

Chanel is the luxury
brand for fashion
acesories



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Introduction

Chanel is the luxury brand for fashion accessories, jewellery, watches, makeup product, fragrances and skin care (Vicente J. Casanova, 2010). The purpose of this report is to share the customer experience which related to a premium product. In this report, the premium product, Vitalumiere Satin Smoothing Fluid Makeup is a foundation from the makeup products of Chanel. Chanel's makeup products always give a sexy, beautiful and elegant look to the users especially ladies nowadays. Chanel's foundation is definitely one of the best foundation when compare to other brands.

Human needs are states of self deprivation (Philip Kotler & Gary Armstrong, 2006, p. 6). As a lady nowadays, a foundation has becomes one of the most important makeup product in the daily life. Women need a foundation to show the beauty and confidence of themselves by hiding the imperfect of the skin like uneven skin tones and blemishes. Wants are the human needs take as they are shaped by culture and individual personality (Philip Kotler & Gary Armstrong, 2006, p. 6). People buy Chanel's makeup product because it represents the symbol of wealth and high class or in other word it is the sign of luxury product. Philip Kotler & Gary Armstrong (2006, p. 6) claimed that demands are human wants that are backed by buying power. Chanel's foundation always satisfies the needs and wants of a woman by giving a young and radiant look to the users with just one single application. At the same time, the foundation also gives a natural look that last all day with SPF15 UV protection that attract people to buy this premium product.

A premium product is considered as a more expensive product in the competitive marketplace. As Louise Sullivan (2009) stated that the new luxury is not just about “having” anymore. Instead this is the ability to choose anything, to choose better than others, and to choose things that others don't, and can't have. From the perspective as a user of Chanel Vitalumiere Satin Smoothing Fluid Makeup, the Chanel's foundation becomes a premium product as it reflected in the quality of the product and the packaging of the brand.

This report begins with the explanation of needs and wants of a consumer which regard to a premium product. Then it will continue by the section of the consumer behaviour that had been affected by several factors including culture, social, personal and psychological factors. Apart from this, types of buying-decision behaviour of Chanel's foundation will be discussed in the following part of the report. The report then proceeds to the decision-making process of consumer towards the product of Chanel's Vitalumiere foundation. Then the following part will discuss about the marketing mix of 4Ps strategy that use in the Chanel's product.

2.0 Factors Affecting Consumer Behavior

This section is going to discuss how consumer behavior affected by cultural, social, personal and psychological factors.

Culture play an important role in affecting the consumers' choices in the decision making process and culture has influences on the value and lifestyles of individuals (Fatt Sian, Lai, Shyue Chuan, Chong, Bik Kai, Sia and Bee Chen, Ooi Fatt Sian, Lai, Shyue Chuan, Chong, Bik Kai, Sia and Bee Chen,

Ooi, 2010). In other words, culture is build by the environment, religions, belief, lifestyle and different races of the person lives. Chanel's company launch different foundation to different country. For example, Chanel's White Essential Light Reflecting Whitening Compact Foundation is only selling in Asia and it sold very well. It is because a lot of Asians thinks that pale and fair skin defines beauty. This showed that how people define beauty will also influenced the consumer behaviour to the market.

Friends, family members, classmates, colleagues, neighbour and different groups of people a person join will also influenced the consumer behaviour of the individual, as in social factors. As ladies nowadays, they share experiences, information and opinion with each other, to get to know which product is better. So, when a person has a gorgeous look with a good product, then people around her will start to buy the product in the market because this people have influenced the friend.

Personal factors are normally a buyer's decision that influenced by the buyer's age and life-cycle stage, occupation, economic situation and personality (Philip Kotler & Gary Armstrong, 2006, p. 136). In the market, there are different types of foundation for different age of user. For example, young ladies need oil-control makeup base but mature ladies need a foundation with moisturiser. Chanel's makeup product normally target ladies which care about their outlook and with better economic situation.

2. 1 Types of Buying Decision Behaviour

The type of buying decision behaviour for Chanel's Vitalumiere Satin Smoothing Fluid Makeup is complex buying behaviour. This is because the

consumer is highly involved in the purchase process and the product has significant differences among brands. Since, the product is expensive, risky, purchased infrequently and highly self-expressive, the consumer highly involve in the decision making process.

