

How can 'by LouLou' improve its business performance in the Netherlands?

*An analysis of the business environment and growth
opportunities*

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Executive Summary

This research report aims to provide an analysis of the business environment and growth opportunities for the assignment provider 'by LouLou'. Moreover, the research was carried out on the basis of the following research question: how can 'by LouLou' improve its business performance in the Netherlands? In order to answer this question, the structure of a marketing plan was used as a guideline for conducting the research.

'by LouLou' (BLL), is a Dutch based organization that markets leather products such as wallets, bags and accessories, to women. Operations were started in 2010 and BLL has expanded its selling market internationally in ten countries. Now that the organization is expanding its operations and headquarters, it would like to further structure its operations and improve its business performance in the Netherlands.

Firstly, the internal and external analysis show that BLL has several strengths such as unique product design and responsiveness. Moreover, opportunities for growth exists, such as an online shop and other forms of multichannel marketing. However, weaknesses that BLL needs to resolve are limited brand recognition and its current supply chain. Likewise, the organization needs to be aware of threats such as copycats and production costs.

Secondly, segmenting its markets resulted in several segments that can be targeted in order of attractiveness. Here, women in the age group 26-30, with a monthly income of 1001-2000 Euros and preferences for functional and fashionable products, emerged as the most attractive segment for BLL. Following the segmentation process, objectives were determined, so that the marketing plan has clear goals. Here, the most important objectives are increasing annual turnover to €X million, expanding channel activities, creating a budget for an online shop, increasing brand awareness and market share.

Throughout the next part of the report, marketing strategies have been developed in order to improve the company's current situation and to achieve objectives. Important findings are that multichannel marketing, including selling through (online) retailers and selling through its own web shop, is feasible. This has been proved by benchmarking one of its main competitors. Furthermore, stimulating a positive relation between brand and final consumers can add value to the actual product. Finally, several recommendations have been made based on the research conducted and will improve BLL's business performance. The report recommends improving channel strategy, brand management, order fulfillment, stock issues and budgeting. Also, it is advised to hire more employees, process important data, research points of sale and monitor results for next year's marketing plan.

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Objective of the research

Problem faced

Since the company was founded in 2010, the company has experienced rapid growth not only in the Netherlands but also in other European countries such as Germany and Sweden, which are now the top two international markets for 'by LouLou'. It would like to know how it can improve its business performance and increase market share in the Dutch market as this is the organization's largest source of profit. Once operations in the Netherlands run more smoothly, it can apply the same business model to its other markets abroad. Therefore, 'by LouLou' has created an assignment, which will help with exploring the current marketing situation through a marketing plan. This research report aims to provide the assignment provider with several recommendations. For the readers' convenience, the name of the organization/assignment provider 'by LouLou' will be abbreviated to BLL.

The central question

"How can 'by LouLou' improve its business performance in the Netherlands?"

Sub questions:

- What is the current situation?
- What are its current markets and customers?
- What segmentation, targeting and positioning steps should be taken?
- What direction, objectives and marketing support are important?
- Which marketing strategy and programs will be most effective?
- How can BLL plan metrics and implement control?

Methodology

This report was based on an assignment provided by the organization 'by LouLou'. As the author has worked for the organization during her work placement, a lot of information is based on the author's own knowledge. Throughout the course of this research report multiple methods were used in order to answer the central research question. In this report, an interview was held with the organization's director Floor van de Water to gain more insight into the company's background. Furthermore, a questionnaire was distributed among a female audience in order to establish segments and gain a more clear insight into targeting and positioning. The respondents were notified that results remain anonymous and were used in a final project. Lastly, desk research was conducted to support the points made in the report. Finally, in order to structure the research report like a marketing plan, the Marketing Plan Handbook by Marian Burk Wood (5th edition), was used as a guideline.

Introduction to Company

The organization was originally based on the idea of creating a multi-functional wallet for women. The idea for such a product was initiated by Dugros (wholesaler of leather goods) and carried out by designer, Floor van de Water who created the concept of the organization's main selling product: the 'Smart Little Bag' (SLB), a wallet and clutch in one. The concept for this product was sufficiently interesting to start a new company, which was introduced onto the market as an independent brand with its own products, rather than a product of Dugros, sold by retailer Duifhuizen, which is a retail chain closely related to Dugros. Dugros started out as a small family business almost 60 years ago, with one retail shop called Duifhuizen, which is the family's last name. According to Duifhuizen, "the company was founded in 1953" (over Duifhuizen, 2014). More and more shops were opened and also a web shop was created. Now, "it has 25 shops and an extensive online shop" (Duifhuizen, 2014, over Duifhuizen). Eventually, the family business was passed on to the founder's sons and after several years they decided to expand their activities into wholesale. Now, the brothers have divided their business between the activities of Wholesaler Dugros and retailer Duifhuizen. Nevertheless, these two businesses are still intertwined. Through this retail chain, Dugros has the opportunity to sell its own designed/purchased products under different brand names. Please note that, Dugros' products are not exclusively available to Duifhuizen.

Furthermore, product design and concept were completely new and innovative because no other producer of leather goods had developed a wallet that could fit a phone the size of a smartphone and be used as a small handbag as well. Therefore, its design was unique and was introduced successfully in December 2010 when it started its operations. Eventually, van de Water and Dugros agreed on starting a new company that was partially owned by each of the two previously named parties. Floor van de Water turned her business into a "B.V" (Besloten Vennootschap/Private Company), and enrolled at the Chamber of Commerce in The Hague in March 2012, which however, was only a formality and did not grant her any rights on both brand name and product design. Consequently, noticing the potential of this innovative product, Dugros and designer van de Water registered the name and design of the wallet at the BBIE (Benelux-Bureau voor de Intellectuele Eigendom) later in 2012, which gave them rights for both brand name (by LouLou) and design (SLB), so that other producers were not allowed to copy/use its new acquired property. From now on, the innovative wallet was called the 'Smart Little Bag' (SLB), and carried the brand name 'by LouLou'. From that moment onwards, van de Water ran her own company with protected product design and a registered brand name. Nevertheless, BLL was/is still financially dependent on Dugros as it invested the capital needed in order for the company to startup, and realize further growth.

Furthermore, distribution is carried out from Dugros' headquarters in Oud-Beijerland, the Netherlands.

After operations started, van de Water employed two agents (J & J agency), which were responsible for selling BLL's product to retailers across the Netherlands. Rapid growth followed in the first year after market introduction (2010), and within a year BLL already had 50 points of sales in the Netherlands. By the end of 2012, sales outlets had increased to 450. Likewise, it extended operations internationally in England in 2011, and in Finland and Germany in 2012. Today, it sells its products in 10 countries across Europe and even in the Caribbean, in Curacao.

Chapter 1: Analyzing the current situation

What is the current situation?

1.1 Internal analysis

Mission

According to 'by LouLou' its mission is as followed:

"Our goal is to make fashionable and affordable leather accessories for women that are innovative too. We strive for a fair process, so everyone involved with 'by LouLou' can be proud." (van de Water, March 24, 2014)

By a fair process, BLL means the way in which the products are produced. Its products are made in India, where Dugros (its partner) has a joint venture with a local factory in Calcutta. The workers are employed in an environment that is safe and respects human rights. Furthermore, the plant has a SA-8000 certificate, which ensures that these rights are respected. According to Social Accountability International, "it is one of the world's first auditable social certification standards for decent workplaces, across all industrial sectors" (SA8000 Standard: 2008, 2012). The SAI is an organization that wants to advance human rights of employees worldwide (SAI, About SAI, 2014). Most employees working at the plant have a permanent contract. An important reason for BLL to support such factories is that it believes in supporting workers' rights and treating people as equals. This shows BLL is a socially responsible company. However, it does not stress this fact because BLL believes that it is not a selling point but a responsibility its business has (van de Water, March 24, 2014).

Resources

A more extended explanation of resources can be found in appendix 1.

Unique Resources:

- Product design
- CEO: Floor van de Water
- Distribution network
- Design registration

Human resources	<ul style="list-style-type: none"> • Director • Office Manager • Two interns
Financial resources	X
Informational resources	X
Supply resources	Dugros India

Table 1.1 overview of BLL's resourcesProduct lines

BLL's offers leather bags to women. By offering its products in different colors, designs and leathers, a wider consumer segment can be targeted.

Next, a product range description will give a clearer overview of what the company is selling.

- Smart Little Bag (SLB): this is its signature and main selling product (appendix 2, image 1.1). The model is designed to function as a wallet, but because of its size, can be used as a clutch as well. Variations in size and functionality were later introduced such as an XS and a XL version. Each version has its own name and product code (see appendix 2). Prices start at €49.95 Euros and reach up to €119.95.
- Handbags: this was the next step in extending BLL's product line as matching sets of wallets and bags could be designed and introduced to the market (see appendix 2, image 1.2). Prices start at €69.95 Euros.
- Accessories: the 'by LouLou' brand is about functional accessories for fashionable women. It therefore designed several accessories that function as a complementary product in line with its SLB and bags. For example, the 'petit plaisir' (Illustration 1.3), which is a small pouch to keep your keys and lip balm in, so that keys and small items do not get lost in your handbag. This item was also produced in matching colors to both wallet (SLB) and handbag so that the products could be sold in a set. Besides this key holder, other accessories included a make-up bag, small party bags, mobile pockets and a foldable bag-in-a-cover.

All products are made of leather (with few exceptions). In general, the products range in price from 17.50 (mobile pocket) to 250 Euros (handbag).

In addition to the leather accessories, the organization recently acquired (November 2013) a new product line of golden and bronze jewellery (silver is not yet being produced) in collaboration with IBB Amsterdam, a leading distributor of jewelry. The collaboration is based on a licensing agreement, where IBB gets the right to sell this line of jewellery under the 'by LouLou' brand name, now called 'Jewellery by LouLou'. Before the collaboration took place,

the jewellery was already sold on the market, however without a brand name. In order to boost sales and sustain its place in the market, IBB Amsterdam reached out to 'by LouLou' (BLL) to ask whether it wanted to license its brand name for this, until recently, brandless jewelry line. Now, IBB takes care of the distribution, and BLL (for most part) takes care of the marketing and Public Relations (PR) aspect. Please note, that throughout this report the focus will be on the company's leather accessories and in particular its signature product the SLB.

Previous results

As the organization has only been active since 2010, only a few years of data is available to use in this research report.

	2010	2011	2012	2013
Items sold	X	X	X	X
Turnover (VAT excluded)	X	X	X	X
Points of sale	50	200	450	550

Table 1.2 BLL results

Business Relationships & Supply chain problems

BLL maintains strong relationships with most of its business partners, especially with its two Dutch agents (from J & J Agency), who visit the office regularly. Thanks to the agents, points of sale within the Netherlands grew rapidly in the first year and continues to grow. Contacts with agents outside the Netherlands, are maintained through email, Skype and telephone, however these relationships tend to be weaker compared to the Dutch agents.

For now, the company has only one supplier of its goods (Dugros India). This producer delivers high quality products, which create value for consumers. However, its relationship with the producer in India is not really strong. Also, recent years have shown options to increase volumes are available to BLL, as table 1.1 shows: sold items increased each year. However, supplier relationship is not as strong as it could be. One example was the order on the last year's Christmas collection (2013) that was almost 1,5 month late and eventually arrived before Christmas. Likewise, because of time pressure, the products also lacked the standard high quality the brand offers to its customers. Here, serious measures must be taken in order to improve delivery time. BLL could switch supplier, but this will be hard because of the fact that the products need to be ethically produced and the supplier should have the documentation that confirm this. Therefore, switching suppliers will be an extensive

process given the fact that a new producer should comply with the strict terms of such a certificate.

Lastly, the organization's retailers are small fashion boutiques or retailers specialized in sales of leather accessories. Relationships with retailers are strong as the organization has direct contact with its customers. Moreover, customers can contact the company when the agents are unable to solve problems. Often, the lack of communication puts relationships under pressure. This is also the case with retailer-final consumer exchange of information. At the moment, BLL's brand strategy is not fully established, which gives retailers mixed signals and leads to miscommunication about the brand to consumers. For example, when retailers misspell its brand name or give consumers faulty background information about the brand.

1.2 External analysis

Macro-environment: PESTEL

A more extended version of the PESTEL framework can be found in Appendix 3.

Political	Partnership with Dugros, licensing agreement with IBB, producer's SA-8000 certificate
Economic	Dutch household consumption decreased with 2.1% in 2013 (CBS, Economie groei met 0,7 procent, 2014)
Socio-cultural	Main target audience: 25-35, approximately 1.1 million women (CBS, bevolkingspiramide, 2014)
Technological	Development of new smartphones and online presence (web shop)
Environmental	The demand for leather increases
Legal	Design registration at the BBIE in 2010

Table 1.3 overview PESTEL

Industry analysis

Porter's Five Forces Framework

Threat of new entrants

Firstly, potential entrants are other producers of leather accessories who sell products that offer the same functionality and fashionable design as BLL's products. Secondly, thanks to

its partner Dugros, the organization has access to a wide supply and distribution channel. Because of the strong relation between BLL and Dugros, it is likely that the latter would levy extra costs or measurements such as higher prices for its distribution service. Because, these two organizations have the same goal for 'by LouLou', to increase market share and profit. Therefore, decisions about vertical integration are solely done on the purpose of improving the organization's position in the market. Thirdly, its main selling product, the 'Smart Little Bag', has design protection. Consequently, it is prohibited for other producers to remake this specific model. Lastly, BLL differentiates itself from its competitors by design and branding. Its signature model can be produced in many different colours, leather types, prints and patterns. So, the possibilities for different looks are endless, which gives the organization the opportunity to sell many products, to many consumers with different kind of preferences, in many markets. To conclude, the threat of potential entrants is not really high because of design protection, a strong business partner, who manages the distribution supply chain, and the need to differentiate in a market with massive supply. It will be hard for new entrants to accomplish all of this in a short period of time. Consequently, the threat of potential entrants is low.

Threat of substitutes

Substitutes for leather bags could be bags with a different design (such as a backpack), produced out of canvas, fake leather or producers of fake 'by LouLou' products. However, it is more likely that threat of substitutes comes from the price/performance ratio. If BLL's products are not perceived as value for money, consumers will look for alternative ways to carry their things with them, or maybe even stop using such accessories at all. Therefore, threat of substitutes is high as other producers can introduce (leather) bags with a different design onto the market that fulfil consumer's need, but with a different design.

Bargaining power of buyers

First of all, the company's direct buyers are retailers who sell BLL's products in their own (web) shops to their final customers. The agents offer the products/collections to retailers and this approach works as the number of points of sale in the Netherlands continues to grow on a yearly basis (470 in 2013), so it can be said that there are no concentrated buyers. Whenever a retailer requests to sell the company's products in its store, first, a closer look is taken at the location of the retailer, because it should not comprise sales of nearby BLL sellers. Likewise, buyer competition threat is low because retailers cannot imitate BLL's signature product. The organization sells a brand, therefore, this is hard for buyers to imitate. Thirdly, low switching costs exist, as there are many other leather accessory brands to choose from. Nevertheless, the organization's signature product is highly differentiated and

unique. Consequently, a retailer could decide on switching to other wallets, but it would not have a choice between multiple models of the 'Smart Little Bag'. In general, buyer power is average because there are no concentrated buyers and buyer competition threat is low. Switching costs are low, however, because of product differentiation, the threat of buyers choosing other brands' products is weakened. In order to reduce bargaining power of buyers, the organization should strengthen its brand.

