

“Stocking Out” of the Kate Spade Saturday Collection

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Abstract

The purpose of this paper is to show the operational problems created within a retail Kate Spade Saturday store as Kate Spade shifted their market from an luxury, affordable, niche market to low cost fast fashion provider.

Key Words: Kate Spade Saturday, market segment, Product Lifecycle, Long Tail theory, target market

Case Introduction and Problem Summary

This case study that will examine the failure of the Kate Spade’s Saturday that was launched in 2013 and in less than two years closed. This failure will be analyzed through the lens of three theories: Product Lifecycle theory, the Anderson Long Tail theory and finally market segmentation. The use of each theory as a medium of analysis points to the larger problem within the firm, which is that Kate Spade Saturday Collection was a drastic change from the original brand as they attempted to move into the Fast Fashion market segment. The move from a luxury differentiator was unsuccessful, as their existing customer base was not interested in a low cost provider.

Secondly, Kate Spade Saturday Collection was unable to connect with a new target market, as they did not utilize an effective marketing strategy to promote their products, sell their products or interact with their customer base. Focusing on market segmentation, it is suggested that the best solution for Kate Spade Saturday Collection would be to co-brand with a lower cost provider and create a more effective Omni channel system to communicate with the target market that they hope to reach.

The paper will proceed as follows: first the case will be told from the perspective of one of their employees, Kelly, the store manager of the Lower East Side Manhattan Store. Then a brief summary of the three theories that will be driving the analysis of the case will be described with each theory followed by a preliminary analysis applying that theory to the case. A more integrated analysis is then followed by suggested solution strategies and then some overall conclusions and observations.

The Case: Kelly and Kate Spade Saturday

It was Sunday evening and Kelly, the store manager of the Kate Spade Saturday store located in Lower Manhattan (152 Spring Street, Front 1) had her high hopes for huge store sales that weekend vanish into nothingness. “Figure don’t lie but liars figure” she said to herself shaking her head in dismay as she examined store sales that weekend – sales that seemed quite anemic given the popularity of the brand, its price point, and customer in-store traffic.

Weekends were big shopping days in general for her Manhattan store but several local events in the SoHo district of Manhattan¹ brought in heavier than usual foot traffic, and more foot traffic meant higher sales; or at least she thought it would!



Figure 1
152 Spring Street Storefront

<https://www.bing.com/images/search?q=Kate+spade+152+spring+street&FORM=HDRSC2>

Kate Spade Saturday had made a quick name for itself in 2013 as one of the first major brand “pop-up” shops, four in downtown Manhattan, taking window shopping to a new level. The brand, a more casual, less expensive offshoot of Kate Spade, offered passers-by a mix of online and in-person shopping through its 24-hour window shops. These shops offered around 30 products, with a new item added each week, fittingly, on Saturday. Dresses ranged from \$100 – \$170, tops from \$30 – \$80, pants from \$110 – \$120 and accessories for up to \$180. Shoppers would touch screen links the sidewalk shopper to the web, shop and browse via the touch screen, but made payments separately through a mobile application. Items were delivered in an hour, though could be scheduled within the week. For those who love the convenience of doing away with cumbersome shopping bags, it was a welcome change in shopping. (Ku, 2013)

¹ SoHo is a neighborhood in Lower Manhattan, New York City, which in recent history came to the public's attention for being the location of many artists' lofts and art galleries, but is now better known for its variety of shops ranging from trendy upscale boutiques to national and international chain store outlets.



Figure 2

154 Spring Street Popup Store

<http://mashable.com/2013/06/09/retail-store-future/#Zf.YbyxmDGqF>

Healey Cypher, head of retail innovation at eBay, which partnered with Kate Spade Saturday on the initiative said

We're redefining what it means to window shop. There's no inventory and no [store associate]. ... Consumer expectations are drastically changing, and it's led by mobile. Consumers get what they want, where they want it. ... You're going to stop by a window, and by the time you get to Central Park, a courier will have a [Kate Spade Saturday] picnic blanket for you (Indvik, 2013).

Success of these pop-up shops lead to the opening of more permanent store fronts, including the one on 152 Spring Street, just a store down from the former 154 Spring Street pop-up store. This store was far more traditional in operation with physical inventory on display although the store used iPads for ordering, and, supported by a strong sales staff, made shopping a touch screen/touch clothing experience – just right for the millennium shopper, or so Kelly thought. “Where could we have gone wrong?”

