



kate spade
NEW YORK

Casting Call: A Transformative Campaign Playbook

kate spade new york | Final Report

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Executive Summary

In our report, we establish Kate Spade New York as an accessible luxury brand that offers playful color options and niche products, along with its elegantly designed, classic handbags. Kate Spade's brand is its most valuable asset, with a positive, clear focus on "living colorfully." However, the brand falls heavily on the shoulders of the marketing team, without a strong push from customer advocacy. Our recommendation aims to provide a solution to this issue and inform a marketing campaign that can inspire engagement for a customer-led brand.

Cast of Characters falls short of its expansion goals

Following our exploratory research, we focused on the Cast of Characters marketing campaign, released shortly before the start of our project. We observed how the marketing campaign seeks to expand Kate Spade's current customer base through racial diversity, off-collar personalities, and a broad range of ages, even including a different species. It caught our attention that the campaign had far less engagement on social media than other Kate Spade campaigns, such as #MissAdventure, and that there was minimal website traffic to the page. From there, we focused our ZMET and UserTesting interviews, data mining, and comparable social media analysis in researching why this campaign lost momentum.

A tale of two Kate Spade girls

A surprising insight that came out of our consumer research was a distinct split in the brand's personality. Customer's identified the brand as classic, sophisticated, and strong, evoking images of Audrey Hepburn, while also praising it for being playful, quirky, and fun. The dichotomy is even present in the products themselves: a classic handbag with a polka dot lining, or a sleek black wallet with a sparkly interior. Kate Spade products allow women to be taken seriously and also express their femininity. Because of this insight, along with data analysis, we recommend that Kate Spade introduce a businesswoman into the Cast to represent the consumers that use Kate Spade products to make a subtle splash of originality in the workplace.

Use the Transformative Campaign Playbook as a catalyst to \$4 billion

The Cast of Characters campaign format has the potential to widen the Kate Spade target market to get the company to \$4 billion in sales. We have prepared a Transformative Campaign Playbook for Kate Spade to use in both recalibrating the Cast of Characters and in creating campaigns in the future to grow the company.

Team Profile

Olivia Duke | Midlothian, VA

Olivia is a 4th year at McIntire studying Marketing and IT, with a track in Business Analytics. She currently interns in a marketing position and is excited to work for a digital marketing firm in Charlotte next year. Outside of classes, Olivia is an avid intramural sports athlete.

Mike Keshin | New Canaan, CT

Mike is a 4th year at McIntire studying Marketing and Management, with a track in Advertising & Digital Media. Outside of classes, his proudest achievement is being a founding father of a fraternity at UVA. With a minimal background in the fashion industry but an interest in learning about new things, he is excited to explore this field for Kate Spade.

Bill Su | Toledo, OH/Jinan, China

Bill Su is a 4th year at McIntire studying Marketing and IT, with tracks in Business Analytics and Entrepreneurship. He is also a foreign affairs major and a psychology minor. Outside of class, Bill is a research assistant at McIntire center of business analytics and the founder of emodelun.com - a digital Model United Nations platform. He will be a Venture for America fellow next year, with the mission of revitalizing emerging city in the United States via data-centered entrepreneurship.

Alicia Underhill | McLean, VA

Alicia is a 4th year at McIntire studying Marketing, Finance and Chinese. Her proudest accomplishment at UVA is founding the club Futures in Fashion Association which connects fashion-minded UVA students with resources in the fashion industry. As a big fan of the Kate Spade brand, she is thrilled to be working on this project!

Brett Wheeler | Springfield, MO

Brett is concentrating in Accounting and Marketing with a track in Business Analytics. He has interned in merchandising in the specialty retail space and loves retail when it aims to inspire.

Situational Analysis

Kate Spade New York is a strong player in the accessible luxury market for handbags, other accessories, and apparel. Recently, they have also expanded to compete in other categories such as home goods and fragrances. The company is in a strong position with its loyal customers, but attracting new ones is proving to be more difficult, and going forward KSNY must figure out how to expand the brand's revenues without diluting the image or overextending internationally.

The accessible luxury industry is highly competitive

In the accessible luxury industry, Coach, Kate Spade, Michael Kors, and Tory Burch, are the key players that drive trends and control most of the market share. With the middle class growing globally, particularly in Asia, more consumers are entering the target market for these brands. In addition, recent economic recessions have led to consumers putting more of an emphasis on getting good value for their purchases, ultimately growing the accessible luxury market from both sides. These factors contribute to growth expected in the category of \$164 billion between 2014 and 2021 by a joint BCG and Altagamma report.¹

Despite growing demand, the accessible luxury industry will remain highly competitive. As shown in **Exhibit 1**, the barriers to entry for new firms had been enormously high, with a requirement for large capital investments for brick and mortar stores and for creating brand awareness; however, with the growing prevalence of e-commerce and department stores following trends by stocking new,² up and coming designers, these barriers are slowly lowering. And most importantly, there is a high level of competition due to the low switching costs between products that are of similar quality, making it difficult to get them to stick with a particular brand. Going forward, brands must “earn loyalty by creating meaningful experiences across all contacts in ways that matter to customers,” according to Robert Wolcott, Co-Founder of the Kellogg Innovation Network.³

The future of the industry is up in the air

As the big players try to become holistic, omni-channel lifestyle brands rather than just a designer, there are a few external factors to be wary of. As shown in **Exhibit 2**, political factors such as duties on raw materials or goods manufactured internationally could have adverse effects on the industry, as could any recessions in the global economy. More importantly, the power of social media in today’s world combined with constant technological advancements that allow information to be shared more rapidly every day means that trends are becoming bigger and more fleeting than ever before.

And finally, adding to the challenge of hitting a moving trend target is the internal struggle these accessible luxury brands must resolve between expansion and growth while maintaining a luxury feel. One example of this is Michael Kors handbags, which “have become ubiquitous, and as a result, the brand’s luxury cachet has been diluted.”⁴ To avoid losing the position of a lower cost

substitute for high luxury brands, many accessible luxury brands have turned their focus to emerging markets, particularly in Asia.

Kate Spade New York delivers value through attention to product and brand

Kate Spade New York is an apparel, accessories, home and other lifestyle products brand that delivers its customers value by (1) providing desirable and readily-available product for sale with an affordable luxury retail experience as well as (2) by engaging customers in non-transactive settings to promote the Kate Spade lifestyle of living your most interesting life. With product offerings of its two most popular categories -- handbags and apparel -- on average at \$150-\$350 and \$200-\$500 price points respectively, it can be classified as an affordable luxury player.⁵

KSNY differentiates by design aesthetic and consumer engagement

The brand focuses on positioning itself as aspirational with a razor sharp design aesthetic aimed at capturing the essence of the ‘Kate Spade girl,’ defined as someone with “personal style with a dash of incandescent charm.”⁶ The firm’s core competency -- efficiently providing products of exceptional value to this Kate Spade girl -- is done by drawing on the company’s internal strengths. These strengths most notably are an obsessive focus on design aesthetic, consistent marketing, a new and robust omni-channel selling strategy, and devoted attention to customer service. **Exhibit 3** further details activities and processes that support the company’s value proposition and **Exhibit 4** breaks down further the internal strengths of KSNY in a SWOT analysis.

Another key to the success of the KSNY business model is the brand’s devotion to building the idea of the Kate Spade New York lifestyle. Separate of issuing advertising with explicit sales plugs, the company also releases marketing that employs product placement and celebrity endorsement which helps potential and future customers better envision the brand’s identity. The best example of this are the #missadventure videos on the company’s site, featuring Anna Kendrick.⁷

Kate Spade leverages key resources to strengthen its internal brand capabilities

The Kate Spade New York brand uses various resources to sustain and improve business operations of its core product categories. At a macro level, the greatest resource the company holds is its strong brand image. To cultivate this image, Kate Spade focuses on its marketing strategy and celebrity partnerships to keep the brand relevant. On a more granular level, the brand’s business operations are supported by behind-the-scene structural elements, including: strong licensing partners for product line extensions, international business partners to bring the brand to new markets, a robust retail and partner stores network, investments made in CRM,⁸ and good management practices which have right-sided the company’s balance sheet.⁹ A full list of Kate Spade New York’s brand resources can be found in **Exhibit 5**.

Such resources help the company take advantage of important brand capabilities, which consist of what the brand currently does well and what the brand hopes to do in the near future. KSNY currently does a successful job of developing strong relationships with customers through marketing and merchandising programs, personalizing shopping experiences and offering “gold service” attention to shoppers in select stores.¹⁰ A future capability that the brand hopes to realize is keeping a consistent brand message as KSNY expands into different product categories and new international markets.

Kate Spade fights to capture market share in a hypercompetitive market

While the KSNY brand is strong with a devoted follower base, the company still struggles in a competitive environment to attract new customers and retain non-patron shoppers. One notable weakness for the Kate Spade New York brand is its launch and subsequent closure of the Kate Spade Saturday label. This brand experiment was confusing to Kate Spade customers and an unexpected deviation from the brand aesthetic. Confusion like this could adversely affect projects like the newly issued “Broome Street” line as the brand works to regain customers’ confidence in the design.¹¹ Also, an internal weakness to the company being chiefly apparel-based is that its operational margins rely so heavily on external factors. If ports are closed, restrictions are issued on exportation or the price of cotton rises for example, the company’s profitability would take a huge hit.

Kate Spade must consider challenges to brand DNA as it moves toward \$4B goal

As Kate Spade grows in revenue through key marketing campaigns and expansion in product category and geographical markets, some questions arise for the brand to consider as it strives toward its \$4 billion valuation target. Firstly, how can it keep its aesthetic constant as it expands into new categories to avoid the mistakes of the Saturday line? Second, to what extent should KSNY take advantage of fashion trends to attract new customers without deviating from its brand DNA? How can the company protect its brand identity against counterfeiters, especially in international markets? And finally, will the new line issued by Kate Spade herself, Frances Valentine, affect the sales and vision of the eponymous Kate Spade New York label?¹² These questions for further research are key for Kate Spade & Company management to consider as the brand moves forward.

Brand Inventory

Kate Spade is not only a brand - it is a lifestyle. It cannot be defined with a single retail store, a single handbag, or a single customer segment - it is an all-encompassing brand providing a "culturally curious, intellectually playful, quick-witted and strong.²²" lifestyle through various channels to women around the world. Through examination of multiple frameworks, this brand inventory will illustrate that Kate Spade occupies a distinctive place in the mind of its target market, but needs to engage customers to become advocates of the brand.

Kate Spade inspires inner creativity and freedom of its customers

Kate Spade is a creator. From its simplistic yet modern handbags, to dresses with vibrant color and presentation, it attempts to demonstrate creativeness or inspire creative thinking from other people². As an organization, Kate Spade prevails at developing premium, designer products that are individualistic, special, and "hand-crafted by the artisans of masoro.²³" This organizational competency further illustrates Kate Spade's status as a creator, or more specifically, an artisan that dares to spread the idea of a colorful life.²⁴

Kate Spade's archetype message particularly appeals to those customers who are mid-way in their life's journey and attempting to take back their personal power and freedom⁴. This customer segmentation is further illustrated by the fact that the most popular product - the Cedar Street Handbag - is priced at \$200 - \$300²⁵. This price range is particularly popular among upper-middle class women in major cities who seek liberation from their work.

Kate Spade inspires women to live their most colorful and interesting lives

Kate Spade's brand and merchandising strategies center around owning the colorful and quirky space with the goal of being a lifestyle and aspirational brand. Creating products and experiences that delight and inspire her is key to effectively communicating the brand and ensuring success. Living at the intersection of aspirational and affordable luxury, Kate Spade offers products on a wide price range, with a pricing staircase in mind that will guide the Kate Spade girl upward when she's ready.

In terms of e-commerce and visual merchandising, handbags come first for Kate Spade. Visually merchandising bags takes up more space than visually merchandising apparel, which also represents financial commitments and expectations. A lot of dollars are put behind bags, and they are expected to drive a lot of volume. This can pose problems in brand messaging, as bags are often not the focal point of an entire outfit. Special care must be taken to maintain a bag-first brand, but also build an entire lifestyle for customers.

Being ageless: Focusing on lifestyle, not typical demographics

Customers want a brand to feel authentic, and generalizing age segments doesn't feel authentic. By having conversations around lifestyle, Kate Spade better positions itself to communicate authentically and effectively with its customers. The Kate Spade girl is interesting, colorful, and quirky. She could be 16 or 60.

Measuring brand success against Brand Commitment Matrix

Kate Spade is consistent in its product and visual messaging, but there is not overwhelming evidence that there is a huge Kate Spade following that deeply identifies with the brand. Being that the brand is newly expanding, this is a reasonable point to be in terms of customer response. More work needs to be done in nurturing the Kate Spade tribe. The company has also reported losses in 3Q 2014 and 1Q 2015 and missed 2Q 2015 forecasts, indicating relatively low customer loyalty and customer response.^{26, 27, 28}

So while Kate Spade is well on its way to a cohesive brand message across product categories, the customer is still not quite there in terms of picking the brand first to help her live her most interesting life. There has been significant product expansion in the last few years, so this will naturally take more time.

Kate Spade communicates to its customers through varied levels of touch points

An analysis of Kate Spade's brand touch points is displayed in **Exhibit 8**. Overall, Kate Spade communicates with customers through a comprehensive list of touch points, mostly on the general level, with few very effective personal touch points.

Kate Spade engages customers on a general/shallow level through traditional marketing methods such as physical retail stores, an online ecommerce website, and online advertising through Google Adwords. The comprehensiveness of Kate Spade's effort has enabled the company to gain general brand awareness in the competitive fashion landscape.

Kate Spade also is doing a spectacular job in creating a tribal experience by using deep/general touch points. Its philosophy is effectively communicated not only through a brand story, website design, but also more importantly through the products themselves. The vibrant, colorful design serves as a living testament of Kate Spade's emphasis of living a colorful life.

Through social media and segmented sales events online, Kate Spade is able to engage customers through shallow/personal touch points. While Kate Spade has a broad scope of shallow/personal touch points, they have a few very focused deep/personal touch points to turn over control to its customers. Instead of distributing free samples or host in store events, Kate Spade establishes a deep/personal online presence through its brand advocates on social media and the availability of customer reviews on every product. Over 60% of Kate Spade's Twitter

followers are either power users or celebrities, demonstrating how Kate Spade has developed powerful connections in the online space to propel the brand's image.²⁹

Kate Spade differentiates on color and a lifestyle product mix

Major competitors of Kate Spade include Tory Burch, Michael Kors and Marc by Marc Jacobs. A detailed comparison between Kate Spade and its competitors is displayed in **Exhibit 9**.

Compared to its competitors, Kate Spade prevails at being a true lifestyle brand for women. Not only it offers a most comprehensive product mix ranging from handbags to tea kettles, Kate Spade is also the only brand that solely focuses on serving women of all ages.

Furthermore, Kate Spade is the only brand that places emphasis on bright colors and playfulness of the design elements - a proposition that is compelling to the Kate Spade girl. Kate Spade's product line, branding, and philanthropic efforts all align with its message to inspire creativity in women. This creates a foothold that differentiates Kate Spade from its main competitors; however, in order to effectively

In conclusion, Kate Spade New York differentiates as the only "creator" among its competition, inspiring women through color. However, the brand falls heavily on the shoulders of Kate Spade's internal marketing team and has not yet seen lift-off through a dedicated tribe of customer advocacy.

Brand Exploratory

Social Media Brief

Kate Spade and its competitors are highly active on social media

We have identified Kate Spade New York's closest competitors as Tory Burch, Michael Kors, Coach, and Ralph Lauren. All of these brands, including Kate Spade, are ranked in the top 0.1% of social media users by Klear's metrics. Kate Spade is one of only two fashion brands to achieve "gifted" status on L2's Digital IQ Index for Fashion. This is largely due to the brand's effectiveness at making every experience on social shoppable, and the successfulness of the Anna Kendrick #MissAdventure campaign, which tripled Kate Spade's impressions on YouTube. For a more detailed look at L2's rankings and excerpts from their report, refer to **Exhibit 10**.

Michael Kors is leading the pack in brand mentions

On social media, Michael Kors consistently outperformed the other brands in mentions from January 30 to February 27. Kate Spade was able to surpass Michael Kors on February 11 and 12 during this period, enjoying the largest lead on Michael Kors on a given day of any of these brands. February 16 was Michael Kors best day during this period, with 6,340 mentions—a number none of the other brands were able to come close to. Kate Spade's highest mention count was 1,281. A graph of these brand mention counts is in **Exhibit 11**.

Michael Kors has a more plugged-in fan base on Twitter

Kate Spade and Michael Kors have very similar Twitter followers in terms of demographics. With women 18-24 being the biggest segment and women 25-34 being the second biggest segment for both. The largest discrepancy between the brands is the influence of their followers. For Kate Spade, 42% of their followers are classified as casual and 32% are novice. For Michael Kors, 62% are power users and 28% are casual. This large difference in influence is likely driving the difference in brand mentions. Ralph Lauren's top categories of influence are casual and power users. Tory Burch and Coach's top categories are novice and casual. It may be that Michael Kors has been more successful in building a more engaged fan base, or that the brand is more attractive to people actively engaged on social media.

Kate Spade has the highest percent of positive mentions of competitors

Kate Spade's positive sentiment from online users was 10% higher than that of Michael Kors, as seen in **Exhibit 12**, making Kate Spade the leader in positive sentiment among its peers. Over the month of February, Michael Kors also dominated share of voice among peer brands, with Ralph Lauren coming in second.

The #MissAdventure campaign has had extremely positive feedback

Over the past year, the sentiment of mentions on the #MissAdventure campaign has been overwhelmingly positive. Of social media mentions with a detectable sentiment, over 95% were positive, as shown in **Exhibit 13**.

Kate Spade is a strong social media player, must stay diligent to maintain status

Kate Spade is doing a good job of gaining followers and converting them. The company has highly cohesive social media content that creates a unified brand experience that leads to purchases.

Moving forward, Kate Spade needs to maintain their position at the forefront of social media in the fashion industry. In order to do this they must continue to innovate by creating more shoppable content that is integrated, but not the same, across Facebook, Instagram, Twitter, and YouTube. Kate Spade has set a high bar for many of its competitors to catch up to, and in the highly competitive fashion landscape they certainly will. To stay ahead, the brand must continue to raise the bar.

Digital Analytics Brief

Traffic by country shows profitability in geographic expansion

Katespade.com traffic is mostly female shoppers between ages 25-34 who are within the \$100,000 - \$149,000 income bracket. Compared to competitors, most Kate Spade visitors come from the United States (**Exhibits 14, 15**), and most of Kate Spade's online revenue comes from sales. Not only did sale items make up 52.76% of all items sold last year, the sales page has the most views at over 2.5M in the last month with also the highest average time on page at 1:45. While most of Kate Spade's orders come from the United States, the average value per order is the lowest, the result of a mature market that is willing to wait for discounts. Therefore, we recommend that Kate Spade continue expanding its global presence by increasing digital marketing efforts across borders.

Kate Spade should readjust its marketing channel focus

Kate Spade acquires customers through four primary channels: direct loadings, natural searches, marketing programs (email, paid search, and other promotion programs), and site referrals. A detailed breakdown of these channels is displayed in **Exhibit 16**. Overall, marketing promotions attract most unique visitors (1.8 million); direct loading activities have the highest Buyer/Visitor ratio (2.22%) and constitute most of Kate Spade's online sales in January 2016; and natural search activities attract most new visitors (72.86%) while having the lowest bounce rate (24.94%). Based on these results, we recommend that Kate Spade focus on natural search when attracting new customers, direct loading when improving conversion rate, and marketing programs when boosting overall viewership of the site.

Exhibit 17 displays channel comparisons between Kate Spade and both the U.S. Apparel and U.S. retail industry benchmarks. Compared to the industrial benchmark, Kate Spade attracts more customers through referring sites and marketing programs while attracting less customers through direct loadings and natural searches. This means that compared to other apparel retailers, Kate Spade will attract less new visitors and achieve an overall lower conversion rate due to this channel imbalance. Therefore, we recommend that Kate Spade increase traffic from natural searches by conducting search engine optimization and increase its direct load traffic by increasing its brand presence.

Path to conversion varies across user profiles

Kate Spade also has a lower overall conversion rate compared with the industrial benchmark (**Exhibit 17**). A more detailed funnel analysis (**Exhibit 18**) revealed that this is primarily caused by a low rate of visitors converting from browsing to shopping. Therefore, Kate Spade could generate more revenue by improving its product layout and making add-to-cart more convenient for customers.