Bargaining power of suppliers

The organization's supplier is Dugros India. Here, suppliers are concentrated because the company values workers' rights enforced by the SA-8000 certificate. There are of course, other manufacturers with similar certificates, but none of them are as strict as the previously mentioned certificate. Therefore, the supplier has significant power, even though its partner Dugros has a joint venture with the supplier and work together. Therefore, the cost of switching to another supplier is high because it would disrupt the distribution chain and the company would have to search for another supplier with the same standards (SA-8000) as its current supplier, which would be hard. At the moment, its relationship with the supplier is not as strong as it could be. It has occurred several times that ordered goods were delivered too late or lacked the desired quality, which put pressure on the organization's reputation and relationships with buyers. Furthermore, because of late delivery, tension exists between BLL and its supplier. To conclude, supplier power is high as it will be hard to switch suppliers that are in possession of the similar certificates that ensure fair labour conditions for its workers.

Competitive rivalry within the industry

In this industry the barriers to entry are high because of design protection and the differentiation needed in order to gain market share. Furthermore, buyers in this industry have average power because they are not concentrated, however buyers have many options between other offerings. The threat of substitutes is high as there are many versions of bags. Lastly, supplier power is high because, if the organization decides to switch to another producer, it will need to search for one with the same qualifications. Likewise, if the organization would decide to leave this vision behind, then switching would be more easy. To conclude, competitive rivalry is high and market share is gained and sustained through differentiation.

1.3 SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> • Unique product design 	<ul style="list-style-type: none"> • X
<ul style="list-style-type: none"> • Experienced partners: Dugros & IBB 	<ul style="list-style-type: none"> • X
<ul style="list-style-type: none"> • Director: Floor van de Water 	<ul style="list-style-type: none"> • X
<ul style="list-style-type: none"> • Responsiveness: the company is still small and flexible so it is possible to act and react fast when new developments occur in the market. 	<ul style="list-style-type: none"> • X
Opportunities	Threats
<ul style="list-style-type: none"> • Expansion of dealer network/multichannel marketing 	<ul style="list-style-type: none"> • Copycat products
<ul style="list-style-type: none"> • Product development 	<ul style="list-style-type: none"> • Substitutes
<ul style="list-style-type: none"> • Starting a web shop 	<ul style="list-style-type: none"> • Production cost
<ul style="list-style-type: none"> • Collaborations 	
<ul style="list-style-type: none"> • Product diversity 	

Chapter 2: Understanding markets and customers

What are its current markets and customers?

2.1 Market analysis

Market definition

BLL sells its products on the market for leather accessories, its products are sold in retail (fashion) shops all over the Netherlands. As the organization's products are already sold on the market, the penetrated market consists of people who already own a 'by LouLou' product (and who may or may not consider buying a second product). Furthermore, the main target market consists of women in the age category of 25-35 years who enjoy the functionality and look of BLL's products. When examining the available market, it consists of young women, who like the brand and have sufficient income to purchase BLL's products. Thirdly, the potential market consists of women who need a wallet. Lastly, the organization believes its broad target market consist of women aged between 20-40 years. This is discussed further in Chapter 3.

Market changes

Graph 4.1 in Appendix 4, shows that the age group of women between 20 and 40 years is quite stable. However, the table shows a small decrease in the age category of women younger than 20 years, which signals that its main target market (25-35) is predicted to decrease in the next 10 years.

Market share

In order to calculate BLL's market share, previous annual profit results of the organization must be taken into account. However, annual profit results of competitors are not available. Likewise, overall industry profits are not available as well. Therefore, total consumer spending on leather goods will be used. Please note that this number does not differentiate between products products for men and women. Consequently, the calculation is a very rough estimation of BLL's market share. According to Detailhandel, "consumers spend €379 million (including VAT) on leather goods" (Bestedingen en marktaandeelen, December 23, 2013, para 1). The company's turnover in 2012 was €X Euros (see chapter 1, table 1.2).

100%	x
€379 million	X

Table 2.1 Calculating market share

Calculation: $(X/379) \times 100 = X\%$ market share

2.2 Customer needs and behavior analysis

Firstly, the organizations' focus lies on the consumer market, because BLL sells products for final consumers. By reading a lot of blogs, more insight into consumer preferences are detected. Reasons for why, when and how are given when blog visitors leave their opinion on the blog. Few examples can be found in Appendix 5.

In order to create a consumer profile, the following questions are answered to gain a clearer image of BLL's current customers:

When: a need for a new durable wallet/clutch, bloggers reporting on BLL's products and creating a need among the readers.

Where: in small fashion boutiques, leather specialty stores and online.

How: through friends (word of mouth) and social media (bloggers, Facebook, Instagram). These two groups heavily influence each other and are the organization's largest source of increasing brand awareness. This is how BLL currently gets its publicity as it does not advertise in magazines or on television.

Why: because its products are handy, fashionable, durable and affordable. Furthermore, consumers share positive experiences about BLL's products with each other and therefore stimulate the purchase of other 'by LouLou' products. (see appendix 5).

However, it needs to be taken into account that the organization does not sell directly to the final consumer. It sells its products through retailers, who are an important part of the value chain. Because profit is made by selling products to retailers, who eventually sell them to the final consumer. Likewise, without final consumers demanding these products (and the brand), retailers would not purchase its products in the first place. Therefore, the final consumer pulls demand through different channels and marketing efforts are aimed at these consumers. When BLL started to sell its products on the market, it used a push strategy. Nevertheless, it is important for the organization to work on its relationships with retailers in order to keep them content. A customer profile can be found in appendix 2, image 1.6.

Chapter 3: Segmenting, targeting and positioning

What segmentation, targeting and positioning steps should be taken?

3.1 Market selection

The target market selected is women who use or need a wallet and who have a preference for leather wallets. Therefore, the overall market is leather wallets/accessories for women. Nevertheless, this market and its segments are too large for BLL to target all at the same time. Consequently, segmentation is needed and this is partly carried out by a questionnaire distributed among women of any age. The variables used in the questionnaire are mostly demographic, as it is important to divide the market into different age categories. In addition, behavioral and attitudinal variables were used in order to gain a deeper insight in consumers' preferences and attitudes towards the organization and brand. The questionnaire that was used can be found in Appendix 6.

3.2 Assessing and targeting segments

After processing questionnaire results (see Appendix 7), the segments are further explored. Moreover, these segments are assessed based on market, competitive, economic and business environment factors. Below, segments are further described and ranked by attractiveness. See appendix 8 for an overview of the assessment.

1. Segment B
Age group: 26-30
Budget: 1001-2000 Euros per month
Important product features: functionality and appearance
2. Segment A
Age group: 19-25
Budget: 501-1000 Euros per month
Important product features: functionality and quality
3. Segment C
Age group: 31-40
Budget: 2001-25000 Euros per month
Important product features: appearance and quality

3.3 Positioning

All segments will be positioned through differentiated marketing.

Segment B

Segment B turns out to be the most promising segment and will therefore be the first segment to target. Differentiation is carried out on the previously mentioned product aspects. The products will be positioned as functional, fashionable goods.

Segment A

This segment is going to be differentiated on the basis of product functionality and quality. The products will be positioned as qualitative, functional products.

Segment C

Even though segment C contains the most women, it scored low on environmental factors, as it is more likely that decreases in household purchasing power affects their budget. These women are between 31-40 years and are targeted last. This segment is differentiated on appearance and quality. The products will be positioned as qualitative, fashion goods.

Here, an advantage is that product features match with different segments. Therefore, when focusing on the positioning of segment B, who like functional and fashionable goods, women from other segments may be attracted as well. In general, the products will be positioned as functional, affordable, fashionable and qualitative.

Chapter 4: Planning objectives and marketing support

What are the organization's objectives?

Financial objectives

- Annual turnover: achieve yearly turnover of €X by January 1, 2015.
- Create budget for new website and web shop by March 30, 2015.
- X

Marketing objectives

- Organisational structure and growth: 1 employee to carry out distribution: August 2014; 1 employee for graphics September 2014; 2 interns September 2014.
- X
- Expand distribution/channel by placing products in one additional warehouse by October 10, 2014. (V&D/Bijenkorf/Marks & Spencers)
- X
- Develop a new sales channel by starting a web shop, August 31, 2015.
- Capture X% of the Dutch market for leather accessories by January 30, 2015.
- Develop 1 new (signature) product by November 1, 2016.

Societal objectives

- Communicate fair labour process on website by September 1, 2014.
- Set up plan of action in order to reduce waste through recycling by September 1, 2014.
- Donate sales of one product, during the Holiday season to one charity. Create and execute plan by November 1, 2015.

Customer service

Currently, customer service at the point of sale is offered by the retailer. It is therefore important that these retailers communicate the organization's image correctly. After sales service is offered by the organization as consumers can send broken items back to the office for reparation. Likewise, it is possible to solve consumer inquiries through retailers who communicate such problems with agents or the company itself.

Customer service goals:

- Strengthen brand positioning: today, many customers/retailers have little idea of what the brand represents and are unable to communicate this to final consumers. So, one of the marketing plan's objectives is to strengthen BLL's brand image and communicate this to the external environment.
- Streamline flow of communication: consumers are sometimes confused who to contact when they have a problem or question. Therefore, an action plan on how to improve communication between the organization, customers (retailers) and final consumers should be produced. This also counts for the previous point mentioned about communicating brand positioning.

Internal marketing

Because of the fact that the organization has no hierarchy and communication runs fast, internal marketing can be done on a small scale. In order to gain support for the marketing plan, the team could organize weekly meetings where objectives and programs are being discussed for example.

Internal marketing goals:

- Schedule weekly meetings to discuss the marketing plan and its objectives, deadlines and weekly activities. Furthermore, brainstorm about programs to implement marketing plan.
- Plan for tasks division: who is responsible for the execution of which part of the marketing plan? Especially at 'by LouLou', where the team of employees is small, tasks can be more easily appointed.

Chapter 5: Developing marketing strategies

What marketing strategies and programs will be most effective?

5.1 Developing product and brand strategy

BLL sells tangible goods to be bought by retailers and eventually sold to consumers. For an overview of the current offerings, see Chapter 1, page 8.

Features: front pocket that can hold a smartphone, a small mirror, made of leather, wristband for easy carrying, additional pockets for cards.

Benefits: bring more items with you in a smarter manner (smaller product to hold items).

Services: a one year warranty on all products, repair service for broken wristbands and mirrors, quick response on consumer questions by email and social media.

The performance capabilities of the organization's products are focused on the fulfillment of functionality, especially when it comes to carrying items from A to B. For example, its handbags are equipped with extra sleeves for cards, pencils, phones and keys, so that everything can be organized neatly. Another example is the SLB, which offers a solution to carry daily essentials such as a mobile phone, keys and money, in one compact wallet/clutch. The front pocket where consumers can put their (smart)phones is unique in regards to BLL's main competitors. Product design varies greatly among different (seasonal) collections, and gives the opportunity to change product looks through the usage of different types of leather, colors, embossing, patterns and so on. Next, product labeling and packaging is kept simple so that it does not take away attention from the actual product. The labeling is carried out by means of a small, brown card which is placed in the products and describes how to use the product, how to take care of the product and lastly, explains the terms on the warranty. There are two types of packaging: one for the retailers and one for the ultimate consumers. The packaging for retailers is the original packaging that the products have upon arrival in the Netherlands: a plastic, sealed bag. When the product is sold to the final consumer, BLL's products will be packed in a brown, textile bag to protect the product (see appendix 2, image 1.7). Finally, in order to reach the objective of developing one new signature product, the company should pay close attention to its brand values and trends.

Product Life Cycle

'Smart Little Bags': Growth (market introduction 2010)

Now that the organization has established its signature product into the market it is time for further growth of sales and market share.

Handbags: Maturity

BLL's handbags have gained very small market share over the past three years. Different designs and marketing could improve sales of its handbags.

Accessories: Growth

Its accessories such as the key holder (see appendix 2, image 1.3), are different in quality and design from competitors. Therefore, growth opportunities for these products are possible.

Product Lines

Currently, BLL has four product lines: SLB's, handbags, accessories and jewelry.

Branding & Positioning

The organization uses the company name and a supplementary individual name in order to form the brand. For example, its leather accessories are called 'SLB by LouLou'. Moreover, its jewelry line is called 'Jewellery by LouLou'. However, its brand name is not that strong yet, as X% of women who own a BLL product thought that the brand was unimportant in their purchasing decision (see appendix 7, figure 7.4). In order to increase brand awareness, it is important to establish strong relationships with consumers, and influence consumers' perceptions about the brand in order to raise brand loyalty. "Consumers are the ones who experience the brand" (Heding, Knudtzen & Bjerre, 2009, p. 11). This reflects on the importance of engaging consumers with the brand. Likewise, Aaker and Biel write, "a consumer perceives a brand's equity as the value added to the functional product or service by associating it with the brand name" (as cited in Heding, et al., 2009, p. 11). Or in other words, a brand can add value to the actual product. In order to achieve higher brand awareness, the organization could develop its brand strategy on the basis of the consumer-based approach by taking into consideration, the relationship between brand and consumer. Here, "in the consumer-based approach, brand strength equals strong, unique and favourable associations in the minds of its consumers" (Heding et al., 2009, p. 85). It is therefore important to, improve consumers' thoughts about the brand. Lastly, the brand will be analysed through the pyramid of brand equity (K. Lane Keller, Strategic Brand Management, 2006). See appendix 2, image 1.4.

Identity: The organization prefers to describe its brand image as innovative, functional, affordable, fashion and fun.

Meaning: a brand that offers fashionable, functional and affordable accessories to women in the age category 19-40, with a busy lifestyle.

Response: women (final consumer) who enjoy life, have a busy lifestyle, and appreciates functional, qualitative products that are useful in daily life, with a fashion appeal.

Relationship: women who recognize the need of innovative and functional accessories, that have fashion appeal and can relate to the 'by LouLou' as the organization offers these kind of (leather) accessories.

5.2 Developing channel and logistics strategy

The organization's current way of selling products is described in the next part. Firstly, BLL orders goods from its main producer in India. After production, the products are shipped to Schiphol, and transported to wholesaler Dugros, where the products are stored. Before, orders arrive in the Netherlands, BLL's (independent) agents try to sell new collections by going to customers/retailers to show them the products. Here, retailers are small fashion boutiques. After a handwritten order is made, BLL will receive the order (from their agents) and send it to Dugros (by email), where a member of staff then processes the order and packs the goods for transportation. After one or two days, the order will arrive at the retailer, where the products will be sold to the final consumer. For now, small retailers is the only channel through which BLL sells its products. Starting its own web shop would be a huge opportunity for the organization as now, other online retailers make a lot of profit by selling BLL products online.

Improvements supply chain

Now that the links in the current distribution network have been discussed more thoroughly, it can be said that several improvements are needed in order for the organization to grow and achieve its goals/objectives.

- Problems with delivery of goods from India need to be resolved. The organization could work on improving the relationship with its main supplier by regular visits and increase contact/meetings between orders. Likewise, some basic guidelines could be established such as a contract or agreement.
- Distributional problems could be solved by stopping the outsourcing of distribution. By taking back responsibilities for distribution, less bureaucracy occurs as less people are involved in this part of the value chain, making it easier to solve problems. Likewise, more control can be exercised and quality of distribution can be increased. This will eventually strengthen customer relationships.
- The flow of data could be improved by putting BLL in the middle so that it functions as the informative center. Its agents should focus on selling to retailers and exchange information with the organization. Agents should be responsible for customer's questions about orders and should communicate problems with the organization. Besides agents, retailers should have contact with the organization itself. However,

this communication should be centered around information concerning new collections, products and solving problems that are not the agents' responsibility. Here, it is very important for the organization to give clear information about its products and brand so that no confusion can occur when retailers communicate about the brand with the final consumer.

