MAGINDAS KHANDWALA COLLEGE OF COMMERCE, ARTS &
MANAGEMENT STUDIES

MALAD (WEST), MUMBAI – 400064

PROJECT REPORT ON

A STUDY ON CUSTOMER PERCEPTION TOWARDS LUXURY BRANDS IN MUMBAI – CASE STUDY ON MICHAEL KORS.

Presented By:

Srushti Mihir Gupta

Roll no: 5020

T.Y BMS (Marketing)

Semester VI

Under the guidance of

Prof. Sheetal Desai

Submitted to:

Magindas Khandwala College, Mumbai

ACADEMIC YEAR 2020-2021

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Declaration by learner

I, the undersignedMiss***Srushti Gupta*** here by, declare that the work embodied in this project title **"A study on customer perception towards luxury brands in Mumbai"** formsmyowncontributiontotheresearchworkcarriedoutundertheguidanceof***Prof. Sheetal Desai***is a result of my own research work and has not been previously submitted to any other University for any other Degree/ Diploma to this or any otherUniversity.

Wherever reference has been made to previous work of others, it has been clearly indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with the academic rules and ethical conduct.



Srushti Gupta



Certified by

Professor Sheetal Desai

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Certificate

This is to certifythat**Ms.*Srushti Milan Gupta***has worked and duly completed his/her Project Work for the degree of Bachelor of Management Studies under the Faculty of Commerce in the subjectof

Marketingand his/her project entitled,"***A study on customer perception towards luxury brands in Mumbai*** " under mysupervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is his/her own work and facts reported by her personal findings and investigations

N.K. COLLEGE OF COMM. ARTS & MGMT. STUDIES & N.K. COLLEGE OF SCIENCE MALAD, MUMBAI 064

29/3/21

Prof. Sheetal Desai
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Date of submission:

29th March 2021

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EXECUTIVE SUMMARY

This report conducts a study on customer perception towards luxury brands in Mumbai city wherein there are people from diversified standard of living, class, culture, traditions, tastes and habits. It consists of how the Indian luxury customers are and the various factors that influence their buying behaviour, the luxury market in India and the investment opportunities in such markets. The report also conducts an in-depth analysis of Michael Kors – it analyses their customer perception, customer market and its segmentation, culture, market position, customer profile, competition, position in the market and its marketing mix. It also consists of a descriptive study on Luxury, its characteristics & market. To do this, a number of research methods were used.

Firstly, primary research data was gathered in the form of survey. A set of questions (questionnaire) were sent to an audience of 92 people in the form of a Google survey- A link was sent to the respondents on clicking which they could go through the questions and fill them with a response as per their thinking or by selecting from the given set of options . The audience consisted of the customers & non customers of Michael Kors belonging to various age groups ranging from 18 to 50 and above, economic class and gender. The charts were then prepared based on the response of the respondents. The charts showed that the younger generation between the ages of 18-25 are highly influenced by luxury brands due to peer pressure, style quotient, less responsibility and other household expenses, belonging to the working and earning group. The younger generation are the prospects for such companies and the companies should target them as a target audience. The luxury products are only known by the top class rich people and the middleclass and others are not even aware of it. There are more of female customers than men.

Secondly, a comprehensive amount of secondary research was conducted in order to understand more about the brand, its values and what its product was. There is also an explanation on relationship between Genesis Luxury Pvt Ltd and Michael Kors and also the various marketing activities carries by them. Then, a PESTLE analysis was done in order to analyse the current state of their micro/macro environment and also to consider various other factors like political, economic, socio-cultural, technological, legal and environmental. Post-research, it was easy to ascertain what their marketing mix was and who their competition

would be. After this, a SWOT analysis of the brand was prepared in order to weigh out their strengths, weaknesses opportunities and threats – this was crucial in helping to create a conclusion and any recommendations for the brand in order to move forward and improve themselves.

It also consists of the various marketing activities carried out by them as also the in store activities and their strategic alliance with other brands. The stores are located in major cities and the area which belongs to the people of higher income group as they are the target audience and the most purchasers of luxury commodities. Hypothesis testing is also conducted.

At the end of the report, it was recommended that Michael Kors continue their social media relationships with their customers. It was also suggested that the brand pay more focus on their older regular customers as they too belong to the higher income group and are economically stable and store visitors and quality of their products as well as try to lessen their mainstream quality through the heightening of exclusivity by new collections with different prices or marketing strategies.

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1. INTRODUCTION

LUXURY BRANDS

Luxury is no longer restricted today to only the rich and the selected few but is being used for mass marketing now. The concept of luxury has been changing dramatically across time and culture. Earlier, luxury was connected with things like wines, champagne, designer clothes and sports cars. These days, people have become richer and luxury is a blurred genre that is no longer the preserve of the elite. More and more consumers have increased their financial status as the old values of tradition and nobility have become less important. People are having much more disposable income in comparison to earlier generations, resulting in a tendency towards fulfilling personal needs and aspirations through experience. Therefore, it could be said that luxury is more about experience (Yeoman and McMahon-Beattie, 2010), rather than financial value. This is not to say that luxury is about status, but luxury is more than financial value. Indeed, they run hand in hand. The need for personal gratification and aspirations has led to greater emphasis on having things which make life better and easy. It means that consumers want to improve their life. This is what Danziger (2005) and Israel (2003) mean when they say that luxury is not just restricted to trophies and status symbols but also covers things giving aesthetic experience and indulgence. This is also due to increasing purchasing power of women in society, which is a good sign for luxury markets such as wellbeing, clothes and tourism. We see that the earlier concept of luxury of consumption and elitism stills prevails especially in emerging economies of China. In the recent times, the Global Financial Crisis has led consumers to re-examine their priorities and as a consequence, attitudes and behaviours towards luxury have changed.

In management field it is accepted to distinguish luxury products from necessary and ordinary products within their category by their basic characteristics. These include things like financial value, quality, aesthetics, exclusivity and status giving. All of these characteristics are relative terms. A luxury product is characterised by a relatively high rating on each of these dimensions compared to other products of its category (Trommsdorff and Heine 2008, p. 1670). Luxury brands are those whose ratio of functional utility to price is low while the ratio of intangible and situational utility to price is high.

DEFINITION OF LUXURY BRANDS:

"Luxury brands are regarded as images in the minds of consumers that comprise associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of non-functional associations."

Tbe evolving definition of luxury brands:

Luxury used to mean flashy handbags, fine furs and five-star hotels. Yet in the era of modern style, it's no longer synonymous with exorbitance and exclusivity. Luxury has morphed beyond high price points and iconic labels, and instead now revolves around everything from uniqueness to meaning to experience.

We asked fashion insiders what the word means to them and how it's shaping business strategy and consumer engagement.

Tammy Eckcnswiller, vp of brand crcative, Rebecca Minkoff

The definition of luxury for me would be a direct, authentic relationship with a brand, whether that's a $15 flip-flop or a $15,000 bag. There's something really luxurious about that connection that you have with brands and that brands can make with you.

For example, athleisure retailer Outdoor Voices right now is to me a luxury brand, even though from a financial perspective, it would not traditionally be considered a luxury brand. It's this connection they develop that's very authentic. As a brand, you want to create more of that, to make a direct relationship that's a more real-time conversation where you're not just firing out campaigns and messaging. It helps you to think outside the box because consumers are co-creating with you.

Kristen Naiman, svp of brand crcative, Kate Spade New York

It's been a long time since luxury products could be defined as luxurious simply because they were made out of something super expensive or rare, or because they were only accessible to the few. We've also moved beyond luxury as simply intelligent design accessible to many. To me, luxury now is that incredibly unique thing, different for each person, which can express the spirited voice and individuality of the person wearing it. Luxury is the perfect match between the product and the customer. To create luxury products now, you must know not only whom you are talking to, but also what she wants to say about herself.

Rony Zeidan, founder and crcative director, RO New York

Luxury hasn't changed; it still represents a high level of aesthetic of execution at all levels form creation, to manufacturing, materials, craftsmanship, service, experience and sensibility. What has changed in recent years is what the consumers think luxury is, influeneed by market, influenced by marketing and social status.

Janc Lewis, foundcr aud designcr, Goat Fasbiou

The connotation of luxury as we have come to know it has evolved. It now embodies a more rounded and meaningful customer journey and relationship. I believe customers seek to understand and relate to a brand's integral values, craft and expertise. It's simply not enough to have a high price tag to denote a luxury item — customers need to feel an emotional connection of sorts and an intellectual investment in the pieces they purchase. The experience rather than the expense is what true luxury is about.

1.2 CHARACTERISTICS OF LUXURY:

We believe to truly be a luxury product; it needs to have at least the following eight characteristics:

1) Rarity

Luxury is not democratic. By definition, it's exclusive, rare and limited or it becomes a mass affluent product. Luxury products aggressively restrict when, where and how they are made, sold and to whom. This controlled and limited availability adds to its desirability. Consider the limited edition Lexus F Sport 500 HP LFA that sold all of the 500 cars at $375,000 ... each. At that price, I'll limit myself to one. In red. Please.

2) Excellcncc quality and aestbctic design

Luxury never negotiates on quality. No concession is ever made on materials, craftsmanship or standards, which are unflinching. Excellence is not fleeting or variable. It is earned and consistent. Think of wineries who discard an entire year's production because the vintage does not meet the winemaker's steadfast standards.

3) Expensiveuess

Just because a product is expensive, does not mean it is a luxury product. But conversely, all luxury products are expensive. Expensiveness intensifies rarity and gives reason to believe that the product delivers on excellence. Think Macallan 64 Years Old Scotch bottled in Lalique crystal and sold for $460,000.

4) Timelcssness

Luxury is timeless. It has a past. Even if manufactured through communications. It is also immortal because it leaves a lasting, indelible impression. Think how Oscar night's best-dressed wear 60-year-old original Valentino dresses as the ultimate expression of a luxurious way of life.

5) Honest

Luxury is honest. It's not synthetic or reproduced. It can't be duplicated. It is simple. It does not try too hard. It attracts rather than shouts. Take Pratesi linens for an example. They are manufactured by the fourth generation of the Pratesi family using cotton from a remote area of southern Egypt. Holding the oldest contracts allows Pratesi to be ultra-selective and allows them to buy only the first spinning and the longest threads.

6) Tailorcd/ Exclusivity

Luxury *feels* bespoke even if it isn't. Luxury instinctively knows what its perfect customers want often before they do. So good are luxury products at this magical skill that everything feels specifically designed, and ultimately, unique. Think Ede and Ravenscroft, London's oldest tailoring company. Their heritage stretches back over 300 years to 1689 when they were entrusted with the ultimate commission: to create the robes for the coronation of William and Mary. This proud heritage continues today by supplying fine quality clothes to men from its six stores around the UK.

7) Plcasurable

Luxury is pleasurable whether rational (tactile) or as is often the case, emotional: possessing an object that elicits envy, status or power. The quest for personal satisfaction is intrinsic to any luxury product or service. Think of the lasting rational and emotional pleasure that the

winning bidder enjoyed when the gavel fell with his/her winning bid on Andy Warhol's Liz # 1 (Early Coloured Liz) $20.3 million can buy a lot of pleasure.

8) Expericncc

Luxury is an experience and not just an object. For the most part, it's about the little things that leave an outsized impression. Components of experience include high-toueh service –or how luxury is delivered, packaging (an objects context which provokes a powerful first impression of what is to come), store environment and sales staff (the store's design, ease of layout, the staff's education, personal style, comportment and more must match the object being sold.) Think of the newly designed Burberry flagship store in London which uses RFID technology embedded in clothes to trigger relevant catwalk and other filmed content to appear on nearby screens.

Getting the hard stuff right: product, distribution, target, market and message, is all for naught if you and your target don't agree on the very definition of luxury.

1.3 LUXURY MARKET IN INDIA [7]

India has overtaken most countries and is now second to the States when it comes to Luxury Retail segment. The luxury market in India is at a boom and is growing at a fast pace. The spending capacity of people in India has grown at a tremendous rate. Despite the fact that online shopping has become incredibly popular amongst people however, when it comes to buying anything luxurious, people usually favour to touch and feel the products and then make the decision of buying it. It not only pertains to automobile and telecom sector but also retailing of luxury brands of clothes, footwear etc.

Luxury can be demonstrated as not just buying labels for status, but buying beliefs which are high quality, ethical and offer innovative crafts. Today, one size no longer fits all. It is about providing the audience with something that matches there personality and make them feel a certain way. It has come a long way in that aspect. The entire shopping scenario is changing and luxury products are favoured more and more day by day. People are changing in what way they want from luxury standpoint today. It's no more just about great cloth quality, fit and silhouette but also about the kind of experience, guidance and comfort they get when they visit the store.

Over the decade, the luxury retail segment has come a long way and has evolved and gained importance and success. There are many brands that have entered the Indian market, few have left and few re-entering. The expansion of retail sector has been a major growth driver for growth in India. The Indian retail real estate market has witnessed continuous footprints of global brands coming in India. According to CBRE research study where it analyzed more than 300 prominent and renowned global retailers, found that mostly International retailers opt for opening their stores in major metropolitan cities such as New Delhi (79%) or Mumbai (68%), before gradually expanding and escalating to other tier one locations, including Bangalore, Chennai, Kolkata, Hyderabad and Pune.

Some of the major reasons for the prosperity and growth in retail industry pertain to higher level of disposable ineome and the growth of middle class consumers. Today, due to increase in literacy rate has resulted in growth of income among the population. This increase in income has resulted in demand for better quality luxurious consumer goods which has led to evolution and expansion of retail structure. Today, people are willingly trying new things and want to look different, which has increased the spending habits among consumer. There's no denial that the expansion in retail industry has been more in this following decade. There has been a continuous practice where many global brands made a presence in India market, some have been able to survive and are enjoying decent market share whereas a few who couldn't make a mark have shut as they feel that India market is not yet ready for them as of now.

The demonstration of luxury retail industry growing owes a lot to do with the viral usage of social media by the general public, today most of the trends are set on social media. People are ardent users of social media platforms like Facebook, Instagram, Twitter. Today's generation is well informed and they seek reviews before making a purchase, which has majorly impacted the positive growth in retail sectors. People today are more opinionated about how they want to be perceived in the society. Their preference is no longer just restricted to the colour or fit, they now demand for an experience that's larger than life, giving them a good overview of designs, more variety, guidance on the silhouette that are met well by the luxury retailers.

