MARKETING INTELLIGENCE FOR LUXURY Assignment (Team members- Saket Palaskar, Yu-Han Shu)

Part A: Research Brief Structure (Maximum 1 Word page for Research Design)

1.1 Introduction & Rationale

Miss Dior is one of Dior's most iconic fragrances, with a loyal base of users. However, shifts in consumer behavior and market dynamics mean that some previous users have stopped purchasing or using the fragrance. Currently, no reliable data exists to explain this attrition. To address this knowledge gap, a quantitative online survey has been proposed.

This method allows for the collection of structured, reliable data and supports segmentation by user attributes. It also enables statistical analysis to identify the relationships between consumer behavior and lapsing.

1.2 Target Population

This study focuses on women who were regular or frequent users of Miss Dior approximately six months ago but have since stopped using it. These individuals are crucial for understanding product detachment and potential re-engagement strategies.

1.3 Sampling Strategy

A purposive sampling approach will be applied, utilizing Dior's CRM system to locate former users. To supplement this, targeted digital ads on Facebook and Instagram will help reach a broader audience, including lapsed users not tagged in the CRM.

A sample size of 400 will ensure statistically valid insights and allow for analysis across various demographic and psychographic segments.

1.4 Data Collection Method

The survey will be conducted online, using two core recruitment channels:

- Email invitations to former customers identified through Dior's CRM database.
- Targeted social media campaigns to capture additional lapsed users.

This dual-channel strategy balances cost-efficiency with reach and offers rapid deployment aligned with digital consumer habits.

2. Screener and Questionnaire Design

2.1 Screener Questions

These preliminary questions ensure the survey includes only respondents who are relevant to the study:

1.	Gender
	Female (Continue)
	Male / Other (Terminate)
2.	Age Group
	Under 18 (Terminate)
	18-24, 25-34, 35-44, 45-54, 55+ (Continue)
3.	Miss Dior Usage 6 Months Ago
	Frequent/Regular user (Continue)
	Occasional/Never used (Terminate)
4.0	Current Usage Status
	No longer using Miss Dior (Continue)
	Still using (Terminate)

2.2 Main Questionnaire Sections

Section 1: Demographics		
□ Age		
☐ Country/Region of residence		
☐ Highest education level		
☐ Employment status and occupation		
☐ Household income bracket		
☐ Marital/family status		
Section 2: Lifestyle and Attitudes		
 How would you describe your personality? (e.g., experimental, cautious, trend-aware) 		
☐ What values do you prioritize in luxury brands? (e.g., innovation, sustainability, tradition)		
☐ Frequency of social outings or events		
$\ \square$ Interaction with beauty/fashion influencers or social media trends		
Section 3: Fragrance Buying Behavior		
☐ How often do you purchase fragrances?		
\square What scent profiles do you gravitate toward? (e.g., floral, woody, oriental, fresh)		
☐ What other fragrance brands do you enjoy?		

□ Where do you usually shop for perfume? (e.g., Dior boutiques, Sephora, online stores, duty-free)		
Section 4: Brand Perception		
☐ What words do you associate with Miss Dior? (e.g., elegant, trendy, outdated)		
☐ What emotions did the fragrance evoke for you? (e.g., joyful, sophisticated, dull)		
□ On a scale of 1–5, how satisfied were you with Miss Dior before discontinuing use?		
Section 5: Reasons for Discontinuation		
Respondents will be asked to rank their top 3 reasons for lapsing:		
☐ Increased price or affordability concerns		
☐ Change in scent or loss of appeal		
☐ Brand no longer resonates		
☐ More attractive offers or quality from competitors		
☐ Distribution or availability issues		
☐ Negative experiences (e.g., skin reaction, packaging issues)		
Open-ended question: What might encourage you to start using Miss Dior again?		

3. Survey Implementation Guidelines

Skip logic will be applied to disqualify ineligible participants.
Where applicable, randomization of answer choices will reduce response bias (e.g., brand perception, reasons for lapsing).
All Likert scales (e.g., satisfaction, agreement) will be clearly labeled from 1 to 5 for consistency and clarity.
The estimated time to complete the survey is 8–10 minutes, making it accessible and user-friendly for a broad audience

4. Conclusion

By conducting this focused online survey, Dior can gain crucial insights into why some of its loyal users have moved away from Miss Dior. Understanding their motivations, preferences, and barriers is essential not only for reclaiming these users but also for informing future marketing, product development, and brand positioning strategies.

This research will provide Dior with actionable data that supports smarter decision-making and enhances customer re-engagement initiatives.

PART B – Luxury Motivations Segmentation (with data insights)

B.1: Cluster Descriptions (with numbers)

Cluster 1 - Knowledge & Informative

This group includes thoughtful and well-informed buyers. They love learning about a brand's craftsmanship, story, and ingredients.