- Next, in order to grow and achieve objectives, more staff could be hired to focus on particular task such as the realization of taking distribution in-house.
- Agreements on budgets for technological developments could be established with its business partner so that new developments can be realized and future organizational growth is secured.

Multichannel marketing

Currently, the organization sells its products through one channel: retailers. Nevertheless, a distinction can be made between different types of retailers. Here, retailers are small fashion boutiques or retailers specialized in sales of leather accessories. The end user is always the final consumer. Channel extension could be by selling in big warehouses such as the V&D. Likewise, an even greater move would be starting its own online web shop. However, establishing its own online shop will put the organization in direct competition with some of its current customers who sell the products online. Furthermore, retaliation from retailers can be expected as they will lose in-store customers. Nevertheless, market share and sales are completely hands of other web shops. Here, BLL misses out on a lot of sales and growth opportunities.

However, it is possible for an organization to pursue such a multichannel strategy without severe consequences for its business. A good example is Fab., one of the organization's main competitors. Fab. has its own brand store, online web shop, and sells its products through these channels to other retailers as well. Or in other words, even though Fab. sells its products through its own zero-level channels, it managed to established the same channels through intermediaries such as other online retailers and in-store retailers (see appendix 9: Fab). Moreover, prices in Fab's web shop are similar as in other web shops. Another example is its competitor Cowboysbelt. This company sells its products at warehouses, fashion boutiques, leather specialty stores and online. However, it does not have its own web shop, at least not for the final consumers. The organization does have a web shop for retailers, indicating that Cowboysbelt has its own sales team, just like Fab. See appendix 9: Cowboysbelt.

Finally, taking into account competitors' channel strategy, a web shop can exist successfully next to other online retailers who sell BLL's products. Nevertheless, before hastening into setting up a web shop, BLL could follow Cowboysbelt's example, and try to create a system/service for retailers to digitally order items. Furthermore, BLL could even start on creating its own sales team, so that intermediaries are no longer necessary and make communicating more simple. Diagram 5.1 gives an overview of how multichannel marketing would look like after channel expansion.

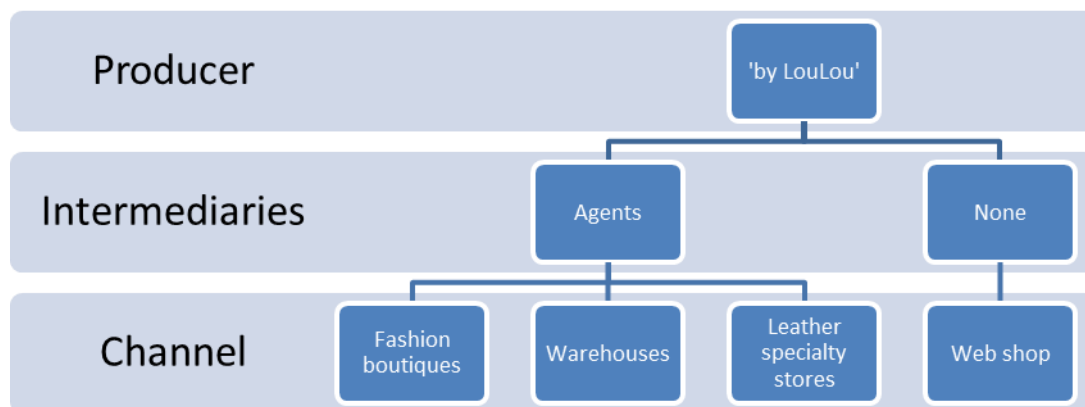


Diagram 5.1 channel expansion

Logistics

Storage: finished products will be stored at the new office, where the headquarters is located. There is sufficient room to store all its products and supplies. Furthermore, in between orders and the actual packing and transporting it to the customer, the final products are stored there.

Inventory: inventory is based on orders made beforehand. When new products/collections are developed, samples are produced and send to the office. Here, samples are approved and collections are put together. Next, its agents will show customers new collections and write orders. These orders are processed to understand which products are popular and which products are less popular. Then, based on these outcomes, orders are placed with the producer. Van de Water states that “in 2013, total inventory purchases were €X Euros (Eindafrekening, March 31, 2014).

Order processing and fulfillment: Firstly, BLL's agents are responsible for all incoming orders. Meaning that, these agents write orders, confirm product availability and communicate with the customer when problems about orders arise. Agents receive a fee of X% on every sale they make. However, a new reward system for its agents should be established in order to stimulate sales to new customers and selling remaining stock to current customers. Or, as mentioned before, the organization could try to create its own sales team. Now, with the move to its new office, BLL is going to carry out complete order

fulfillment itself. Nevertheless, first staff should be recruited who can fulfill this position. Currently, orders are processed, packed and put on transportation twice a week (Tuesday and Thursday). Therefore, goods arrive a day later at the customer.

Transportation: is carried out by the organization DPD, and price per package is X euro. Nevertheless, this is what its business partner Dugros has arranged with the organization. In table 5.1, an overview of the transportation costs is presented. When orders and products are returned, customers can use a reply number so that expenses are for the organization. However, this service is not used frequently. These numbers were retrieved from the DPD website, from its brochure on tariffs and conditions (2013).

DPD classic – delivery in the Netherlands	
Tariff (price per package)	€9.89
Allowance for islands	€7.50
Insurance (per package)	
Product's worth: up to €520	Free
€520 - €1000	€1.25

Table 5.1: transportation costs

In order to calculate delivery costs, the following formula can be used:

Number of packages x €9.89

Extra costs include: + €7.50 for island delivery, + €1.25 per package, for insurance of packages between €520 - €1000

5.3 Developing pricing strategy

As the organization already has an existed pricing framework, a short overview of the current pricing strategy will be given. Moreover, focus will lie on benchmarking competitors with online shops and retail shops.

Channel members

Its products are sold in stores and online for fixed prices. When the organization announces a price reduction, retailers can implement a price reduction for the final consumer. Nevertheless, the organization does not control retailers who offer its products on sale (see appendix 2, image 1.5). Likewise, BLL's products are sold through intermediaries (agents). As mentioned before, agents receive a fee of X%. The company uses a margin of X on finished products in order to calculate the final prices for which (online) retailers can sell the

products. For example, an SLB which costs €X, is sold to the retailer for €X (X/X). However, fixed and variable costs need to be subtracted from this sum.

Breakeven point

In order for the organization to breakeven, a rough estimation is made because key numbers are missing. Consequently, it is estimated that a number of X units need to be sold in order to breakeven (see appendix 4, table 4.6).

Benchmarking competitors

At the moment, prices are slightly lower than its main competitor Fab., and similar to the prices of Cowboysbelt (see appendix 9, table 9.1 and table 9.2). As mentioned in section 5.2, Fab. has managed to establish a web shop besides online shops of its customers. When BLL launches its own online shop, products could be offered at a lower price in order to attract customers and stimulate sales. However, this is not necessary, as previously stated, as one of its main competitors Fab., has built a successful web shop while still selling its products through other online retailers who offer Fab's products at similar prices (see Appendix 9, images 9.1 & 9.2). If the organization decides to not lower its prices, it will need to differentiate on its online shop's design and customer service.

External influences

Subsequent, the company's prices are dependent on leather prices as this is the material the products are made of. When prices of leather increase, it will need to decide whether to raise its products' prices or absorb the extra costs. In general, "the supply of skins is price-inelastic and is determined by the demand for meat products and the amount of livestock that is available for slaughter" (Peksa, 2012, para. 2). Raising product prices when raw material prices go up, would not be an ideal solution, as the organization has positioned itself as an affordable brand. Likewise, by raising its prices, BLL will move closer to the pricing strategy of competitor Fab. Then, both brands would have to compete on brand perception and product features, as prices lie closely together. Given BLL's current brand strength, it is likely that Fab. would win because of its stronger brand image. For now, focus is on increasing sales and profits so that its objective of increasing its turnover to €X million can be achieved. This can be done by increasing productivity and saving money, rather than increasing prices.

5.4 Developing marketing communications and influence strategy

In the first few years of the organization's existence, it mainly applied a push strategy, where its agents would sell directly through its only channel: retailers. Now that a firm basis of

points of sale has been established through a push strategy, an introduction to a combination of both push and pull strategy could be useful for the organization. However, a pull strategy can only be achieved when BLL has built on its brand image. Therefore, in order to grow further, the organization might want to consider using a pull strategy and focusing on the final consumer as a target audience. This will also be useful when it wants to create its own web shop.

Objectives

The organization's biggest challenge in setting up marketing communications will be the release of budget in order to achieve its objectives. Currently there is only a small marketing budget and communication is carried out on social media, in particular Facebook. This is quite risky because of a lack of content control and limited reach in comparison to a paid ad on TV. According to Burk Wood (2014), "because usage is free and users post what they wish, marketers lack the kind of control over social media that they have over the content of a TV ad they pay to produce and air" (page 166). Results of the questionnaire show that 59% of the women who owned a BLL product did not find the brand an important factor during purchase. Thus, stimulating positive feelings towards the organization as a brand might increase brand awareness. Moreover, consumers might purchase BLL's products, which is a critical point because if the product fulfills the consumers' needs, it is more likely that feelings about the brand are confirmed and consumers start to believe the brand image and its value. To conclude, the organization's biggest challenge/objective will be to create a large enough budget to create marketing communications which the organization can actually control, rather than blog content and social media. For example, magazine features or promotional actions like Fab. (see appendix 9, image 9.5).

Budget

Because of the organization's financial reliance on its business partner, creating marketing budget will be difficult. Consequently, small resources are available to the company for creating such budget. For now, a budget of €X Euros is available for marketing efforts (PR offices and promotional materials excluded). Most of its budget will be used to improve links in the supply chain such as distribution, communication and stimulating sales. Next, promotional actions are necessary to increase brand awareness (see above).

Communication Tools

The communication tools that are in line with BLL's strategy and budget are, sales promotions, public relations, advertising and the usage of social media. However, because

its social media presence is sufficient already, more attention should be paid to the other tools. These tools can be used to increase brand awareness.

Sales promotions: offer discounts to customers who buy in larger volumes; release coupons for final consumers to use in its web shop (after establishment); organize contests on social media channels and/or in combination with other brands/websites.

Public relations: contribute to a good cause; improve relationships with channel members; press releases; stress fair labour conditions during production of its products.

Advertising: because advertising is expensive, minimal tools can be used. For example, product brochures, features in magazines both on and offline; posters at public places such as train stations.

Social Media: improve quality of social media contents on Facebook, Twitter and Instagram, increase frequency of content, create strategies for accounts less often used such as Pinterest and Youtube.

Besides these communication tools, the organization can also use events to increase brand awareness and get attention. For example, when it starts its online shop, it can organize an event for the website's launch. Moreover, to create a buzz, it could invite bloggers, publish press releases and engage its audience by, for example, organizing a contest for an invite to the event.

Chapter 6: Metrics and implementation control

How can BLL plan metrics and implement control?

Marketing plan implementation

Because of the organization's size, staff can easily communicate on the progress made, objectives and programs that need more attention and possible changes. Therefore, to successfully implement the marketing plan, staff could firstly focus on creating plans of action. Then, during implementation, focus should lie on communicating how programs are doing, so that all staff are notified about the organization's progress. Lastly, during implementation, improvements to programs should be made if it turns out that objectives are not being reached. Likewise, by discussing objectives and strategic programs on a regular basis, the organization knows what to communicate to its environment and will have a better overview of the things that still need to be done. On the basis of profitability control, productivity and strategic control, progress can be measured.

Nevertheless, the most important thing is the organization tracking basic data. Consequently, changes in its business performance can be measured more easily and will provide data for future marketing plans. For example; tracking sales per month, week and per year, per channel; collecting data to improve calculations on market share; assessing customer relationships; collect data in order to calculate break-even-point, calculate Return On Investment (ROI); measuring what agents sell on a weekly basis, to which customers and what products to notice trends; increasing productivity and finally; creating budgets to achieve objectives.

To conclude, since this will be the organization's first, more extended marketing plan, attention should be paid to assessing basic data, as mentioned before. Consequently, on the basis of these data, next year, a new marketing plan could go more in-depth on specific programs.

Metrics

As mentioned before, BLL could use basic metrics to track data and laying a stable foundation for future marketing plans.

Marketing metrics:

- Measure market share
- Acquisition/retention of customers
- Measure brand awareness

Financial metrics:

- Assessing productivity (finding out where money is lost)
- Profitability web shop

Social metrics:

- Measure if 'fair' labour process affects consumers' brand perception

Forecasts & Contingency plan

When examining table 1.2 in chapter 1 (page 9), it can be stated that profits have increased each year by more than X% percent. Even though the crisis lasted longer than expected, the organization managed to increase its profits each year. Therefore, this trend is expected to continue in 2014 in line with reaching the objective of X million Euros in subsequent years.

However, the Dutch economy did shrink as evidence by a decrease in the use of gas. According to de Volkskrant, "because of the lower gas consumption, the economy shrank in the first 3 months of this year with 1.4%" (May 15, 2014). This decrease was caused by the, compared with previous years, warm winter. Although the economy shrank, economic recovery did continue. This is because consumers spent the money on other goods. De Volkskrant writes, "consumers spend more money on other goods: sustainable goods such as clothes and electronics" (May 15, 2014). Consequently, forecast will be that due to the economic recovery, BLL's profits will increase. Likewise, costs will increase as the organization moves to a larger office and plans on hiring more staff.

Apart from forecasts, a contingency plan on the basis of these forecasts can be set up. Taking into consideration the organization's objectives, focus should lie on channel extension and what actions should be taken if problems occur. For example, when the web shop is not functioning properly or expected profits stay out, the organization should be ready to fix technical problems and change strategies.

Schedules and budget

The marketing budget created for 2014 will be around €X euro. This is without the extra costs it has allocated for international Public Relations Agencies in Sweden and Germany. The time scheduled in order to reach objectives is 1.5 years. A more extended overview of schedules can be found in Appendix 10.

Conclusions

The overall research report was based on answering the main question: how can 'by LouLou' improve its business performance in the Netherlands? After in-depth research of the current situation and marketing strategies, several conclusion can be drawn.

Firstly, an internal and external analysis was made in order to create a SWOT. The organization has several strengths on which it relies heavily such as its responsiveness and unique product design. Moreover, it has some opportunities to improve its business performance and position in the Dutch market, such as developing new products and starting its own web shop. Nevertheless, the organization has some weaknesses it needs to resolve such as limited [REDACTED] and [REDACTED]. Likewise, threats to the organization are copycat products and production costs.

Secondly, an analysis of the current market showed that the organization's main target will shrink in the next 10 years. Furthermore, a rough estimation of its current market share showed it was approximately X%. The consumer profile is based on functionality, affordability and a fashionable look. Consequently, retailers (fashion boutiques, leather specialty stores) are the organization's customers and its agents function as intermediaries. However, channel expansion is possible through a web shop and selling through warehouses such as V&D.

Thirdly, research was conducted in order to establish segments and the positioning and targeting of the brand. It showed that there are three main segments: Segment A, B and C. Here, segment B (women in the age category 25-30), is the most attractive one.

Next, the development of marketing strategies showed that links in the distribution network need improvement, as well as product strategy. Likewise, BLL's pricing strategy is very basic and benchmarking competitors showed that Fab's and Cowboysbelt's pricing strategy are successful.

Finally, several problems were detected during the research such as a weak supply chain and communication problems, which on the basis of recommendations, can be resolved.

To conclude, the overall marketing plan has laid a solid foundation for future marketing plans and the recommendations made, will help to improve its business performance in the Netherlands.

