



LEVEL 7 ASSESSMENT SPECIFICATION

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Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

Executive summary

The study will be a small and medium-sized enterprise (SME) LUXE Tuxedo Limited (“LUXE”) which has less than 20 employees in Hong Kong. The study will be divided into 5 parts.

Chapter 1 is the introduction of LUXE, in the view of a brief description of its industrial environment, company background and the objective this study would like to achieve.

Chapter 2 is the situation analysis of the company, the study will analyse the existing environment and forecast the impact in the coming three years. It will be analysed from the view of micro and macro environments.

Chapter 3 will have the analysis in two parts. First, by using the Segmentation, Targeting and Positioning strategies, it can understand more on the marketing strategy LUXE is now adopting. Secondly, the study will use 4Ps Marketing Mix to analyse and comment on the effectiveness of the current marketing mix.

Chapter 4 will evaluate the future development in the field of marketing specifically that technology might impact the company and the implementation of its marketing plan, especially on digital marketing.

Chapter 5 will be the summary of the findings and general assessment of the existing situation. By achieving the objective to increase the sales from a downsizing company and increase its brand awareness, the recommendation of re-branding and re-launch of the promotion mix will be provided. The last part of the study will be the conclusion.

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Chapter 1 – Introduction

The introduction is a brief description of the company background and industrial environment of a Hong Kong company, which include the scope of the study and the objective that will be achieved.

LUXE Tuxedo Limited (“LUXE”) was established by Mr. Edmond So in 2012. Mr. Edmond So is a famous singer and pop star in Hong Kong, he also owned 3 dance studios, people name him “So-Boss (Luxe Tuxedo Limited, 2021).

It is a high-quality men apparel retail with a wide range of collection including tailor-made and ready-made tuxedo and formal suit. Its slogan “With LUXE, glamour is always promised; At LUXE, we make the perfect TUX”. In order to provide the professional and individualised service to customers, It has experienced tailors, styling consultants and inhouse designers. The main customers of LUXE are the bridegrooms, it provides a best solution for those who wish to look impressive and gorgeous in the wedding. It also provides tuxedo rental as well as tailor-made service, from design to the whole outfit.

In one year time, LUXE had the growth from one shop to three shops rapidly, however, two of them had been closed in 2020 (Weekend Weekly, 2020).

LUXE sells tuxedo, suit, uniform for corporate as well as accessories, this study will focus on the marketing research for its core business, the signature attire, tuxedo.

The scope of study for LUXE will focus on the marketing research in the area of situation analysis, different marketing mix analysis, future marketing development as well as recommendation and conclusion. And the objective of the study would like to achieve is to increase the sales and increase the brand awareness in the market in coming three years.

Chapter 2 – Situation Analysis

By using the micro-environment analysis and macro-environment analysis, this chapter will analyze the exiting environment and forecast the impact in the coming 3 years.

2.1 Micro-environment Analysis

When the time LUXE was established nine years ago, it has easily gained a well-known branding position because the owner is a popular Hong Kong star, Mr. Edmond So (“So-Boss”). He is one of the boys dance group “Grasshopper” which was very famous when they debuted in 1980’s. Almost everyone in Hong Kong knows Grasshopper very well as they are still active in entertainment industry, they keep having their won worldwide concerts and attending television shows.

So-Boss is the endorser of LUXE, he also become the main model for all advertisement and his photos are displayed in the shops. What LUXE selling is the gorgeous and eye-catching tuxedo for customers who wish to impress people on the wedding day, stage or parties. The target customers are bridegrooms, middle-class and celebrities who look for impressive and high-quality attires.

Besides, there are the following weakness and threats in the market which caused the downsize of the business. As LUXE has been too focus on developing luxurious design on tuxedo, they do not provide a wide assortment of design options for the customers, and the style keep at the early stage, not cater to the trend. It causes less competitive to the competitors (Timonina-Farkas, Katsifou and Seifert, 2020).

