

# Ralph Lauren



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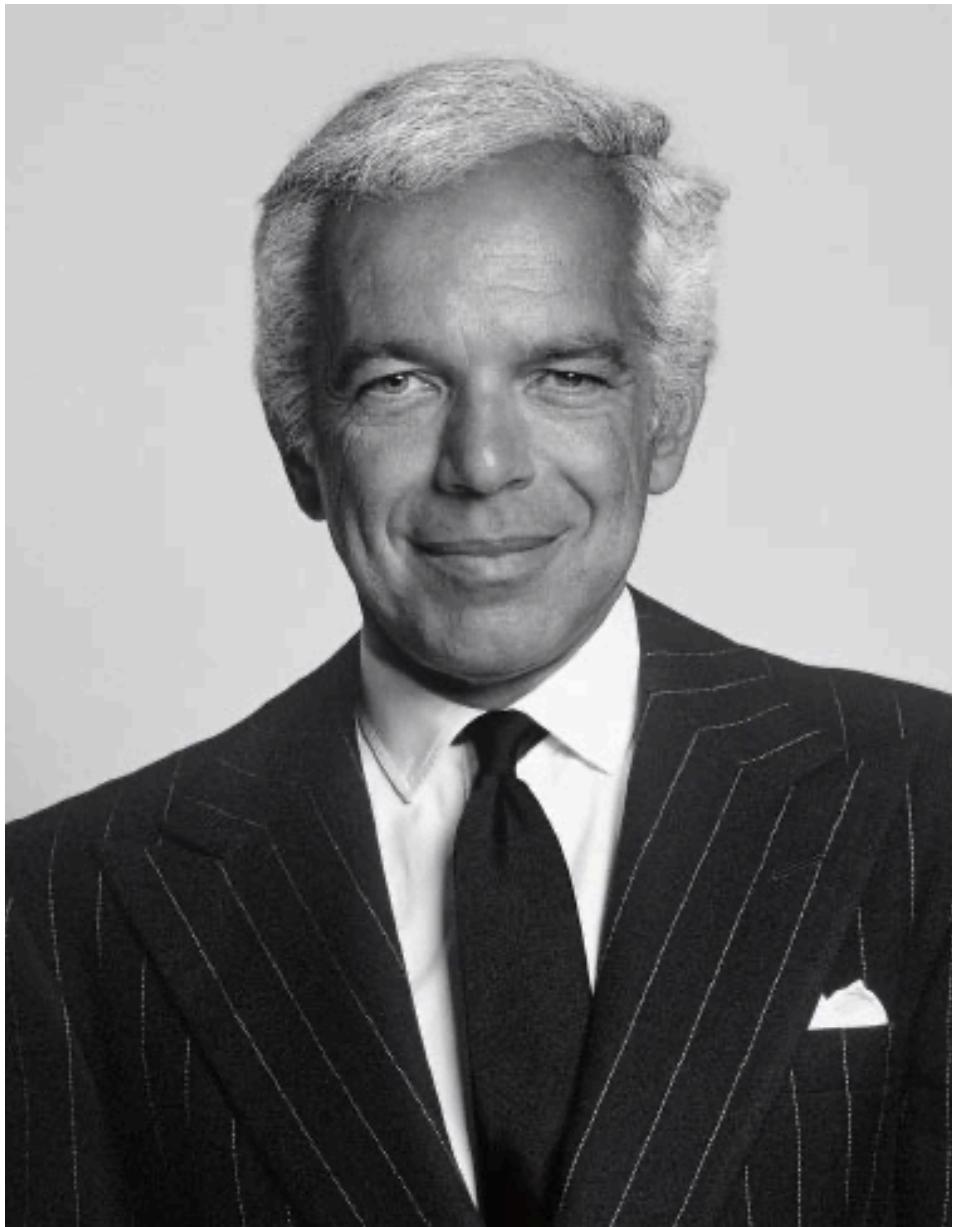
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