The funnel analysis also illustrated that almost all of the previous buyers purchased after adding to cart. This tells us that cart abandonment is less of a concern among returning buyers than new

or previous visitors. Therefore, marketing dollars should be directed toward converting carts for first-time buyers through on-site banners and direct emails.

New brand image web content does not translate to sales

Kate Spade aspires to be the American lifestyle brand by changing its brand image. The company's website features a "Cast of Characters" campaign, with excerpts in **Exhibit 19**, to reinvent the meaning of living one's most "colorful life" with real public figures as models. The brand follows the Keller's Brand Equity model at levels one and two, re-creating its identity and solidifying that with new imagery. This Cast of Characters page successfully generates page views and awareness of the re-brand, however **Exhibit 20** reveals the brand poorly converting impressions into sales. Including product on this page could better convert high traffic into dollars.

ZMET Analysis

Popular word associations fit within the brand strategy

Our ZMET interviews revealed many common word and image associations: classy, quirky, colorful, New York City, champagne, fruit, inspiring quotes, balloons, bows, Audrey Hepburn, and feminine. The commonalities depict an overall perception of Kate Spade as a classic-yet-colorful, sophisticated-yet-fun, trendy-yet-timeless, female-driven brand. We feel these strongly reflect the current brand strategy, indicating the Kate Spade customer is on board with the brand messaging. A collection of our ZMET results can be found in the Appendices.

Metaphors of Kate Spade involve cityscapes, social outings, and fun surprises

Respondents associated Kate Spade with fun social settings, such as cocktail parties, brunch with girlfriends, and walking about the city. Many also spoke of professional, independent women, living in a city apartment and excelling in the workplace. Whether at a party or in the office, carrying or wearing Kate Spade served as a source of confidence for these women. Through the soft leather of a handbag or smooth silk of a cocktail dress, the women in these metaphors not only show others they are able to afford Kate Spade, but just wearing it made them happier and more confident.

Another metaphor that arose from our ZMET interviews was the idea of being feminine while also being taken seriously. Multiple respondents identified Audrey Hepburn as a symbol for the brand, comparing her role in Breakfast at Tiffany's as a classy, strong woman. Kate Spade allows women to be fun and girly, while still remaining sophisticated and classic. Examples given of how Kate Spade does this were a plain, black leather handbag that opens to reveal polka dot lining or a simple, clean wallet that hides a glittery interior. These "secrets" between Kate Spade and its customers capture the conflict of expressing yourself and earning respect from others; the hidden details in Kate Spade's products mirror the complexity of trying to have it all.

Two brand personalities of Kate Spade came from ZMET interviews

Within the Kate Spade world, there is a professional woman who is confident, empowered, a change maker, effortless, approachable, and down-to-earth. There is also the woman who is carefree, quirky, fun, not afraid to stand out, and ever optimistic. While a woman can certainly be both simultaneously, we feel in order to maximize customer response, that these brand personalities must be represented by two separate personas. The two identified personas can inform a revamp and future iterations of the Cast of Characters campaign to create greater customer resonance.

UserTesting Analysis

Our team used UserTesting for two primary purposes: (1) to understand how perspective and patron Kate Spade customers respond to the new Cast of Characters marketing campaign and (2) to measure how user-friendly the Cast of Characters page is for customers.

Overall positive response from Cast of Characters, problems with relatability

According to Keller's brand equity model, the Cast of Characters campaign is an attempt by the Kate Spade brand to resonate with its customers. By presenting the stories of real-life New Yorkers, Kate Spade wants its customers to relate themselves to those "characters" and therefore create both attitudinal attachment and a sense of community. Ultimately, utilizing deep personal touch points presented by this campaign, Kate Spade wants to invite its customers into the brand community and work together to shape the brand towards its \$4 billion goal.

Despite Kate Spade's grand vision, the effectiveness of the Cast of Characters campaign is mixed. UserTesting has revealed that the relatability of the campaign to our users varied despite the general overall positive response to its message. For example, one user comments positively after reading the description for the character Ahn, "'Going out to the deli but coming back with a new dress' (laughs), totally sounds like me. Love the look!," whereas another said, "Even though this campaign makes me think of the brand as a little bit more quirky, I don't feel it is very relatable because every character is a little bit artsy... and you can tell that they are all fashionable and into artsy things" While most respondents appreciated the campaign, it did not seem that any of them connected with the characters or their message intimately enough to really ignite a new-found appreciation for the brand and stronger intent to purchase. A collection of our UserTesting results can also be found in the Appendices.

We recommend including more professional women in the Cast of Characters

One comment in particular stood out among our UserTesting: that Kate Spade "cater[s] to elite New Yorkers who perhaps aren't like many of the rest of us...after looking through this, I don't feel like I belong to the Kate Spade brand...this makes me feel as though they're very elitist." This prompts a connection with our analysis above about fulfilling both personas of the "Kate Spade girl." While the current Cast of Characters embodies the artsy, fun-loving side of the Kate Spade girl, there is no one on the page that embodies the second impression of this girl: subtle, professional, confident and creative. We recommend that Kate Spade include a character of a corporate working woman in New York and how she weaves the brand into her more professional world.

Current layout is not user friendly and lacks interaction component

Another factor that distracts from the effectiveness of the campaign is the website's layout. Upon first visiting the Cast of Characters campaign page, many users found the layout of the page

“strange” and “odd”, without a clear direction navigating users through what they are supposed to do or expect. For this reason, many users described the experience of browsing the campaign as being introduced to a group of quirky New Yorkers that represent Kate Spade, instead of showcasing Kate Spade customers. We believe Kate Spade’s goal of resonating with its customers will be most effectively accomplished by promoting a process of self-discovery that makes its customers feel like that they are one of those “characters”.

Furthermore, the user experiences when viewing both campaign and product page are also suboptimal. One user complained that she had to constantly scroll down when visiting the campaign page, greatly subtracting from her browsing experience. Moreover, a large portion of users considered Iris the most “cute” and “adorable” character in the entire campaign. However, Iris’s profile was placed near the end of the campaign page, and most users will not see her until three or four minutes into viewing the page. This prevented the most successful and attractive part of the campaign from reaching more potential audiences.

Based on the user feedback, we suggest Kate Spade make its campaign pages more interactive in the future so customers can quickly reach the content they want. One way of accomplishing this could be adding javascript elements to the image on top of the campaign so that when users hover through each character, a brief introduction of the character will occur with options for users to navigate directly to the character’s profile when clicked. We believe the optimization of the webpage can promote the process of self-discovery and provide Kate Spade with a higher chance of resonating with its customers.

Multivariate Data Mining Analysis

In this report, we have included insights and recommendations resulting from various analyses on Kate Spade survey data. Throughout our analyses, we incorporated brand relevance responses to gather insights that we believe will inform our recommendations to improve the Cast of Characters campaign. Our multivariate testing gave us a better picture of the Kate Spade consumer and her perception of the brand.

Four clusters best segment Kate Spade customers

Using a k-means clustering technique on the most recent Kate Spade customer survey, we found four clusters led to the most significant segmentation. The easiest way to describe and refer to these clusters is by age, with the average ages being roughly ten years apart for each cluster; however, we also found significant variance based on education level, marital status, marketing channels, and preferred products. Certain characteristics are prevalent across clusters, especially a high likelihood to purchase handbags and accessories. All customers report sales and online browsing as the channels with the highest influence on their purchases. In the following sections, we have noted differences within and across clusters in order to tell a nuanced story about each type of Kate Spade consumer, based on the cluster means shown in **Exhibit 21**. Each section describes the average cluster's background, life stage, and preferences allowing us to make informed recommendations on how to better target certain segments.

1 The Worldly Achiever

The Worldly Achiever cluster gets things done. Mostly in their thirties, this group uses online and mobile to interact with the brand in a utilitarian way. They do not necessarily interact heavily on social, but they use the resources they have to make informed and efficient decisions, including purchasing in-store after researching online. The Worldly Achiever on average is the most educated cluster of consumers, averaging between a masters and professional degree. These high achieving professionals are more likely than any other cluster to purchase travel accessories and home goods, adding value to their business travel and helping to settle into perhaps their first home.

2 The Young-at-Heart

The Young-at-Heart are casualwear divas. As an older cluster with an average age of 58, these married or divorced consumers are not so much dressing to impress as they are dressing to express. They are the least likely to purchase dresses, and most likely to shop casualwear. In general the Young-at-Heart feel a weaker connection to the Kate Spade brand, and it shows in their lack of interest when it comes to the influence of marketing channels on their purchases, which are ranked lower than the other clusters averages in 5 out of 8 categories. The Young-at-Heart buy Kate Spade to showcase their fun, upbeat attitude towards life that they have kept up with for years.

3 The Next Generation

The Next Generation are buyers in their early twenties. These consumers are very much like your traditional millennials, connecting with brands online more than any other segment. Browsing for products online or on their mobile devices is like second nature to them, but a lifetime on the internet can also lead to wariness of reviews, so these people are also more likely to take recommendations on products from friends and family. As a group that hasn't quite settled into a professional wardrobe, they are more likely to be buying dresses than other clusters, and also keep their various devices matching their style by purchasing Kate Spade tech accessories.

4 The Value Seeker

Value Seekers are not quite as educated as the Worldly Achievers, but on average have at least a bachelor's degree and many have their masters. More likely than the Worldly Achievers and Next Generation to be married and with an average age of 45, these customers are looking for value in their purchases after they have settled down, possibly with a family. With no significant channel preference, especially when compared to other clusters, the Value Seeker's life appears to be busy. This is further supported by their purchasing decisions, which focus on more on durable items like shoes and outerwear that can be worn more often. In this way, they get the most bang for their buck.

We found our clusters to be significant predictors of brand relevance

After developing the four clusters, we conducted a univariate analysis of variation using the scaled responses to "Kate Spade New York is relevant to me." The results, found in **Exhibit 22**, show that cluster is a significant predictor of reported relevance for Kate Spade. As the clusters trend upward in average age, the feeling that Kate Spade is relevant to oneself decreases. While Kate Spade does not target a segmented age range, these findings show that a customer's experience with the brand varies by age group, with younger customers reporting greater brand relevance. The clusters that reported the least relevance are the least likely to be influenced by social media; therefore, attempts to increase connectivity with these clusters through social media-heavy marketing campaigns will yield only marginal results.

Don't be afraid to invest in the older customer segments

We certainly understand the draw to focus on millennial customers to improve overall customer lifetime value, but while generational differences stick around with age, different phases of life yield different priorities. There's reason to believe that the Next Generations of today will become Worldly Achievers tomorrow, so we would discourage an apprehension to put marketing push behind the older segments. If anything the difference in clusters yields varied product interests, and we encourage Kate Spade to focus on older customer segments to grow its expanding product lines, such as home goods and casualwear.

Use customer segment insights to style the Cast of Characters

We recommend using the customer segment insights as guides to find new Cast of Characters personalities and in styling them to maximize resonance with customers. The Next Generation characters needs to be loaded up with affordable accessories. The Worldly Achiever needs a chic laptop bag and a quirky take on conservative business attire. The Value Seeker should have a great shoe and outerwear combination. The Young at Heart should have an effortless sportswear look that lets her express herself without the fuss in the morning.

Brand Commitment Scale: moving customers from delight to engagement

Using the Brand Commitment Scale from Brand Flip, these strategies can push more customers up the scale from delight (surprise, excitement) to engagement (customer loyalty, emotional attachment). Customers seeing themselves in the characters and engaging with the campaign in different channels can delight new and existing customers and provide the company opportunities to bring those customers further into the brand.

Brand relevance measures hint at how KSNY can develop its brand story

Since our clustering information comes from KSNY's customer survey data, a last meaningful analysis to conduct is how other observers of the brand (not necessarily its customers) react to it. To do so, we used the information from "2016 Fashion Brand Evaluation Survey" administered to 402 MTurk respondents and 205 McIntire third year students.

We conducted a simple linear regression with nine Independent Variable inputs, namely, "The Kate Spade brand is ...": Modest, Sincere, Expensive, Sophisticated, Stylish, Conventional, Elegant, Low End, and Prestigious. All of these were collected as ordinal variables on a Likert scale ranging from 1 to 5, with 1 being "Strongly Disagree" and 5 being "Strongly Agree." These IVs were tested against the DV question of "Kate Spade is relevant to me" which was also measured ordinally on a Likert scale from 1 to 5, with the same anchor designations as the IV. Before we ran the analysis, we questioned if the survey sample would be appropriately representative of a population who either does or feasibly would purchase Kate Spade New York product. The factor by which we grouped the sample to determine this was household income, with a posited cutoff mark of \$40,000 as the low threshold for feasible KSNY shoppers. **Exhibit 23** details a feasibility plot of the sample, revealing that 65 out of 607 respondents (10%) fit into the category of under \$40,000 in annual income. For the fear of skewing significant relationships too much, we ran the regression on two groups to see if results would differ: the original sample, and the more KSNY customer-like sample sans these 65 respondents.

Exhibits 24 and 25 detail the regression output from both of these groups; both regressions are significant with R^2 values of around 0.5, considerably high for social science testing. The results between them are very similar, with a few notable conclusions. First, the only significant IV with a negative coefficient was "The Kate Spade brand is Expensive," meaning that there is a significant correlation between respondents across both groups who rank Kate Spade as

expensive and also as not relevant to them. This is to be expected, and is good news for the brand that no positive brand characteristics significantly relate to a decrease in brand relevance to shoppers. However, a big takeaway that Kate Spade should consider for future brand story tweaks is that “Sophisticated,” “Elegant” and “Prestigious” are all factors which did not produce a significant positive correlation to brand relevance, meaning that customers who answered that they thought the brand encompassed these characteristics did not strongly associate the brand as being relevant to them. Perhaps this opens up room for Kate Spade to identify itself as different characteristics from these three that could capture relevance from these types of responders.

Finally, the brand characteristic “Modest” had a very strongly significant positive correlation to brand relevance. Perhaps Modesty is not a brand association that KSNY wants moving forward, so this should be considered in the development of future brand stories.

Kate Spade is distinctive but could further differentiate from its competitors

To further investigate Kate Spade’s brand image in the mind of its customers, we have conducted a multidimensional scaling analysis among Kate Spade and its competitors. The result of the analysis, which is displayed in **Exhibit 26**, has revealed that Kate Spade and each of its competitors occupies a distinct place in the mind of their respective customers.

For the dimensions of the Multidimensional Scaling graph, we have chosen Contemporary (in contrast with traditional/historical) and Conservatism (in contrast with expressiveness) as vertical and horizontal access of the graph. A brand that is contemporary lacks historical reputation of a brand such as Chanel, but offers their customers with a fresh view of fashion through their unique, modern design styles. A brand that is expressive utilizes intensively bright colors and patterns in their design to celebrate youth, whereas a brand that is conservative utilizes more soft colors to celebrate nature.

With the establishment of those two dimensions, we have identified Kate Spade on the graph as the only brand among its competitors that is both contemporary and expressive, occupying a specific niche in the mind of its customers.

Even though Kate Spade is positioning itself well in terms of overall impressions, in order to become a 4 billion dollar brand, it needs to occupy a unique position in every single aspects that is relevant to its customers. In order to explore customer’s perception of the Kate Spade brand compare with its competitors in a more granular detail, we have conducted nine additional single dimension scaling analyses with perceptions such as stylish and expensiveness as dimensions, the result is displayed in **Exhibit 27**.

The analysis has revealed opportunities to further differentiate the Kate Spade with its competitors. We have identified opportunity to differentiate with Michael Kors on price and J Crew on stylishness, but we believe the biggest opportunity comes from the “conventional” characteristic, where Kate Spade has opportunities differentiate with almost all of its competitors at the same time.

Currently, Kate Spade is considered most similar with Chanel in terms of customer's perception of "conventional" level. However, compare with Chanel, Kate Spade is not only a brand that is much younger and more contemporary, it also considers itself as unconventional brand, not like that of Chanel. At the same time, three of Kate Spade's major competitors (Michael Kors, Marc Jacob, Tory Burch), all congregated in a small cluster of similarity without significant differentiations from each other in terms of "conventional" level. We believe this lack of differentiation across the industry could be exploited by Kate Spade to further differentiate its brand.

We believe this customer misconception originated from Kate Spade's release of collections that is more mature and professional, such as the Madison Avenue Collection and Cedar Street Maise Handbags. Even though those collections are generating significant revenues for Kate Spade, we recommend the release of more collections and campaigns that reflect the "unconventional" side of Kate Spade, campaigns just like "the Cast of Characters". Therefore, through this analysis, we have concluded that "Cast of Characters" is a step in the correct direction in further differentiating the Kate Spade brand from its competitors.

Based off of our findings, we have concluded that "the Cast of Characters" is a good direction for Kate Spade to be taking, but have also identified ways in which the campaign can be improved. Our cluster analysis revealed some of the characters that should be used to represent current customers, but also what characters the brand may want to go after in trying to expand their customer base.

Transformative Campaign Playbook

Our playbook relies on data-driven insights from our report as well as industry comparisons to improve Cast of Characters and future Kate Spade New York marketing campaigns. This list offers actionable changes to increase the engagement and impact of marketing campaigns.

1. Create a unique campaign title that is hashtag-able and applicable to broad brand marketing

When one searches “Cast of Characters,” Kate Spade is nowhere near the top result. The name needs to be unique enough to be digitally optimized via social media. In both possibly revamping the campaign and in all future campaigns, the title must be personal and unique enough to encourage customer engagement. By giving customers the tools to carry out the campaign and make it their own through a unique hashtag and title, the company leverages the potential for user-generated content. In order to bring the brand to new heights, the brand needs to resonate with customers so intensely that their identity matches the company’s purpose. UGC allows the customer to make the campaign their own and increase the infusion of personal identity and company purpose. Additionally, hashtags bring content into one feed and serve as an easy way for customers to learn about a campaign and brand. All campaigns need a unique and easy-to-use hashtag to leverage this tool. Once a campaign is released, the company wants current and potential customers to easily find how others are reacting to the campaign, and they cannot do this if the top of a Google or Twitter tag search doesn’t show the campaign and how customers are responding to it.

The campaign title also needs to be universal enough that it can apply to all brand messaging both from Kate Spade *and* its customers. The title “Cast of Characters” is only relevant in the context of showing product on models in the Cast photoshoot, and similarly, KSNY customers can only include Cast of Characters in their own social media posts if they are commenting on a cast member, not just when they are using a Kate Spade product. To allow the customer to define the brand and become life-long brand ambassadors, they need to be provided with a way to take the campaign and make it their own.

2. Monetize the campaign website to more directly increase sales (Bill)

In terms of web metrics, “cast of character” has a significantly higher bounce rate and lower revenue generated compare with other pages on the Kate Spade website. UserTesting results has suggested that these suboptimal web metrics are partially caused by the design of the “cast of character” campaign page. We have identified two major room of digital UX improvement for future Kate Spade campaigns.

First of all, we recommend the incorporation of interactive web elements in the campaign pages. Those interactive elements may include but are not limited to

digital animations that guide users through the site, dialog boxes that will open on hover, and embedded media elements that prompt user to learn more about the characters. The purpose of those elements are to further engage users during their sessions to decrease bounce rate and increase message effectiveness. An example of such interactive pages could be found in **Exhibit 28**.

Secondly, we suggest implementation of a stronger path to purchase for user on site. On the “cast of character site”, user currently has to scroll down to the characters, click shop the character’s look, and then in the resulting page select their intended products and proceed to cart. This path of purchase could be simplified by showing users purchase options immediately if they hover over a specific appeal of the characters on the main campaign page. An example of this change is displayed in **Exhibit 29**.

Both of those recommendations could be implemented with front end javascript frameworks such as Angular.js.

3. Use insights from customer interviews and clustering to introduce a new Character

Our UserTesting and ZMET interviews revealed a subset of customers that feel underrepresented in the Cast of Characters campaign: women in the “working world.” Lawyers, doctors, and businesswomen want to see themselves in brand messaging, not just artistic professionals. This subset reappeared in our cluster analysis as the “Wordly Achiever,” who is highly educated, with either a Master’s or Professional degree, and in her thirties. She values the quality, sleek designs, and sophisticated look of Kate Spade’s briefcases and laptop covers, but also enjoys the playful necklace or eye-catching frames as a way to stand out in the office and express her femininity.

