Question 1: What are the key segments of brassiere shoppers, according to differences in consumers' physical, psychological, and retail-experience needs?

According to the Physical, Psychological and Retail-experience needs, our team has ended with a effective of 4 cluster analysis with characteristics of each cluster explained below.

Major Classifications:
Age
Price
Fashion

Cluster 1 (Price Sensitive Mature customers)
- It consists of customers between 40-54 years of age.
- They are most price sensitive group of people willing to spend 0-50$.
- This group likes to shop in most convenient store and exclusive shop is not their preference.
- They do not pay attention to the fit and comfort of the product.
- These group of people are not fashionable and do not want to try the product first.

Cluster 2 (Fashionable Young customers)
- It consists of younger customers and are willing to spend more on shopping.
- They prefer exclusive shops and convenience stores.
- They are very fashion conscious, fashionista and first to try new fashions.
- They care a lot about the fabric, cut and the physical fit of the product.
- They mostly read fashion magazines, catalogues and newspapers which influence their purchase decision.
- Expect great store experience

Cluster 3 (Unfashionable Less Price Sensitive Young customers)
- It consists of unfashionable customer between 25-35 years of age.
- These groups of people are least fashionable and not concerned about trying the product first.
- They do not care about the fabric, cut but only care about how shape of the product.
- They like to shop at convenient store and do not prefer exclusive shops
- They are price sensitive willing to spend 0-50$ per month

Cluster 4 (Fashionable Price Sensitive Young Customers)
- It consists of fashionable customers between 25-35 years of age.
- They don't prefer much exclusive shopping and spend less on shopping
- They care a lot about the physical fit of the product
- They mostly read newspapers and magazines as source of information.

With the 4 cluster analysis we end up with below segmentation and description data which helps us to further refine the segment on which we could consider to apply the marketing strategy and improve our sales on Timeless and Infinity.

Cluster Sizes

The following table lists the size of the population and of each segment, in both absolute and relative terms.

Size / Cluster	Overall	Cluster 1	Cluster 2	Cluster 3	Cluster 4
Number of observations	221	6	103	38	74
Proportion	1	0.027	0.466	0.172	0.335

Segmentation Variables

Means of each segmentation variable for each segment.

Segmentation variable / Cluster	Overall	Cluster 1	Cluster 2	Cluster 3	Cluster 4
Fashn	3.2	2.5	3.7	1.95	3.22
Price	4.67	5.17	4.57	4.55	4.82
Convnience	3.76	5	3.69	4.39	3.45
ShpTime	4.08	5.17	4.03	4.58	3.81
Fitness	5.72	4.83	5.99	4.82	5.89
Perceptn	4.27	3.33	4.43	3.16	4.7
ChNoise	4.17	3.67	4.17	4.61	3.97
RetailEx	5.27	5.67	5.48	4.97	5.11
KnowdgStaf	4.67	5	5.02	4.87	4.04
Brand4Slf	3.76	3	4.49	1.97	3.72
Brand4Els	3.96	2.67	4.64	2.63	3.8
Populr	3.66	2.67	4.53	1.84	3.45
StrDisp	3.48	2.5	4.13	2.45	3.2
SaleStaf	4.41	1.67	5.02	4.42	3.78
Fabric	5.39	2.17	5.99	4.79	5.14
Cut	5.86	2.33	6.38	5.92	5.41
Seam	5.07	1.5	5.84	4.39	4.64
ShpOHngr	4.14	1.33	4.83	3.5	3.73
ShpOBody	6.3	2.17	6.63	6.21	6.22
Colrs	5.22	2.17	5.93	4.37	4.92
Match	3.99	1.33	5.08	2.79	3.3

Discriminant Variables

Means of each discriminant variable for each segment.

Discriminant variable / Cluster	Overall	Cluster 1	Cluster 2	Cluster 3	Cluster 4
Fst2Try	2.674	1.833	3.165	1.605	2.608
Fashnista	3.339	2.833	3.922	1.974	3.27
PplThnkMe	3.633	3.167	4.107	2.5	3.595
PplAskMe	3.348	1.667	3.777	2.289	3.432
FashnMzne	3.928	2.167	4.612	2.553	3.824
NoBgDeal	2.95	4.333	2.854	3.526	2.676
NotBld	4.294	4.333	4.272	4.316	4.311
OnlyBest	5.122	3.5	5.476	4.737	4.959
ExclsvShop	3.118	1.667	3.816	2.211	2.73
WhrFrndShop	2.412	1.333	2.971	1.447	2.216
OtherPpl	3.724	2.667	4.35	2.895	3.365
MagznNews	3.905	2.667	4.359	2.947	3.865
Catlg	4.475	2.833	4.99	3.474	4.405
Internet	2.249	2.5	2.495	1.632	2.203
Excitbl	4.163	3.5	3.932	4.526	4.351
Thrfty	4.005	4.167	4.33	3.632	3.73
Contemp	3.398	3.333	3.34	3.526	3.419
Rationl	3.502	3	3.854	3.132	3.243
Yuthfl	4.344	4.167	4.184	5.079	4.203
Orthdx	5.041	4.5	5.223	5.079	4.811
Modst	3.321	2.333	3.66	2.816	3.189
Age	2.448	3.333	2.272	2.789	2.446
ApparelEx	2.032	1.167	2.262	1.658	1.973
Income	2.701	2.5	2.796	2.632	2.622
Edu	1.81	1.937	1.839	1.754	1.789

Question 2: Does it make sense for PBG to target specific segments to increase sales for Timeless and Infinity? If so, summarize the strategic rationale for the segmentation strategy and specify the segments that PBG should target. If not, explain why not.