Recommendations

On the basis of the research conducted, the report will provide the assignment provider with several recommendations which it can use in order to improve its business performance in the Netherlands:

- Firstly, the organization could work on improving its channel strategy. It should expand sales' channels through warehouses, and further penetrate its current channels of fashion boutiques and leather specialty stores. The latter can be achieved by stimulating its agents to generate sales to new customers. Next, BLL could focus on improving its system for ordering products. It could for example, develop a digital system that agents can use when writing order for retailers. Moreover, Cowboysbelt's example of ordering through its website is a good system of order fulfillment. Letting customers order on its website will be a good practice for when it eventually creates its own web shop, which is the next recommendation.
- Starting its own web shop will increase the organization's turnover. Likewise, it will gain market share as BLL moves into direct sales, increasing its online presence. Eventually, the organization needs to establish its own sales team so it no longer relies on intermediaries (such as agents).
- Thirdly, in order to gain better understanding of its current situation, position in the industry and trends, the company should track important data such as number of sales per items, per week, per month and per channel, tracking what agents sells and to whom, collecting data to calculate market share. Therefore, a clear overview of results can be generated and processed. To conclude, its informational resources need to be improved.
- Fourthly, it should improve order fulfillment. By taking care of its own distribution, the organization can detect errors more quickly and establish stronger relationships with its customers. Furthermore, it should carry out a customer satisfaction survey in order to further improve its service and strengthen relationships.
- Fifthly, it would be best to improve purchase and stock issues. Currently, placing orders takes a lot of time and backorders take even longer. It could for example, hire a purchasing agent, who is responsible for stock issues. This will also be useful when it establishes its online shop. However, focus should first lie on improving the supply of products.
- Likewise, more attention should be paid to create budgets in order to achieve objectives faster. Instead of using affordability budgeting, the organization could use objective and task budgeting. So, that each objective receives the right budget and attention.

- Next, it is important to work on its brand image, because its brand is not that strong yet. Research about brand awareness should be carried out regularly (twice a year) and brand strategy should be the focus when deciding on new collections and media messages. Moreover, BLL could take into account the segmentation results, which indicate what segments are the most attractive. Then, further research on segment's preferences and market situation can be conducted so that a better understanding of its markets is reached. Also, it is important to focus on societal objectives to underpin the organization's brand values. Besides focusing on internal factors influencing the brand, the organization should look at the consumer-based approach mentioned in chapter 5.1, which tries to positively influence consumers' thoughts about the brand and its added value. Finally, by collaborating with organizations with similar brand values, BLL can reach a wider audience and simultaneously associate its brand with other (strong) brands.
- Also, now that points of sale have expanded in the last few years, its agents (or an employee) could focus more on investigating locations and shops that are interested in selling BLL's products. In order to increase consumer satisfaction, agents/employees could look at stores that fit the 'by LouLou' brand and are located at central places with easy access to customers. This will contribute positively to the organization's brand image.
- Furthermore, it is advisable to hire more staff in order to reach its marketing objectives. The recommendations made in this marketing plan require more staff as it is impossible to carry out daily activities as well as implementing the marketing plan. Therefore, one employee is needed for distribution, and perhaps one employee for improving channel strategy and establishing a sales division.
- Lastly, it is recommended that results are monitored, and data is gathered for next year's marketing plan.

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Appendices

Appendix 1: Analysis of resources

Human resources

Currently, two permanent employees work at BLL's office. First, Floor van de Water (director), who runs the company, and an office manager, Caroline Janmaat. Even though van de Water has not finished an education, she does have entrepreneurial skills to manage her business. The office manager (Janmaat) carries out daily operations such as administration and sales, whereas van de Water focus' lies on creating new collections and managing activities such as public relations (PR). The graphic intern and PR intern support van de Water in these tasks. Therefore, two permanent employees and two intern positions work at the office. A strategy for recruiting staff is only carried out for new interns that fill the position up to 5 months. If necessary, additional training can be done with extra courses (this is stimulated by van de Water).

Financial resources

The company is [REDACTED]. Its business partner within this firm is Bas Duifhuizen, who makes the capital required available for BLL's business. Recently, a new development in the organization's growth has made BLL decide to move its office to another location from where it can carry out its own distribution. This can save the company a lot of time and money because now, too many mistakes are made. Bas Duifhuizen (Dugros) provides the investment needed for relocation. However, 'by LouLou' needs to consult and receive approval from Dugros before it can finalize such decisions. This can be a threat to the organization as Dugros is also responsible for its own finances and expenses. For example, when a part of its budget goes to purchasing its own stock, or an unexpected expenditure takes place, less money remains for BLL to purchase stock or make investments in the organization.

Informational resources

Currently, not much research is conducted at the marketing level. There [REDACTED], and both employees and interns work on other assignments, consequently there is no time available as well. Nevertheless, previous interns have conducted research such as a communication plan or a business plan. These researches have been integrated into social media planning. Therefore, there is insufficient understanding of the marketplace and this is a current issue for the organization. Likewise, information about customers and the

marketplace is derived from agents in the Netherlands as well as in its international markets from agents abroad.

Supply resources

In general, the organization has a firm basis for supplies as it can rely mostly on its business partner Dugros, who supplies BLL with capital, office furniture and services such as distribution and accounting. Furthermore, through Dugros, it established contact with the current supplier: Dugros India. This organization produces the goods ordered for BLL.

However, the manufacturer is [REDACTED].

[REDACTED]. Switching suppliers will be costly and will be quite a challenge because of the organization's incentives.

Appendix 2: Images

Each product has its own product name. For example, the SLB in image 1.1 is the 'Sweetheart SLB41S.059' (41 is the type, S represent the color of the charms and the last section refers to a color code). The product images (1.1/1.3) were released by the assignment provider.



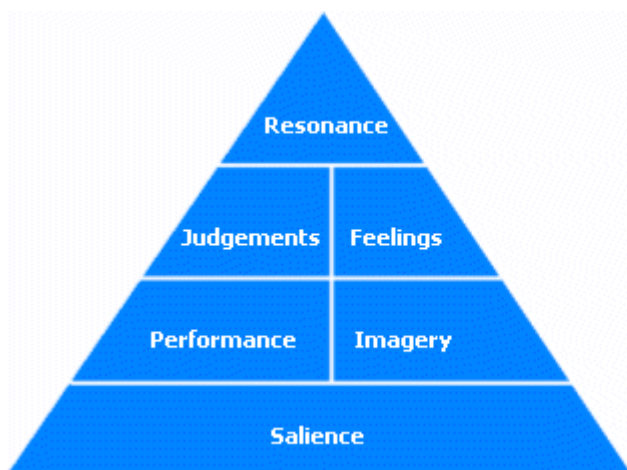
1.1 SLB Sweetheart



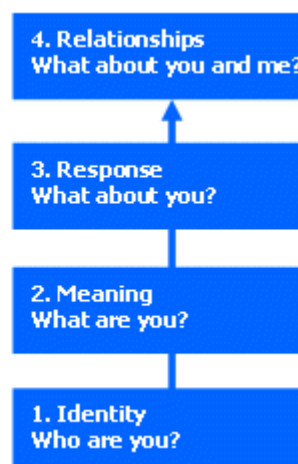
1.2 Tous Bag & matching wallet

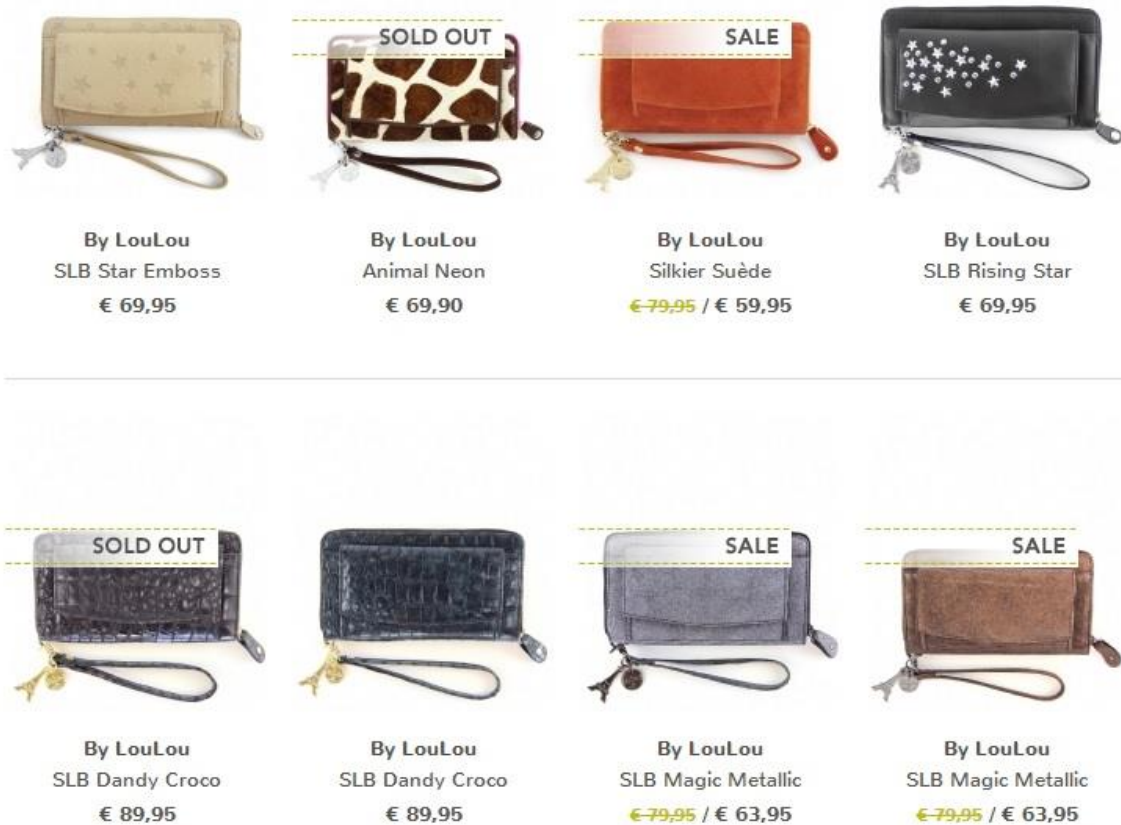


1.3 Petit Plaisir

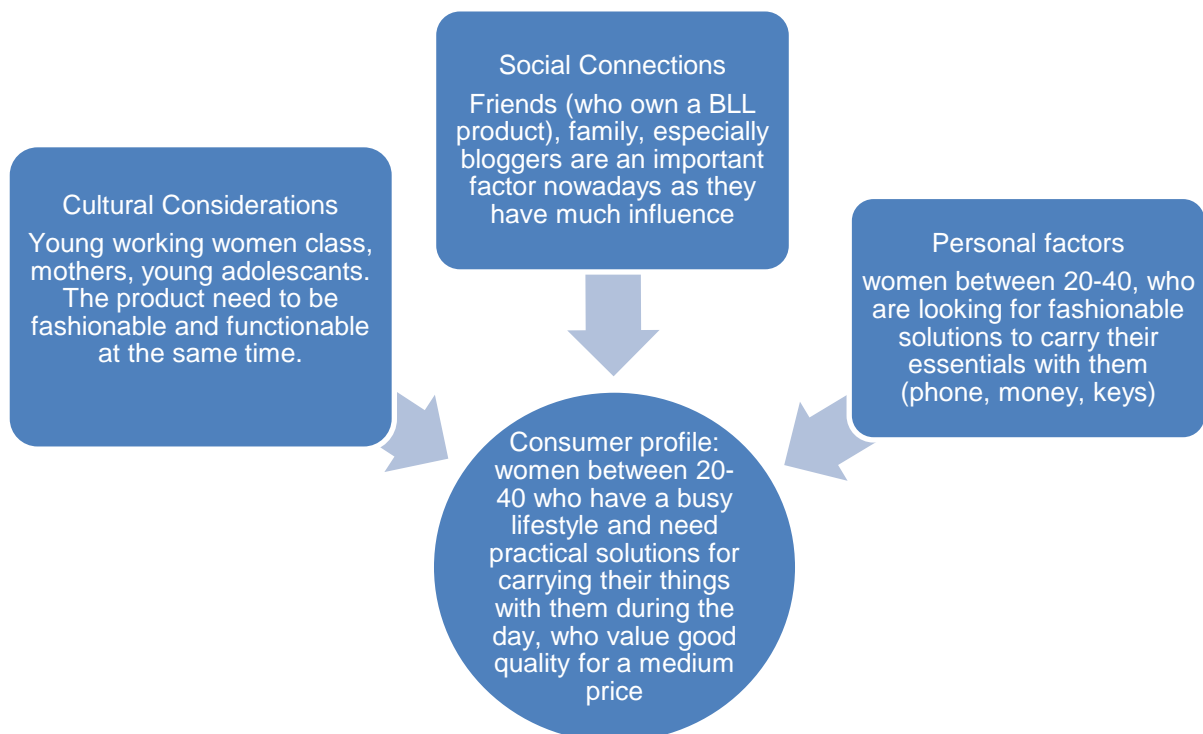


1.4 Pyramid of Brand Equity (see list of references)





1.5 Offerings online shop The Little Green Bag



1.6 Consumer profile



1.7 product packaging

Appendix 3: PESTEL

Political

A political aspect for the company's business is related to the partnerships with Dugros, who provides BLL with the capital required, (payment) systems and distribution channels. Likewise, Dugros owns 50% of the business and is therefore a very important stakeholder. Furthermore, BLL's partner has established a joint venture with its current producer in India, called 'Dugros India'. This plant/atelier possesses the previously mentioned SA-8000 certificate which comprises rules to respect employees' human rights. This certificate is supported by the United Nations with the goal to create a common set of rules to measure social compliance (SAI, About SAI, 2014). This is important because, BLL cannot easily switch between producers. Because of the fact that, in order to get this certificate, the atelier has to pass strict tests. Also, the organization is involved in a licensing agreement with IBB Amsterdam, a leading distributor of jewelry. It recently (November 2013) acquired a Jewelry line under the name 'Jewellery by LouLou' in collaboration with IBB. (more about this collaboration can be found on page 8). Another political aspect is that the first SLB was a gift to queen Maxima of the Netherlands.

Economic

BLL sells its products internationally, within the boundaries of the European Union, with exception of Curacao. Foreign exchange trends can be detected in Sweden, Finland and England, as these countries have another currency than the Euro. England has the Pound Sterling as its currency. This currency make the company's products slightly more expensive as prices in Euros, are the same as in Pounds. Therefore, a wallet that costs €49.95 in The Netherlands, costs £49.95 pounds in England, which is, translated into Euros, more expensive: €62.49 (49.95×1.25). Likewise, the current worldwide recession influences BLL's business. Even though the situation already is slightly improving in most European countries, many countries are still dealing with debts and high unemployment rates. However, it must be said that BLL experienced rapid growth in the last three years despite the recession. When examining the situation at national level, the Dutch economy already shows signs of recovery. According to the Centraal Bureau voor de Statistiek (2014) "the Dutch economy grew with 0.7% in the fourth quarter of 2013, compared to the previous quarter" (February 14, para. 2). This shows small economic growth is occurring in the Netherlands that is beneficial for BLL's business. Nevertheless, consumption of households decreased with 0.8% in the fourth quarter in 2013. (CBS, 2014, para. 4). It shows that even though, small economic growth occurs, consumer' trust in the economy has still not recovered.