2.2 Macro-environment Analysis

Since the target customers are bridegrooms, the decline of marriage rate is the big threat in macro-environment view. From Table 1 on below, it shows that the crude marriage rates for women and men had declined from 2011 to 2019 in Hong Kong. In 2011, the crude marriage rates were 15.5 per 1,000 females and 17.6 per 1,000 males respectively, while the rates in 2019 were 10.8 per 1,000 females and 12.9 per 1,000 males.

Table 1: Crude Marriage Rate by Sex

		按每千名人口計算的結婚數目 Number of marriages per 1 000 population								
性別	Sex	1991	1996	2001	2006	2011	2016	2017	2018	2019
女	F	14.1	11.0	9.5	14.0	15.5	12.6	12.9	12.2	10.8
男	M	13.6	11.0	9.9	15.4	17.6	14.8	15.3	14.5	12.9
合計	Overall	6.9	5.5	4.8	7.3	8.2	6.8	7.0	6.6	5.9

Source: Women and Men in Hong Kong Key Statistics 2020 Edition, Demographic Statistics Section (1),

The other threat to the company is the COVID-19 pandemic since the beginning of 2019. After over a year, the COVID-19 still exists and affect people's lifestyle and living. The Hong Kong Government has the requirements to reduce gatherings, especially wedding banquet (The Government of the HKSAR, 2021). Most of the couples keep postponing their big days, or some of them would decide to have "A Micro Wedding" instead (Simpson, 2021). The wedding venue become smaller, guests become lesser, the ceremony style become simpler, of course the dresses for bride and bridegroom will be lesser. It caused a dramatic drop on the sales, LUXE's shop in Central and Wan Chai were closed in 2020.

To conclude the above environment analysis, if all the factors remain unchanged, the business of LUXE will face an overly critical impact, it is very difficult to survive in long term, not even for three years.

Chapter 3 – Present Marketing Strategies

This chapter will analyse the existing marketing strategies that LUXE has adopted currently in terms of segmentation, targeting and positioning as well as marketing mix strategy 4Ps.

3.1 Segmentation, Targeting and Positioning

Table 2: LUXE - Segmentation, Targeting and Positioning

Segmentation	Targeting	Positioning
• Gender • Age • Marital Status • Lifestyle	• Male • 30-60 years old • Bridegroom • Celebrities & Artists	• High-quality tuxedo

Source: Constructed by writer

3.1.1 Segmentation

The market segmentation refers to aggregate prospective consumers into groups or segments which have the common needs in the market. It helps the company to minimize risk and the best way by figuring out the right target customers and delivering the best

products to the market (Yi, 2018). The segmentation for LUXE is Gender, Age, Marital Status and Lifestyle (see Table 2).

3.1.2 Targeting

The targeting marketing is a strategy that to first segmentize a huge market into smaller groups in order to identify in which their product best solves a problem (Duening, Hisrich and Lechter, 2021).

LUXE understand its own strength and is clear for the target customers. From the above table, it obviously shows that they aim at the wedding market. The target customers are Male, 30 to 60 years old, Bridegroom, Celebrities and Artists.

Table 3: Median Age at First Marriage by Sex

		歲 Year								
性別	Sex	1991	1996	2001	2006	2011	2016	2017	2018	2019
女	F	26.2	26.9	27.5	28.2	28.9	29.4	29.6	29.7	29.9
男	M	29.1	30.0	30.2	31.2	31.2	31.4	31.4	31.5	31.6

Source: Women and Men in Hong Kong Key Statistics 2020 Edition, Demographic Statistics Section (1), Census and Statistics Department, P.78

By showing the statistic on Table 3 by Census and Statistics Department, it indicated the median age at first marriage for women was 28.9 in 2011 and 29.9 in 2019 while that for men was 31.2 in 1991 and 31.6 in 2019. When compared to female, the median age at first marriage for male was slightly increased, it kept at the age around 31. Therefore, LUXE target on the bridegroom age at 30 to 60 on the wedding market.

