

# STRATEGY & MARKETING PROJECT



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**Chateau d'Ax®**

ITALIA

# VISION, MISSION, STRATEGIC OBJECTIVES

## VISION



*Furniture is increasingly becoming a sign of the value of a home and consequently of the people who live there, therefore it should reconcile comfort, design, innovation and sustainability.*

## MISSION



*To be the go-to destination for people who are looking for well-designed and innovative furniture that could satisfy all their desires.*

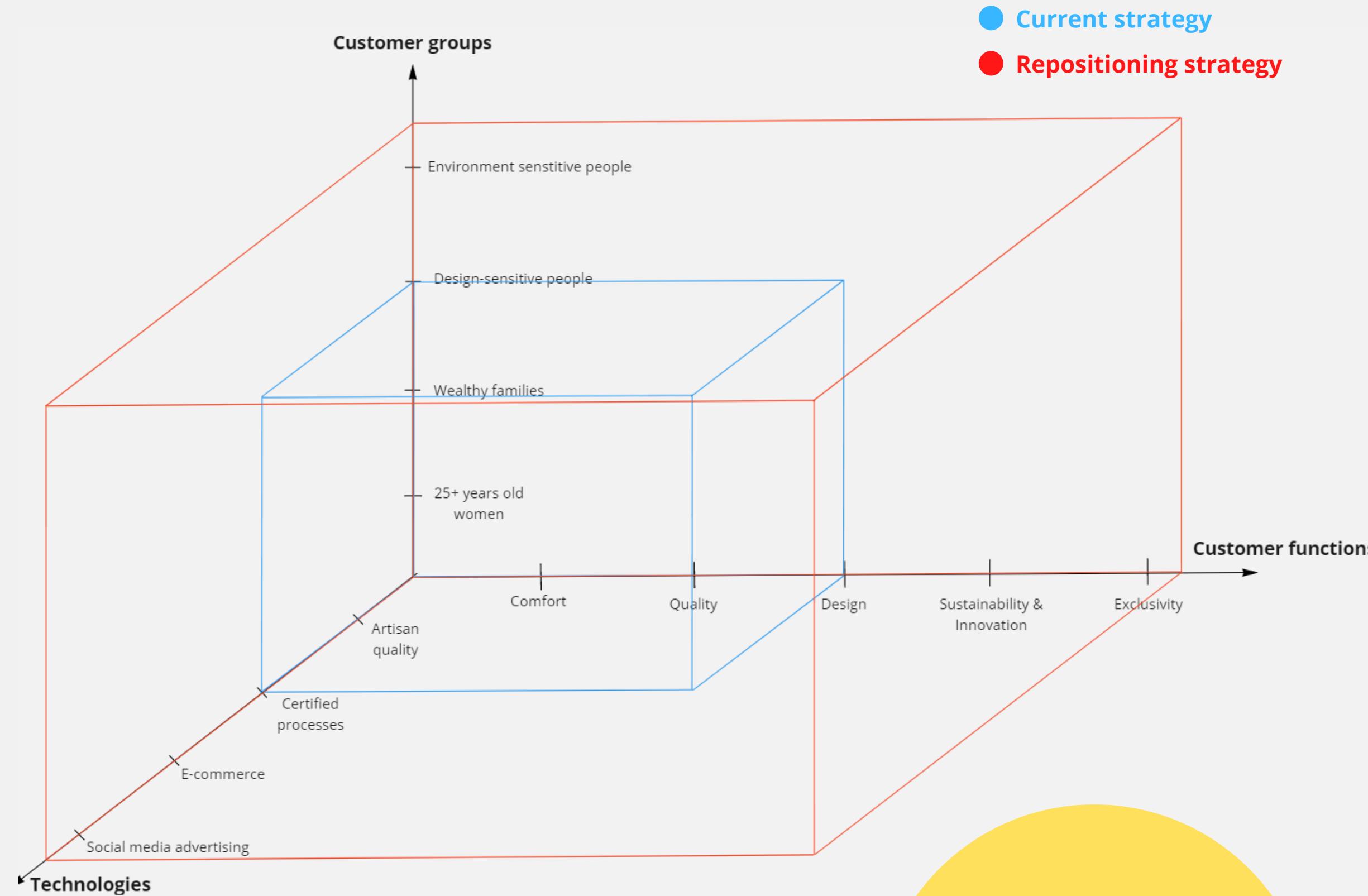
## STRATEGIC OBJECTIVES



1. Increase by 20% the number of sales by December 2023.
2. Increase by 40% the number of online interactions with the brand by December 2023
3. Increase the market share by 15% in the high-end market by December 2023

# ABELL MATRIX

In order to target a higher market, it is necessary to consider the purely aesthetic and luxurious value of the object itself. Indeed when someone comes to buy a sofa, the customer may choose products that provide a sense of wonderfulness and magnificence that has to be delivered through the right experience. Moreover, the sofas are going towards the value of the sustainability that is increasingly important nowadays.



# PESTEL ANALYSIS

## POLITICAL

- **Protectionist measures** on international markets decrease the sector's competitiveness: EU furniture producers face both duties on imports of raw materials and tariffs on exports of finished products.
- **New green plans** adopted at european level, such as the Circular Economy Action Plan, which push towards sustainability. [6]
- Governmental regulations imposed in response to the **outbreak**: decline of furniture sales due to store closures.

