

Luxe Designs Campaign Budget Request

To: Alexis Malone (Company MFO)

Prepared By: Valencia Seuell

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General Request Overview:

We are requesting a total of \$160,000. To implement a campaign that will change buying behavior and overall brand perception.

Issues Summary

Since 1992 Luxe Designs has made a mark on the fashion scene for young women. From vibrant chic designs to classic must-haves, the company has seen much success over the years. As a fashion brand Luxe Designs uses social media platforms to both inform and increase purchase habits amongst consumers. Recently, they've noticed a decline in both social interaction and purchases amongst millennial women ages 24-30. After hosting multiple focus groups and putting funding behind paid advertisements and sponsored influencer posts, Luxe Designs noted that there was very little if any return on investment.

With a new spring collection set to launch in just 4 months, Luxe is looking to organically reconnect with millennial women to increase interaction and buying behavior. Without the support of this audience group sales are predicted to significantly fall by 32%.

Analysis:

After evaluating the issue at hand it was clear that research had to be conducted before proceeding with a campaign. We started by first reviewing consumer history. We wanted to know who in the target audience shopped at Luxe in the past and what made them stop. After speaking with over 100 previous consumers we noted 3 main conclusions which include the following:

- 65% of the millennial women unfollowed Luxe on social media due to sponsored posts and disengaging content
- 72% began to feel less connected to the brand as they grew older
- 88% still believe that Luxe provides quality products and would consider returning as a customer.

This information prompted us to learn more about their buying behavior and what they were willing to spend money on and why. A follow up survey was then given to the same consumers and the main conclusions are as following:

- 90% believe that they make purchases based on brand connection
- 65% follow brands on social media that make them feel authentically included (i.e more consumer posts vs less influencer posts, posts about real world issues etc.)
- 98% believe that live interaction with products positively impact their opinions of brands and increase the chance of purchasing.

When analyzing the data it is clear that Luxe has the opportunity to grow and increase their sales among millennial women. What we found most important is that consumers are willing to return if changes are made.

Campaign Recommendation:

From the data gathered we began to explore the options for building **connectivity, authenticity and interaction.**

We want women to think of Luxe as a brand that embodies who they are and what they value. With that being said we believe that launching the **“Living Luxe”** campaign will address the needs for all three areas mentioned above. The campaign will focus on highlighting the lives of different women from around the world and how they live and interact in their respective spaces. This isn't all about highlighting glamour and fashion trends but more so authentically showing different paths in life and bridging them together to show commonalities. The campaign will feature short videos for social media, live events in multiple cities that allow women to meet up and connect and ultimately a huge event the week before the spring launch that will build anticipation and allow attendees to shop exclusive merchandise early.

Request Details:

We are requesting \$260,000 to complete the campaign. The budget breakdown is as followed

- \$90,000: Spring Launch Event Preview
- \$100,000: Mini City Events
- \$50,000: Filming for “Luxe Life Segments”
- \$10,000: How you Live your Luxe Life Contest Prize
- \$10,000: Unforeseen expenses

Why This Works:

As time progresses millennial women are looking for more ways to connect with the brands in which they value. Traditional social media messages aren't always the answer. Allowing consumers an opportunity to truly immerse and experience a brand offline can result in major return on investment.

After evaluating the budget and looking into the numbers this campaign can lead to the return of 40% of previous purchasers who spent between \$300-\$500 each shopping trip. Without this campaign the consumers would not return causing sales to stay stagnant. Also, implementing the live events will allow new consumers to purchase items on-site which can drive brick and mortar sales up by 22% with an average customer spending between \$150-\$300. With these results Luxe could see potentially over 5.7 million dollars in revenue. Compared to the initial \$260,000 request this campaign could result in a huge ROI and drive sales upward over time as well as rebuild a connected consumer base.

MATH BREAKDOWN

- Number of shoppers who have not returned within one calendar year: 20,000 shoppers

With the campaign:

40% projected to return: 8,000 returners

Estimated spend: \$300-\$500

Estimated Revenue: $8,000 \times 300 =$ at least \$2,400,000

- Average number of brick and mortar shoppers annually: \$100,000

22% projected increase: 22,000 new in-store customers

Estimated Spend: \$150-\$300

Estimated Revenue: $22,000 \times 150 =$ at least \$3,300,000

Total: \$5,700,000 in revenue

Conclusion:

Based on previous records, money invested in sponsored posts and social media based campaigns rarely produce returns and can result in losing solid consumers. Traditional advertising placements are helpful for exposure and awareness but fail to drive connection and loyalty which is what Luxe needs most.

With this plan Luxe can expect to see an organic growth in both profits and consumers. Measurement tools can include tallying on location event sales, generating campaign specific links for online sales, analyzing organic unsponsored social media interactions, shopper surveys that pinpoint shopping motives.