This new character would be a valuable addition to the Kate Spade cast because she represents a significant portion of customers and speaks to a growing number of young women pursuing high-level degrees. From our cluster analysis, we also gathered that these professional women are more likely to home goods, an area of recent expansion for Kate Spade. Introducing a professional woman like the “Worldly Achiever” to the cast would bring a population of women into Kate Spade’s messaging with deep pockets and quality taste.

4. Better cater your website design to each potential customer (ML- Bill)

An information gain analysis (**Exhibit 30**) has revealed that several simple demographic variables could help Kate Spade fairly accurately identify which cluster an individual customer falls into. Those variables, including marital status, education level, and age, are already available to Kate Spade when a user registers, or easily added to the registration form if not already available.

To further improve customer engagement and conversion rate on its website, Kate Spade could modify its website to dynamically generate pages according to the cluster of registered customers visiting the site. For example, for the “Worldly Achiever” customer cluster, Kate Spade could create a homepage emphasizes its workspace collections such as the Madison Avenue Collections while providing tailored discount specifically for the “Worldly Achievers”.

For cluster identification, we recommend the usage of simple, lightweight machine learning algorithms such as decision trees since those algorithms can generate accurate results (95.81%) without compromising page load time of the website. The result of a preliminary decision tree graph is illustrated in **Exhibit 31**.

For unregistered users, Kate Spade could dynamically generate different home pages based on the visitor’s IP address (which identifies the geo location of the user). For example, for users who visit katespade.com from places where Kate Spade has physical locations, Kate Spade could offer a store-finder service or coupons for those physical locations. On the other hand, for users visiting from place where Kate Spade does not have a physical presence, Kate Spade could offer coupons on the ecommerce site and prompt users to sign up for the newsletter.

The conclusions drawn from our social media, web analytics, UserTesting, ZMET, multivariate, and data mining analyses led us to these recommendations, but also led to us wanting to explore other facets of a successful brand expansion campaign. In order to accomplish this, we analyzed some of the aspects of Burberry’s campaign refocusing the brand on outerwear, the viral ‘I Will What I Want’ Under Armour campaign, and the recent sales decline of J. Crew. From these analyses we have formed three additional recommendations for Kate Spade.

5. Purse First: Stay true to being handbag centric

We know that Kate Spade has remained focused on being known first as a handbag brand in its international expansion. After researching other brand transformations, we recommend that Kate Spade continue to put handbags first to maintain this image. For example, Burberry was once associated with British gangs. They re-branded by reacquiring intellectual property, refocusing on outerwear, and making the collections sexier through design and by bringing in Kate Moss and Emma Watson. Burberry enjoyed tremendous success after taking back control of its product and refocusing on outerwear, its core strength, and then elevating the message around the trench (**Exhibit 32**). Being handbag centric, even in advertising campaigns, will be important in defending Kate Spade’s brand positioning. We believe keeping handbags present and central in every campaign will help customers understand Kate Spade’s roots and identity

and will help the marketers make future brand expansion out from the core handbag space clearer to customers.

Furthermore, we found through our cluster analysis of Kate Spade survey data that all customer segments gave handbags the highest likelihood-to-purchase score, with 76% of customers saying they were likely to purchase. Accessories came in second at 50% likely to purchase. Handbags received the highest score and accessories the second-highest score for all four customer clusters, so a love of handbags is consistent among all types of Kate Spade customers. Not pushing handbags in virtually every campaign or not showing other Kate Spade products in relation to handbags would be a miss in grabbing customers' attention and conveying a strong and cohesive brand message.

6. Cultural Relevance: Create timely commentary on the social climate

If you're not polarizing, you're not positioning. Yet, there's an art to doing this that helps build brand credibility and move your brand from being "product" to "lifestyle" in the mind of customers.

The key to a successfully polarizing campaign is challenging established social norms in an empowering way. The Dove "Real Beauty" campaign is an excellent example of this -- where women were reminded of how they often underrate their own natural beauty, and Dove showed it cares about emphasizing that every woman is uniquely beautiful and should celebrate this. The campaign was explosive by social media metrics, with 66.8 million YouTube video views and over 12,000 comments since 2013 of its landmark campaign ad alone.³¹

A comparable company for Kate Spade in the fashion retail space which executed a successful polarizing campaign is Under Armour with its "I Will What I Want" campaign (see **Exhibit 33** for a campaign summary). Under Armour resonated so acutely with athletic women who face implicit bias against their standing as true athletes, and associated the brand with empowerment and perseverance. This idea is also backed up by a strong victory via digital metrics: the lead campaign video has over 10 million views since its posting on July 30, 2014 with over 2,000 comments,³² and close to a 25% positive overall Sentiment score via Watson Analytics' measurement across social media platforms.

Our recommendation to Kate Spade is to create a campaign that similarly challenges social stereotypes which would engage and welcome in new customers to the brand. An example of this could be building the Cast of Characters around the lead model, Jourdan Dunn, and her role as an "advocate for diversity in the modeling industry"³³ by having a second Cast of Characters introduced including her and predominantly more models of different race, body size and shape. If done respectfully, a campaign empowering *all* women to live their most interesting life could create major brand equity and "lifestyle" potential for Kate Spade.

7. On-board current customers with the expansion, and expand responsibly to one new group at a time

Under Armour did an excellent job of expanding its customer base by reaching out exclusively to women in its “I Will What I Want” campaign *without* alienating men customers. The campaign’s ability to successfully expand its target led to a 28% sales increase.³⁴ You can’t sustainably grow by alienating your core customer, and the Cast of Characters campaign has a chance of doing this. As we heard in our UserTesting reports, some customers are confused as to how some of the cast members fit in with Kate Spade. In looking at them again, we believe that the Cast of Characters may be spreading the brand out in too many directions at once.

While we have identified some specific targets like the young businesswoman to go after in the future, it is important to not make the same mistakes made by J. Crew. The brand was massive with its colorful, preppy clothes, but has since tried to expand out in multiple directions, going after a higher end consumer, some trendier and more daring customers, and trying to maintain their clean and simple image. In trying this, J Crew’s brand image was spread too thin. Increased prices combined with a confusing style shift towards the eclectic led to many prices being marked down, thus lowering people’s perception of the brand. This shift is reflected by a \$657.8 sales decrease in the 2014 fiscal year.³⁵ In order to avoid this problem, Kate Spade must carefully expand its customer base one direction at a time on its road to \$4 billion.

With this playbook, we hope to offer Kate Spade actionable recommendations to create a transformative marketing campaign. We believe such a campaign is crucial to broadening Kate Spade’s consumer reach in order to reach \$4 billion in sales.

Exhibit 1: Porter's five forces shows a highly competitive industry^{13,14}

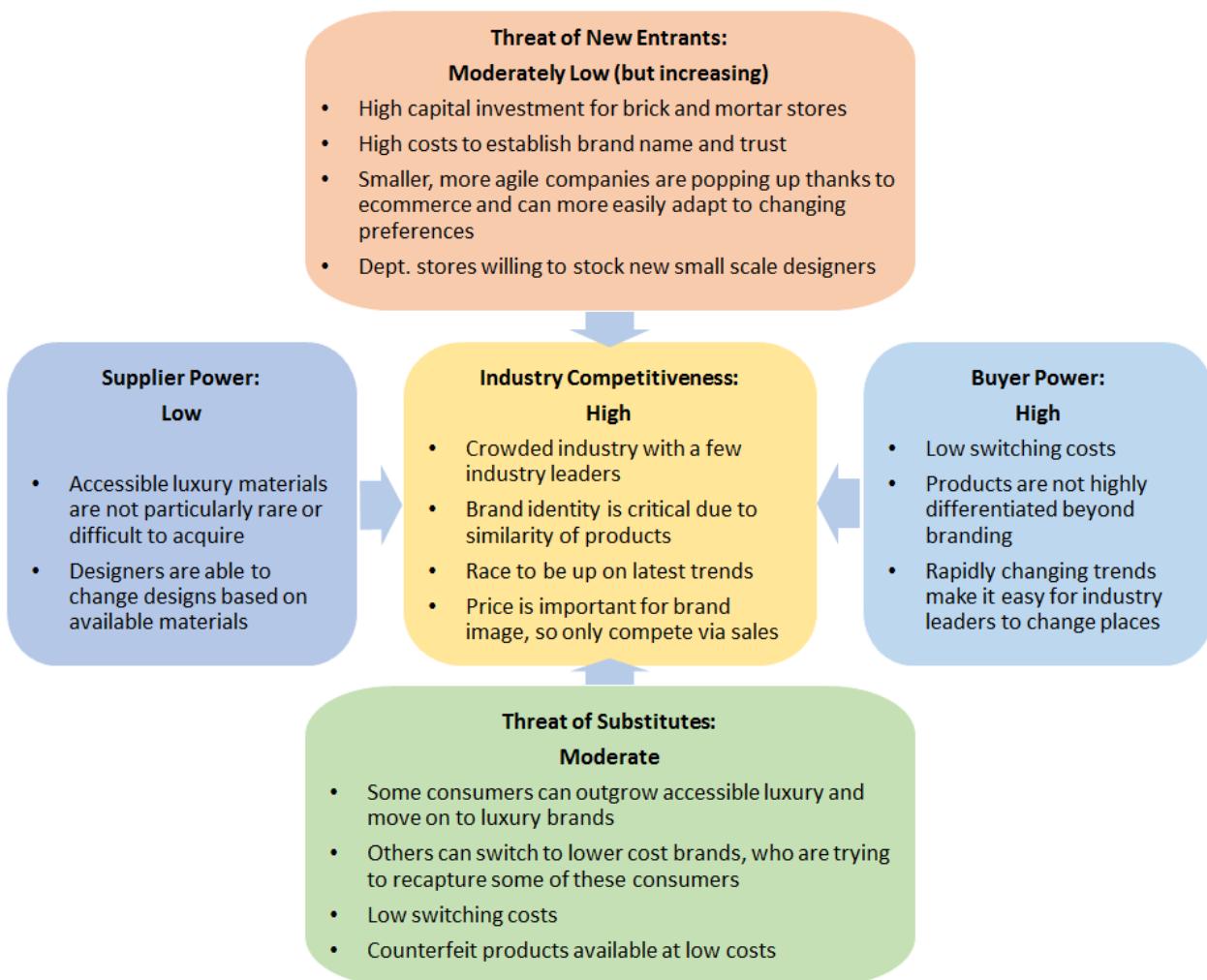


Exhibit 2: PEST analysis shows how social media is speeding up trends¹⁵

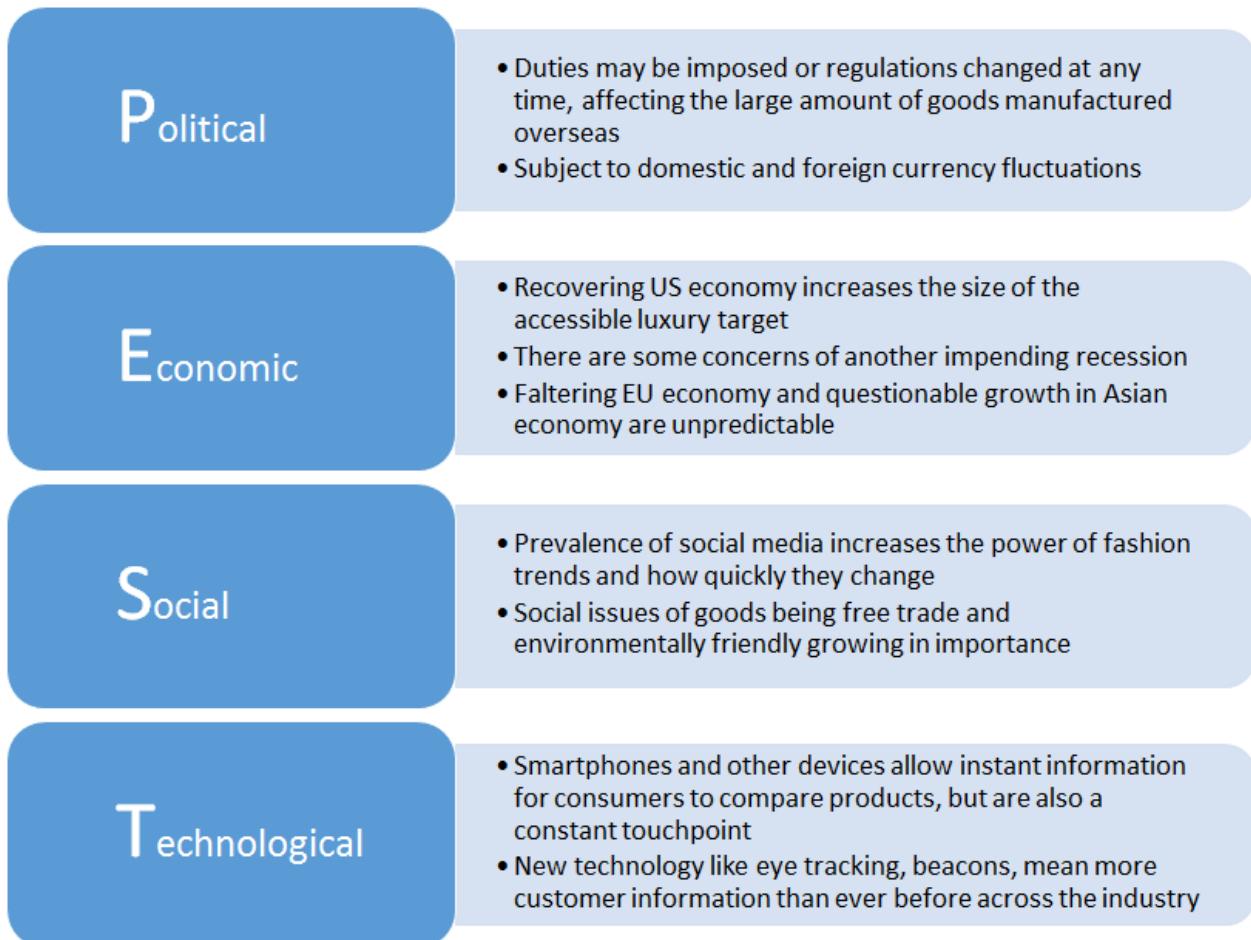


Exhibit 3: KSNY's value proposition clearly focuses on affordable luxury¹⁶

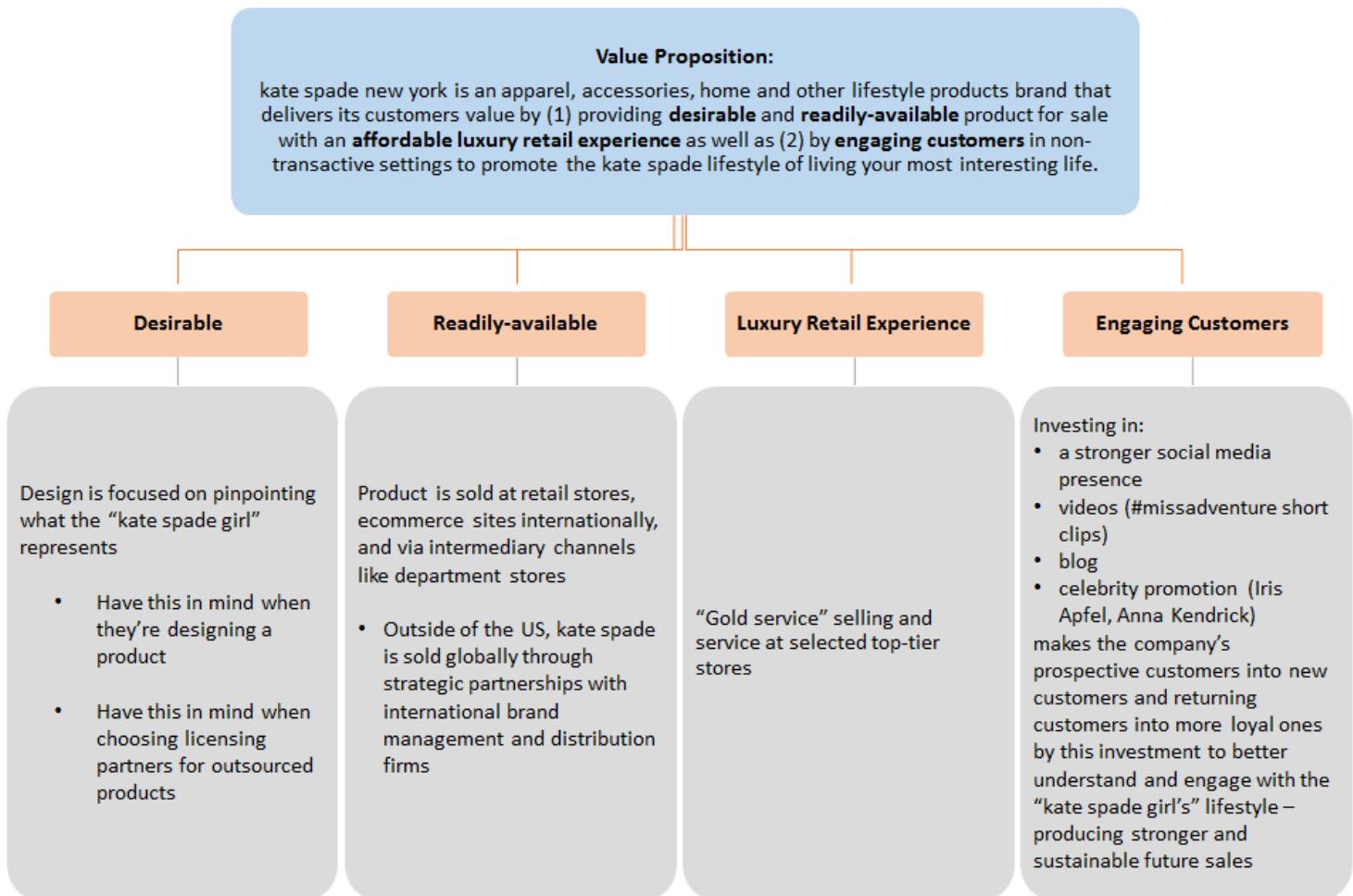


Exhibit 4: SWOT analysis identifies that KSNY has internal strength^{17, 18, 19}

Internal Strengths	Internal Weaknesses
<ul style="list-style-type: none"> • Strong and committed marketing team • Strong and consistent brand image • Robust omni-channel selling system that more easily connects customers to product • Devotion to attentive customer service • Knowledge from kate spade Saturday line fail that will aid with new spinoff of "Broome Street" line • Focused and effective management • Financially strong firm with Enterprise Value/EBITDA providing a multiple of 17.9 • kate spade is right-sizing operations after a tumultuous financial past with present growth in operating margins year over year and decreases in amount of inventory held 	<ul style="list-style-type: none"> • Have confused customer with the launch and closure of kate spade Saturday which could affect the success of the new Broome Street line • Business model is very susceptible to arbitrary global issues like port closings, taxation on import/export trade and rise in price of raw materials like cotton • The brand's image of aspirational luxury can lead to sale-only shoppers which are not loyal patrons or ambassador's of the kate spade new york brand
External Opportunities	External Threats
<ul style="list-style-type: none"> • International expansion (specifically in China and European countries outside of the UK) • Build out swimwear, athleisure and watch (new license agreement with Fossil Group) product categories • Innovate in up and coming product categories like fashion technology that align with the kate spade girl's lifestyle • Use publicity marketing through celebrity endorsements and product placement to attract a slightly younger audience of new customers • Market values the company highly with an expectation of growth 	<ul style="list-style-type: none"> -Hypercompetitive industry that fights for market share, doubling the size of the company (per management's strategic goal) will be difficult -Projects veering away from kate spade new york's previous aesthetic (like the new athleisure line) could be dominated by brands with an already existing foothold in the product category -Unclear global economic climate makes consumer discretionary spending amount unclear in the future which will affect kate spade's cash flows -Moving nature of fashion trends makes it imperative to have product that is the right trend at the right time available for sale otherwise kate spade will lose money -Counterfeit products, especially internationally, can hurt the brand image -Introduction of the "real" Kate Spade's new accessories line, Frances Valentine, could either confuse kate spade customers or draw them away from the flagship ksnyc brand