## TECHNOLOGICAL

- The value of **e-commerce** for furniture accounted for nearly €1,9 Billion in 2019 and is expected to grow further, beside it is slowly becoming a leading sector of Italian e-commerce. This significant increase is happening because it allows the consumer to buy at lower prices and have a wider range of options to choose from. [5]
- **Big data** technologies are also more important than ever in order to provide a complete, unique and very high-level customer experience based on their past behaviors.
- **Industry 4.0** is supporting the companies in the investments, in the digitalization of production processes, in the productivity of the employees, in the development of adequate skills. Moreover, IoT has made the things recognizable and allowed them to communicate with each other.
- **3D visualization technology** (VR, AR) is nowadays an important opportunity to companies that invest in e-commerce since three-dimensional models provide compelling visuals that showcase products in a more impressive way than a simple, text-based product description.

## ECONOMICAL

- The EU is the world leader in the high-end segment of the furniture market and "**Made in Italy**" demand is high but it is facing enormous competition from China.
- **Revenue** in the European Furniture market amounts to €183,601m in 2021. [2]
- The furniture market is **expected to grow 3.15%** (CAGR) in the next 5 years. [2]
- Nearly 40-50% of luxury furniture production happens in Italy-and all the Italian factories, including small, family-based companies, have temporarily shut down due to **Pandemic COVID-19**. [1]

## ENVIRONMENTAL

- **Sustainability** is increasingly finding space in the sensibility of customers. Products that are manufactured with sustainable materials such as wood, upholstery or that are packaged with recyclable and recycled material have an increasing value for buyers. Moreover, Attention to local sourcing of materials (local supply-chain) is another important aspect to consider.
- EU directives define as target the **urban-waste recycling** of 55% by 2025, 60% by 2030 and 65% by 2035. Furniture waste is considered urban-waste. [6]

## LEGAL

- Sofas, like other consumer products, are covered (by law) by a **warranty** valid for 2 years from the date of purchase. If the product was **purchased online**, in addition to the guarantee, there is also the right of withdrawal within 8 days of receipt of the goods.

## SOCIAL

- Urbanization is augmenting the growth of the market and the residential segment in Italy is driving the market: **growing disposable income** which result in replacing furniture more frequently, increasingly **focusing on aesthetics** and urban lifestyles due to apartments getting smaller,rising penetration of e-commerce and increasing influence of social media, are further leading to higher usage of high-end furniture products. [4]
- Aesthetic reasons coupled with the need for consumers to be comfortable in their apartment, has been evidenced by the Living Room being the largest segment of the Furniture market. [3]
- Consumers tend to **focus on uniqueness** and on personal and intangible values when making purchase decisions. Thus, companies undertake innovative strategies such as **brand collaborations**, especially in the fashion industry where brands collaborate with artists or other brands to raise awareness, build relationships and achieve competitive advantage through differentiation.
- The Covid-19 pandemic, has strengthened the role of **social media**, which became the main channel to deliver companies' value and to grow a one-to-one relationship with each customer, and consequently of e-commerce in general, which increased the desire to receive personalized shopping experiences.
- Younger generations usually have ideas that are less clear about the different styles, materials that characterize a furniture object. So,they usually do a lot of **research through websites, catalogues** and they visit a lot of stores (even if they are not in the neighborhood).

# PORTER'S 5 FORCES MODEL

## Internal rivalry

- Market concentration: at the Italian level the concentration of the market is medium-low.
- Switching costs: low
- Industry growth: high
- Fixed costs: quite high in the furniture industry
- Differentiation: low
- Exit barriers: high

↑ HIGH

## Bargaining power of suppliers

There is actually a **wide range of suppliers** that can provide raw materials necessary for this industry as wood, metal and plastic. Moreover, all these several suppliers have limited size and limited financial resources. For all these reasons we can say that while a furniture company can easily switch from one supplier to another, for a supplier the loss of a customer could represent a very significant problem. Therefore, the main companies in the furniture industry (that usually stipulate long-term contracts with suppliers in order to gain strategic and cost advantages) are able to establish the "rules of the game" that suppliers are forced to follow.

↓ LOW

## Threat of new entrants

The threat of new entrants in the sector is medium-low. Although it is not hard to enter the market and produce furniture (the demand of furniture is always high), to become a very established company there are **several obstacles**. It requires huge amounts of resources, for this reason, a new entrant usually requires time and huge financial investments to acquire a relevant market share. Moreover, a lot of resources are needed to set up production sites and sales outlets. New entrants may therefore enter on a smaller scale, but will not have any significant effect on the business of the big established brands. The obstacles are therefore stronger than the demand for furniture.

↓ MEDIUM-LOW

## Bargaining power of buyers

In this sector, the **number of clients is high** because almost everyone needs furniture in their lives. However, they are always more and more attentive, demanding and prepared. **Switching costs are low** indeed; a client can easily decide to change the furniture brand to buy another furniture that is more appreciated from another brand without incurring any problem. In this sense, it is also important to consider the value for money: if a brand offers a furniture that is quite similar to another but at a lower price, it is extremely likely that the customer will change the furniture brand.

↓ MEDIUM-LOW

## Threats of substitutes

We can say that the threat of substitutes is low. It is indeed hard to think about products that are alternatives to furniture since people are not used to put clothes in boxes or to sleep on the floor.