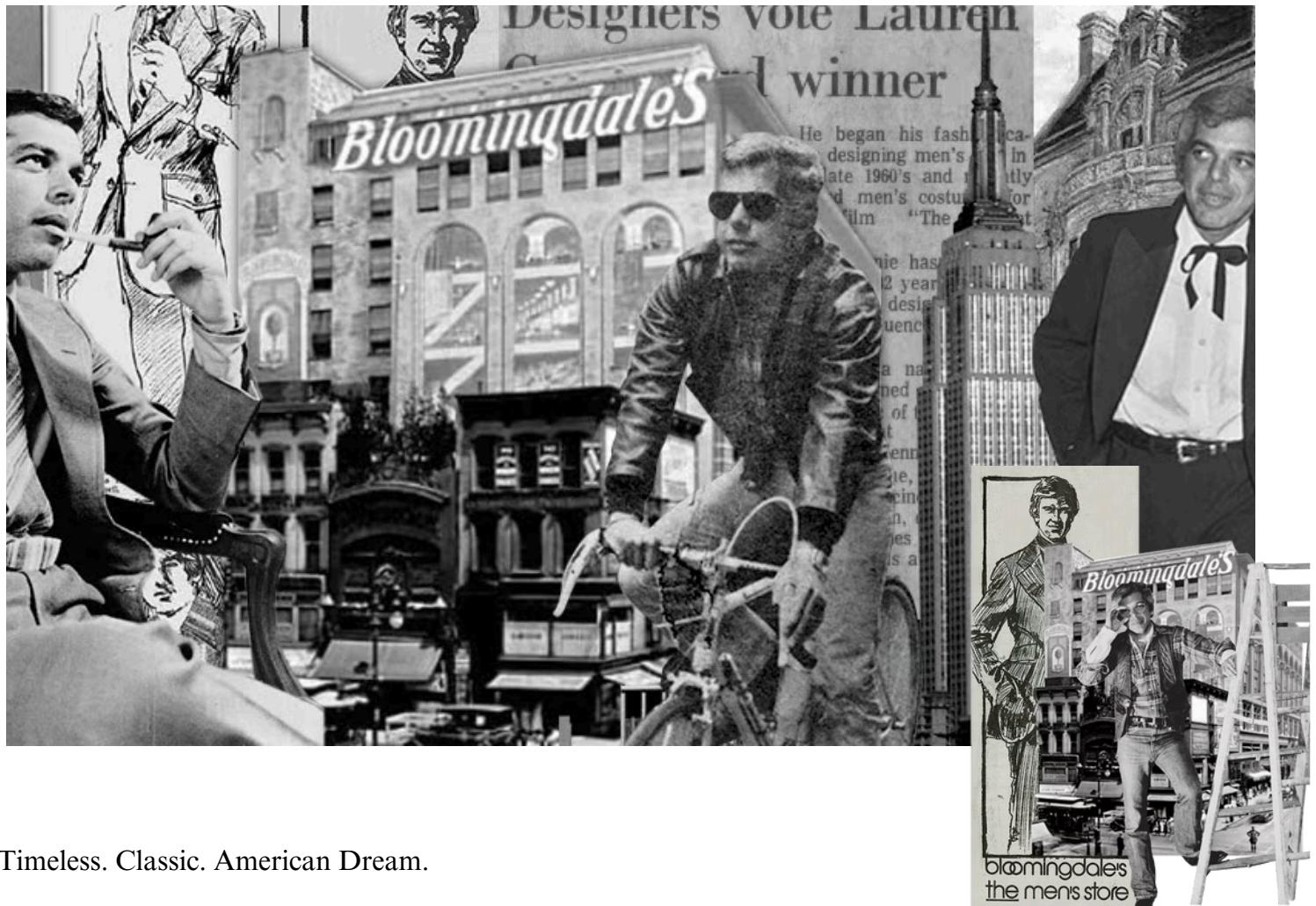
Timless

American  
Dream





# Introduction



Timeless. Classic. American Dream.

