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Consumer Behavior: Singapore and desire for luxury: Singapore is among the top 10 destinations for luxury brands worldwide (69% of all usury retailers present). Luxury stores are present everywhere in the city more particularly In Orchard Road and shopping centers. Between 2006 and 2010, sales of luxury goods grew by 18% 1 .

Even If the sales have slowed down during the crawls of 2009, they rose again in 2010 The luxury goods become more and more popular whatsoever watches, clothes or handbags.

One of the main reasons of this trend is the growth of high-income households. The annual disposable incomes above US $75, 000 increased by 4% between 2006 and 2010, so more Singapore are able to afford luxury goods. On the other hand their awareness to luxury brands (especially European ones) Increased significantly. Luxury brands take more and more importance In lifestyle magazines and all others advertising mediums.

We know that usually Asian people attach importance to the image. When they buy a product they think about the image returned by this product.

Many business men and women, with high incomes, deal with foreign clients; they want to present a groomed image. That is the reason why they are willing to buy luxury products. Other high-income earners In Singapore are the expects. They tend to buy luxury goods and then Influence the local trends and the way Singapore see luxury products.

This desire to own luxury brands coupled to high Incomes and advertising presence In Medals will maintain and increase the demand for luxury brands. Luxury companies expected to benefit from important sales over the forecast period.

However, growth of luxury goods seems not be able to affect non-luxury products, because most Singapore are still prudent with their spending. Why Singapore prefer global brands Instead of local brands? 2 “ Rider’s digest trusted brand survey 2008”, 23 April 2011, My Paper According to the newspaper “ My Paper” market survey, 26% of Singapore favor local brands (so 74% favor global brands)2. Even if there are many strong local brands such as Tiger or Singapore Airlines the support of home- growth brands is very low.

So we will try to understand why Singapore have a preference for global brands instead of local brands.

The main reasons that come in mind are that Singapore attach a lot of Importance to their Image. The 2 notions of status and belonging are key points of the Asians consumer behavior. Singapore Is a modern society Tanat Keeps peep collectivist relations slantingly. The Singapore society is highly, individuals are strongly sensible of their place thin the group, institution or society as a whole, and their attitude, dress and speech corresponding to their status.

They are extremely fussy about the need to keep their dignity. They attach great attention to the choice of products; prices, brand and presentation should reflect its own social status.

As to personal appearance, color, material and style of clothing, they must match the social status that defines the age, sex, occupation… Singapore wear luxury goods show to others that you are part of high class. The quality of the product has less importance than the image that the brand will reflect.

Awaken has the opposite positioning in Singapore.

Belonging It is essential for Asian people to be accepted by his peers and the fear of rejection, exclusion, is intense, creating a need to always be part of the trendy and fashionable group. Singapore have a different approach of buying luxury goods compare to westerns people. They buy this kind of product to be a part of a group, because the trend is to buy western fashion products. It is a consequence of the westernizes. PERSONAL We can compare the Moscow pyramid of the western people and the one of Asian people.

It appears that personal need which is very strong in western societies isn’t exist in Asians societies. Status Self-actualization SOCIAL Admiration Affiliation Belonging Prestige Safety PHYSICAL Physiological The statement that Singapore prefer global brands can be contradicted by the fact that there are only a few Singapore brands, so we have the feeling that Singapore do not support their own brands. But in many industries and especially in the fashion industry, local brands suffer from the comparison with global brands.

For the case of Awaken it is obvious that the brand is subjected to this specific consumer behavior. But in an other hand Awaken achieved to succeed n Hong Kong, a very similar market than Singapore. We can explain this by many facts.

First Awaken is not seen as a local brand in Hong Kong, they overcame the Asian consumer behavior difficulties. We will now explain what the main defaults of the brand which prevent Awaken to succeed in Singapore. Brand equity & Obstacles 10 netter unreason ten salmonella’s customer telltale towards Awaken, lets study the key components of Awakener’s brand equity.

Thanks to the brand equity definition, 3 keys have to be taken in considerations: “ The differential effect”, “ the brand knowledge” and “ the consumer response to marketing”. In the luxury market, the differentiation is based on what the brand reflects to the costumer and less on what the product is.

Awaken is trying to differentiate himself from his competitors on the product characteristics (handmade, crocodile skin… ). The Awakener’s differentiation strategy is not appropriate with the luxury market where the differentiation is done through the brand image since the quality is implicit.

Therefore there is a lack into the Awakener’s brand equity.