↓ LOW

# RESOURCE AND COMPETENCE BASED VIEW

## Tangible assets

- **PRESENCE IN ITALY:** 67 mono-brand shops, designed by architects, to satisfy the Italian market. Three types of stores: concept store, it covers at least 450 sqm of area, allowing to present the whole catalog in the best way, concept gallery, about 200 sqm showing and representing the brand image, concept corner, up to 100 sqm, with a selected furniture collection.
- **WIDE OFFER:** offer 300 different models and 1500 covers in leather, microfibre and fabric, various furniture lines and over 45 kitchens, providing a full-house solution. Besides, Chateau d'ax furnishes turnkey solutions for hotels, community and residential sectors. This wide choice allows them to satisfy customers desiring medium to high quality products. Besides, they have the ability to propose lines of furnishing accessories enriched with inserts and details in gold and diamonds
- **CERTIFIED PRODUCTION:** the production process is carried out according to quality standards and controls, guaranteed by ISO 9001 certification
- **VERTICAL INTEGRATION:** they produce their articles in 11 owned factories with a total production surface of about 120,000 sqm.

## Intangible assets

### • HUMAN:

- **Know-how:** after more than 70 years in the production of upholstered furniture, in design and innovation and development in international markets, the company has the knowledge to provide an extremely wide range of products to cater to the needs of any kind of consumer.
- **Artisan ability:** “predisposition of a family to transform the qualities of men into resources” is one the slogan of the company, this underlines the importance of the artisan culture that represents a strong value for the company in order to deliver value to the customer.

### • TECHNOLOGICAL:

- **High Quality:** the company has made investments in the introduction of state-of-the-art technology to make sure its products always fulfill the highest quality standards.
- **Sustainability:** production processes of the company have been environmentally certified to be aligned to this new value that is becoming more and more important.
- **Customization:** possibility to provide customizable products; the company can indeed satisfy every type of customer. In order to more deeply meet the customer tastes, Chateau D'ax can also provide free consultant service with an interior design.

### • REPUTATION

- **Made in Italy:** today can be considered a precious asset valid both for national and international markets. According to Chateaux D'ax idea, the best Made in Italy values starts from dedication to work, executive rigor, sensitivity to beauty, humility in service: values that materialize in handcrafted creations capable of conquering homes all over the world. [7]



# SWOT ANALYSIS

## Strengths

- **Quality:** the products are made in Italy with artisanal processes using high-quality materials. Moreover, customer perceives the brand as high-quality, elegant, long-lasting and functional
- **Vertical integration:** being a producer and manager franchise system at the same time (400 stores and 11 factories)
- **Diversified brand portfolio** in terms of products and possibility of customization in order to meet all customer needs
- **Distribution network:** independent commercial channel, franchising channel, large-scale distribution channel and a channel needed to serve hotels industry
- **Experience:** more than 70 years in the production of upholstered furniture, in design and innovation and development in international markets
- Ability of the company to make the production **certified process** sustainable without affecting the quality of the products
- Good management and commitment in the relationships with **partners**
- The ability to realize and develop in-house all **advertising material** thanks to a flexible and dedicated area for the videorecording and photo-shooting activities

## Opportunities

- Increasing demand of **sustainable** products
- Develop an **app** to offer services to the customers
- Exploiting **big data** technologies: collecting data from customers behavior and taste to allow a better customization
- Integration of **technological features** in products that are non-technological by nature
- **Innovative forms of marketing** (pop up store)
- **Collaboration** with luxury brands or famous modern artists
- Exploit **social media** trends: exploit apps such as Tiktok, Instagram
- **High market growth rate**, especially in emerging countries
- Adoption of new **Industry 4.0** technologies in production processes
- **Online channel:** people look more for furniture by looking at online catalogs and ads

## Weaknesses

- **Static brand, flat profile, lack of fantasy, energy and ability to innovate**, not a "Top of mind" name
- **Ineffective advertising campaign:** weak communication creates a gap between what the brand produces and offers and what the customer knows
- **Weak presence on social media**
- Lack of experience in **E-commerce** channel
- **Misaligned perception** of the price related to the quality of products offered
- The **general atmosphere** perceived when someone enters a store is usually **aseptic**, cold, not cozy.
- Difficulty to establish **loyal relationships** with customers

## Threats

- **Pandemic issues:** limitations and delivery delays due to Covid-19, which also caused a raise of cost of raw material
- **High competition** in furniture market on product quality, brand name recognition, price and service
- **Cyber attacks** that can create security issues to companies that push online channel consistently
- Very fast evolution of the customers' needs and tastes which require a prompt reaction and **reactive behavior by companies**
- Emerging **competitors with low prices** could steal part of the market share
- **Risk of blend into the crowd:** it means risk of perceiving all the brands as perfectly equivalent