Exhibit 5: Resources and capabilities show Kate Spade's advantageous position

20, 21

Resources	Capabilities
<ul style="list-style-type: none">• Strong licensing partners across different product categories• International partners to promote and sell the brand strategically abroad• Retail store network (both full price and outlet)• Partnerships with specialty retailers and department stores• Strong and clear brand message• Notable celebrity sponsorship (Iris Apfel, Anna Kendrick)• Committed marketing team (just launched international digital red envelope campaign in China for Chinese New Year)-Investments in CRM and more robust marketing strategies• New Point of Sale (POS) system to increase omni-channel capability• Good management has turned the company around and leaves analysts suggesting a long on this growing stock	<ul style="list-style-type: none">• Developing strong relationships with customers through targeted marketing and merchandising programs• Personalize the shopping experience for customers by offering customization options• Provide customers with exceptional customer service through sales training programs and “gold service” in select stores-Creating product that seamlessly aligns with the brand vision of the “kate spade girl”• Expand the brand internationally into new markets• Delivering a unique brand aesthetic which is consistent and recognizable

Exhibit 6: Kate Spade's customer-based brand equity pyramid needs work on the top two levels



Exhibit 7: Kate Spade's brand commitment matrix

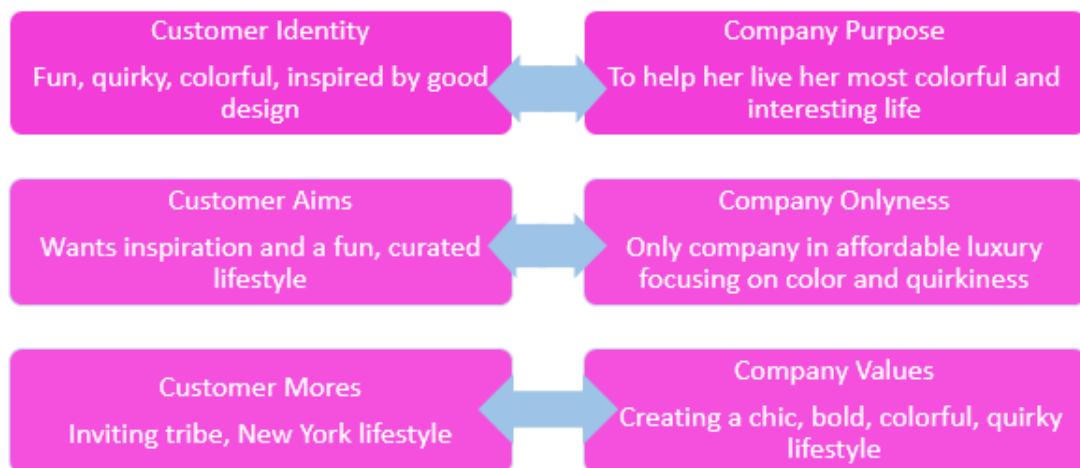


Exhibit 8: Kate Spade communicates with its customers through a comprehensive list of touch points

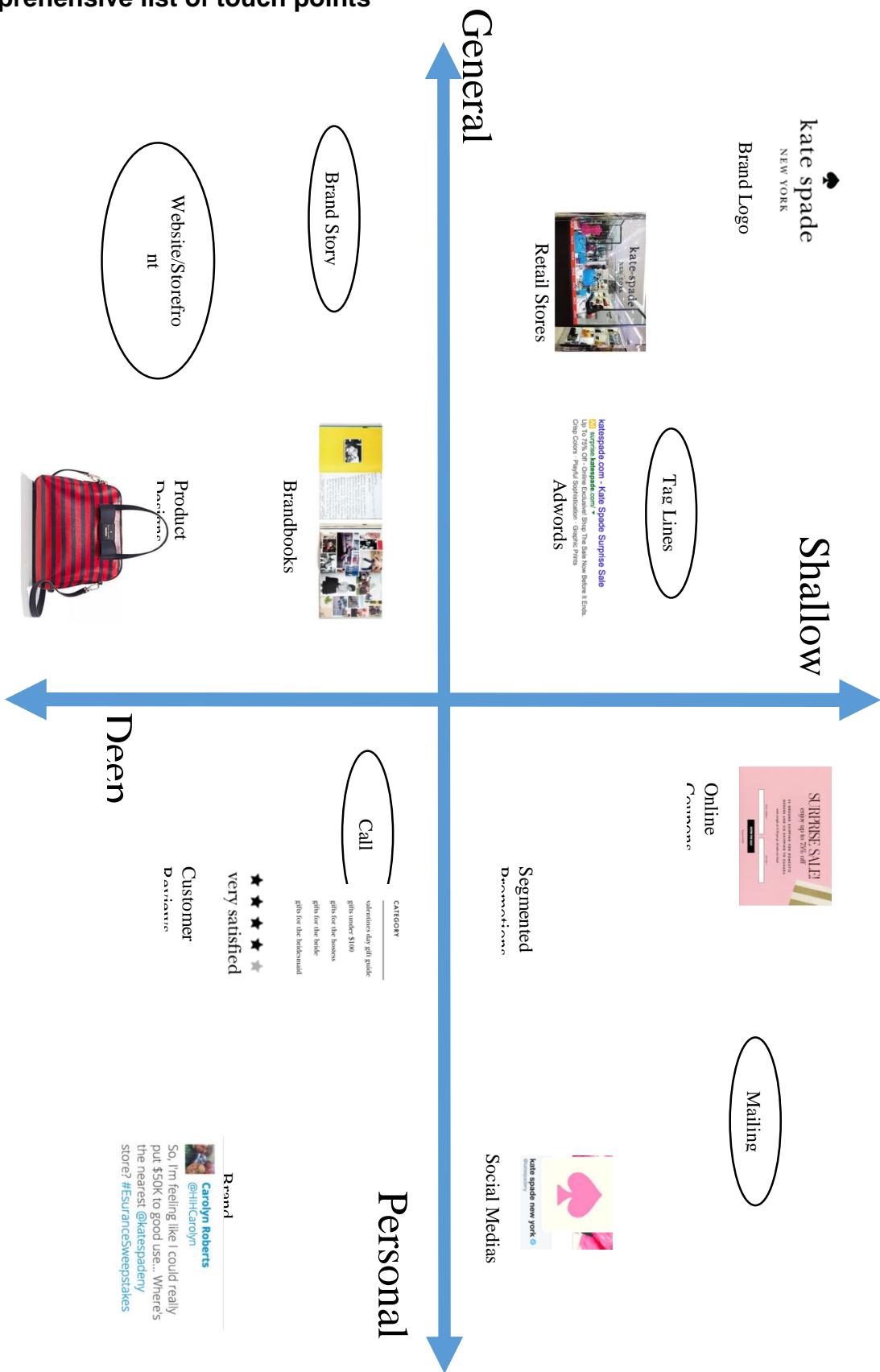


Exhibit 9: Kate Spade clearly distinguishes itself from its competitors by being the only lifestyle brand for women of all ages.

	<i>Tory Burch</i>	<i>Michael Kors</i>	<i>Marc Jacobs</i>	<i>KATE Spade NY</i>
<i>Archetypes</i>	Explorer	Lover	Outlaw	Creator-Artisan
<i>Brand Slogan</i>	“A Balance of Elegance and Free-Spirited Ease”	“Made for each other”	“Every girl was their own character in a story”	“Culturally curious, intellectually playful, quick-witted and strong”
<i>Target Market</i>	Women only	Women, Men	Women, Men, Kids	Women and Girls only
<i>Product Mix</i>	Clothing, shoes, handbags, accessories.	Clothing, shoes, handbags, accessories.	Clothing, handbags, cosmetic, books.	Clothing, shoes, handbags, home improvements, accessories.
<i>Signature Product</i>	Shoes	Handbags	Clothing	Handbags and Clothing
<i>Signature Style</i>	Flowery, natural, mingle with the wild.	Soft, elegant.	Red, white and blues, expressive colors.	Crisp color, graphic prints and playful sophistication.
<i>Philanthropy Efforts</i>	Helping women build their own business	Solve hungers around the world	Sporadic, no centralized theme	Empower women around the world

Exhibit 10. Kate Spade is a “gifted” brand in the digital space

TOP 10 FASHION BRANDS IN DIGITAL



1	BURBERRY	6	COACH
2	KATE SPADE	7	GUCCI
3	RALPH LAUREN	8	MICHAEL KORS
4	LOUIS VUITTON	9	CALVIN KLEIN
4	TORY BURCH	10	BOSS

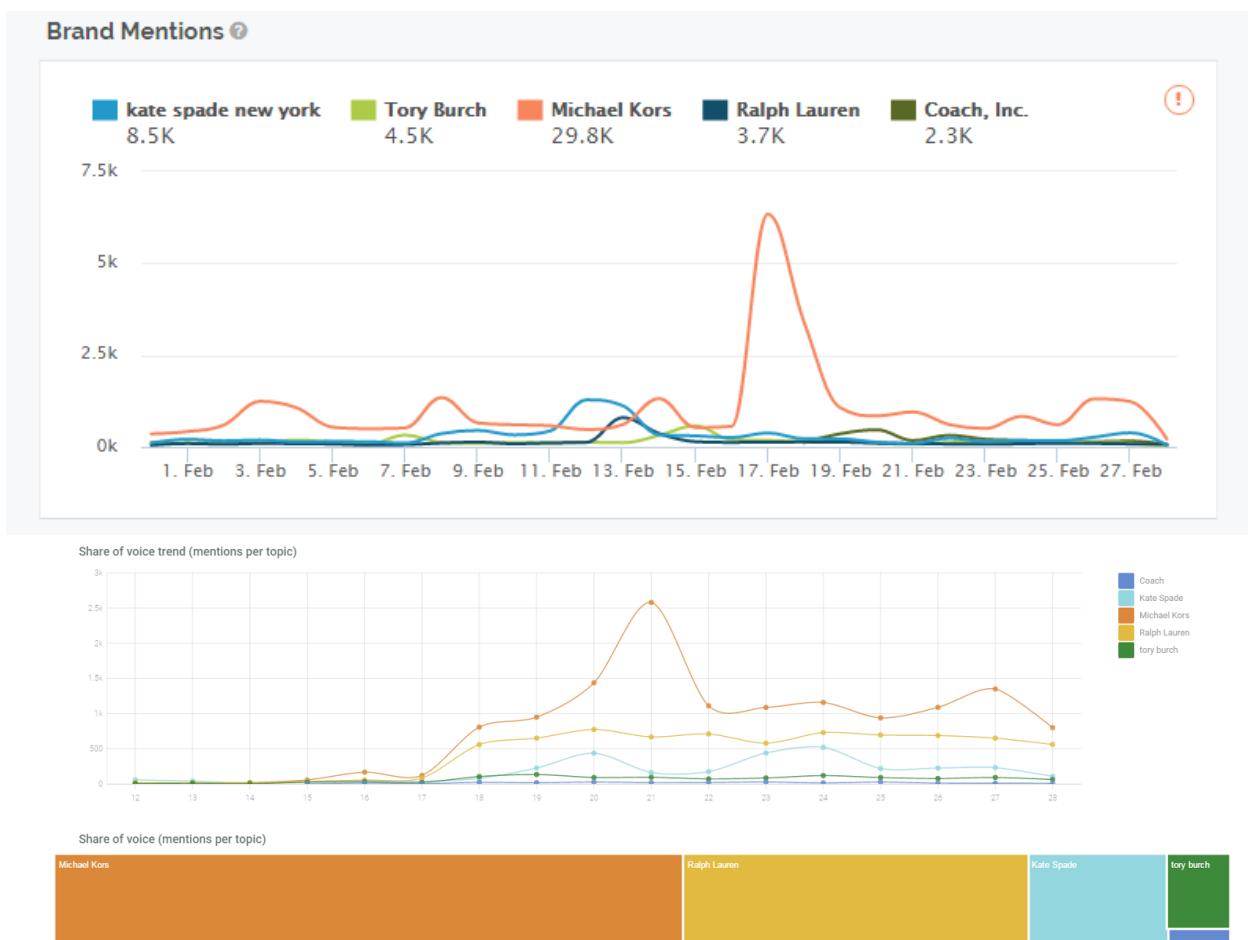
2. Kate Spade

Digital IQ: 140

Kate Spade is now second only to Ralph Lauren in site traffic. Unique monthly visitors to katespade.com have risen by 132% on the year, driven by the brand site's best-in-class features like "Find In-Store" and "Shop the Look." Kate Spade also demonstrates social media prowess: the brand's collaboration with Anna Kendrick for the #MissAdventure campaign generated more than 5 million views on YouTube, tripling brand impressions on the platform.

Source: <https://www.l2inc.com/top-10-fashion-brands-in-digital-2/2015/blog>

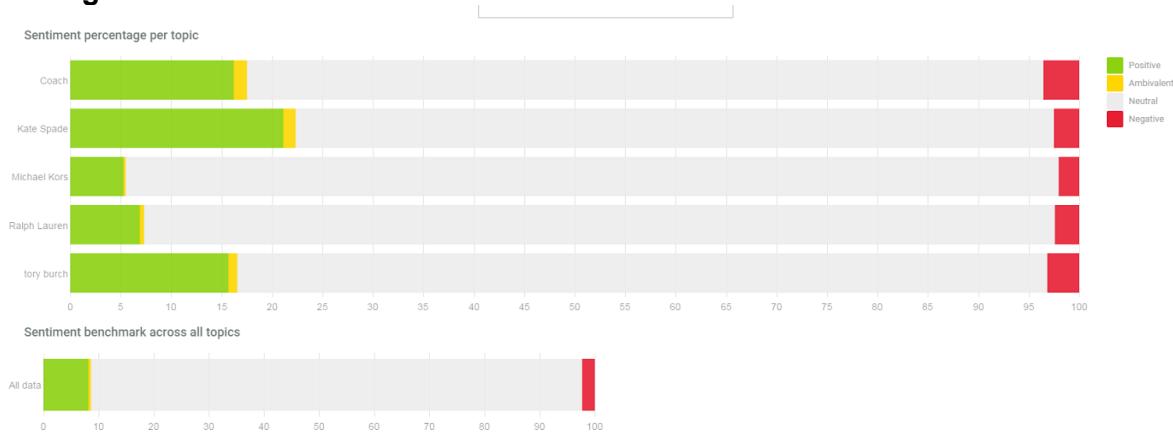
Exhibit 11. Michael Kors leads competitors in mentions over month of February



Tools used: Klear, Watson Analytics

Exhibit 12. Kate Spade leads competitors in positive sentiment in social media mentions

Including neutral sentiment:



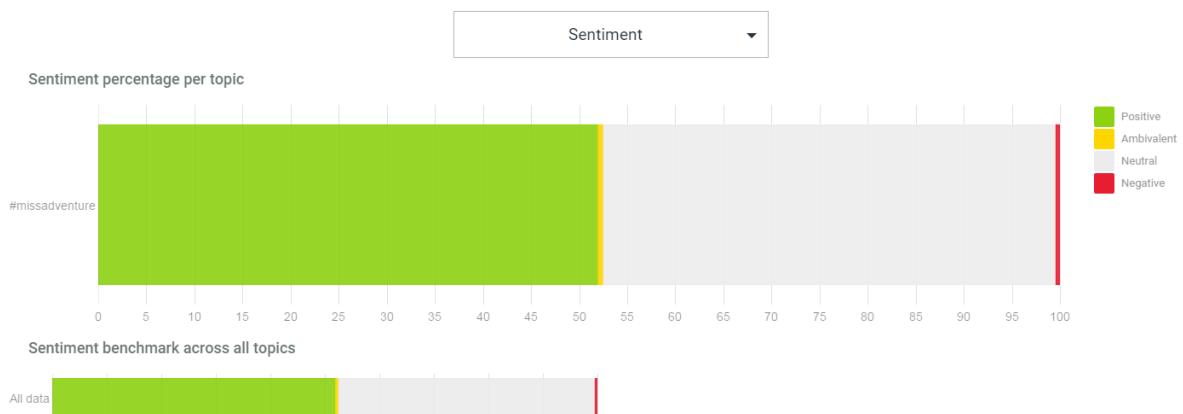
Excluding neutral sentiment:



Tool used: Watson Analytics

Exhibit 13. Sentiment of mentions on #MissAdventure has been very positive

Including neutral sentiment:



Excluding neutral sentiment:



Tool used: Watson Analytics

Exhibit 14: Sales breakdown by country

The data below contains all sessions from the past year to rule out influence of seasonal or regional sales promotions. Note how the U.S. accounts for over 30 times more sales than any other country.

Country	Sessions	Sales	Orders	Page Views	Average Order Value
UNITED STATES	57,597,662	\$132,026,283.67	907,727	243,273,996	\$145.45
CANADA	5,286,651	\$4,945,749.71	32,530	24,775,413	\$152.04
HONG KONG	1,171,572	\$1,223,946.50	6,134	5,804,210	\$199.53
AUSTRALIA	1,032,815	\$1,637,906.44	7,312	4,706,743	\$224.00
CHINA	566,332	\$458,749.68	2,919	1,533,952	\$157.16
INDONESIA	547,508	\$202,375.44	938	2,177,923	\$215.75
SINGAPORE	506,378	\$457,882.36	2,465	2,175,953	\$185.75
THAILAND	469,442	\$230,012.65	1,092	2,031,506	\$210.63
TAIWAN	465,064	\$224,410.87	1,278	2,114,327	\$175.60
PHILIPPINES	447,640	\$296,159.70	1,455	1,837,517	\$203.55

The lower U.S. average order value is most likely due to the prevalence of discount sales, making up over 52% of all items sold.

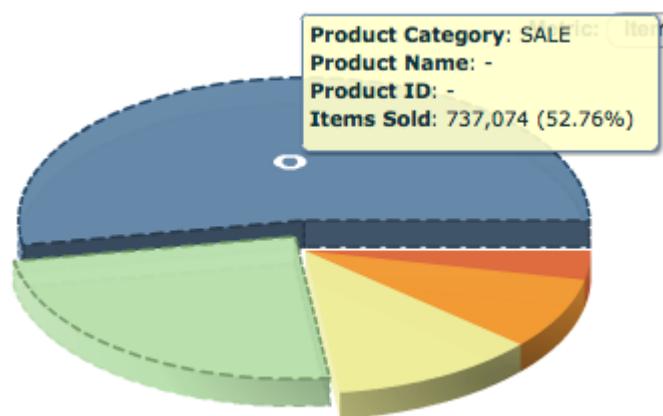


Exhibit 15: Most of Kate Spades' visitors come from the United States

	Middle East - Africa		Asia Pacific		Europe		Latin America		North America	
	% Comp	Index	% Comp	Index	% Comp	Index	% Comp	Index	% Comp	Index
KATESPADE.COM	0.0%	0	0.0%	0	0.0%	0	0.0%	0	78.1%	644
COACH.COM	0.0%	0	64.1%	143	0.0%	0	0.0%	0	32.6%	269
MICHAELKORS.COM	2.0%	18	11.4%	25	20.9%	92	0.0%	0	63.9%	527
TORYBURCH.COM	0.0%	0	0.0%	0	0.0%	0	0.0%	0	77.3%	637

Exhibit 16: Kate Spade can use different marketing channel to achieve different purposes.

Marketing Channel	Unique Visitors	Buyer / Visitor	Sales	Bounce Rate	New Visitor %
Direct Load Activity	1,418,010	2.22%	\$5,940,032.52	40.94%	52.32%
Marketing Promotions	1,797,909	1.11%	\$3,230,827.02	40.35%	57.17%
Natural Search Activity	1,210,445	0.88%	\$1,540,969.85	24.94%	72.86%
Referring Sites Activity	465,174	1.28%	\$978,257.00	56.65%	56.13%
Total	4,102,137	1.60%	\$11,690,086.39	39.39%	71.01%
Marketing Promotions Breakdown					
Email	815,648	0.92%	\$1,207,835.32	48.87%	46.27%
Paid Search	559,305	1.15%	\$1,018,743.70	15.55%	68.63%
All Other MMC Vendors	422,956	1.43%	\$1,004,248.00	56.71%	63.02%
Total	1,797,909	1.11%	\$3,230,827.02	40.35%	57.17%

Unique Visitors

Marketing Channel	Unique Visitors
Direct Load Activity	1,418,010
Marketing Promotions	1,797,909
Natural Search Activity	1,210,445
Referring Sites Activity	465,174

Sales

Marketing Channel	Sales
Direct Load Activity	\$5,940,032.52
Marketing Promotions	\$3,230,827.02
Natural Search Activity	\$1,540,969.85
Referring Sites Activity	\$978,257.00

Exhibit 17: Compare with industrial benchmark, Kate Spade obtain more customers through Referral and Marketing but less through direct load and natural search.



Exhibit 18: Conversion funnels reveal where most Kate Spade visitors abandon

Previous unique buyers exhibit different purchase behavior with a higher conversion rate and much lower cart abandonment rate.



