

Kate Spade & Company

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### **Introduction**

Kate Spade is a unique, colorful, and growing brand that is covering the globe. Women everywhere have become obsessed with the distinctive designs and status having a Kate Spade product portrays. This brand isn't just a purse or garment; it is a lifestyle. The immensely growing popularity of the brand has allowed Kate Spade and all who work for her to flourish in ideas and profit. Kate Spade & Company is becoming the face of young, urban women everywhere, and ultimately having a major impact on the consumer and retail society.

### **Brand Concept**

Kate Brosahan Spade founded her company in 1993 in New York City, New York. Her former experience was having the position of the accessories editor for the Mademoiselle Company (Kate Spade & Company, 2014). She enjoyed this job, but she desired to accomplish her ultimate dream: to create the perfect handbag. The fashion industry is one of the most competitive industries in the world, so in order to compete with established designers, Spade had to make herself stand out from all the others. Her first debut was just six silhouettes. Although this did not seem like enough products, it was enough to grab the consumers' attention. This allowed Kate to open her first shop in 1996 in New York City (Kate Spade & Company, 2014). The rise of fame came quickly for Spade. In 2007, Spade felt like her power needed to be shared, so she united the reins with Deborah Lloyd, who became the president as well as chief creative officer. With their dedication and hard work, Kate Spade is now known as a top brand around the world. Together, they developed their mission statements. "Crisp color, graphic prints

and playful sophistication are hallmarks of Kate Spade New York” and “Live Colorfully” are the two corporate philosophes that Kate Spade abides by (Kate Spade & Company, 2014). In fact, Spade’s company is still built upon these founding mission statements, which can be seen through their variety of product assortment. Kate Spade’s wide range of products is truly the reason Kate Spade classifies not only as a specialty brand, but a lifestyle brand as well. Originally starting as a handbag brand, they soon began their product expansion to turn Kate Spade into a lifestyle brand. After handbags, Spade expanded their product assortment to the general accessories like jewelry, shoes, sunglasses, and watches. But that was only the beginning. Kate Spade’s products range “from fine china, glassware and other tabletop goods to tablet accessories, stationery and thermal coffee mugs to home decor, bridal accessories, fragrances, hosiery, denim and ready-to-wear” (Mellery-Pratt, 2013). Anytime a consumer has a desire to shop this wide range of products, it is not a hard find. This company “has over 140 retail shops and outlet stores across the United States, and more than 175 shops internationally.” Their products can also be located in “more than 450 doors worldwide, in every time zone and on every continent” (Kate Spade & Company, 2014).

### **Summarization of Interviews**

Through the branding interview questions about Kate Spade we found that many of the people who were willing to take the survey were female. Out of the ten interviews given, nine of them were female. This is because many males either do not know what Kate Spade is or do not feel they know enough about the brand to participate. This is consistent with the target market, which is female. Every single person interviewed had a similar age range to the one found in Kate Spade’s target market. Some of the

interviewees went a little over or under the target market age, which is 20 – 35 years old, but they managed to stay in the same general area. Another interesting factor found in the interview is that when asked, “If Kate Spade was a person, what ethnicity would he/she be,” every single one answered white. Also, when people talk about Kate Spade they think of an adventurous, confident, and independent person. This could be why most of the interviewees said that if Kate Spade were a person, she would not be married. One person said that, “she would be career oriented and save marriage for later.” One of the most common hobbies stated by the interviewees was shopping. This makes perfect sense because people who like Kate Spade generally have a passion for clothes and accessories. Overall, we would say the interviews received match up well with what the Kate Spade brand is promoting and targeting to.

### **Target Market Demographics**

The demographics of the target market are generally specific. Spade’s consumer is usually always female and has the age range of about 20 years old to about 35 (Lach, 1999). Spade has designed her brand for the urban, city type of girl. Usually college educated women that are living in large cities gravitate to her brand. Kate Spade is very modern, compared to vintage and classic designers. Women that enjoy the modern feel can experience that through Spade’s products and the atmosphere of her stores. Although Spade’s general target demographic is women, the company is expanding to reach the male audience. Like all major brands, males are targeted equally to women (Lach, 1999). Now that Kate Spade has taken off and become a large success, the male audience is a new challenge. Spade always liked a challenge, and knew at the beginning that developing a brand that a consumer would want needed to be a lifestyle brand. So, this

new challenge with attacking the male market is a challenge that will be approached with creativity and excitement.

