

## **Brand Market Expansion: Dissertation Proposal**

## **Abstract**

This research study is based on the theme of brand expansion of a luxury fashion brand called Kenzo, which was initiated by Kenzo Takada, a famous fashion designer from Japan. The aim of this research study is to identify a new market for Kenzo for its market expansion. In this study, marketing strategies and market entry modes have to be selected for Kenzo's expansion to those countries where the brand has not set its footprints yet. Country like New Zealand is where the popularity of Kenzo cannot be felt, maybe because of the presence of other popular fashion brands. In order to expand Kenzo to these countries, this research study is being conducted. For conducting the research study, data would be collected for the study from the secondary sources, such as company website, fashion magazines, books, journal articles, newspapers, and online libraries. These data would be used to conduct a qualitative analysis, so as to identify solution for the research questions that has been considered for this study, on the basis of the research objective.

**Keywords:** Market expansion, Kenzo, marketing strategies, promotional strategies

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## **Chapter I: INTRODUCTION**

### **Background**

This research study is on brand expansion of Kenzo Paris, a famous luxury fashion house and brand. In this study, Kenzo has been selected as a brand, whose expansion would be designed and marketing strategies would be developed, so as to support it in expanding to other countries. Kenzo is a fashion house that was founded by Kenzo Takada, a Japanese fashion designer. He is also well-known for his perfume and skin care brand Kenzo Paris apart from clothes. Kenzo began its journey with handmade cotton garments for women in 1970s, and later expanded to children and men's ready-to-wear clothes (Tungate, 2012). It had become part of LVMH Group in 1999, and is now led by Humerto Leon and Carol Lim. Kenzo is known for its bold themes and unexpected mix of styles that reflects the daring spirit of the brand. Kenzo is a brand of LVMH, which is better known as Louis Vuitton S. A. The origin of the brand is in Paris, but now the fashion and leather products of Kenzo are available in countries around the world (Som, 2011).

### **Research Aim and Objectives**

The aim of this research study is to expand the market of Kenzo by exploring the untapped markets around the world. This would be done by developing appropriate marketing strategies for brand extension. In order to follow this aim of the study, there are certain major objectives that have been considered for the study. These are stated below:

- To identify the most suitable market expansion strategy for Kenzo
- To identify the suitable market, where Kenzo will get maximum exposure
- To plan the promotional strategies of Kenzo so as to develop the brand further in a new market

### **Research Questions**

The research questions have been developed in line with the research aim and objectives of the study.

Q1: Which will be the next market that Kenzo can choose for expansion? What would be its target customers in the new market?

Q2: What are the suitable marketing strategies that Kenzo will implement for popularising their brand in the new market?

### **Rationale of the Study**

This study will assist various other fashion houses like Kenzo to beat the competition and identify a new market for them, so that they can also have adequate market share and profit, which is totally cannibalised by the big and most popular fashion brands.

### **Limitation of the Study**

This research study would, however, not include the existing market position of Kenzo in detail, so probably the readers would not get an idea regarding the growth and development of Kenzo from just a fashion house to a renowned brand. Kenzo is a niche, luxury brand, so in order to present the picture of market competition, the equally niche, and luxury fashion houses would be considered. However, there are many well-known fashion houses which are not at the same level as Kenzo, which can give stiff competition in the new marketplace.

## **Chapter II: LITERATURE REVIEW**

### **Market Entry Strategy for Kenzo**

The luxury fashion houses consider flagship stores as one of the exclusive market entry mode. The commitment of these luxury fashion houses to international contribution is apparent by the diversity and breadth of coverage of the foreign market. The internationalisation strategies that the luxury fashion houses adopt are usually complex and appear to be impenetrable, and heavily dependable on the multi-layered supply networks. Yet all the luxury brands and fashion houses do maintain their own flagship stores because this is what makes them different and niche. The flagship stores are company owned and carry only a single brand of the product, which in this case would be Kenzo (Alexander, 2012).

They are operated mainly with the purpose of building a strong image rather than just profit making. Kenzo is a brand of LVMH and in this way is a brand of a company which is a conglomerate of super luxurious brands in the world. Kenzo has set its footprints around the

world, but there are few countries, where Kenzo is still not so popular like the other fashion houses. There is country like New Zealand, where Kenzo is still not such a popular name for customers. Moreover, on the basis of the country Kenzo decides to enter, the modes of market entry can be selected because the trade policies of every country are different. For example, in New Zealand, foreign direct investment is a general market entry mode for international companies. As far as promotion in the new country is concerned, it would be based on the cultural patterns of the country in which Kenzo ventures (Kenzo Parfums Na LLC, 2013).

