

Market Feasibility of Burberry and Gucci in Zhang Jiagang City, P.R China

---Case: Introduce a New Luxury Brand into Kelly Mall

Youran Wu, Ning Wang

Degree Thesis
International Business
2012

DEGREE THESIS	
Arcada	
Degree Programme:	Internatioanl Business
Identification number:	10289, 10291
Author:	Youran Wu, Ning Wang
Title:	Market Feasibility of Burberry and Gucci in Zhang Jiagang city, P.R China
Supervisor (Arcada):	Sveinn Eldon
Commissioned by:	Kelly Mall
<p>Abstract:</p> <p>With the rapid development of Chinese economy, wealth has spread from largest coastal cities to smaller cities and luxury stores have started to follow. Kelly Mall is the largest high-end department store situated in Zhang Jiagang City, Jiangsu Province, P.R China. This research aims to figure out if Kelly Mall should introduce a new luxury brand, helping Kelly Mall's board members make decision on taking either Burberry or Gucci or both of them into its luxury department. Theoretical framework includes: Luxury market over-views, Brand awareness, Market strategy.</p> <p>Authors conduct this research by handing out questionnaires to Zhang Jiagang citizens and interviewing general manager of Kelly Mall. Since questionnaires are sent randomly, there is a limitation to collect every citizen's perspective.</p> <p>After comparing and analyzing data, authors find out both Burberry and Gucci have high brand awareness in Zhang Jiagang, a part of people intend to purchase luxury products in Shanghai since there is only about two hours for drive from Zhang Jiagang to Shanghai. In terms of VIP customers, a part of people believes that their consumption standard has increased to a certain level that should open more luxury-goods stores. Compared with Burberry, luxury brand-Gucci has a higher brand awareness and better reputation in the city. Research also shows that the majority of people intend to visit Gucci stores if there is. Therefore, authors suggest board members of Kelly Mall to consider introducing luxury brand Gucci and moving forward to negotiate the cooperate possibility with China headquarters of Gucci company.</p>	
Keywords:	Luxury, China, Zhang Jiagang, Burberry, Gucci, Kelly Mall
Number of pages:	77
Language:	English
Date of acceptance:	

Table of Contents

1	Introduction.....	7
1.1	Background	7
1.2	Theoretical framework	8
1.3	Objectives.....	10
1.4	Limitation	10
2	Literature Review.....	11
2.1	Luxury and Luxury Market.....	11
2.1.1	<i>Luxury</i>	11
2.1.1.1	The definition of Luxury	11
2.1.1.2	Luxury Concept.....	12
2.1.1.3	The characteristics of Luxury goods	12
2.1.1.4	Luxury Classification.....	13
2.1.2	<i>Luxury Market</i>	15
2.1.2.1	Overview	15
2.1.2.2	Luxury market in China.....	16
2.2	Branding	17
2.2.1	<i>Brand equity</i>	17
2.2.2	<i>Brand awareness</i>	17
2.3	The marketing process	19
2.3.1	<i>Understanding the marketplace and customer needs</i>	19
2.3.1.1	Needs, wants and demands	20
2.3.1.2	The market offering – products, services and experiences.....	20
2.3.1.3	Value, satisfaction and quality	20
2.3.2	<i>Designing a customer – driven marketing strategy</i>	21
2.3.2.1	Selecting customer to serve	21
2.3.2.2	Choosing a value proposition	21
2.3.3	<i>Building profitable customer relationships</i>	21
2.4	Market strategy.....	22
2.4.1	<i>Market segmentation</i>	22
2.4.1.1	Segmenting consumer markets.....	22
2.4.1.2	Segmenting business markets.....	24
2.4.1.3	Requirements for effective segmentation	26
2.4.2	<i>Market targeting</i>	26
2.4.2.1	Evaluating market segments	27
2.4.2.2	Selecting target market segments.....	27
2.4.2.2.1	Differentiated marketing.....	27
2.4.2.2.2	Micromarketing.....	28

2.4.2.2.2.1	Local marketing	28
3	Methodology	29
3.1	Questionnaire	29
3.1.1	<i>Purchasing behaviour of target consumers</i>	29
3.1.2	<i>Brand awareness of target consumers</i>	29
3.1.3	<i>Basic information of target consumers</i>	30
3.1.4	<i>Sampling method and target consumers</i>	30
3.2	Interview	31
3.3	Formal questionnaire and analysis methods.....	31
3.3.1	<i>Formal questionnaire</i>	31
3.3.2	<i>Research methods</i>	32
4	Result and Analysis.....	33
4.1	Secondary Research Result.....	33
4.1.1	<i>Market Segment</i>	33
4.1.2	<i>Market strategy</i>	34
4.2	Primary research result	35
4.2.1	<i>Vertical analysis</i>	35
4.2.1.1	Questionnaire 1.....	35
4.2.1.2	Questionnaire 2.....	42
4.2.2	<i>Horizontal analysis</i>	48
4.2.2.1	Questionnaire 1.....	48
4.2.2.2	Questionnaire 2.....	54
5	Conclusion and suggestion	60
6	References	64
7	Appendices	66
7.1	Questionnaire (original version)	66
7.1.1	Questionnaire 1	66
	<i>关于奢侈品牌 Burberry 与 Gucci 在张家港市的品牌认知度调查</i>	66
7.1.2	Questionnaire 2	69
	<i>关于奢侈品牌 Burberry 和 Gucci 进驻张家港凯丽百货的可行性调查</i>	69
7.2	Questionnaire (English version)	74
7.2.1	Questionnaire 1	74
7.2.2	Questionnaire 2	75

Figures

Figure 1 2009 China domestic luxury spend (RMB B) Source: Expert Interviews; Analyst Reports; Company Websites and Reports; Bain Estimates and Analysis (Bain POV, China Luxury Market Study 2010).....	16
Figure 2 a simple model of the marketing process. (Philip Kotler et al. 2008, p. 7).....	19
Figure 3 Steps in market segmentation, targeting and positioning (Philip Kotler et al. 2008, p. 410).....	22
Figure 4 target broadly to target narrowly. (Philip Kotler et al. 2008, p. 424).....	27
Figure 5 classification of Micromarketing (Philip Kotler et al. 2008, p. 428-429).....	28
Figure 6 the reason(s) that make(s) people like luxury goods(multi-answers)	37
Figure 7 brand(s) that people know(multi-answers).....	38
Figure 8 the way that people know Burberry (multi-answers).....	39
Figure 9 Burberry's products that people know (multi-answers)	40
Figure 10 the way that how people know Gucci (multi-answers).....	41
Figure 11 Gucci's products that people know (multi-answers)	42
Figure 12 the purpose(s) that make(s) people want to purchase luxury goods(multi-answers).....	44
Figure 13 the reason(s) that make(s) you want to purchase Gucci's products(multi-answers).....	45
Figure 14 the reason(s) that make(s) people want to purchase Burberry's products (multi-answers).....	46
Figure 15 should Kelly Mall introduce more luxury brands	47
Figure 16 The reasons people like luxury goods by gender	49
Figure 17 Burberry and Gucci brand awareness by gender.....	50
Figure 18 Burberry brand awareness by age range	51
Figure 19 Gucci Brand Awareness by age range	52
Figure 20 Burberry Brand Awareness by monthly income.....	53
Figure 21 Gucci Brand Awareness by monthly income.....	54
Figure 22 prefer Gucci or Burberry or both (different gender).....	55
Figure 23 prefer Gucci or Burberry or both (different age-range)	56
Figure 24 prefer Gucci or Burberry or both (different occupation)	57
Figure 25 prefer Gucci or Burberry or both (different monthly income or monthly living expenses)	58

Figure 26 prefer Gucci or Burberry or both (different status – VIP or non-VIP)	59
Figure 27 breakdown of 2011 revenue by product category (Gucci).....	62
Figure 28 breakdown of 2011 revenue by region (Gucci).....	62

Tables

Table 1 the Three Major Luxury Fashion Conglomerates (Uche Okonkwo, “Luxury Fashion Branding – Trends, Tactics, Techniques”, p. 123, 2007)	14
Table 2 “Brandz™ Top 100 Most valuable global brands 2011”Millward Brown Optimor.....	15
Table 3 brand classification (Ronald, Merklebeid, Brand awareness, p22)	18
Table 4 Segmenting consumer markets. (Philip Kotler et al. 2008, p. 412)	22
Table 5 Primary segmentation variables for business markets (Philip Kotler et al. 2008, p. 421).....	25
Table 6 the motivation in purchasing	29
Table 7 target consumer’s basic information	30
Table 8 the brand that people think Kelly Mall should introduce in.....	48

1 INTRODUCTION

Luxury goods represent high-class commodities. Luxury goods market has been an upward climb in consumer market; it has set off a significant consumption boom in China for recent years since capital income of Chinese citizen grows.

1.1 Background

Kelly Mall, which founded in the end of 2005 and situated in Zhang Jiagang City (located in southeast of China; 144 kilometres far from Shanghai; GDP of 2011 is 160 billion RMB; third highest GDP in Jiangsu province.), Jiangsu Province, China.

As the largest high-end department store, its annual sale approaches 150 million RMB. A total area of 18,000 square meters dedicated to fashion and stylish stores. Furthermore, Kelly Mall insists on introducing different kinds of famous brands constantly, bringing together a number of international brands, such as Cartier, Mont Blanc, Swarovski, DuPont et cetera.

With native consumer demand expanding gradually, in order to broaden its business and increase its turnover, Kelly Mall intends to infuse new blood into its luxury department.

Thus, board members of Kelly Mall decided to have more high-level luxury brands in this shopping centre, Burberry and Gucci have been taken into consideration. They would like to find out the potential demand of these two brands and determine to take either of the two or both.

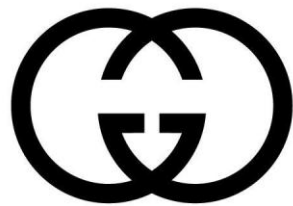
Burberry is a British fashion brand, which established in 1856. The headquarters now is in London, United Kingdom. Its Products consist of clothing, shoes, accessories and fragrance. Burberry retail stores are distributed worldwide, and its total revenue reaches £1501.3 at the end of its financial year 2010/11. (<http://burberry.com>)



Burberry logo:

Gucci is an Italian luxury fashion label, which is one of subsidiaries of PPR's luxury division, was founded in 1921 in Florence, Italy. There are 376 directly operated stores all over the world. Its product category includes Leather goods, shoes, ready-to-wear, watches, jewellery and fragrance. In 2011, the total sale of all products is €3,143 million. (PPR 2011 Financial documents)

GUCCI



Gucci logo:

1.2 Theoretical framework

For theoretical framework, this study will mention several theories as follows:

1. Luxury and Luxury Market
2. Branding
3. The marketing process
4. Market strategy

Theories above refer from as follows:

"Book V: Of the Revenue of the Sovereign or Common wealth, An Inquiry into the Nature and Causes of the Wealth of Nations"

“The Luxury Goods Market in China: Myth or Reality?”

“Managing luxury brands [J]”

“Luxury and Capitalism [J]”

“Luxus schafft Wohlstand [M]”

“The idea of Luxury”

“Impact of Personal Orientation on Luxury-Brand Purchase Value”

“Perceiving Luxury and Necessity”

“The Marketing of Luxury: An Exploratory Study – Three Conceptual Dimensions”

“Consumer Rapport to Luxury: Ana-lysing Complex and Ambivalent Attitudes”

“The Mass Marketing of Luxury”

“The Marketing of Luxury Goods”

“Global Luxury Goods Market Report: 2011 Edition”

“World luxury market to grow 8% study”

“World luxury market – 8% growth in 2011”

“Luxury Products in China, KPMG, Hong Kong”

“China Luxury Market Study 2010”

“Conceptualizing, Measuring, and Managing Customer-Based Brand Equity”

“Brand Awareness”

“Managing Science Journal”

“Principles of Marketing”

1.3 Objectives

The main purpose of this study is to assist Kelly Mall's board members to choose a new brand by providing market data analysis, presenting two brands' annual report, doing survey to find out the brand recognition of Burberry and Gucci in native consumer group, comparing these two brands and defining each brand's feasibility of entering.

Therefore, the main research question is to identify which luxury brand can be introduced into Kelly Mall, Burberry or Gucci. Will it has any possibility to open a Burberry retail store or it will feasible to have a Gucci retail store in Kelly Mall?

According to theoretical framework, authors take the following steps to fulfil this research:

- Conduct interview with general manger of Kelly Mall to get secondary data.
- Take brand recognition survey on luxury brand Burberry and Gucci; hand out questionnaires to citizens of Zhang Jiagang.
- Based on the brand recognition result of questionnaire 1, authors find out both Burberry and Gucci have high brand awareness in the city. Thus move forward to the second questionnaire, which is Market feasibility of luxury brand Burberry and Gucci's entry into Kelly Mall.

Authors have hand out 1,000 copies of questionnaires totally, each part have 500 copies respectively.

1.4 Limitation

Since this research is only focus on Zhang Jiagang city and concentrate on Burberry & Gucci, in addition, it is especially for Kelly Mall, the result of this research may not apply to other shopping malls or cities in China.

In addition, since there are a limited number of questionnaires collected, the result does not represent every citizen's perspective.

2 LITERATURE REVIEW

2.1 Luxury and Luxury Market

2.1.1 Luxury

2.1.1.1 The definition of Luxury

Adam Smith defines “necessity”, “linen shirts, leather shoes and a minimum of food and shelter were to be regarded as essential to a minimum of standard of living” (<http://www.progress.org/banneker/adam.html>). Afterwards, he categorized luxury goods as a kind of commodity except those necessities. Apparently, Adam Smith realized it is quite difficult to give a clear definition to luxury; as a result, he used exclusive method to name luxury. (Adam Smith, 1776)

[From an economic viewpoint, luxury is defined as “a good for which demand increases more than proportionally as income rises, contrast to a necessity good for which demand increases less than proportionally as income rises”. A final characteristic of luxury goods is their high-income elasticity of demand]. (Sten-Ove Tullberg *et al.* 2008)

However, Jean N. Kapferer believes that luxury shows good will, it is an art applied on functional products, luxury provide not only pure commodities, also stand for high status. (Jean N. Kapferer, 1997)

In some points, Luxury indicates a part of products that have a higher intangible and tangible value. Luxury brands have a relatively unique market and special social status. (World Brand Lab, 2011, <http://www.worldbrandlab.com/brand/>)

World Brand Lab defines luxury by four standards: value and quality, culture and history, awareness and consumption demand. (<http://www.worldbrandlab.com/valuation.htm>)

Sombart Werner believes the essence of luxury contains both quality and quantity sides: luxurious consume in quantity means a waste of goods, meanwhile, luxurious consume in quality refers to choose better goods. (Sombart Werner, 1967)

Luxury goods have an identical concept with luxuriousness since Wolfgang Reitzle is defining a kind of life style. (Wolfgang Reitzle, 2005)

2.1.1.2 Luxury Concept

The concept of luxury has been present in various forms since the beginning of the civilization.

Luxury, which is a kind of high-level commodities, not belongs to necessities in daily life (The Chinese Dictionary). “Luxury” called “Luxus” in Latin, which means glittering things such as diamond, gold.

The conception of luxury is “the enjoyment of special and expensive things, particularly food and drink, clothes and surroundings”, “a thing that is expensive and enjoyable but not essential”, “a pleasure or an advantage that you do not often have”. (Oxford Advanced Learner’s Dictionary.

<http://oald8.oxfordlearnersdictionaries.com/dictionary/luxury>)

Berry exposit luxury has a close relationship to people’s basic life, such as clothing, food, accommodation, et cetera. He treats luxury as a basic theme of political science. (Christopher J. Berry, 1994).

According to analysis the historical opinion for luxury from Plato, philosopher in ancient Rome, early period in Christianity, Marxism, Adam Smith, Kant and David Hume, the main feature of luxury is the symbol of social class. (Shu-pei Tsai)

Elasticity of price affects people more to know about luxury, luxury goods have higher price elasticity than necessities. (Simon Kemp, 1998)

According to analysis from pragmatism, empiricism and symbolism, the root of luxury is it is the symbol of status and social class. (Jonathan S. 2003)

2.1.1.3 The characteristics of Luxury goods

Based on qualitative research, Bernard Dubois and others found out there are 6 main characteristics of luxury goods from consumer group field:

- Excellent quality
- Very high price
- Scarcity and uniqueness

- Aesthetics and sensory stimulation
- Ancestral heritage and personal history
- Superfluosity

(Bernard Dubois *et al.* 2001)

Jose Luis Nuño from IESE, Barcelona and John A. Quelch from London Business School summarized the features of luxury as follows:

- High quality, unique material – Bentley uses over 400 pieces of oxhide, especially Connolly - Grade oxhide.
- Expensive – Compared to other commodities, the price of luxury goods is a dozen times, scores of times, even a hundred of times higher.
- Tradition and special skills – Such as Tiffany, Rolls-Royce and Blancpain.
- Classic design or style – Burberry's grid pattern, Louis Vuitton uses letter "L" and "V" to do their logo (classic Monogram).
- Limited output – Blancpain has only 10,000 watches per year.
- Market support, limited subsidiaries – Since luxury goods are expensive, the consumer groups usually in the area which has higher economic development.
- Global brand awareness.
- Related with a product-origin country – Red wine and LVMH in France, racing car in Italy (Ferrari, Porsche, Lamborghini), fashion clothing in Paris, Milan and London, watches in Switzerland (Richemont, Swatch).
- Special meaning – Blancpain 1735 was made to remember the initiator (Jehan-Jacques Blancpain).
- Design ability timely – Yearly fashion week.
- Individuality and value

(Jose Luis *et al.* 1998)

2.1.1.4 Luxury Classification

Jose Luis Nuño from IESE, Barcelona and John A. Quelch from London Business School divided luxury goods into three sections:

- Limited awareness – Such as Blancpain.

- High awareness, high price but cannot copy – Such as Rolls-Royce.
- High awareness and affordable – Such as Häagen-Dazs.