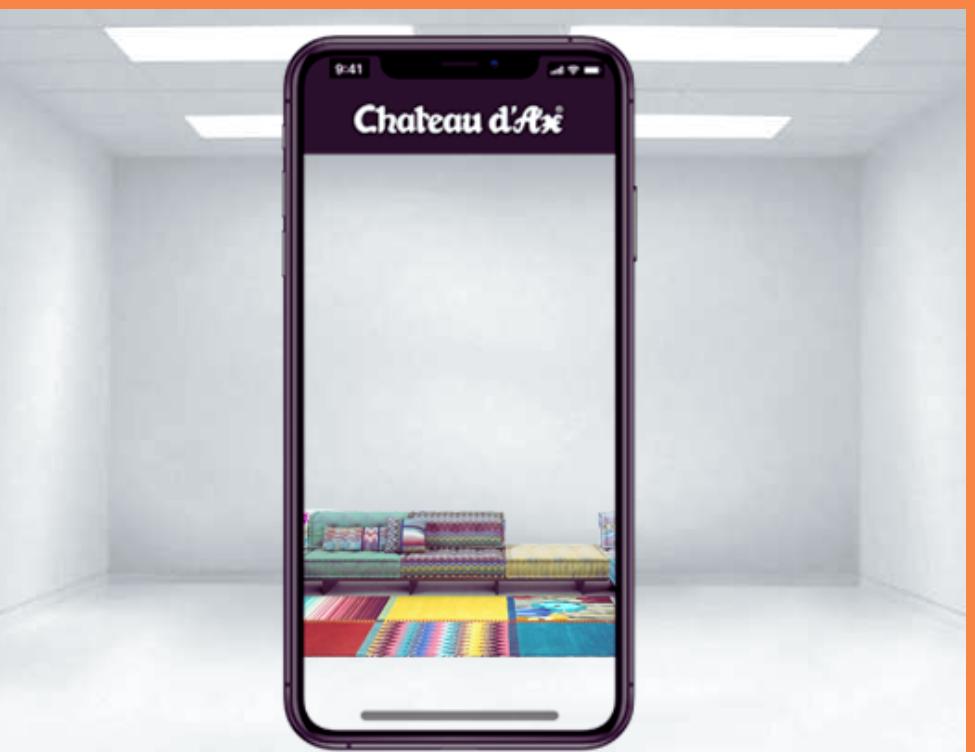
# NEW STRATEGY DEFINITION

## Technological innovation

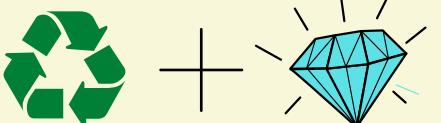
To enhance the quality of the experience for the **customer online**, it is fundamental to increase the effort into the digital touchpoints.

As SWOT result, one important threat is the fast evolution of the customers' needs that require a reactive behavior by companies. This aspect, together with the opportunity represented by increasingly people looking more for furniture online, has led to the need of focusing more on E-commerce, which is still quite weak for Chateau d'ax. In particular:

- **Development of an app which allows:** to see the catalog, to buy furniture, to add products on wishlist, and to simulate the furniture in your house exploiting the Augmented Reality;
- **Development of a recommender system** for both the website and the app in order to automatically recommend furniture on the platforms based on the customer analytics. This would enable them to offer personalized shopping to the customers. The data used for elaborate recommendations would be collected thanks to the help of Industry 4.0 technologies.



## Sustainability + Collaboration



SWOT analysis has identified the opportunity of increasing demand for sustainable products. This aspect could be **merged** with a new way to make customers perceive explicitly the high level of the Chateau D'ax products by **collaborating with relevant partners**. The aim of the product should be giving to the customer the idea that the brand keeps the **quality high** but at the same time is **dynamic and involved in the new trends** that characterize the world nowadays.

In this sense, the company could launch a **new line of sofas** that are made in a sustainable way and that are signed by some luxury brands or with modern artists, that can allow to gain the energy and emotional involvement that is lacking in the brand. Moreover, since the poor effectiveness of the advertising campaign and the great opportunities to leverage **social media** for this purpose, the strategy opts for great commitment for creation of contents to post on main social media of the company \*in particular Instagram) where the current presence of Chateau D'ax is quite weak.

## Physical shopping experience

To create a **new customer experience** in the shop a new form of shop could be introduced.

Due to the difficulty and riskiness of completely changing all the stores, utilizing a new way of selling, such as the **pop up stores** that are localized in strategic places such as the center of the city or in malls, could provide more visibility to the brand while maintaining a "fil rouge" with the past.

Moreover, the structure of the pop-up store that is **temporary** by nature could target the customers' needs and tastes which are evolving dynamically nowadays, by showing products that are part of a **limited-edition line**. This type of store that is small by nature could show how to optimize decreasing space that is the trend characterizing houses today.



# SOURCES OF COMPETITIVE ADVANTAGE

## UPSTREAM

The new line of products will allow the company to **emerge** in a market characterized by the perception of complete equivalence of the brands.

The idea to propose sofas that are signed by luxury brands together with sustainable materials and processes should help the company to make its products perceived as **exclusive**, so aim for a strategy of differentiation. However, **costs and difficulties to identify and sign a partnership** with a luxury brand or modern artists that are in line with the values that the brand wants to communicate will have to be considered.

The company will also **avoid costs related to R&D** development because all the production processes of Chateau D'ax have been environmentally certified.

Moreover, the implementation of big data technologies in the e-commerce channel will allow the company to collect more data that is extremely useful in the decisions that the company has to take.

## DOWNSTREAM

Thanks to the pop up stores, customers will **reduce the pain connected to the elegant but boring experience in the classic shops**. The new type of stores as pop-up stores, would bring advantages to the brand image in terms of **visibility, innovation and modernity**. The fact of having temporary stores also would help to communicate the idea to offer unique and prestigious objects.

Thanks to the app and the website for e-commerce, the customer can **avoid getting out of the house** (for example, for reasons related to pandemic) in order to buy a certain product of our brand.

Through the recommender system, customers would **avoid the pain connected to the search on the catalog needed to find the suitable product for him**.

Moreover, the innovative feature to simulate the furniture in your house will provide a high customer service which **will reduce the effort to imagine and measure the furniture in the house** and possibly change the product in case he does not like how it fits in his home.

# SEGMENTATION

The profile of customer classification that we have considered is by **age**, due to their characteristics and behaviors, and **disposable income**, due to their buying power, which we consider the most relevant factors for our analysis.