2. 2 The Decision-Making Process

In this part of the report it shows how consumers will make a particular buying decision of a premium product. The buyer decision process consists of five stages: need recognition, information search, information evaluation, purchase decision and post-purchase evaluation (Swati Khosla, 2010). In the buying decision process, not all the consumers may go through all the stages, but some may skip the stages of information research and information evaluation but direct to the decision stage. This situation is mostly for purchasing daily products or low price product that does not need much of consideration. This will also occurs on consumers that loyal to the products of some brand. But in this report, consumer of the premium product, Chanel's Vitalumiere Satin Smoothing Fluid Makeup goes through all the stages of buying decision process because it is an unfamiliar product for the user.

Figure 2. 0 The Consumer Behavior Decision Making Process

2. 2. 1 Need Recognition

This is the first stage of buyer decision process, in which the buyer recognizes a problem and need (Philip Kotler & Gary Armstrong, 2006, p. 148). The consumer will realise there is a ' problem' when the product is going to finish or it does not satisfy the need of the person after the user

bought it, so the consumer will start to think of a new or better product to replace it. For example, a person is planning to buy a good quality of foundation to replace the foundation that she bought, although the person did not completely finish the product, this is because the foundation makes her skin condition worse and dull. So, there is a need for the person to get a better foundation.

2. 2. 2 Information Search

In this stage, buyer needs to figure out what types of products or purchases would solve the problem and collect more information on the product.

According to Kotler & Gary (2006, p. 149), consumer can obtain information from any of several source include personal, commercial, public and experiential sources. In the stage of searching the information about a suitable foundation, the most effective sources will be personal. This is because it based on the experience and opinion of family members, friends and colleagues that had experienced the product. The consumer not only gets the information that stated the fluid foundation from several brand are suitable to the dry skin types of users through customers' reviews from the Internet, but also test different foundation at the department store .

Consumer gains the knowledge about the foundation from different brands when searching the information.

2. 2. 3 Information Evaluation

Information evaluation, the stage that the consumer uses information to compare alternative brands in the choice set (Philip Kotler & Gary Armstrong, 2006, p. 149). In this stage, the consumer narrowed the fluid foundation choices to three brands. Those products and brands are M. A. C. Fix Studio
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Fluid Foundation SPF 15, Shiseido the Makeup Fluid Foundation and Chanel's Vitalumiere Satin Smoothing Fluid Makeup SPF 15. Three of these products are suitable to dry skin type of user but Shiseido's foundation and Chanel's foundation give a more natural look to the user. M. A. C. foundation and Chanel's foundation contain SPF 15 that protect the skin from UV ray are suitable to Asian consumers. Instead price is not the important factor in this situation because the consumer willing to spend more to get a better quality of makeup product. The information that evaluate will help to make the purchase decision in the next step.

2. 2. 4 Purchase Decision

In this stage, the consumer will decide which brands and which product to purchase. After comparing the product from Shiseido, M. A. C. and Chanel from different aspects, Chanel's Vitalumiere Satin Smoothing Fluid Makeup is purchased on the final decision. This is not only because the quality of the foundation but also the good customer services at the Chanel's department store.

2. 2. 5 Post-purchase Evaluation

In the stage of post-purchase evaluation, consumer takes further action after purchase based on their satisfaction or dissatisfaction (Philip Kotler & Gary Armstrong, 2006, p. 149). In this report, the consumer satisfied with the purchase because the foundation from Chanel meets the customer expectation. The consistency of the product is thin and very easy to apply by the user. At the same time, the foundation also gives a natural look that last all day. Besides that, the light texture of Vitalumiere fluid gives a slightly satin finish that will brighten up the face by giving a glow (Hanny A, 2010).

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The Chanel's Vitalumiere fluid contains SPF 15 that gives the face UV protection as well. Although the price of the Chanel's foundation is expensive but the quality of the product is worth for the value.