Rise of consumerism has resulted in more knowledgeable and demanding customers. As the business exist to satisfy consumer needs, the growing consumer expectation has resulted in the demand for more organized retailing in India. This is one of the major reasons for the prosperity and ever increasing opportunities in retail sector.

The current market scenario suggests that Indian Luxury retail sector has been steadily yet significantly growing. Increasing brand awareness and growing purchasing power of the upper middle class in Tier 2 and 3 has given birth to demand of such retailers in these cities as well. The most desirable and suitable format of entry for international brands is through franchise and joint venture. Diverse customer base of India calls for a huge opportunity to the international brands to cater to India market. Some brands are opting for tailor made collection, pertaining to India's culture and environment.

Today, the trend is growing and more brands are providing customized products. This adaptation has been a major and significant reason in the evolution and expansion of the retail segment. Even though demonetization did cause a stir in the retail sector and there were certain bumps and speed breakers on the way. 2016 has been a year of fluctuating patterns in the sales. However today we have experienced 12-15% growth in business since we took over the brand. Indian market has accepted the brand very well and we have seen remarkable growth in terms of our elientele. GST has provided India a competitive advantage to India's luxury retail sector. Since the new luxuries customers are younger, better informed and are exposed to global brands, hence sale is not the final destination, it's just a start to the relationship with customers.

1.4 INVESTING IN INDIA- OPPORTUNITIES

India is embracing luxury at its best.

This increasing sense of 'brand-consciousness' among Indians is principally attributed to the country's burgeoning aspirational and younger middle class. At the same time, increased internet penetration has also contributed to this consumer behaviour, allowing consumers to search and satisfy their desire to own and possess designer brands.

Taken together, these factors will help India's luxury sector grow by about 30 to 35 percent over the next three years – across categories as diverse as fine dining, electronics, luxury travel, luxury personal care, fashion, and jewellery.

Why invest in Iudia's luxury sector?

India's share of the global luxury market is presently I to 2 percent, and sales of luxury goods grew faster in India than anywhere else in the world in the last few years. An annual sector trends report from the Confederation of Indian Industry (CII) and research agency Kantar

notes that between 2015 and 2016, the Indian luxury market grew from US$14.7 billion to a whopping US$18.6 billion, at a growth rate of 25 percent year-on-year.

The CII-Kantar report also breaks down the share of the country's luxury market geographically. North India accounts for 40 percent of spending on luxury products and services, with the Delhi National Capital Region leading the consumption share, followed by Punjab and Haryana.

Southern and western India, each, accounts for around 25 percent and eastern India lags in the luxury market with a 10 percent market share. With their growing affluence, India's TierII and Tier-III cities are also emerging as new reservoirs of luxury spending.

1.5 SCOPE OF FOREIGN COMPANIES

With the rapid rise of online shopping for luxury brands in India, it is expected that online luxury stores will see investments of US$35 billion in 2016, which will double by 2020.

Previously, the traditional luxury clientele in India consisted of those who mostly shopped on their trips abroad. This trend still continues and needs to be tackled by luxury brands entering or operating in India.

Nevertheless, the modern Indian luxury consumer base is expanding, with a growing middle and upper middle class earning higher disposable incomes. Moreover, 70 percent of India's population is younger than 35 years, and youngsters are highly discerning consumers due to increased awareness through the internet, growing influence of Western culture, and expansion of modern retailing.

Yet, while India's consumer base is steadily growing and is more liberal in its spending habits, the desire for "value proposition" poses the greatest challenge. In this regard, luxury brands will have to contend with such perceptions even as they differentiate themselves on the on the price platform.

INDIA'S FDI POLICY: Authorities allow 100 percent foreign direct investment (FDI) in single-brand retailing and 51 percent in multi-brand retailing. This opens up opportunities for international luxury brand companies when strategizing their business operations in the Indian market.

For instance, many French brands have already made plans to invest in India and open stores in the short term. Established brands such as Louis Vuitton and L'Oréal are expanding further and increasing their investments, while some companies are recalibrating their joint venture partnerships to widen their Indian presence.

The removal of the cap on foreign ownership in single-brand retail and liberalization of FDI limits in multi-brand retail should encourage international brands to invest more. Reflecting optimism over FDI liberalization, Tikka Shatrujit Singh, chief representative in Asia for LVMH, the French parent firm of Louis Vuitton and other global luxury brands, comments – "This was the last frontier to be opened. It will make India a preferred market."

INDIA'S COMPETITIVE LUXURY MARKET: These growth trends and drivers are some of the reasons why, apart from China, India is viewed as the most promising among all emerging markets. India's luxury spend is on par with the UAE, far ahead of Turkey, Thailand, and Argentina, and growing faster than Singapore and Australia.

Further, even as China is poised to become the world's second largest luxury market by 2020, its ageing population and the growing chasm between its haves and have-nots, is throwing up tremendous challenges to its political and economic stability. With the recent slowdown in the luxury sector in China, global markets have shifted their focus to players in India. India's luxury sector is still in its emergent phase and will have many opportunities for future expansion and diversification.

The government, too, has taken progressive steps to make the process of entering the Indian market easier. Key among these are the Make in India, Digital India, and Smart Cities initiatives. Cumulatively, they seek to work on the gaps in India's infrastructure (both physical and digital), expand the urban ecosystem in a sustainable manner, and revitalize the job market.

While these reforms are expected to help bring in more luxury brands to the country over the next few years, a young demography, strong economic fundamentals, and rising income levels serve to be the force multipliers responsible for the future growth of India's luxury market.

ENTRY OF FOREIGN PLAYERS: The new global Indian youth is on a natural high and prefer Luxurious goods to any substandard goods or products. The Luxury market in India is experiencing a high in the market change in spending patterns of the youth, globalised

lifestyle, culture, the consumption pattern is moving towards a more sophisticated and polished taste for good things in life. This article gives you an overview about the strategies used by Global Luxury Brands to enter the Indian Market, the challenges they faced and the future of Luxury brands in India.

The Indian market for luxury goods has proved to be a very lucrative market and the rate of growth has overtaken that of other consumer goods categories. Our long human history in India has shown us that luxury has existed in one form or the other when it comes to practices related to consumption. It has been evident for centuries where luxuries such as silks were consumed for status, respect, and pleasure. Since the early 1990s, the luxury goods sector has grown at an unprecedented pace. As the economy has shown signs of recovery, consumers have started indulging themselves by spending on luxury goods. Economic growth leading to urbanisation and higher disposable incomes has helped propel growth of luxury goods.

CURRENT PLAYERS: The current Luxury Apparel players in India include Hermes, Louis Vuitton, Gucci, Michael kors, Chanel, Jimmy Choo, Burberry, Dior, Bvlgari, Christian Louboutin, Fendi, Giorgio Armani, Versace, DKNY, Diesel, TOD's, Tom Ford, Roberto Cavalli, Forever 21, Mango and many more. Recently, Jabong partnered Luxury Quotient to tap the online luxury market.

Luxury Quotient is a global distributor of luxury goods and has around 20 international luxury brands under its fold. Labels like Cette, Gregg Homme, Leonisa, Pamela Mann, Ivanka Trump, Falke, Anatomie, Dom Rebell, X by Gottex, Emilio Cavallini are now available on Jabong.com. Mango, Forever21 and Mother care retailed under DLF Brands, are also exploring options to launch e-commerce site offering products under categories such as women's wear, kids' wear and so on.

CHALLENGES: The preferences of Indian consumers have always been different from their western counterparts considering the culture and religions. Price has been a sensitive factor; every brand had to keep in mind while eyeing a pie of Indian market. It's an open secret that topend luxury brands, such as Cavalli, Armani and Versace, struggled in India. Versace and Jimmy Choo, in fact, exited before re-entering, and Louis Vuitton had to close its Chennai outlet, while the affordable luxury brands seemed to be hitting a chord. Also, poor infrastructure facilities and lack of high-end streets/malls made it tougher for these luxury brands in standing coupled with high import duties. Indians who desired Luxury Apparels, preferred to purchase at global stores on their trips abroad. Despite so many

challenges, the luxury sector is growing steadily at a pace of the Average 20% PA , several years in a row.

Strategies Luxury labels now seem to have understood the trick of doing business in India. They are introducing products and tweaking prices to match Indian sensibilities and distribution strategies to suit the local market. They have also realised the need to have a local partner, who understands the market well to offer better service and improvise when needed.

Christian Louboutin collaborating with ace Indian Designer Sabyasachi Mukherjee for Amazon India Couture is an example of collaboration between Indian and Western Luxury Labels. Supply of retail space for luxury brands is expected to double in the next three to four years; which is good news for a host of luxury brands present in India and eyeing an entry into the country.

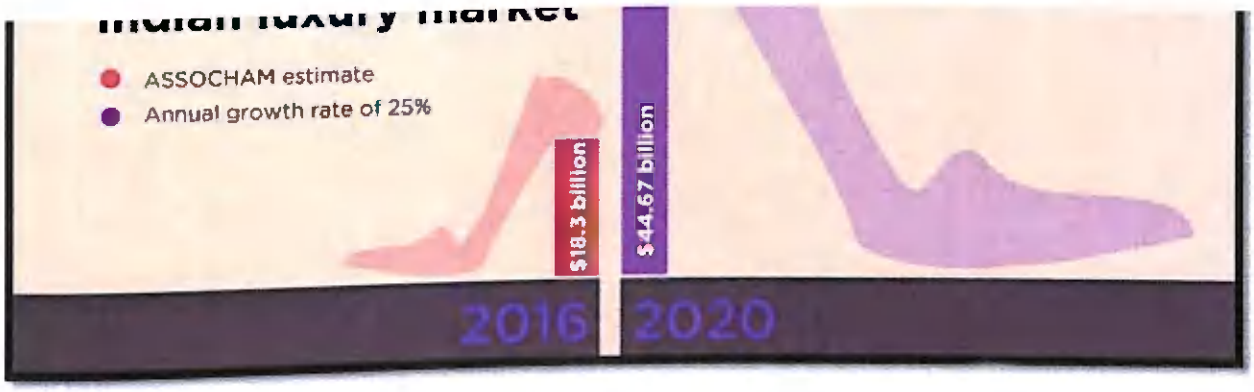
Companies including DLF, Reliance Industries and Phoenix Mills have lined up a host of projects for high-end malls in Delhi, Mumbai, Chennai and Bangalore. Global luxury brands such as 'Tory Burch' or '7 For All Mankind' are now available in India at a mouse click. From large luxury retailers like Saks Fifth Avenue, Macy's, Harrod's and Neiman Marcus, who have already started shipments to the country, online shopping platforms, are launching several luxury brands for the fashion-savvy consumers. Austrian jewellery brand Swarovski and American clothing brand Brooks Brothers have already begun offering their high-end products online. Premium products retailer Elitify.com is set to bring brands like Paul Smith, Furla, Michael Kors, Emporio Armani and Armani Exchange, by partnering with Genesis Luxury, on its platform.

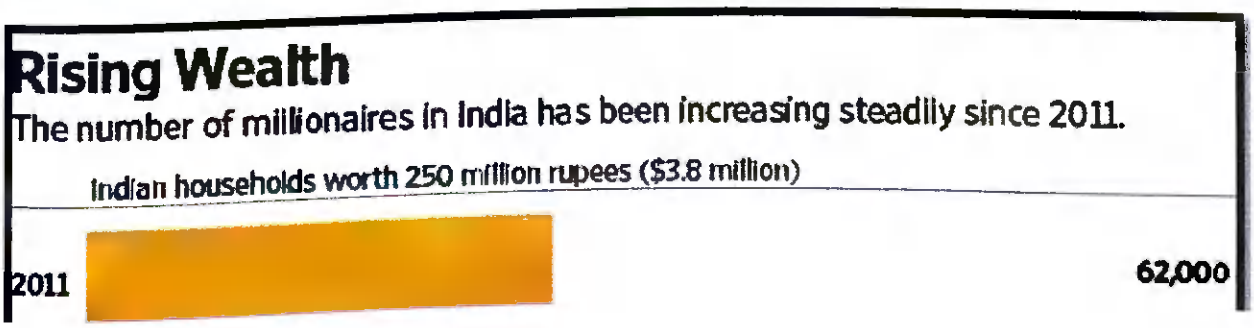
Increasing retail presence of luxury players across the country and higher numbers of luxury brands entering the country resulted in the strong performance of luxury goods over the review period. According to the ASSOCHAM-KPMG study, the Indian luxury market growth is estimated at 30 per cent and projected to reach $14 billion by 2016. Also, driven by increasing income and aspirations, Indian consumer spending is expected to grow four times to $4.2 trillion by 2017.

As metro cities reach a saturation level with an increasing number of luxury brands, mastering low-cost models would be a key to success beyond the metros. Hence, the Luxury brands are expected to have a strong growth in India in the near future.

1.6 CHARTS EXPLAINING THE INDIAN LUXURY MARKET

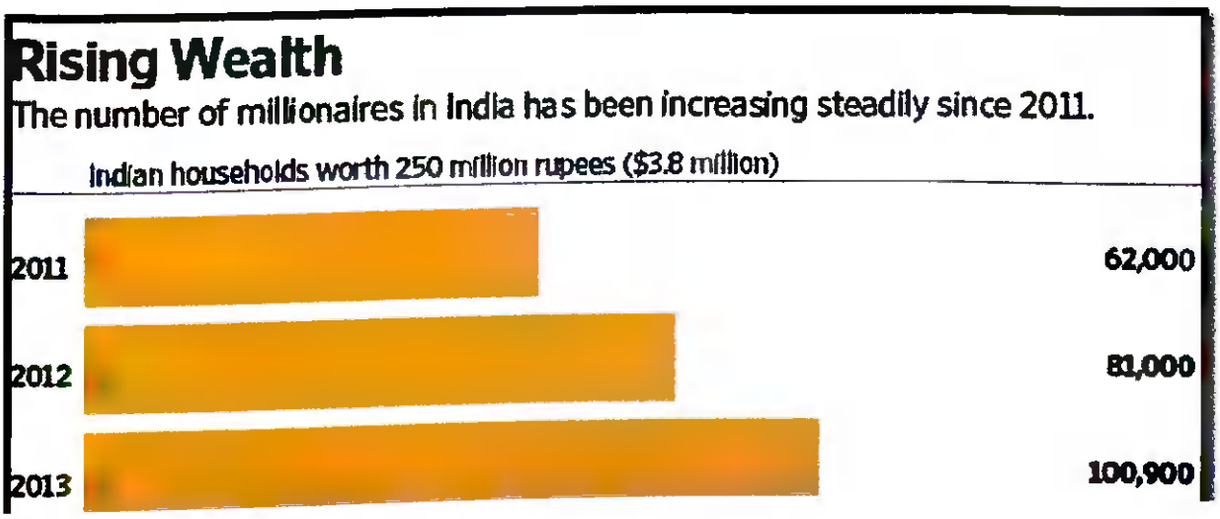
1. **THE SIZE OF THE INDIAN LUXURY MARKET IS GROWING.**





2. **THE NUMBER OF MILLIONAIRES IS RISING.**

2016 | 2020



(Source-https://blogs.wsj.com/briefly/2015/08/28/5-charts-that-explain-indias-luxury-market/)

The number of millionaire Indian households worth 250 million rupees ($3.8 million) grew by 17% from 2014 to 2015. That figure is expected to more than triple to 348,000 households over the next five years with a combined net worth of 415 trillion rupees, according to Kotak Wealth Management.