While the other target market is celebrities and artists, the owner So-Boss has his network which can easily reach the customers at the middle and higher class. And the tuxedo collections are tailor-made for the grandiose stage effect, by wearing them, it can be successfully drawn the attention by media.

3.1.3 Positioning

Obviously, as the tuxedo has its big role and function, the positioning of LUXE is high-quality and professional products (see Table 2). To fulfil all the customers' needs, from design,

tailoring, choice of textile, sewing, and accessories, LUXE is providing the best quality and service. The mission is clear, to let the bridegroom look like a super star and make his once-in-a-life time event unforgettable.

3.2 Marketing Mix Strategy

Table 4: LUXE - Marketing Mix Strategy in 4Ps

Product	Price	Promotion	Place
• Tuxedo • Luxury • High Quality	• High Price	• Social Media • Sponsorship • Recognition by Awards	• One Shop in Tsim Sha Tsui

Source: Constructed by writer

The 4Ps marketing model can enhance the components of the marketing mix, the way in which the products deliver to the market. And help to define the marketing options in terms of Product, Price, Promotion and Place so that can reach the needs of customers. This will also minimize the company risk (Nuseir and Madanat, 2015).

3.2.1 Product

By using the company name “LUXE Tuxedo Limited”, without any doubt, the positioning of the signature product is “Luxurious Tuxedo”.

3.2.2 Price

The selling price of one set of tuxedo is starting at HK\$6,188, while HK\$2,388 for rental. The price is medium-high in the market.

3.2.3 Promotion

From the very beginning when LUXE established in 2012, it started to use Facebook as their main social media promotion channel at the same time. After nine years' time, the accumulate numbers of 11,231 followers, while 11,135 likes. Besides Facebook, it also started Instagram in 2015, the numbers are 1,358 followers and 39 following (Luxe Tuxedo Limited, 2021).

LUXE has So-Boss as endorser, at the same time, it also keeps sponsoring artists' attires for TV shows, ceremonies, events & their own weddings.

Starting from 2013 until now, LUXE has obtained "The Men Attire Awards – The ESD Life Bridal Award – Best Groom's Suit" (ESD Services Limited, 2021). It also obtained HKACE "Top 10 SME Customer Service Excellence Award" from 2014 to 2017 (Hong Kong Association for Customer Service Excellence, 2021).

3.2.4 Place

LUXE shop located in Kimberley Road, Tsim Sha Tsui, which Hong Kong people named Kimberley Road as "Wedding Dress Street", new couples like to find and sort out all the wedding solution in this area. In 2020, LUXE has closed the shops in Central and Wan Chai.

To summarize the above 4Ps marketing mix, it shows that not much effectiveness can be seen. In order to earn the target market share, the components need to be adjusted, more will be mentioned in Chapter 5.

Chapter 4 – Future Developments in the Area of Marketing

This chapter will evaluate the future development of the company in the field of marketing relates to technology that might impact the company and the implementation of the marketing plan.