Behind the Scenes: Kate Spade’s Growth

Kate Spade Saturday Collection is a subdivision of Kate Spade and Company. Kate Spade was first founded in 1993 by Kate as a mid-price, affordable luxury handbag provider. Their target market was the thirty something professional, working woman who demonstrated her unique sense of style with whimsical, colorful and quirky collection of handbags. Spade created her company when she recognized that there was a gap within the market for these kinds of bags. She wanted to provide handbags that were colorfully, sleek and whimsical, yet practical and appropriate for work. Throughout the 2000’s Kate Spade, under the new leadership of Deborah Lloyd and Craig Levitt, saw much success within the apparel and handbag industry that the company and therefore began to introduce more pieces. The brand began transitioning Kate Spade from a leather goods store into a lifestyle shop. Office décor, jewelry, clothing and



Figure 3: Kate Spade Saturday Japan Store front, 2014

kitchen supplies were sold throughout their 140 retail shops in the US and 175 retail shops internationally (Who We Are, 2016).

Kate Spade's competitive advantage had always been that their purses were considered a niche product therein creating a quality brand image. Kate Spade developed a strong trademark with sales and revenue increases each year. Roughly 60% of their revenue was derived from their leather goods with apparel, jewelry and home décor making up the other 40% (Ho, 2016, 2). They became clear leaders in this market, beating their competitors such as Coach and Michael Kors consistently in sales each year.

While Kate offered standard purses in a wide range of colors they also offered purses and jewelry that embodied a theme. For instance in 2015 Kate Spade created a line that featured the iconic New York Taxi to represent their prominence in New York. Not only were purses shaped in the design of a cab, but their shoes featured the same colors and patterns. This collection sold out as many women enjoyed their originality and whimsical flair. Kate's competitive edge was established each season by creating pieces that were unique, different unlike their competitors, who created a similar shaped bag but reintroduced with a new set of colors to represent the season.



Figure 4
Kate Spade Taxi Collection

<https://www.bing.com/images/search?q=kate+spade+taxi+collection&id=8051203A85F9158D64EA8076B45A56F590ECD2EA&FORM=IQFRBA>

In 2013, based on her previous success, Kate Spade launched the Kate Spade Saturday Collection initially in Japan and then in New York and LA. Kate Spade Saturday targeted the younger Kate Spade shopper, while still keeping true to the brand's identity. Craig Levitt, its CEO stated

Through ongoing research, we saw an opportunity in the market to engage a new customer base - one that aspires to be a part of the Kate Spade New York brand. Kate Spade Saturday is born from the core values of Kate Spade New York, but is realized in a new and exciting way for this younger customer (Kate Spade New York, 2012).

Kate Spade Saturday hoped to make the shopping experience much more interactive and different for the millennial generation, their target market in this brand, who shopped more online for convenience. Throughout the store iPads were set up around clothing displays items and showcasing the prices of the items. One of the added benefits of the iPad was that it featured models, modeling the outfits thereby allowing the customer to see how the clothing would look on a body rather than the hanger. Another unique aspect of the store was that iPads replaced the traditional paper signage (Grey, 2013). With iPads the experience that Kate Spade Saturday shoppers were obtaining was much more interactive as they were able to flip through and see how the clothing was worn, and obtained easy access to information relating to the product and prices.

The main incentive for creating Kate Spade Saturday was to gain a new target market and expand their total target audience. By showing stylish clothing at a cheaper price it made it possible for the younger, more discerning shoppers to experience the Kate Spade brand. No item was over \$ 98 dollars, making it far more affordable and accessible. This also offered Kate Spade the opportunity to push into the higher end of fast fashion since every Saturday new apparel, accessories and jewelry were added to the store's inventory. This encouraged shoppers to continue visiting the same store as new, trendy pieces that were seen on the runway were now in-store for sale; similar to Zara and H&M.

The Build Up

As perusal Friday would be a busy day at the Kate Spade Saturday location in Lower Manhattan. The new arrivals of the week would be coming in and this meant that Beatrix² and Chloe would need to unpack the clothing, begin setting up new displays, changing the iPads to make sure that they displayed the prices of the new products and try to clean up the store front as much as possible. Seems easy? The only problem was that none of the clothing and handbags from last week's collection were sold, as few shoppers were coming in and checking out the new shipments. The store was beginning to feel cluttered, but senior management at the Kate Spade headquarters were not listening to Kelly, the manager. Only about five or six new products came each week, but it could be overwhelming when the previous shipments were only selling a few items a week, and not opening that extra space on the shelves.