3. 0 Marketing mix – 4Ps

In the following section is going to discuss on the marketing mix of 4Ps which include product, price, place and promotion. The marketing mix is important to the Chanel Vitalumiere Satin Smoothing fluid makeup foundation. This is because the marketing mix is to influence the consumer decision making and lead to profitable exchanges (Jayaraman Munusamy & Wong Chee Hoo, 2008).

3. 1 Product

Product is a physical good, service or idea that offers to an individual to satisfy their need and want with the exchange of cash (Dr. Frances B. & Dr. Stephen P., 2007). A study by Udell (1964) stated that marketer considered product to be the most important P followed in order by promotion, price, and place. The product that discuss in this report is Chanel's Vitalumiere Satin Smoothing Fluid makeup foundation. The Chanel's foundation is shopping goods which required comparison of brands on price, much planning before purchase and it bought less often because it is a durable product.

Figure 3. 1 The anatomy of a product

Figure 3. 0. 1 show the basic anatomy of a product as a series of four concentric rings representing the core product, the tangible product and

finally the augmented product (Dr. Frances Brassington & Dr. Stephen Pettitt, 2007, p. 179).

Core product is the intangible benefit or purpose for which a consumer buys the product. The core benefit of Chanel Vitalumiere Satin Smoothing fluid makeup is conceal flaws such as scars, dark spot and pimples and provide beautiful skin color and texture to the users because these are the main function of this product.

The second layer after the core product is the tangible product which makes the ideas become a real product to represent the offer of the core product. The Chanel's Vitalumiere Satin Smoothing Fluid makeup known as the ultimate solution for the tired skin because it is thin in consistency and it contains moisturizer to ensure the maximum comfort for the tired skin. In addition, the Chanel foundation also contains SPF 15 which can protect the skin from the UV light.

The third layer is the augmented product. Chanel Makeup Gifts Set is given out to the customer with the purchase of Chanel Vitalumiere fluid foundation to increase the attractiveness of the product. The augmented product of Chanel's makeup foundation also includes the after-sales services because the retailers always make sure the customers would come again in the future and create a relationship with the user by sending out wishes or card during festival.

Branding is a particular value to the buyer in a complex and crowded marketplace (Dr. Frances Brassington & Dr. Stephen Pettitt, 2007, p. 189).

From the perspective of consumer, Chanel always gives an elegance and

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classic character to the public which also helps the consumer to get a proper judgment whether it is their sort product. A strong branding also helps the buyer to ensure the quality of the product during the decision making stages.

As the packaging of the Chanel Vitalumiere Satin Smoothing fluid makeup foundation, the foundation is design with a simple but classic outlook. The product is kept in a rectangular shape of bottle with the product name and logo in front of the bottle and the Chanel's logo are on top of the black lid.

3. 2 Price

' As the consumer's perspective, the price represents what the consumer must sacrifice to gain the value of the bundle of attributes in the product offering.'

(Margeret C. Campbell, 1999)

Price is actually the value of exchange on a product or services. The price of the Chanel Vitalumiere Satin Smoothing fluid makeup foundation is high and expensive but it always reflects to the exclusiveness and the high quality of the product.

Premium pricing strategy is used to create large profit margin on the product. Premium pricing is actually applied to a product which is unique and of very high quality but only expect to sell on small amount of the product such Chanel's product (Sarah A. Roth, 2007). In the cosmetics market, there are many women consumers willing to pay for a high price to get a better product. Melika H. and Muris C. (2009) also claimed that consumers

nowadays are willing to offer considerably higher amounts of money for luxury products.

The market segmentation for Chanel Vitalumiere Satin Smoothing fluid makeup foundation is demographic segmentation and geographic segmentation. Chanel makeup foundation product demand has been spreading to younger ladies in their 20s and 30s but actually the main target customer for this product is middle-aged women and older adults with well income (Allen Marber, Paul M. Wellen, Boo Shi Yoon & Brenda Torres, 2008). Chanel's geographic segmentation is limited since this brand is expensive and exclusive, their products cannot be afford and available to everyone.