The threshold for the disposable income is the value of 31.000 euro, which is the average per capita income in Italy, since we are targeting the medium-high market. The size of the sample considered is around 25 million of the Italian population. [8] [9]

	Generation Z ( < 25)	Generation Y ( 25-40)	Generation X ( 40-55)	Baby Boomers ( 55-74))	Silent Generation ( < 74)
> 31 k€	Irrelevant	Relevant	Relevant	Irrelevant	Irrelevant
< 31 k€	Irrelevant	Relevant	Relevant	Irrelevant	Irrelevant

People younger than 25 years old have been discarded since they are **unlikely to buy furniture**: the average age at which people leave their parental household is 26 years old in Europe. [10]

**Generation Y** people which in Italy are 10.496.394, represent the best choice to achieve our scope since they embed characteristics such as being **sensible to sustainability** and they follow the **social trends and use new technologies**. [11]

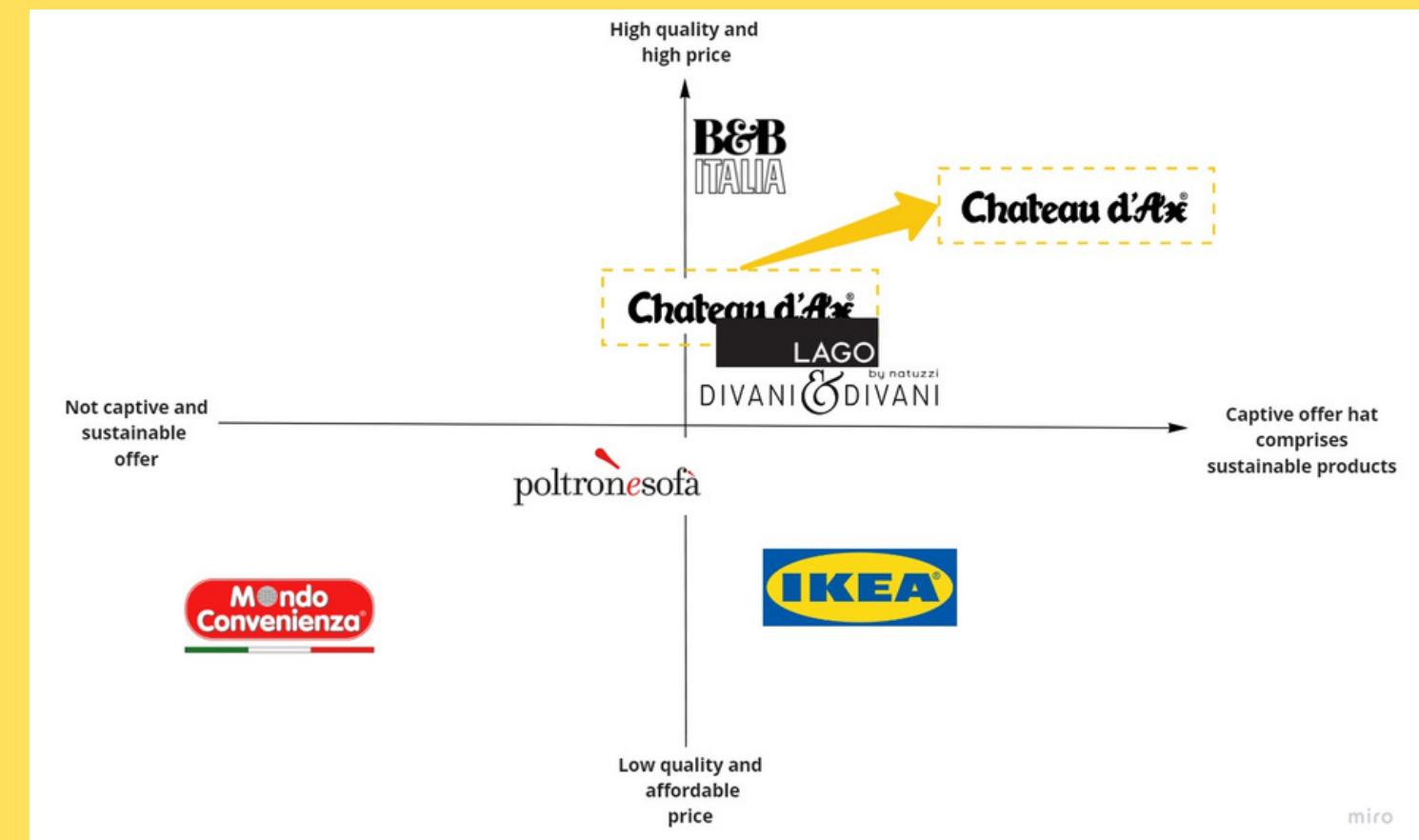
They also have an **innovator spirit** and they tend to **prefer experiences**, therefore the pop-up stores that offer a very particular and innovative customer experience could be perfect for them. In particular, **women** of this generation will be our main focus, since they have shown the trend to pay more for individualized products, also they are usually **very sensitive** for the defense of rights and climate change (so sustainability). Finally, they are **more active than men on social media**. [12]

**Generation X** people which in Italy are 13.747.268, are still important to be considered because they are in general **big spenders and possess purchasing power** when it comes to the higher-end purchases. They also usually embrace social media. [13]

People who are older than 55 years old are not considered relevant since they are **not practical** with technology and are **not as sensitive** to sustainability as the younger generation.

# POSITIONING

The positioning map has been computed considering the furniture market with a particular focus on the offer of sofas. The sustainable sofa in collaboration with luxury brands or modern artists will be positioned differently in the mind of customer detaching itself clearly from competitors.