At seven o'clock that night Beatrix and Kelly began to unpack the new boxes in the back. The fresh, new fall items had arrived, a chunky knit sweater, a simple black dress, a previous bucket bag in new fall colors and a bunch of embellished tights and scarves. Beatrix began to slowly move the previous shipment of new supplies to the other corner, but there was barely enough space.

Instead Beatrix had come up with an interesting idea of how to showcase the clothing in a way that did not feel messy, and ensure that all the pieces would be seen. Her and Kelly took every item, but one to keep on the floor and placed the rest in the back room. So that when customers needed a size they could simply come to them and ask for it. After that the two reset the iPads and began to input the prices of the new shipment orders as no clothing featured price tags. Instead shoppers would scan the items on the iPad where the price, style and any other colors would be showcased. Since none of the items have a price tag on the garment Beatrix was forced to input the set of numbers on the inside of the garment tags.

Saturday's Newest Products Arrive



Figure 5: Kate Spade Saturday New York iPad Display

Beatrix arrived in the afternoon to begin her shift. After cleaning up some of the messy displays a customer had come into the store. After examining a dress, she came up to the desk to ring it in. Beatrix was extremely happy this had been one of the new dresses that had come from the shipment the night before. The transaction seemed to be going smoothly as Beatrix spoke with the customer asking if she found everything that she was looking for. Beatrix rang the dress up and told the customer the price of the dress was 80\$. The customer gave a blank stare and began to explain that, Beatrix or the machine must be wrong. She went to explain that the cost of the dress on the iPad had been displayed as 45\$ dollars. Beatrix apologized and rang the dress again, but still the price was showing as 80\$.

The customer was not accepting the price or the apology and insisted that they go to the iPad to recheck the price. In the meantime, Beatrix was able to figure out what the problem was. She had input the numbers for the sweater and not the dress. After explaining the situation and apologising for the confusion to the customer, Beatrix was shocked by her response. She began to yell saying that the only way that Kate Spade Saturday sold items to their customers was by lying about their pricing by showcasing lower prices on the technology and then when they are at the till they are expected to be okay with the higher price. Well not her. She left the store yelling that she would never be coming back.

² Names changed in the store



Figure 6: Kate Spade Saturday dress

Just as the disgruntled customer left, Kelly the manager walked out from the back. She first ensured that Beatrix was alright and then collected all the information, just in case the customer came back and wanted to speak to her.

Beatrix was shocked by Kelly's initial response. She explained that it was her fault. As an employee you need to ensure that when you input new items in the system they are correct. Customers do not want to feel like there are being misled. Also Kelly asked Beatrix why there was only one item on display for each garment and handbag. Beatrix explained that the store was feeling cluttered and that when they added the new shipment there was barely any room on the sides and shelves to properly display the items. Kelly began to explain that in the morning a few shoppers had come to the store and when they saw that their size was not there, and were too embarrassed to ask the sales rep they left. Kelly argued that this was her call as the manager to change the way that the store operated. If Beatrix was not happy with the look she should have talked to her. But by only leaving one item, in one

size out they were not making sales, because people were unaware of the other sizes in the backroom.

Beatrix was shocked and felt diminished as a sales associate. She felt that it was the only possible solution, because she knew if senior management saw this unseemly sight they would have been displeased and been very concerned as it failed to meet the Kate Spade Brand high standards.

Unfortunately, in February 2015 Kate Spade announced that their Kate Spade Saturday stores would be closing all 16 locations and e-commerce. Roughly 29\$ million dollars had been lost as customers were not interested in shopping there (Young, 2015). Leavitt argued that the closure of the stores was due to their weak footprint in regards to retails making it hard to connect with the consumer as they were not familiar with the brand (Young, 2015). Instead they hoped to establish a mono Kate Spade store that featured their lifestyle motif.

Theory and Preliminary Application

The Product Life Cycle

The Product Life Cycle is the theory that a product goes through four stages during its lifetime; introduction, growth, maturity and decline (Keller, 2016, p. 348). Initially when a product is introduced, the growth is slow as people are unaware of the new product. Followed by growth when sales begin to rapidly increase, creating a profit as people are purchasing the product. Next is the maturity stage where the rapid sales begins to slow down as competition increases and potential buyers from their target market have already purchased the product. Finally, decline is the downwards drift as sales decline as less people are purchasing the product. From figure 3 one can see that at maturity the product has reached its peak in sales and then begins the downward flow.

