

## UOB-SMU Entrepreneurship Alliance Centre



### A Delight to Hold and Behold – Bags from House of AnLi

House of AnLi creates bags that are a pleasure to collect and a thrill to carry. Drawing inspiration from the spectacular French Riviera, Belgian-born designer Anne-Jean Liétaer infuses the bags with the spirit and soul of the region. Translating her vision of spectacular panoramas, dazzling seascapes as well as day-to-day scenes into fantastical motifs and alluring designs, she expresses the joy of life and a relaxing lifestyle in every piece.

Fascinating shapes, interesting designs and juxtaposed textures present a variety of funky, quirky and sometimes whimsical styles, living up to the corporate slogan “House of AnLi enlivens the child in you”. Significantly, House of AnLi bags are not just carry-wear items – they are a revelation of stories that await their owner’s personal discovery.

Creativity, an eye for quality craftsmanship and originality embody the art and soul of House of AnLi’s style. Every piece is hand-made from the finest materials sourced from around the globe, and complies strictly with the company’s quality standards.

With the goal of endearing and enduring creativity, customers can look forward to innovative new designs and shape variants every season, while classics, which underline the brand’s signature styles, remain a staple of the collection throughout the years.

Exceptional in craftsmanship, with a knack for embroideries including a splash of Belgian pizzazz and House of AnLi’s characteristic edginess, every bag is a witty statement of fun meets functionality.

### More than just a Bag

According to the 2012 World Luxury Index – Handbags, the first digital analysis of the luxury handbag market, handbags have become “one of the most coveted items” in the luxury goods market. “Their desirability, visibility and accessibility have attributed to their strong performance and widespread recognition,” said the report<sup>1</sup>. The research, which examined over 130 brands through over 130 million searches in eight countries, covered both premium and major luxury brands ranging from Coach, Kate Spade and Furla to Armani, Chanel and Hermès. It reinforces what many marketers already know – women have a unique relationship with their bags. The study analyses the data by segment (premium versus major luxury brand), product brands and geographic spread, providing insight into a distinct segment (women and handbags) of consumer behaviour.

Unlike man-bags which tend towards the functional (though trends are already changing as the men play catch-up), women’s handbags are more than mere receptacles for essential things. They play multiple important roles including fashion accessory, conversational piece and status symbol, and the BBC has even called it “a symbol of ethical intent”<sup>2</sup>. How else does one explain the enigma of a Hermès, the appeal of a Chanel 2.55, and the fascination of a Ferragamo? Indeed, how does one explain why a £5

<sup>1</sup> <http://luxurysociety.com/articles/2012/06/the-most-searched-for-handbag-brands-in-the-world>

<sup>2</sup> [http://news.bbc.co.uk/2/hi/uk\\_news/magazine/6587169.stm](http://news.bbc.co.uk/2/hi/uk_news/magazine/6587169.stm), 25 April 2007

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bag retailed at Sainsbury would sell out within an hour? Was it the message emblazoned on the fabric – “I am not a plastic bag”, or was it the renowned bag designer – Anya Hindmarch, or ...? Suffice to say, the green message got a huge boost that year because of *this* bag.

It seems that not much can come between a woman and her luxury handbag. A 2010 McKinsey survey<sup>3</sup>, conducted soon after the 2008/2009 global financial crisis, revealed that Asian countries such as South Korea and China bucked the trend of stagnated or diminished sales of high-end designer goods during the economic meltdown. Instead, the sale of luxury bags and shoes grew between 10 and 30 percent.

As brands compete to widen their market share, they are faced with a target consumer segment – a burgeoning middle-class which is unfazed by conspicuous consumption – which in recent years has become much more discerning. So for mid-range to luxury brand bags, the price is unlikely to be the deal-breaker. Rather, factors such as overall quality encompassing design, material and workmanship; distinctiveness and uniqueness – such as having limited pieces or designs, and brand reputation will be the principal considerations.

### Bag-gers are Choosers

When lamenting the feud between her family and Romeo’s, Juliet, from the play *Romeo and Juliet*, had famously asked, “What’s in a name?” and declared that “a rose by any other name would smell as sweet”<sup>4</sup>. Research, however, disputes her utterances. Having a name that is synonymous with quality, and which resonates with the preferred customer segment, is essential to drive the bottom line. Indeed, a recent survey revealed that customers are willing to pay up to 20 percent premium for bags that are hand-woven as they believe it adds to the quality and uniqueness of the item.

Among people unfamiliar with House of AnLi’s products, the same survey showed that it is thought to be an Asian or Chinese brand because of its Oriental-sounding name. The word “House” is also misleading, causing respondents to think it is in the spa or furniture business. This lack of brand awareness translates to an unwillingness to pay as much for a House of AnLi bag as they would for a bag whose name they recognise, trust and associate with “branded luxury”.

Given the special relationship that women have with their handbags, marketers are reaching out to potential customers by focusing on the ideal size, shape, weight and even emotional connection... before the price. Because when women buy branded or luxury products, price takes a back seat – way behind quality and perceived value.

Bag-gers can be choosers. And in this case, they also hold the purse-strings.

### It’s in the Bag

House of AnLi wanted to find out who its typical customers are, why they choose this brand and what would motivate a female end-user customer in Singapore to choose one handbag brand over another. Through the SME Consulting Programme managed by UOB-SMU Entrepreneurship Alliance, House of AnLi was able to know its customers, their profiles and preferences better, and “identify some of the weaknesses of our product range,” said CEO Panagiotis Lynas. In turn, this would help the company to “focus on designing the right products within the right price range”. He especially appreciated the “methodological approach” used by the student-consultants to conduct the market research.

The student-consultants were able to apply what they learnt to a “real” situation, including how to structure survey questions “properly” and putting together focus groups with the right mix to obtain “unbiased and fair” feedback. They also gained experience in management consulting and its robust requirements, how to liaise with multiple parties and how to achieve objectives with limited resources. As

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<sup>3</sup> [http://csi.mckinsey.com/Knowledge\\_by\\_region/Asia/South\\_Korea/South\\_Korea\\_Living\\_it\\_up\\_in\\_luxury](http://csi.mckinsey.com/Knowledge_by_region/Asia/South_Korea/South_Korea_Living_it_up_in_luxury)

<sup>4</sup> *Romeo and Juliet* by William Shakespeare

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these are all scenarios reflecting the reality of working life, such experience would add to their track record and better prepare them to join the workforce.

The student-consultants “displayed great enthusiasm in their project work and often went the extra mile to provide value-added analysis and input to the client,” commended Project Adviser Jeanette Ng. Their “structured” approach was “very helpful” as it provided the client with analytical frameworks to identify and resolve issues on a “sustainable basis”, even after the project has ended.

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