Funnel Stages	All Unique Visitors		New Unique Visitors		Previous Unique Visitors		Previous Unique Buyers	
	Visitors	Percentage	Visitors	Percentage	Visitors	Percentage	Visitors	Percentage
Visit	4,105,070	100.00%	2,915,386	100.00%	1,189,684	100.00%	100,086	100.00%
View Product	2,244,830	54.68%	1,503,284	51.56%	741,546	62.33%	70,009	69.95%
Add to Cart	269,377	6.56%	151,846	5.21%	117,531	9.88%	22,441	22.42%
Buy	65,969	1.61%	38,416	1.32%	27,553	2.32%	19,706	19.69%
Buy 2+ Times	4,649	0.11%	2,596	0.09%	2,053	0.17%	2,491	2.49%

The session conversion funnels contrast Kate Spade's website against the U.S. retail and apparel industries. Both shopping and buying sessions are below industry standards.

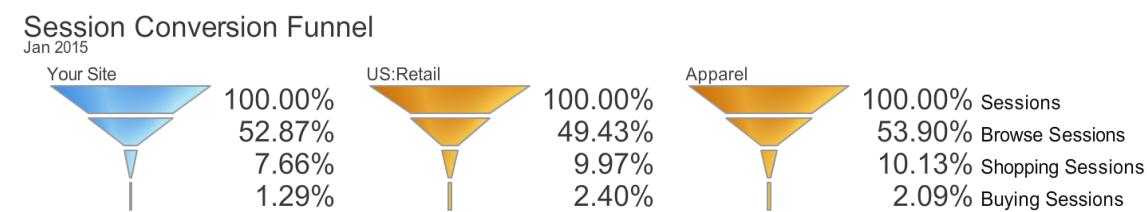


Exhibit 19: Cast of Characters redefines what it means to “live colorfully”



jourdan

jourdan dunn is a london-born model, cooking show host—“well dunn with jourdan dunn”—philanthropist and mother. (her son’s godmother is karlie kloss.) she spends her free time as an occasional beyoncé backup dancer (see: “yoncé,” “xo”), she’s a passionate advocate for diversity in the modeling industry and she works closely with the sickle cell disease association of america.



karley

is the author of [slutever.com](#), her blog about sex and relationships, and writes [vogue.com](#)’s *breathless* column. her conversations are as bold as her signature red lip (although she occasionally dabbles in pale pink).

Two of the “Cast of Characters” for Kate Spade’s spring 2016 promotional rollout, Jourdan and Karley represent active, opinionated, and bold spokesmodels of what the new face of Kate Spade represents. Contrary to a more one-dimensional brand image, this type of marketing can aid Kate Spade in expanding its reach as an all-American lifestyle brand.

Exhibit 20: Cast of Characters page does not optimally promote sales

	Page Views	Sessions	Orders / Session	Sales	Bounce Rate	Page Views / Session
CAST OF CHARACTERS	39,917	32,748	0.38%	\$29,324.75	54.03%	1.22
Top 80 Pages Median	55,091	40,371	1.85%	\$127,507.90	51.74%	1.380617516

Compared to the median of the set of Category pages on katespade.com, the Cast of Characters page has less views, a slightly higher bounce rate, and a significantly lower order/session conversion rate. This is somewhat to be expected since the page is a marketing-specific page with no direct product on the page, but we recommend adding some product links directly on the page to improve the sales conversion rate.

Exhibit 21: K-means Clustering Analysis

Our cluster analysis incorporated 24 significant variables to segment 2016 Kate Spade survey respondents into four clusters based on demographics, channel influence, and product preferences.

	Final Cluster Centers			
	Cluster			
	1	2	3	4
Handbags	4.58	4.54	4.58	4.67
Shoes	3.02	2.90	2.86	3.07
Casualwear	2.39	2.48	2.37	2.57
Dresses	2.59	2.44	2.63	2.61
Outerwear	2.42	2.35	2.50	2.51
Home Goods	3.14	2.83	3.32	2.93
Accessories	4.10	3.86	4.23	4.00
Bridal	2.15	1.52	2.60	1.61
Travel Accessories	3.32	2.97	3.59	3.17
Tech Accessories	3.42	2.90	3.76	3.32
Direct Mailer/Postcard from kate spade new york	2.63	2.48	3.14	2.70
Print Advertisement	2.41	2.35	3.02	2.59
Email from kate spade new york	4.84	4.66	5.14	4.84
Please indicate your age.	33	58	23	45
Internet Search	3.69	4.02	4.37	3.93
Internet Advertisement	3.12	3.35	3.92	3.37
Social Media Posting/Advertisement	3.08	2.34	3.89	2.86
Friend/Family Recommendation	3.17	3.11	4.01	3.22
A sale in stores or online	4.94	4.89	5.35	4.95
Browsing in store	3.87	3.92	4.49	4.05
Browsing online	4.98	4.88	5.32	4.98
Browsing on phone or tablet	4.42	3.74	4.84	4.26
What's your current marital status?	2.53	3.29	1.66	3.11
What is the highest level of education you've completed?	6.21	5.68	5.03	5.83

Number of Cases in each Cluster		
Cluster	1	3474.000
	2	1034.000
	3	3848.000
	4	2018.000
Valid		10374.000
Missing		99.000

ANOVA

	Cluster		Error		F	Sig.
	Mean Square	df	Mean Square	df		
Handbags	5.253	3	.654	10370	8.033	.000
Shoes	24.871	3	2.077	10370	11.976	.000
Casualwear	20.383	3	1.650	10370	12.355	.000
Dresses	10.075	3	1.834	10370	5.494	.001
Outerwear	9.942	3	1.669	10370	5.955	.000
Home Goods	105.982	3	1.858	10370	57.038	.000
Accessories	46.332	3	1.153	10370	40.171	.000
Bridal	595.503	3	1.732	10370	343.769	.000
Travel Accessories	147.392	3	1.812	10370	81.362	.000
Tech Accessories	238.076	3	1.891	10370	125.911	.000
Direct Mailer/Postcard from kate spade new york	217.353	3	4.418	10370	49.199	.000
Print Advertisement	273.453	3	3.831	10370	71.374	.000
Email from kate spade new york	95.746	3	4.260	10370	22.477	.000
Please indicate your age.	433711.076	3	12.998	10370	33368.247	.000
Internet Search	294.790	3	4.653	10370	63.353	.000
Internet Advertisement	405.509	3	4.595	10370	88.251	.000
Social Media Posting/Advertisement	950.476	3	4.394	10370	216.325	.000
Friend/Family Recommendation	573.332	3	4.599	10370	124.656	.000
A sale in stores or online	143.463	3	4.192	10370	34.220	.000
Browsing in store	261.449	3	4.730	10370	55.280	.000
Browsing online	105.358	3	3.710	10370	28.400	.000
Browsing on phone or tablet	394.920	3	4.578	10370	86.270	.000
What's your current marital status?	1345.372	3	1.303	10370	1032.544	.000
What is the highest level of education you've completed?	878.531	3	3.218	10370	273.002	.000

The F tests should be used only for descriptive purposes because the clusters have been chosen to maximize the differences among cases in different clusters. The observed significance levels are not corrected for this and thus cannot be interpreted as tests of the hypothesis that the cluster means are equal.

Exhibit 22: Univariate Analysis of Variance between clusters and ranking of relevance

The analysis shows that cluster is a significant predictor of reported relevance for Kate Spade.

Tests of Between-Subjects Effects

Dependent Variable: kate spade new york is relevant to me

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	170.764 ^a	3	56.921	65.477	.000
Intercept	127540.225	1	127540.225	146711.519	.000
QCL_5	170.764	3	56.921	65.477	.000
Error	9014.917	10370	.869		
Total	180882.000	10374			
Corrected Total	9185.681	10373			

a. R Squared = .019 (Adjusted R Squared = .018)

Estimated Marginal Means

Cluster Number of Case

Dependent Variable: kate spade new york is relevant to me

Cluster Number of Case	Mean	Std. Error	95% Confidence Interval	
			Lower Bound	Upper Bound
1	4.083	.016	4.052	4.114
2	3.788	.029	3.731	3.845
3	4.193	.015	4.164	4.223
4	3.948	.021	3.908	3.989

Profile Plots

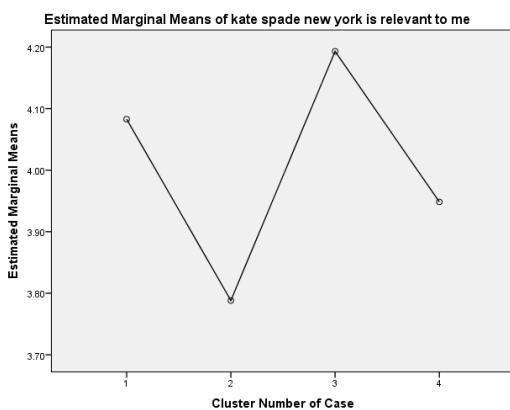


Exhibit 23: Frequency plot of MTurk and McIntire Survey Respondents

Total Annual Household Income before taxes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than \$25,000	93	15.3	15.3	15.3
	\$25,000 to \$39,999	72	11.9	11.9	27.2
	\$40,000 to \$59,999	110	18.1	18.1	45.3
	\$60,000 to \$74,999	74	12.2	12.2	57.5
	\$75,000 to \$99,999	64	10.5	10.5	68.0
	\$100,000 to \$149,999	66	10.9	10.9	78.9
	\$150,000 to \$199,999	35	5.8	5.8	84.7
	\$200,000 or more	93	15.3	15.3	100.0
	Total	607	100.0	100.0	

Exhibit 24: Simple Linear Regression Output (all respondents included)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.511 ^a	.261	.250	1.147

a. Predictors: (Constant), Kate Spade_Brand Personality - Prestigious, Kate Spade_Brand Personality - Conventional, Kate Spade_Brand Personality - Low End, Kate Spade_Brand Personality - Modest, Kate Spade_Brand Personality - Sincere, Kate Spade_Brand Personality - Expensive, Kate Spade_Brand Personality - Stylish, Kate Spade_Brand Personality - Elegant, Kate Spade_Brand Personality - Sophisticated

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	277.667	9	30.852	23.441	.000 ^b
	Residual	785.736	597	1.316		
	Total	1063.404	606			

a. Dependent Variable: Kate Spade_Brand Asset - Relevance (Strength)

b. Predictors: (Constant), Kate Spade_Brand Personality - Prestigious, Kate Spade_Brand Personality - Conventional, Kate Spade_Brand Personality - Low End, Kate Spade_Brand Personality - Modest, Kate Spade_Brand Personality - Sincere, Kate Spade_Brand Personality - Expensive, Kate Spade_Brand Personality - Stylish, Kate Spade_Brand Personality - Elegant, Kate Spade_Brand Personality - Sophisticated

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.238	.394		-.606	.545
	Kate Spade_Brand Personality - Modest	.311	.055	.225	5.644	.000
	Kate Spade_Brand Personality - Sincere	.276	.070	.168	3.927	.000
	Kate Spade_Brand Personality - Expensive	-.351	.077	-.208	-4.551	.000
	Kate Spade_Brand Personality - Sophisticated	.082	.081	.053	1.018	.309
	Kate Spade_Brand Personality - Stylish	.350	.079	.218	4.442	.000
	Kate Spade_Brand Personality - Conventional	.036	.055	.025	.653	.514
	Kate Spade_Brand Personality - Elegant	.101	.084	.062	1.206	.228
	Kate Spade_Brand Personality - Low End	-.112	.062	-.073	-1.799	.072
	Kate Spade_Brand Personality - Prestigious	.101	.079	.062	1.286	.199

a. Dependent Variable: Kate Spade_Brand Asset - Relevance (Strength)

Exhibit 25: Simple Linear Regression Output (sans lower income bucket values 1 and 2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.524 ^a	.275	.260	1.153

a. Predictors: (Constant), Kate Spade_Brand Personality - Prestigious, Kate Spade_Brand Personality - Conventional, Kate Spade_Brand Personality - Low End, Kate Spade_Brand Personality - Sincere, Kate Spade_Brand Personality - Modest, Kate Spade_Brand Personality - Expensive, Kate Spade_Brand Personality - Stylish, Kate Spade_Brand Personality - Elegant, Kate Spade_Brand Personality - Sophisticated

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	217.555	9	24.173	18.186
	Residual	574.210	432	1.329	
	Total	791.765	441		

a. Dependent Variable: Kate Spade_Brand Asset - Relevance (Strength)
b. Predictors: (Constant), Kate Spade_Brand Personality - Prestigious, Kate Spade_Brand Personality - Conventional, Kate Spade_Brand Personality - Low End, Kate Spade_Brand Personality - Sincere, Kate Spade_Brand Personality - Modest, Kate Spade_Brand Personality - Expensive, Kate Spade_Brand Personality - Stylish, Kate Spade_Brand Personality - Elegant, Kate Spade_Brand Personality - Sophisticated

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	-.381	.501		-.761	.447
	Kate Spade_Brand Personality - Modest	.365	.064	.267	5.742	.000
	Kate Spade_Brand Personality - Sincere	.201	.079	.121	2.530	.012
	Kate Spade_Brand Personality - Expensive	-.356	.094	-.197	-3.795	.000
	Kate Spade_Brand Personality - Sophisticated	.159	.090	.101	1.766	.078
	Kate Spade_Brand Personality - Stylish	.448	.096	.255	4.667	.000
	Kate Spade_Brand Personality - Conventional	.016	.063	.012	.258	.796
	Kate Spade_Brand Personality - Elegant	.181	.097	.106	1.869	.062
	Kate Spade_Brand Personality - Low End	-.087	.078	-.052	-1.110	.268
	Kate Spade_Brand Personality - Prestigious	-.060	.094	-.035	-.633	.527

a. Dependent Variable: Kate Spade_Brand Asset - Relevance (Strength)

Exhibit 26. An Overall Multidimensional Scaling Analysis has revealed that Kate Spade occupies a specific niche compare with its competitors.

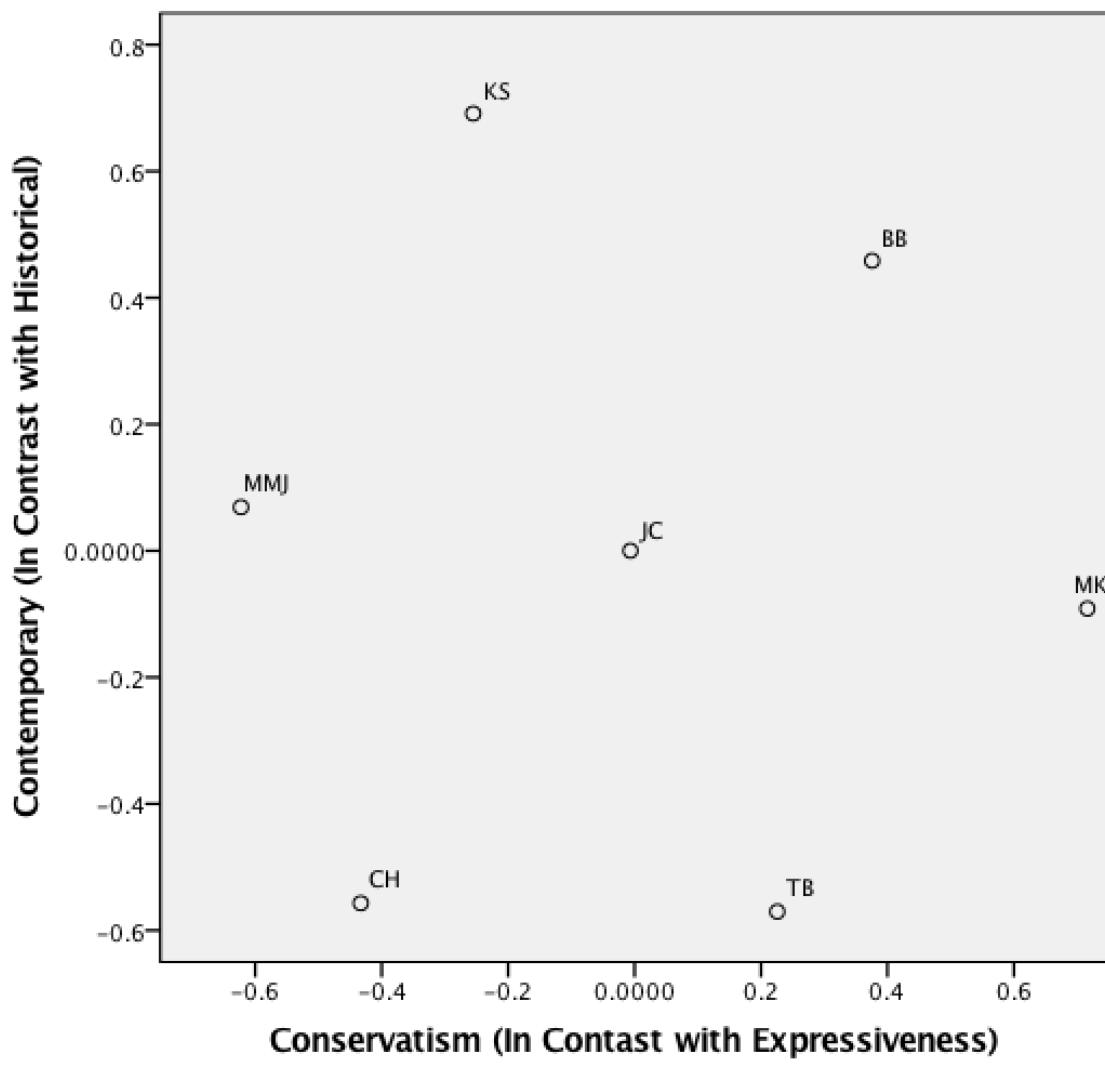


Exhibit 27. A more detailed Multidimensional Scaling Analysis shows that Kate Spade could further differentiate with its competitors.

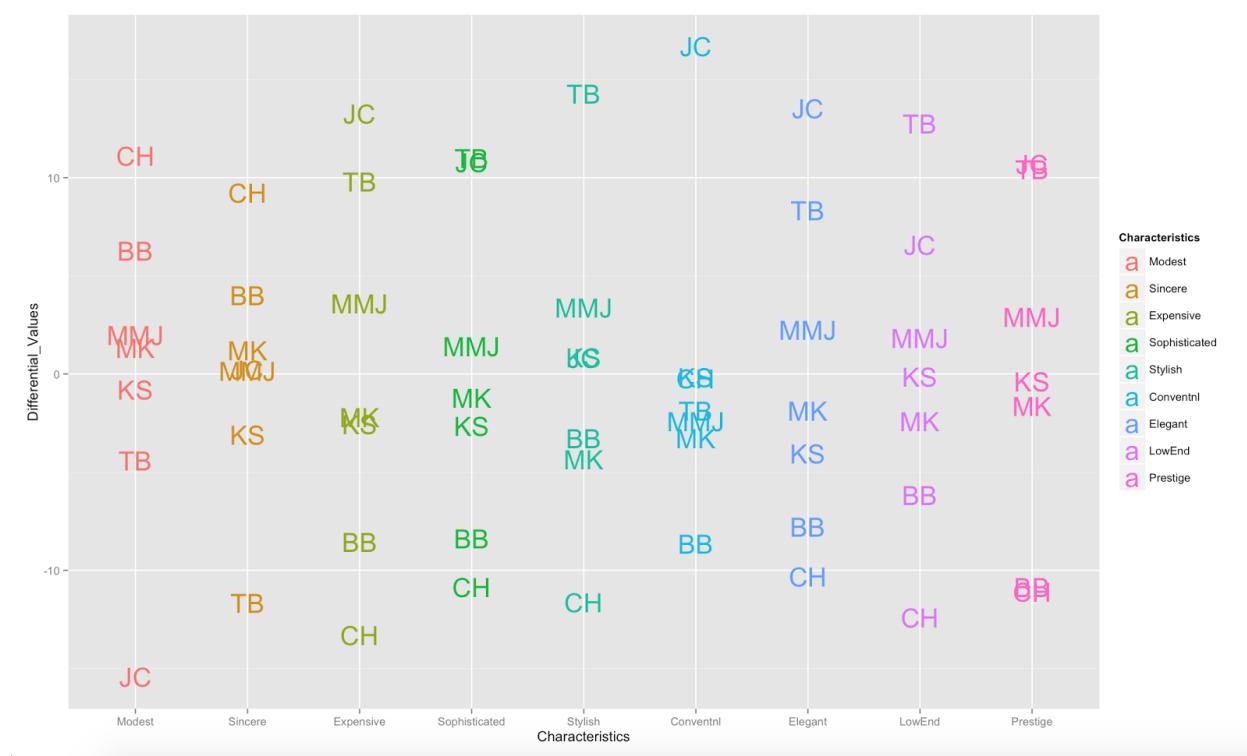


Exhibit 28: Javascript Based Dynamic WebPage Example.