When looking at the affordable, luxury brand of Kate Spade, the original mono brand, was successful. Each season they introduced one new product at a time, unlike the fast fashion realm of Zara, ASOS and H&M who were rapidly introducing new product. The Kate Spade look is the same from month to month, as their product line is consistent unlike Fast Fashion brands where stores look completely different from week to week as their products are introduced quickly and sell off. This idea relates to the product life cycle which is the concept of fashion and fad. Fashion is an important concept in the Kate Spade Brand. It is the idea that their fashion is timeless and fashionable. For example, there most successful handbag the Cedar Street Maise Top Handle Handbag is continuing through the product life cycle, because it is stylish and unique. A style like the Cedar Street bag goes slower through the product life cycle, because they are deemed as classics that do not go out of style. It was reintroduced every season with different colors, prints and sizes to be more relevant to the time, but the design stays the same. This was their flagship product, which represented the brand and its core beliefs: classic style and elegance (Keller, 2016, p. 328). The Cedar Street Maise is not a fad, because fads last a short time, as they tend to be trendy pieces that come and go quickly (Keller, 2016, p. 350). For fast fashion brands this works, because as they introduce new products quickly to keep up with the changing styles and popular fads.

This is more difficult for luxury brands as the supply chain from conception to introduction can take upwards of six months. Kate Spade Saturday entered the fast fashion realm, yet the strategy failed as the product life cycle that they hoped for did not resonate with their existing customer nor could they attract a new market.

The Anderson Long Tail Theory

The Anderson Long Tail Theory is broken into three parts. First, a company needs to lower the cost of distribution making it economically easier to sell products without having a precise prediction of demand. The second is that stores need to make more products available for sale for a greater likelihood to tap into the niche markets that are unreachable through traditional marketing channels. Finally, if enough niche tastes are segregated a big market can result (Keller, 2016, p. 367). Fundamentally the Anderson Long Tail theory argues that companies that are moving into a new market segment need to go first in as a niche market, to see if there is interest in the products and then expand to reach a larger market. Kate Spade Saturday seemed as if it was a niche market as it was providing clothing that was fun, unique and quirky, unfortunately it was not marketed as such. Introducing clothing and a wide array of products to entice consumers may have spread them to thin. As well, Kate Spade Saturday tried to be a low cost provider yet, what worked well for the Kate Spade brand was that it is a differentiator. With Kate Spade Saturday, the clothing looked very similar to the H&M style losing its distinct, unique flair. The market-niche strategy works for Kate Spade parent brand, because they target a small market that they are very familiar with. (Keller, 2016, p. 346) When niche markets expand, they need to focus on the niche rather than the whole market (Keller, 2016, p. 347). This allows them to meet the required needs of this niche market base without sacrificing anything (Schaefers, 2014, p. 1807)

Choosing a niche product is primarily influenced by consumers' desire to differentiate themselves from out-group members (Schaefers, 2014, p. 1818). Kate Spade Saturday was not seen as a niche market, because their clothing styles were not different enough from their other fast fashion competitors. It was hard for Kate Spade Saturday to resonate with people, because when they moved into this new market they were unable to be effective.

Marketing Segmentation

The Market Segment concept is a group of consumers that share similar needs, wants and values (Keller, 2016, p. 346). They can be divided into three categories: the first being the geographic segment, which divides the population into groups of people based around states, countries and cities. For example, New Yorkers may want something very different from people in LA during the winter months. A marketer at Macy may find that in New York, they are doing much more promotions based around winter coats, jackets and boots, because of the colder temperature, while in LA promotions are based around sweaters and lighter jackets as the temperature is significantly warmer. Marketing winter jackets across the whole country would not serve everyone; therefore, populations need to be segmented in order to fit the needs of everyone. The next division is the demographic segmentation that consists of variables such as age, family size, life stage, gender and occupation (Keller, 2016, p. 249). As more variables are added the division is made clearer allowing marketers to figure out the best way to target individuals.

For example, the life stage of a person is important to marketers, because it helps to determine their spending patterns. A university-aged student would have a different income than a professional, middle class individual. Since so few universities aged students have extra funds, a luxury car company would not be the ideal target market for them, while older, financial stable individuals with disposable income may be. Targeting consumers based on their demographic is important, because it determines who the best fit for a brand is as they will be more willingly to purchase the products. It is better to have a market segment as it allows all the resources to be delegated based on the criteria, 20% of loyal customers will make up 80% of the company's revenue (Solomon, 2016, p. 8). The final segment is the Behavioral Segmentation, which is when consumers are divided into groups based on their knowledge, attitude towards, use of and response to a product (Keller, 2016, p. 259). For marketers it is important to attract people who are going to be loyal customers and continue to use the products, because if they continue to buy them they can be utilized as effective advertisers of the brand. Roger Best created the need-base marketing segment approach that is a seven-step approach to finding the right target market. As each group of customers are divided into groups based on their similar needs and wants, then these are further divided into identification markers, which then allows them to see if this market is attractive to consumers (Keller, 2016, p. 263).