(Jose Luis Nueno *et al.* 1998)

Besides, Alleres divided luxury into three different sections as well:

- Accessible Luxury
- Intermediate Luxury
- Inaccessible Luxury

(Jonathan S. Vickers *et al.* 2003)

Table 1 the Three Major Luxury Fashion Conglomerates (Uche Okonkwo, “Luxury Fashion Branding – Trends, Tactics, Techniques”, p. 123, 2007)


LVMH France	RICHEMONT Switzerland	Pinault-Printemps- Redoute (France)
Louis Vuitton Loewe Celine Berluti Donna Karan Kenzo Marc Jacobs Givenchy Emilio Pucci Stefano Bi Thomas Pink	Dunhill Lancel Montblanc Chloé Shanghai Tang	<div style="text-align: center;">  <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> GUCCI Group Italy </div> </div> GUCCI Yves Saint Laurent Sergio Rossi Stella McCartney Balenciaga Alexander McQueen Bottega Veneta

Table 2 “Brandz™ Top 100 Most valuable global brands 2011” Millward Brown Optimor

TOP BRANDS		Brand Value \$M	Brand Contribution	Brand Momentum	Brand Value Change
1	Louis Vuitton	24,312	5	7	23%
2	Hermès	11,917	5	8	41%
3	Gucci	7,449	5	4	-2%
4	Chanel	6,823	5	9	23%
5	Cartier	5,327	5	6	34%
6	Rolex	5,269	5	5	11%
7	Hennessy	4,997	5	8	-7%
8	Moët & Chandon	4,570	5	8	7%
9	Fendi	3,422	5	5	7%
10	Burberry	3,379	4	7	N/A

2.1.2 Luxury Market

2.1.2.1 Overview

[The global demand for luxury goods has been consistently increasing for the past many years, with the only exception being the year 2009, during which the market experienced the impacts of the US sub-prime crisis.] (Koncept Analytics, Nov 2011)

[Global luxury sales should grow eight percent this year to 185 billion dollars (124 billion euros) but Japan's market will contract, according to a study by research group Bain&Company released Tuesday.] (Agence France Presse, 03.03.2011)

[The just released “Spring 2011 Update: Luxury Goods Worldwide Market Study” by Bain & Company shows that global luxury sales should grow 8% in 2011 to 185 billion Euros, with China overtaking Japan to become the world’s second-largest consumer of luxury goods.] (Y. Chan, 24.03.2011)

[The U.S. will remain the world’s largest luxury goods market this year. An 8% growth is predicted for the Americas to nearly \$77.5 billion (52 billion Euros) and an increase of 7% for Europe in 2011 is forecast.] (Y. Chan, 24.03.2011)

2.1.2.2 Luxury market in China

China has become the third largest luxury market all over the world and it has an immense potential that cannot be neglected since it grows 20% annually, China may overtake Japan as the biggest luxury market in 2015. (Nick Debnam *et al.* 03.06.2008)

“As market matures and consumers become more sophisticated, domestic shopping will become more important in the future.” -- International Director, Luxury brand (Bain POV, 2010)

China market is supply driven; new store openings create new demand. [Emerging middle class in China is trying to improve the quality of their life, ... this is one of the main drivers of growth of luxury sales in China.] -- Research Analyst (Bain POV, 2010)

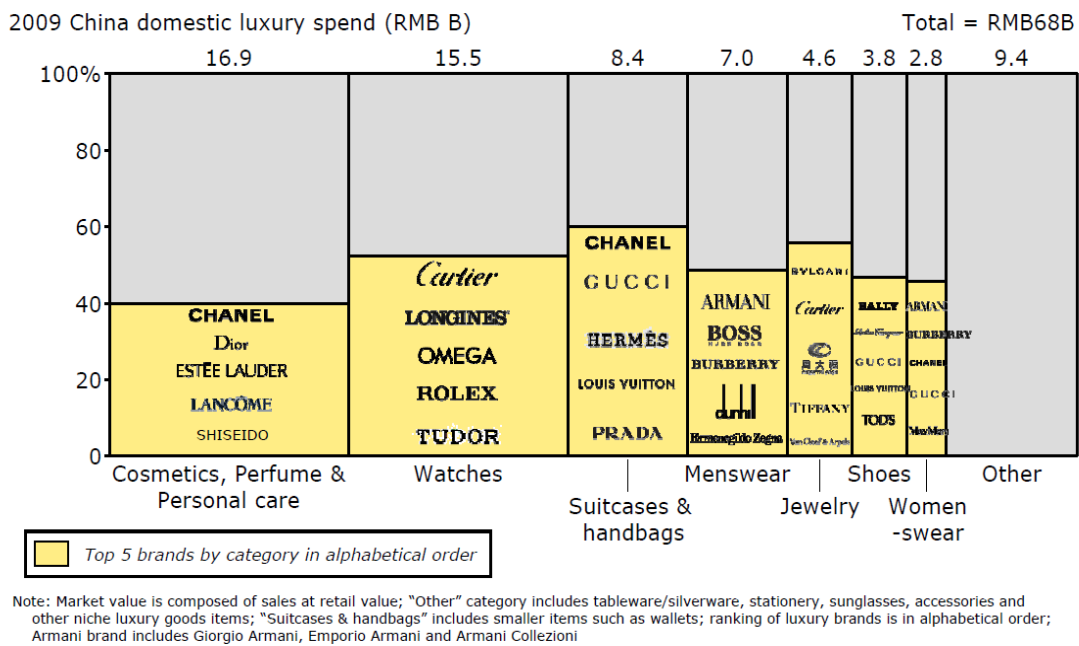


Figure 1 2009 China domestic luxury spend (RMB B) Source: Expert Interviews; Analyst Reports; Company Websites and Reports; Bain Estimates and Analysis (Bain POV, China Luxury Market Study 2010)

2.2 Branding

“Brands are viewed as the major enduring asset of a company, outlasting the company’s specific products and facilities” (*Philip Kotler, 2008, P521*).

2.2.1 Brand equity

“A powerful brand has high brand equity. It is the positive differential effect that knowing the brand name has on customer response to the product or service” (*Philip Kotler, 2008, P522*) “Brand equity is the value premium that a company realizes from a product with a recognizable name as compared to its generic equivalent.”(*Investopedia*)

One key part of brand equity is brand awareness since it influences attitudes and percept, sometimes can lead to brand loyalty (Aaker, 1991)

2.2.2 Brand awareness

[Brand awareness refers to customers' ability to recall and recognize the brand under different conditions and link to the brand name, logo, and jingles and so on to certain associations in memory. It helps the customers to understand to which product or service category the particular brand belongs and what products and services are sold under the brand name.] (Keller, K.L. 1993)

Brand awareness has an influence on consumer’s decision-making since customers will not consider your brand if they are not aware of it. (Keller, 1998).

“The more aware consumers are of your product and your brand, the more likely they are to buy from you” (Tara G, Brian C, 2007)

In terms of classification, brand awareness can be classified into 3 levels, such as recognition, recall and top of mind. (Aaker, 1996, P10-13)

Table 3 brand classification (Ronald, Merkleid, Brand awareness, p22)

Classification	Definition
1. Brand recognition	Reflects familiarity and linking acquired from past exposure. Remembering as such, one brand among others is a manner of aided recall
2. Brand recall.	Reflects awareness of a brand when it comes in mind as soon as its product class is mentioned. A manner of unaided recall.
3. Top of mind.	The highest awareness level, the brand dominates the mind and pops up as first whenever applicable.

Based on another author's theory (Kun Li, 2007), brand awareness can be classified into 4 categories as unaware of brand, aided awareness, unaided awareness and top of mind awareness. Four levels compose a pyramid, the higher brand awareness consumer has, the more difficult for companies to reach. Unaided awareness refers to consumers recall specific brand without any prompt, for example, when mentioned automobiles, usually, people have Mercedes-Benz, BMW and Volkswagen appear in mind. Aided awareness indicates consumers recall a brand after prompts, having no clear impression towards this brand. Top of mind awareness means that consumers could name the brand in his first thought when mention a product, example is Coca-Cola. (Kun Li, 2007)

2.3 The marketing process

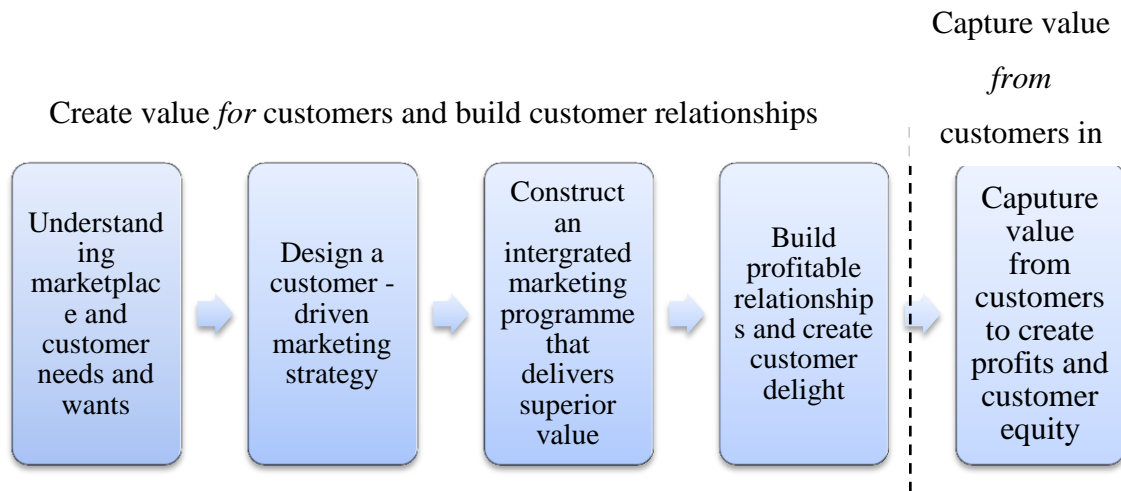


Figure 2 a simple model of the marketing process. (Philip Kotler et al. 2008, p. 7)

Figure 2 shows the five-step model in marketing process. [In the first four steps, companies work to understand consumers, create customer value and build strong customer relationships. In the final step, companies reap the rewards of creating superior customer value.] (Philip Kotler et al. 2008, p. 7)

“Organisations ... fail because they do what they want to do rather than fulfil the wants and needs of others.” (Philip Kotler et al. 2008, p. 8)

2.3.1 Understanding the marketplace and customer needs

Needs, wants and demands	}	Understanding the marketplace and customer
Market offerings (products, services and experiences)		
Value, satisfaction and quality		
Exchanges, transactions and relationships		
Markets and the marketing system		

(Philip Kotler et al. 2008, p. 8)

2.3.1.1 Needs, wants and demands

“Human needs are states of felt deprivation.” (Philip Kotler *et al.* 2008, p. 8)

Human needs include physical needs (food, clothing, warmth and safety), social needs (belonging and affection) and individual needs (knowledge and self-expression). (Philip Kotler *et al.* 2008, p. 9)

“Wants are the form human needs take as they are shaped by culture and individual personality.” (Philip Kotler *et al.* 2008, p. 9)

[People have narrow, basic needs (e.g. for food or shelter) but almost unlimited wants. ... Thus, they want to choose products that provide the most satisfaction for their money. When backed by an ability to pay – that is, buying power – wants become demands.] (Philip Kotler *et al.* 2008, p. 9)

“Understanding customer needs, wants, and demands in detail provides important input for designing value – laden marketing strategies.” (Philip Kotler *et al.* 2008, p. 9)

2.3.1.2 The market offering – products, services and experiences

“Market offering – some combination of products, services, information or experiences offered to a market to satisfy a need or want.” (Philip Kotler *et al.* 2008, p. 9)

“Many sellers ... They forget that a product is only a tool to solve a consumer problem. ..., the *real need* is to fix things together.” (Philip Kotler *et al.* 2008, p. 9)

2.3.1.3 Value, satisfaction and quality

“Customer value is the difference between the values the customer gains from owning and using a product and the costs of obtaining the product.” (Philip Kotler *et al.* 2008, p. 11)

“Smart companies aim to delight customers by promising only what they can deliver, then delivering more than they promise.” (Philip Kotler *et al.* 2008, p. 11)

Customers care about *perceived* value more than product values and costs accurately or objectively. “Customer satisfaction depends on a product’s perceived performance in delivering value relative to a buyer’s expectations.” (Philip Kotler *et al.* 2008, p. 11)

Satisfied customer will repeat purchases and tell other people about his or her happy experiences and ask others also go there to buy the product. “The key is to match customer expectations with company performance.” (Philip Kotler *et al.* 2008, p. 11)

2.3.2 Designing a customer – driven marketing strategy

“Our goal is to lead customers where they want to go before they know where they want to go” (Philip Kotler *et al.* 2008, p. 18)

2.3.2.1 Selecting customer to serve

[The company must first decide *who* it will serve. It does this by dividing the market into segments of customers (*market segmentation*) and selecting which segments it will go after (*target marketing*).] (Philip Kotler *et al.* 2008, p. 14)

“Demarketing – Marketing to reduce demand temporarily or permanently – the aim is not to destroy demand, but only to reduce or shift it.” (Philip Kotler *et al.* 2008, p. 14)

2.3.2.2 Choosing a value proposition

Companies also have to think about how they serve targeted customers and how they will differentiate and position themselves in the marketplace. (Philip Kotler *et al.* 2008, p. 15)

“Companies must design strong value propositions that give them the greatest advantage in their target markets.” (Philip Kotler *et al.* 2008, p. 15)

2.3.3 Building profitable customer relationships

“Managing demand means managing customers.” (Philip Kotler *et al.* 2008, p. 15)

“A company’s demand comes from two groups: new customers and repeat customers.”
 (Philip Kotler *et al.* 2008, p. 15)

Companies should not only pay attention on attracting new customers, but also “shifting towards retaining profitable customers and building lasting relationships with them”.
 (Philip Kotler *et al.* 2008, p. 15)

“Companies have also discovered that losing a customer means losing not just a single sale, but also a life time’s worth of purchase and referrals.” (Philip Kotler *et al.* 2008, p. 15)

2.4 Market strategy

2.4.1 Market segmentation

“Market consists of buyers, and buyers differ in one or more ways.” (Philip Kotler *et al.* 2008, p. 410)

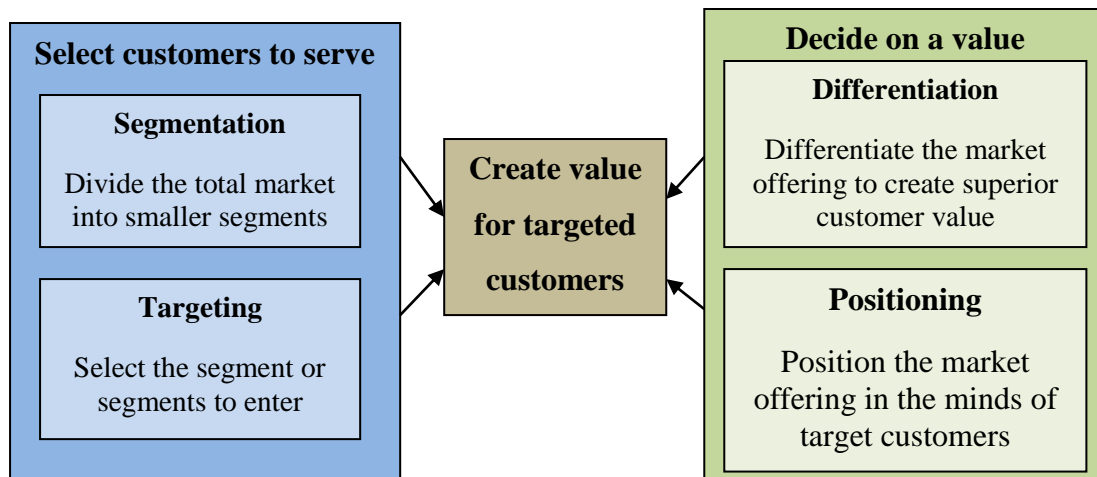


Figure 3 Steps in market segmentation, targeting and positioning (Philip Kotler *et al.* 2008, p. 410)

2.4.1.1 Segmenting consumer markets

“There is no single way to segment a market.” (Philip Kotler *et al.* 2008, p. 411)

Table 4 Segmenting consumer markets. (Philip Kotler *et al.* 2008, p. 412)

Variable	Typical breakdowns
----------	--------------------

Geographic	
Region	These can vary in scale from, say, Europe, through groupings of countries (Scandinavia), nations (Finland), to regions within countries (Lapland).
Country size	Giant (USA), large (Germany, Spain), medium (The Netherlands, Australia) or small (Malta, Lithuania).
City size	Under 5,000; 5,000–20,000; 20,000–50,000; 50,000-100,000; 100,000–250,000; 250,000-500,000; 500,000-1,000,000; 1,000,000-4,000,000; 4,000,000 and over.
Density	Urban, suburban, rural.
Climate	Tropical, sub-tropical, temperate, etc.
Demographic	
Age	Under 6, 6-11,12-19,20-34,35-49, 50-64, 65+.
Gender	Male, female.
Family size	1-2, 3-4, 5+.
Family life cycle	Young, single; young, married, no children; young, married, youngest child under 6; young, married, youngest child 6 or over; older, married with children; older, married, no children under 18; older, single; other.
Income	Under €10,000; 10,000-15,000; 15,000-20,000; 20,000-30,000; 30,000-50,000; 50,000-75,000; 75,000-100,000; 100,000 and over.
Occupation	Professional and technical; managers, officials and proprietors; clerical, sales;

	craftsmen, foremen; operatives; farmers; retired; students; homemakers; unemployed.
Education	Grade school or less; some high school; high school graduate; university; postgraduate; professional.
Religion	Catholic, Protestant, Jewish, Islamic, etc.
Race	White, Black, Polynesian, Chinese, etc.
Nationality	American, British, German, Scandinavian, Latin American, Middle Eastern, Japanese, etc.
Psychographic	
Social class	Lower lowers, upper lowers, working class, middle class, upper middles, lower uppers, upper uppers.
Lifestyle	Achievers, believers, strivers.
Personality	Compulsive, gregarious, authoritarian, ambitious.
Behavioural	
Purchase occasion	Regular occasion, special occasion.
Benefits sought	Quality, service, economy.
User status	Non-user, ex-user, potential user, first-time user, regular user.
Usage rate	Light user, medium user, heavy user.
Loyalty status	None, medium, strong, absolute.
Readiness state	Unaware, aware, informed, interested, desirous, intending to buy.
Attitude towards product	Enthusiastic, positive, indifferent, negative, hostile.