- **Divani&Divani by Natuzzi**: known for their elegant and sober style with a high-quality offer, perceived as more innovative and dynamic. They focus more on sustainable processes than sustainable products. [14]
- **Lago**: Lago brand has a quite innovative offer, indeed it proposes a line designed for smart working that includes flexible furniture to let people study and work everywhere in the house. The brand also shows commitment in the sustainable part, by implementing a certified environmental management system. [15]
- **B&B Italia**: they propose a quite traditional offer of sofas but usually at prices higher than the average. They pursue a sustainability mission: they guarantee to manufacture the product with raw materials deriving from responsibly managed forests. [16]
- **IKEA**: biggest firm in terms of revenues in the furnishing market. They target a low market offering low prices. Menace for the medium-high companies due to their wide catalog. Quite committed to sustainable initiatives. [17]
- **PoltroneSofà** and **Mondo Convenienza**: they are brands which aim at the medium low market, that don't focus too much on quality of the products or sustainability. [18] [19]

# MARKETING MIX

## Product

The new line of furniture include sofas that are made with sustainable materials through sustainable process and that are signed with Italian fashion brands or modern artists that are perceived in a way similar to the one that Chateau D'ax wants to be perceived by its customer.

The key **pillars** on which the collaboration will be made are:

- **Italian**: because the "Made in Italy" label is always a certificate of quality
- Positioned in the **medium-high market segment**
- **Sustainability**: this will be the trend to perceive
- **Modern and elegant**: to renovate the image of the brand bringing freshness

The new line can be started through a collaboration with the fashion brand: **MISSONI**.

The Chateau d'Ax Collection X Missoni: is focused on creating an **exclusive** and limited edition sofa, with a design focused on expressing the elegant, capturing and **distinguished image** of Missoni brand. This brand has also decided to link its image to sustainability, indeed in 2021 it launches a new collection starting from inventories and fabric scraps present in their warehouses. Moreover, Missoni has managed to being perceived as innovative, fresh by being active on **social media** (1,1 mln followers on Instagram) and by collaborating with other brands (like Supreme, Palm Angles and Adidas) or testimonials that are overall much appreciated by the generation z, that represents the core segment of the repositioning strategy of Chateau D'ax. The sofa will have the **main traits of Missoni and its logo**, with its "put-together" style, free and just apparently casual mix and superimposition of stitches and patterns. This allows to create a unique recognizable piece which will arouse the interest of the younger customer that wants to express their taste through the furnishing but also to pay attention to the impact on the environment. The partnership should be **feasible** due to the similarity of value of the brands, of the size (in terms of turnover)

and also by the geographical nearness (headquarter of Missoni is in Gallarate, Lombardy). The sustainable part of the sofa will be taken from the **already present green line of Chateau D'ax**. So, the main characteristic of the sofa is that the upholstery will be made in fabric or microfibre, accommodating the soft padding in polyurethane foam and flocked polyester. The chromed metal feet support the structure with style. This new line could be enriched during the following year, holding partnerships with other brands or modern artists that respect the key pillars described above.



## Chateau d'Ax X Missoni



## Price



The pricing objective of Chateau D'ax will be to **deliver and strengthen the brand image**, making customers perceive the **high-quality**, the **luxury-orientation** and the **exclusivity** of the products in the collaboration with other brands. All of these aspects should also help to convince not-sustainable-subjected in adopting sustainable products while the sustainability materials will represent another value-adder for people careful to the environment (as our core segment). For this reason, a perceived value pricing will be adopted since it takes into account the customers perception of the brand of its product.





## Place



The new line of sofas will be sold in three main distribution channels: **e-commerce**, **traditional showrooms** owned by Chateau d'Ax (67 stores in Italy) and the new **pop-up stores**.

In order to increase the perception of luxury and exclusivity of the new line of sofa proposed (and consequently of the brand), the new line will be sold as a **limited edition** both in pop-up and traditional stores. It will be the only line exposed in the pop-up stores.

The new line of sofas will be sold also on e-commerce. In Chateau D'ax the e-commerce channel will be implemented through both the **website** and a **mobile app** that will have to be implemented.

In general, to make e-commerce effective, it should be enhanced through the usage of new digital technologies.

In the first place, since our target segment has demonstrated to research a lot online, it is very important to integrate a **recommender system** that studies and learns from the researches of the customer in order to identify and suggest the most suitable product for them.

The mobile application, exploiting the devices in which it is installed, will provide to the customer the possibility to use his camera to frame the room and simulate a sofa in the position in which he would like to place the product and check how it fits in the room. All these actions will increase the **customer experience online**.

Always to push the aspects of luxury and exclusivity, the online purchase of the line will be possible only on channels owned by Chateau D'ax (no marketplace for example).