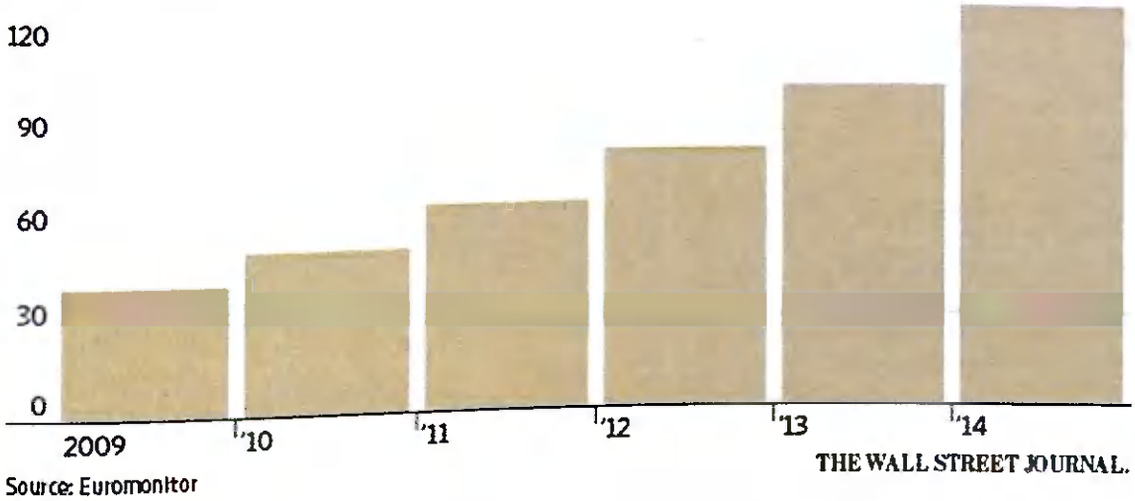
3. **SPENDING ON LUXURY GOODS IS GROWING.**

Big Spenders

Indians are spending more on luxury goods.

Luxury-goods sales

150 billion rupees



Source: Euromonitor

(https://blogs.wsj.com/briefly/2015/08/28/5-charts-that-explain-indias-luxury-market/)

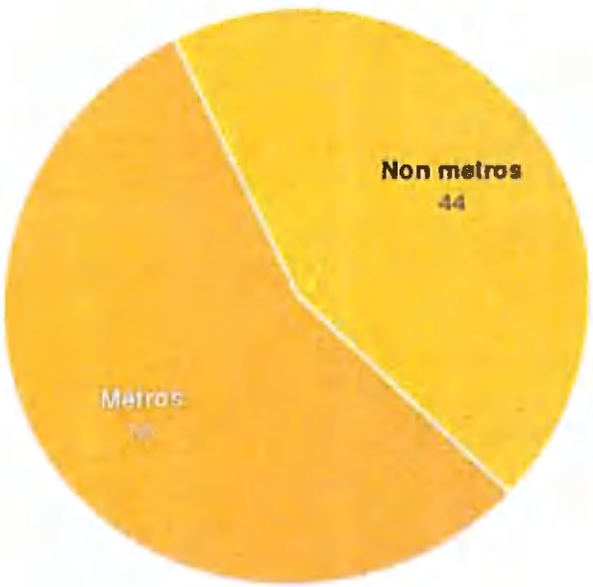
Luxury-goods sales in India grew 25% in 2014, compared with 7% in China, according to research firm Euromonitor.

A bag is 8% to 10% more expensive in India than in Europe or the U.S. due to import duties and luxury tax. Indians prefer shopping abroad, say analysts, and are familiar with luxury brands' latest lines.

As a result, luxury firms in India offer the same collection to their clients in Patna as they would in Paris. "The awareness is such that a client would say, 'Why are you selling me old stock?' They'd go ballistic," says Soumya Jain, co-editor of "The Luxury Market in India: Maharajas to Masses."

Locating the Money

A large percentage of India's millionaires now live in emerging cities and towns such as Ahmedabad, Aurangabad and Chandigarh.



Source: Kotak Wealth Management

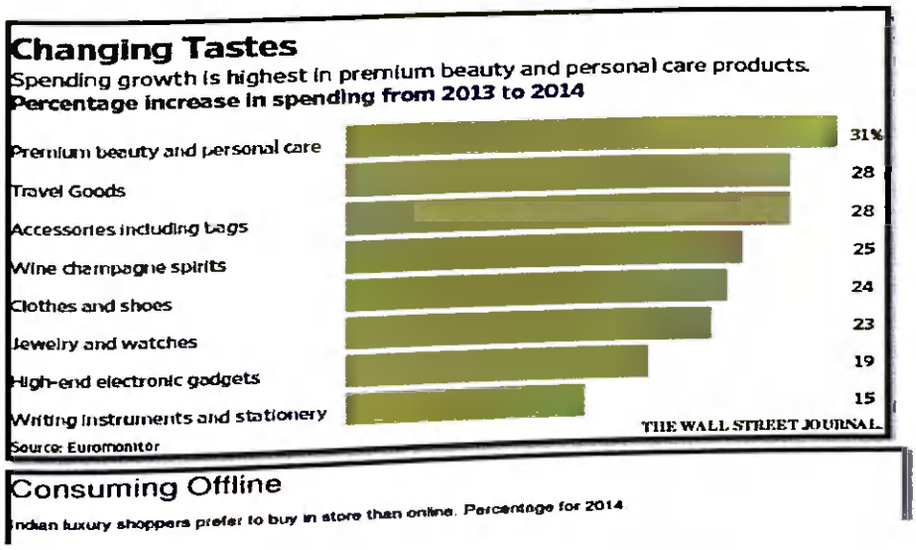
4. <u>SPENDING IS EXPECTED TO CONTINUE TO RISE.</u>

(https://blogs.wsj.com/briefly/2015/08/28/5-charts-that-explain-indias-luxury-market/)

Over the next five years, spending in the Indian luxury market is expected to more than double to 236 billion rupees from 132 billion rupees, according to Euromonitor.

"The consumption story for India is starting now and will continue for the next 10 to 20 years," says Luisa Munaretto, co-founder of private equity firm IndEU Capital. "There is strong interest."

And the wealthy in India are spread out. Some 44% of India's millionaires now live in emerging towns and cities, according to a Kotak Wealth Management report.



(https://blogs.wsj.com/briefly/2015/08/28/5-charts-that-explain-indias-luxury-market/)

International luxury brands command only a tiny share of the Indian market, where they face strong competition from local fashion designers and jewellery makers. Indians prefer traditional dress and jewellery but shoes, bags and watches from global brands are a hit. Indians are also developing a taste for high-end skin care, expensive luggage and fine wine.

Luxury buyers' preference for bricks-and-mortar stores in India is partly driven by their desire to "touch and feel" goods before they make a purchase and a fear that goods bought online could be fake. A customer's preference to buy in-store is likely to continue over the next five years, according to Shreyansh Kocheri, an analyst with data provider Euromonitor.

1.7 CONSUMER BEHAVIOUR TOWARDS LUXURY - INDIAN LUXURY CUSTOMERS:

Many demographic changes have taken place in the Indian population which have led to increase in purchase of luxury brands. After the advent of globalization, the youth have better job opportunities and higher disposable incomes which has increased their purchasing power. It is assumed that the young have less of liabilities at the start of their career and thus are high on materialism which drives consumerism among them. This had elevated the consumption pattern to conspicuous level.

According to Narayan (2012), the **Indian luxury shopper** can be categorized into the following segments:

I. **Riehie Rustie:** These are people who do not follow any set patterns and defy stereotyping. They buy luxury brands for no fixed reasons and so it is difficult to fit them into any segment.

II. **Vivacious Vivant:** This comprise of self- made entrepreneurs or professional business executives who want to spend money to enjoy life, without feeling guilty. They work hard so that they can achieve success and celebrate it by buying luxury brands.

III. **Political Prowler**: They want to acquire anything new with the money they have. Acquisitive to the core, has a childlike mentality of coveting whatever they sees new. The source of their riches can be unclear but they contribute the maximum to the purchase of luxury brands. Attitudes of young Indian consumers towards luxury brands.

Affluent Ascetic: These are very rich and want value for money. So they may buy Jimmy Choo shoes and at the same time they are not embarrassed about buying Kolhapuri chappals. They buy luxury products only when they satisfy their needs.

IV. **Classy Connoisseur:** These are ultra- high net worth individuals and purchase luxury products for their intrinsic satisfaction. For them, luxury is a part of day-to-day life and have a style of their own.

V. **Flashy Flaunter**: They buy luxury brands to achieve status in society and so they look for luxury products where luxury is visible in the form of logos. So they buy luxury products like watches and cars but will not buy luxury products where luxury is not seen such as lingerie and high quality kitchen and bathroom fittings.

I.8 CONCEPT OF CONSUMER BEHAVIOUR:

The consumer behaviour is the investigation of the process that is especially included when an individual or gatherings select to purchase, use diverse commodities to satisfy their needs and yearnings in a more fitting way. An understanding of buyer behaviour is a significant component of the effective administration of any current undertaking. Today's business surroundings is more buyer driven than at any time in the past and a disappointment of associations to perceive the force of the current customer implies that they hazard falling into an unremitting cycle of client procurement and attrition. They are additionally unrealistic to be not able to produce the benefits important to fulfil the requests of their shareholders and different stakeholders (Godey, 2012).

By studying the customer behaviour, empowers economic specialists to comprehend the way in which purchasers take a gander at commodities. Individuals in the field of marketing understand that the more they think about the consumer's choice making and significant

points of view, the more able they are to plan better advertising methodologies and limited time messages that will upgrade the accomplishment of their brand and business as well. Youngsters are viewed not exactly as a lucrative current business sector for luxury products however are likewise seen as an important future business sector. This is because of the way that youth is the life stage when it will be seen from this exposition that people have a tendency to create their personality and draw on and form state of mind to luxury marks (Nwankwo et al., 2014).Youngsters get such a large number of marketing messages about the imperativeness of brands and image when picking items that it has affected their buying behaviour as well as the path in which they standardize with grown-ups and their companions. Luxury products are by and large connected with premium prices evaluating and costs are keeping on rise even in the current difficult economic times all things continue to rely on inspirational behaviour of consumer. It is accepted by a few scholastics that publicizing makes the desire, from young purchaser, to buy and own luxury products. Youngsters acquiring luxury products these days have experienced childhood in the 'advanced age' and exploration has demonstrated that they largely respect customary media, for example, daily papers and radio, to be superfluous in their decision. Thus, most of the consumers depend on internet to get complete information regarding the luxury products and consult various online sources before they purchase any luxury product (Mullen &Craig, 2013).

Self-Conccpt Theory

Self-concept theory is one of the most important theories in order to get the appropriate reaction of an individual regarding their decision towards luxury products particularly for young people.

It might be utilized for critical peculiarity of youngster's elevation or conduct towards extravagance items. Youngsters are more pulled in towards the luxury products. They have inspirational disposition towards the luxury brands in light of the fact that costly brands engage their self- image that may be, the way do other individuals see them, how they observer themselves, how do society recognize about them, how their companion ring witness about them. The young generations need to join distinctive social gatherings and they need to be a piece of variety of inspiration from various settings (Godey, 2012). There are three main concepts of self-concepts theory that are as follows;

Actual Self Concept

- **Ideal Self Concept**

- **Social Sclf Concept**

Most of the consumers are showing themselves by doing diverse exercises and enthusiasm with assembling their values and culture. For example, age gatherings of between sixteen to eighteen years are continuing attempting on new product like cigarettes, vehicles, and liquor and battling for their fractional self-definition acquiring and exhibiting a few qualities and behaviour, it is known as self-competition theory. It was found that, youngsters have demonstrating inspirational disposition towards luxury. As indicated by past research, youngsters have diverse identity. Some advertiser use celebrity endorsement for pushing its products. In the connection to personality, broad communications is doing great in light of the fact that some youthful age customers like to just those items which are embraced by popular Hollywood stars (Vigneron etal., 2004).

Culture and Values

In the event that an individual consider the society it incorporate distinctive attributes for example mindfulness, society, regulation, morals, conduct and custom and so forth which shows that society has divergent distinction and nature. In setting to consumer behaviour, society could be clarified that incidental of convictions, conventions and qualities which control singular conduct in a restricted society. For the most part culture is delivered by learning; it might be formal and casual learning or investigative learning. With the assistance of culture consumer can hunt down the diverse items, in the wake of utilizing them he/she can judge the quality and worth of the product. By utilizing more ideas, society could be clarified that broad communications is assuming unmistakable part in marketing of the item. Values are additionally not quite the same as culture-to-culture and have an impact on the buying behaviour of buyers (Mullen & Craig,2013).The culture might affect consumer behaviour in a variety of ways. It recognizes with traditions and convictions that are gained from the public in which an individual grows up. Society is a massive zone of study that regularly has misty restrictions and hesitates in level of affecting consumers. The parts of socio-culture, for instance, sub-society, and social class and reference groups assume distinctive parts in affecting consumer behaviour. A typical example of behaviour could be seen inside the groups. The cultural change takes place at a moderate pace and might be seen to advertisers as threats or good fortunes (Chu et al., 2013).

It was found that young generation has some favourable values towards luxury products some of them are as follows:

• **Environment Oriented Values**

Environment oriented values of buyer has distinctive society to society or birthplace to source because of diverse in economy, specialized apparatuses and the social environment. Distinctive society demonstrates a spending behaviour of customers (Mullen & Craig, 2013).