2.4.1.2 Segmenting business markets

“Business buyers can be segmented geographically, demographically (industry, company size), or by benefits sought, user status, usage rate and loyalty status.” (Philip

Kotler, Gary Armstrong, Veronica Wong, John Saunders, “*Principles of Marketing*”
 Fifth European Edition, 2008, p. 418)

Table 5 Primary segmentation variables for business markets (Philip Kotler et al. 2008, p. 421)

Demographics
<ul style="list-style-type: none"> • <i>Industry.</i> Which industries that buy this product should we focus on?
<ul style="list-style-type: none"> • <i>Company size.</i> What size companies should we focus on?
<ul style="list-style-type: none"> • <i>Location.</i> What geographical areas should we focus on?
Operating variables
<ul style="list-style-type: none"> • <i>Technology.</i> What customer technologies should we focus on?
<ul style="list-style-type: none"> • <i>User/non-user status.</i> Should we focus on heavy, medium or light users, or non-users?
<ul style="list-style-type: none"> • <i>Customer capabilities.</i> Should we focus on customers needing many services or few services?
Purchasing approaches
<ul style="list-style-type: none"> • <i>Purchasing function organizations.</i> Should we focus on companies with highly centralized or decentralized purchasing organizations?
<ul style="list-style-type: none"> • <i>Power structure.</i> Should we focus on companies that are engineering dominated, financially dominated or marketing dominated?
<ul style="list-style-type: none"> • <i>Nature of existing relationships.</i> Should we focus on companies with which we already have strong relationships or simply go after the most desirable companies?
<ul style="list-style-type: none"> • <i>General purchase policies.</i> Should we focus on companies with which we already have strong relationships or simply go after the most desirable companies?
<ul style="list-style-type: none"> • <i>Purchasing criteria.</i> Should we focus on companies that are seeking quality? Service? Price?
Situational factors
<ul style="list-style-type: none"> • <i>Urgency.</i> Should we focus on companies that need quick delivery or service?
<ul style="list-style-type: none"> • <i>Specific application.</i> Should we focus on certain applications of our product rather than all applications?

<ul style="list-style-type: none"> • <i>Size of order.</i> Should we focus on large or small orders?
<p>Personal characteristics</p>
<ul style="list-style-type: none"> • <i>Buyer-seller similarity.</i> Should we focus on companies whose people and values are similar to ours?
<ul style="list-style-type: none"> • <i>Attitudes towards risk.</i> Should we focus on risk-taking or risk-avoiding customers?
<ul style="list-style-type: none"> • <i>Loyalty.</i> Should we focus on companies that show high loyalty to their suppliers?

SOURCES: Adapted from Thomas V. Bonoma and Benson P. Shapiro, *Segmenting the Industrial Market* (Lexington, MA: Lexington Books, 1983); see also John Berrigan and Carl Finkbeiner. *Segmentation Marketing: New methods for capturing business* (New York: Harper Business, 1992).

2.4.1.3 Requirements for effective segmentation

In order to be useful, market segments must be:

- Measurable.

“Measurability is the degree to which the size, purchasing power and profits of a market segment can be measured.” (Philip Kotler *et al.* 2008, p. 422-423)

- Accessible.
- Substantial
- Differentiable
- Actionable

2.4.2 Market targeting

“Market targeting is a broad term that is used to describe the process of identifying groups of consumers who are highly likely to purchase a specific good or service.”

(<http://www.wisegeek.com/what-is-market-targeting.htm>)

“A target market consists of a set of buyers who share common needs or characteristics that the company decides to serve”. (Philip Kotler *et al.* 2008, p. 424)

2.4.2.1 Evaluating market segments

“The largest, fastest – growing segments are not always the most attractive ones for every company.” (Philip Kotler *et al.* 2008, p. 423)

Companies still need to think about their own objectives and resources although “a segment has the right size and growth and is structurally attractive”. (Philip Kotler *et al.* 2008, p. 424)

2.4.2.2 Selecting target market segments

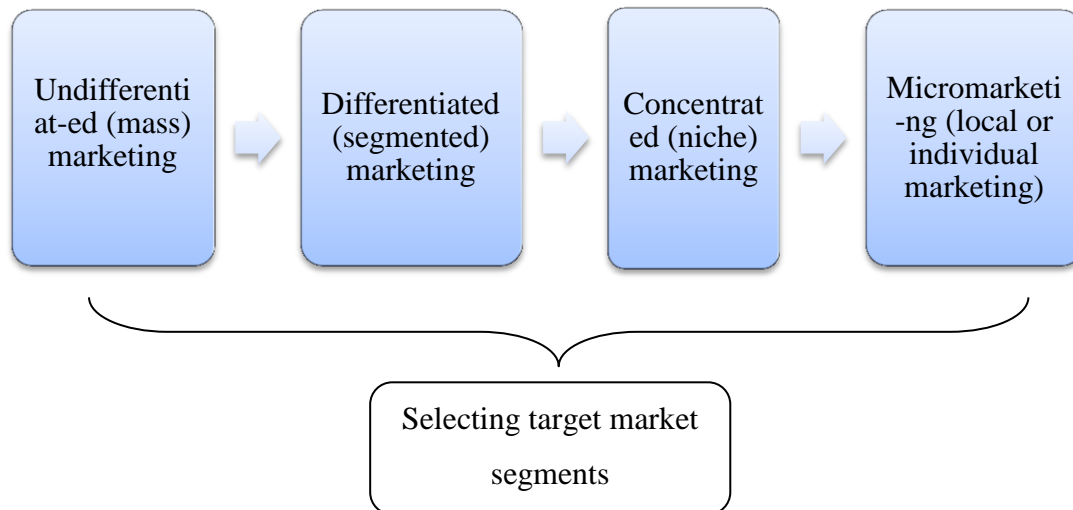


Figure 4 target broadly to target narrowly. (Philip Kotler *et al.* 2008, p. 424)

2.4.2.2.1 Differentiated marketing

Differentiated marketing has another name – segmented marketing. If a firm wants to have its target on several market segments and “designs separate offers for each”, it should use the differentiated marketing strategy. (Philip Kotler *et al.* 2008, p. 424)

“But differentiated marketing also increases the costs of doing business. ... Thus, the company must weigh increased sales against increased costs when deciding on a differentiated marketing strategy” (Philip Kotler *et al.* 2008, p. 427)

2.4.2.2.2 Micromarketing

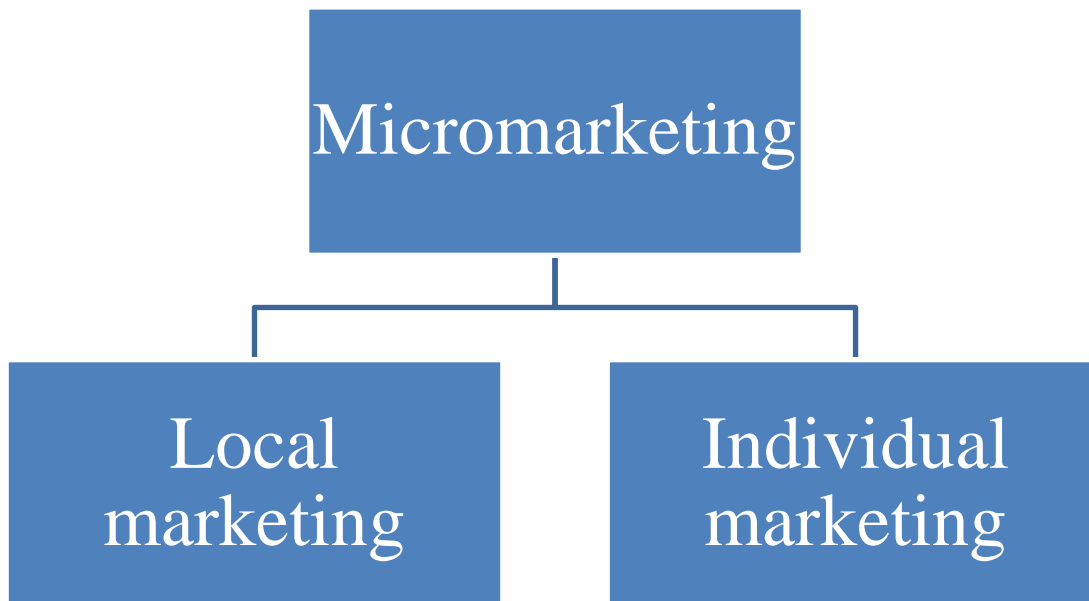


Figure 5 classification of Micromarketing (Philip Kotler et al. 2008, p. 428-429)

[Micromarketing – A form of target marketing in which companies tailor their marketing programmes to the needs and wants of narrowly defined geographic, demographic, psychographic or behavioural segments.] (Philip Kotler *et al.* 2008, p. 428)

2.4.2.2.2.1 Local marketing

“Local marketing – Marketing that involves tailoring brands and promotions to the needs and wants of local customer groups.” (Philip Kotler *et al.* 2008, p. 428)

3 METHODOLOGY

3.1 Questionnaire

This questionnaire has two parts: the first part is about luxury brand - Burberry and Gucci's brand recognition in Zhang Jiagang city, the other part is about the market feasibility of luxury brand - Burberry and Gucci - entry into Kelly Mall, Zhang Jiagang.

Authors made this questionnaire in Chinese since every Chinese cannot understand English, the original version of the questionnaire will put in appendices, and the English version (translated) of the questionnaire will put in appendices as well.

3.1.1 Purchasing behaviour of target consumers

1. For the purchase experience, there are "yes", "no" for target group to choose.
2. For the type that target group will purchase, there are " clothing", "Shoes", "Fragrance", "bags", "Accessories" for target group to make a choice.
3. For the reason why do target consumers buy luxury goods, the options as follows:

Table 6 the motivation in purchasing

Classification	Description
Splurge	High awareness, long history, a status symbol
Unique	Special design, limited edition
Quality	High quality with guarantee
Design	Novelty design

3.1.2 Brand awareness of target consumers

In this section, the target consumers will be asked about do they know about Burberry and Gucci, how do they know about these two brands, what kind of Burberry's or Gucci's products do they know or like, et cetera.

3.1.3 Basic information of target consumers

This section is aim to know about the basic personal information of target consumers, includes gender, age, occupation, monthly income (or monthly living expenses). These belongs to demographic variables, it helps authors to do further analysis. Details as follows:

Table 7 target consumer's basic information

Basic information	Options
Gender	Male, Female.
Age	Under 18, 18 - 30, 31 - 40, 41 - 50, 51 - 60, over 60.
Occupation	Company staff, students, teachers, government officer, service staff, others.
Monthly income (or monthly living expenses)	Under 1,000 RMB; 1,000-2,000 RMB; 2,000-4,000 RMB; 4,000-6,000 RMB; 6,000-10,000 RMB; 10,000-20,000 RMB; Above 20,000 RMB.

3.1.4 Sampling method and target consumers

This research uses random sampling method.

The target group is in Zhang Jiagang city; including students, company staff, government officer, teachers, service staff et cetera.

The range of age is under 18 years old, 18 - 60 years old and over 60 years old. These diversified samples help authors to know the attitude of consumers on luxury goods.

In order to get popular, diversified and different samples for Kelly Mall, authors conduct the research in different age groups and occupation groups all over Zhang Jiagang City.

3.2 Interview

Since it is impossible to get any annual report from Kelly Mall (in China there is no published annual report), authors will do a video interview with the general manager of Kelly Mall – Mrs. Xu to get to know about Kelly Mall.

Authors design the interview questions as:

1. Please introduce Kelly Mall briefly.
2. What is Kelly Mall's annual revenue?
3. What is Kelly Mall's consumer group?
4. What are Kelly Mall's main market strategies?
5. Please talk about the existing luxury brands and their sales situation respectively.

3.3 Formal questionnaire and analysis methods

3.3.1 Formal questionnaire

These two questionnaires were sent by both email and paper.

Email was sent to the VIPs of Kelly Mall meanwhile papers were sent by staff in Kelly Mall to normal citizen, totally 1,000 copies has been sent (each questionnaire has 500 copies). (Online survey links: http://kwiksurveys.com/online-survey.php?surveyID=LMMKKJ_f90e2bcd, http://kwiksurveys.com/online-survey.php?surveyID=LNMLIH_67d94436)

15% of those copies were sent to residential areas, parks and other public places; 20% of those copies were sent to campus, mostly in university campus; 65% of those copies were sent to shopping mall, luxury hotels, high-grade areas, et cetera.

Authors launched the survey at 31.12.2011 and ended at 20.03.2012. Authors got 830 copies back, it has 17% loss.

3.3.2 Research methods

In order to get empirical data, it can be collected from primary data (the questionnaires), or can be collected according to analysis the secondary data (published books, journals, articles online, et cetera.).

Authors will use descriptive statistical analysis method to analysis primary data.

4 RESULT AND ANALYSIS

Authors have got 830 respondents back and 1 interview and use <http://kwiksurveys.com/> to make the questionnaires.

4.1 Secondary Research Result

Based on the theoretical framework, authors conduct an interview with general manager of Kelly Mall.

At first, she explained that the aim of Kelly Mall is to be the most influential landmark of “world of brands” in Zhang Jiagang City. This interview is summarized into the following points:

4.1.1 Market Segment

The target consumer group is those who have medium to high social class and medium to high-income citizens.

Kelly Mall is a transformation and re-construction of its previous shopping department store, which was called “The People’s Shopping Center”. Thus, over the past 10 years, it has already had a regular consumer group in surrounding areas.

Based on the existing customers, Kelly Mall select a group of people who have a high purchasing power as target consumer group. This consumer group used to purchase famous and luxury brands in metropolitan areas, such as Beijing and Shanghai, in the past decade.

Nowadays, they are more likely to spend money with a walking distance. Most of them have already become VIPs of Kelly Mall and averagely make a once-in-a-month consumption in the Mall.

4.1.2 Market strategy

The main market strategy that Kelly Mall applies is: “introducing excellent brands to build up strong brand effect, a variety of brands collection provides diversified shopping experience” (Mrs.Xu, general manager of Kelly Mall).

The existing high-end and luxury brands are: Hugo Boss, Cartier, Rolex, Dunhill, Aquascutum, DuPont, Vasto, Ports, Mont Blanc, Shiseido, Aupres, Chow Tai Fook, Tudor and Rolex. Mrs. Xu offers an internal unpublished research report on the most attractive brands in Kelly Mall.

Among all the brands, Cartier, Rolex, Hugo Boss, Shiseido and Mont Blanc are ranked on the top 5. The report also illustrates the reasons why these top brands are popular, the top ranked reasons are: fashionable store design, delicate product display and considerate service. Stores of these top-brands create a strong visual impact to native customers.

In addition, to upgrade Kelly Mall’s brand equity, strategy goes to continue introducing more top-brands that have high brand awareness.

With these brands’ effect, on one hand, it consolidates existing high-end consumer group, on the other hand, it provides a richer shopping experience for potential customers.

In terms of promotion, Kelly Mall conducts a win-win strategy with franchised stores. It has its own specialized advertising company. The advertising team is responsible for popularizing Kelly Mall’s brand awareness as a whole, promoting their sub-stores as specific.

In the meanwhile, there is a fortnightly Direct Mail issued by Kelly Mall’s advertising company, and the Direct Mail has its own issue number. In each issued Mail, one column is telling “brand story” of brands that build their stores in Kelly Mall. The delivery area of Direct Mail covers the whole Zhang Jiagang City including suburb areas.

Furthermore, Kelly Mall organizes VIP activities every three month in order to explore potential business opportunities.

As mentioned above, the target consumer group of Kelly Mall is those citizens who have relatively strong purchasing power and comparatively high social status, the general manager believes that this group is more likely focus on shopping experience instead of focusing on products.

Thus based on regular service, it applied special training for selected employees. Purpose of the action is to provide an exclusive service for VIPs.

Mr. Xu added her point of view on future outlook of luxury goods markets that she believes luxury goods market in China continues to be an upward trend in next 5 years. China's urbanization in lower-class cities shows fast increasing phenomenon as well as their growing wealth, it creates an emerging market for luxury goods and considerable luxury goods consumer group.

She also illustrates factors that lead to luxury goods market prosperity. The cause lies in the fact that: first of all Chinese rapidly growth of wealth; second factor refers to mass information from the Internet so that people are going to be aware of those top brands; third factors is the emerging travel groups from China to Europe and America; from psychology point of view, some people believe having a luxury product equals higher social status, that intends to show off their wealth in front of public.

4.2 Primary research result

For the data in questionnaires, the currency is in Chinese RMB, and figures keep two decimals.

4.2.1 Vertical analysis

4.2.1.1 Questionnaire 1

Title: Luxury brand - Burberry, Gucci's brand recognition in Zhang Jiagang City, China

The number of respondents is 397 from 500 copies, with 20.60% loss. 41.81 percent of respondents are male while 58.19 percent are female.

The major age range is 31-40 year-old, which accounts for 42.57 percentages. There is no respondent under 18 year-old and above 60 year-old. 16.86 percent of informants are from 18-30 year-old, the percentage of 25.94 goes to 41-50 year-old citizens while the left 14.63 percent goes to 51-60 year old.