### **Target Market or Customers**

Kenzo, as has been already understood, is a luxury brand, which caters to extremely niche group of customers, consisting of higher income group, celebrities, socialites, etc. Moreover, the brand has a unique identity for its drastic choice of designs, colours, and abrupt mix and matches, which reveal their daring designs. Customers who prefer Kenzo's products do have a daring attitude towards fashion. Kenzo has designed outfits for Beyoncé Knowles, the American songwriter and singer for her various concerts, which shows the customer base of Kenzo. Based on the existing customer base of Kenzo, the target customers of the company in its new market can be well assumed. The flagship stores are generally visited by high-class customers and affluent class, who do not prefer to shop in crowded shopping malls (Kenzo Parfums: LVMH., n. d.).

### **Marketing Mix**

The elements of marketing mix play a significant role for developing marketing strategies for market expansion because elements like product, price, promotion, and place, play a significant role in deciding the appropriate strategies to establish business in a new country, and lure customers towards the shop.

## **Products**

Kenzo has options for expanding to country like New Zealand. Kenzo already has set product line, which comprises of apparels, perfumes, accessories, leather garments, etc. Generally, it has been noticed that fashion houses of this status try to maintain their signature style wherever they expand their business to. However, Kenzo's strategy can be identified after the research is conducted (Top fashion designers, 2013). It has been observed that fashion houses also customise a new fashion product line for the countries it is expanding to.

## **Price**

Pricing would be done on the basis of the economic level of the country the company is expanding to. Fashion brands like Kenzo sell luxury products, so analysing the income level of the customers in the country and taking into consideration the cost incurred to export the products or manufacture them would assist in taking the pricing decisions (Kenzo, n. d.). Further, there are several pricing strategies which might support Kenzo in deciding the price of products such as competitor, market condition, etc.

## **Place**

The place would be decided after proper research, the country is identified. Then based on the situation, culture, preference, the location for Kenzo stores would be decided. Location would also depend on the accessibility of the target customers, their residing places, and also on the basis of the standard of that location because being a luxury brand, Kenzo cannot open up a flagship store in the middle of a crowded marketplace.

## **Promotion**

Promotional events would be designed specially based on the culture of the country where Kenzo would be expanding because promotion is done to grab customers' attention, and if it is not done in the way people prefer, then penetrating a new market would be difficult. The generally approached promotional media vehicles such as audio visual media, print media are the options that even luxury brands prefer. However, the modes are different (Kenzo, n. d.).

### **Chapter III: RESEARCH METHODOLOGY**

This section will discuss the data collection methods and tools that would be used in this study for procurement of data and identification of probable solutions for the research study. A qualitative analysis of secondary data would be done to identify solutions for the research question. The secondary data are information from existing journal articles, research materials, magazines, and electronic sources such as archives and online libraries (Bernard, 2000; Kruger, 2008). Qualitative method of data analysis would be suitable in this study because qualitative analysis assists in analysing complex issues and analysing data, which are used to solve various issues through a single comprehensive study. Research designs have to be such that it fits the research questions well and also relate to the data collection procedure. Quantitative methods include analysis, collection, and presentation of numerical data. The statistical tools are used to collect data for quantitative analysis. However, in order to identify new market for Kenzo, quantitative data would not help, since there are various other factors beyond numbers which has to be considered while formulating marketing strategies for market expansion. In this case, it is impossible to identify brand expansion strategies and market for Kenzo through quantitative analysis (Coldwell and Herbst, 2004; Kothari, 2008).

In this case, secondary data would be used to conduct the research because data are usually available through various sources, and they are not raw information, as they have been already utilised (Lawrence, 2006). However, validation of secondary data is important because few data might not be reliable. In order to choose a systematic research design, the researcher needs to test the construct validity, internal and external validity of the data, and also evaluate the reliability of the information (Creswell, 1994). Further, the researcher needs to also check that the information collected for the research analysis is in line with the research objective and the research question because if it deviates from the stated path, then the researcher would not be able to derive the desired solution for the research question (Donald and Schindler, 2003; Du Plessis, 2004).

Appendix 1 shows the timeline that has been included in the proposal to show how the research study would be completed within a stipulated timeframe. Most of the time would be consumed for collecting data or information and drafting that information, which has been collected for conducting the research. This is the reason why data collection and preparation of draft would require maximum of two to three months' time. Apart from this, other functions can be easily



completed within a span of one month or less than a month. Since secondary data is being collected for the study, so cost associated with data collected and final preparation of the research report is minimal.

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## Appendix

### Appendix 1: Timeline for the Research Study

Activity Date	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14
Developing the research framework												
Preparing the research proposal												
Submitting the proposal and approval												
Collection of secondary data												
Preparing the first draft												
Approval of the Subject and 1 <sup>st</sup> draft												
Writing Literature review												
Submitting the second draft												
Ascertaining the research methodology												
Drafting the information collected												
Analysing and discussing the data												
Submitting the draft												
Finally drafting the conclusion and recommendation												
Submitting the final research report												