These 3 ideas listed aren't just words, they are affirmations. These 3 affirmations aren't just here for no reason, they are the pillars of a foundation. These 3 pillars don't just act as Ralph Lauren's dreams, they are the dreams he seeks to provide everyone through his brand. Brands are organizations that provide value within society through their production/creation of products and services in hopes of stimulating economic flow within society. When Ralph Lauren started his 1967 for-profit necktie brand, "Polo" in Bloomingdale, he not only had hopes of using these 3 dreams to produce the product of ties but he wanted to use them as an aid in selling the service of the American dream. Ralph Lauren started his necktie company simply with the hopes of solving the problem of finding clothing/accessories that captured the essence of the "glamor of Old Hollywood" and sports the same way he had seen in films. With nothing available on the market, Lauren took this problem and entrepreneurial spirit as an opportunity to create his vision and interpretation of a new world for men's fashion. This initial success led his brand to stretch across many areas of the fashion industry with a specific line geared towards women, a luxury label line, all the way outside the business world with hospitality.



# Value Proposition



“I don’t design clothes, I design dreams...”

*Ralph Lauren*

FOUNDER-EXECUTIVE CHAIRMAN-  
CHIEF CREATIVE OFFICER

Ralph Lauren knew there was tremendous value in offering something completely different for fashion. Through his famous motto, “I don’t design clothes, I design dreams”, Lauren uses this as the foundation to differentiate himself from any competitors he encountered. He also used this to create his value proposition. A brand's value proposition is not only used to differentiate itself from other competition but is used to maximize potential in reaching a target audience. This positioning statement is also used more internally within the brand, acting as a means of depicting who the brand is which is different from a slogan which merely only serves to introduce the brand to consumers as well as the marketplace. The purpose that is stated to fuel the Ralph Lauren company reads as, “To inspire the dream of a better life through authenticity and timeless style.” Based on this purpose and his famous motto, the value proposition of this company might sound like, “The Ralph Lauren Company embodies the pillars of timeless, classic, and authenticity within everything we create. Our goal isn't simply to design clothing or furniture but to design dreams, dreams that will provide people with more than a sense of style but a sense of self through hope and everlasting possibility.” Through this value proposition, it would be perceived that Lauren seeks to position its brand as one that focuses on high quality, luxury, classic appeal, and ultimate lifestyle.



# Branding

Branding is the process of ensuring that a particular organization provides value to the consumer by developing its products or services in a way that shapes a differentiated view from the consumer's perspective. Through a multitude of branding elements like name, logo, color, design, etc., brands are gifted the opportunity to not only unify their current and potential consumers but create a true brand of the heart. Ralph Lauren's brand identifies almost all 11 brand elements but where there is the most response from consumers stems from their name, typography, and logo.

While Ralph Lauren has created many businesses, some including, "Ralph Lauren Polo", "Lauren by Ralph Lauren, or "Double RL" each of the brand names has one thing in common which is the fact that his name is attached to all of them. While each brand's name may be different using a descriptive or acronym approach, they all keep the element of using the founder's name to tie into the brand name as a whole. Another branding element that is consistent throughout the brand is the typography. The typography of Ralph Lauren features a unique style consisting of a serif style typeface. Through contrasting elements within this typography, feelings of maturity, stability, seriousness, and traditionality are all conveyed to tell a story. Finally, while Ralph Lauren may not have the iconic "Polo" logo for all of their businesses, it is the one that represents the evidence of success throughout his years in the fashion and business industry. The iconic polo player and the horse symbolize power, classic, modernity, and nobility. While it may appear simple, this logo has progressed and adapted over time while never losing its integrity, which is the timeless and classic feel that Ralph Lauren wanted to resonate with their target consumer. This differentiation in addition to the consistency that Ralph Lauren has provided through not only various branding elements but the brand as a whole, has resulted in the utmost brand loyalty from consumers and the story of a timeless, classic, American dream to be told.