Finding the right market segment is important for any firm or company as it allows for a company to succeed, because people are interested in purchasing their products. This is the only way to be successful, because if products are not selling a company is failing to do their job effectively. If the audience is undefined the communication and promotional tools will be too broad, which would make it impossible to attract a larger number of people. This is evident at Kate Spade Saturday, because while they defined their new target market as female, millennials between the ages of 18 to 30 they failed to market their products in a manner that would resonate with them.

Integrated Analysis

The most serious issue facing Kate Spade Saturday was that it was trying to become a fast fashion brand, which ultimately changed its products, moved it from one market to another and changed the brand's target market. Fast fashion is the reduction of time it takes from production to concept to get to the consumer (Barnes, 2010, p. 761). It is based on consumer demands as they are always introducing new products relating to what interests their new consumers. (Barnes, 2010, p. 761). Consumers are driving the idea of fast fashion, because they want to be able to purchase the newest trends right now and not wait, which is the approach that luxury brands use. This idea of fast fashion intrigued Kate Spade and is one reason why they started their new store Kate Spade Saturday. They incorporated the idea to give the consumers what they wanted. Unfortunately, Kate Spade Saturday failed. Beatrix and her coworkers were finding that the merchandise was not moving as quickly as they were coming in. The store was cluttered and it necessitated moving the "older", unsold merchandise in the backroom. The new brand was not resonating with their customer base and they failed to attract a younger base. With older consumers there is this idea of fast fashion avoidance, where they do not want to shop at fast fashion locations, because of the perceived poor quality of the clothing, fit, stitching and wear ability, which makes shopping there a deterrent (Kim, 2013, p. 256). Kate Spade expected to see new consumers who shopped fast fashion, but found that people coming to the store were their traditional market, meaning that the quality that they perceived about Kate Spade was not seen in Kate Spade Saturday as the quality was cheaper as the price point was significantly cheaper.

A better understanding of why it failed is when we review the Product Lifecycle that outlines clearly the path to success. In the initial stage products see a slow growth but then they begin to sell quickly as influencers purchase the product and help to ignite an interest. However, with so many products being introduced in a short timeframe Kate Spade Saturday was never able to find a product that resonated and fueled a frenzy. What Zara and H&M do successfully is that by introducing trendy clothing, but only a limited number of products to ensure that they will sell out and if the product becomes popular they can reproduce it quickly and place it in the stores. As well their price points are cheap making consumers want to shop, because trendy products are not as expensive as fashion products found at high cost stores. This is the main issue with Kate Spade Saturday, because they were still using the product life cycle for a fashion item rather than a fad as they introduced new products constantly, but a large supply of it to ensure they always had stock. This failed them, because when products were not selling they still continued to keep them in the store front, creating a messy, unorganized space that was movement away from the identity of Kate Spade. Kate Spade Saturday was described as the little sister to Kate Spade, which meant that the same feel, aesthetic and atmosphere should be in Kate Spade Saturday. However, the move into fast fashion eliminated this as it felt like an H&M, which customers could not resonate with as they were used to another image of Kate Spade.

The core element of the brand was to be whimsical and colorful. One of the many problems with the store was that products were not moving creating an environment that was cluttered and messy, which resulted in an error occurring as Beatrix inputted the wrong price of an item. Kate Spade Saturday was a major departure from the niche market that had been cultivated and their failure to attract a new target audience did not help either. Kate Spade's strengths lay in a single concentrated market where the brand was more effective, because it entered the market with fewer products that grabbed the attention of the customer (Keller, 2016, p. 264). The Fast Fashion trend did not reflect the company's brand. Examining the Anderson's Long Tail Theory provides another perspective as to why this venture failed. Senior management at Kate Spade completely neglected to fully appreciate that they lacked any viable product that would stand out from their competitors. Instead they supplied generic looking clothing, with a few handbags that lacked the whimsical and color of the brand. This lack of any critical analysis doomed the venture.