Speak of monthly income, the highest percentage 30.73% goes to people who have 6,000 to 10,000 monthly income; the percentage of 1,000 to 2,000 monthly income is 10.08%; percentage of 2,000 to 4,000 is 13.10%; those who have 4,000 to 6,000 monthly income accounts for 14.61%; 17.13 % respondents are from 10,000 to 20,000 income; 14.36% respondents have an average monthly income above 20,000. There is no respondent has under 1,000 monthly income.

Respondents are asked whether they prefer luxury goods. 335 of them show they like luxury goods, which occupies 84.38 percent. The other 62 show dislikes.

Researchers formulate seven reasons that people may consider why they prefer luxury products. Factors are categorized into: fashion design; excellent quality; high brand fame; symbol of wealth and social status; brand's history; friends' influence and others. This question is designed with multiple choice and respondents can mark two or more answers. Fashion design factor is top-rated, which accounts for 25.00 percent; excellent quality and high brand fame are ranked as the second important factors. It reaches 13.89 percent of factors on symbol of wealth and social status; in comparison, brand's history and Friends' influence have relatively less effect on people purchasing luxury goods; the remaining part goes to other factors, which has 5.56% rate, however, there is no specific explanation from respondents. (See figure 6)

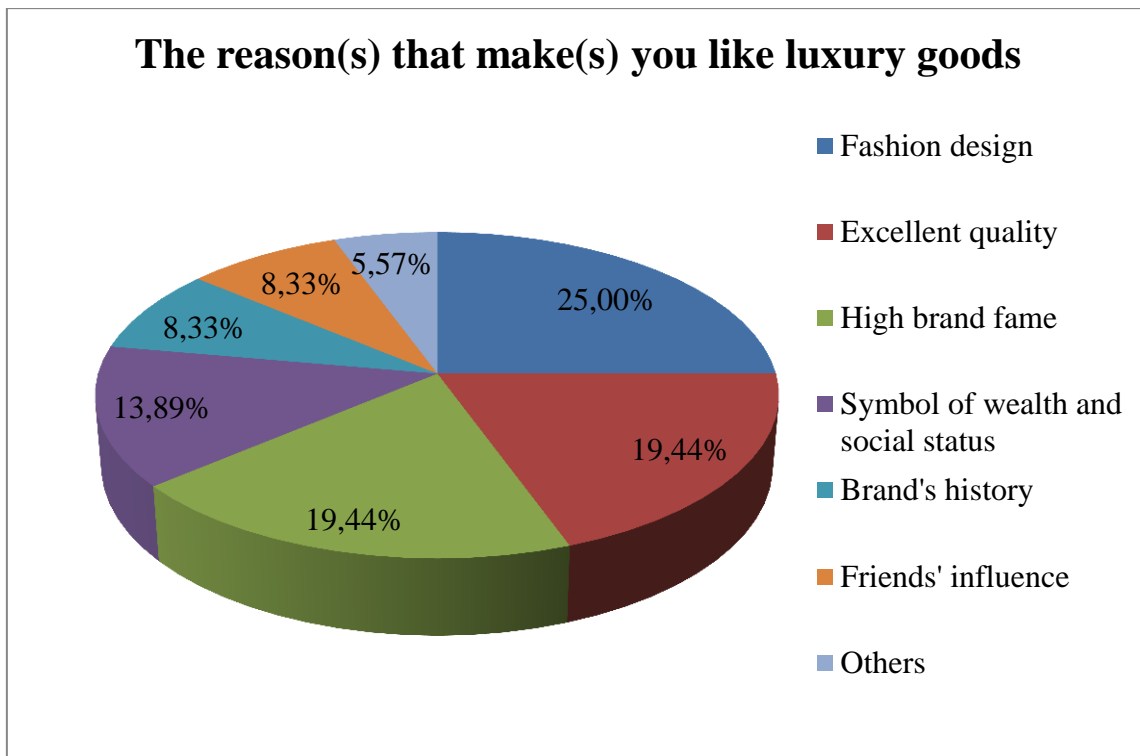


Figure 6 the reason(s) that make(s) people like luxury goods(multi-answers)

Furthermore, respondents being asked on brand: Louis Vuitton, Hermès, Gucci, Chanel, Cartier, Rolex, Hennessy, Moët Chandon, Fendi, Burberry's awareness, which are the top ten world luxury brands in 2011 (See table 2). French brand Louis Vuitton ranked the first place with 16.65% recognition; Rolex from Switzerland is the second top-rated luxury brand with 14.64% awareness; Researchers' inquiry brands Gucci and Burberry are rated 3rd and 5th respectively, which with 13.18% and 10.58% rates. Among the ten brands, degree of brand awareness is sorted in descending trend. (See figure 7)

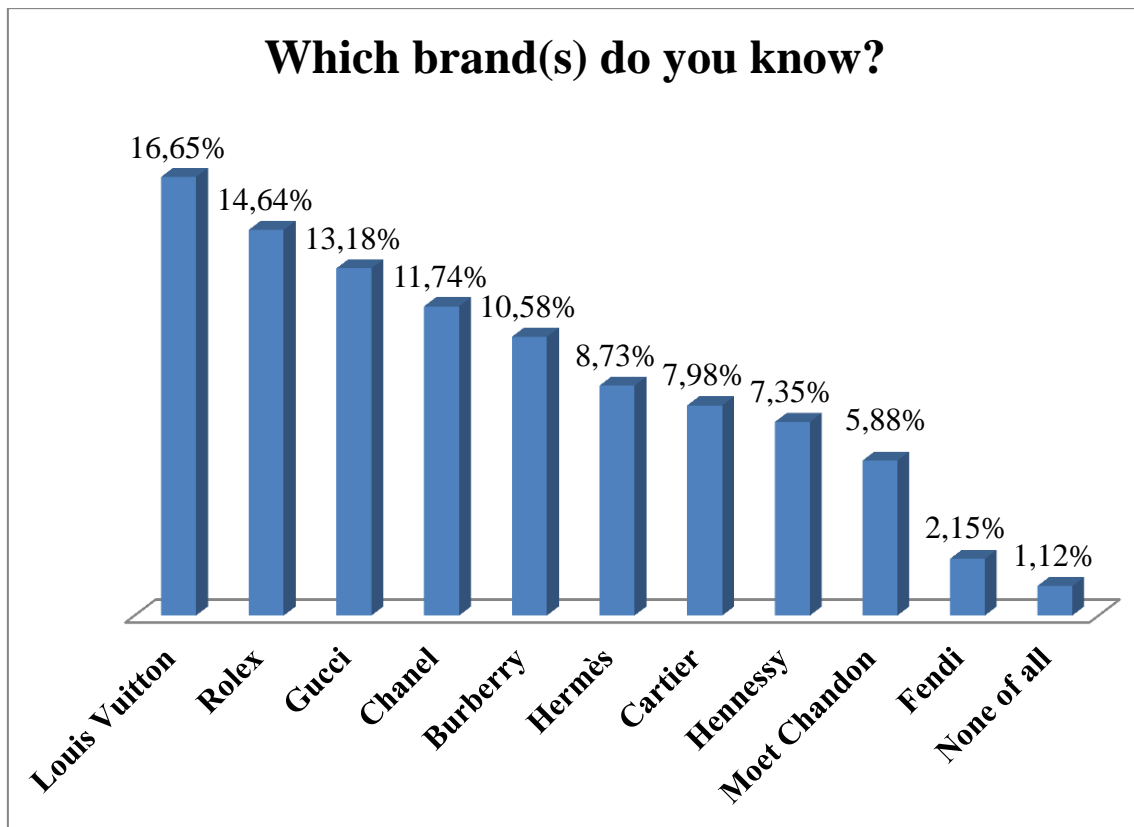


Figure 7 brand(s) that people know(multi-answers)

Burberry

To be specific, researchers move forward to aim brands Gucci and Burberry’s detailed recognition. The number of people with absolute no awareness on Burberry accounts for 7.81%; respondents have heard this brand has 15.37% of all answers; when showing Burberry logo, 77 respondents (19.37%) are able to recall this brand afterwards. large proportion goes to “I know this brand very well”, which occupies 57.43% of 397 respondents.

As we can see from figure 8, fashion magazine is the most rated source that people know Burberry brand, which has 26.67%; the second main channel is friends’ introduction that is 23.15%; TV is placed in the same league as advertisement; the Internet seems has a relatively low proportion of 13.33%. Besides the five main ways that people knew Burberry brand, respondents specify other possible channels. 13 respondents write that he knew Burberry after visiting a department store in metropolitan shopping area, such as Harbour City Shopping Mall in Hong Kong, Pinault Printemps Redoute in Shanghai.

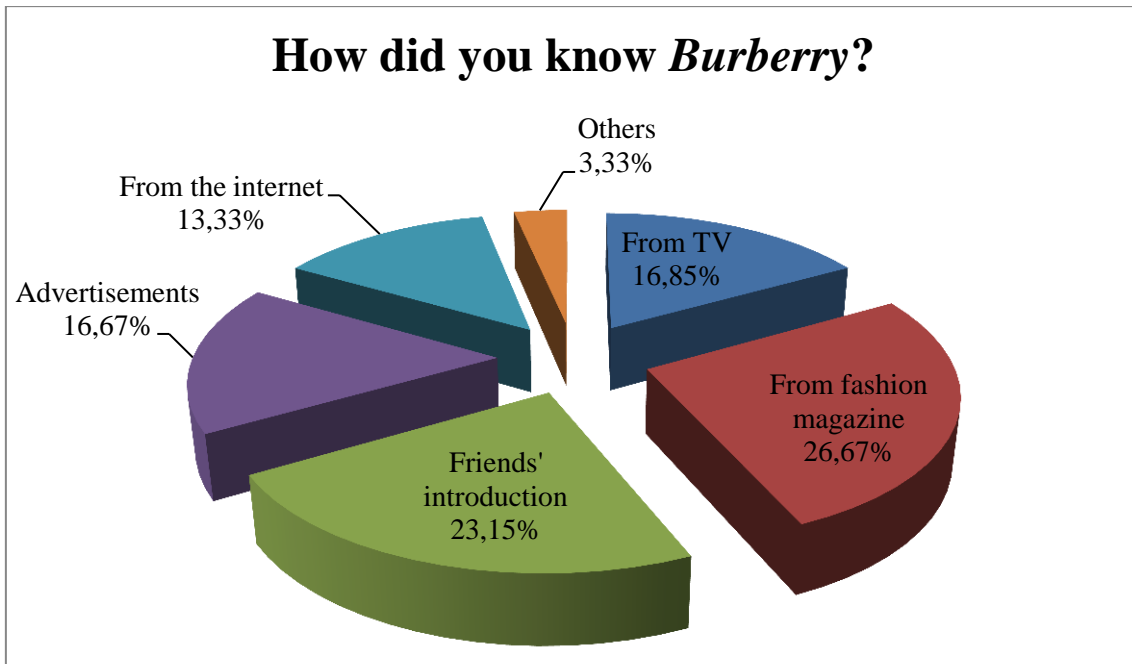
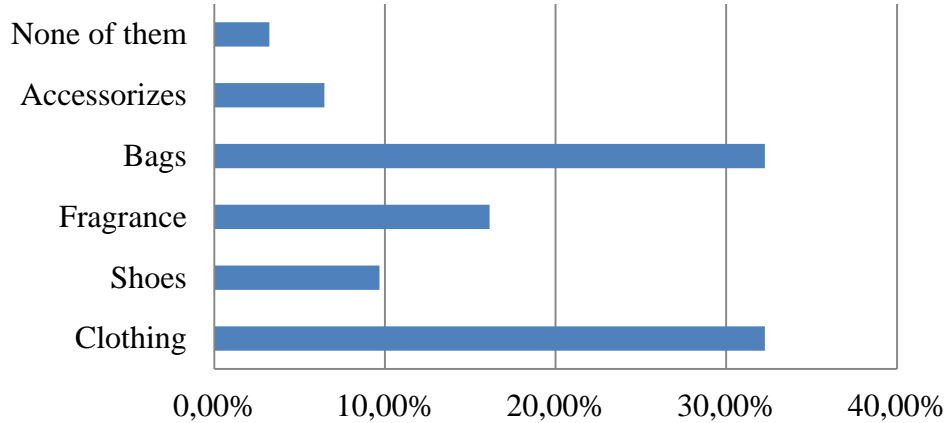


Figure 8 the way that people know Burberry (multi-answers)

From Burberry product category, bags and clothing play main role among all products, which has equal weight of 32.26%. A number of respondents mention that coats are products with “top of mind” brand awareness from Burberry brand. Fragrance products has 16.13% vote, which ranked the third in Burberry catalogue. 6.45% rates goes to accessorize (See figure 9). However, there is a number of respondents do not know them at all.

For *Burberry's* products, which of the following do you know?



	Clothing	Shoes	Fragrance	Bags	Accessories	None of them
■ For Burberry's products, which of the following do you know	32,26%	9,68%	16,13%	32,26%	6,45%	3,22%

Figure 9 Burberry's products that people know (multi-answers)

Gucci

Following Burberry detailed recognition model, 247 questionnaires show high brand awareness on Gucci, which accounts for 62.22% of 397 responses. In comparison with Burberry, Gucci has 4.79% higher brand awareness. 18.39% respondents can recall this brand after presenting brand logo. 13.60% say that they know this brand when someone mentioned it. 23 of 397 responses show 5.79% no awareness.

In terms of Gucci's cognitive channels, high proportion goes to fashion magazine, which is the same as Burberry has. Friends' introduction is 24.44% rating that ranked the second main way to receive Gucci news. 15.67% and 15.89% are marked on advertisement and the Internet channels. (See figure 10) The minorities of people also explain another method, this time 27 respondents note they knew Gucci when shopping in a department store in capital cities.

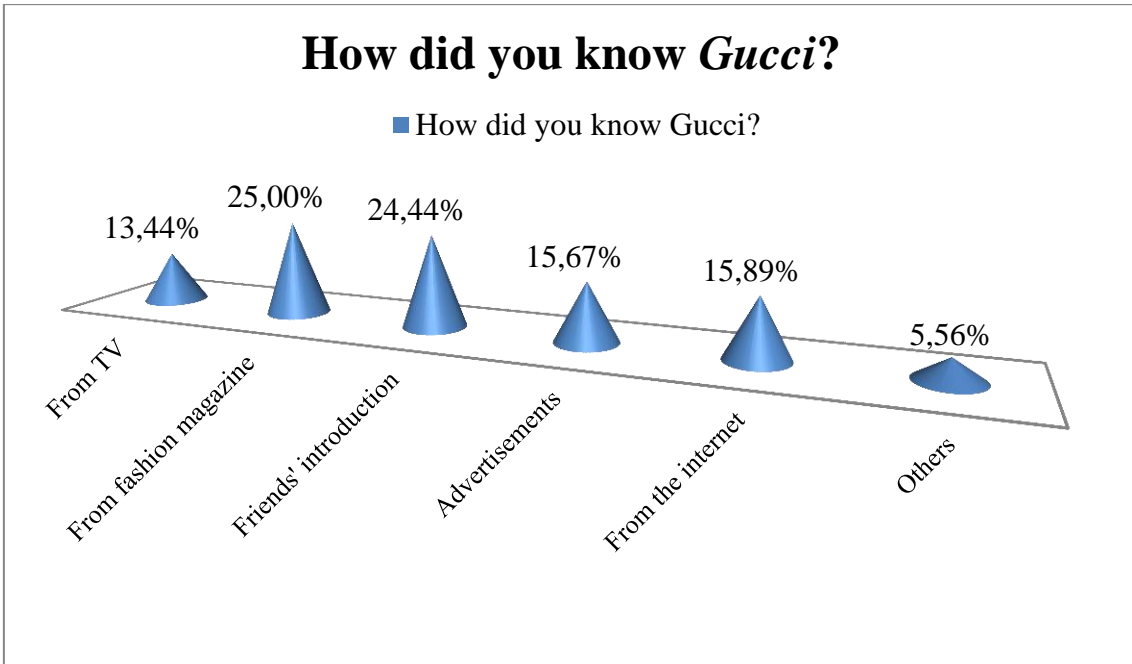


Figure 10 the way that how people know Gucci (multi-answers)

Gucci bags occupies the largest proportion superior to other product category, in the meanwhile, there is “top of mind” awareness among all Gucci products. As figure11 shows, it is rated the second on accessorizes, which has 18.86% rating; shoes product has 16.68% votes; fragrances is 14.29%; 13.29% is from clothing. Certainly, a number of people have no idea about what they are.

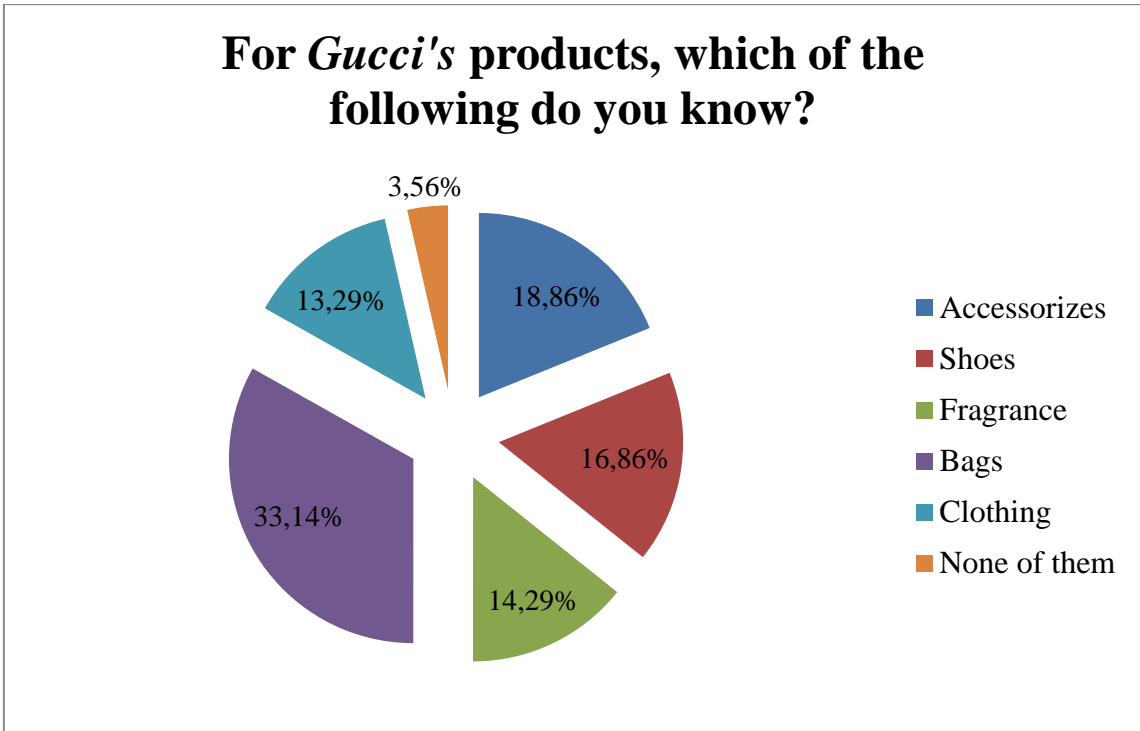


Figure 11 Gucci's products that people know (multi-answers)

Generally, through analyzing and comparing two brands, they have different rates of brand awareness in consumers' mind and Gucci stands higher than Burberry. It also shows that fashion magazine plays the most important role in promoting recognition for both brands while friends' introduction is with second importance. As far as product category awareness is concerned, Burberry has a significant popularity in Clothing goods and bags; in the meanwhile, Gucci has it in Bags.