# Market Analysis

A market analysis is a highly crafted assessment that sets a brand up to reach its target audiences while also differentiating itself within a competitive landscape. It focuses on how a brand can grow at the local level. Ralph Lauren has used market analysis to differentiate themselves competitively and create a brand that focuses on lifestyle rather than fashion, staying in front of trends, and expanding into new business markets. Through a detailed SWOT analysis, the Ralph Lauren Company has been analyzed to see how they are best/strategically differentiating themselves against competition to provide value to consumers.

## Strength

### Strong Brand Recognition

- Ralph Lauren has worked to build a strong brand recognition on its own through its unique designs and brand values but a prominent contributor to its strong brand recognition is the iconic "Polo" logo.

### Diverse Products (Lifestyle Brand)

- Instead of creating a brand that is about fashion and only fashion, Lauren has built this idea of making his brand into a lifestyle by providing fashion, home decor, luxury, and even hospitality.restaurant/cafe). Lauren has opened his consumers up to a world of timeless and classic luxury which has resulted in a diversified audience and a steady stream of revenue/profit.

### Global Reach

- Lauren has created retail locations worldwide including the U.S., Europe, Asia, and even the Middle East. Having this global reach has resulted in Lauren being able to obtain a broader customer base while also minimizing his risk of only operating in one marketplace.

### Loyal Consumers

- Due to the lifestyle brand that Lauren has built, he has trained his consumers to expect quality from not just his fashion products but his home decor products, and his service in hospitality. He has made a promise that he delivers on with each element of his brand which has resulted in a loyal consumer base.

### Sustainability

- Through Ralph Lauren's Global Citizenship and Sustainable strategy, sustainability has become embedded within the brand culture/purpose of Ralph Lauren. There are three main pillars under this strategy which are created with the intent, to protect the environment, and champion better lives. This drive for sustainability is not only useful to diversifying his consumer market as he is appealing to the youth, but it is also strengthening the brand's ethics and social responsibility.

## Opportunity

### Expansion of Digital Presence

- Since the Covid 19 Pandemic, there has been a rise in the interest that consumers have in online shopping and retail. Consumers are halting their interest in in-store experiences and calling for a more instant digital way to shop. While Ralph Lauren's currency does have a digital presence, an opportunity to focus more on it could be a way to grow the company's appeal to the younger generations. This focus on more of a prominent digital presence could also potentially drive online sales and result in higher profit.

### International Growth

- While Ralph Lauren already has a global presence, an opportunity to grow that presence even larger is crucial. This effort could not only widen Lauren's customer segment more than it already is but it could also balance out any slow economic growth in his more expected markets.

## Weakness

### High Prices for Price-Conscious/Young Consumers

- While Ralph Lauren has also focused on providing consumers with timeless and classic quality, with quality comes higher luxury end prices. This sense of higher prices sometimes does not resonate with more of his price-conscious consumers as well as the younger demographic and therefore potentially weakens his brand and drives consumers to more price-friendly competition for example Tommy Hilfiger or Calvin Klein.

### Operational Cost

- While the Ralph Lauren Company has experienced tremendous success with their gross profit over the past couple of years they have struggled to manage operational costs. Due to material costs, shipping costs, and varying issues with the supply chain, Ralph Lauren's operational costs have jumped from \$900.9 million to \$967.6 million within the quarter of the 2023 year. This struggle to manage operation costs could potentially condense the company's operating margins over time.

## Threats

### Strong Competition (Tommy Hilfiger, Calvin Klein, Levi's)

- Brands like Tommy Hilfiger, Calvin Klein, and Levi's are some of Ralph Lauren's toughest competitors. While they offer similar products with similar quality, one thing that they are a little bit more aware of is price. This acts as a threat to the Ralph Lauren company as he has to do a little more work to differentiate himself from these competitors.