### **Marketing Methods**

Kate Spade has a variety of marketing methods when it comes to attracting consumers. One of these methods include the strategic partnership between Baesman, “a leading provider of direct marketing solutions and strategies to Fortune 1000 companies such as DSW and Kate Spade,” with ReadyPulse, “an innovator in providing solutions that allow online brands and retailers to surface and display quality customer content to help drive sales” (Newswire, 2013). The overall goal of this partnership stated by Jeff Sopko, Vice President and General Manager of Baesman's Strategic Solutions Group, “By combining Baesman's expertise in analyzing ecommerce transactional behavior with ReadyPulse's expertise in understanding the social media behavior of our customers' social audience, we are able to build a bridge between the two silos - enabling smarter strategic decisions and ultimately a better return on investment (ROI)” (Newswire, 2013). Ultimately, this will help companies that are using Baesman’s expertise, specifically Kate Spade, to better understand social media’s marketing benefits, which will help the company tremendously. This enables the company to better reach their consumers on a more personal level, and in their every day lives as well. Yet another marketing method that Kate Spade is implementing is their licensing agreement with Elizabeth Arden “for the manufacture, distribution and marketing of Kate Spade New York fragrances” (Marketing Weekly News, 2010). This introduction of another product is highly effective when it comes to marketing because it truly makes Kate Spade a lifestyle brand, and that is what consumers are looking for. Craig Leavitt, Kate Spade’s Co-President and Chief

Operating Officer agrees, stating, “Through our partnership with Elizabeth Arden we'll be able to bring another dimension of the Kate Spade New York brand to life” (Marketing Weekly News 2010). The final marketing method we will discuss is the brand’s decision to introduce products with lower price points. Again, Craig Leavitt comments on the reasoning behind this method. “In order to get more people involved in the brand and to target the younger consumers...” (Kenwell, 2014). Leavitt has hopes that these consumers will move on to higher priced products in the future. This method will be extremely successful in that the lower priced products will attract customers, which will then create a loyalty to the brand that will keep them coming back to purchase more high end products as time goes on.

### **Competing Brands**

With every great brand comes a competitor. Kate Spade’s top competitors are Coach Inc., Burberry, and Michael Kors (Kate spade & company, inc, 2014). These brands carry a similar product assortment as Kate Spade, obviously one of the reasons behind the competitiveness. Spade’s competitors produce many of the same types of luxurious handbags and accessories, but specifically what makes Coach Inc. one of their competitors is their colorful products, as well as the brand’s price affordability. Burberry is among Spade’s top competitors due to its luxurious products and their way of incorporating vintage into their classic products. Michael Kors is one of the most trending brands among the same target market as Kate Spade, which makes them one of Spade’s top competitors. Michael Kors and Kate Spade are constantly competing for the consumer’s attention.

### **Competitive Advantage and Position**

What makes a consumer decide to carry a Kate Spade rather than a Coach, Burberry, or Michael Kors handbag is Spade's product exemplifies their philosophy as a retailer, "Live Colorfully." Also, another way Spade distances herself from her competitors is that the Kate Spade customer has the convenience to be able to shop at a Kate Spade store whenever, and wherever, whether it be in a traditional brick and mortar store, or online. Craig Leavitt, CEO of Kate Spade & Company stated, "We believe that [a] really important part of our business is the opportunity for the consumer to shop wherever she wants to shop, and whenever she wants to shop." He then comments on the importance of the ability for their customer to be able to shop online, which provides the opportunity to shop wherever and whenever. "It is really important to give our consumer the opportunity to engage wherever she wants so e-commerce is extremely important...our customer can learn about our brand, while she is looking to purchase our product"(Mellery-Pratt, 2013). Kate Spade provides their customers with utilitarian benefits as well. Spade's wide variety of product assortment, as well as their remote affordability, and quality products are just a few of these benefits. As discussed previously, Kate Spade provides her customer with a wide range of products. From handbags and accessories to home décor and ready to wear apparel, Kate Spade provides the consumer with a wide range of quality products at a remotely affordable price. Kate Spade has it all (Mellery-Pratt, 2013).

### **Conclusion**

Kate Spade portrays themselves as not only a specialty retailer, but also a lifestyle brand through the topics discussed above. For the future, the company will continue to

grow and will develop as a successful and stable brand. Brands have lived on through decades through the network of hardworking individuals that keep the brand thriving. The modern and vibrant style that Kate Spade & Company offers gives a fresh look on society. Every individual deserves to feel beautiful, and when they wear beautiful products, it is evident they are much happier. Kate Spade & Company has just begun and will continue to impact the fashion world consistently.



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