Social-Cultural

Firstly, consumer demographics in The Netherlands in relation to the organization's target group are examined. According to van de Water (2014), "our main target audience is women aged [REDACTED]. However, I believe that we also sell products outside this age category, women between [REDACTED], so we actually have a broader target audience" (introduction to the organization, March 24). When studying the age structure statistics from the CBS, it shows that BLL's broad target audience contains approximately 2.1 million women, whereas its main target group consists of 1.1 million women (see appendix 4, table 4.2). Considering that the organization has sold X items in the last four years (page 9), many consumers have not yet been reached through its marketing efforts. Furthermore, it shows that the organization is missing out on sales opportunities. Secondly, BLL takes into consideration international trends when designing its collection. For example, by discussing trends on the German market with its German agent, it discovered that 'lucky coins' are very popular in Germany. Therefore, BLL decided to introduce SLB's with coins on the front pocket, in the German market as well as in the Dutch market, for its Spring Summer collection 2014. Thirdly, putting focus on 'fashionable women' in its marketing efforts, the company can reach more women of different cultures because women have their own definition of what is fashionable and what is not. Moreover, it is a very subjective term, which gives women the opportunity to decide for themselves to what extent they can relate to it. Or in other words, everyone can give their own meaning to this term.

Technological

Because BLL sells leather accessories, technological developments are slightly harder to integrate in its collections. For example, when the new iPhone 5 was introduced onto the market, its front pocket on its signature product the 'SLB', was not large enough to fit this new smartphone model. Likewise, BLL had to wait until the next collection to change designs to a slightly larger pocket, in order for larger smartphones to fit in it. Moreover, customers who purchased a larger smartphone, could no longer use the front pocket of 'older' models'. Likewise, BLL's online presence is not as strong as it could be, given the fact that the company has an outdated website and no web shop. Also, a mobile version of its website, or an app are missing in its online activities. Here, serious improvements, such as a new website or web shop, could strengthen its online presence. The next step in increasing its online presence as well as its overall profits, is starting its own web shop. Because, now, other online retailers (the Little Green Bag, Duifhuizen) benefit greatly from BLL not having its own web shop. Therefore, this could be a true growth opportunity for the organization. Nevertheless, the organization is active on many social media channels where it has a steady, growing followers base: Facebook, Twitter, Instagram, Youtube, Pinterest, Blogger, We

Heart It. Lastly, because the SLB is a popular concept other producers have tried to replicate it, even though the model is protected by design registration (see 'legal' section). However, models without resemblance to the SLB (substitutes), but with similar functionality, are emerging in the market. One is example is a small pouch made in Bali, the size of a clutch, with a wristband, and enough space for your phone, keys and even cigarettes. It is basically the same idea, but with a different design. For now, its signature model is protected by design registration.

Environmental

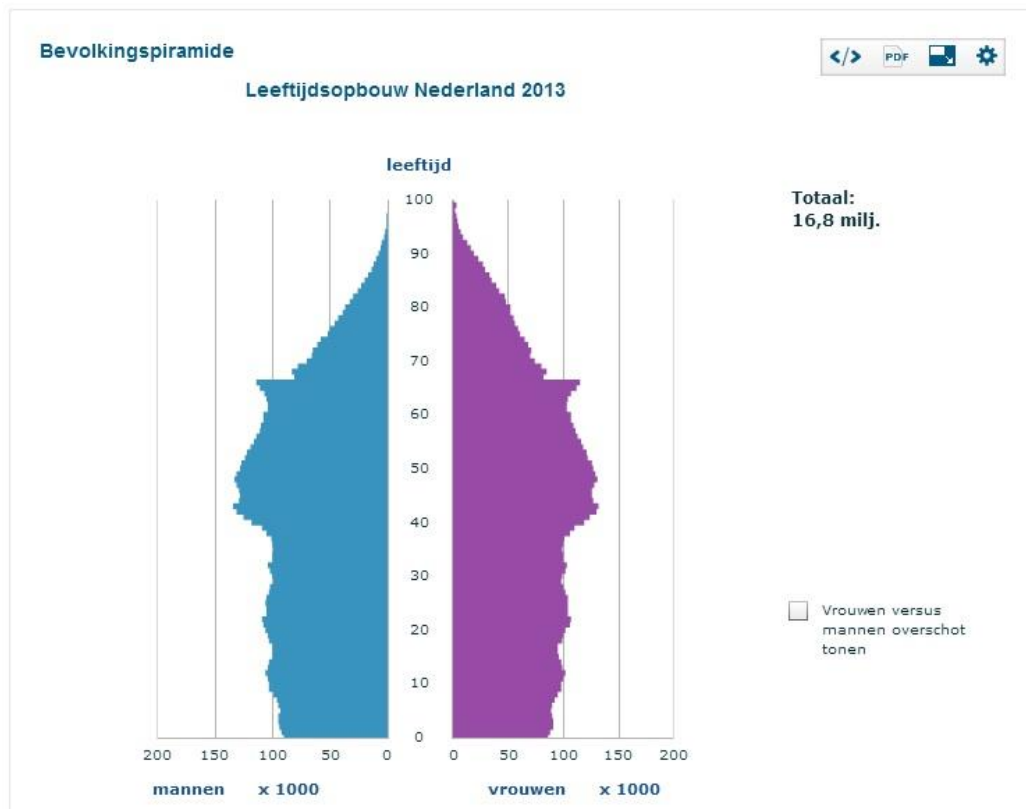
Most of the organization's products are made from leather such as cowhide. This raw material, just like any other, can eventually run out. Therefore, shortages of leather could become a real threat to the organization in the distant future. Currently, chances of shortages are likely to be small because of growing demand for leather and meat (see page 27). In general, the organization is not involved in expressing its products' green benefits, as besides its social workplace in India, there are none. The organization could improve its products' green benefits by using recycled materials: leather for its products, carton and plastic for its packaging. Likewise it could purchase delivery services of 'green' organizations with environmentally friendly vehicles that are more fuel efficient. However, working on these green aspects of its business are of later concern when it can afford these kind of measurements.

Legal

Design registration gives the organization the power to stop producers imitating its signature model the 'Smart Little Bag' (SLB). This registration was made at the 'Benelux Bureau voor de Intellectueel Eigendom' (BBIE) in 2010 and applies throughout Europe (BBIE, 2014). Furthermore, BLL registered its brand name at both national and international level, within Europe, at the BBIE. When an organization enters the market with a brand name similar to 'by LouLou', the organization receives a notification and has the power to block the usage of the name. According to van de Water (2014), "when someone registers with a name that resembles my brand name, I receive a message with a notification and the question whether I approve or disapprove of the name. It is then up to me to decide if I object or let it pass" (Introduction to the organization, March 24). Another legal aspect for the organization could be consumer privacy, however, it does not have the tools yet to monitor consumer behavior.

Appendix 4: Tables

Dutch Demographics: Age structure women according to the Centraal Bureau voor de Statistiek (CBS), 2013.



Graph 4.1 bevolkingspiramide, leeftijdsopbouw Nederland 2013

Dutch Demographics: age structure women (CBS)					
Main target audience		Broad target audience		Total target group	
Age	Number	Age	Number	2.170.000	
25	104.000	20	102.000	Age group 20-40	
26	104.000	21	106.000		
27	102.000	22	107.000		
28	100.000	23	104.000		
29	98.000	24	104.000		
30	99.000	-	-		
31	102.000	36	100.000		
32	103.000	37	101.000		
33	100.000	38	106.000		
34	100.000	39	110.000		
35	99.000	40	119.000		
Total	1.111.000	Total	1.059.000		

Table 4.2 number of women per age category, per target audience

Age group 19-25			
Age	Year 2014	Year 2024	
19	100.000	99.000	
20	102.000	103.000	
21	106.000	105.000	
22	107.000	108.000	
23	104.000	111.000	
24	104.000	109.000	
25	104.000	109.000	
Total	727.000	744.000	

Table 4.3 Age group 19-25

Age group 26-30			
	Year 2014	Year 2024	
26	104000	107.000	
27	102000	106.000	
28	100000	107.000	
29	98000	109.000	
30	99000	109.000	
Total	503000	538.000	

Table 4.4 Age group 26-30

Age Group 21-40			
Age	Year 2014	Year 2024	
31	102000	110000	
32	103000	111000	
33	100000	110000	
34	100000	107000	
35	99000	105000	
36	100000	105000	
37	101000	105000	
38	106000	103000	
38	110000	101000	
40	119000	99000	
total	1.040.000	1056000	

Table 4.5 Age group 21-40

X

Table 4.6 calculation breakeven point

Appendix 5: Blogs

Please note that these images were retrieved from Dutch blogs/websites and that the reactions are in Dutch, reflecting on Dutch consumers' thoughts.

1. <http://www.beautylab.nl/new-sugar-snake-loulou/>



Stèphanie zegt:
22 februari 2014 at 13:44

Mooi ding! Ziet er ook nog eens handig uit!

[Beantwoorden](#)



Amy zegt:
22 februari 2014 at 12:33

Wat een prachtige portemonnee! En super handig zie ik. Ik dacht dat deze €100+ ging kosten, maar was erg aangenaam verrast toen ik de prijs zag. Dit wordt zeker mijn volgende!

[Beantwoorden](#)



Nadine zegt:
22 februari 2014 at 12:28

Ik heb er ook een, echt een redding, zo simpel en kan overal mee naar toe. Ook mijn telefoon past er gewoon in. Echt heel fijn

[Beantwoorden](#)



Lucinda zegt:
22 februari 2014 at 14:53

Hij is echt mooi en wat een ruimte en vakjes ook, dat zie je niet vaak. Meestal kan je er niet te weinig in kwijt. Ik heb er eentje van Guess, maar die begint ook een beetje zijn einde te laten zien na 2,5 jaar. Deze vind ik echt heel erg mooi.

[Beantwoorden](#)









Laura zegt:
22 februari 2014 at 14:40

Super handig! Ik had verwacht dat hij duurder zou zijn, rond de 80 euro ofzo. Maar het valt me erg mee, mooie prijs voor een kleine tas/portemonnee.

[Beantwoorden](#)

2. <http://www.misslipgloss.nl/new-in-smart-little-bag-xl-by-lou-lou/>

 <p>Healthy Mommy 14.02.2014 @ 15:02</p>	<p>Waaaaauw! Die is heel mooi, Cynthia. Een plaatje. 3 jaar geleden heb ik de lichtbruine/beige met slangen reliëf gehad. Heel rustig maar krijg er vaak complimenten over. Hij blijft prachtig en zo fijn in gebruik! :inlove:</p>
 <p>mir 14.02.2014 @ 15:02</p>	<p>Ik hou zelf niet zo van de dierenprint, ga liever voor een effen kleurtje. Ik wens je er uiteraard wel heel veel plezier mee. :)</p>
 <p>Lara 14.02.2014 @ 15:03</p>	<p>Wauw, super mooi!</p>
 <p>Eline 14.02.2014 @ 15:04</p>	<p>Wauw hij is prachtig... Echt heel erg mooi! Als ik (eindelijk...) mijn rijbewijs haal mag ik van mezelf een mooie nieuwe portemonnee kopen, maar deze vind ik wel wat te duur hoor! Veel plezier ervan Cynthia :)</p>
 <p>Cindy 14.02.2014 @ 15:06</p>	<p>Heeeeel mooi! Ga je vast veel plezier aan beleven =)</p>
 <p>Anneloes 14.02.2014 @ 15:06</p>	<p>Ah, dat ziet er inderdaad handig uit! Ik heb ook wel eens dat ik eigenlijk alleen mijn portemonnee nodig heb, en dan is het zo'n onzin om een hele tas mee te nemen alleen voor mijn portemonnee. Zo'n hengel als deze is dan een leuke uitkomst! Ik ga eens kijken of ze nog andere leuke designs hebben ^-^.</p>
 <p>Budgetproof.nl 14.02.2014 @ 15:06</p>	<p>Ik heb 'm al voorbij zien komen op Instagram maar hij is echt prachtig!</p>

Appendix 6: Questionnaire Segmentation

consumenten segmentatie

Voor het schrijven van mijn scriptie voor het merk 'by LouLou', heb ik meer achtergrond informatie nodig over consumenten die het merk kennen, en eventueel een product in hun bezit hebben. Ingevulde vragenlijsten zijn en blijven anoniem.

Een paar minuutjes van je tijd is het enige dat ik nodig heb!

PS: het merk 'by LouLou' verkoopt leren accessoires, het bekendste model is 'Smart Little Bag' ofwel de SLB.

1. Geslacht:

Man/Vrouw

2. Wat is je leeftijd:

18 jaar of jonger

19-25

26-30

31-35

36-40

ouder dan 41

3. Ik woon in:

Zuid-Holland

Noord-Holland

Utrecht

Zeeland

Noord-Brabant

Limburg

Gelderland

Overijssel

Groningen

Friesland

Flevoland

Drenthe

4. Wat is/was het niveau van je huidige/laatste opleiding?

Ik zit nog op de middelbare school

MBO (alle niveaus)

HBO

WO

Anders

5. Werksituatie:

Bijbaan

Fulltimer

Parttimer

Werkloos

Anders

6. Wat zijn (ongeveer) je inkomsten per maand? (in euro's):

0-500

501-1000

1001-1500

1501-2000

2001-2500

meer dan 2500

zeg ik liever niet

7. Religie:

Gelovig

Niet gelovig

Zeg ik liever niet

8. Waar ken je het merk 'by LouLou' van?

Van vrienden

Van familie

Internet/social media (Facebook, Instagram, blogs, enzovoorts)

Ik zag het in een winkel

Uit een tijdschrift

Ik kende het merk voor het invullen van deze questionnaire nog niet

Anders

9. Ben je in het bezit van een 'by LouLou' product?

Ja

Nee (ga door naar vraag 19)

Vraag 10 tot 13 gaan over de aankoopredenen van een 'by LouLou' product.

10. Hoe belangrijk zijn de volgende aspecten in je aankoop van een 'by LouLou' product?

Het is handig/functioneel:

Onbelangrijk

Belangrijk

Zeer belangrijk

11. Het ziet er mooi uit/de uitstraling en de looks (fashion product):

onbelangrijk

belangrijk

zeer belangrijk

12. Het product is gemaakt van leer en gaat lang mee:

onbelangrijk

belangrijk

zeer belangrijk

13. ik koop 'by LouLou' voor het merk:

onbelangrijk

belangrijk

zeer belangrijk

14. Hoe tevreden ben je met het product?

Weet ik niet

Zeer ontevreden

Ontevreden

Neutraal

Tevreden

Zeer tevreden

15. Zou je een tweede/of meerdere 'by LouLou' product(en) willen aanschaffen?

Ja

Nee

16. Zou je het merk en de producten aanraden aan je omgeving?

Ja

Nee

Al gedaan

17. Wat vind je van de prijs/kwaliteit verhouding?

Weet ik niet

Te duur

Normaal/goed

Te goedkoop

18. Hoe vaak gebruik je een 'by LouLou' product?

Dagelijks

1 tot 2 keer per week

Maandelijks

Alleen bij bijzondere gelegenheden

19. Heb je ooit overwogen om een 'by LouLou' product te kopen? (wanneer je geen 'by LouLou' product bezit wil ik graag weten of je het ooit overwogen hebt, wanneer dit wel het geval is (je hebt een product), kies dan voor het derde antwoord)

Ja

Nee

Ik heb al een of meerdere producten van het merk in mijn bezit

20. Wat doe je graag in je vrije tijd? Wat zijn je interesses?

Sport

Mode/winkelen

Uitgaan

Reizen

Eten/Culinair

Lezen

Werken

Creatief bezig zijn (schilderen, schrijven, enzovoorts)

Appendix 7: Questionnaire results

Method

Firstly, the questionnaire was created at www.thesistools.com and put online. Next, women in the writers' network were approached to fill in the questionnaire. Furthermore, the questionnaire was distributed among the organization's own network for more input. Eventually, this yielded 199 completed questionnaires. Even though the questionnaire was destined for women, there were two men who filled in the questionnaire. These results are not included in the research. The questionnaire's overall purpose was to find out what motivates consumers to purchase leather goods and what product features were important during the buying process. Secondly, the results were processed in a data matrix in Excel. Furthermore, several graphs were produced and the results were examined. Lastly, the results of the questionnaire can be found below.