• **Additional Oriented Values**

Some social societies are not in favour of luxury products that are unique in relation to individual society. It was perceived, that in most part of the world there is full of mixed society, so that the majority of the individuals have diverse observation towards luxury brands in the correlation with the Western part of the world. Nevertheless, according to experts, the majority of the youngsters are additionally eager to purchase luxury brand and they have an ideal state of mind towards extravagance mark in the correlation with different parts of the world (Nwankwo et al.,2014).

.Social Status

It is observed that in the modern era people especially young people has become very conscious about their social status and this has deeply impacted the buying behaviour of consumers. Young people are found worried about their social status and to maintain their high-class status, they show their interest towards luxury products. This means that social status deeply influences the behaviours of consumers and hence is highly important concept for the marketers and organizations. According to this theory, the need of maintenance of social status has forced the young people to purchase luxury products and therefore, the companies providing luxury products for these people has faced great boom in recent years (Chu et al., 2013).Young people choose to purchase products according to their social status. They have no concern with the products or the enjoyment associated with it but they are only concerned about their social status and the influence it would have on other people. Young people opt to purchase luxury goods to show others they can afford such products and this in turns help the organizations in achieving their goals and increased profits. Therefore, social status influences the buying behaviours of consumers extensively and change in their social class, changes the behaviour of consumers rapidly (Mullen & Craig, 2013).

Conclnsion

Hence, it is concluded that consumer behaviours in terms of young people towards luxury products is the most important concept in the modern world because of the increase of demand of these products. It is noticed that young adults demand highly these products and therefore their buying behaviours affects the company or brand. These theories provide the concept of consumer behaviours and give the information about the reaction of consumer behaviours towards luxury products particularly of young people. It is analyzed with the help of these theories that young people opt greatly towards luxury products and the concept of social class, attitude, culture and values influence the buying behaviour of youngsters.

2. MICHAEL KORS:

MICHAEL KORS

(Source-Google Images)

2.1 MICHAEL KORS BIOGRAPHY:



(Source-Google Images)

MICHAEL KORS

MICHAEL KORS Honorary Chairman and Chief Creative Offieer

Michael Kors Inc. "What I love about fragrance is that it can transport you, mentally and emotionally, to a different place and state of mind." —Michael Kors.

With a sharp focus on providing his customers with accessories and clothes that are consistently polished, chic, relaxed and glamorous, Michael Kors has created an enduring and iconic luxury lifestyle empire with a distinctive point of view and global reach.

Raised in Merrick, Long Island, a suburban town 23 miles from New York City, he revealed his eye for design at the age of 5, when he advised his mother, Joan, on her wedding dress for her second marriage. He went on to attend the Fashion Institute of Technology (FIT) in Manhattan, where he studied fashion design. He left school to start his own label in 1981, following accolades for his work at Lothar's, the trendsetting boutique on Manhattan's West 57th Street. The first Michael Kors Collection runway show was held for the fall 1984 season; in its review, Women's Wear Daily referenced his "collection of haute, classic sportswear" and "elegant but minimal dressing."

As he continued to build his own business, Mr. Kors also served as creative director of Céline, the renowned French luxury brand, from 1998 to 2004. He is credited with restoring the brand's luster, re-establishing it as one of the major European fashion houses.

Mr. Kors' New York City–based company has grown significantly beyond its ready-to-wear roots to its current status as a global design house in the luxury fashion and accessories arena (including handbags, footwear, sunglasses, watches, jewellery, beauty and fragrance) producing products under Michael Kors Collection, MICHAEL Michael Kors and Michael Kors Mens. The company went public in 2011 on the New York Stock Exchange in the biggest IPO for a U.S. fashion business in history.

As of the end of the first fiscal quarter in 2016, the company has over 770 stores, with flagships in the world's most sophisticated cities including New York, London, Paris, Milan, Tokyo, Hong Kong, Seoul, Singapore, Dubai, Shanghai, Istanbul, São Paulo and Beijing.

The fashion designer also focuses on giving back. In 2012 Mr. Kors established a lifetime endowment scholarship at FIT, his alma mater. In 2013 he launched Watch Hunger Stop, partnering with the United Nations World Food Programme (WFP) to help fight hunger and designing the 100 Series watch. A portion of the proceeds from his special-edition timepiece helps provide food to children through WFP's school meals program. That same year Halle Berry joined the Watch Hunger Stop campaign to help raise awareness. The collaboration carried over to 2014, with the creation of a new, limited-edition 100 series continued on next page MICHAEL KORS Honorary Chairman and Chief Creative Officer Michael Kors Inc. watch, introduced by Ms. Berry. In July 2014, Ms. Berry

participated in a field visit with WFP to Nicaragua that was filmed for Michael Kors by National Geographic. In a dedicated effort to continue the fight against world hunger, Mr. Kors partnered with Kate Hudson in 2015 to raise awareness and funds for WFP by launching two new, limited-edition Bradshaw 100 watches. To date, Mr. Kors has helped WFP deliver more than 10 million meals to hungry children. He was recently named Global Ambassador Against Hunger for the WFP.

Mr. Kors has received numerous industry awards including the Council of Fashion Designers of America (CFDA) Womenswear Designer of the Year in 1999 and Menswear Designer of the Year in 2003. He was awarded the Accessories Council ACE Award for Designer of the Year in 2006 and was Fashion Group International's Star Honoree at its annual Night of Stars Awards Gala in 2009. In 2010, the CFDA acknowledged him with its most prestigious honor, the Lifetime Achievement Award, which was presented by Anna Wintour, Vogue editor in chief. He received the Award of Courage in 2011 from the Foundation for AIDS Research (amfAR). In 2012, God's Love We Deliver honored him with its Golden Heart Lifetime Achievement Award. In 2013, he was selected for the Time 100, the magazine's list of the 100 most influential people in the world; he also made the New York Observer's list of the 100 Most Influential New Yorkers. In 2016, WFP USA awarded him the McGovern-Dole Leadership Award, which was presented by Vice President Joe Biden.

Mr. Kors was a judge on the Emmy-nominated show Project Runway from 2004 to 2012. The show was syndicated internationally.



MICHAEL KORS STORE (Source-Google Images)

2.2 HISTORY

Karl Anderson Junior was born in New York on 9 August 1959. His mother, a former model, remarried when Karl was five years old and reasoned that if the youngster was going to change his surname, he may as well be offered the chance to choose a new forename too. Thus, Michael Kors was (re)born.

It's an unpretentious beginning for a moniker now so famous across the world. Today, Michael Kors is a globally renowned brand, bringing high-end American style to more than 100 countries and making its founder wealthy in the process.

A BRIEF TIMELINE

1977 - Michael Kors enrols at the Fashion Institute of Technology in New York, only to leave nine months later when he is offered the opportunity to sell his own designs at the store where he works, Lothars, the trendsetting boutique on West 57th Street.

1981 - Kors' work catches the eye of Dawn Mello, the former fashion director at Fifth Avenue department store Bergdorf Goodman, who helps him show his women-wear collection to the buyers at the store. They bite, and within three years Kors' collection is stocked by Saks Fifth Avenue, Neiman Marcus and Bloomingdale's.

1983 - The Michael Kors brand is awarded the First American Original Award from Dupont.

1984 - It opens its first catwalk show.

1990 - The company launches its KORS Michael Kors range.

1997- Kors is made the first women's ready-to-wear designer of the LVMH-owned French fashion house Céline, which thrives under his direction.

1998 - Kors is named creative director at Céline.

1999 - LVMH buys a 33 per cent stake in the Michael Kors brand. The same year, the Council of Fashion Designers of America (CFDA) names Kors Women's wear Designer of the Year.

2002 - Kors launches his first full menswear line.

2003 - Kors is named the CFDA's Menswear Designer of the Year. Sportswear Holdings Limited invests in the Michael Kors brand for an estimated 85 per cent stake, buying out previous investors including LVMH.

2004 - Kors leaves Céline as he builds his brand independently. He joins the hit US TV show Project Runway as a judge, receiving wide acclaim for 10 seasons. MICHAEL Michael Kors accessories and apparel collections are launched. The line is released across stores in the

United States and expands the range across accessories, ready-to-wear,,swimwear, jeans and footwear.

2006 -A full quarter-century after its creation, the company opens its first retail stores.

2010 -The CFDA awards Kors the Geoffrey Beene Lifetime Achievement Award; he is its youngest ever recipient.

2013 - Kors is named among the Time 100, the magazine's annual list of the 100 most influential people in the world. He also appears in the New York Observer's list of the 100 Most Influential New Yorkers, and Out magazine's 2014 Power 50 List.

2015 - Kors is announced as a Global Ambassador against Hunger for the United Nations World Food Programme, in recognition of many years of philanthropy, including extensive charity work towards the advancement of cancer research.

2016 -Michael Kors announces a major partnership with McLaren-Honda, becoming the official lifestyle partner of the world championship Formula One team and further boosting the brand's jet-set associations.

2017 -Michael Kors Holdings buys luxury shoemaker Jimmy Choo PLC in a deal worth $1.2 billion (£896m).

2.3 MICHAEL KORS- THE COMPANY

Michael Kors Holdings Limited is an American luxury fashion company that was established in 1981 by designer Michael Kors. The company is known for apparel, footwear, watches, handbags and other accessories. As of 2015, Michael Kors Holdings has more than 550 stores and over 1500 in-store boutiques in various countries.

Though the brand began in 1981, it was not until 2006 that the company opened its first retail stores. Some main competitors of the brand include Coach, Kate Spade, and Louis Vuitton.

Michael Kors handbags have been a popular fashion trend among teenage girls, aecording to a 2015 survey.

Michael Kors stores are operated, either directly or through licensing partners, in some of the most prestigious cities in the world, including New York, Beverly Hills, Chicago, London, Milan, Paris, Munich, Istanbul, Dubai, Seoul, Tokyo, Hong Kong, Shanghai and Rio de Janeiro.

Behind this burgeoning empire stands a singular designer with an innate sense of glamour and an unfailing eye for timeless chic. Michael Kors has won numerous accolades within the fashion industry, been honoured for his philanthropy, and earned the respect and affection of millions. Wholly dedicated to a vision of style that is as sophisticated as it is indulgent, as iconic as it is modern, he has created an enduring luxury lifestyle empire with a global reach.

Michael Kors has always been involved in philanthropy, fighting hunger for more than 20 years. A long-time supporter of God's Love We Deliver, he has worked with the New Yorkbased organization to help distribute meals to people with HlV/AlDS, cancer and other serious illnesses. In 2013, he partnered with the United Nations World Food Programme (WFP) to help fight world hunger by designing the 100 Series watch. A portion of the proceeds from his special-edition timepiece helps WFP deliver food to children through its school meals program.

2.4 COMPANY MANAGEMENT

MICHAEL KORS: Honorary Chairman, Chief Creative Offieer and Direetor

Michael Kors is the Chief Creative Officer of the Michael Kors brand, Honorary Chairman of Michael Kors Holdings Limited and a director of the company. Mr. Kors studied fashion design at the Fashion Institute of Technology in Manhattan and in 1981 created what has become an enduring and iconic luxury lifestyle empire with a distinctive point of view and global reach. He held his first runway show in 1984 for the Michael Kors fall collection and he has successfully built our Company into a global luxury lifestyle brand. Mr. Kors has been the recipient of numerous industry awards including the CFDA Womens wear Designer of the Year in 1999 and Menswear Designer of the Year in 2003. Amongst his other accolades, Mr. Kors has also been awarded The Accessories Council ACE Award for Designer of the Year in 2006 and Fashion Group International's Star Honouree at its annual Night of Stars Awards in 2009. In 2010, the CFDA acknowledged Mr. Kors with their most prestigious

honour, the Lifetime Achievement Award. He also received the Award of Courage from the American Foundation for AIDS Research (amfAR) in 2011. In addition to all of these accomplishments, from 1998 to 2004 Mr. Kors also served as creative director of Celine, the French luxury brand.

JOHN D. IDOL: Chairman, Chief Executive Officer and Director

THOMAS J. EDWARDS, JR:. Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer

CATHY MARIE ROBINSON: Senior Vice President of Corporate Strategy and Chief Operations Officer

PASCALE MEYRAN: Senior Vice President, Chief Human Resources Officer

KRISTA A. MCDONOUGH: Senior Vice President, General Counsel



(Source-Google Images)

2.5 MARKET POSITION

Michael Kors is a leader in its category within the luxury goods industry. The following share performance graph indicates how their stock has been performing in relation to competitors such as Coach, Inc., Guess, Inc. PVH Corp, Limited Brands and the Ralph Lauren Corporation. The market share of Michael Kors is quite respectable for the apparel industry. While Ralph Lauren, Louis Vuitton and Gucci make up a large part of the market, Kors is not far behind. Ralph Lauren remains the only direct competitor that has a higher showing. This is expected for a brand that has such a rich history.

2.6 CULTURE

The company culture at Michael Kors is customer focused, as Kors is constantly looking for ways to outfit the modern woman/man according to his or her needs. When entering the retail stores this is evident in the way that the customer is treated.

Those who work for the company put an emphasis on pleasing the customer and finding the right products for him or her. When looking at the employee satisfaction, there is a high level of respect for the company. Employees note that MK takes the time to train each individual to know the brand and to properly convey the correct image. Websites such as indeed.com include mostly favourable reviews from those who have worked for or currently work for the company. From the very beginning, Michael has made a strong commitment to pleasing the customer which is reflected in the way that the staffs are trained. The in-store experience is high class and reflects the "luxury" positioning of the brand. Employer reviews show that the company is focused on training employees to be brand ambassadors.

2.7 SEGMENTATION, TARGETING AND POSITIONING:

SEGMENTATION:

• Men and women who are fashion conscious and are inclined towards luxury products which are pocket friendly.

• Michael Kors audience's top three interests are Fashion, Art and Music.

TARGETING:

• 82% of Michael Kors audience are Female.

• 36% of Michael Kors Audience are aged between 26-- 35.

POSITIONING:

• The core audience for Michael Kors are female and the majority of these are young. Whilst Michael Kors is a luxury company they can also be considered as affordable and amenable which is one of the main reasons as to why they're audience is a younger consumer. It also states their core interests of Fashion, Art and Music which is something that Michael Kors should consider within the delivery of their products and stores.

2.8 PESTLE ANALYSIS

POLITICAL FACTORS

• Trade agreements limiting how much can go in and out of a country.

• Environmental and ethical restrictions limiting imports/exports.

• Tense international relations influencing trade agreements or retail locations.