Clicking on each character's portrait will display more details about the character in the section below.

KELLEY O'HARA

SLOANE STEPHENS

NATALIE UHLING

NATASHA HASTINGS

SLOANE STEPHENS
TENNIS PLAYER

The youngest American women inside the Top 50 World Rankings, Sloane Stephens aims for her fourth straight Top 40 season in 2015. She put the tennis world on notice at the 2013 Australian Open when she upset her childhood idol, Serena Williams. With a complete skill set and experience well beyond her years, Stephens looks to prove that her best days are still to come.

SHOP

H Feedback

Exhibit 29: Dynamic Product Display Example

After user clicking on each of the plus symbols, a product window will pop up on the page with options to purchase.

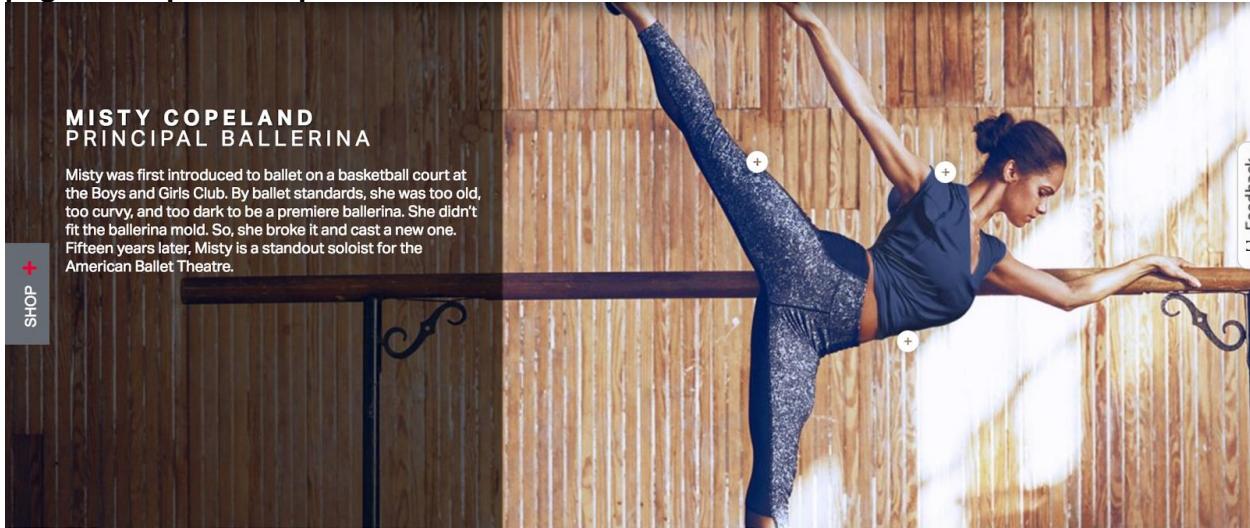


Exhibit 30: Information Gain Analysis of Clustering Variables

Variable	Information Gain
Age	0.848701632
Martial Status: Married	0.198530099
Martial Status: Single, Alone	0.196836847
Bridal Likelihood of Purchase	0.069587491
Social Media Recommendation Importance	0.039673469
Education	0.037957457
Marital Status: Divorced	0.027367843
Marital Status: Single, Involved	0.026192089
Friend/Family Recommendation Importance	0.024795984
Fashion Spending	0.022398111

Exhibit 31: Sample Decision Tree Model

1: Worldly Achiever 2: Young at Heart 3: Next Generation 4: Value Seeker

Marstat: 1. Single and Alone 2. Single and Involved 3. Married 4. Windowed 5. Divorced 6. Separated 7. Prefer Not to Answer

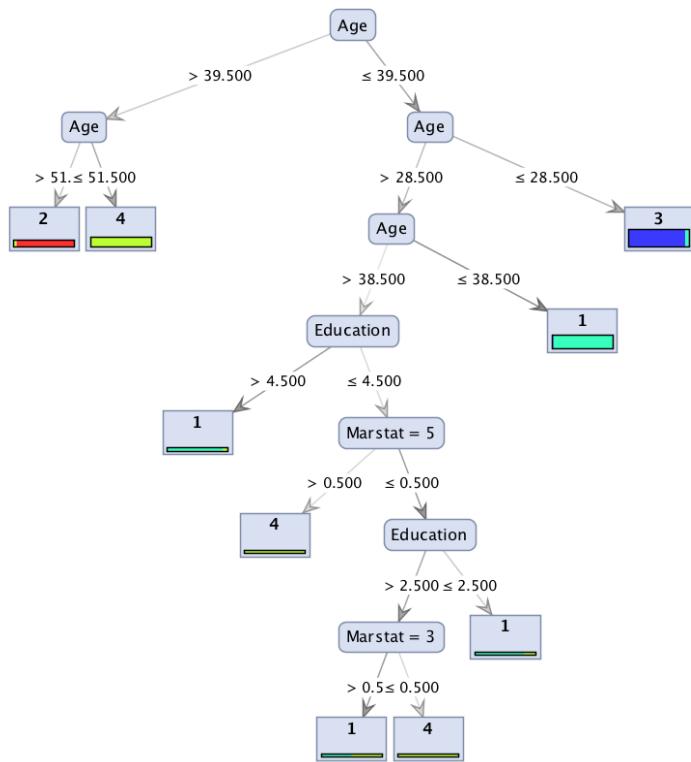
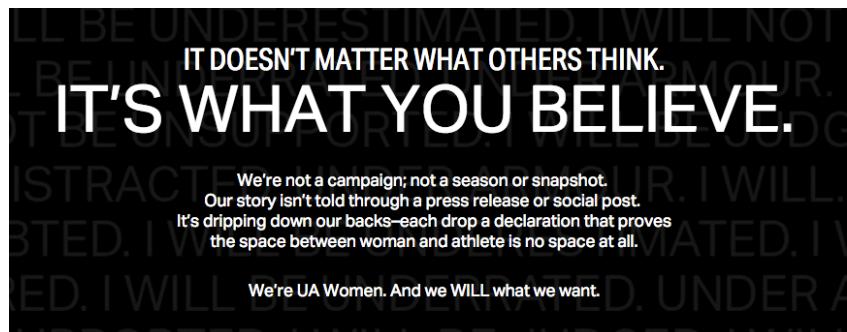


Exhibit 32: Under Armour successfully targets women with "I Will What I Want" campaign

Overview: Under Armour veered away from its monotone masculine image by appealing to athletic female customers through the message of resisting societal pressure and using fitness to empower themselves.



MEET THE WOMEN OF WILL



Major Campaign Touch Points:

1. **Misty Copeland ad video** -- shows how she was rejected at a young age from a ballet academy for not being the “right body type” and now is a principal ballerina for the American Ballet Theatre.
 - a. 10+ million views, 32,800 likes, 2,100 comments
 2. **Giselle Bundchen ad video** -- shows her punching a punching bag as social media posts mocking her are rolling in the background.
 - a. 3+ million view, 4,800 likes, 300 comments
 3. **25% positive Sentiment Score** over all social media mentions via Watson Analytics

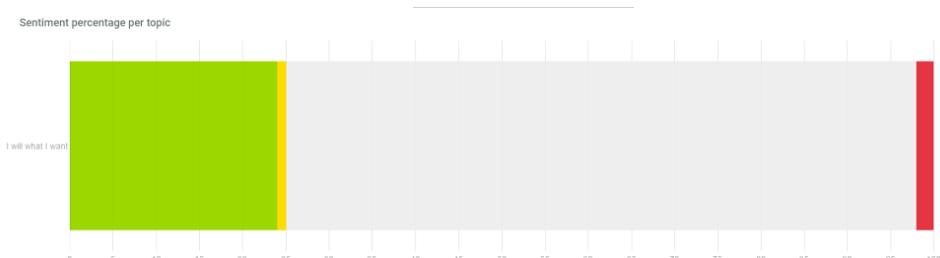
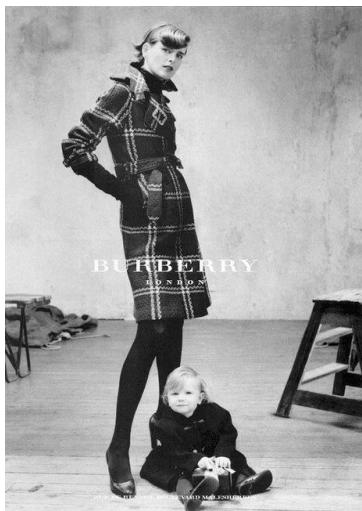


Exhibit 33: Burberry successfully rebranded to aspirational luxury through return to roots

Overview: The Burberry brand was diluted and associated with London gang activity in the late 90's, so the company turned back to its design roots and rebranded starting with its iconic trench coat. The "Art of the Trench" campaign running now is the latest revamp of the rebrand initiative.

Burberry's transformation seen through its ad campaigns 2004, 2014



Art of the Trench digital campaign today

A screenshot of the Burberry website. The top navigation bar includes links for STORE LOCATOR, CUSTOMER SERVICE, MY ACCOUNT, and CHECKOUT. Below the navigation is a search bar. The main menu on the left lists categories such as WOMEN, MEN, CHILDREN, BEAUTY, THE TRENCH COAT (with sub-options like BESPOKE, WOMEN'S TRENCH COATS, MENS TRENCH COATS, CHILDREN'S TRENCH COATS), ART OF THE TRENCH, SHOWS & EVENTS, ACOUSTIC, FOUNDATION, and HERITAGE. The central content area features a heading 'The latest photos featuring men and women in any colour, any style trench coats shot in All weather.' followed by a grid of 16 smaller photographs showing various people wearing trench coats in different settings and weather conditions.

Appendices

Appendix 1. ZMET shows Kate Spade is classy, quirky, happy, colorful, and detailed



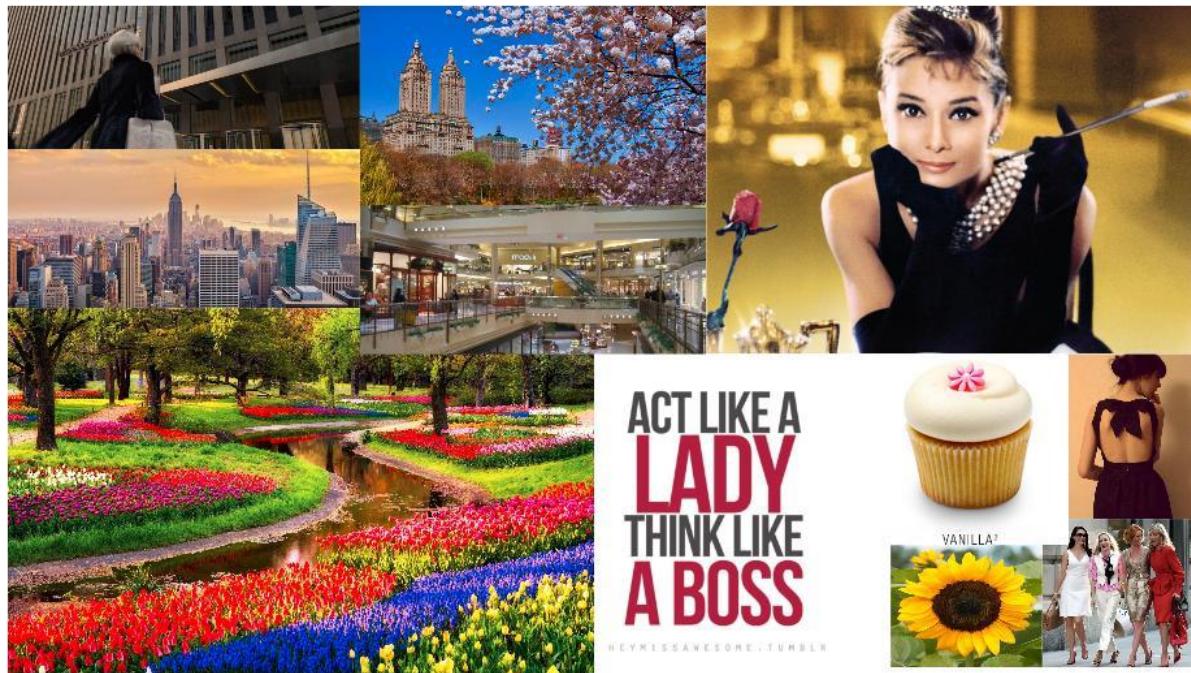
Appendix 2. ZMET shows kate spade is colorful and fun



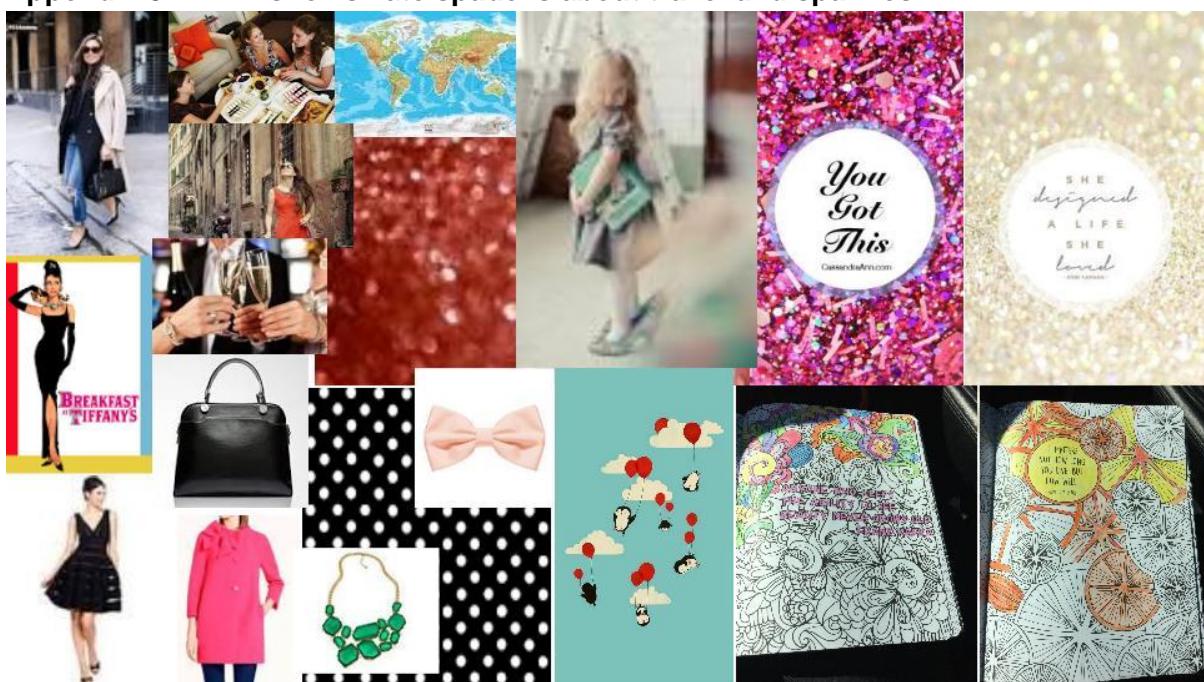
Appendix 3. ZMET shows kate spade is classic and sophisticated



Appendix 4. ZMET shows kate spade is where New York meets gardens



Appendix 5. ZMET shows kate spade is about travel and sparkles



Appendix 6. One interviewee compares kate spade to the refreshingness of fruit



Appendix 7: ZMET Interview 1

Respondent Information:

- Female
- Age 22
- Asian-American
- College student
- Will work in financial services upon graduation

Interviewer A: Show me the images that you had and explain briefly for each one why you selected it. And if possible, please tell the story of why the images fit in with the kate spade brand.

Respondent L: A think a key theme I had was I thought of the buzzwords of being colorful, carefree, and then obviously being super cute. Just because when I think of kate spade, I think of cute bags, cute clothes, etc. So the first image is a tea party, and the reason I chose it is because it fits in with all of those things. A tea party is a very classy and carefree environment, and obviously this image is very colorful.



The second image is a row of bright pink cupcakes! So when I think of kate spade, both bags and clothes, I think of COLOR and obviously this was something that really popped out to me and kind of fits well with the tea party theme.



The third image was balloons, and this woman holding these balloons. In a manner that when I first stumbled upon these, I mean obviously this isn't kate spade apparel but it really seemed like this is something that kate spade would really show, in terms of a promotion ad or something you might see on their website. It kind of demonstrated the way that they might market certain attire.



A: So just to build off of that for a second, is it the pose that she's in with the balloons? What about the picture makes you think of kate spade?

L: Yeah, both the pose that she's in and also the colors of the balloons. They just seem to pop out at you, especially with respect to both the dress that she's wearing and the background.

L: This next one, bubbles (laughs). So again, very colorful. They seem to pop out at you, but they are not too overwhelming and I think that is something that I would also associate with the kate spade brand.



A: (Sees next image and gasps with cuteness)

L: I know I know! That was the goal! It's a dog. So when I think of kate spade, I think of awkwardly funny but also cute, in the sense that they're able to put things and make it work – things that you don't really think about going on a dress or going on a bag. And I think that also carries through with the next few images as well.



L: They definitely have something to do with a carosel in one of their recent products – not that I was looking at their website doing online shopping (laughs) – but things that go along with that thing, right? Like you don't think of a carosel when you think of a bag or a cup but they somehow are able to put that one there and make it work. And it's kind of the same with the dog picture as well, I think they just look at you and they're so cute but at the same time I wouldn't think of dressing him in a bright pink hoodie.



L: Um, balloons. Hot air balloons, more specifically (I know they had a little bag with a hot air balloon). Kind of going along with the theme of color and carefree.



L: Macaroons. Classy, colorful here as well.



L: More of these animal themes. A princess. Just because their dresses are super super cute and they remind me of being a princess!



A: (In encouragement) Yeah, this is great! Yup.

L: And then...I just, this one was inspired by the other small animals. I was gonna throw a tea cup pig in there because they were pink and colorful, but I didn't.



L: Umbrellas. So I think at this point you can kind of see the themes that I started off talking about kind of being reiterated over and over again. So color here, carefree here as well.



A: Just out of curiosity, did you Google like “colorful” or did you Google “umbrellas?” What were some of the search words that you looked for?

L: Yeah, we can actually look through them since I did them right on this computer, but colorful was definitely one of them. Pastel was the other one. I searched Easter at a certain point just because when I think of Easter I think of tea parties, pretty pastel colors, you know people kind of being carefree. You know Easter egg hunts, etc.



L: And then, roses or flowers. I searched for flowers on this one but this one just really stuck out to me.



L: This one was elegant in a certain way just because I know certain of their products, both dresses and bags, obviously they're not the same across the entire line, sometimes they cater towards being the cutesy, bright colors, but other times they are a little more elegant so I wanted to throw something like that in there as well.



L: This one, a little less about what it says, although you can throw what it says in there, and it says, "I can drink all the coffee I want." But more about the way the image was set up, really stuck out to me and really made me think of kate spade.



A: So just the placement of the glasses...?

L: Placement of the glasses, the cup, yeah.

A: What would you say about the placement reminds you of kate spade?

L: I think obviously you know my wardrobe this summer, I substituted kate spade for business casual so in a certain way I wanted to be able to work that into the brand as well, you know having kate spade not only equal carefree, you know having fun, you know not really thinking about too much related to work, but I also wanted to be able to integrate that into the work environment, almost as a way to demonstrate personality or being a vibrant person, or something like that. I thought that having this image intermixed in all the other colorful carefree ones was a good way to kind of also showcase this side of the kate spade brand.

L: Um, Mickey Mouse. And Minnie mouse. Just because I know they pull a lot from Disney characters.



L: Um, ferris wheel.



L: A photo of her taking a photo of you with a camera! (laughs) But still, the color really stuck out to me.



L: Color...



L: And then color here as well.



A: When you say color too, I know you mentioned pastel, but does another characterization of color come to mind or is it just color in any form?

L: Bold and pastels. I know those are very contradictory, but I don't think kate sapde is just pastels. I think it's different things like what we've talked about before, right? Pastels being bold and also being elegant in a certain manner too.

A: Thank you so much! Ok that's the first part. Then, the second part is missing images. Really quickly, you kind of alluded to some of them as we were going through but were there any images that you were hoping to find that you couldn't find a good enough representation of or is there anything that pops up in your head of what you might want on there?