4.2.1.2 Questionnaire 2

Title: Market feasibility of luxury brand Burberry and Gucci's entry into Kelly Mall

The number of respondents is 433 from this questionnaire (totally 500 copies, the loss is 13.40%). There are 64.67 per cent female and 35.33 percent males participated.

The major age range is 31-40 years old, it accounts for 64.20 per cent; the following range is 41-50 years old which rate is 20.09 per cent; then, the age between 18-30 years old reaches 12.01 per cent; and the rate of 51-60 years old only 3.70 per cent; there is no respondent who is under 18 years old or over 60 years old.

Among those respondents, most of them are office staff with 50.12 per cent (217 persons), the second biggest group is government officer, it accounts for 22.63 per cent (98 persons); there are 17.55 per cent students (76 persons) and 4.85 per cent teachers (21 persons); then, for the service staff, it only accounts for 3.46 per cent (15 persons), others occupied for 1.39 per cent (6 persons).

For the monthly income or monthly living expenses, authors find out that the monthly income or monthly living expenses during 6,000-10,000 RMB ranked No. 1, the percentage is 33.49%; the second highest range is 10,000-20,000 RMB which accounts for 23.79%; the range of 4,000-6,000 RMB in the following, which has 16.40% rate; the monthly income or monthly living expenses above 20,000 RMB reached 13.63%; the range of 2,000-4,000 RMB occupied 7.85% and the range of 1,000-2,000 rated 4.85%. There is no respondent in the range that less than 1,000 RMB. The result shows that most of the citizens have about 6,000-10,000 RMB monthly income or monthly living expenses, it is a quite high level compare to other city that in the same level with Zhang Jiagang.

There are 315 respondents have been to Kelly Mall shopping (which accounts for 72.75% in total 433 respondents), and 118 respondents have not been to Kelly Mall shopping (the rate is 27.25%). And among those 433 respondents, 383 of them are VIP member and 50 of them are not VIP member (account for 88.45% and 11.55% respectively); in additional, 75.06% of respondents have bought luxury goods meanwhile 24.94% of respondents have not buy any luxury goods.

For the purpose(s) that make(s) people want to purchase luxury goods, the reason that “for yourself” has the highest vote, which is 51.04%; the reason “as a gift” is the next that accounts for 37.18%; then, the order from high to low is “for collection” (7.85%), “for business use”(3.93%) and there is no other purposes. (See figure 12)

The result shows that most people are willing to buy luxury goods for self-use.



Figure 12 the purpose(s) that make(s) people want to purchase luxury goods(multi-answers)

From the reason(s) that make(s) you want to purchase Gucci’s products side, most respondents choose “high brand fame” (25.40%), “fashion design” is the following that accounts for 22.86%; “excellent quality” is the next, the rate is 15.70%; then, here comes “symbol of wealth and social status” that occupied 13.16% and for “friends’ influence” rated as 10.85%; “brand’s history” accounts for 9.70% and the vote of others is 2.33%. (See figure 13)

Among the total 433 respondents, there are 58.89% respondents says that they will buy Gucci’s products when they go abroad or asks relatives or friends to bring what they want from abroad; 23.56% respondents agrees that they will go to Zhang Jiagang’s native shopping mall to buy Gucci’s products if Zhang Jiagang has the Gucci retail store; 11.78% respondents insists that they will go to Shanghai, Beijing, Guangzhou et cetera – those first tier cities – to buy Gucci’s products; only 5.77% respondents says they will go to Nanjing Hangzhou et cetera – those nearly capital cities.

The result shows that it is possible to introduce Gucci in Kelly Mall since there are quite a few people willing to go there and buy Gucci’s products.

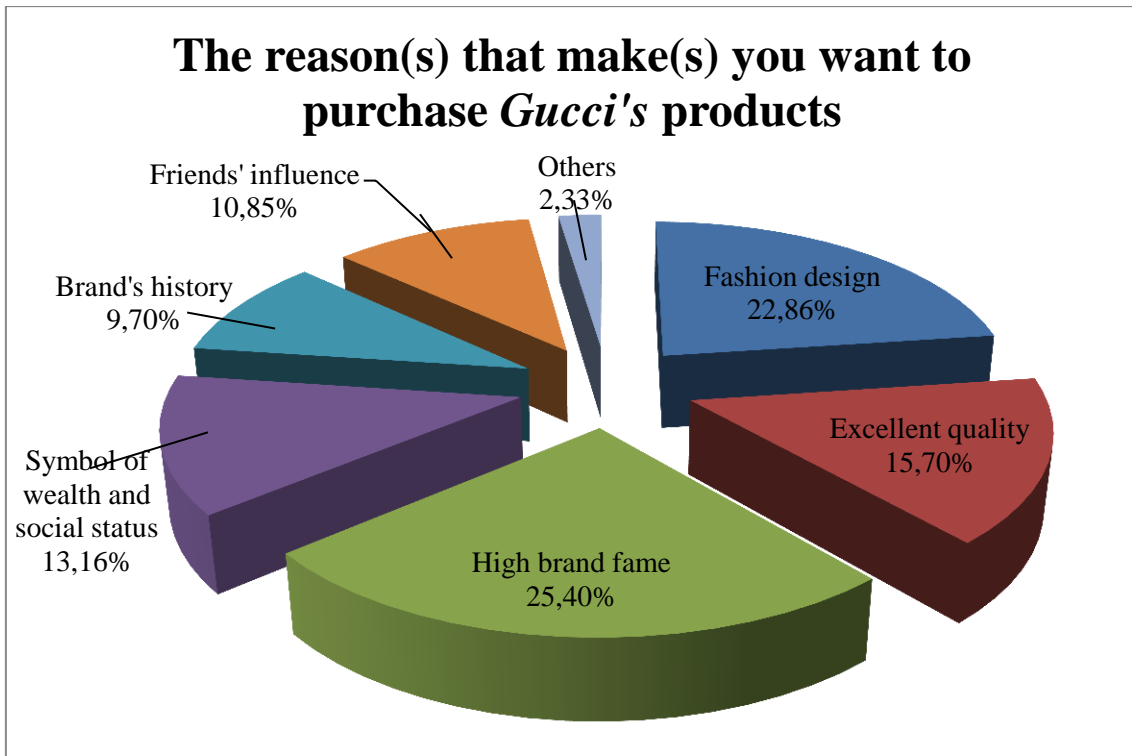


Figure 13 the reason(s) that make(s) you want to purchase *Gucci's* products(multi-answers)

The result of “the reason(s) that make(s) people want to purchase Burberry’s products” claims that “high brand fame” occupied 22.22% and still gets the highest vote; “excellent quality” follows the “high brand fame” that accounts for 20.99%; then “fashion design” gets the third highest rate which is 19.75% while for “friends’ influence” is 13.58%; “brand’s history” and “symbol of wealth and social status” accounts lower percentage which is 11.11% and 9.88% respectively; and some respondents buy Burberry’s products because of other reasons, the rate of “others” is 2.47%. (See figure 14)

According to this result, authors figure out that as the survey in Gucci, people still pay more attention on high brand fame and excellent quality, and most of them are people who have high monthly income.

Among the total respondents, 267 people (61.66%) choose to buy Burberry’s products when they go abroad or asks relatives or friends to bring what they want from abroad; 102 people (23.56%) thinks that they would like to go to Shanghai, Beijing, Guangzhou et cetera – those first tier cities – to Burberry’s products; then 39 persons (9.01%) want

to go to Zhang Jiagang native shopping mall and 25 people (5.77%) are willing to go to Nanjing Hangzhou et cetera – those nearly capital cities.

The result shows that it is not a good idea for introduce Burberry into Kelly Mall since there are not so many people want to shop at their native city.

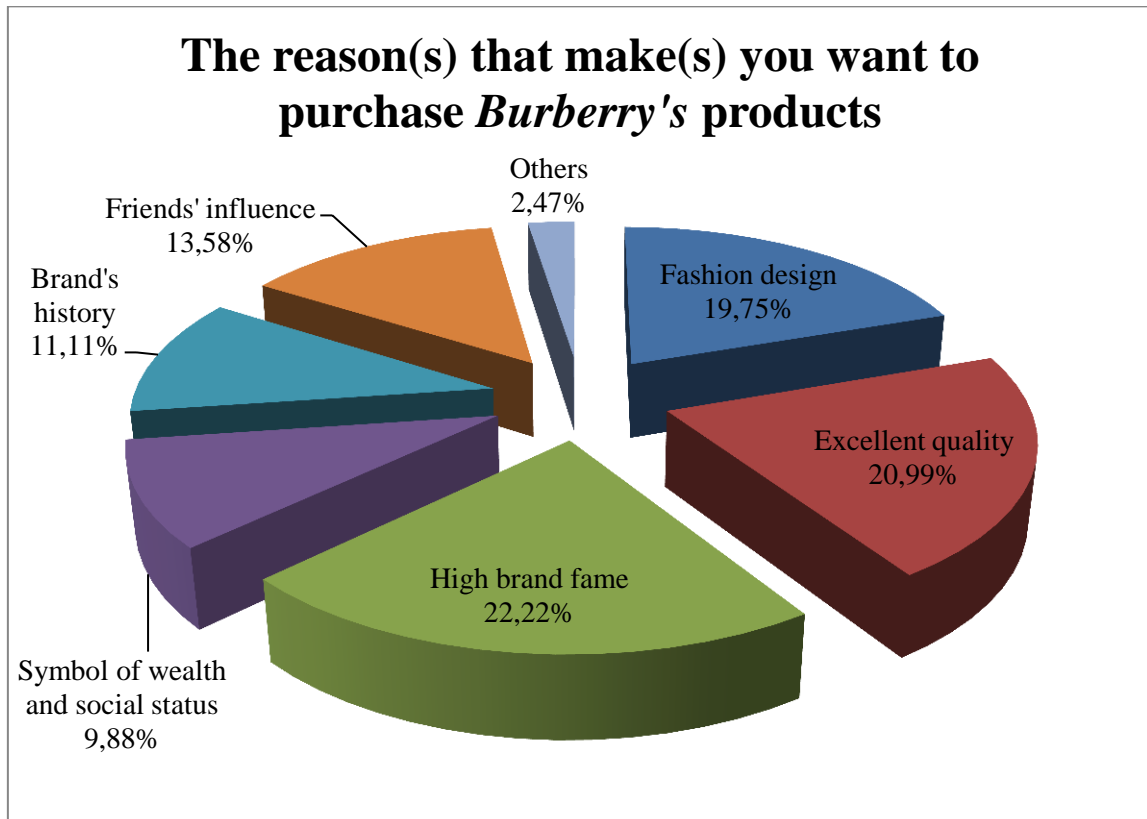


Figure 14 the reason(s) that make(s) people want to purchase Burberry's products (multi-answers)

Figure 15 shows those 75.52% respondents (327 people in total 433 persons) believe that Kelly Mall should introduce more luxury brands, 12.24% respondents (53 persons) shows that they have no idea about whether Kelly Mall should introduce more luxury brands, then 10.16% respondents (44 persons) says they will not buy luxury goods in native stores and only 2.08% respondents (9 persons) claims that they will never purchase any luxury goods. (See figure 15)

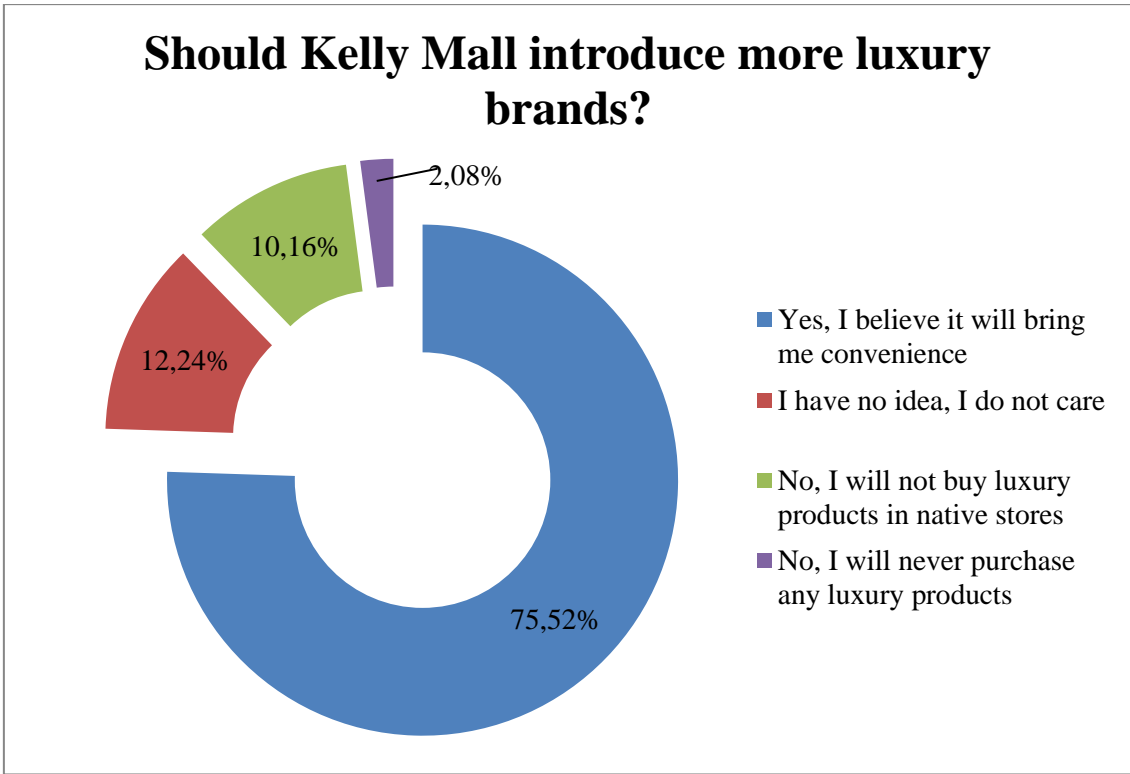


Figure 15 should Kelly Mall introduce more luxury brands

Since authors want to find out which brand (Burberry and Gucci) do people think that Kelly Mall should introduce in, which brand they prefer or they want both of them, table 8 shows that 338 respondents prefer Gucci than Burberry which accounts for 78.06%, 52 respondents which rated as 12.01% prefer Burberry than Gucci and 43 respondents (occupied 9.93%) agree that both should be introduced into Kelly Mall. (See table 8)

344 respondents in total 433 respondents (79.45%) think that it is a good idea that Kelly Mall have some more luxury brands and it will expand the potential market for Kelly Mall; remained respondents (89 persons, accounts for 20.55%) believes that Kelly Mall should not introduce any luxury brands.

Table 8 the brand that people think Kelly Mall should introduce in

Which brand do you think that Kelly Mall should introduce in?	
<i>Burberry</i>	12,01%
<i>Gucci</i>	78,06%
Both <i>Burberry</i> and <i>Gucci</i>	9,93%

4.2.2 Horizontal analysis

4.2.2.1 Questionnaire 1

Compared 397 answer sheets by gender, which from 231 female respondents and 166 males, it shows that 94.81% females prefer luxury goods while figure for male is 69.88%. Among the top ten luxury brand, the majority of females and males know Louis Vuitton.

For the reason that why they like luxury products, the minority in females rating brand's history and excellent quality, on the contrary, most of men choose these two factors as reasons. It shows that female are mostly attracted by fashion design, high brand fame. For example, in fashion design section, 85.00% rating are from female respondents; In high brand fame section, 88.31% are female raters. Females have an outstanding percentage on friends' influence (See figure 16).

Respondents who know Burberry brand well are 171 females and 57 males; those who have no awareness of Burberry brand are 11 females and 20 males (See figure 17). In terms of Gucci, 161 females know Gucci brand and the number of males is 86, which is 9 males more than Burberry brand; those who have no awareness on Gucci brand are 6 females and 17 males.(See figure 17).