## Pop up store



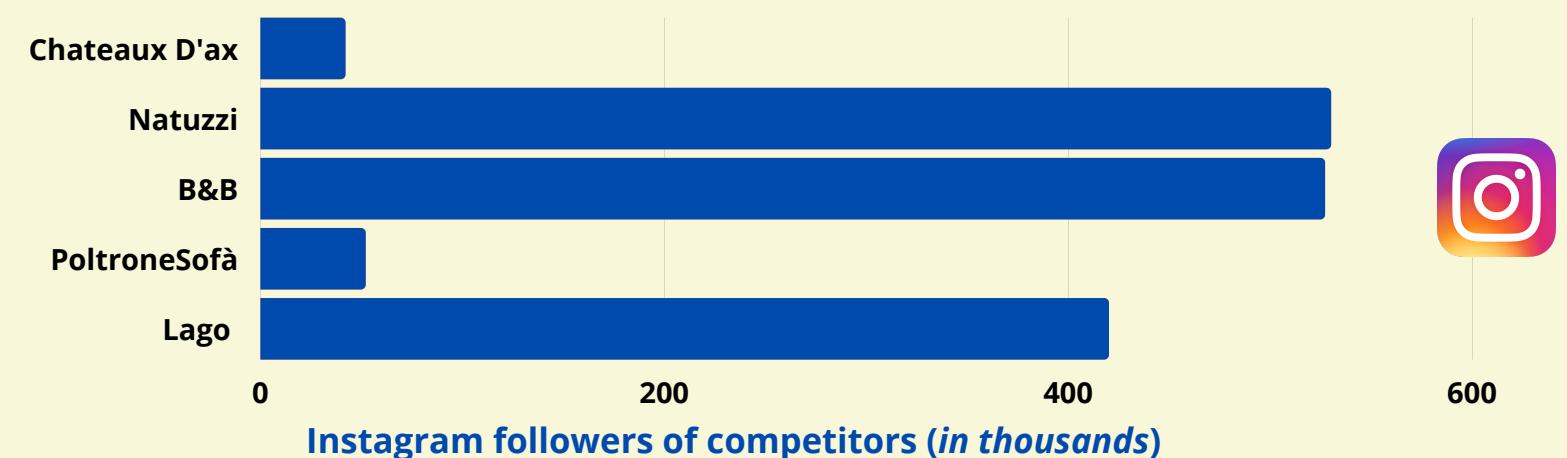
## Promotion



Chateau d'ax needs to align the perception of the customers with what the brand can actually offer.

The communication has not to focus only on the products and their quality, but explaining which are the key pillars for the brand in order to build a stronger and more dynamic brand image.

The main communication lever that has been chosen is **advertising**, focusing mainly on **social media**, since are tools that the chosen segments have shown to use intensively but are not currently effectively exploited by the company.



# Promotion



The main goal of social media marketing campaign is to increase the attractivity of the brand by communicating directly with segments like generation x and generation y. The ongoing of the digital campaign will be controlled by monitoring the demographic of the followers since we want to target a specific segment.

In particular:

- **SOCIAL MEDIA OF THE COMPANY** (specifically *Instagram* and *Facebook*). This part can be articulated in 2 sub-parts that are:

◦ **Original content:** to be posted on the private pages of the company. These contents have to be created in a bundle by considering all the tools available on Instagram (that for our segments represents the most social network used) such as Reels, IGTV, Stories. The creation of this content will be focused on showing the new line of sofas and enhancing the online engagement with the brand. This will include the utilization of sponsored posts and stories in order to be shown in the feed of the target segment. Currently, this type of advertising is already exploited by the brand. [20]

◦ **Involving testimonials:** that are in line with the values that Chateau D'ax wants to be perceived by its customers. Practically speaking, Italian influencers that usually sponsor high-quality and luxury products and that have shown commitment in sustainability causes, would be asked to publish some posts and stories framing our new line of products.

- **SOCIAL MEDIA OF THE PARTNER** to improve the visibility of the collaboration, the partner will publish the new line of products on its social media as well.



## Editorial schedule plan

In the following scheme it is shown the **schedule of the digital campaign**.

It exploits the combination of new contents to be shared on the Instagram platform (and consequently on Facebook): photos posted on the private page of Chateau d'ax, daily stories to show the activeness and the usage of sponsored stories and native advertising in-feed to reach the targeted segment.

The time range will last **one month**, from one week before the launch of the line of products until two weeks after it. *The launch of the new line will happen in parallel to the opening of the pop up stores.*