ECONOMIC FACTORS

• Tax inflations which cause cost of materials and price of product to increase

• Impact of GST

• Recessions or inflations adding pressure on individual spending habits as there could be less disposable income available.

SOCIO-CULTURAL FACTORS

• Current trends influencing where people buy from or what people buy

• Cultural differences influencing what each store sells

• Risk of certain cultures not wanting certain products due to cultural preferences.

TECHNOLOGICAL FACTORS

• Rise in online shopping leading to a fall in in- store footfall

• Unpredictability of social media could affect sales as it's mass outreach determines what the most desirable product is at any given time.

ENVIRONMENTAL FACTORS

• Counterfeit products or subtle copies being manufactured and sold in high street stores or bargain stores.

• Environmental impacts of import/exports may lead to trade limitations depending on country's governments and ecological footprints.

2.9 SWOT ANALYSIS:



STRENGTHS

 Brand image: leading to a better establishment in the market and a better relationship with customers.

 Celebrity endorsements: makes the brand more desirable as consumers want to emulate celebrities.

 Segmented independent brand: less risk financially and the brand has more overall control over them- selves.

 Philanthropy: "Never turn an opportunity down" meaning they are open to more ventures than most brands. -Ability to stick to their trend of 'jet-set juggernaut'.

 High quality products: leading to customer trust and possibly increased loyalty.

 Global Outreach: enables them to access a large and worldwide market, increasing overall sales and brand popularity as it is extremely well known.

OPPORTUNITY

- To become even more active on social media: As MK himself is the face of the brand, by engaging with consumers by giving them a look into his personal life on Instagram and Twitter will enhance his public image and make him more famous by giving him a larger following.

- As they are a singular brand, they can create more lines. Even though they already have MICHAEL by Michael Kors and KORS by Michael Kors they can create more that could be priced higher than average in order to give it more exclusivity and a different feel to previous collections.

- As they have such a large following of teenaged females, they could create a line specifically for them, expanding their target market. -They could develop their men's range more as it's significantly smaller than the women's range inherently meaning they would gain more customers.

WEAKNESS

- The availability of the brand to anyone and everyone as it lessens MK's exclusivity.

- Bargain stores: lessens price of bags and clothes which in turn dilutes their brand image.

- Their "jet-set" trend stops them from appealing to a wider range of consumers, which can lessen their profits.

- Their designs are copied by most high street retailers, especially their iconic tote bag which means customers could turn to a cheaper alternative instead of buying the real thing.

THREATS

- Any possibilities of an economic downturn in America or Europe as those are their biggest markets and a re- cession would lead to a massive fall in profits. Economic unpredictability leading to unstable sales patterns.

- The possibility of costs rising in inflation as that could mean that MK would either have to increase prices or sell more than before in order to cover costs. Increasing prices could harm relationships with customers as they may not want to pay the higher price and the need to sell more could create an added sense of pressure to the brand which could lead to diseconomies of scale.

□ Failing contracts: currently Michael Kors has licensing contracts with Estee Lauder, Fossil and Marchon – if any of these were to fall through it could harm their brand image and lessen the amount of financial security MK has as they would have to look for new business partners. -Ethical problems through hiring cheaper labour in China.

2.10 MARKETING MIX:

PRODUCT:

• Michael Kors has a large range of products – they have smart clothing, resort wear, footwear,accessories and their large collection of handbags and wallets.

• Michael kors are mainly famous for their handbags, but they are well known for their clothing collections within celebrity circles.

PRICE

• MK's pricing is perceived to be within the mid-level luxury band. It offers high quality products but at a slightly lower price than luxury couture houses such as Gucci or Chanel. Pricing includes discounts and sales which MK frequently has, both instore and online. While their pricing may be lower than other luxury brands, it is still higher than normal high street stores, adding a sense of exclusivity to it. In terms of differentiation, Michael Kors embodies the idea of 'affordable and accessible luxury' something that luxury brands were not perceived to be to general masses. It was only after their rise to popularity that mid-level luxury products became main stream.

PLACE

• MK has numerous stores all over the world and each store has a similar layout. Their stores are always located near or with other luxury brands in department stores, highstreets, or in malls. They have most of their stores in the U.S. and Europe, however they have recently started expanding in Asia, with India being one of its newest targets

PROMOTION

• Michael Kors' social media pages is one of its most successful forms of promotion - in 2013, they were named top fashion brand on social media. With around 6.4 million followers on Instagram 3.I followers on twitter, MK has a huge social following.

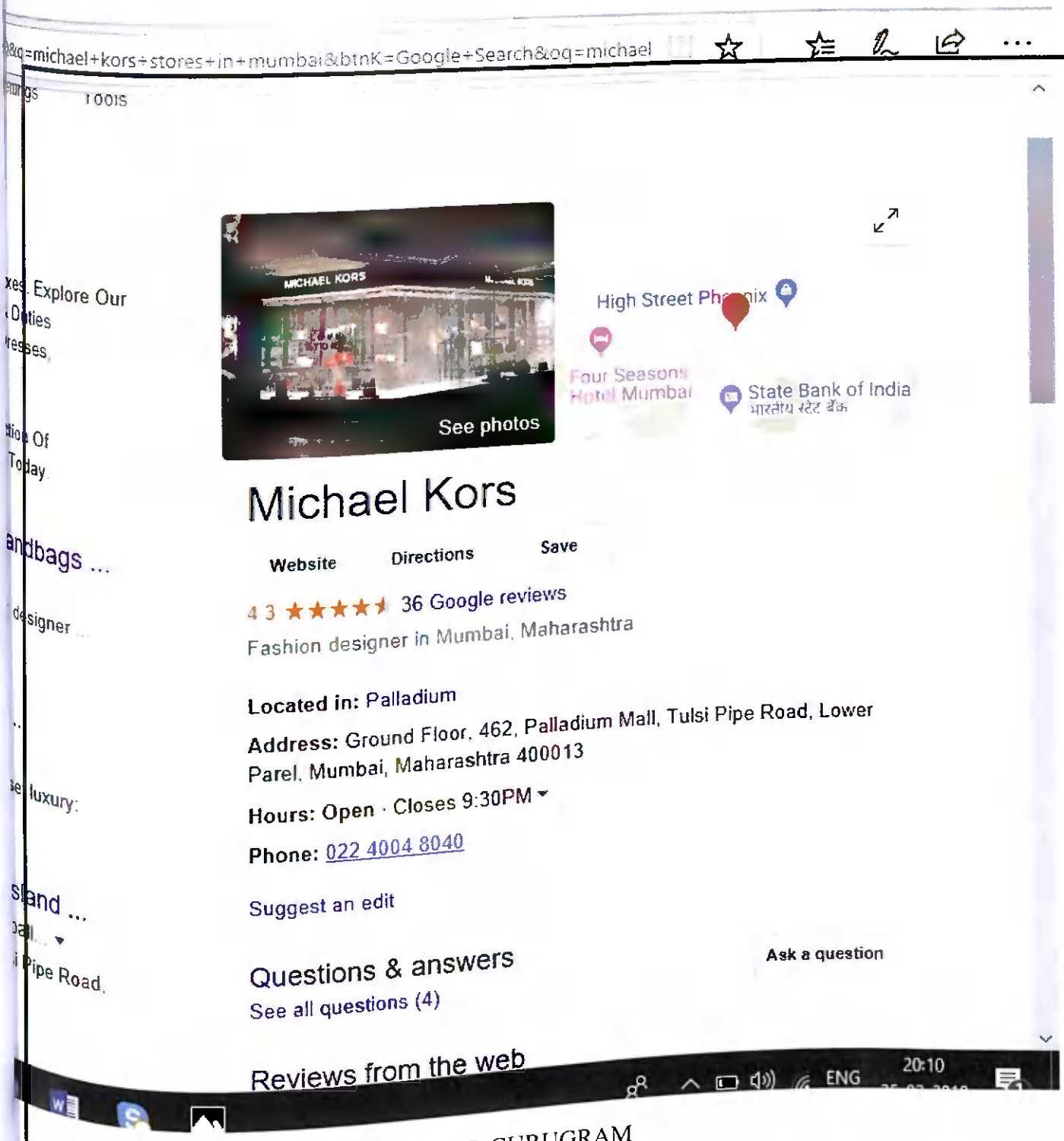
• MK was the first fashion brand to adopt the 'Marquee' method of advertisement on Instagram , which uses I5 second videos to broadcast a product or detailing on a product or a short interview.

• MK's use of famous icons furthers their use of celebrity endorsements - by having icons such as Michelle Obama wear their designs they are ensuring that they are constantly in the spotlight and customers are always aware of their work.

• Their website displays all of their campaigns for customers to view whenever they want, and they have numerous posters up in each of their stores as well as having short clips on YouTube to further advertise themselves.

• The designer Michael Kors himself has a large twitter following, and even though his tweets are business- centric, his followers are offered glimpses into his personal life as well as a look at up and coming designs he is creating; furthering the brands personal selling.

2.11 MICHAEL KORS STORE IN MUMBAI



HARYANA - AMBIENCE ISLAND GURUGRAM

KARNATAKA - UB CITY BANGALORE

MAHARASHTRA - PALLADIUM MUMBAI

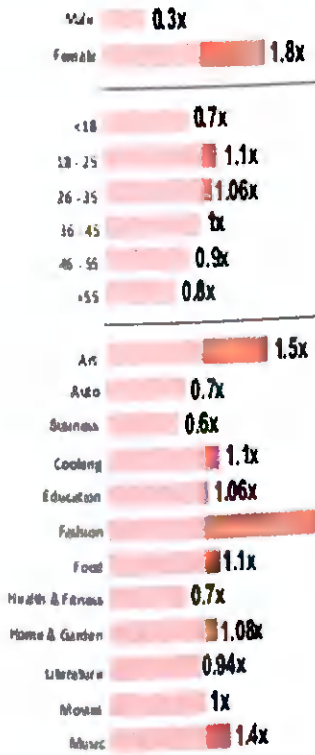
TAMIL NADU - PALLADIUM CHENNAI

WEST BENGAL - QUEST MALL-33 KOLKATA

2.12 CUSTOMER PROFILE

CUSTOMER SEGMENTATION

TARGET DEMOGRAPHIC



82% of Michael Kors customers are Female

36% of Michael Kors customers are aged between 26-35

Top 3 interests of Michael Kors customers are Fashion, Art and Music

Core customers of Michael Kors are female & majority are young

While Michael Kors is a luxury brand it is also Affordable & Attainable which helps in attracting Young Consumer

Michael Kors products and stores cater to Fashion, Music & Art

Source : Statsocial Report on Michael Kors



(Donatella Versace in her Milan studio. The purchase of her family's fashion house by an American company, Michael Kors, challenges the industry's European assumptions. Credit : Alessandro Grassani for The New York Times)

PARIS — It's official: America has its first global luxury group. Michael Kors's purchase of the Italian brand Versace for $2.1 billion vaults the company — to be renamed Capri Holdings, after the Italian island — into the ranks of fashion conglomerates, a rarefied world defined by Kering and LVMH Möet Hennessy Louis Vuitton.

Everyone is chattering about what the deal might or might not do for growth, for taking advantage of the Asian market, for back-room synergies and so forth. In his announcement on Tuesday, John D. Idol, chief executive of Kors, called it a "milestone."

He was right, and not just in terms of Kors but in terms of the fashion and luxury industry itself.

There are implications that go beyond the purely financial to the root of luxury identity and the international fashion world. And they have the potential to be as disruptive, and formative, as any revenue stream. They speak to national pride, and to luxury's sense of its own history.

And that is why, even as analysts muse over the stock price implications, consumers have taken to Donatella Versace's Instagram feed to voice their fears and horror about what it could mean, with comments such as: "donatella why would you sell versace? it's an iconic ITALIAN brand. i'm a pround italian, why would you sell it to an american brand?"

More than many other global industries, luxury fashion has made national identity part of its calling card. "Made in Italy" and "Made in France" are part of its value proposition. Every industry has its own creation myth, after all. (The personal computer born in Steve Jobs's garage; aviation in the Wright brothers' bicycle shop.) Luxury's is rooted in the ateliers of Europe, where couture and craft are regarded as part of the patrimony.

It's one of the reasons, during the post-recession wave of consolidation, that there was a lot of soul searching and hand wringing in Italy about heritage brands being bought by the French. (LVMH owns Pucci, Fendi, Berluti, Loro Piana and Bulgari; Kering has Gucci, Bottega Veneta and Brioni.)

In this narrative, American fashion is even more of an upstart and a wannabe. This is the country, in industry lore, that once upon a time sent department store employees to spy on the couture shows so retail emporiums could make copies of the clothes. It is the birthplace of sportswear. It is a country where every generation gets to start anew and find its own bliss instead of being burdened with tradition.

For years, when New York Fashion Week was the last of the New York-London-Milan-Paris circuit, it was routinely dismissed as a mere imitation of the trends that came out of Europe. Even when it jumped to the front of the queue in 1998 and proved this wrong, it suffered from the taint of commercialism. When American designers needed to bolster their creative credentials, they often felt the need to make their mark in Paris. As recently as last year, the designers Proenza Schouler and Rodarte left their base in New York to show in France; they have since returned.



(Source-Google Images)

The chief executive of Kors, John D. Idol, said he saw unexpected parallels between the two companies, even in their personalities. Credit Spencer Platt/Getty Images

Neither loyalty nor longevity assuaged. Marc Jacobs's 16 years as creative director of Louis Vuitton and the stint Michael Kors himself did at Celine (a highly successful tenure from 1997 to 2004 that has largely been buried under the work of the designers who followed) didn't serve to legitimize American fashion.

2.14 GENESIS LUXURY PVT LTD

The essence of Genesis Luxury lies in our philosophy that luxury brands are an experience above all. Our splendid mix of designer labels from across the globe ensures that the Indian market is spoilt for choice, from opulent to effervescent, by brands par excellence, both in quality and design. Genesis Luxury fashion was established in the year 2007 for marketing and distribution of international Luxury Labels within India by India's leading fashion conglomerate, Genesis Colors – the fashion house behind premium designer labels Satya Paul and Bwitch. Genesis Luxury brings to India the iconic British Label Paul Smith, Italian handcrafted leather bags and accessories by Bottega Veneta, the red carpet favourite Jimmy Choo, the most respected fashionable luxurious brand from Milan Armani, the leading international brand for luxury travel, business and lifestyle accessories Tumi, and luxury apparel and accessory brand Michael Kors.46Genesis Group has also entered into a joint venture with Burberry of UK to form Burberry India , the classic menswear Italian Luxury label Canali to form Canali India and in the tableware division, with Villeroy & Boch to form V&B Lifestyle India. The essence of Genesis Luxury lies in our philosophy that luxury brands are an experience above all. Our splendid mix of designer labels from across the globe ensures that the Indian market is spoilt for choice, from opulent to effervescent, by brands par excellence, both in quality and design. As India's leading international luxury conglomerate Genesis Luxury has redefined fashion retailing with innovative strategies that transcend borders. The expertise lies not merely in catering to a homogenous elite segment but in bringing an assortment of top of the line brands to tap the emerging market in India. We understand our growing affluent consumer market in all its many dimensions & prioritize affluent consumer values & pride whilst delivering value at par with the brands international standards.