Which age group has the most respondents?

As can be seen in Figure 1, the age group with the most respondents is 19-25 years old. The second largest age group is the group of women who are 41 years or older. Next, the age group 26-30 is the third largest group. It is remarkable that there is a big gap between the number of respondents in the age groups 19-25, 26-30 and 41 years or older.

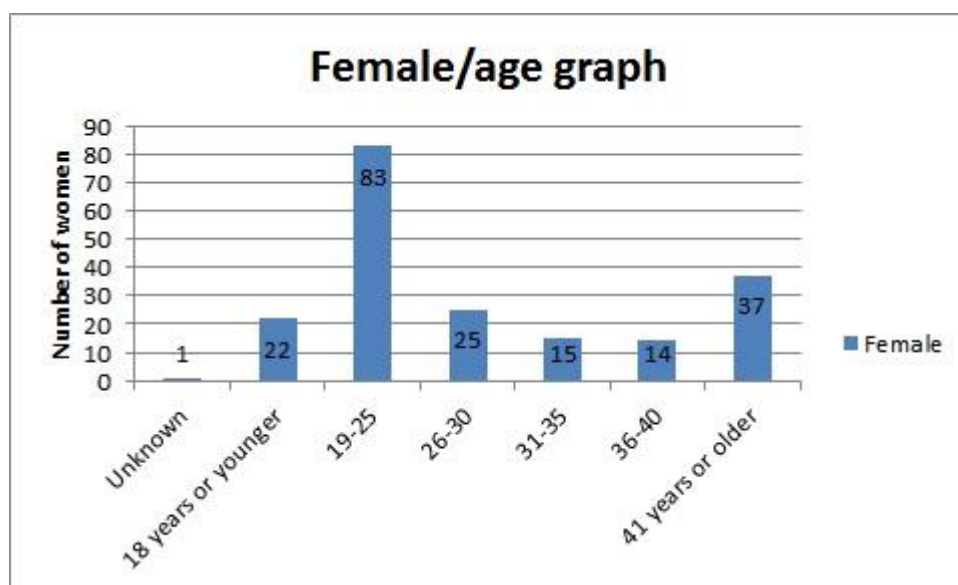


Figure 1 female age groups

What is each age group's monthly budget?

Figure 2 shows women's budget per month, per age category in numbers. First of all, it can be said that the largest group is the age group 19-25, who has a monthly budget of 501-1000

Euros. Secondly, the age category 18 years or younger also has an interesting budget available of 0-500 Euros.

Lastly, the budget of women 41 years or older varies greatly.

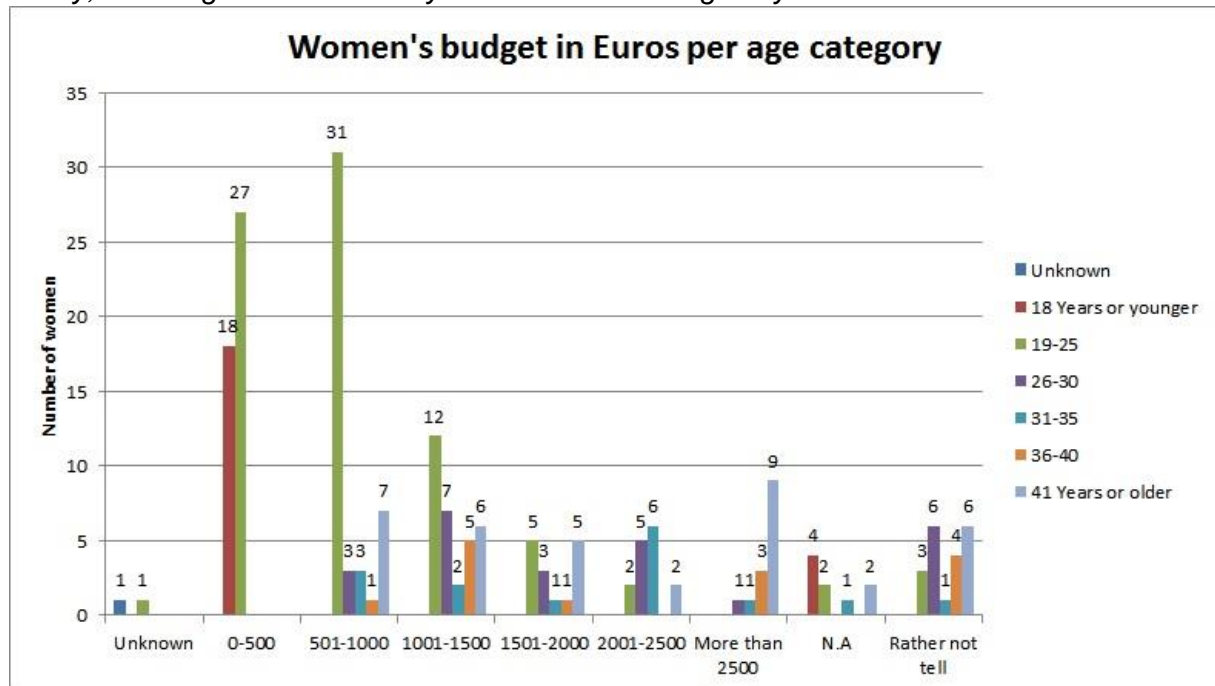


Figure 2 Women's budget in Euros per age category, per month

How many women own a 'by LouLou' product?

Figure 3 gives an overview of how many women own a BLL product. Firstly, from the total 197 respondents (all women), 157 owns a BLL product. Secondly, 39 women do not own a BLL product. Lastly, one respondent's answer remains unknown.

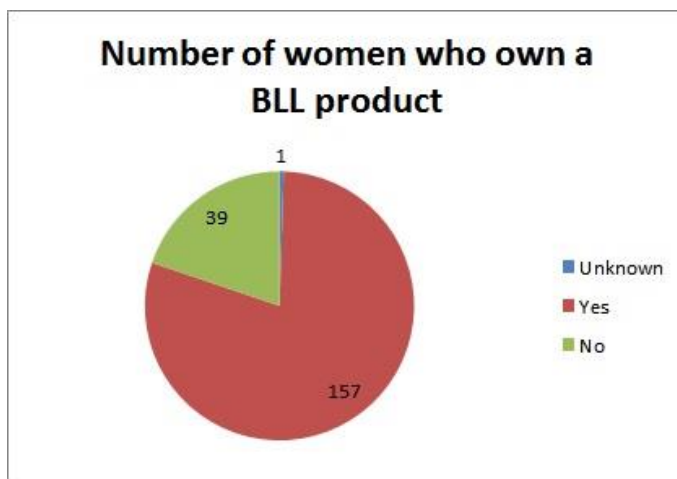


Figure 3 BLL owners

How satisfied are the respondents with 'by LouLou' products? (own BLL products)

Figure 4 shows the satisfaction of women who own a BLL product. Most women are highly satisfied (88) and 55 women are satisfied. Nevertheless, there is a small group of five women who is highly dissatisfied with the organization's products.

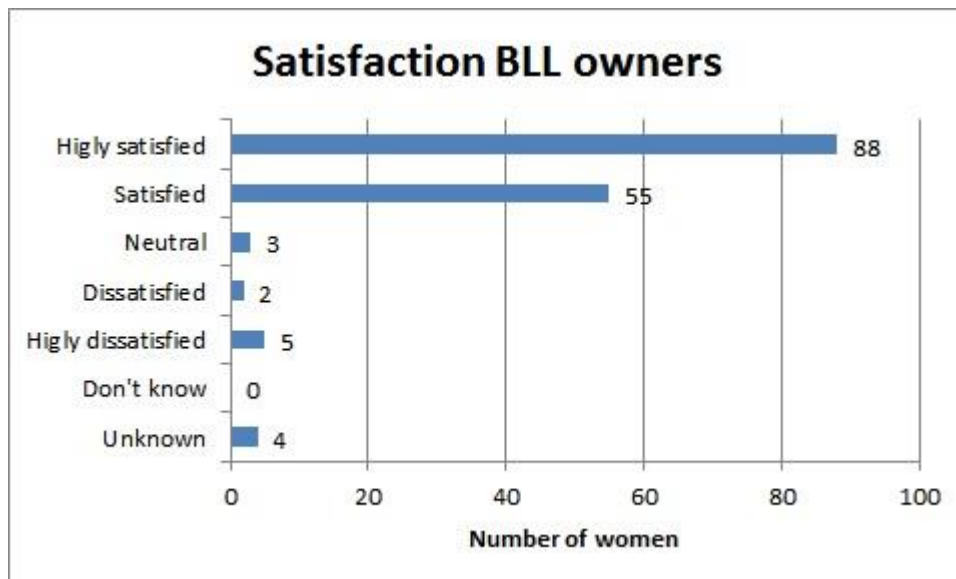


Figure 4 Satisfaction BLL owners

What do consumers think of the product's prices?

Figure 5 gives an insight into the price/performance ratio. The majority of the respondents (and who own a BLL product) thinks that this ration normal/good. However, 42 respondents believe that the products are too expensive. Finally, no respondent thought that the products were too cheap.



Figure 5 price/performance ratio

How do the respondents who own a BLL product value different product aspects?

Next, Figure 6 shows the importance of product aspects. It can be said that product functionality is important to 123 respondents. Furthermore, 70 respondents think product appearance is very important. Likewise, product quality is important to the majority of the respondents. Nevertheless, when it comes to brand awareness, 91 respondents think the 'by LouLou' brand is unimportant in their purchasing behavior.

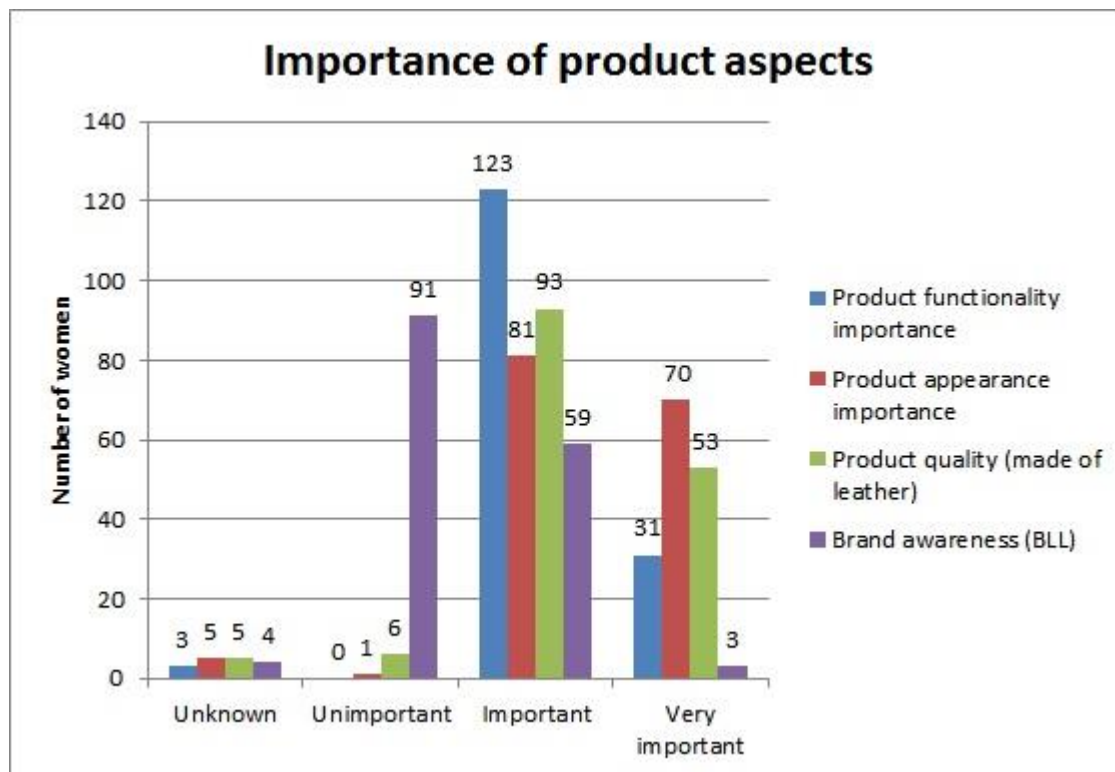


Figure 6 importance product features

How do the respondents who own a BLL product value different product aspects per age category?

1. Figure 7.1 shows that product functionality is important in the age group of women between 19-25.

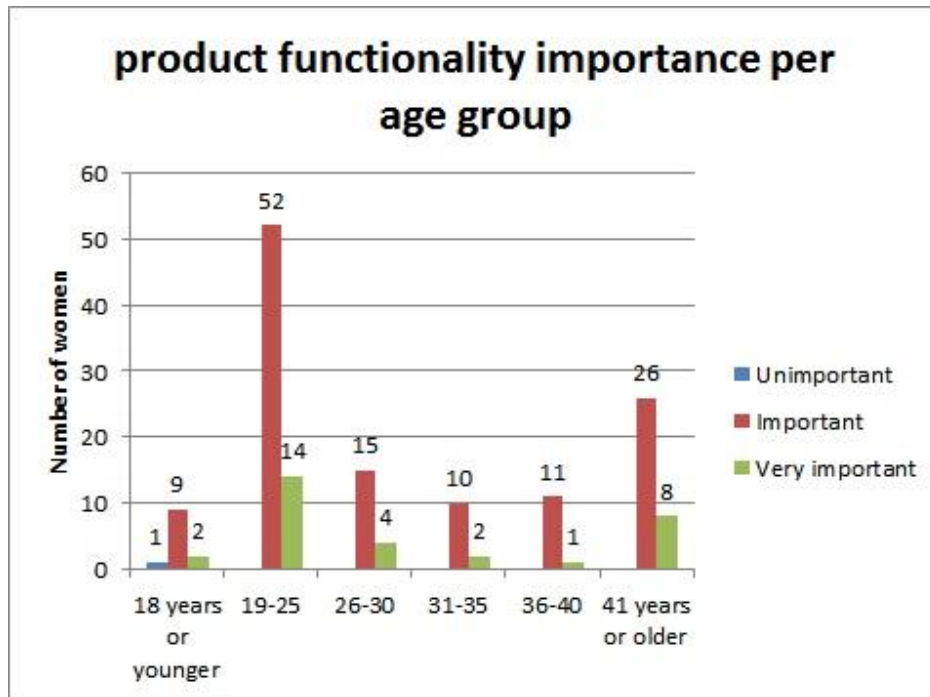


Figure 7.1 product functionality

- Figure 7.2 shows that product appearance is very important in the age category 19-25. Furthermore this product feature is considered important in the age category 41 years or older.