The initial problem with Kate Spade Saturday was that it moved into the Fast Fashion industry without fully understanding or applying the principles of marketing that had made Kate Spade such a success. Kate Spade

Figure Four: Kate Spade Saturday Instagram followers: 81.5 k



Saturday was trying to generate a new generation of consumers that was very different to their traditional base. However, as noted previously they failed to communicate effectively and more importantly perhaps did not know or listen to their Customer base as to what they wanted. The prices were too high and they had not fully segmented the population as it was a new market that they did not fully comprehend. For

instance, in figure four Kate Spade Saturday only had 81.5 thousand followers on Instagram. This was a low engagement for a brand that prided itself on being fashion forward, technologically astute and relevant to the millennials. They failed to market Kate Spade Saturday effectively to millennials as their website was poorly designed. The idea of tapping into a new market was a good idea as millennials make up 25% of the US population, but the execution was wrong as they were unable to establish themselves as niche within the market (Millennial, 2006). By having a traditional brick and mortar store they struggled to attract new shoppers such as the millennials who are more likely to shop online, while older shoppers prefer the traditional face to face experience in the store. The attempted to target a new audience, but applied older marketing strategies that did not fit.

What is interesting about this how all the problems stem from their shift in the market they failed at distributing product that connected with customers, they could not establish a niche market nor could they shift their target market. Instead they staggered in the middle between the market Kate Spade had and the market that Kate Spade Saturday wanted. This strategy hurt them as they failed to connect with both resulting in low sales.

Suggested Solution Strategies

Kate Spade Saturday would have benefitted by instituting an omni channel brand that was more active on social media and had an online store that was made to reflect the brand better. The millennial shoppers are less likely to go to a store and shop as they are more inclined to go online as it is convenient and easy. Purchases arrive quickly and in most cases returns are hassle free. By using social media more effectively to communicate and appeal to millennials through fun and interactive content may have also raised their profile. Instagram features an app that allows a link that expedites purchasing items as it allows them to embed links into Instagram photos allowing to buy products off the website, by linking the product straight to the page making it an easier process. The failure to utilize technology to communicate and reach this group moved difficult to surmount. By being omni focused it allows meant that they would not have had the issues with inventory and space as the store would not need to have all the products there.

Kate Spade Saturday was trying to tap into a new market, but their failure to appreciate what distinguished them from their competitors also hindered their success. Kate Spade is recognized as a luxury brand which made it difficult to transition into a cheaper version of itself. The movement down the market failed, because the target audience was not interested in purchasing clothing that was priced higher than other traditional fast fashion brands. Kate Spade Saturday may have succeeded if they had collaborated with H&M for example to make a clothing line that spoke to the Kate Spade essence but stayed true to what made them special. Co-branding is an important marketing strategy as it allows two companies to jointly work on a project together (Keller, 2016, p. 387). A great benefit as it evolves the brand's positioning and engagement with the consumer (Andal-Ancion, 2010, p. 5). By incorporating the Masstige principle which is the idea of introducing luxury products to a broader, mass consumer by making them less expensive, but do not sacrifice quality and are still able to feel the experience of the luxury purchase (Andal-Ancion, 2010, p. 2).

A great example is the H&M x Stella McCartney collaboration in 2005. H&M sales increased by 12% while people became more aware of the Stella McCartney brand (Adetunji 2005). Stella McCartney noted that, 'Stella McCartney for H&M' is a fantastic way of reaching a wider female audience with a collection that is attractively priced yet offers high quality together with a superb fit and details' (Stella McCartney for H&M, 2005).

Kate Spade Saturday could have benefited from such a similar collaboration by boosting its profile and increase revenue as co-branding would have moved them to a new market without fully committing to changing their market strategy. This could be a way to avoid the fast fashion as they were not fully going into it, but utilizing a brand that knew who to effectively market and interact this way (Kim, 2013, p. 244). As well this could be an effective way to incorporate the Anderson Long Tail Theory, because co-branding would allow them to see if there was a niche in the market and if Kate Spade had the tools to effectively go in. If the collaboration did not work they would lose some money, but overall they would not need to close down stores.

Conclusions and Observations

The failure of Kate Spade Saturday was due to poor strategy formulation as well as weak strategy implementation. Brand repositioning had a negative deleterious effect because the firm endeavored to traverse market segments that were too far spaced apart; going from high end to low end can damage a brand's image. Kate Spade Saturday failed to gear their marketing to the right audience that led to have an overflow of supply that resulted in low sales. The closure of the stores in 2015 could have been prevented if the brand had taken time to assess, educate and evaluate their position prior to entering a new venture.

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