Among different channels that people knew Burberry, it is also investigated that the most important source - fashion magazine has 91.77% female voters and TV has 79% male voters. Speak of product category awareness by gender, Burberry bags refer to

54.23% female and 45.77% male respondents; Burberry accessories has equally rates; Burberry clothing is 68.77% belongs to men; shoes and fragrance are 45.21% and 57.00% from female raters. In general, females are more aware of these two luxury brands than males. However, the number of men know Gucci brand is larger than Burberry. Females are interested in luxury brands' fashion design, high brand fame and friends' influence; while males pay more attention on excellent quality, symbol of wealth, brand's history, and social status. (See figure 16)



Figure 16 The reasons people like luxury goods by gender

Burberry and Gucci brand awareness by gender

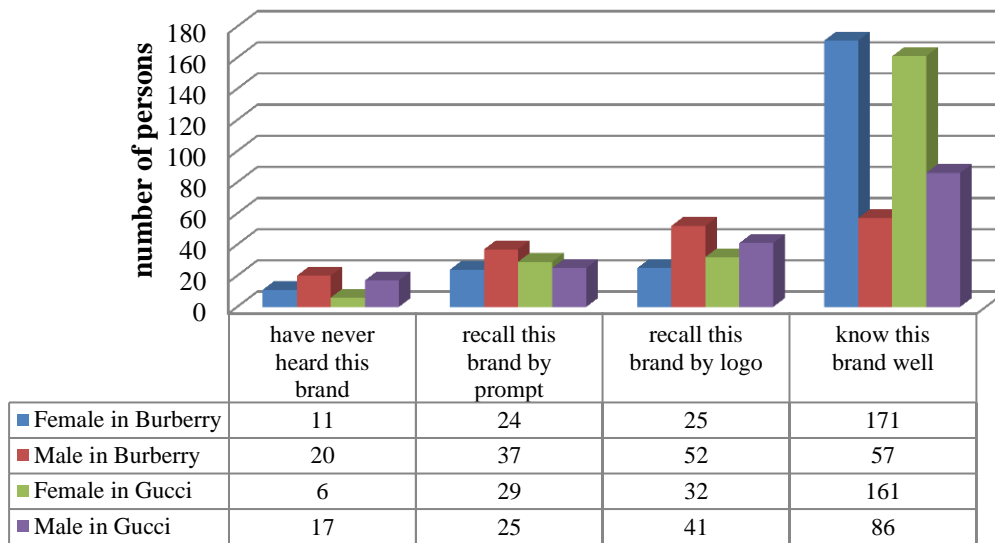


Figure 17 Burberry and Gucci brand awareness by gender

Brand awareness compared by age range in 397 answer sheets. details are as follows:

From 18-30 years old (total 67 persons), 94.03% are interested in Luxury goods. 39 of them know Burberry brand well while 42 of them know Gucci brand well; 19.40% (13 persons) can recall Burberry brand by seeing its logo; 14.93% (10 persons) are able to recall Burberry brand by prompt; 7.46% (5 persons) have absolutely no idea about Burberry. For Gucci, 17.91% (12 persons) could recall this brand by showing its logo; 3 persons have no awareness on Gucci brand (See figure 18& 19). They are also the major fashion magazine followers that most of them mark they knew both of Brands from fashion magazines.

From 31-40 years old (total 169 persons), 89.35% shows they like luxury goods. For Burberry, 97 persons show a well-known on this brand which accounts for 57.40% of this age group; 33 persons are able to recall this brand by presenting Burberry logo; 26 respondents are in aided awareness group; 13 of them total have no observations. Speaks of Gucci brand, well-known group on Gucci is much higher than those in Burberry, which has 105 respondents; logo-aided has a number of 31 persons; 10 persons have no sense of Gucci brand (See figure 18&19). This group has 39.65% knew Gucci brand from fashion magazine and 42.78% from advertisement.

From 41-50 years old (total 103 persons), 94 persons are interested in Luxury goods that occupies 91.26% in this age group. In terms of brand awareness, Burberry well-known fans are 59 persons; 20 persons in this group have to rely on its logo; 16 persons have to rely on prompt and the other 8 persons mark no awareness. For Gucci brand awareness, authors find out there are 5 more persons in this group know Gucci better than Burberry and less persons do not know this brand. (See figure 18&19)

From 51-60 years old (total 58 persons), there is a limited number in this age group that prefer luxury goods, which accounts for 46.55%. For Burberry brand, 33 persons in this age group know Burberry well while 5 have no sense on Burberry. In terms of Gucci brand, 36 citizens show a well-know while 4 persons have no ideas on this luxury brand (See figure 18&19)

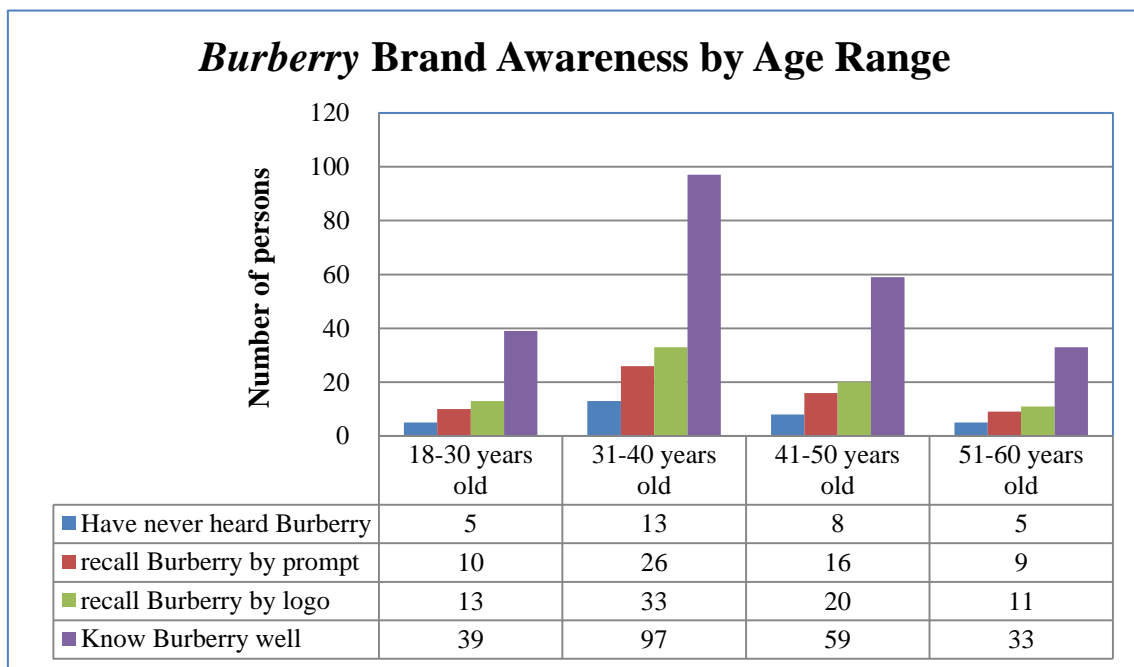


Figure 18 Burberry brand awareness by age range

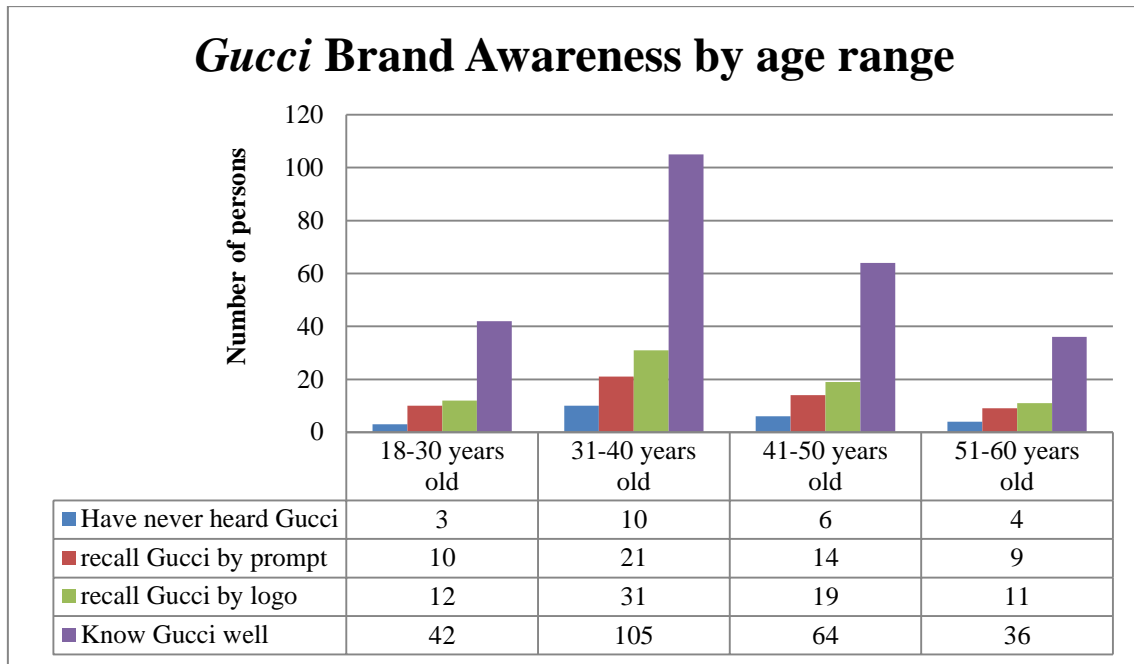


Figure 19 Gucci Brand Awareness by age range

In comparison with different monthly income of respondents, authors find out the fact as follows (Currency in Chinese RMB):

A number of 40 respondents has a monthly income of 1000-2000, in this income range, 57.50% (23 copies)answers show that Burberry brand is well-known; the percentage of no awareness on this brand is 7.50% (3 persons); In terms of Gucci, this group stays at the same level with Burberry, that 25 persons know Gucci brand well while 3 do not know.

A number of 52 answers are in the monthly income range from 2000 to 4000 RMB, 57.69% of answers show that they know Burberry brand; 19.23% have to fall back on prompts; 15.38% of respondents could recognize Burberry by showing its logo; the left 7.69% of respondents have no sense of this brand. Gucci brand awareness has no big fluctuation compared with Burberry in this section.(See figure 20)

A number of 58 respondents have monthly income from 4000 to 6000, the percentage of people understand Burberry brand is 56.90%; those who have to get help from prompts occupy 15.52%; Burberry logo-aided refers to 18.97% and 8.62% of them are totally not

aware of Burberry. Situation for Gucci are 62.07% of well-known and 5.17% of do not know.

Among all respondents, the major income group are from 6,000 to 10,000, which has 122 answers collected from this group. Speak of Burberry brand, the following data shows percentage of well-known, logo-aided, prompts-aided and no awareness respectively: they are 57.38%, 19.67%, 15.57 and 7.38% (See figure 20). It shows an outstanding change in the range. From point of view of Gucci, 62.29% choose the option “know Gucci quite well”; 18.03% have to be aided by Gucci logo; 13.93% have to be aided by others' prompts while the left 5.57% have no sense of Gucci. (See figure 21)

In general, according to figure 20 & figure 21, Gucci has a higher brand awareness among 6,000-10,000 monthly income group.

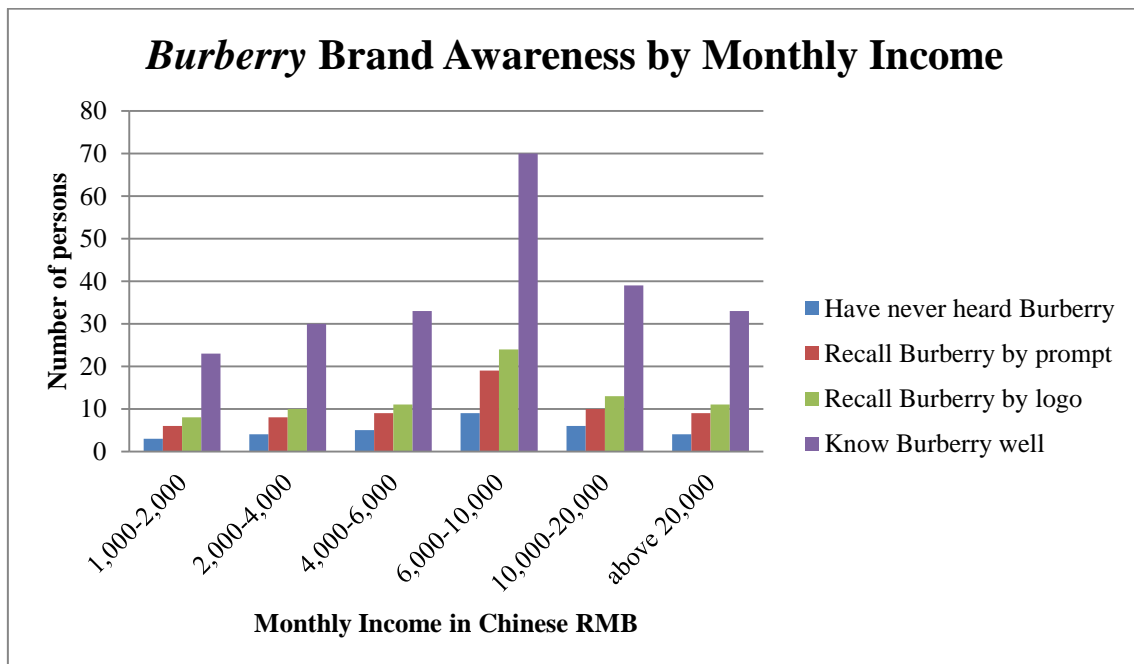


Figure 20 Burberry Brand Awareness by monthly income

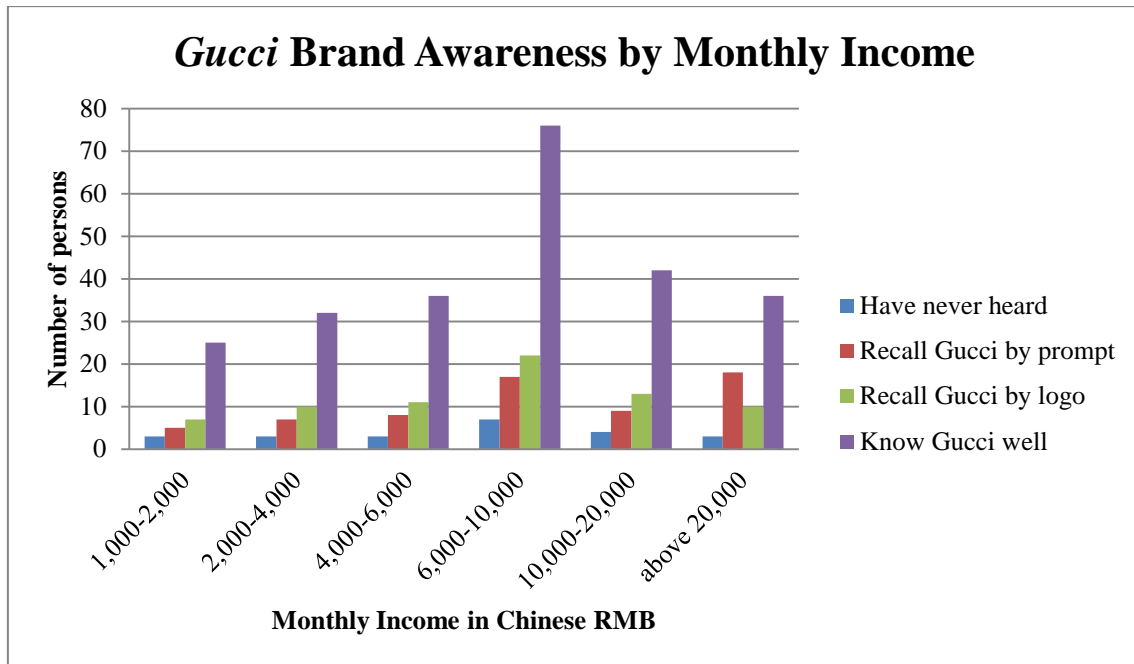


Figure 21 Gucci Brand Awareness by monthly income

4.2.2.2 Questionnaire 2

For horizontal analysis to questionnaire 2, authors do this analysis based on gender factor, age factor, occupation factor, monthly income or monthly living expenses factor and the VIPs and non-VIPs factor.

Gender factor: There are 280 female and 153 male respondents give the questionnaire back. Among the 280 female respondents, there are 234 persons strongly recommend that Kelly Mall should introduce in Gucci, which accounts for 83.57%, 38 persons say that Burberry is better, the rate is 13.57% and rest of them agree both of Gucci and Burberry with the rate of 2.86%; for the 153 male respondents, 104 persons suggest that Gucci is more suitable compare to Burberry and 14 persons have the contrary opinion, the rate is 67.97% and 9.15% respectively. 22.88% males think that both Gucci and Burberry are ok that introduced into Kelly Mall.

Thus, Gucci has greater popular demand than Burberry. (See figure 22)

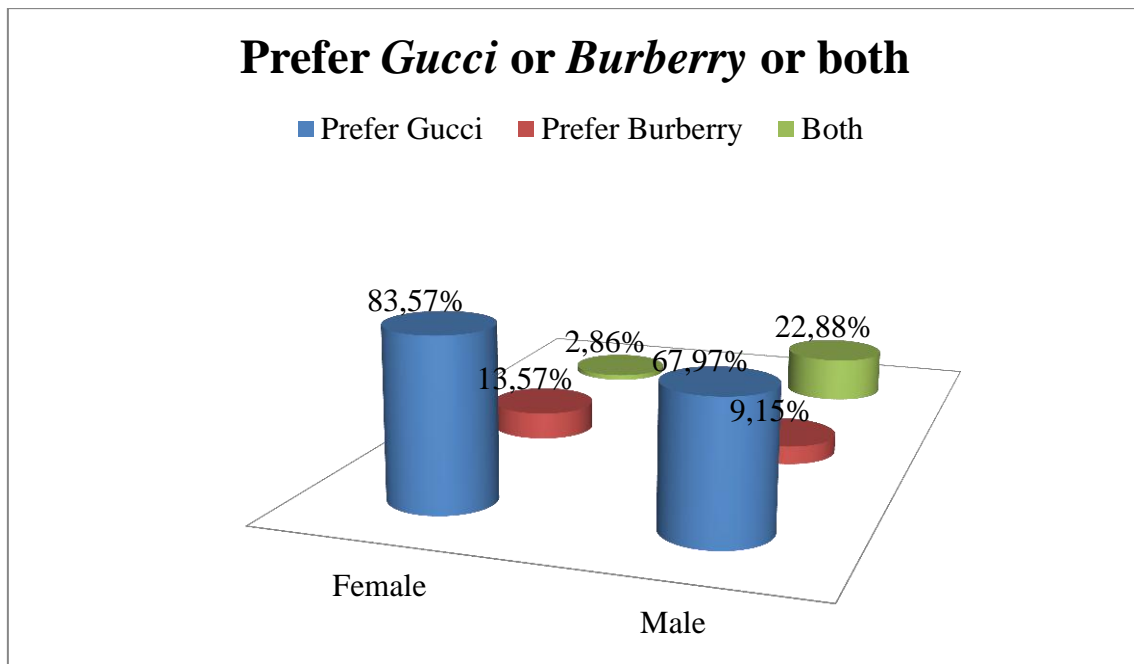


Figure 22 prefer Gucci or Burberry or both (different gender)

Age factor: From age-range side, it shows that among the range of 18-30 years old (total 52 persons), there are 37 persons claim that Kelly Mall should introduce Gucci in which accounts for 71.15%, other 11 persons have the opposite views, the rate is 21.15% and rest of the respondents prefer both Gucci and Burberry (7.69%, 4 persons).

