art that captures the hearts and desires of fashion enthusiasts worldwide.

4. Conclusion

Prada's success is not just one factor. Her manager, Miuccia Bianchi Prada, is not bound by the idea of obsolescence to lead this Prada progress. Break fashion stereotypes, give fashion more possibilities, and make people attracted to it. In addition, Prada's open-mindedness and diverse management add some of its own characteristics to the group. In terms of environmental awareness, Prada is very active and cooperative, doing its best to reduce pollution emissions, contributing to the world's environmental friendliness, and making good examples and leaders for other brands. In terms of sales strategy, this article is mostly about the benefits of advertising, and the advantages and disadvantages of flexible use of advertising and spokespersons. First of all, well-known and influential stars of different ages can drive consumption of all ages to make profits, and secondly, the publicity of spokespersons can also make the image of flat auction better displayed. On the other hand, there are also many risks associated with using advertising for this type of marketing. For example, in recent times, Prada's private actions of spokespersons could not be fully and accurately understood, resulting in wrong investments and some losses. In the future, Prada should learn these lessons and adopt more rigorous scrutiny to avoid similar situations. In addition, the researcher thinks that Prada will pay more attention to creative design while retaining a clean and simple style than making a profit. A more artistic design will make Prada more appealing.

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