MICHAEL KORS UNDER GENESIS LUXURY

Michael Kors is a world-renowned, award-winning designer of luxury accessories and readyto-wear. His namesake company, established in 1981, currently produces a range of products under his signature Michael Kors Collection and MICHAEL Michael Kors labels. These products include accessories, footwear, watches, jewellery, men's and women's ready-to-wear, eyewear and a full line of fragrance products. Michael Kors has won numerous awards within the fashion industry, been honoured for his philanthropy, and earned the respect and affection of millions.

2.15 ANTI-LAWS OF LUXURY MARKETING:

The 24 anti-laws of marketing, which are labelled as such "to designate the counterintuitive managerial principles, empirically carvcd through time by the founders and owners of these brands, which made these brand command their incredible pricing power and margins," are as follows.

1. Forget about positioniug; luxury is not eomparative.

In consumer marketing, at the heart of every brand strategy, you will find the concept of positioning, of the unique selling proposition and the unique and convincing competitive advantage. Every classic brand has to specify its positioning, and then convey it through its products, its services, its price, its distribution and its communication. Positioning is the difference that creates the preference for a given brand, over the one that it has decided to target as a source of new business and whose clients it is going to try to win over.

When it comes to luxury, being unique is what counts, not any comparison with a competitor. Luxury is the expression of a taste, of a creative identity; luxury makes the bold statement "this is what I am," not "that depends"– which is what positioning implies. It is identity that gives a brand that particularly powerful feeling of uniqueness, timelessness, and the necessary authenticity that helps give an impression of permanence. Chanel has an identity, but not a positioning. Identity is not divisible, it is not negotiable– it simply is. Luxury is superlative, and not comparative. It prefers to be faithful to an identity rather than be always worrying about where it stands in relation to a competitor.

2. Docs your prodnct have enough flaws to give it soul?

This is a provocative statement. For most people, luxury is the last word in hand-crafted or craftsman-built products. It is true that in survcys into the perception of luxury, consumers from all over the world were interviewed and the consensus was that 'product excellence' is the primary prerequisite of luxury. It would suffice to imagine a bisecting line between two axes – price and functional quality: at the very top right would be luxury. Now, in our view, nothing could be further from reality.

The aim of an upper-premium brand is to deliver a perfect product, to relentlessly pursue perfection. But it would take a touch of madness for it to be counted a luxury. Functionally, a Seiko watch is superior to many luxury watches – it is more accurate (because it's a quartz watch) and shows the time directly and in a perfectly legible manner (because it is displayed

on a digital face). If you were to buy some of the famous brands of a luxury watch, you would probably be warned that it loses two minutes every year. The flaw is not only known, it is assumed – one could say that that is both its charm and its guarantee of authenticity. It is the specific and singular nature of their movement that is responsible for that. For luxury watchmakers like adding complications, indeed seek them out in their endless quest of art for art's sake. This is the 'madness' touch that goes beyond perfection and makes people collect them.

Let us look at some of the watches that Hermès has to offer, where the time is indicated by just four figures: 12, 3, 6 and 9. So you have to guess the time – as if knowing the time accurately was somehow unimportant, even pleasure-killing and dehumanizing. They are certainly far removed from those state-of-the-art precision chronograph watches, for luxury brands are not interested in being the leader in utilitarian or functional comparisons – primarily they are hedonistic and symbolic.

In the world of luxury, the models and the products must have character or personality. In the world of automobiles, a Ferrari is anything but a perfect car if you like easy, smooth and silent driving; that is why people would do anything to own one. Every model forces its owner to accept its flaws.

Of course, if a luxury product is not a flawless product, the reverse is not true: adding flaws does not turn a regular product into to a luxury product.

3. Dou't pauder to your eustomers' wishes.

Luxury is a non-necessity made desirable on the basis of emotional values (surprise, beauty, elevation of self through hedonism and elitism): asking people what they want is by definition a contradiction in this respect. They will answer something that generally destroys the dream – that is to say the lever of pricing power ... When one asks consumers what luxury brands should do to please them, they generally do not understand the long-term interest of these brands, which is to preserve their attractivity based on prestige, creativity, surprise and high pricing power.

4. Keep uou-euthusiasts out.

In traditional marketing there is this obsession with poaching clients from other brands: sales growth is management's principal measure of success and of the performance of its managers. This leads companies to come up with new products that will help extend market

penetration and thus steal a march on competitive brands. To increase the relevance of the brand – the number of people who would say that the brand was of interest to them – it is necessary to avoid being too exclusive or too different.

When it comes to luxury, trying to make a brand more relevant is to dilute its value, because not only does the brand lose some of its unique features, but also its wider availability erodes the dream potential among the elite, among leaders of opinion. BMW is typical of a brand that is able to grow without cutting back on its rugged features, which are in any event highly exclusive. The Bavarian management has calculated that BMW's target accounts for 20 percent of the premium segment of the population – only one person in five.

This means that 80 per cent are not at all attracted by BMW's values. The brand has preferred to exclude these 80 percent and base its growth on its true target, those who wholeheartedly share its values. Brand growth is achieved by penetrating new countries, not new customer segments. In order to grow, the BMW Group preferred to buy two other brands which on their own, like BMW, define a segment – Mini and Rolls-Royce; having taken good care to keep Rolls-Royce's identity separate from BMW's.

5. Don't rcspond to rising demaud.

The prime objective of traditional marketing is volume growth. It sets its sights at achieving leadership in market share to gain muscle with mass distributors, department stores and superstores, and presents itself as a force to be reckoned with in some of its lines. This ensures wide distribution and broad visibility and provides the justification for a national television advertising campaign.

With sufficient volume, the business can work with small margins and still make money. This is the essence of the mass marketing model. Product managers are then judged on just one criterion – growth in annual results. At Ferrero (Kinder, Nutella, Tic Tac) it is not allowed to fall below double figures. The job of each product manager is to increase the penetration be it of Kinder Surprise, be it of Kinder Bueno, and then to push up per capita volume (consumption frequency). If the demand goes up, there have to be supplies to match it – that's the key to this economic model.

Not to satisfy rising demand is to annoy the distributor because unhappy customers will not wait and will always hold it against the company. They will take their revenge by gossiping

over dinner about their bad experience with the brand. What an absolute scandal having to wait! Sheer mismanagement!

At Ferrari, production is deliberately kept to fewer than 6,000 vehicles a year – rarity value sells. So long, that is, as the customer understands why the product is rare and is prepared to wait. Rarity can be managed just like the relationship with the clientele; so it is not a matter here of poor sales forecasting but of a deliberate strategy of resisting demand in order to be master of it.

2.16 MARKETING ACTIVITIES

PUBLIC RELATIONS

Advertising is such a huge part of building and maintaining a successful company if the industry you are in deals with selling and customers. There are various routes that can be taken to advertise available products. Michael Kors uses things like print advertising, celebrity endorsements and more recently social media. You don't really see too many Michael Kors commercials on tv but anywhere you go you are liable to pass a billboard or ad on the side of a bus/bus stop, inside the train and especially in various magazines. The owner Michael Kors even gained national exposure for his brand by being a judge on the reality TV show Project runway.

Advertising has changed in many ways from the old days. Yes companies still use commercials and magazines, but now with the addition of social media enabling immediate direct contact with people it is so much easier for companies to reach out to the consumers. With these new technological advances Michael Kors took total advantage of social media. They created Facebook and Instagram accounts which have over 20 million followers combined. During February 2014 Michael Kors ran a contest on instagram and gave away products to a select numbers of followers. These advertising avenues and sales promotions allowed Michael Kors to surpass their biggest competitors Coach.

SOCIAL MEDIA CAMPAIGNS

The past 4 years have been incredible for the team at Michael Kors. They've grown their revenue by more than $3 billion, and they've grown net income by more than 500%. What's

their secret? Well, for starters, Michael Kors' marketing team has undertaken several incredibly noteworthy campaigns. Let's take a look at some

A) Thc HENRY Effcct: Michael Kors' marketing seems to target HENRY ("High Earners Not Rich Yet") consumers. These are the people who make between $100,000 and $250,000. This segment is increasing steadily not just in the USA, but all across the globe. Even after admitting the fact that HENRYs individually have a far lower spending threshold than ultraaffluent, there are 13 HENRY households for every ultra-affluent. That is why with a total of 22.3 million households, the HENRY segment is a critically important part of the consumer market. With $550 handbags and $350 watches Michael Kors is becoming a better choice for HENRYs, as they can flaunt it without putting too much burden on the pocket.

B) Instagram Marquce Ads: In 2015, Michael Kors became the first brand to use Instagram's new Marquee video ads. It created 3 videos for its Marquee campaigns starring Lily Aldridge walking, shopping, eating and cycling around beautiful Paris to showcase the various shoes and their versatility from Michael Kors Jet Set 6 Collection.

After this campaign, the brand forged a partnership with Instagram and Facebook to create a custom audience of the hundreds of thousands of Instagram users who saw the Marquee ad. With the help of Facebook, those customers were targeted. It drove 200,000 people to the Michael Kors's website over a 30-day period. Not just that...it enhanced the traffic to its Jet Set and shoe product pages by 2.6 times.

C) #WhatsInYourKors Campaign: In 2013, Michael Kors came up with a digital media campaign with the help of Twitter and Instagram under the title "What's In Your Kors?" The idea of the campaign was simple- based on its accessory base, Kors invited fans to accessorize their wardrobe for the upcoming holiday and summer season. They asked followers and fans to upload photos of what they're carrying around in their beloved handbags.

An examplc photo from a Michael Kors customer with the #WhatsInYourKors hashtag.

This was a great early visual user generated content campaign that really tapped into the individuality of each Kors customer. An interesting thing to note here is that they used the same hashtag alongside style tips and advice. If you want to learn how to recycle the unique hashtag for a long term social media campaign, this is perhaps the best example. If you want

more advice on picking the right hashtag for your UGC or visual commerce campaign, check out this post.

D) Mother's Day Contest: In 2012, Michael Kors' marketing team rolled out a campaign called "What She Wants" for Mother's day. Though it was integrated with Facebook, it was the first time that brand made its campaign mobile-compatible. The idea was to reach out to daughters in need of last-minute gifts, affluent consumers who are also mothers and aspirational consumers who want to win products. The entire content was located on the Facebook app and consumers were able to win one item chosen by Mr. Kors from the summer collection each day for the next 13 days leading up to Mother's Day.

It worked in a simple way. A countdown to Mother's Day appeared on the page Friday and told consumers that they can return on Monday for the sweepstakes. The brand also sent an email featuring a campaign slogan. Users were directed to the Mother's Day section of the ecommerce site after they had clicked the email. Besides, The Michael Kors Twitter account was using the hashtag #WhatSheWants to stimulate a conversation. For example, @MichaelKors tweeted, "Mother's Day is just around the corner! Get her #WhatSheWants!" and linked to the ecommerce site. That wasn't the end of the campaign...all the Mother's day products were displayed on a Pinterest board named What She Wants.

IN STORE ACTIVITIES

GENESIS LUXE CLUB: Genesis Luxe Club is quintessentially our customer rewards program designed especially for our premier clients to offer them the ultimate shopping experience. The essence of Genesis Luxe Club lies in experiencing luxury with style and ease whilst benefiting from shopping with us. By bringing the finest of luxury brands from across the globe to India, we strive to offer a one-of-a-kind experience for our shoppers. An inhouse loyalty program of the Genesis Group, Luxe Club offers its privileges at all of our 16 lifestyle brands; ensuring our customers are spoilt for choice from opulence to effervescence. Membership into the Luxe Club will not only earn you rewards for every time you shop with our brands, but will also enjoy privileged access to our latest collections, exclusive events, complimentary and heightened services; plus many more benefits from our exclusive associations and alliance partners.

DISCOUNTS: Michael Kors is one bridge to luxury brand that provides discounts to its customers. They usually have an EOSS in which they provide as high as 50% discount on

• **FRAGRANCE & BEAUTY:** Starting in May 2003, Estée Lauder became the exclusive licensee of men's and women's fragrances from Michael Kors. The fragrances are sold in their retail stores, to wholesale customers and at select fragrance retailers. The retail prices range from $20 to $115. Recently, a new fragrance and beauty collection was introduced in 2013. The tag line for this collection is "Sporty Sexy Glam," which continues the company's standard of jet set style. The collection includes perfume as well as beauty products ranging from lip colour to nail colour.

3. LITERATURE REVIEW:

Lnxury brands:

The concept of luxury is complex and subjective and its meaning is dependent on various personal and interpersonal motives (Vigneron & Johnson 2004). In order to understand the meaning of luxury, we can first describe the nature of luxury, luxury goods, luxury brands and brand equity for luxury brands. The word luxury has been derived from the Latin words —luxusl and —luxurial (Roux and Floch 1996). As per the meaning given in dictionaries, luxury means extravagance, opulence (UBC Sunsite n.d.), and rankness (University of Notre Damc n.d.). The word luxury should have a positive value of splendour to it. However, it takes on the negative meaning of decadence when used in association with "private" and —excessl, and put into a social context (Roux and Floch 1996). Luxury can be seen as a way of life.

Bourne (1957) defined luxury goods as exclusive products which are not so commonly owned or used. But they are more visible and symbolic than necessity products. They are mainly branded goods which are bought so that they can satisfy the psychological needs of the consumer and also lead to an increase of selfesteem. Such products are purchased mainly for social and individual needs rather than functional needs which play a secondary role in purchase decisions (Arghavan and Zaichkowsky 2000).

Roux & Floch (1996) say that luxury is not just about price, but also associated with pleasure, refinement, exclusivity and appreciation. A luxury product is also characterised by very limited supply and recognition of value by other people.