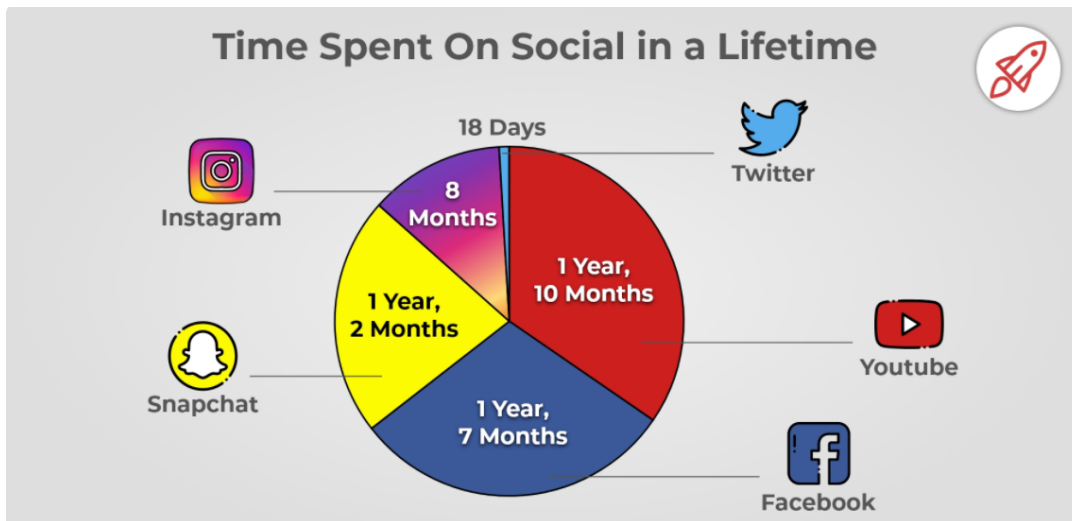
Nowadays, it talks about technology almost everywhere and everything that influencing individual living. Everyone has smartphone that using web browsing every day. Some of the people they even do not have a television at home, they would prefer using the computers or tablets to see movie and television programme. When talk about current marketing that company would adopt is Digital Marketing (Dolega, Rowe and Branagan, 2021).

Since LUXE provides a personalised service in retail industry, and the marketing channel is quite traditional. Although LUXE does not use TV and printed advertising, it sponsors attires to artists for TV shows, provides services by person and also thru word-of-mouth (Chen and Yuan, 2020). Since the company is small, low promotion budget is the approach. By keeping

the traditional methods, it would be so hard to attract the attention by the public (Sanz and Crosbie, 2016).

Below, the study will evaluate how the future technology development impact LUXE and affect the marketing plan. First of all, social media marketing will be the mainstream. From Chart 1, it shows that the most popular social media tools are YouTube and Facebook, Instagram being the fourth.

Chart 1: Time Spent On Social Media in Lifetime



Source: BroadbandSearch (2021)

LUXE established its own Facebook page in 2012, however the followers only got 11,231, it is not an ideal figure. To build the brand awareness to reach the new customers, it should spend more budget to put more banner advertisement and boosting. This can also track the campaign result and review the behaviour of the target audience, so that it can keep changing the marketing strategy accordingly (Chawla and Chodak, 2021).

Similar to Facebook, LUXE started the Instagram account in 2015, it only has 1,358 followers, which not good enough for accumulated six years, only 12% of Facebook followers. It can also upload more posts and story advertisement. The people enjoy using Instagram because they love to browse the beautiful pictures, and its kind of lifestyle. Also, operating the infrastructure of Instagram is comparatively easy and user friendly.

Mostly importantly, YouTube is a very popular tool in social media marketing. Nowadays, there is a new social phenomenon influencing in the whole world, called "YouTube KOL"

(Farivar, Wang and Yuan, 2021). LUXE has already won the advantage of celebrity effect. It should set up a LUXE YouTube channel to rebuild the brand awareness to the audience. So-Boss can make some short videos to share. The channel can be divided into few categories, which include informative, sales promotion, living style and casual shooting. Sometimes people would treat watching YouTube as entertainment for their leisure time, so the content of the YouTube channel can be more informal. The main purpose of setting up LUXE YouTube is to bridge the gap between the brand and the target audience, as a result, it can improve the marketing outreach.

Chapter 5 – Recommendations and Conclusion

This chapter is the recommendations and conclusion of the study, which include a summary of the findings and a general assessment of the company situation.

5.1 Recommendation

After the above analysis, in order to face the business downsizing situation, the recommendations will be provided in this chapter, it will be focused on two parts, Re-branding and Promotion Mix.

5.1.1 Re-branding

First of all, to re-brand a company, the first step should do is “new products”. People has been fatigued sticking on same style for many years, a refreshing feeling to the products is necessary. Not even to attract new customers, new products can retain the existing customers as well. LUXE needs to design more tuxedo up to the trend and be more fashionable. Gorgeous style sometimes looks too mature and old fashion. People nowadays prefer classic and grand, and even simple is the best.

