



CONSUMER BUYING BEHAVIOR OF LUXURY BRANDED GOOD

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LETTER OF TRANSMITTAL

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Dear Sir,

APPLIED BUSINESS RESEARCH (ABR)

With regards to the above matter, it is with great pleasure that we submit this research paper entitled 'Consumer Buying Behavior of Luxury Branded Good' as one of the requirement of the faculty to obtain MBA qualification.

2. We really appreciate your guidance and support to us in the course of preparing this research paper.
3. Your encouragement has helped us to achieve in completing this research paper.

Thank you.

Yours truly,

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CHAPTER 1

INTRODUCTION

Consumers make many buying decisions every day decisions are the focal point of a marketer's effort. Marketing stimuli consist of four Ps, which are product, price, place, and promotion. Consumer purchases are strongly influenced by cultural, social, personal, and psychological characteristics (Azuma & Fernie, 2003). The luxury sector targets its products and services at consumers at the top-end of the wealth spectrum (Mansharamani & Khanna, 2008). These self-selected elites are more or less price-insensitive and choose to spend their time and money on objects that are plainly opulence rather than necessities (Mansharamani & Khanna, 2008). For these reasons, luxury and prestige brands have for centuries commanded an unwavering and often illogical customer loyalty.

In general, luxury goods are highly priced products often in the niche market of goods. Individuals purchase these goods for different purposes. These could include a diamond engagement ring, a Louis Vuitton bag for self-reward, an expensive car to match the neighbor's BMW, or a luxury brand of headband called Sereni & Shentel, a luxury product which was chosen for this research and will be further explained in the background of study.

1.1 BACKGROUND OF STUDY

Sereni & Shentel was founded by Sereni Linggi and Shentel Lee. Sereni & Shentel is a brand under the company The Playground Borneo Sdn. Bhd. The founders' dedication of creating beautiful hair accessories stemmed from their passion for dressing up for fabulous parties and high fashion events. The founders have 20 different designs of headband hair accessories and over 60 different colored ribbons and 35 different colored stones. In addition to standard size headbands, they also have a range of baby bands and kids headbands based on the most popular styles. All the headbands are hand made in their workshop in Kuching, Sarawak. All headbands are made to order.

The craft project, which started in the year 2009, has morphed into a full-fledged business with the incorporation of The Playground Borneo as the label's holding company. In two years, the brand had secured stockiest in Kuching, Kota Kinabalu, Miri, Sibul, Kuala Lumpur, Singapore, Penang, Sydney and New Zealand. They have more than 10,000 fans on Facebook and have cult followings all over the world as customers and fans are addicted to promotions and daily postings by the two girls.

They offer customizations for editorials, runway shows and special requests. They also have a unique custom headband application online on their website (www.sereniandshentel.com) where customers can choose ribbon colours and types, and stone colours and types based on their popular selling Blair or Block Party headband.

Even though connections did have a part to play in the success of the brand the owners came from prominent families, behind the scene, the girls have sweated blood and shed tears to