Kapferer (1997, p.253; as cited in Vigneron and Johnson 2004) summarised luxury as defining beauty, enlightening and providing good taste. According to him, luxury products provide sensory pleasure and is the appendage of the ruling or elite classes.

Luxury brands can also be described as premium or high priced brands that consumers purchase to satisfy their psychological needs like materialistic, hedonic and social needs rather than for their economical and functional value (Nueno and Quelch 1998). Thus, luxury brands can be characterised as those which are conspicuous, unique and provide high soeial and emotional value and are of excellent quality (as explained by Vigneron and Johnson 1999). Since people interact with each other at a different personal and social level, they will develop different perceptions of luxury brands. Hence, the definition of luxury brands varies according to motivations and values leading to purchase of luxury brands. The main factors leading to the purchase of luxury brands are the need for sociability and self-expression (Vigneron and Johnson 1999).

Dubois, Laurent and Czellar (2001) proposed a definition of the nature and characteristics of the concept of luxury, and identified six properties of luxury products: 1) excellent quality, 2) premium pricing, 3) exclusivity, rarity and uniqueness, 4) aesthetics and good looks 5) ancestral heritage and 6) superfluousness.

By tradition, individuals consume luxury goods because they want to differentiate themselves (Baudrillard 1968; Baudrillard 1970) by becoming a part of their reference group, or they want to distinguish themselves from other groups to show that they are a part of a higher social class. The elites or the upper social classes purchased luxury goods to segregate themselves from the working class that consumed necessity goods (Bourdieu, 1979). These upper classes purchased luxury goods not for their economic value but for their social status value. This —Affluentǁ segment (Stanley 1989) was differentiated into —Old moneyǁ (Aldrich 1988; Hirschman 1988) and —Nouveaux Richesǁ (LaBarbera 1988). The —Affluentǁ basically buy luxury goods all the time to satisfy their needs for material immortality (Hirschman 1990), it is a lifestyle choice for them. The —Excludedǁ, represented the majority of the population, and did not have access to luxury (Dubois and Laurent 1995).

Although luxury is a term that we all know and use in our life, how —luxuryǁ is defined depends on each one's perceptions. Previous studies did also not reach high consistency regarding what luxury is about. Berry (1994) characterizes luxury goods as items that rise desire and provide pleasure to its consumers. Also the concept of rarity and exclusivity has not been forgotten, being highlighted by Pantzalis (1995). Kapferer (1997) says that luxury exhibits beauty and aesthetics and can be applied to functional items. He also says that luxury has an enlightening effect and provides sensory pleasure. Nia and Zaichkowsky (2000) argue

that luxury goods enable consumers to satisfy their functional and psychological needs, and that this is what makes the distinction between luxury and non-luxury goods, as non-luxury goods do not fulfil the psychological need because they are not able to provide esteem to its owners. Phau and Prendergast (2000) argue that luxury goods are those Attitudes of young Indian consumers towards luxury brands which exhibit exclusivity, brand image and identity, brand awareness and excellent in the minds of the eonsumers. Webster (2002) defines it simply as —non-essential itemsǁ. Cornell (2002) says that luxury can be characterised by a strong element of human involvement, scarcity or limited supply and value recognition by others. On the other hand, McKinsey (1990) and Wiedmann, Hennings, and Siebels(2009) sates that luxury goods are the ones that have the higher ratio of price-quality. Finally, Kapferer and Bastien (2008) argue that —luxury is qualitative and not quantitativeǁ and is when —hedonism takes over functionalityǁ as it has to be —multi-sensory and experientialǁ to each consumer. Thus, both authors claim that luxury is only a true luxury when some part of it is handmade and the brand has the capacity to provide exclusive services to their consumers.

Thus, it seems that luxury is seen in very diverse ways by different authors. In this study, we opted to use our own definition shaped from a mix of the definitions transcript above. Our proposal of definition states that luxury is either a service or a good that is able to fill both functional and psychological needs of the consumer (Nia and Zaichkowsky 2000). Hence, the service and/or good has to be able to transmit to the eustomer extra pleasure (Kapferer 1997) and a truly multi-sensorial experience (Kapferer and Bastien 2008), as consumers are increasingly seeking more personal fulfilment and aspiration through experience (Yeoman, McMahon-Beatie and

4. RESEARCH METHODOLOGY

The research methodology used in this study is **QUESTIONNAIRE METHOD.**

4.1 OBJECTIVES OF THE STUDY:

1. Role of luxury brands in India
2. Factors influencing Customer Perception for luxury watches, handbags and accessories.
3. Understanding the influence of luxury brands over buying behaviour.
4. To study the factors liable for increase in luxury brand purchase in India.

5. To determine the coneept of luxury for India.
6. To explain how the luxury market is on the verge to achieve its boom.
7. Indian consumers are changing and they want best quality, best serviee etc. So to study their attitude towards luxury brand.
8. To determine the role of potential eonsumers in Indian luxury markets.

4.2 LIMITATIONS OF THE STUDY:

This study cannot survey the whole population but only a part of it.

Customer perception varies from time to time, place to place and person to person so the result and interpretation of the research also may differ.

The luxury definition could be different among the consumers as it varies with time, tradition, culture and situation.

The research report will not be aecurate for the other metros as their preference for buying luxury may differ from city to city.

The study did not specify a product and only the luxury value has been tested. It is proposed to be appropriate alike investigation about luxury manufactured commodities or deal.

4.3 SIGNIFICANCE OF THE STUDY:

This study helps us understand how the customers perceive the brand and also to attraet customers towards the brand maintaining its standards.

Also it will enable us to find out the prospects and the target audience and to focus on them.

The study clarifies the consumer centric meaning – based dimensions of brand luxury.

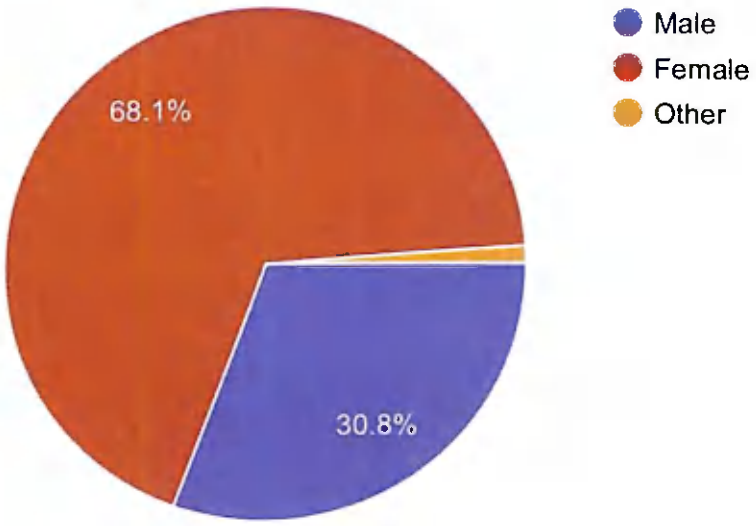
The study develops a typology of luxury consumption practices

The study provides insight about how consumers personalize luxury brand meaning.

5. DATA ANAYSIS, INTERPRETATION and PRESENTATION:

Gender

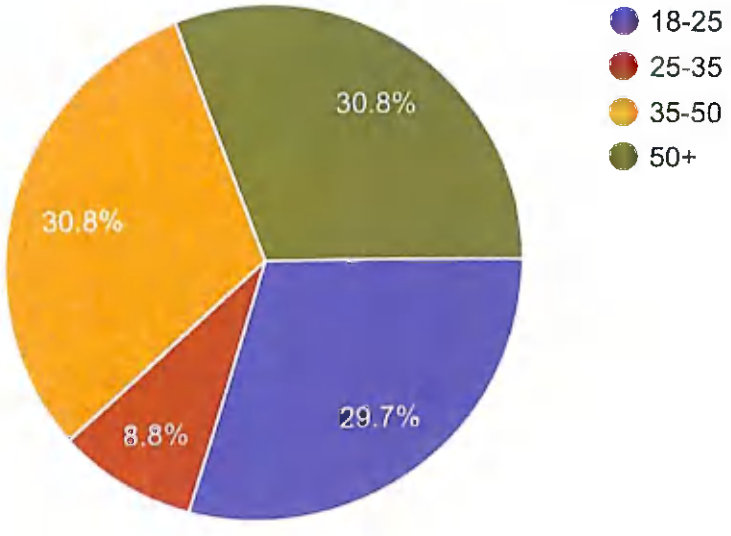
91 responses



The Survey is filled by 30.8%men and 68.1%women. This in terms of research shows how engaged women are in luxury and shopping in general. Women are considered to be very calculative buyers who are always on the hook for the newest fashion trends. Therefore, this perspective helps the research to be more inclusive and apt.

Which age group do you beiong to?

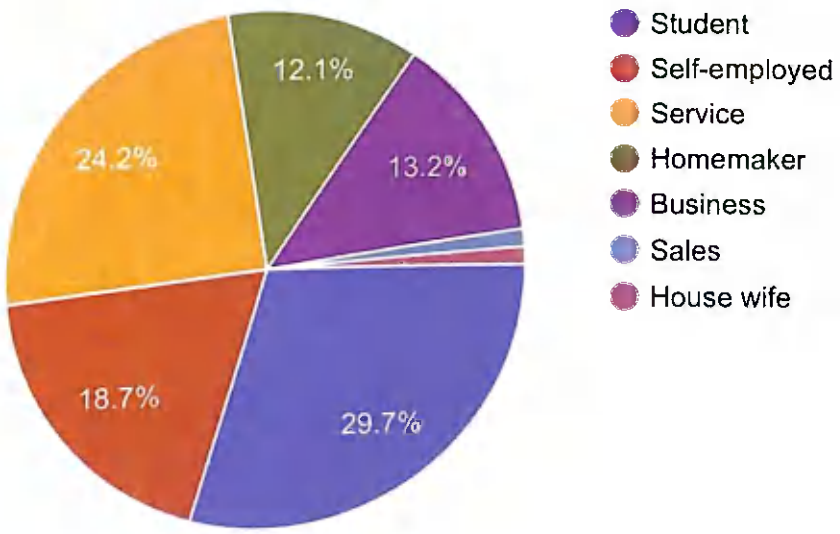
91 responses



Most of the respondents are between the age of 18-25, 35-45 and 50+, so this concludes a mixed tabulation. Here, the survey receives a response from all the age groups so we can take into consideration the thoughts of the general public. Luxury attracts everyone and shouldn't be limited to an age group. Luxury is for everyone who can afford it.

Which occupation are you currentiy engaged in?

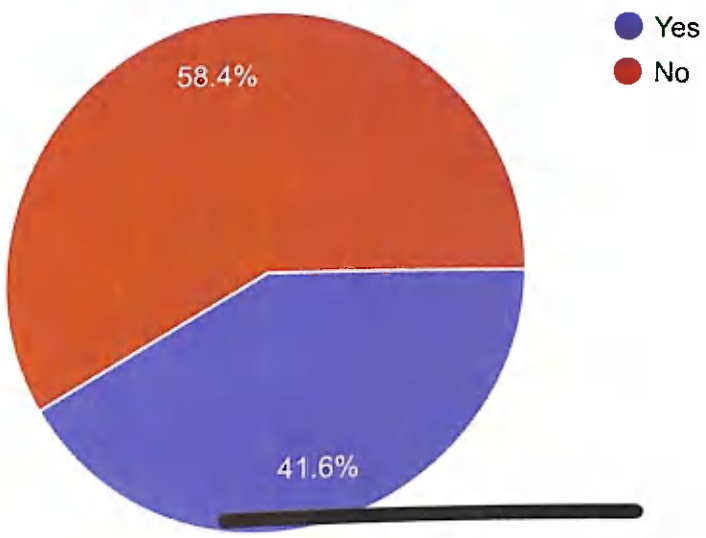
91 responses



Most of the respondents are majority students and then working and self employed people. This question plays a big part as the respondants occupations tell us their engagement in the luxury world. For buying luxury, these individual resort to various money making resources. For example, students incline towards their parents for their ounce of money. However, we consider all aspects into this research.

Do you own any designer or high-end handbag or accessory such as watch, jewellery, waiiet, beit etc. by Michael Kors?

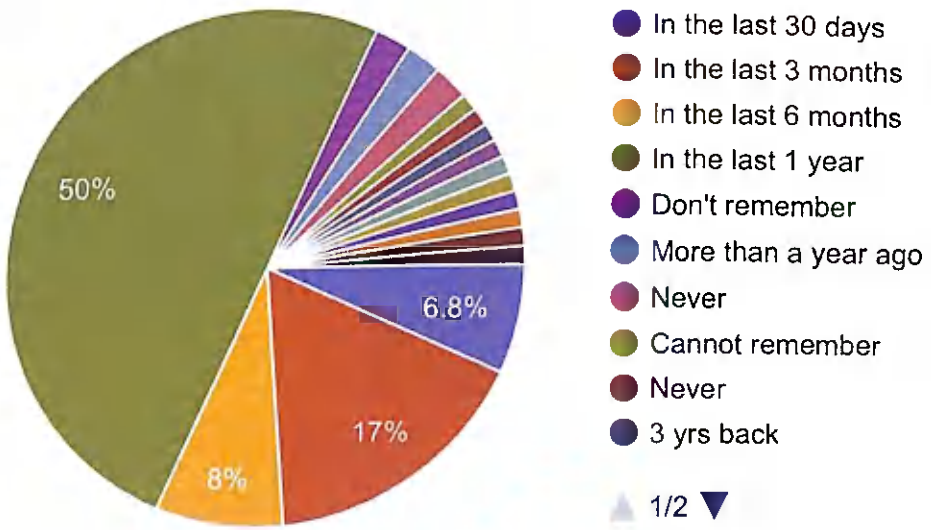
89 responses



Out of the 89 respondents, 41.6%people own highend bags and 58.4% people don't own one. This shows not majority of the respondents own a Michael Kors product, but however, there is a sum of large public who are loving their products.

When was the iast time you purchased a high-end bag/accessory for yourself?