3. 3 Place

Marketing channel is the structure linking a group of individual or organisations through which a product or service that available to the consumer (Dr. Frances Brassington & Dr. Stephen Pettitt, 2007). To discuss further on the theoretical part, the marketing channel structure that use by Chanel's makeup product is short channel which is the producer-retailer-consumer route.

Figure 3. 3 Channel structure for consumer good

The producer-retailer-consumer route is the most common and popular distribution channel to Chanel cosmetics products because the retailer will buy in large quantities of the product then deliver to the shop to sell to the customers. The Chanel's makeup foundation only sells in the department stores of Chanel which usually occupy a prominent prime position within a town centre shopping mall. This strategy is to differentiate the product from <https://assignbuster.com/chanel-is-the-luxury-brand-for-fashion-accesories/>

other competitors and to keep the uniqueness of the product, and also not to devalue the image of Chanel Company. Besides that, the types of distribution of Chanel Vitalumiere Satin Smoothing fluid makeup foundation is exclusive distribution which mean that only one outlet cover a very large geographic area that sell Chanel makeup product. The disadvantage of exclusive distribution is inconvenience to some customer who needs to drive for some distances to get the product.

3. 4 Promotion

Promotion is used by company to communicate with customers with respect to their product offerings (Jennifer Rowley, 1998). The element of the promotional mix include advertising, sales promotion, direct marketing, public relation and personal selling. In the following section will going to discuss 2 main element of promotional mix that use in the Chanel's makeup foundation. Chanel focuses on advertising and personal selling on its promotional mix.

Figure 3. 4 The Element of Promotion Mix

3. 4. 1 Advertising

Advertising play an important role in the promotion mix of Chanel product. Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by any identified sponsor (Jennifer Rowley, 1998). Normally, advertising of Chanel is focus on telling the market about a new product from Chanel or it known as informative advertising. In the advertisement of Chanel's makeup foundation state that the Vitalumiere fluid foundation is the ultimate solution of tired skin. This advertising has <https://assignbuster.com/chanel-is-the-luxury-brand-for-fashion-accesories/>

attracted the attention of consumer who needs a better foundation that can revive tired and dull skin complexion. Major media types that use in Chanel's advertisement are through television and magazines.

3. 4. 2 Personal Selling

Personal selling is face-to-face interactions with one or more prospective purchasers, for the purpose of making sales (Jennifer Rowley, 1998).

Personal selling always has a greater chance to grab the attention of consumer than advertisement does. This is because the salesperson will look for a potential customer who has the ability to purchase and explain the detail and some information about the product to the consumer. The salesperson in the Chanel department stores always demonstrate how to use the foundation and let the customer test the sample of the makeup foundation product.

4. 0 Conclusion

In conclusion, the consumer is satisfied with the product of Chanel Vitalumiere Satin Smoothing fluid makeup foundation. In the decision making process of the Chanel makeup foundation, the consumer first realize there is a problem when the person is unsatisfied with the last product she bought and then the consumer decided to look up for some other premium product to replace this product and to solve the problem. The consumer behavior is affected by culture, social, personal and psychological factors during the decision making process of the product. Chanel Vitalumiere Satin Smoothing fluid makeup foundation is evaluated with other brand of the products in the process of information evaluation. The Chanel makeup foundation is

purchased in the final decision because this premium product helps to rescues tired and dull complexion of the skin. It may also cover up the imperfection of skin such as blemish or dark spot by giving the user a natural skin colour. The user is satisfy with Chanel product and also the after sale service for the consumer.

Chanel is successful because the well planning in the marketing strategies which included the classic marketing mixes of product, price, place and promotion with its image. Chanel has assures to consumers that the Chanel product is based on up-to-date knowledge about healthy skin as to maintain the good quality of the product (Constanze Carriers, 2002). The premium price of the Chanel Vitalumiere Satin Smoothing fluid makeup foundation also positioned it as a luxury brand of top quality. To maintain the image of the brand, the concept store of Chanel is limited in Malaysia but only focused on the opening counter at the major department store. The consumer stated that the distribution channel of Chanel sometimes is inconvenience to the customer that in certain areas. The Chanel product is also mainly focus on the advertising and personal selling of promotion mix in the marketing mix.