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HERMÈS INTERNATIONAL SWOT & PESTLE ANALYSIS

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Company Name : Hermès International

Company Sector : Luxury Goods

Operating Geography : France, Europe, Global

About the Company : Hermès International S.A. or Hermès of Paris or Hermes is a French Premium Luxury good manufacturer headquartered in Paris. It is a global brand and enjoys a distinguished position in the market of high luxury apparels and accessories. The range of products under the trademark includes leather goods and saddlery, men's and women's ready-to-wear, footwear, belts, gloves, hats, silks and textiles, jewellery, furniture, furnishing fabrics, wallpaper, tableware, fragrances, watches and petit, wherein the leather goods are the kernel of the company and major revenue drivers. Moreover, this brand is accepted to be the leader in the magnificence bags category especially using the leather from saddles of horses.

Hermès has a dominant position in luxury goods in the world and has one of the strongest brand equity. It has been consistently ranked one of the top luxury brands by various agencies. Interbrand, according to 2018, ranks the brand at 32nd in overall brand equity in the world.

Founded in 1837, the brand has a rich history of continuous innovation and expansion. Thierry Hermès started it as a harness shop in Paris. His intent originally was to provide the noblemen with saddles and leather gears. In the early 20th century, Charles-Émile Hermès, son of Thierry Hermès moved the company to 24 Rue Du Faubourg Saint-Honore in Paris, which is the company's global headquarters till date. The company went public in 1993, and has 310 stores out of which 219 are directly operated by the company.

The company have had constant innovation in ultra-exclusive category and has shown significant growth under the leadership of Alex Dumas and creative designer Nadège Vanhee-Cybulski. The company constantly manufactures and launches exclusive products that increases the allure of the brand and strengthens its position as an object of momentous desire amongst its ultra-rich customer base. One such initiative was in 2015 when the company collaborated with Apple Inc. to launch exclusive Apple Watch, Hermes edition.

Hermès has been successful in keeping up the family heritage and as of today, Hermès Family members collectively own approximately 70 percent in share capital in Hermès International.

The USP or Unique Selling Proposition of Hermes International sprawls in being the world's third-largest luxury brand with a brand value of \$34.6 billion as of 2020. The company is also well renowned for its premium leather products and silk scarfs.

The company's mission and vision statements are as follows; “Our purpose is to make our world more beautiful.” "At Hermes, we are committed to a written set of service values and company philosophies that guide our daily activities, define how we conduct business, and shape our company culture."

Revenue :

Total Revenue

6,883 Million- FY ending March 2019 (y-o-y growth of 15.4%)

5966.1 Million - FY ending March 2018

SWOT Analysis :

The SWOT Analysis for Hermès International is given below:

Strengths	Weaknesses
<ul style="list-style-type: none"> 1.Strong brand equity with premium attribution 2.Entrepreneurial spirit across the organization 3.Global Presence with more than 300 stores 4.Diversified revenue by geography and segment 5.Wide and Exclusive Product Range 6.Strong leadership and family commitment 7.Consistent Financial Performance 	<ul style="list-style-type: none"> 1.High dependence on leather products
Opportunities	Threats
<ul style="list-style-type: none"> 1.Strengthening Other Product Lines 2.Investing in digitization and e-commerce 3.Catering to Emerging Markets 	<ul style="list-style-type: none"> 1.High Competition High competition in the luxury fashion industry 2.Impact of economic instability 3.Backlash from PETA over the use of animal skins 4.Threat from counterfeit products

PESTLE Analysis :

The PESTLE Analysis for Hermès International is given below:

Political	Economical
1.Politics and Corruption in a Country 2.Trade Regulations and Taxes	1.Impact of Economic Recession 2.Growth in Emerging Markets
Social	Technological
1.Exclusivity in ultra-luxury segment 2.Changing consumer trends 3.Societal Influence determining purchase trends of luxury products	1.Digital engagement with customers 2.Fast growing e-commerce segment
Legal	Environmental
1.Copyrights, Licensing and Trademarks 2.Takeover Attempt by Market Leaders	1.Focus on environmental sustainability 2.Use of Exotic Animal Skin

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