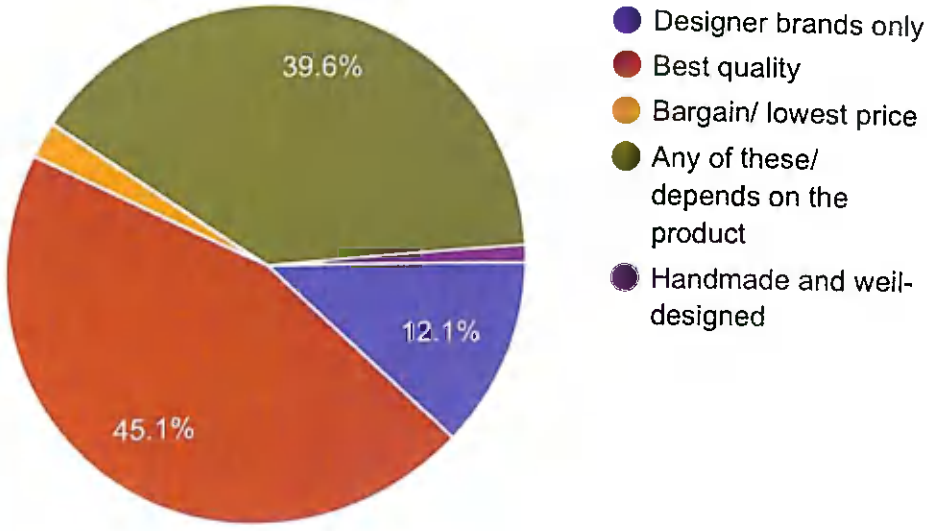
88 responses



The Frequency of purchase of the customers depends as per their needs. But due to coronavirus and it's outbreak there has been a vast gap between the purchases. This data shows how the market was influenced in the recent times, but nevertheless, these markets will never vanish as there are customers willing to make shopping purchases.

When shopping for handbags/ accessories, what type of shopper would you consider yourself? 76

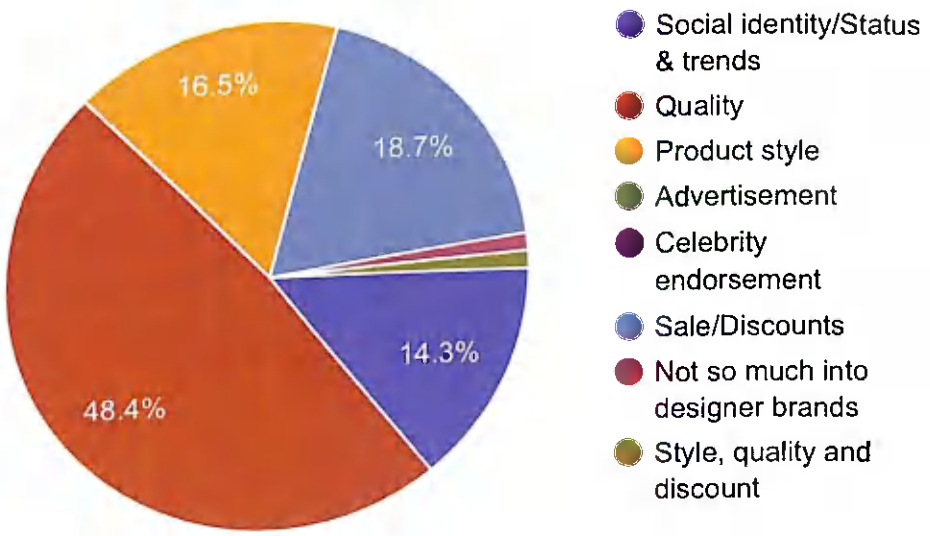
91 responses



Most of the people prefer buying best quality products or it depends on the products what they like. Hence, quality is the first thing we all look for before investing our money into fashion. The second most rates is any of these/depends on the product, this shows, that 39.6% people do prefer the other options and for them, it just depends.

What is the biggest motivator for purchasing designer brands?

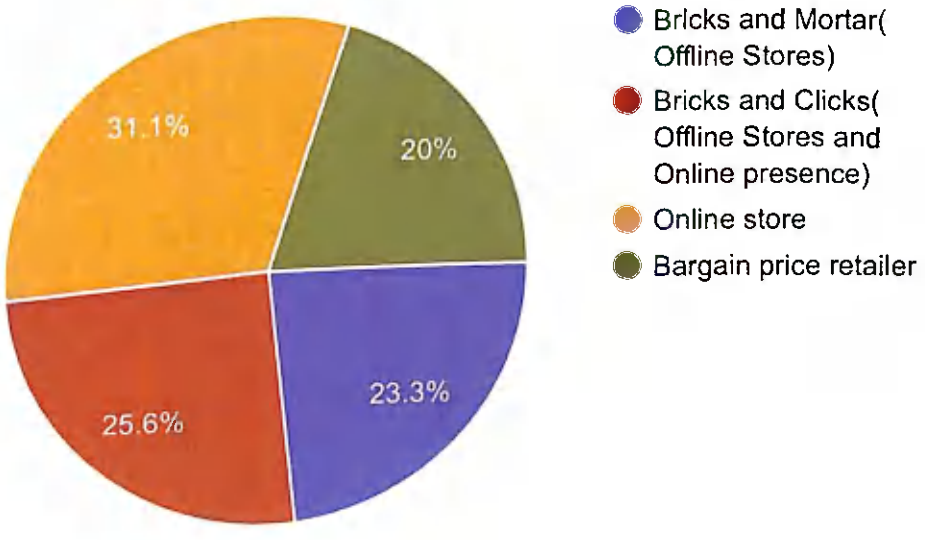
91 responses



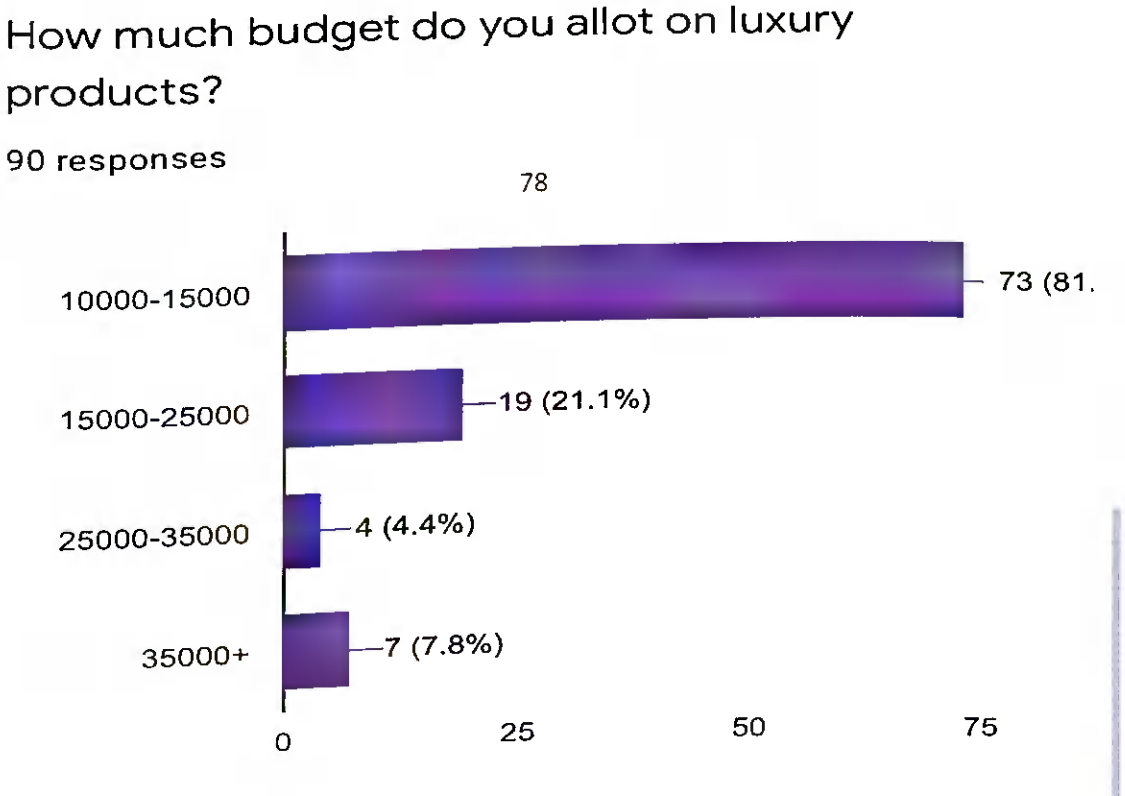
Quality is the first most thing that the customers look for , secondly the Product style , in a luxury product. As we all know luxury brands excel in the quality, that is one of the reasons for their extreme round of money charge, so they do not compromise on quality and grants its consumers exactly what they are eyeing for.

Which retaiier wouid you prefer for shopping a designer brand or accessory?

90 responses



Offline stores is preferable for the customers as they can touch, feel and then buy the product as also there is human contacts which develops trust. **But at the same time, their inclination for online stores is iucreasing and is the top most in today's time. As we have a mixed tabnlation data of people amoug all ages, this data does not give an extreme hent or space in the pie.**



73% of the people allot Rupees10000-15000 on luxury products and the rest allot higher. The range of spending is varying for everyone where there are 7.8% people who do not mind spending more than Rs. 35000. This data is the most interesting and shows the thinking perspective of customers while allotting their hard earned money in luxury. What we can conclude is, majority people are okay for spending 10000-15000 and that is their average range gap in the monopoly of the luxury world.

TECHNIQUES AND TOOLS USED:

DATA COLLECTION:

- Primary data: Primary data was collected in an investigation with the help of questionnaire through GOOGLE FORMS SURVEY.
- Secondary data: Secondary data collected from the internet, articles, journals, websites and magazines.

RESEARCH PROBLEM

This study is to analyse the customer perception towards luxury products – Michael Kors .The study not only helps find the perception of the customers but also helps to obtain suggestions for improvement of the products which will help the company in maximizing their profits and expansion of their company and even create brand awareness.

6. CONCLUSION & SUGGESTIONS:

Younger generation between the ages of 18-25 are highly influenced by luxury brands due to peer pressure, style quotient, less responsibility and other household expenses. The younger generation are the prospects for such companies and the companies should target them as a target audience. The Luxury products are only known by the top class rich people and the middleclass and others are not even aware of it. There are more of female customers than men. Hence, it is concluded that consumer behaviours in terms of young people towards luxury products is the most important concept in the modern world because of the increase of demand of these products. It is noticed that young adults demand highly these products and therefore their buying behaviours affects the company or brand. These theories provide the concept of consumer behaviours and give the information about the reaction of consumer behaviours towards luxury products particularly of young people. It is analyzed with the help of these theories that young people opt greatly towards luxury products and the concept of social class, attitude, culture and values influence the buying behaviour of youngsters.

The current state of the economy has created unfavourable conditions for the apparel industry. Michael Kors is one company that is thriving despite these factors. Kors continue to climb the ladder of the industry and is passing key competitors along the way. Coach, for

example, held a much larger share of the market at one time, but Kors is now surpassing the brand.

In retrospect, Michael Kors have a successful marketing mix, with their strength lying in their product and promotion. Their promotion is particularly strong due to their unique relationship with various plat- forms of social media that their competition is yet to possess. With the concept of their "jet-set" fashion, they have been able to create a distinguishable brand, giving them a strong USP. Overall, their marketing strategy comes across as efficacious, as it manages to attract a wider audience and communicates with their consumers constantly, giving the brand a more personalised feel. At this point in time, Michael Kors is experiencing positive sales due to the popularity of their products; however they could face a reduction in sales due to increased competition from other brands and the end of their popularity. Their weaknesses lie within quality consistency and the loss of exclusivity their brand has experienced in the recent years – especially with their products being favoured by younger generations. This takes away from the sophistication of the brand as older consumers may think the brand is too 'youthful' for them now. To rectify this, Michael Kors can consider creating new diffusion-extension lines, other than the two they already have. These new lines would have to be marketed differently as currently their products are marketed through social media and smaller scale campaigns. The products would have to market in a manner that would cater to MK's older consumers, in order to depict their products as something that can be accessed by all ages. There is also scope for them to expand their men's range as it is currently significantly smaller than the women's range; an expansion of men's ranges would increase sales, especially as metro sexuality increases in men today. Overall, Michael Kors has a successful brand strategy and with a few slight changes, it will continue its reign at the top.

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SPRING 2019 COLLECTION





Clothing:

Bags:




Accessories:








Footwear:

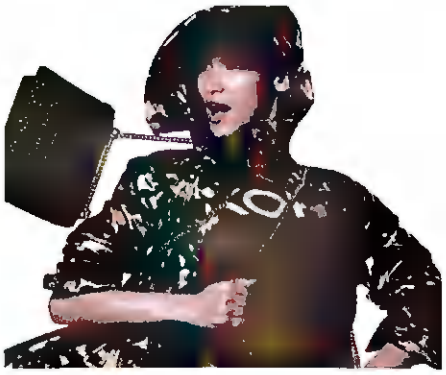
(Source-https://www.michaelkors.global/en_IN/trend/spring-2020/_/N-dyvttz)

MICHAEL KORS SPRING 2018 STARRING BELLA HADID

Bella Hadid stars in the MICHAEL. Michael Kors Spring 2018 campaign, shot by legendary photographer David Sims. This season is a celebration of speed, energy and optimism.



SUNGLASSES



BAGS





THE WHITNEY BAG

Casual looks hit a high note with denim logo prints, lively patterns and street-ready new iterations of our coveted Whitney bag.



THE CECE

The quintessential modern jet-setter, Bella exudes on-the-go style and an adventurous spirit with cool camo prints and the softly curved Cece bag, adorned with polished hardware.

(Source-https://www.michaelkors.global/en_IN/)

ANNEXURE:

88

Gender:

• Male

• Female

• Other

1. Which age group do you belong to?

• 18-25

• 25-35

• 35-50

• 50+

2. Which occupation are you currently engaged in?

• Student

• Self-Employed

• Service

• Homemaker

• Business

• Other

3. Do you own any designer or high-end handbag or accessory such as watch, jewellery, wallet, belt etc. by Michael Kors?

• Yes

• No

4. When was the last time you purchased a high-end bag/accessory for yourself?

• In the last 30 days

• In the last 3 months

• In the last 6 months

• In the last 1 year

5. When shopping for handbags/ accessories, what type of shopper would you consider yourself?

• Designer brands only

• Best quality

• Bargain/Lowest Price

• Any of these/Depends on the Product

6. What is the biggest motivator for purchasing designer brands?

• Social Identity/Status

• Quality

• Product Style

• Advertisement

• Celebrity Endorsement

• Sale/Discounts

• Other

7. Which retailer would you prefer for shopping a designer brand or accessory?

• Bricks and Mortar(Offline Stores)

• Bricks and Clicks(Offline Stores and Online presence)

• Online store

• Department

• Bargain price retailer

8. How much budget do you allot on luxury products?

• 10000-15000

• 15000-25000

• 25000-35000

• 35000 +