L: I think one thing that I definitely looked for was lights. I know it's not a direct representation of color but what we've talked about before, um bright and vibrant kind of falls under the lights category but I just couldn't find a good enough picture of that to throw in there.

A: When you say lights, do you mean like, what kind of lights?

L: Like Christmas lights, like strung across your room. You know, like that super cutesy kind.

A: Ok, cool. I didn't know if you meant like stage lights, or?

L: No.

A: Ok, that's helpful! The next part is to sort the images, so do as many piles as you want but generally put them into categories. What do you think the best way to do that would be?

L: So I kind of laid out three key themes: Colorful...Well actually, can we come up with like categories?

A: Yeah, if it's easier for you, if you want to go through really quickly and be like I might put this one in whatever category, if you want to scroll through and maybe point out to me?

L: Okay, can I just give you buzzwords for each one of these?

A: Yeah, as long as you connect them somehow together into categories.

(Of note, L ended up listing multiple adjectives for some images. All of the descriptors are listed here, and see the end of this Appendix for quasi-groupings of the images along descriptor lines)

L: (speaking)

Image 1: Colorful, bold, carefree

Image 2: Colorful

Image 3: Bold, carefree

Image 4: Carefree

Image 5: Colorful, Cute

Image 6: Carefree

Image 7: Colorful, carefree

Image 8: Colorful

Image 9: Cute and colorful

Image 10: Cute

Image 11: Colorful, carefree

Image 12: This is colorful, carefree

Image 13: Elegant

Image 14: Put together

Image 15: Cute

Image 16: Carefree

Image 17: Carefree

Image 18: Colorful

Image 19: Colorful

A: Ok, easy enough. Then the next part is interesting, and I'm only going to do one example of this, but can I pick three random images here. So maybe let's do bubbles, the umbrellas and maybe the ice cream. My question to you is of these three images, pick two that you think are similar to each other and are different from the other third and explain kind of why and what I going to try to do is kind of pull some of the characteristics you are saying out and take it not just from the attributes that you're saying but down to the general values of how you think it represents the brand. (*see the three images below*)





A: First from these three, group two of them together.

L: I would probably put the ice cream and the umbrellas together.

A: Ok, so can you explain why you think that those two should be together and then why you think that both piles (*referring to the set of 2 and the pile of 1*) represent kate spade?

L: Yeah, absolutely. I think just from first glance what stands out to me first is the color um this one is a little more dark and contrasting (the bubbles) versus the umbrellas there is a lot more colors and they seem to pop out at you a lot more and similar with the ice cream down here as well. It's very evident that the ice cream and the colors are the focus of the image whereas with the bubbles it's a little more subtle, you have to look a little harder. At the same time I think they both represent the kate spade brand because not everything kate spade is exactly the same, they cater to not just the person who values being carefree and thinking about tea parties and really cute, colorful pastel things but I think the other thing they also cater toward the person who wants to you know you have to look a little harder to have that thing stand out at you, but then once it does, you know, then you really really like it.

A: It like the surface level attribute it colorful, and I mean colorful in a way that you have to look for it with the bubbles, would you then say – it doesn't even have to be you, but – to a kate spade customer in general if you want to do that, what do you think is appealing about that to them, like why ultimately would they purchase that and have that be a statement that they wear?

L: Which one?

A: Just the idea of something of very colorful like that, or maybe like you said, you kind of have to like look under the surface if it's not all the same or anything like that.

L: Yeah, um, I think it's interesting because I personally don't think I got really into kate spade until I went to New York (*for a summer internship*). The reason that stuck out to me so much is because I think New York is very much a city in which everyone blends together, there's not much color when you see people walking to the metro at like 8 or 9 am, you

know it's very much like a sea of like suits and black and grays and dark colors, but for me, dressing was almost a way to express my personality because at the end of the day if you're going to keep me inside a building for hours, I want to find a way in which I can dress in a way that I think will get across who I am and for me that is what kate spade did. So I think at least for me that's what drew me to the brand initially.

A: I like that answer a lot, thank you! So the next part is the most representative image. So just really quickly if you want to scroll through them, which one do you think best represents kate spade and why?

L: I'm going to pick two (see below). This one, with the balloons and her posing that way, whenever I see people walking that way, whenever I walk into a kate spade store there are always quotes on the wall, and half of them are like "She puts her lipstick into her purse and heads back into the party" you know, like things like that, and when I think of that, I think of this image just because she seems very much dressed up, she seems very elegant but at the same time, there's color in the image and she seems carefree. And then with regard to this one, I think for me it's really the way that product placement is done, and also the fact that kate spade not only caters once again to that (carefree) side of a woman, but also the working woman as well. And I think I wanted to contrast the two and show that kate spade does address both target markets.





A: Do you think that other brands do that as well, where they have both of those sides to them, or is that something unique to kate spade?

L: I think it depends, nothing that comes to mind in particular, like Michael Kors probably doesn't, um, Coach absolutely doesn't. What other brands...can you start naming brands for me? That might be helpful.

A: Yeah, so some of their competitors are Michael Kors

L: No.

A: Marc by Marc Jacobs

L: No

A: Coach

L: No

A: Tory Burch

L: Maybe, Tory Burch I would put up there.

A: Alice and Olivia, is a little more out there.

L: I would put that one with them as well.

A: So maybe between Tory Burch and Alice and Olivia – considering those two in relation to kate spade, what do you think the differences are there?

L: Price points. Alice and Olivia is a lot more expensive than kate spade is. Tory Burch I would probably put in the middle and then I would say kate spade is probably a little less pricy.

A: In terms of just their marketing and the message they portray, leaving price out of it for just a second, do you think that both of those also accomplish this in the same way that kate spade does?

L: I think Tory Burch is a very, very close comparable. When I think of Tory Burch, I also think of kate spade. But when I think of Alice and Olivia, I don't necessarily think of kate spade. I like it in a different manner. It's a little more edgy.

A: Yeah, that's kind of why I said it last because they do overlap a bit but in more of those whimsical ways.

L: Yeah, I agree. But I do really like Alice and Olivia as well.

A: So then, building off of me asking about competitors, the next part is actually opposite images. So could you just really quickly describe one or two images that you think are the complete antithesis of kate spade?

L: The opposite... like, a sea of suits would be one of them. I've described this before, right? Like gray, black and dark blue suits, just like a sea of them.

A: For a sea of suits, what would the image look like? Just people walking?

L: Yeah, like imagine people walking down the street in New York or to the metro and its like 8 am or 9 am rush hour and just everyone looks very focused on themselves, very busy, very occupied, and very dull. That's one. A second one, hmm that's a little harder. Maybe...a lawnmower? When I think of lawnmowers, I think of uncomfortable, especially because I have really bad allergies (laughs) and whenever people are mowing the lawn it just really picks up, so I just think of uncomfortable, things that...yeah, I can't really describe beyond that.

A: No, that's fine! The next part is sensory images. Sensory images, I'm supposed to ask you visualizations of the other four senses, so not necessarily just pictures but considering other things too. So if kate spade had a touch, what would the touch be? What would it feel like?

L: Texture.

A: In what way?

L: Like, zig zags.

A: Is that like zig zag as a pattern on a dress or like "I feel it?"

L: I feel it. Like I feel it on a bag, it's not completely smooth. There's always like a certain pattern ingrained in it, um but in terms of clothing or dresses, I would say soft? But sometimes silky, well not silky but smooth? But sometimes they do have patterns in their dresses. Sometimes they make them out of really strange materials, so like that's the kind of material I'm talking about. Does that make sense? I can show you what I mean right now.

Ok so something like this, it isn't normal cotton material? It's shiny almost? See. I don't know what material this is...yarn? (*See image below for the one to which she was pointing*)



L: Yeah see there's like always a texture to it, and it's shiny but also smooth at the same time.

A: Great, yeah I see. Okay, smell.

L: Smell? I don't really smell the things I buy.

A: It doesn't necessarily need to be like my kate spade bag smells like this, just like when you think of the brand kate spade, if it were to have a smell, what would it smell like?

L: Like something sweet. Umm, a cupcake.

A: Taste?

L: It tastes like a cupcake too!

A: How would you describe that taste?

L: Sweet. But not overpowering. Like vanilla, not chocolate.

A: Sound?

L: Heels, like click clack click clack.

A: And then I also have, possibly if you can come up with this, if there's one specific color or like a way to describe a color – which you kind of did before – so what would you say to color?

L: Bold, and/or pastel.

A: And then, emotion.

L: Happy. And bold.

A: To push a littler farther for both of those, what would be an example of that?

L: Like someone who's not afraid to stand out in a crowd.

A: For both the happy and the bold factor?

L: For the bold. But also for the happy too, like standing out for the right reasons? Like when I think of kate spade, I think of like that image that I described to you before, like color in a sea of dullness, but also like a smile.

A: The last piece is a vignette, so you're supposed to describe either a short story or scene or something which expresses what kate spade means to you. So it doesn't even have to be someone wearing the brand at all, just literally describe a scene that reminds you of kate spade.

L: But I've done that already with the metro?

A: Okay, so describe it more fully then.

L: Okay. Well I'll give you two. First, have you ever seen the movie The Internship?

A: No.

L: Well there's this one scene that really reminds me of kate spade. Let me see if I can find it. Okay, Rose Byrne. There's this...with glasses. Let's see if we can find it. Like she had this one scene, she was wearing glasses. Like, when I think of kate spade, I think of bold women in the workplace as well. Something like this? (See image below). It was more of the way she just like carried herself and/or wore clothes that really reminded me of like, kate spade. She always like wore glasses and kate spade-esque business casual, in a way that like maybe if you were to take a gander at it later you could get a better grasp of what I am describing. Obviously, she's got bold, bright colors and she was like in top management at

the firm, which was Google, so kind of similar to there, right? So when I think of Google, I think of your bright, basic colors and I think that was something that kind of I associated with the kate spade brand as well. So that's one.



A: Okay! So is it just like her wearing this outfit in the workplace?

L: Yeah.

A: And if she is surrounded by people, what are they wearing?

L: Oh gosh, I don't really remember.

A: You can create it in your own head if you want.

L: Ok. So obviously, when I describe the typical workplace, I think of, you know, the finance industry, and the finance industry is very dull colored. People express themselves through the color tie they wear, at least for guys, and the color socks they wear. But at least for women I think it's a lot easier to express yourself through like the dresses or the clothes that you wear, so when I'm thinking about it, I'm thinking of kind of a sea of duller colors and then you have this one girl wearing a bright (not bright pink, but) a bright, but pastelish pink color, so like bold enough where it stands out from the crowd but also subtle at the same time. And she carries herself in a demeanor that is both elegant but also very professional as well. So kind of like ready to like tackle whatever things someone throws at her in a serious way, but at the same time, you know that directly from what she's wearing that she is fun and happy to be around.

A: And did you want to share your second one, or do you think that was a better representation of the brand?

L: I think that's a better representation.

A: So the very last thing is to take the images that you brought and select the ones that you feel best represent the brand and combine them into a collage. Here is an example just to get you thinking on the right path (show Tide example). Since I don't want to keep you for too long, you can do this on your own time and get it to me in the next day or so.

(This is the image that L sent to A a day later)



Appendix 8.

Taylor's ZMET Transcript

Interviewer O: How old are you?

Responder T: I'm 22.

O: Would you say you know kate spade well?

T: Yes.

O: Do you shop at kate spade often?

T: Yes.

O: How often do you shop at kate spade?

T: Once every other month

O: Do you go into the store or do you shop online?

T: I go into the outlet store or shop online.

O: Great, let's get started. Going through your images, can you give me background into why you picked each image and how it reminds you of kate spade?

T: I picked this one, New York City, because it reminds me of the cosmopolitan, and the more, not old-timey, but very trendy lifestyle. Breakfast at Tiffany's because it's all **classic**. None of kate spade's bags have a print on it that can't last for more than one year. They aren't a super trendy style that's very limited. All of the colors can go with any outfit. So it reminds me of the **classiness of Audrey Hepburn**. Sex in the City, because all the girls are **so posh, very girly, very sophisticated**. This dress reminds me of it because of the bow. **Whenever I see a bow I think of the brand, because it's a very feminine brand**. Everything about it just reminds me of being **girly**. Her whole thing is live colorfully, and so most of her stuff is very bright and colorful. So this is a flower garden I went to that reminds me of that. And then this quote, "Act like a lady, Think like a boss."

O: So are there any images you might have had in your mind that you couldn't find when you were looking? Any pictures you would want to add to this?

T: Yeah, like her stuff is **very grown-up and professional** but you can't really capture that in an image. It's like **old-timey and modern at the same time**, if that makes any sense. Like polka dots aren't on a lot of modern things, but it's on a lot of her stuff, and **it somehow makes it classic and modern**.

O: Gotcha, so if you could sort these images is there a line of distinction between any of them? Do you think you could put them into groups that fit together?

T: The NYC picture goes with Tiffany's and Sex in the City, but the colorful doesn't fit as much with those because the brightness doesn't remind me so much of New York City.

O: Right, you pulled a picture of a very natural setting. What makes you think why you did that?

T: Just because of the bright colors and like, happy. **Her colors make me feel happy.**

O: I'd like to take this natural picture, the phrase "Act like a lady, think like a boss," and Breakfast at Tiffany's. And I'd like you to pick two that are more similar than the other. Which ones do you think naturally fit more together?

T: Breakfast at Tiffany's and the phrase.

O: Why do you think they fit together?

T: Because Audrey Hepburn in that film is a **very strong female** in that role.

O: So you're saying kate spade is feminine but there's something more to it?

T: It's stronger. All of the bags and most of her style is structured, so it's very grown-up.

O: So when someone purchases things like that do you think it's to seem feminine or more their personal choice?

T: Yeah. I mean it's feminine but because it's so structured it looks really classy, and it looks **very high quality**.

O: So it's an image that...like what do you think they get out of that? Do you think they aspire to look a certain way and that's why they buy it? [Yeah] What does it tell the world?

T: You can afford high quality things. [laughter] It's why I have a kate spade briefcase. So that I can walk into an interview.

O: But you don't just feel like you can afford that briefcase...

T: **No, I also feel like...a badass basically. It's the reason why I got it, [the kate spade briefcase].**

O: And so the briefcase makes you feel like a badass, but why do you want to feel like a badass at those times?

T: Because **it gives you so much more confidence** to kill an interview.

O: Great, so if you were to pick one of these images that best represents kate spade, what would you pick?

T: The Audrey Hepburn one, because **she's classic in her demeanor, but also very feminine and strong** as a character.

O: So if you were to describe an image that's the opposite of kate spade, what would you describe?

T: Something trashy. Someone who is the opposite of Audrey Hepburn is like Nikki Minaj. It's not the clean lines outfit or anything, but super minimalistic? Trying to not say slutty. I don't know but it's super duper trendy, very timely. You can only wear an outfit for a short period of time, and then it's just trash.

O: So that's the fashion that you think contrasts kate spade? [Yeah] Now I want you to think of different senses you would represent with kate spade. You've talked a lot about visual things, could you tell me what is the touch, the feel of kate spade?

T: It's high quality. I have a dress by her and it's made of a thicker suit material. It feels nicer because when you put it on it feels better as a dress than another suit dress I bought at Ann Taylor. It feels more **substantial**, and it's all **composed** very well. And her purses have real leather and are plastic coated, so there's a **durability** to it.

O: What if you were to give a taste to kate spade?

T: Sweet. Like a cupcake.

O: What kind of cupcake?

T: A vanilla cupcake. From Georgetown, like a nice cupcake.

O: What about a smell?

T: Flowers, because it's all bright and happy.

O: And a sound?

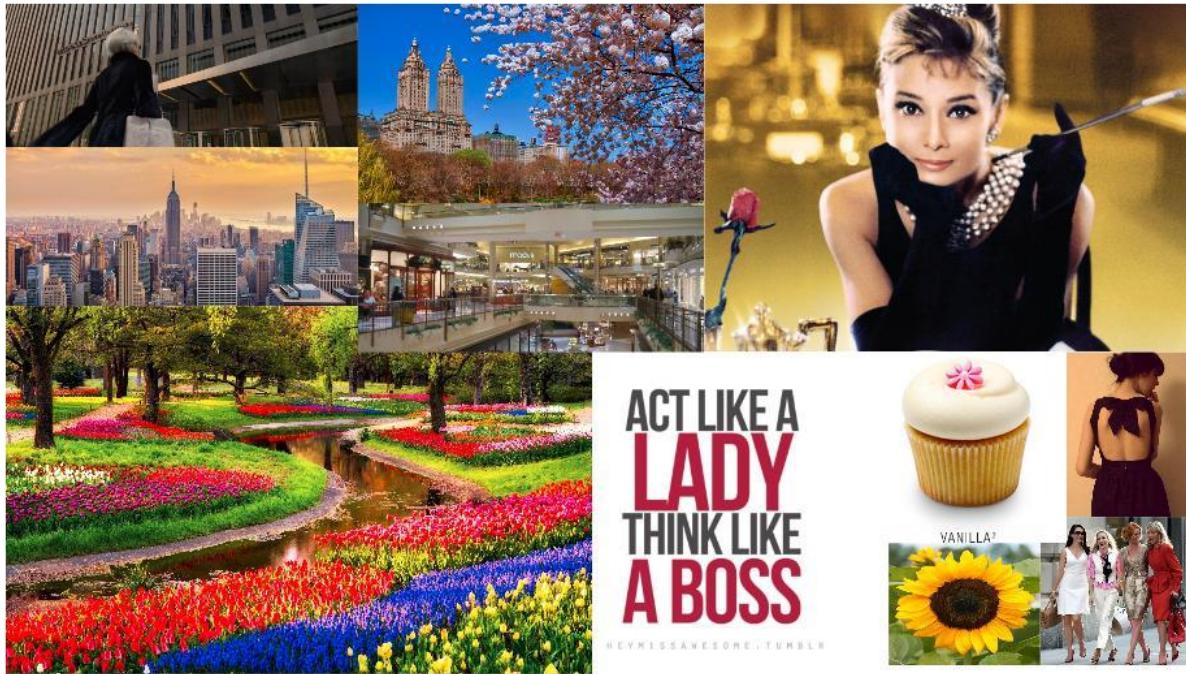
T: No idea...laughter.

O: Okay, I want you to describe a scene that would describe kate spade to you. What would the kate spade girl be out doing?

T: Well there are two different looks she goes for. There's the very professional side, the there's also the going through the park wearing bright and happy colors. There's just two different sides.

O: So tell me about this girl who's going through the park.

T: She's dressed in a summer dress, and she's with her friends. Walking through the park, enjoying a nice summer day. She's happy.



Appendix 9.

Emelie's ZMET Transcript

Interviewer O: Thank you for agreeing to do this interview with me. How old are you, Emelie?

Responder E: 25

O: Would you say you are familiar with kate spade?

E: Yes, I used to work there.

O: What did you do for kate spade?

E: I worked at the outlet mall near where I live in Northern Virginia. So I got to know some of the different products and they gave us a product book about all the bags and clothing we had in stock. And I worked there for 6 months.

O: Do you shop at kate spade as a customer?

E: Yes. Atleast once a year, if not once every few months.

O: Do you shop in the store or online?

E: Mostly at the outlet since I live near it, but I also shop their surprise sales online.

O: I want you to briefly explain to me why you selected each of these images.

E: The first one says "Anyone who keeps the ability to see beauty never grows old" out of an adult coloring book I have that has different quotes and designs. Because I feel like at kate spade they use inspiring quotations in their design. I notice on a lot of their iPhone cases and stuff they have catchy phrases...

O: What about the phrase you picked, the never growing old, do you think that represents kate spade?

E: Yeah, I think that it's a brand that doesn't feel stuffy and old. It definitely caters to an older clientele at times. It's definitely not something I see as a young teenager necessarily owning, it's something a little more adult, but at the same time, **it never feels old**. It feels fun and young. And then the other one is a picture of these oranges also out of my coloring book that says, "It matters not how long you live but how well." And I also connect that with kate spade because I think of kate spade as **valuable and fun** which makes sense with the design of the tangerines because it's fresh and something I've seen before. Then the little girl in dress up shoes because I think that it's something that **I'm getting a little dressed up when I'm carrying kate spade or wearing it**. And there are times when I'm still like, oh I'm growing up as an adult but young and it's still fun. I associate sparkles with kate spade because **they're fun, they're beautiful, they're striking**. It catches your eye. One has a quote saying you got this, feeling how you feel in kate spade, that sense of confidence carrying it. And the quote, "She designed a life she loved." It feels like a **very female driven brand** that's about **female empowerment**. It's a motivating brand. The penguin picture is whimsical. I think of kate spade as being a little fun and silly, and bringing that **fresh, whimsical** attitude to your fashion as well. The girl in the orange dress is walking down a street in Italy. For me it represents the idea of travel and **exploring new places**, which I've noticed is a recent theme in kate spade. The other woman is in NYC because the brand is tied with New York, and being **an independent woman in the city**. The champagne party picture because kate spade reminds me of going to a cocktail party and getting dressed up. Celebration with your friends. The other one I found when typing in girls brunch, because **it's a female-oriented brand about bringing women together in style**.