- Demographics: Skews slightly older (30% aged 35–44), 51% male.
- Income: Slightly lower income on average (PHP 53,160), and 41% fall in the low-income group.
- Behavior: Only 12% strongly agree they "like to stand out," and 72% say they "actively seek communities" with similar interests.
- Compared to others: Least impulsive group. Lowest agreement with "I buy luxury to reflect my social status."

Cluster 2 – Keeping Up

This is your social-first, image-conscious crowd — often students or just starting careers.

- Demographics: 48% are under 34, 60% are female.
- Income: More than half are in the medium-income range, averaging PHP 60,100.
- Behavior: 25% strongly agree that status matters; 63% say they're the first to try new things, and 77% keep up with tech and trends.
- Compared to others: Highest agreement with "I like to stand out" (19%) and most social media-engaged (41% post photos online).

Cluster 3 – Ritual

Luxury is part of their rhythm — it's calming, predictable, and part of self-care.

- Demographics: Evenly distributed across ages, 55% female.
- Income: Surprisingly high 32% are in the high-income bracket, averaging PHP 63,160/month.
- Behavior: 84% "prioritize time for themselves," and 76% say they are "experimental," though in a more stable, structured way.
- Compared to others: High loyalty and repeat use less likely to switch brands frequently.

Cluster 4 - Connect

They use luxury to bond — as gifts, tokens of care, or shared experiences.

- Demographics: 55% female, majority aged 25–44.
- Income: Balanced across all ranges, avg. PHP 58,700.
- Behavior: 81% say they use luxury "to connect with family/friends," and 47% purchase based on emotional values (e.g., brands supporting causes).
- Compared to others: More emotionally driven, but not impulsive like Cluster 5.

Cluster 5 - Reward & Mood Uplift

This is the "bad day = perfume day" group. Luxury is their emotional fix.

- Demographics: 60% women, 57% are under 34.
- Income: Average PHP 55,400/month; 33% fall in low-income group.
- Behavior: 52% say they "deserve" to reward themselves, and 70% say they "buy based on mood."
- Compared to others: Highest levels of impulse buying and emotional triggers.

B.2: CHANEL's Best Targets (Data-backed)

Target Cluster 2 (Keeping Up) and Cluster 3 (Ritual).

- Why Cluster 2?
- They're trend-hungry (63% "first to try new things") and socially influential (41% post online).
- They might not spend the most now, but they're watching CHANEL. This is brand-building in progress.
- Why Cluster 3?
- They're consistent users (84% value personal rituals, 89% self-improvement) and already have high income.
- This is where long-term brand loyalty grows.

Together, they represent both future growth and stable profitability.

B.3: What the Cluster Names Really Mean

- Knowledge & Informative Motivated by intellectual curiosity and detail.
- Keeping Up Motivated by image, visibility, and social validation.
- Ritual Motivated by comfort, routine, and emotional consistency.
- Connect Motivated by sharing, bonding, and sentimental value.
- Reward & Mood Uplift Motivated by self-care, instant gratification, and emotions.

B.4: What's Missing from the Data?

To fully optimize CHANEL's segmentation strategy, we'd still need:

- Each cluster's absolute size in the total luxury market
- Actual purchase frequency and basket size
- CHANEL-specific brand perception per cluster (not just "luxury" in general)

Part C: Individual Contributions

Our team collaborated closely on this assignment, ensuring that each member contributed meaningfully to different components of the project. Below is a summary of individual contributions for each of the three tasks.

1) Research Design (Part A):

The research design was developed by Saket Palaskar. This involved selecting a methodology suited to the objective of identifying and understanding lapsed users of Miss Dior fragrance. A quantitative online survey was proposed, justified by its ability to generate measurable, segmentable data and detect correlations in user behavior. Saket also defined the target population—women who regularly used Miss Dior six months ago but no longer do—and explained the sampling strategy, including CRM-based recruitment and digital outreach. Consideration was also given to survey programming and logistical elements such as survey length and bias reduction techniques.

2) Screener and Questionnaire (Part A):

Saket took the lead in constructing the screener and main questionnaire. This included developing qualifying questions to accurately filter for lapsed users, followed by a five-part questionnaire covering demographics, lifestyle and attitudes, fragrance habits, brand perception, and reasons for lapsing. Each section was designed to align with the research objectives and to yield actionable insights. Efforts were made to ensure clarity, logical flow, and survey efficiency, with skip logic and Likert scale labeling specified for implementation.

3) Data Analysis and Recommendation (Part B):

Yu-Han Hsu was responsible for analyzing the segmentation data provided in Part B. This included describing each cluster in absolute terms and in comparison to the total population and one another. Based on this analysis, Yu-Han Hsu recommended which segment's CHANEL should target and explained the strategic reasoning. The interpretation of the cluster labels in the context of luxury motivations was also covered, along with an assessment of missing data points that could further refine strategic decision-making.

Throughout the project, we maintained consistent communication and reviewed each other's work for coherence and alignment. This ensured the final submission reflected a cohesive and well-structured response to the brief.