Since the three keys of the brand equity are pretty linked, the brand knowledge is weakened such as the consumer response to marketing. In order to give some recommendations to Awaken, it’s relevant to focus on the sources of brand equity in order to understand what goes wrong with Awaken. There are three sources of brand equity that are: brand association, brand awareness and brand accessibility The brand awareness is the extent for a customer to recognize a brand and its elements.

Awaken does not have a lot of brand awareness. Indeed, as our opinion poll pinpointed only 21% of the people do know that the brand exists. Moreover only 8% of the people recognized the brand logo and 59% did not really like it.

Therefore it’s hard to create a favorable attitude toward the brand and receptiveness to the message. The accessibility of the shops reinforces the brand awareness. Accessibility is how easy it is or how easy it seems to be, for customers to interact with and to purchase the brand.

In the case of Awaken this component of the brand equity is well done since the number of point of sales correspond to such a product ‘ E: one or two maximum in each principle market. This kind of strategy with a very exclusive distribution channel is very efficient especially in the luxury business. However the flags ships are a bit less luxurious and with less mantra than the other brands.

For all those reasons, even if the accessibility is a drawback and could be improved. The last source of brand equity is the brand association. Brand association is relative to past experience between the customer and the brand.

Product use and advertisement are the basis of this concept. As Awaken is not wildly spread in Singapore and does not do any advertisement, the costumer cannot easily associate the brand to anything. According to our opinion poll, it’s clear that a large majority (79%) of the costumers does not have any mental association for this brand since they don’t know the brand.

For those that know the brand (21%) the mental map is as follow: As we can see on the mental map ( appendices B) all the associations that are made with the brand are very material and none is related to brand universe, Which is a basic feature in the luxury market.

Now lets consider the uniqueness of the selling proposition that is ” fashionable, handmade and high quality crocodile product that last for life”. This positioning is quiet unique and in one hand can be a compelling reason to buy product from the brand but in the other hand in this market it’s debatable whether this proposition is efficient. Indeed, the kind of costumer that buy products for the quality are not focus on fashion and are more likely to appreciate very classic model with a style that will last over the years.

Last but not least the colors are too flashy for such a proposition IEEE a 30 years old woman can appreciate a pink purse but will it be ten same when seen Is pyramid of Awaken. Considering all tense International we can Dual As it appears on the pyramid some part of the pyramid are missing.

Therefore we can conclude that the brand has not built a brand image yet. In Singapore their target market is very narrow. Indeed they target people with high incomes that are only looking for quality and don’t care about considerations such as: the image that is shown by the product.

In Singapore people buy product to be part of a group and the rich people group like to buy European brands. Therefore the target market is very narrow. Recommendations Awakener’s marketing strategy is not efficient.

Gingersnap’s market is a particularly one, as we pointed out in our first part. We do really think that Awaken should first redefine the target. The target is not clear, so the positioning does not match with the target expectations. So the positioning should be created for this specific target. Now, the positioning is focus on the product characteristics.

But in a luxury market customers are less likely to buy a product for rational reasons (product’s characteristics) than irrational ones (brand universe).

So the key points on which Awaken should work salience, imagery, feelings and resonance, that is to say the missing points of the CUBE pyramid. Nowadays Awaken focus only on the product and the quality, they should develop their brand. The brand is not valuable in Singapore. They do really have to work on the brand equity. The salience can be improved by the communications. As we mentioned Awaken do not use the media and either did not do any advertisements.

So our recommendations to fix that would be to launch a communication campaign into specialized Medias, such as fashion magazines (Vogue, Ell… ). We could also imagine exposing Awaken handbags in window-store in luxury hotel halls The biggest obstacle concerning the imagery is that Awaken is not seen as an international luxury brand.

As explained before Singapore are more willing to buy global brands products instead of local rand especially in the luxury market. Awaken cannot hide its Singapore origin, but the can make the customers forget about it.

For instance they should hire western models instead of Asian ones and do brand endorsement with international stars which are particularly famous in Singapore. It will also show that the brand is well- known abroad. According to our opinion poll Awaken has no dominant “ feeling”. They should develop the image of the brand so that they would be able to make the customer have specific feelings when they buy a handbag.

The main feelings that must be developed are the social approval feeling that is common to almost all luxury brand and the security feeling to differentiate itself from its competitors.

For instance they could associate themselves with a very famous international luxury watch company (as Jaeger Lecturer or Role) to make crocodile skin bracelet. Consumer will associate the feelings of security and social approval of the watch brand with Awaken. And it will increase the international image of Awaken. The last feeling that Awaken should work on is the resonance. They should work on the brand universe to increase customer loyalty.

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