### Counterfeiting (Shein) Hinder the Value of Ralph Lauren

- Counterfeiting of products is a huge threat to Ralph Lauren company. With brands like Shein offering similar-looking products as Ralph Lauren like the iconic Polo Bear Sweater, at a lower price the threat of a lower brand value can potentially plague the brand and result in a decrease in sales and financial performance.



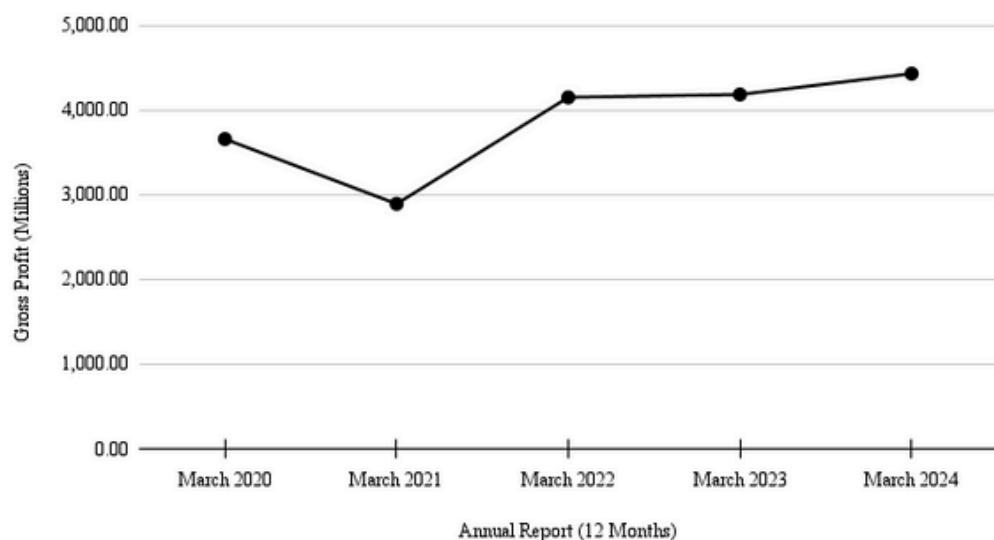
# Economics and Finance

The Ralph Lauren company is a public and global company that operates in both a free market economy and a centrally planned economy.

Finance is the process of how businesses and organizations can maximize the most important value of business which is financial capital. Oftentimes, the action of budgeting and forecasting can offer businesses the opportunity to set a goal of where the business should be heading while also analyzing and even editing if the brand is progressing effectively over time. Using Ralph Lauren's income summary, five years of their gross profit was extracted to see how their business is flowing successfully and efficiently while also analyzing what contributed to their overall financial growth.



Ralph Lauren 5 Year Financial Analysis



As we can see initially from March 2020 to March 2021 Ralph Lauren experienced a 20% decrease in profit. This was also very close to the time that the Covid-19 pandemic hit the US and caused a lack of in-store shopping profit to be earned. However, from March 2021 to March 2024, the company received a 21% increase in its overall gross profit. With an increase in stock shares, obtaining a high liquidity and equity ratio, more efficient inventory management, and an ultimate increase in the selling prices of goods across all the company businesses, Ralph Lauren was not only able to regain the lost profit from March of 2020 to March of 2021 but also keep the brand on a steady profit incline to 2024.