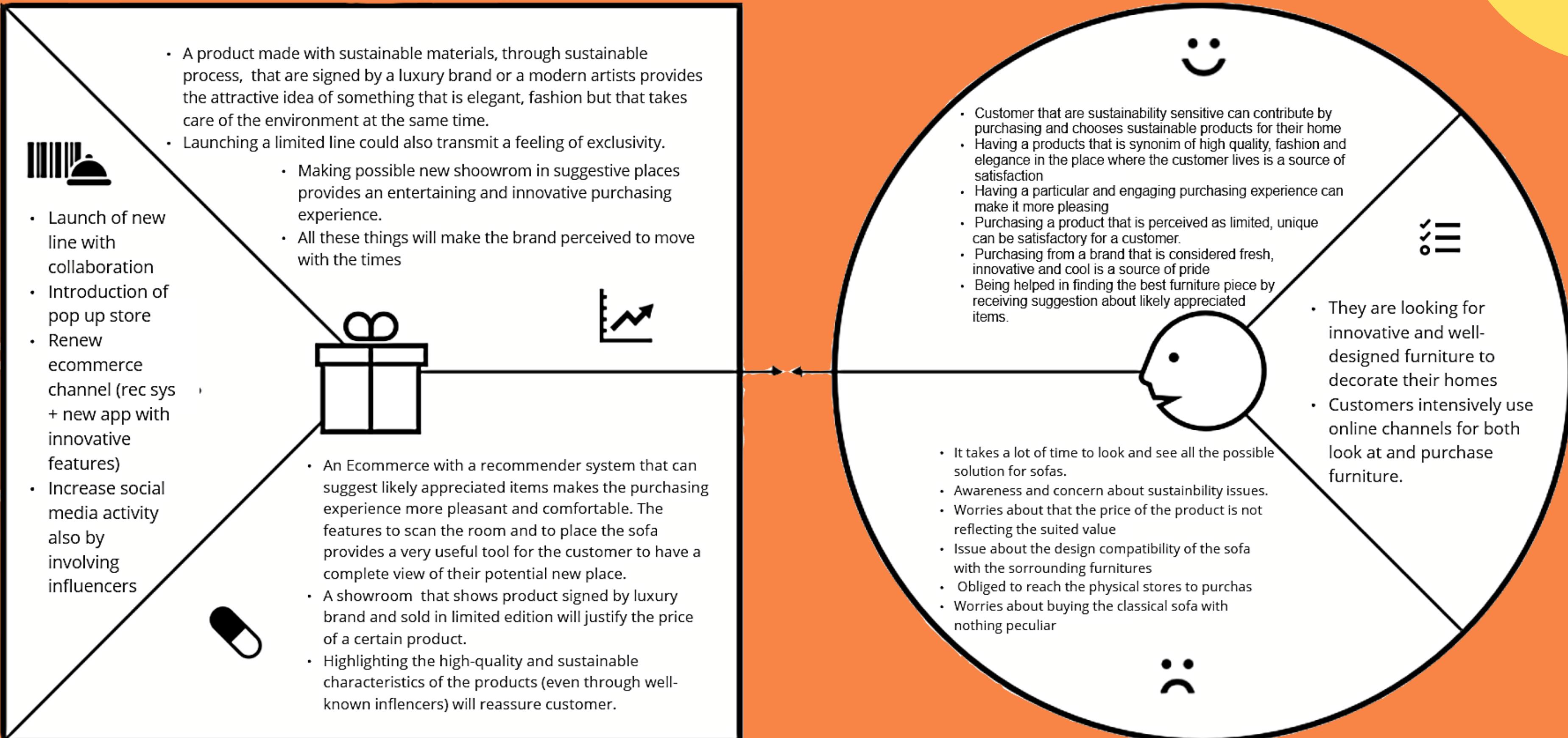
<b>1 week before launching the new line</b>	4 daily stories published on Chateau D'ax Instagram page and the partner page to reveal a collaboration between the parts and so to enhance the hype in the customers, with the combined usage of sponsored stories to increase the awareness of the new line of products
<b>Week of launch</b>	10 daily stories to show the products of the new lines and posts to show the pop-up stores; 3 reels (short vertical video) that shows dynamically details about the new line of sofas; Sponsored stories and native advertising in-feed.
<b>Week 1 after launching</b>	Exploitation of the collaboration with the chosen influencer who will make stories that show the sofas of the new line are shown in the pop up stores. 10 posts of the pop up stores and the line of products framed in an appropriate set.
<b>Week 2 after launching</b>	5 daily stories and 4 posts that show customers in the stores and pop-up stores that observe and test the sofas. Repost of customers who have purchased sofas and that have tagged the brand
<b>Following weeks</b>	Repost of customers who have purchased sofas and that have tagged the brand

Since the brand has a dedicated area for the videorecording and photo-shooting activities, **content creation has a cost that could be considered negligible**.

It has to be considered the **costs to make the post/stories be shown** in the feed of users on the social media (avg 1.14 € per click). [21]

It is instead important to consider the **costs for the collaboration with influencers** (in avg 10k€ per posts for influencers that embodies the values that the brand wants to transmit and that have a catchment area of around 1 million followers that mainly belongs to the segments identified).

# VALUE PROPOSITION CANVAS



# BUSINESS MODEL CANVAS

<p><b>Key Partners</b></p> <ul style="list-style-type: none"> <li>The brands on which Chateux D'ax collaborates for the new line of sofas (as Missoni)</li> <li>Software developers to implement the new features of ecommerce channel</li> <li>Delivery companies</li> </ul>	<p><b>Key Activities</b></p> <ul style="list-style-type: none"> <li>Manufacturing</li> <li>Designing</li> <li>Distribution</li> <li>Collaboration with other brands</li> <li>Advertising and promotion</li> <li>Suggesting suited items</li> </ul>	<p><b>Value Propositions</b></p> <ul style="list-style-type: none"> <li>Offering innovative and exclusive products that reconcile luxury and elegance with sustainability.</li> <li>Offering an innovative, and personalized purchasing experience online.</li> <li>Offer an engaging and more entertaining physical shopping experience with new kind of stores</li> </ul>	<p><b>Customer Relationships</b></p> <ul style="list-style-type: none"> <li>Internal designer</li> <li>Automates services in ecommerce: AR and Recommender System</li> <li>Staff in the stores</li> <li>Engagement through collaboration with people highly recognizable such as Influencer</li> </ul>	<p><b>Customer Segments</b></p> <ul style="list-style-type: none"> <li>Generation X (25 - 40)</li> <li>Generation Y (41-55) both with disposable income higher than 31 k€. In particular focus on women 25+ years old.</li> </ul>
<p><b>Cost Structure</b></p> <ul style="list-style-type: none"> <li>Raw material</li> <li>Salaries</li> <li>Logistics</li> <li>Traditional store</li> </ul>	<p><b>Key Resources</b></p> <ul style="list-style-type: none"> <li>Artisan experience and know-how.</li> <li>Wide offer</li> <li>Presence in Italy (60+ stores)</li> <li>Ecommerce channel</li> <li>Social media</li> <li>Sustainable processes and materials</li> </ul>	<p><b>Revenue Streams</b></p> <ul style="list-style-type: none"> <li>New stores</li> <li>Advertising and marketing campaign</li> <li>Partnership costs</li> </ul>	<p><b>Channels</b></p> <ul style="list-style-type: none"> <li>Traditional stores</li> <li>Pop up stores</li> <li>E-commerce: website and app</li> <li>Social media: Instagram and Facebook</li> </ul>	<p><b>\$</b></p>

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