For the range of 31-40 years old (total 278 people), 80.94 per cent respondents (225 persons) believe Kelly Mall should have Gucci as their new luxury brand cooperation partner; the amount of respondents that prefer Burberry is 22, that occupied for 7.91%; only 31 people like both Gucci and Burberry (11.15%).

Among 41-50 years old (total 87 persons), 71.26% respondents prefer Gucci (62 persons); 19 persons prefer Burberry, the rate is 21.84%; 6 persons prefer both (6.90%).

For the last age range in 51-60 years old (total 16 persons), 14 people prefer Gucci while there is nobody prefer Burberry and only 2 persons prefer both, the percentage is 87.50%, 0.00% and 12.50% respectively.

Therefore, Gucci is still the brand that has a very high voice . (See figure 23)

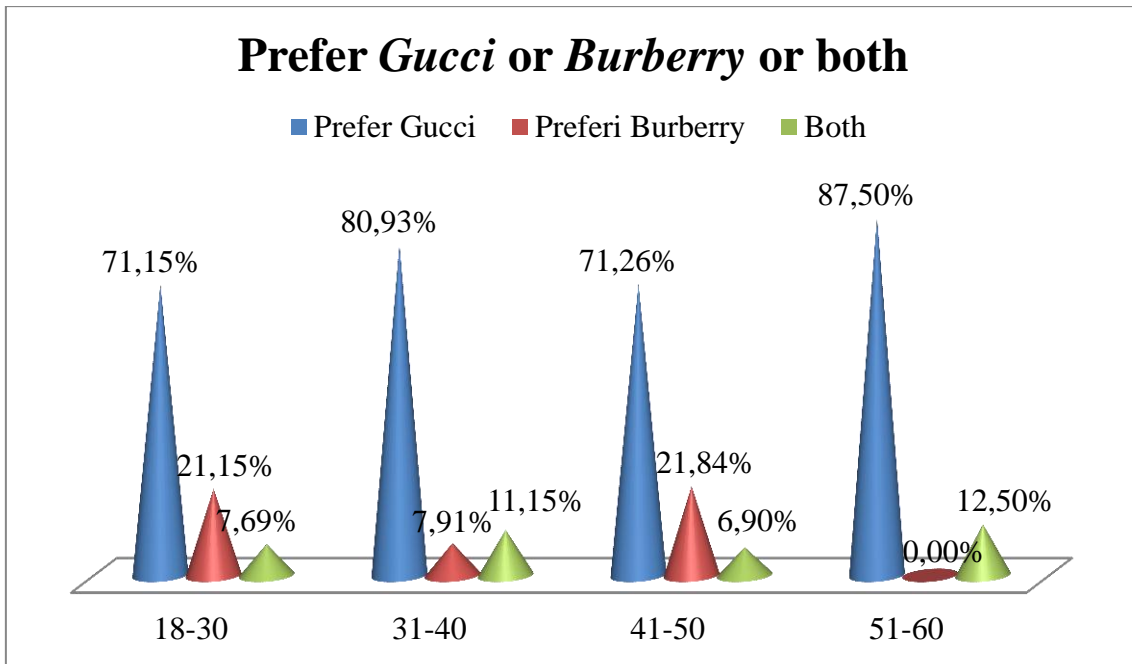


Figure 23 prefer *Gucci* or *Burberry* or both (different age-range)

Occupation factor: For the occupation factor, the details as follows:

- Office staff (217 ppl): 91.71% respondents prefer Gucci, 4.61% respondents prefer Burberry, 3.69% respondents prefer both.
- Government officer (98 ppl): 77.55% respondents prefer Gucci, 5.10% respondents prefer Burberry and 17.35% respondents prefer both.
- Students (76 ppl): 68.42% respondents prefer Gucci, 23.68% respondents prefer Burberry, 7.89% respondents prefer both.
- Teachers (21 ppl): 9.52% respondents prefer Gucci, 71.42% respondents prefer Burberry and 19.05% prefer both.
- Service staff (15 ppl): 33.33% respondents prefer Gucci, 20.00% respondents prefer Burberry, 46.67% respondents prefer both.
- Others (6 ppl): 66.67% respondents prefer Gucci, the percentages that prefer Burberry and both are the same – 16.67%.

According to the data above, although most of teachers prefer Burberry introduced in Kelly Mall, Gucci is still favour to win. (See figure 24)

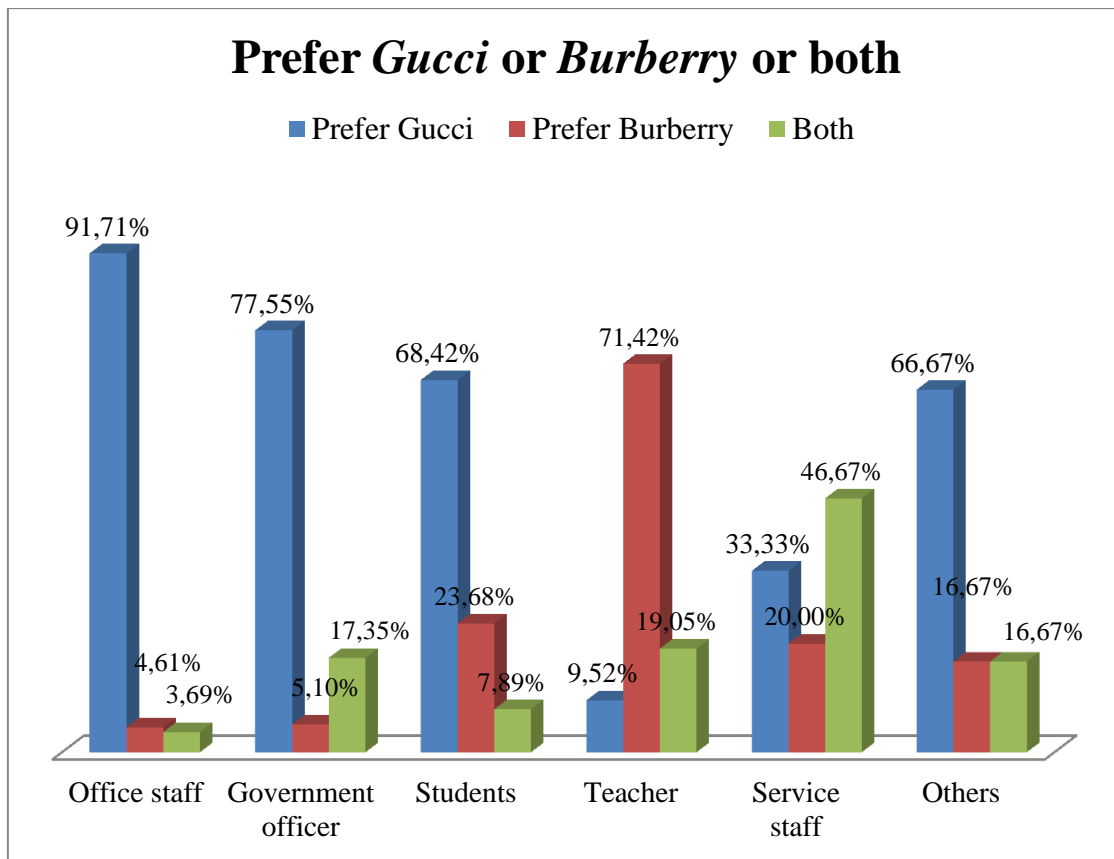


Figure 24 prefer Gucci or Burberry or both (different occupation)

Monthly income or monthly living expenses factor:

For different monthly income or monthly living expenses (the currency is in RMB), authors make the analysis below:

- 6,000-10,000 (145 ppl): 143 people prefer Gucci (98.62%), 2 people prefer Burberry (1.38%), nobody prefer both of them.
- 10,000-20,000 (103 ppl): 94 people prefer Gucci (91.26%), 7 people prefer Burberry (6.80%), only 2 people prefer both (1.94%).
- 4,000-6,000 (71 ppl): 43 people prefer Gucci (60.56%), 7 people prefer Burberry (9.86%), 21 people prefer both (29.58%).
- Above 20,000 (59 ppl): 21 people prefer Gucci (35.60%), 25 people prefer Burberry (42.37%), 13 people prefer both (22.03%).
- 2,000-4,000 (34 ppl): 24 people prefer Gucci (70.59%), 6 people prefer Burberry (17.65%), 4 people prefer both (11.76%).

- 1,000-2,000 (21 ppl): 13 people prefer Gucci (61.90%), 5 people prefer Burberry (23.81%), 3 people prefer both (14.29%).

Thus, people who have the monthly income or monthly living expenses above 20,000 prefer Burberry than Gucci; authors still find out that Gucci has more consumer demand. (See figure 25) Furthermore, the respondents who choose “high brand fame” are mostly high income people.

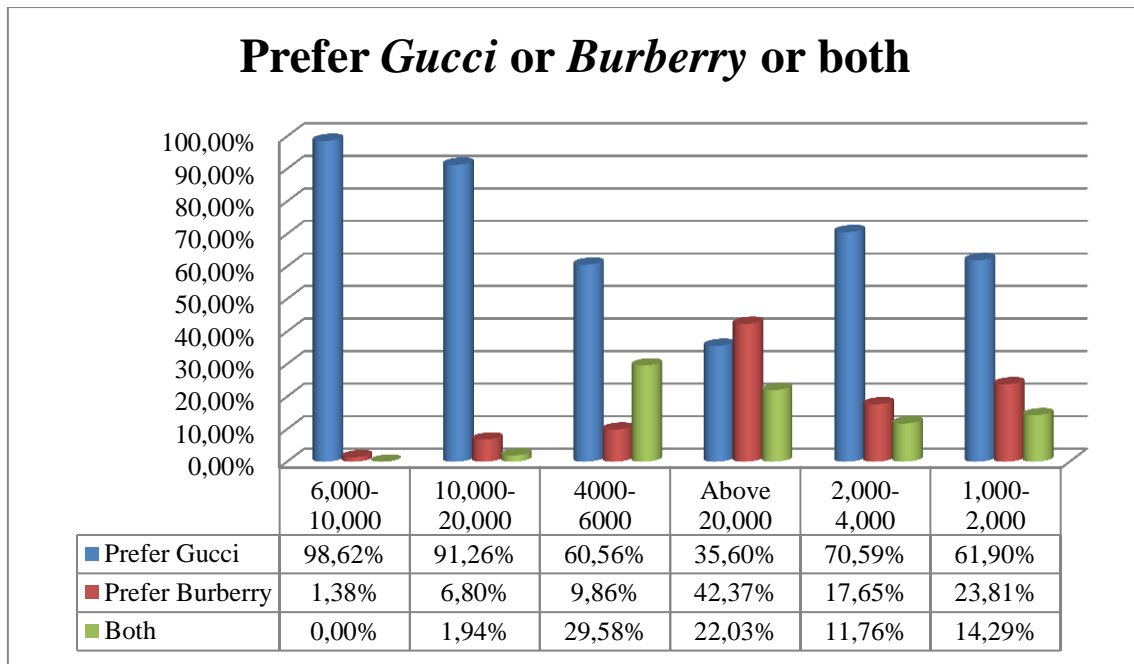


Figure 25 prefer Gucci or Burberry or both (different monthly income or monthly living expenses)

VIPs and non-VIPs factor:

In this survey, most of the respondents are VIPs of Kelly Mall – 383 persons, and rest of them are non-VIPs of Kelly Mall.

Based on figure 26, among 383 VIPs, 85.64% VIPs strongly recommend Kelly Mall introduce Gucci in, 29 persons like Burberry which account for 7.57% and 26 persons like both, the rate is 6.79%. That shows if Kelly Mall introduce Gucci in, existing VIPs would buy it.

Among 50 non-VIPs, 20.00% persons prefer Gucci, but the persons prefer Burberry is more, which occupied for 46.00%, and 34.00% non-VIPs prefer both. (See figure 26)

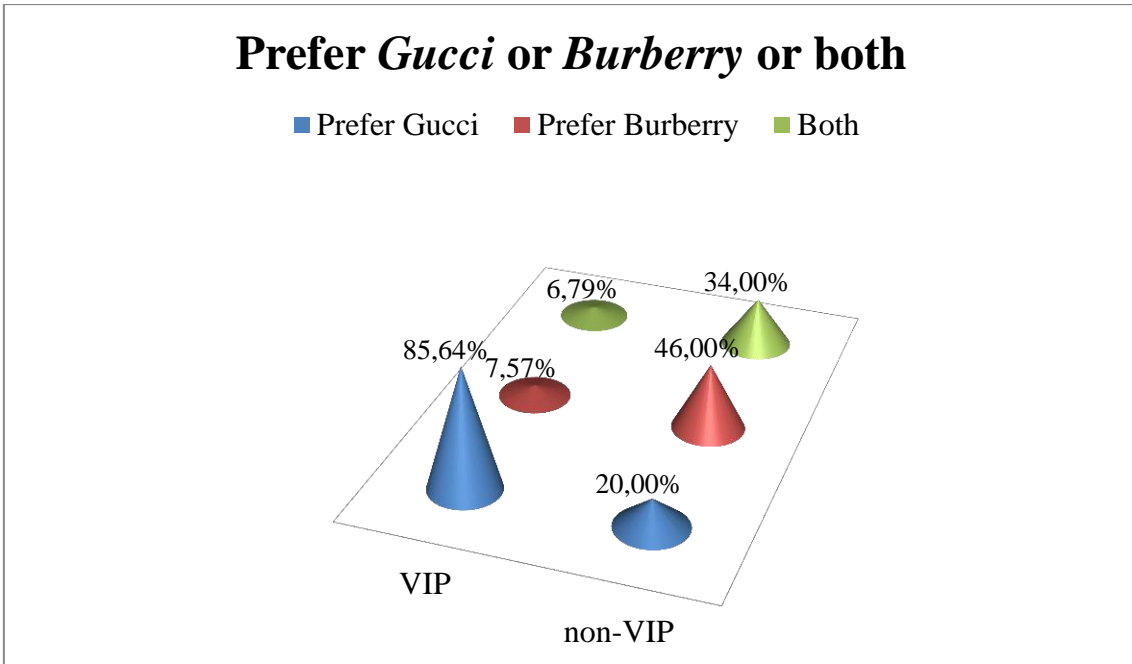


Figure 26 prefer Gucci or Burberry or both (different status – VIP or non-VIP)

All in all, Gucci is the best choice for Kelly Mall since the result from those factors shows most respondents would prefer Gucci in Kelly Mall

5 CONCLUSION AND SUGGESTION

Different people have different perspectives towards one thing. According to 830 collected questionnaires, it is concluded that Louis Vuitton is a brand with the highest brand recognition; meanwhile, compared with Burberry brand, Gucci has a higher awareness status in respondents' mind.

Since respondents being asked monthly income, author compared each answer sheet and find out that people intend to purchase luxury products are those who have 6000-10000 RMB monthly income. Author also investigate that most respondents are aware of these two brands from fashion magazines that superiors to friends' introduction and advertisement. Those who knew Burberry from fashion magazines mostly distributed on age range of 18-30 and 31-40.

Besides five main channels that respondents knew certain brand, knowledge from existing luxury retail store can be taking into consideration as well. In the products category awareness section, Burberry's top rated products are bags and clothing while Gucci has its bags top ranked.

On the basis of collected data on market feasibility, authors focus on the market feasibility in Kelly Mall since this research is for Kelly Mall especially.

Authors find out that most of the respondents are female and among the age range 31-40 years old. The amounts that have the highest rate of their monthly income is 6,000-10,000 RMB which is a quite high level compare to other same-level-cities and most of the respondents are work for government and work in companies or corporations.

After analysis the result of questionnaire 2, researchers find out that main part of respondents prefer introduce Gucci into Kelly Mall than introduce Burberry, most of them are the VIPs of Kelly Mall, and they would love to buy Gucci's products in Kelly Mall instead of buy them via other ways. The respondents who say they don't care or have no idea which brand should Kelly Mall introduce in are those citizens who have lower income.

Those VIP members of Kelly Mall have high monthly income; they do think that Kelly Mall should introduce more luxury brands so that they can buy the luxury goods that

they want in native mall. The VIP members also know both Burberry and Gucci and like them quite well, however, the majority are more interested in Gucci.

Therefore, authors suggest that Kelly Mall should introduce Gucci as their new luxury brands cooperation partner.

To sum up, authors sincerely suggest Kelly Mall board members consider introducing one luxury brand Gucci for its high brand awareness, good consumer base, excellent quality and high revenue growth rate; it is advised to move forward to next stage that contact with the Gucci headquarters in China to negotiate about cooperation possibility.

In addition, according to Gucci's annual financial report (PPR Financial Document, 2011), authors would like to present its highlight figures and market strategy as supplementary reading.