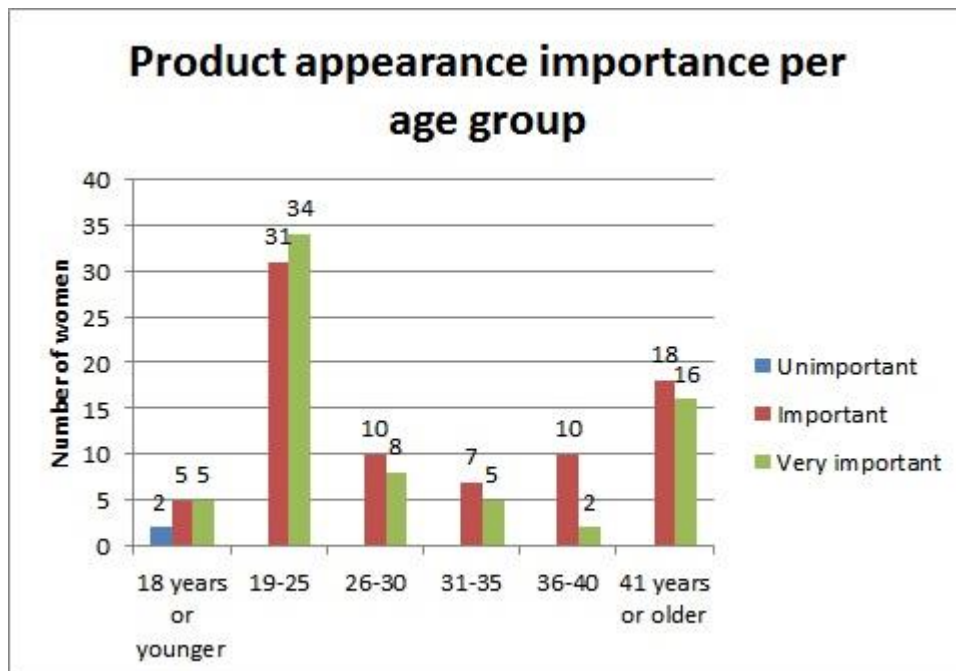


Figure 7.2 product appearance

- Figure 7.3 shows that product quality is important in the age categories of 19-25 and 41 years or older.

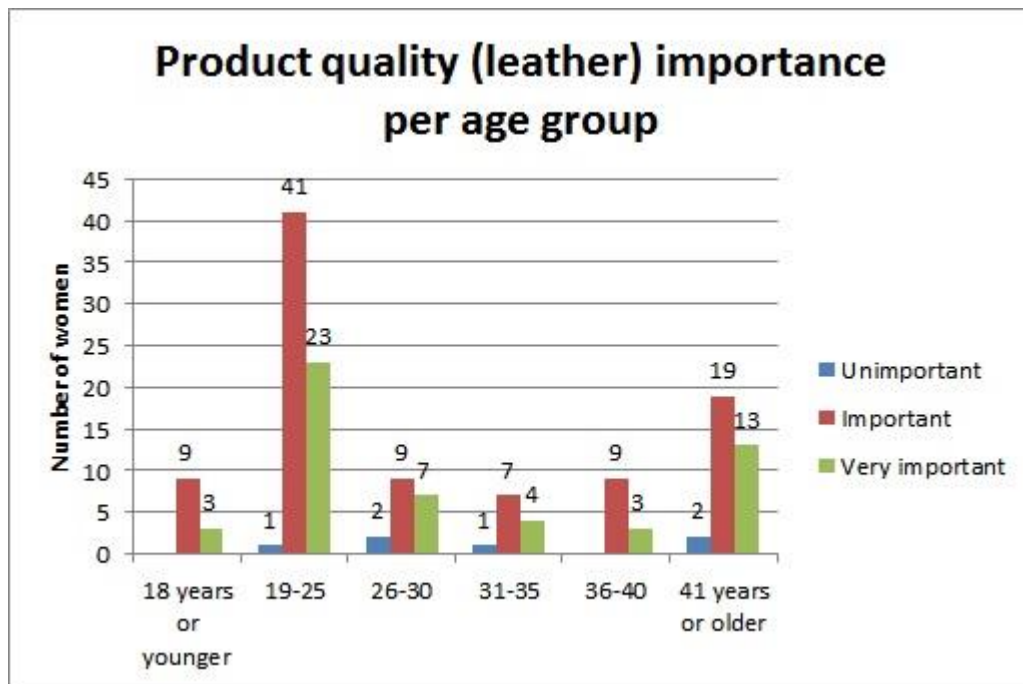


Figure 7.3 product quality

4. Lastly, figure 7.4 gives an insight into brand awareness. It shows that in each age group, brand image seems to be quite unimportant. Nevertheless, the age group of women between 19-25 show a significant value for brand image (important).

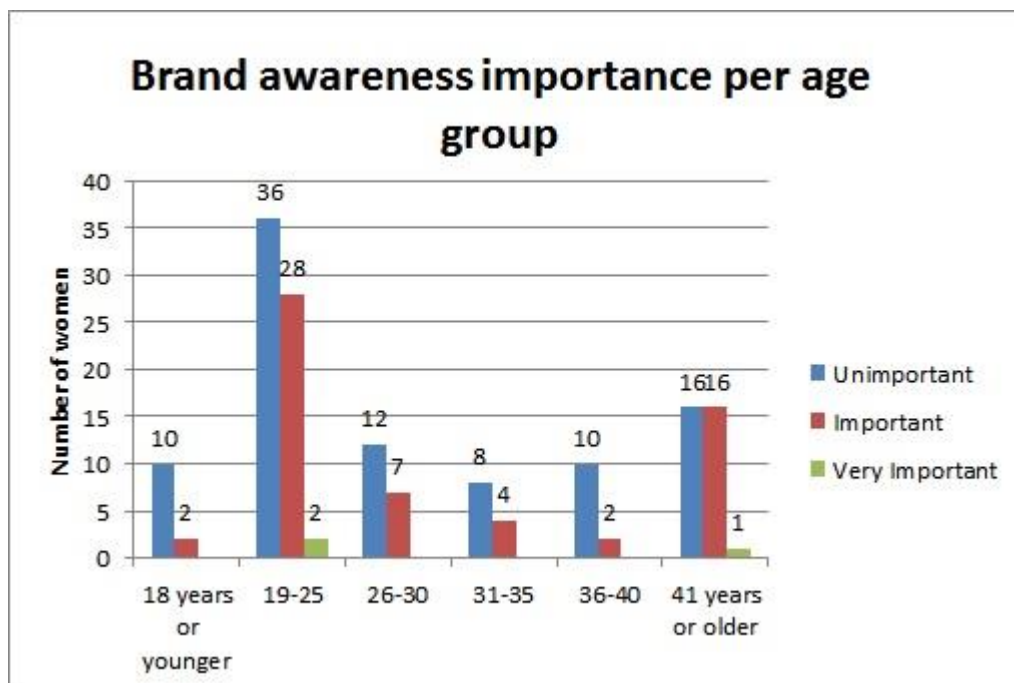


Figure 7.4 Brand awareness

Appendix 8: Assessing segment attractiveness

All data from female respondents was used. Because product features play an important role during the buying process, these factors will be taken into account when creating different segments.

Segment A

Age group	19-25
Budget	501-1000 Euros per month
Important product features	Functionality and quality

Segment B

Age group	26-30
Budget	1001-2000 Euros per month
Important product features	Functionality and appearance

Segment C

Age group	31-40
Budget	2001-2500 Euros per month
Important product features	Appearance and quality

Two different segments exist within this age group, however the outcomes of the questionnaire showed similar results and are therefore neglected in this research as it is not financially feasible for the organization to target them separately yet.

Market factors

Currently, the women in the age group 19-25, consist of approximately 727.000 women. According to numbers of the CBS, it is expected that this group will grow with 2,3% to 744.000 women in 2024. Segment B is expected to grow with 6,9% from 503.000 to 538.000 women. And finally, changes in segment C are estimated at 1,5% growth, from 1.04 to 1.056 million women (2014). See appendix 4, tables 4.3, 4.4 and 4.5 for an overview of these numbers. As discussed in chapter 1, bargaining power of buyers remains average, especially if the organization continues to grow and points of sale continue to increase. Nevertheless, cyclicity of demand will go down when sales increase because the organization's products are not goods consumers buy on a weekly or monthly basis. Especially leather wallets are goods that can be used multiple times until it eventually breaks. Furthermore, most women only use one wallet at a time (few exceptions left). Likewise, women's budget in segment A will most likely limit them from purchasing more than one item within the same year as it takes quite a share of their budget/income. Therefore, when the market becomes saturated,

demand for leather wallets will go down. However, women in segment B and C can be more willing to buy a second product as they have a larger budget. Finally, it can be said that segment C is the most appealing when it comes to the growth rate of the market. Furthermore, it has a wider budget than segments A and B, which makes the buying decision less harder for women in segment C as it takes up a smaller part of their budget.

Competitive factors

Firstly, it must be said that BLL's products are to some extent differentiated as it focuses on selling functionality and quality as its main product features. However, the SLB is highly differentiated as its design and concept are unique. Therefore, the SLB is not easy to imitate, also due to design registration. Secondly, threat of substitution is high because there are many alternative products for a wallet and a clutch. However, when considering the importance of product features for each segment, it can be said that within segment A, threat of substitution is low. This is because product features such as functionality and quality are valued most important and are harder to imitate (when combined). Because appearance is based on personal taste/preference. Thirdly, considering quality, both segment A and segment C value these product features. Furthermore, the organization's main competitor (Fab.), offers high quality and a fashion image, which makes competing in these markets more complicated and intense. Finally, segment B is considered to be the most interesting when examining competitive factors. Besides segment B, segment A also shows opportunities as the combination of quality and functionality are harder to imitate than, for example, appearance.

Economic & technological factors

As previously mentioned in chapter 1, barriers to entry are high because of design protection, a strong business partner and the need to differentiate in a market with massive supply. It is expected that entrance is difficult for new entrants. However, if a new entrant can manage to differentiate itself on the basis of functionality or quality (or both), BLL would have to deal with a potential competitor. Secondly, bargaining power of suppliers is high as the organization only has one supplier. This will inflict on all segments that will be targeted. Thirdly, any technological aspect for the organization could be the type of (smart)phone consumers own and if these would fit in the SLB's front pocket. To conclude, all segments can be influenced by technological factors. However, high bargaining power of suppliers could lead to price increases, which women in segment C, who have the largest budget, are more likely to take in, as it takes up a smaller part of their budget.

Business environment factors

Economic circumstances in the Netherlands are advantageous for BLL as small economic growth is expected by the Centraal Buro voor de Statistiek (February, 2014). Furthermore, the Netherlands's Gross Domestic Product will probably increase in the last three years to 623 billion Euros in 2013 (CPB, Volume bestedingen en buitenlandse handel, 2012). Nevertheless, purchasing power of households is expected to decrease with ¾% (CPB, 2012). This makes segment A the most attractive, as 19-25 year old women usually have less financial obligations. For example, a mortgage, children, a car and insurances. Secondly, social-cultural aspects such as (fashion) trends are important because the organization sells 'fashion products'. Meaning that it designs its collection based on upcoming fashion trends. This will weigh heavily in consumers' ultimate buying decision and is very much decided on personal taste and preference, which is an uncertain factor. Each selected segment can be sensitive for trends which makes it harder to decide on what segment would be least influenced by environmental factors. However, taking into consideration economic fluctuations, it seems that segment A will be influenced least and is therefore the most attractive segment.

Sample segment ranking

Segment	Score for market factors	Score for competitive factors	Score for fit with resources, competencies	Score for economic, technological factors	Score for potential environmental threats	Overall score
A	3	3	4	2	5	17
B	4	5	3	4	3	19
C	5	2	2	5	2	16

Scoring key

5 = highly attractive 3= average 1= highly unattractive
4= attractive 2= moderately unattractive

Appendix 9: Benchmarking competitors

Fab.

Fab. is a leather accessories brand from Amsterdam with national points of sales as well international. Van der Zalm writes "since the founding in 2006, designer Fabienne Chapot is extending her accessory brand worldwide" (April, 2014). Besides being the designer, Chapot is also the founder of the company. Its main products are leather wallets and bags. Nevertheless, since the establishment of the organisation, product lines were soon extended to other accessories. For example its perfume 'Fabelle'. According to Fab., "the launch of Fabelle is in line with Fab's international ambitions and complements our accessories collection" (October 2, 2012, para.1). When further studying the organisation and its brand it becomes clear that Fab., shares many of the values with BLL. For example, the 'fair' product process. This is not stated on BLL's website. However, this term is not further explained on Fab's website either. Other characteristics valued by both Fab and BLL, are quality and functionality. Fab. states "she receives satisfaction from designing fashionable items that are functional and honest" (the story, 2014). Here, 'she' relates to the designer Fabienne Chapot. Therefore, it can be said that both brands value the same aspects. This can make it harder for BLL to differentiate its brand. However, the organization can differentiate itself with its prices, as Fab's products are more expensive in comparison to BLL's products. In table 9.1 a short overview of both brands' prices are depicted. Moreover, BLL could also differentiate on customer service and its products' functional designs. (The prices in table 9.1 were retrieved from the organizations' websites, see list of references).

	'by LouLou'	Fab
Least expensive wallet	€49.95	€89.00
Most expensive wallet	€119.95	€249.00
Least expensive handbag	€69.95	€169.00
Most expensive handbag	€250.00	€269.00

Table 9.1 overview of product prices: Fab. & BLL

Fab's channel strategy

Currently, Fab. sells its products through its own online shop and its own brand store in Amsterdam. Apart from its own channels, the company also sells its products through other online and offline retailers. For example, online at 'The Little Green Bag' and in stores at 'Van Os'. Both shops also sell BLL products. This is done by its own sales team who is responsible for the acquisition, retention and attraction of customers/retailers. Therefore,

there are no intermediaries between Fab. and its channels, which makes communication more easy. Likewise, it is quite remarkable that Fab offers its products at the same price as its customers (both on and offline). Even though these retailers are Fab's customers, Fab has made it possible to compete with its customers both online as well as with in-store. Image 9.1 and 9.2 illustrate Fab's offerings online and that of other online retailers.

Fab's communication strategy

The organization's most important communication channel is its website. Here the organization sells its products directly to final consumers and maintains a blog. The website has a clean, yet stylish lay out and is easy to use, which makes it more attractive for visitors. In order to draw attention to its website (and eventually make a sale), Fab. uses social media to accomplish this. On Facebook, updates are posted daily for its fans with links to its web shop where consumers can purchase products. Moreover, all posts are in English to attract international fans (see image 9.3). Besides Facebook (image 9.4), Fab. also uses Twitter, Instagram, Pinterest and a newsletter to communicate with its target audience. Likewise, through its website, retailers and press can request information about collections for example. Fab. also uses promotional actions to reach a wider audience. For example, a gift voucher sold together with a magazine (see image 9.5). Or the launch of its own car in collaboration with Citroën (Citroën DS3, 2014).