# Strategy and Management

In 2022, the Ralph Lauren company created the foundation of what would be their new three-year strategy which would be called, “The Next Chapter: Accelerate.” Strategy is essentially the efforts a brand makes to position/drive the company to reach a goal or even reach a set of goals. With Ralph Lauren’s new “Accelerate” strategy in place, they plan to reach the goal of producing “long-lasting sustainable growth and value creation.” This ultimately roots their strategy in place and connects to their idea of purpose. The purpose of the Ralph Lauren company details who they are as a company as well as what impact they want to make in the world, and that purpose is, “To inspire the dream of a better life through authenticity and timeless style.” Through breaking down their strategy, Ralph Lauren has created 3 main growth drivers that uncover the company’s core enablers/capabilities which will allow them to sustain the potential of their long-term growth. Through the idea of evaluating and energizing the brand, driving the core and expanding for more, and creating success in key cities within their “consumer ecosystem”, the Ralph Lauren company plans to completely accelerate into a new chapter of business success.

Management is the act of getting work done with the use of others. It is the funnel in which Ralph Lauren’s strategies can be connected and achieved. After analyzing the Ralph Lauren Company’s team, it is apparent that they uphold a centralized management structure. With Ralph Lauren at the top of the management chain as founder, executive chairman, and chief creative officer, and Patrice Louvent also at the top of the management chain as president and chief creative officer, everyone else falls directly under them. Having a centralized management structure means that Patrice and Ralph hold all of the power and control and are responsible for the final decision-making. However, with Patrice being president and CEO of the Ralph Lauren company, this means that he is responsible for ensuring that the 4 main stages of management including planning, organizing, leading, and controlling are all executed properly to activate and unite their ultimate strategy of the brand which is to produce long-lasting sustainable growth and value creation while ultimately accelerating.



## The Next Chapter: Accelerate



# Ethics and Social Responsibility

With ethics and social responsibility having similar qualities there is a juxtaposition of value between the two. Ethics is a collection of principles regarding the morality of everyday decision-making within businesses and even individuals. Social responsibility is the promise a business/organization makes on their plan to contribute value back within society. While not being ethical could cause damage to the value of a brand, a brand doesn't have to be socially responsible to still be able to obtain/u[hold their value.



The Ralph Lauren company makes efforts to contribute equal dedication and commitment to both of these sectors of business. Through their internal “Timeless by Design” initiative, the Ralph Lauren company not only plans to be ethical but engages in intentional social responsibility as well. From an ethical standpoint, the company focuses on diversity, equity, and inclusion, employee well-being, community philanthropy, and more. These efforts have not only helped create and uphold their ethics but also champion for better lives. From a socially responsible standpoint, they have made an effort to protect biodiversity, control waste management, create sustainable materials, and more. These efforts are proven by their 26% water reduction, 33% greenhouse gas emissions reduction, and 94% of waste diversion. They have also created the first 100% GRS (Global Recycled Standard) certified recycled cotton polo which has furthered their sustainability initiative. These social responsibility promises have not only helped the Ralph Lauren company create with intent but ultimately protect the environment. So as you can see Ralph Lauren's dream to create things that are timeless, classic, and embody the American dream aren't just tailored to his clothing, interiors, or hospitality, but they are tailored to his employees, consumers, and even the world around him.

# Conclusion

Timeless. Classic. American Dream.

After hearing those words again do they mean something different to you? Even though Ralph Lauren held these affirmations as his dreams and leading pillars for his brand he also craved to inspire the world to live in these same dreams too. Ralph Lauren's intention for his company was never to just design and create items but to truly champion for a lifestyle that held these values. A lifestyle where people could gain a sense of self, hope, and authentic living. Using these 3 affirmations as the pillar of his brand he not only used them as the foundation for his value proposition but stretched them across his entire organization even appearing in the company's ethics and social responsibility as well as strategy and management. Holding these affirmations has not only allowed the Ralph Lauren company to brand and differentiate themselves from other competition but even provide value within their market analysis, finances, economics and so much more, truly building out the lifestyle he wanted to create for people. With everything that the Ralph Lauren company has done up to this point, it is my opinion that they will not only remain successful within their differentiated lane but they will continue to inspire people to live the timeless and classic American dream. An American dream that is not merely a fantasy but a full lifestyle that beacons authenticity, quality, and pure hope because that is what the Ralph Lauren Company has always been about.



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