“Gucci is a brand looking to the future, but with a deep respect for its past”(PPR Financial Document). In order to connect its every customer in a much deeper way, Gucci Company insists continuing make investment on the digital network activities. This company is positioning itself with “made in Italy, outstanding quality and superior artisan craftsmanship”.

Until the report was published in 2011, there are 8,249 employees; 376 directly operated stores and 3,143 million Euros in revenue. Among product category, leather goods (including handbags, small leather goods, and luggage) occupies 56% of gross sales, which is the main source of income. In the meanwhile, 13% of revenue attribute to shoes. Other product variety highlights is showed in graph (See figure 27).

By product category

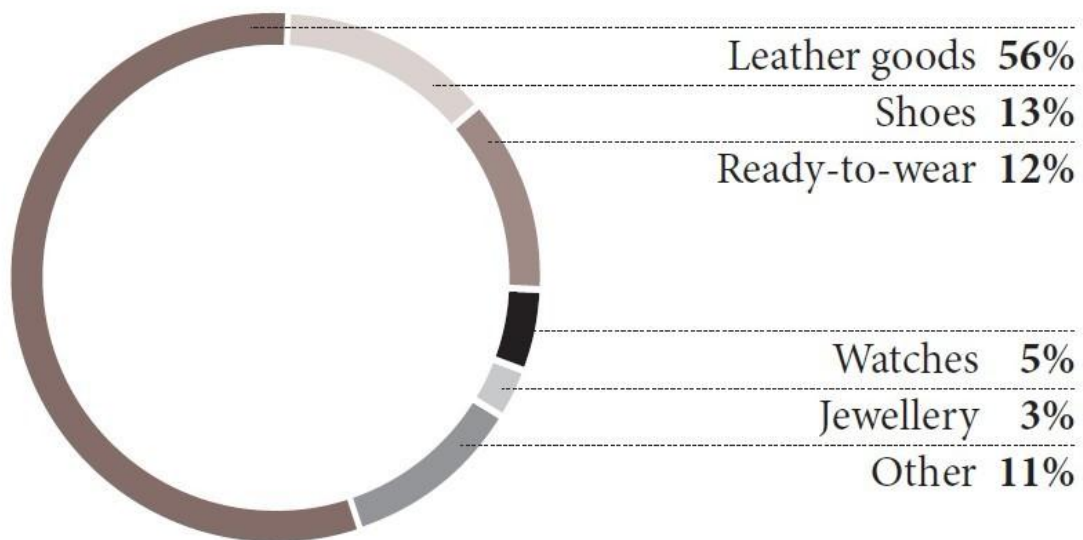


Figure 27 breakdown of 2011 revenue by product category (Gucci)

Calculating revenue in geographic distribution, Asia-pacific contributes 37% of revenue while Western Europe has 28% (See figure 28) China belongs to Asia-pacific region.

By region



Figure 28 breakdown of 2011 revenue by region (Gucci)

It mentioned in the report, the core value of Gucci brand is the pursuit of excellence on products offering and customer experience. Gucci intends to continue obtaining best-in-class profits and long-term sustainable growth. Also, in Gucci outlook of 2011, it emphasize that this company will concentrate on building up its store base especially on

fasting growing countries, such as Asia-pacific region. By knowing their future outlook that they are continuing expanding Asia business, from Kelly Mall's point of view, it is a great opportunity to cooperate.

All in all, Authors believe that Kelly Mall will have a broad market prospect in the future.

6 REFERENCES

PPR 2011 Financial documents –

http://www.ppr.com/sites/default/files/publications/PPR_2011_FinancialDocument_0.pdf p.18-21

<http://www.progress.org/banneker/adam.html>

Adam Smith, “*Book V: Of the Revenue of the Sovereign or Common wealth, An Inquiry into the Nature and Causes of the Wealth of Nations*”

Sten-Ove Tullberg, Emrick Chambris, “*The Luxury Goods Market in China: Myth or Reality?*” 2008

Jean N. Kapferer. “*Managing luxury brands [J]*”, Journal of Brand Management, 1997, (Vol. 4)

World Brand Lab, 2011, <http://www.worldbrandlab.com/brand/>

<http://www.worldbrandlab.com/valuation.htm>

Sombart Werner. “*Luxury and Capitalism [J]*”, University of Michigan, 1967

Wolfgang Reitzle, “*Luxus schafft Wohlstand [M]*”. China Citic Press, 2005

<http://oald8.oxfordlearnersdictionaries.com/dictionary/luxury>

Christopher J. Berry. “*The idea of Luxury*”. 1994

Shu-pei Tsai, “*Impact of Personal Orientation on Luxury-Brand Purchase Value*”, International Journal Market Research, Vol. 47 Issue 4, pp. 429 - 454

Simon Kemp, “*Perceiving Luxury and Necessity*”, Journal of Economic Psychology, 19 (1998) [J], pp. 591-606

Jonathan S. Vickers and Franck Renand, “*The Marketing of Luxury: An Exploratory Study – Three Conceptual Dimensions*”. The Marketing Review, 2003 (3), pp. 459-478

Bernard Dubois, Gilles Laurent, Sandor Czenllar, “*Consumer Rapport to Luxury: Analysing Complex and Ambivalent Attitudes*”, Groupe HEC, Les Cahiers de Recherche, No. 736, 2001

Jose Luis Nueno and John A. Quelch, “*The Mass Marketing of Luxury*”, Business Horizons [J], November – December 1998, pp. 61-68

Jonathan S. Vickers and Franck Renand, “*The Marketing of Luxury Goods*”, The Marketing Review [J], 2003 (3), p. 462

Koncept Analytics, “*Global Luxury Goods Market Report: 2011 Edition*”, Nov 2011

Agence France Presse, “*World luxury market to grow 8% study*”, 03.03.2011
<http://bain.com/about/press/bain-news/2011/world-luxury-market-to-grow-8-study.aspx>

Y. Chan, “*World luxury market – 8% growth in 2011*”, 24.03.2011
http://www.watchmatchmaker.com/2_womens_watches/world-luxury-market-%E2%80%93-8-growth-in-2011.html

Nick Debnam & George Svinos, “*Luxury Products in China, KPMG, Hong Kong*”, 03.06.2008

Bain POV, “*China Luxury Market Study 2010*”, 2010

Kevin Lane Keller, “*Conceptualizing, Measuring, and Managing Customer-Based Brand Equity*”, Journal of Marketing, Vol.57 (1).1993

Tara G, Brian C, “*Brand Awareness*”, 2007

Kun Li, “*Managing Science Journal*”, Vol7, 2007

Philip Kotler, Gary Armstrong, Veronica Wong, John Saunders, “*Principles of Marketing*” Fifth European Edition, 2008

7 APPENDICES

7.1 Questionnaire (original version)

7.1.1 Questionnaire 1

关于奢侈品牌 Burberry 与 Gucci 在张家港市的品牌认知度调查

您好，我们是芬兰一所大学的国际商务专业的学生，目前正在进行一项关于两大品牌 Burberry 与 Gucci 的市场调查，希望您能协助我们做好这次调查。该问卷不记名，回答无对错之分，务请您照实回答。谢谢

您的性别

女

男

[Reset](#)

您的年龄

18 岁以下

18-30 岁

31-40 岁

41-50 岁

51-60 岁

60 岁以上

[Reset](#)

您的平均月收入是？（您的平均月生活费是？）

1000 元以下

1000-2000 元

2000-4000 元

4000-6000 元

6000-10000 元

10000-20000 元

20000 元以上

[Reset](#)

您是否喜欢奢侈品?

喜欢

不喜欢

[Reset](#)

您喜欢奢侈品的原因是?

时尚的设计

质量保证

财富地位的象征

品牌知名度高

品牌历史悠久

朋友有, 我也想拥有

我一点也不喜欢奢侈品

其他 (请注明)

[Reset](#)

在以下奢侈品牌中, 您知道哪一个, 或哪几个?

Louis Vuitton

Hermès

Gucci

Chanel

Cartier

Rolex

Hennessy

Moët & Chandon

Fendi

Burberry

都不知道

[Reset](#)

您是否知道 Burberry 品牌?

完全不知道

听说过, 但不熟悉

看到品牌 logo 会想起来，但不熟悉

熟知

[Reset](#)

您是通过什么了解 Burberry 品牌的？

媒体报道

时尚杂志

朋友介绍

广告

互联网络

我并不知道这个牌子

其他（请注明）

[Reset](#)

Burberry 品牌的下列产品种类，您了解哪些

衣服

鞋子

香水

包

配饰

都不了解

[Reset](#)

您是否知道 Gucci 品牌？

完全不知道

听说过，但不熟悉

看到品牌 logo 会想起来，但不熟悉

熟知

[Reset](#)

您是通过什么了解 Gucci 品牌的？

媒体报道

时尚杂志

朋友介绍

- 广告
- 互联网络
- 我并不知道这个牌子
- 其他（请注明）

[Reset](#)

Gucci 品牌的下列产品种类，您了解哪些？

- 衣服
- 鞋子
- 香水
- 包
- 配饰
- 都不了解

[Reset](#)

7.1.2 Questionnaire 2

关于奢侈品牌 Burberry 和 Gucci 进驻张家港凯丽百货的可行性调查

您好，我们是芬兰一所大学国际商务专业的学生，现在为我们的毕业论文做调查，感谢您抽出宝贵的时间帮我们完成这张调查问卷。

您的性别是？

- 男
- 女

[Reset](#)

您的年龄是？

- 18 岁以下
- 18-30 岁
- 31-40 岁
- 41-50 岁
- 51-60 岁
- 60 岁以上

[Reset](#)

您的职业是?

- 公司职员
- 在校学生
- 教师
- 政府工作人员
- 服务人员
- 其他（请注明）

[Reset](#)

您的平均月收入是？（您的平均月生活费是？）

- 1000 元以下
- 1000-2000 元
- 2000-4000 元
- 4000-6000 元
- 6000-10000 元
- 10000-20000 元
- 20000 元以上

[Reset](#)

您是否去过凯丽百货购物?

- 是
- 否

[Reset](#)

您是凯丽百货的会员吗?

- 我是
- 我不是

[Reset](#)

您是否买过奢侈品?

- 是
- 否

[Reset](#)

如果您有机会和能力购买奢侈品，它的用途是什么?

作为礼物赠送他人

自己享用

收藏

商业用途

其他（请注明）

[Reset](#)

假设您需要购买 Burberry 品牌的商品，您选择的原因是

品牌知名度高

身份象征

品牌历史悠久

受朋友的影响

质量保证

时尚设计

其他

[Reset](#)

如果您有机会和实力购买 Burberry 的商品，您会选择去哪里购买？

出国旅游，考察，度假时购买

去上海，北京，广州等一线城市专卖店购买

去南京，杭州等邻近省会城市专卖店购买

去张家港本地专卖店购买

[Reset](#)

假设您需要购买 Gucci 品牌的商品，您选择的原因是

品牌知名度高

身份象征

品牌历史悠久

受朋友的影响

质量保证

时尚设计

其他

[Reset](#)

如果您有机会和实力购买 Gucci 的商品，您会选择去哪里购买？

- 出国旅游，考察，度假时购买
- 去上海，北京，广州等一线城市专卖店购买
- 去南京，杭州等邻近省会城市专卖店购买
- 去张家港本地专卖店购买

[Reset](#)

您是否觉得张家港凯丽百货的奢侈品品牌太少了，需要引进更多的品牌？

- 是，我认为很有必要，这让我购物更方便
- 不知道，对我没什么影响
- 不是，我一般都会去别的城市购买奢侈品
- 我从不购买任何奢侈品

[Reset](#)

您更希望哪个品牌进驻凯丽百货？

- Burberry
- Gucci
- Burberry 和 Gucci
- 其他（请注明）

[Reset](#)

如果这两个品牌（Burberry 和 Gucci）进驻张家港凯丽百货，您愿意在那里购买这两种品牌的商品吗？

- 愿意
- 不愿意

[Reset](#)

您对张家港市凯丽百货引进 Burberry 品牌的前景看好吗？

- 十分看好
- 不看好 (请注明原因)

[Reset](#)

您对张家港市凯丽百货引进 Gucci 品牌的前景看好吗？

十分看好

不看好 (请注明原因)

[Reset](#)

7.2 Questionnaire (English version)

7.2.1 Questionnaire 1

Luxury brand - Burberry, Gucci's brand recognition in Zhang Jiagang City, China

Hello, we are two students studying in Finland, and now we are working on our Bachelor thesis. This is a survey on luxury brand - Burberry, Gucci's brand recognition in Zhang Jiagang City, China. Please answer the following questions. Thanks for your help.

1. Your gender:
 - a) Female
 - b) Male
2. Your age:
 - a) Under 18
 - b) 18-30
 - c) 31-40
 - d) 41-50
 - e) 51-60
 - f) Over 60
3. Your average monthly income (or average monthly living expenses):
 - a) Under 1,000 RMB
 - b) 1,000-2,000 RMB
 - c) 2,000-4,000 RMB
 - d) 4,000-6,000 RMB
 - e) 6,000-10,000 RMB
 - f) 10,000-20,000 RMB
 - g) Above 20,000 RMB
4. Which brand(s) do you know in the following?
 - a) Louis Vuitton
 - b) Hermès
 - c) Gucci
 - d) Chanel Dior
 - e) Cartier
 - f) Rolex
 - g) Hennessy
 - h) Moët & Chandon
 - i) Fendi
 - j) Burberry
 - k) none of them
5. Do you like luxury goods?
 - a) Yes, I do
 - b) No, I don't
6. If yes, what might be the reason(s) that make(s) you like luxury goods? (Multiple choice)
 - a) Fashion design
 - b) Excellent quality
 - c) high brand fame
 - d) Symbol of wealth and social status
 - e) brand's history
 - f) Friends' influence
 - g) others _____(please be specify)
7. Do you know Burberry?
 - a) No, I have never heard
 - b) yes, I have heard it before
 - c) Yes, I can recall it when I saw the logo
 - d) Yes, I know it very well
8. If yes, how did you know Burberry?

- a) From TV b) from fashion magazine
 - c) Friends' introduction
 - d) Advertisements e) from the Internet
 - f) Others _____(please specify)
9. For Burberry's products, which of the following do you know
- a) Clothing b) Shoes c) Fragrance d) Bags
 - e) Accessorizes f) none of them
10. Do you know Gucci?
- a) No, I have never heard b) yes, I have heard it before
 - c) Yes, I can recall it when I saw the logo d) Yes, I know it very well
11. If yes, how did you know Gucci?
- a) From TV b) from fashion magazine
 - c) Friends' introduction
 - d) Advertisements e) from the Internet
 - f) Others _____(please specify)
12. For Gucci's products, which of the following do you know
- a) Clothing b) Shoes c) Fragrance d) Bags
 - e) Accessorizes f) none of them

7.2.2 Questionnaire 2

Market feasibility of luxury brand Burberry and Gucci's entry into Kelly Mall

Hello, we are two students studying in Finland, and now we are working on our Bachelor thesis. This is a survey on Market feasibility of luxury brand Burberry and Gucci's entry into Kelly Mall. Please answer the following questions. Thanks for your help.

13. Your gender:
- a) Female b) Male
14. Your age:
- a) Under 18 b) 18-30 c) 31-40 d) 41-50 e) 51-60 f) Over 60
15. Your occupation:
- a) Company staff b) Students c) Teachers d) Government officer

- e) Service staff f) others _____(please specify)
16. Your average monthly income (or average monthly living expenses):
- a) Under 1,000 RMB b) 1,000-2,000 RMB c) 2,000-4,000 RMB
d) 4,000-6,000 RMB e) 6,000-10,000 RMB f) 10,000-20,000 RMB
g) Above 20,000 RMB
17. Have you ever been to Kelly Mall?
- a) Yes b) No
18. Are you the VIP of Kelly Mall?
- a) Yes b) No
19. Have you ever bought any luxury goods?
- a) Yes b) No
20. If you got a chance to purchase luxury products, what would be the purpose(s)?
- a) As a gift b) for yourself
c) For collection b) for business use
d) others _____
21. What might be the reason(s) that make(s) you want to purchase Gucci's products?
(Multiple choice)
- a) Fashion design b) Excellent quality c) high brand fame
d) Symbol of wealth and social status e) brand's history
f) Friends' influence g) others _____(please be specify)
22. If you have enough money to purchase Gucci's products, which store you are going to visit?
- a) I will purchase it when I am going abroad. Such as in Europe, England, US
b) I will visit stores located in metropolitan cities, such as Beijing, Shanghai and Guangzhou.
c) I will visit stores located in capital of provinces, such as Nanjing, Hang Zhou.
d) I will visit domestic stores in Zhang Jiagang if there are some.
23. If you got a chance, what might be the reason(s) that make(s) you want to purchase Burberry's products? (Multiple choice)
- a) Fashion design b) Excellent quality c) high brand fame
d) Symbol of wealth and social status e) brand's history
f) Friends' influence g) others _____(please be specify)
24. If you have enough money to purchase Burberry's products, which store you are

going to visit?

- a) I will purchase it when I am going abroad. Such as in Europe, England, US
- b) I will visit stores located in metropolitan cities, such as Beijing ,Shanghai and Guangzhou.
- c) I will visit stores located in capital of provinces, such as Nanjing, Hang Zhou.
- d) I will visit domestic stores in Zhang Jiagang if there are some.

25. Do you think Kelly Mall should introduce more luxury brands?

- a) Yes, I believe it will bring me convenience.
- b) I have no idea, I do not care
- c) No, I will not buy luxury products in native stores
- d) No, I will never purchase any luxury products

26. In the following alternatives, which brand do you think that Kelly Mall should introduce in?

- a) Burberry
- b) Gucci
- c) both

27. If Gucci or Burberry enters into Kelly Mall, will you spend money there?

- a) Yes
- b) No

28. In your perspective, do you think it is a good idea to introduce Burberry into Kelly Mall?

- a) Yes
- b) No

29. In your perspective, do you think it is a good idea to introduce Gucci into Kelly Mall?

- a) Yes
- b) No