As per case, majority of the customers are flexible and price inelastic. Both the products, Infinity and Timeless from Berlei brands are creative and technologically advanced.

Infinity currently targets
- Young and fashion conscious female
- Females seeking color variety
- Consider underclothing products as a fashion statement

As per our analysis, above characteristics are match the needs of clusters 2 who are
- young women between 25-39 years of age
- This group is not too much sensitive to price and spend 51-151$ on shopping. They are willing to pay a higher price for products by a popular designer or manufacturer
- They prefer exclusive shops and convenient shopping.
- They care a lot about the fabric, cut and the physical fit of the product.
- They are most fashionable and first try the product.

- They mostly read fashion magazines, catalogues and newspapers as source of information. They are also attracted by store displays and follow advice provided by sales assistant.

Timeless targets
- Women in their late 30's and early 40's
- Who are "young at heart"
- Wanted to look sportier and younger

As per our analysis, above characteristics are match the needs of clusters 4 who are

- It consists of fashionable customers between 25-39 years of age.
- They are comparatively lower earning people, spend less on shopping.
- They care about the physical fit, shape and fabric of the product but are less brand conscious
- They spend less time on shopping
- They mostly read newspapers and magazines as source of information.

Taking everything into consideration from the segmentation and discriminant variables, Pacific brands should target segment specific marketing campaigns to specifically target these segments, Cluster 2 and Cluster 4. They consist of 80% of total customer base.

In addition, compromising with the quality of brand is not advised because the largest rival, Gazal Corporation, competes with the two product lines.

Question 3: What specific advertising and retailing programs would allow the company's new brassier offerings, Timeless and Infinity, to target their potential respective consumers most effectively?

Infinity:
Target - Cluster 2 (Fashionable customers)
People in this cluster are brand loyal and willing to pay more for products from popular designer. They prefer brick and mortar stores and spend more time on exclusive shopping. They expect satisfiable retail experience, attractive store displays, and assistance by the sales person. Hence, they can be attracted by providing good retail experience in stores.

Marketing:
- Ads on exclusive Fashion magazine in Australia such as **Frankie, Russh, Oyster.**
- Event marketing - Invite for exclusive products launch
- Provide good in store experience to customers.
- Influence customers by sales person's
- Customer relationship management
- Influence customer by other people (Use celebrities to advertise, promote)
- Influenced by friends (Word of mouth marketing)

<u>**Timeless:**</u>
Target - Cluster 4 (Fashionable Price Sensitive Customers)

About this Segment:
- Lower earning people, spend less on shopping.
- Less brand conscious
- Spend less time on shopping
- Read newspapers and catalogues.

They are low income and less brand conscious people. They spend less time on shopping. They are active in internet and read newspapers, catalogues and magazines.

<u>**Marketing:**</u>
- Online Advertising - Ads on Google Adwords, Yahoo Ads.
- Social Media Marketing - Facebook, Twitter, SnapChat etc.
- Print Advertising - Newspapers, Magazine, Catalogues
- Mass communication through TV ads.
- Holiday/Seasonal offers
- Email/Newsletter Subscription offer
- First time shopping offers
- Consumer Loyalty Offers

Question 4: Based on your analysis, develop a strategy brief for Sue Morphet, explaining how she should address the concerns of her CFO and CMO.

Kevin(CFO) is concerned about the cost involved in marketing of the product while Mark(CMO) was willing to invest for marketing of the product to increase the sales. Sue should convince both to be on same page by using figure and past successes. Marketing the product without knowledge of segments would not be a good idea as there would be huge investment and less revenue. So as per our analysis Cluster 2(Fashionable Young customers) and Cluster 4 (Fashionable Price Sensitive Young Customers)includes most of the potential customers and exhibit similar characteristics based on age(25yrs to 39yrs). They care about the physical fit, shape and fabric of the product and prefers reading fashion magazines, catalogues and newspapers as source of information. Hence, these two groups can be combined and similar marketing strategy can be used for promotion of the product. This will allow us to minimize the cost as Kelvin wanted and also promote the product as Mark wished. As a result they would arrive at a consensus of investing on marketing by concentrating on right segment of people which would in turn increase the revenue.
The two clusters consists of people who are young and the one who wants to look young, so this similarity makes it easy to approach these two groups. Apart from this, our analysis highlights that both these segment of people read newspaper or magazine so advertising the product using this medium would be beneficial and will reach both the groups simultaneously.