Breakfast at Tiffany's because they're classic styles in the movie, but it's also a little funny, and beautiful. I think the things she wears, the statement necklaces, just reminds me of it. The bow I picked is a simple pink bow. Bows are throughout kate spade, and it just reminds me of it.

O: Why do you think the bow is so associated with kate spade? What is it about bows?

E: Bows are a representation of something being a little fancier. Being beautiful. **We're tying a bow on this, it's completed, it's pulled together.** But also it's subtle. The kate spade bow is not always a huge bow in your face, it doesn't have multiple folds to it. It just has the two simple bows. This bow coat also shows a simple bow, and it's structured.

O: Great, I saw you looking for images, were there any that you had in mind that you wish you had found but couldn't find the right image to express it? Any themes that aren't on this page?

E: I tried to find a picture of a structured bag, because when I turn to kate spade I think they're bags are **structured to last a long time.** It's something that's **classic that won't go out of style.** I think of something that's structured to last a long time. Long-lasting, continues to maintain its value. Also that **it doesn't take things too seriously, but in its quality has that importance and seriousness.**

O: So if you could divide up these pictures, draw a line of distinction between these pictures you have, is there a way you would sort these?

E: Yeah I would put the quotes and pictures of people in one area, because this is the feelings we want you to have owning this purse.

O: And what feelings are those?

E: It's feeling **empowered.** We want you to **celebrate yourself and others.** We want you to think about staying young and feeling fresh and ready to take on any new city. And I would take the polka dots and the sparkles and the penguin picture in a circle that is like a style. Then the structured bag, statement necklace, and bow off in another circle that is the actual manifestation of that.

O: So you say that the polka dots and penguins are the style, and pulled aside the structured bag so why wouldn't those be in the same spot?

E: In my mind, the structured bag represents the **quality**, the how it happens.

O: But you don't see any sparkles or polka dots in the bow or dress. So would you say there is a difference in kate spade products? Is there a distinction there?

E: There's a difference in where they have some products that have the polka dots and sparkles, and **they have that structured bag but when you open it there's the polka dots. You open in and you have the sparkles in your wallet.**

O: I'm going to pick three images: "She designed a life she loved," Breakfast at Tiffany's, and the little girl dressing up. I want you to pick which two are the most similar.

E: The little girl and the quote because it represents how there's this little girl that is seeking to dress up and to try on something fun. She is designing this beauty with the help of kate spade.

O: Do you think that's the mindset of a kate spade customer?

E: **She wants to find something beautiful. She wants to find something fun. She wants to then have it for herself or share it with others.**

O: Why would she want to have the kate spade item for herself? What would she get out of that?

E: That she would be excited to pull it out and wear it. It would be something to dress up what she already has or to wear to kind of show off and be excited for it.

O: And how would she feel wearing that kate spade dress?

E: She would feel... She would love it, "she designed a life she loved." So **she loves not only the dress itself but how she feels in it.**

O: You also said she would buy it to share with others, what do others see in someone that is wearing that kate spade dress?

E: They see someone who is excited, and happy, and enjoying who she is and what she's wearing.

O: It almost sounds like you would aspire to wear more kate spade...

E: Yes, **I would love to wear more kate spade if I could afford it.**

O: Because the little girl dressing up is what you associate with kate spade...

E: **It's a little too expensive sometimes. Expensive because of the quality.** And when I was younger, I still remember my babysitter having a kate spade bag and it being something I wanted when I was older.

O: Which image do you think best represents kate spade?

E: The "**she designed a life she loved**" quote in sparkles because it has that meaning of these are pieces you can use to express who you are that can be sparkly and fun but **it's a brand that's about more than showing initials on a bag.** It's not just about its brand but the sparkles that it has or the feminine pattern or how you are using it as your own fashion statement.

O: If you were to come up with a picture that was the opposite of kate spade what would that look like?

E: It would be...that's hard. Immediately I thought of a picture of men. Men in work clothes. Jeans and t-shirts. Which is not a bad thing, just the opposite. You know, going out to do yard work. Because I think of it as a **female-dominated brand**, so the immediate jump was to men. Kate spade is that dressing up with the sparkles, polka dots, traveling. Not that the kate spade girl would never do yard work. Not that they'll never be in those jeans and t-shirts. But you're not going to do it in your kate spade dress.

O: Now we are going to go through some senses. So what's the feel, what's the touch of kate spade?

E: I think of leather, smooth leather. A smooth, silk dress. Smooth.

O: The taste of kate spade?

E: Sugar. Sugar and champagne.

O: The smell?

E: A floral smell. I also see a big floral pattern which makes me associate that smell, flowers.

O: The sound?

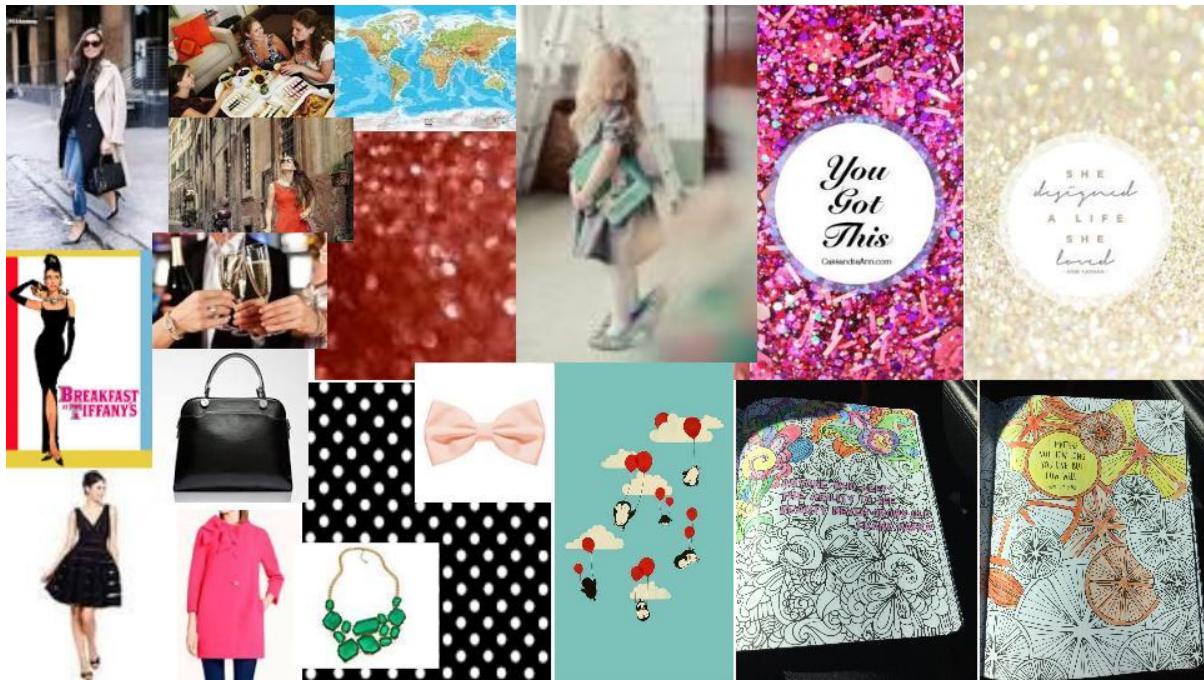
E: I remember the soundtrack.

O: But the sound of the brand? Doesn't have to be music.

E: The sounds of a city street. Traveling or being this independent woman walking off to my job.

O: How would you describe a scene that represents what kate spade means to you? What would the kate spade girl be doing?

E: She would be going into her office. Getting everything ready for the day. Moving quickly, but making it look **effortless**. Looking very put together. I see her in heels. I never think of wearing kate spade and wearing flats. That's weird. **Being confident.** I don't know why I see her in a male-dominated workroom, but her being the only woman in the scene. She's thinking about what she needs to do for the day and the idea she's going to present.



Appendix 10. UserTesting videos

User Testing Video A

ANSWERS:

1. **Out of the two campaigns (cast of characters and flavor of the month) that we have shown you in this experiment, which campaign is more appealing to you?**
2. The better campaign is the 'flavor of the month' because you can scroll through it and look really quickly. I think few people are going to read though the bio's of all the 'cast of characters'. [And they should be re-designed [the photos] and the text edited and made more concise, in my opinion.] The 'flavor of the month' is also great because it implies you can check back and see a whole new interesting bunch of [widely varied] products. That is really neat! The 'characters' were too few and mostly white/bland. They need more 'unique' people, and some really pretty [not average looking] ones.
3. **What would you change on the "cast of characters" page to make it more attractive?**
4. I would change the photos [they look awkward and photoshopped] and edit the text so it's shorter/clearer.
5. **What's your overall impression of the Kate Spade website?**
6. The site is great and well-designed. It is perfect for the brand, and looks fresh/modern etc. The only change they need is on the 'cast of characters' item collections, the right hand frame window of 'scroll down products' is too small/slow. They should put the products beneath the model/collector's picture.
7. **What's your overall impression of the Kate Spade brand?**
8. Kate Spade is a good one for middle class people who are aspirational, and the website reflects that. If the brand wants to go more luxe, they should pare down their site and make it more professional in terms of the photos/text. The photos must be perfect and excellent [no clashing colors in outfits, how gauche], and the text needs to be interesting and yet mysterious and short.

User Testing Video B

1. **Out of the two campaigns (cast of characters and flavor of the month) that we have shown you in this experiment, which campaign is more appealing to you?**
2. The Cast of Characters is more appealing because it is a more put together line that shows items on a person and in a more unique way than the Flavor of the Month campaign. I like the products more in the Cast of Characters campaign. I don't really think the campaigns would be targeted to the same individual though. I feel like the Flavor of the Month campaign is more for younger people and the Cast of Characters campaign is for a little older audience.
3. **What would you change on the "cast of characters" page to make it more attractive?**
4. Nothing. I like it just the way it is. I love that each person has a story to tell!
5. **What's your overall impression of the Kate Spade website?**
6. I think the website is very well done and easy to navigate from what I saw today.
7. **What's your overall impression of the Kate Spade brand?**
8. Kate Spade is an upscale brand that makes quality products.

User Testing Video C

- 1. Out of the two campaigns (cast of characters and flavor of the month) that we have shown you in this experiment, which campaign is more appealing to you?**
- Out of the two campaigns, the cast of characters campaign is more appealing as I appreciated seeing items on models to see how they complete a look, as opposed to just on a page where I would have to imagine what I would wear with the certain items.
- 3. What would you change on the "cast of characters" page to make it more attractive?**
- I would make the page into a horizontal book style or horizontal scrolling style page as opposed to vertical, because I didn't see the character bios immediately, and it was confusing as to what the ads meant at first.
- 5. What's your overall impression of the Kate Spade website?**
- Positive. Kate Spade's website accurately conveys class, elegance, whimsy, and creativity.
- 7. What's your overall impression of the Kate Spade brand?**
- I have a high impression of the brand. I consider it one of the top brands, as I appreciate the artistic and creative focus of the designers and high quality they produce.

User Testing Video D

- 1. Out of the two campaigns (cast of characters and flavor of the month) that we have shown you in this experiment, which campaign is more appealing to you?**
- The Flavor of the Month campaign is more appealing to me.
- 3. What would you change on the "cast of characters" page to make it more attractive?**
- Because I love dogs so much, I would put the dog at the top, though to other people that may seem silly. For me, though, it would make me more excited about the page to see a dog at the top than to see a person I've never heard of.
- 5. What's your overall impression of the Kate Spade website?**
- I love the Kate Spade website because it really exemplifies the brand--it's classic, classy, clean, and playful, all at once. The design is simple and not too overwrought, and it's very chic. Plus I love the font scheme because it combines classic with fun.
- 7. What's your overall impression of the Kate Spade brand?**
- Like I said at the beginning, Kate Spade is my favorite designer because she so seamlessly blends classic with quirky and playful, which is really what my own personal style is all about.

Appendix 11.

Susan (22, buys mostly kate spade accessories)

M: So first, I'd like you to please go through each of the images you selected and explain why you picked it and its relevance to Kate Spade.

S: "Dress like Jackie, act like Audrey, party like Gatsby" reminds me of how Kate Spade is fun, and has lots of patterns and colors, but at the same time is kind of classy and conservative. She likes a lot of flowers and spring colors also. She also likes using this gold color, and it is definitely a fun, happy, and bubbly brand, which is what "champagne smiles" reminds me of. Back again to colors, the bright pink is another one that stands out to me, especially with the simple patterns and a little bit of glitter in the nail polish--

M: I notice in this picture in particular, there's one thing that pops more than the others, what does that mean to you?--

S: Well she has a lot of classy clothing, like solid colors, the purses too, but then there will be a bag or accessory that's like a puppy or a champagne bottle and that stands out. Ok, then I thought Kate Middleton was very representative of the brand, very classy but not stuffy, fun and with really pretty clothes with color accents and simple jewelry. Then I started looking at Blair Waldorf on Pinterest, and you see coats like this, they're business-y but they are a little more fun and stand out. It's nice and pretty, but also can be fun and flirty when you add something patterned like a top or skirt.

M: So from these last few pictures, what embodies the brand to you?

S: It's like using colors but in a classy and professional way, so you can have a little fun and stand out a bit.

M: Are there any images that you thought of but couldn't necessarily find?

S: I was trying to find something like an old painting, not exactly impressionism, but kind of like a sketch with a dab of color. And then also I was trying to look for something like Jane Austen quotes on pictures because I feel like she takes the feeling of those quotes and bring them into modern times and clothing.

M: So how would you group the images you've found?

S: So basically I have the Audrey stuff which really shows the classy side of the brand to me and its image, the Kate Middleton looking things that are more about about the way the brand is really being used now, and then the champagne and fun group which shows that lighter side that is also an important part of the brand.

M: So what are the reasons that you specifically like Kate Spade?

S: Well the first nice purse I got was Kate Spade, and that's where it started, but I really like the brand's color palette, which pop but don't make you the center of attention. Like people notice it, but it's not in your face.

M: Can you expand on the idea of being noticed but not in your face?

S: Yes, so I want people to notice good style but I don't want to be obnoxiously like in people's face and the focus of their day. So for example, there was this one girl who wore like a neon pink dress to work and everyone was talking about it, but not necessarily in a good way, like they were talking about it behind her back. Whereas I wore a really cute top and it was colorful with flowers. People would mention it and compliment me but guys weren't talking about it like they were with the bright pink where everyone was discussing it.

M: Ok so slightly different question, describe to me two pictures that you think would be the opposite of Kate Spade.

S: So one I would probably say like Nicki Minaj, she's very aggressive and crude, not the classiest person. And then another one would be like Forever 21 where it's cheap and messy, sometimes slutty, where they don't have a solid brand image.

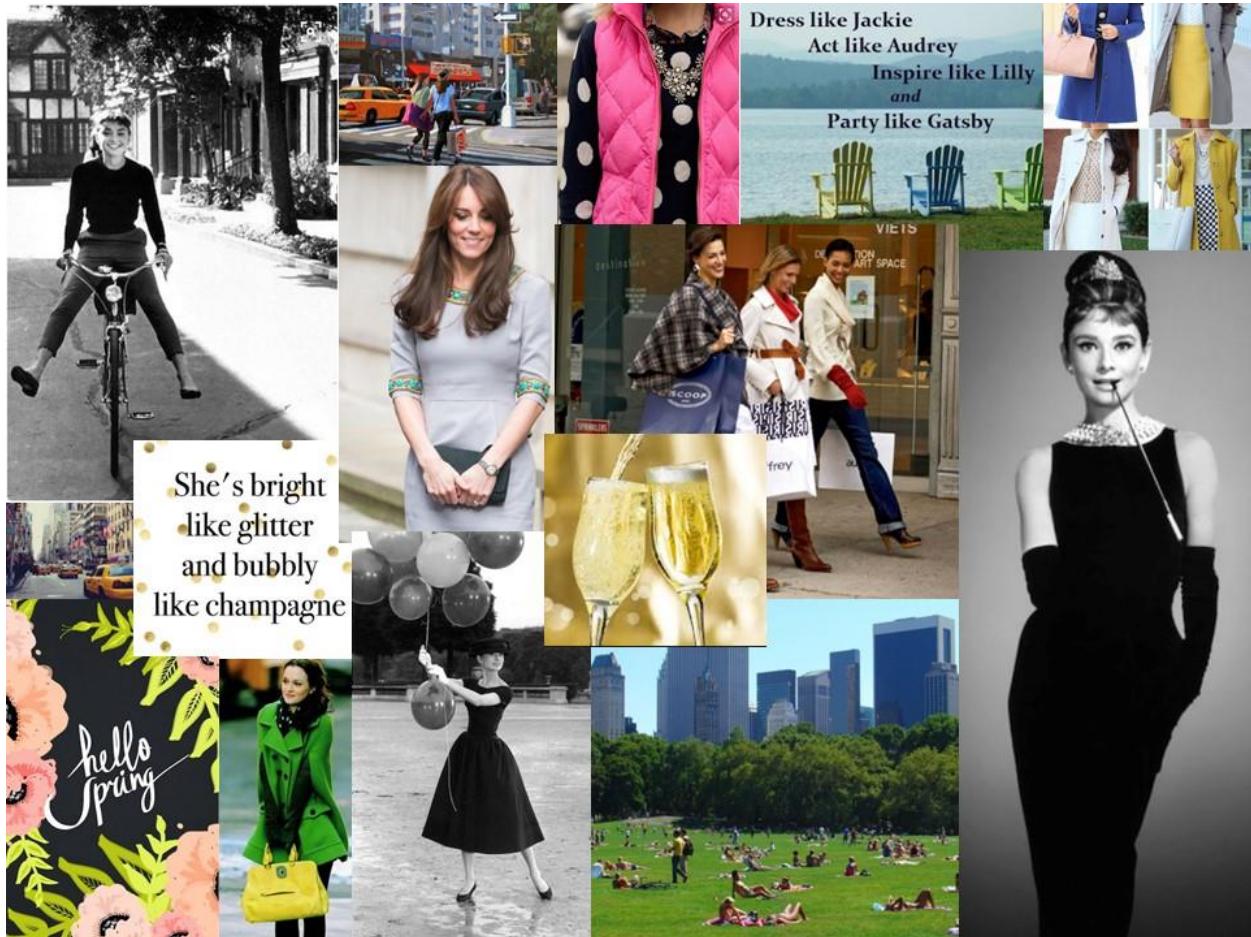
M: How would you describe the brand in terms of some other senses?

S: So for sound I'd say just like girls giggling and having fun, maybe walking around a city. I feel like a suburban woman would gravitate more towards a high luxury brand like Dior or something they can flaunt, but Kate Spade is much more understated and only people that really know the brand know you're wearing it. I'd say it's more like a representation of a personality than a brand you show off. It's kind of like the purse brand we saw on study abroad, Leu Locati. They didn't brand anything because the people that know it know the brand, but similarly Kate Spade, a random person might not know this bag is from there but all my friends shop Kate Spade so they know even though the brand name is very understated.

M: Could you briefly describe a scene that embodies Kate Spade to you?

S: Sure, it's like a bright sunny day in the city, girls walking around maybe doing some window shopping or walking through central park on their lunch break. Or on a more personal level, it makes me think of my sister and I maybe doing the same thing, maybe on our way to work but having a good time, being a classic New York yuppie.

M: Ok great! So the last part now is just to create a collage from some of the images you've selected!



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Readability Statistics	
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Counts	
Words	9,513
Characters	50,708
Paragraphs	161
Sentences	351
Averages	
Sentences per Paragraph	3.6
Words per Sentence	25.3
Characters per Word	5.1
Readability	
Flesch Reading Ease	36.9
Flesch-Kincaid Grade Level	12.0
OK	

On our honor as students, we have neither given nor received any unauthorized aid on this assignment.

Mike Keshin Olivia Duke Brett Wheeler Alicia Underhill Bill Su