Secondly, LUXE should seriously consider inviting a Future Endorser, ideally a younger idol, age at 20-30 (Roy, Dryl, and de Araujo Gil, 2021). Recently, a 12-member boy band “Mirror” become incredibly famous in Hong Kong in a short period of time, some of the members have collaborated with many global luxury fashion and cosmetic brands (Herman, 2021). Either one of the members can attract a lot of attention to the brand by the media, it will rise many noises in the market. In the other words, young people lead the market.

Adjust the market target age group is the next step. The existing group is 30 to 60 years old, and the suggested target age can lower to 25 to 60 years old. By executing the above recommendation, the new customers will then be easily attracted.

5.1.2 Promotion Mix

Promotion Mix

Advertising • Digital Marketing • Facebook • Instagram • YouTube	Sales Promotions • Trade Show • Crossover with Wedding Planner to provide one-stop service
Personal Selling • Face-to-Face • Telemarketing	Public Relations • Interview by Media • Recognition by Awards • Sponsorship

Table 4. Constructed by writer.

Promotion Mix which is a particularly useful communication toolkit for promotion its own brand (Van Tassel, 2012). It involves four areas, advertising, sales promotion, personal selling and public relations.

In the past, when people talk about Advertising, the tools pop up their mind would be television, printed and outdoor advertising, which are tradition ways with very high cost (Sanz and Crosbie, 2016). These channels mainly aim at the elderly who use less electronic gadgets. For LUXE, if the target age has to be adjusted to 25 – 60, in order to gain the brand awareness by a younger group, enhancing digital marketing is a must (Mangold & Faulds, 2009). As mentioned in Chapter 4, LUXE should put additional efforts on Facebook and Instagram advertising. Also, set up its own YouTube channel would be helpful to have more coverage of the Hong Kong audience.

The second tool is Sales Promotions. Trade Show in Hong Kong is a highlight in wedding industry, Hong Kong Trade Development Centre will organise the wedding trade show three times a year. The trade shows attract many new couples to join the fair and solve all the wedding problems on the spot. It is worth to be one of the exhibitors, and to let the customer

know the existence of the company, also build a good brand image.

Most of the couples in Hong Kong would like to have a dream wedding. Normally the bridegroom would put himself at least as his bride will be dressed like a princess on their big day. Bride always plays a dominant role for wedding preparation. To crossover with a Wedding Planner providing one-stop service and solution to the couples, LUXE can achieve Synergy Marketing in multiple effect with low-cost initiatives by collaboration with a wedding planner (Toon et al. 2016).

The third tool is Personal Selling. LUXE is currently providing the individualised and professional service to customers, which is Face-to Face selling. As well as Telemarketing, the sales representatives can resell the existing and old customers by telling them the promotion that they are currently having (Ocon and Alvarez, 2014).

The fourth promotion tool is Public Relations. Since So-Boss has the connection with the media, he can easily line up some media for the interviews as one of the promotions. It can be on newspaper or on TV.

As mentioned in Chapter 3, LUXE has the Recognition by different Awards, including “The Men Attire Awards – The ESD Life Bridal Award – Best Groom’s Suit” and “Top 10 SME Customer Service Excellence Award” by HKACE. In addition, LUXE also provides Sponsorship to artists for the attires for different shows and events.

5.2 Conclusion

From the above findings, by analysing the marketing strategy LUXE has been adopting, which can identify the existing situation is critical. The existing and future environment is not optimistic. Undoubtedly, the trend of business downsizing due to the big impact of the COVID-19 pandemic.

After the analysis, LUXE has to face the situation that its core business keeps reducing due to the brand awareness to public has been dropped and the brand image is not up to the trend. Also, the social media advertising tools are not fully utilized. The objective of the study is to increase the sales and increase the brand awareness in the coming three years. By adopting the above recommendations, re-branding and promotion mix can help to improve

the marketing outreach and restart the business.

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