9.5 gift voucher, photo made by author

fab.
BY FABIENNE

€ 4 \$ NL EN DE INFO

TASSEN LUIERTASSEN PORTEMONNEES SCHOENEN CLUTCHES ACCESSOIRES FAB STORE FABIENNE CHAPOT



KLEUR >



STAR
MEER KLEUREN
€ 99,00



STAR STUD
MEER KLEUREN
€ 99,00



STAR LOVE
MEER KLEUREN
€ 99,00

9.1 Fab., portemonnees (2014)

[HOME](#)
[TASSEN](#)
[KOFFERS](#)
[SCHOOLTASSEN](#)
[PORTEMONNEES](#)
[OVERIG](#)
[SALE](#)
[MERKEN](#)
[WINKELS](#)

GRATIS VERZENDING VANAF €4,95

30 DAGEN ZICHTTERMIJN

PERSOONLIJKE SERVICE

GRATIS RETOURNEREN

VEILIG BETALEN

JOUW SELECTIE:

Merk: Fab ✕

Wis selectie

MERK

- ☐ Armani Jeans (11)
- ☐ Aunts & Uncles (6)
- ☐ Berba (11)
- ☐ Blond Amsterdam (3)
- ☐ by LouLou (103)
- ☐ Camel Active (31)
- ☐ Castelijin & Beerens (97)
- ☐ Coccinelle (9)
- ☐ Converse (3)
- ☐ Dakine (1)

KLEUR

☒ ☐ ☐ ☐ ☐ ☐ ☐

VOOR WIE

☒ Dames (9)

PRIJS

PORTEMONNEES

FAB PORTEMONNEES

SORTEREN OP

DATUM AFLOPEND 24

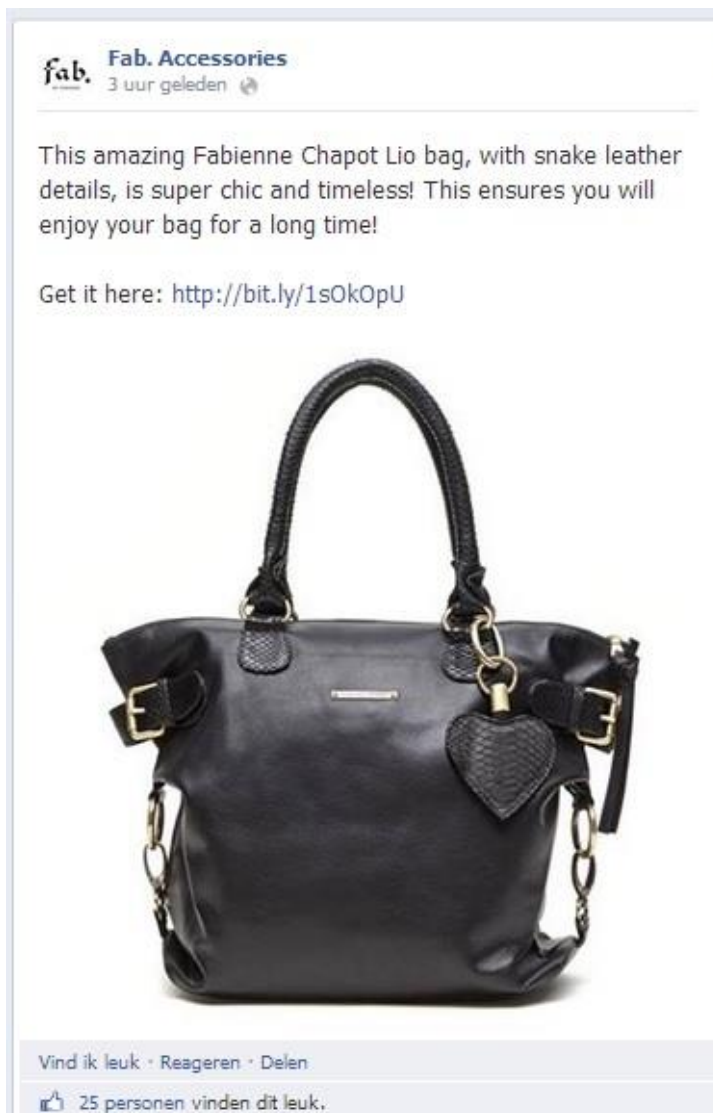
NIEUW

Fab portemonnee Star Stud
Purse days green
99,00
BEKIJK & BESTEL

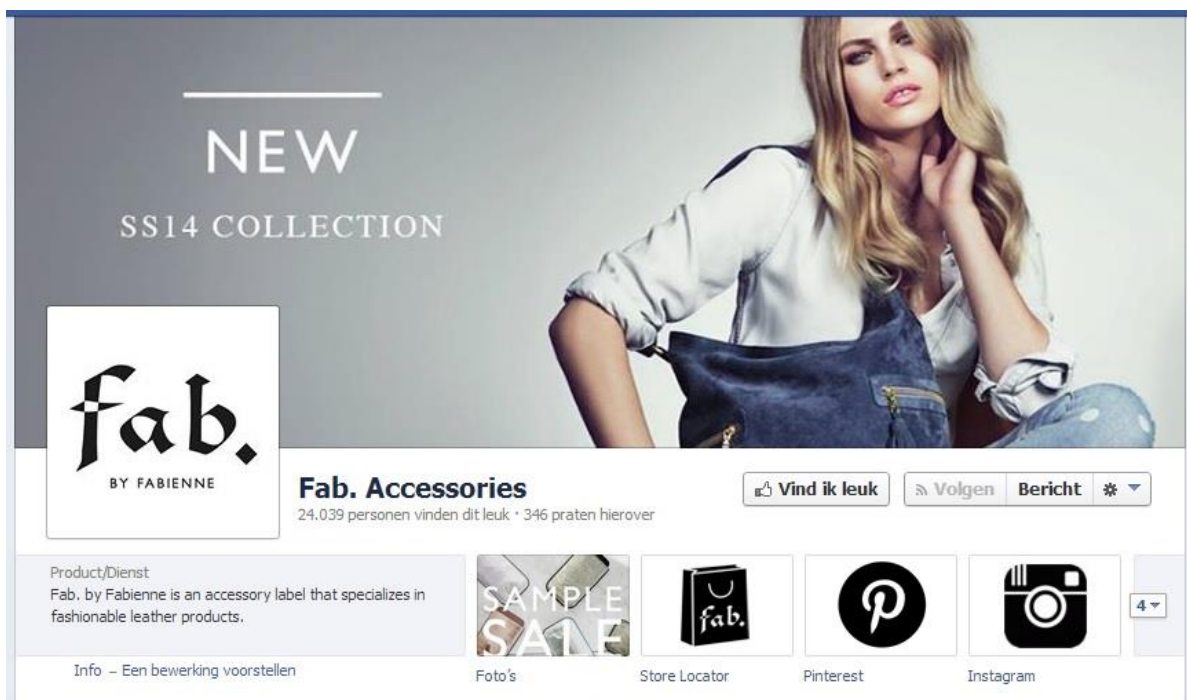
Fab portemonnee Star Stud
Purse fuchsia
99,00
BEKIJK & BESTEL

Fab portemonnee Star Stud
Purse wolf
99,00
BEKIJK & BESTEL

9.2 Duifhuizen Lederwaren, Fab. portemonnees (2014)



9.3 Facebook, Fab. Accessories tijdlijnfoto's (2014, May 20)



9.4 Facebook, Fab. Accessories (2014)

Cowboysbelt

Even though Cowboysbelt operates through different channels than Fab., it is still an interesting competitor to benchmark as this organization has managed to establish a strong, international brand with quality products. The company produces leather accessories such as belts and bags. According to Cowboysbelt, "it originated in 1980 as a leather belts manufacturer in Amsterdam, The Netherlands" (About us, 2014). Besides bags and belts, the organization sells bracelets, phone covers and key cords. Its brand focus lies on quality and product crafting. Cowboysbelt writes, "we will only work with premium leather, treat it with maximum respect and give it our all during the production process" (About us, 2014). Consequently, the brand represents high quality. When comparing its prices to BLL's prices (see table 9.2), it can be concluded that Cowboysbelt offers its products at slightly lower prices. This means that BLL needs to convince consumers that its brand offers more value than Cowboysbelt, in order to ratify the slightly higher prices. (The prices in table 9.2 were retrieved from the organizations' websites, see list of references).

	'by LouLou'	Cowboysbelt
Least expensive wallet	€49.95	€39.95
Most expensive wallet	€119.95	€89.95
Least expensive handbag	€69.95	€29.95
Most expensive handbag	€250	€239.83

Table 9.2 overview of product prices: Cowboysbelt & BLL

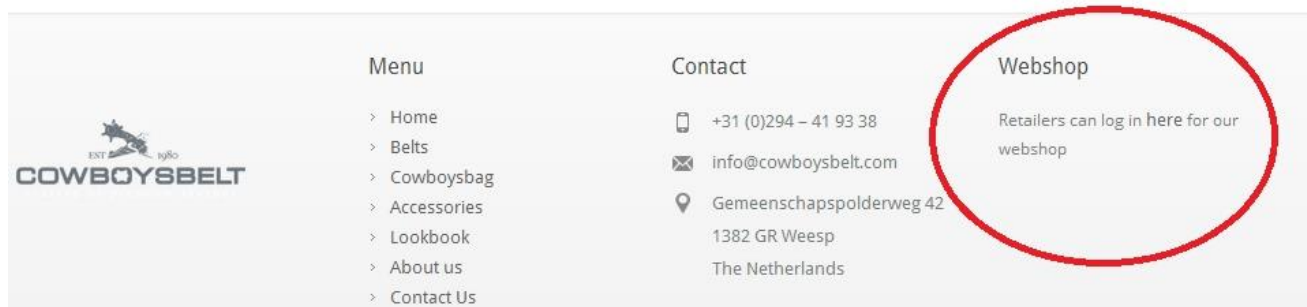
Cowboysbelt's channel strategy

The organization sells its products through online web shops such as 'The Bag Store' and retailers such as 'de Bijenkorf'. It does not have a direct channel to sell to final consumers, yet. For example, a brand store (like Fab.), or its own web shop. Nevertheless, the organization sells its products to retailers on its website (see image 9.6). By providing its customers with their own shopping account, customers can easily purchase products at Cowboybelt's website, to sell in their own (online) shops.

Cowboysbelt's communication strategy

When comparing the company's communication strategy with Fab's strategy, it can be said that the latter is more engaged in online communications. Cowboysbelt has a website and its own Facebook page with more than 5900 fans (see image 9.7). However, it does not use other social media channels such as Instagram and Twitter. Likewise, its website is quite simple, and offers the visitor a look into collections and look books. Moreover, contact details

can be found on the website. Therefore, the website is not really attractive for final consumers who would like to buy products. But, rather for retailers who visit the site to order stock. That is why, the company uses Facebook to engage fans rather than its website. Finally, both website and Facebook page are updated in English to attract international fans.



9.6 Cowboysbelt, About us (2014)



9.7 Facebook, Cowboysbelt (2014)

Appendix 10: Schedules and budget

Based on the objectives established in chapter 4, several schedules can be created for upcoming years. Secondly, an overview this year's budget will be provided.

Financial objectives

What?	When?	How?
Annual turnover: increase to €X million	January 1, 2015	<ul style="list-style-type: none"> Tracking weekly/monthly sales Stimulating agents with a reward system
Create budget for new website	March 30, 2015	<ul style="list-style-type: none"> Saving a monthly fixed sum Improving productivity
X	May 1, 2017	<ul style="list-style-type: none"> Saving a monthly fixed sum Creating a profitable web shop

Marketing objectives

What?	When?	How?
Organizational structure and growth	August & September 2014	Attracting new employees: distribution, graphics, 2 interns
Distribute customer satisfaction survey	September 1, 2014	An online questionnaire tool
Channel expansion: warehouse	October 10, 2014	Contact warehouses of interest
Improve brand awareness with X%	January 1, 2015	<ul style="list-style-type: none"> Implement brand strategy Distribute survey among consumers
Increase market share to X%	January 30, 2015	<ul style="list-style-type: none"> Selling more products through retailers Establish other sales

		channels
Channel expansion: web shop	August 31, 2015	<ul style="list-style-type: none"> • Search for website constructor • Create lay out by graphic employee
Design 1 new signature product	November 1, 2016	<ul style="list-style-type: none"> • Visiting fashion fairs • Designing • Studying trends

Societal objectives

What?	When?	How?
Communicate fair labor process	September 1, 2014	Website
Recycling	September 1, 2014	<ul style="list-style-type: none"> • Separate plastics, paper, cart box, electronic waste, natural waste (food) • Create different containers for each material
Donate sales of 1 product to charity	November 1, 2015	<ul style="list-style-type: none"> • Design special product • Profits are given to charity • Set up plan

Marketing budget 2014

The organization indicated that for 2014, a budget of €X Euros for marketing activities has been established. This is done on the basis of [REDACTED]. However, it would be better to use the [REDACTED], given the organization's current position (Burk Wood, 2014, p. 197).

Appendix 11: Student Ethics Form & Consent Form

5.2 Appendix 2: Student Ethics Form

European Studies Student Ethics Form

Your name: *Stephanie de Ruijter*

Supervisor: *L.J. Harris*

Instructions/checklist

Before completing this form you should read the APA Ethics Code

(<http://www.apa.org/ethics/code/index.aspx>). If you are planning research with human subjects you should also look at the sample consent form available in the Final Project and Dissertation Guide.

- a. ☐ Read section 3 that your supervisor will have to sign. Make sure that you cover all these issues in section 1.
- b. ☐ Complete sections 1 and, if you are using human subjects, section 2, of this form, and sign it.
- c. ☐ Ask your project supervisor to read these sections (and the draft consent form if you have one) and sign the form.
- d. ☐ Append this signed form as an appendix to your dissertation.

Section 1. Project Outline (to be completed by student)

(i) Title of Project: *How can BLL improve its business performance in the Netherlands?*

(ii) Aims of project:

to further structure BLL's business and improve its business performance via a marketing plan.

(iii) Will you involve other people in your project – e.g. via formal or informal interviews, group discussions, questionnaires, internet surveys etc. (Note: if you are using data that has already been collected by another researcher – e.g. recordings or transcripts of conversations given to you by your supervisor, you should answer 'NO' to this question.)

☒ YES / ☐ NO

If no: you should now sign the statement below and return the form to your supervisor. You have completed this form.

This project is not designed to include research with human subjects, I understand that I do not

have ethical clearance to interview people (formally or informally) about the topic of my research, to carry out internet research (e.g. on chat rooms or discussion boards) or in any other way to use people as subjects in my research.

Student's signature _____ - date _____

If yes: you should complete the rest of this form.

Section 2 Complete this section only if you answered YES to question (iii) above.

(i) What will the participants have to do? (v. brief outline of procedure):

answer the questions of an internet survey
produced at thesisstool.com

(ii) What sort of people will the participants be and how will they be recruited?

participants will be women, and will be recruited
via the author's and organization's network.

(iii) What sort stimuli or materials will your participants be exposed to, tick the appropriate boxes and then state what they are in the space below?

Questionnaires ☒; Pictures ☐; Sounds ☐; Words ☐; Other ☐.

* questions about age, budget, school, location (demographics)
* questions about the organization
* questions about purchasing decisions

(iv) **Consent:** Informed consent must be obtained for all participants before they take part in your project. Either verbally or by means of an informed consent form you should state what participants will be doing, drawing attention to anything they could conceivably object to subsequently. You should also state how they can withdraw from the study at any time and the measures you are taking to ensure the confidentiality of data. A standard informed consent form is available in the Dissertation Manual.

(vi) What procedures will you follow in order to guarantee the confidentiality of participants' data?


Personal data (name, addresses etc.) should not be stored in such a way that they can be associated with the participant's data.

Before taking part in the questionnaire, participants
can read in the introduction that participation is

European Studies 4 completely anonymous and that their
answers are used for a final project.

24

Student's signature:  date: 2/6/2014

Supervisor's signature (if satisfied with the proposed procedures):  date: 2-6-14



5.3 Appendix 3: Informed Consent Form

Informed Consent Form

- 1) Project Title *How can 'by LouLou' improve its business performance in the Netherlands?*
- 2) Project Description (1 paragraph)
the research report will provide BL with recommendations based on the outcomes of a marketing plan that can be used to further structure its business and improve its performance.

If you agree to take part in this study please read the following statement and sign this form.

I am 16 years of age or older.

I can confirm that I have read and understood the description and aims of this research. The researcher has answered all the questions that I had to my satisfaction.

I agree to the audio recording of my interview with the researcher.

I understand that the researcher offers me the following guarantees:

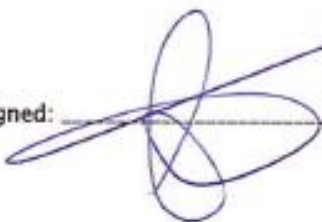
All information will be treated in the strictest confidence. My name will not be used in the study unless I give permission for it.

Recordings will be accessible only by the researcher. Unless otherwise agreed, anonymity will be ensured at all times. Pseudonyms will be used in the transcriptions.

I can ask for the recording to be stopped at any time and anything to be deleted from it.

I consent to take part in the research on the basis of the guarantees outlined above.

Signed:



Date:

30/05/2014