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Section 1 Executive Summary

1.1 Vision

The corporate vision of the Group is to be the “Brand of Hong Kong, Sparkling the World”. It aims at becoming a famous market leader in Hong Kong, then a multi-national corporation gaining global reputation and satisfying global needs on jewelry through designing and crafting the finest jewelry.

1.2 Current State of Business

Luk Fook is now the second largest company in the jewelry industry in Hong Kong despite its short history of only 24 years. It specializes in gold, platinum and gem retailing, with over 1350 shops worldwide. It mainly attracts customer through its products with high quality.

1.3 Key findings and recommendations

In the financial analysis, the profitability, liquidity, asset utilization and solvency improved from 2013 to 2014. However, viewing the whole jewelry industry in Hong Kong, in order to surpass other brands and become the market leader, a wider group and variety of target customers are needed, such as designing products not only limited to the demand of Mainland tourists, creating masculine products instead of only feminine ones.

In the hope of improving the current situation of Lukfook, we therefore recommend 2

products which are a series called “My Name, Your Story” and child accessories, compounded by special stores for men to further expand the products to more kinds of customers so as to sustain future business growth.

Section 2 Introduction

2.1 Background

Luk Fook Holdings (International) Limited is one of the leading jewelry retailer established in 1991. It has set up over 1350 stores in Mainland China, Hong Kong, Macau, Singapore, the United States, Canada and Australia. For products, Lukfook engages in the sourcing, designing, wholesaling, trademark licensing and retailing of a variety of gold, platinum jewelry and gem-set jewelry products. However, in a continually westernized society, it is widely pointed out that the products of Lukfook are too traditional that they can only satisfy the wants of the older generations.

2.2 Objectives and scope of the project

The objective of this project is to evaluate the financial position of Lukfook in 2012 and 2013, then trying to suggest some possible and workable management plans in a view to increasing the sales of the company. For the aim to be achieved, our group has carried out questionnaires on different age groups and focus groups as market research. Its annual report was also analyzed to make sure that the plans will not exceed the company’s capability.

Section 3 Analysis of Lukfook’s group financial performance

3.0 Introduction

Lukfook and Pandora are brands in Hong Kong’s jewelry industry and Pandora is the model for Lukfook in developing products with new design style. Therefore, the financial performance of the two companies are compared below. The financial figures of Pandora have been converted from 2012-2013 to 2013-2014 for convenient comparison.

3.1 Profitability

	Lukfook		Ref. Pg.	Pandora		Ref. Pg.
	2013	2014		2013	2014	
Mark up ¹	26.74%	28.09%	74	199.24%	199.24%	42
Gross Profit Ratio ²	21.10%	21.93%	74	66.58%	66.58%	42
Net Profit Ratio (before tax) ³	11.23%	12.08%	74	22.23%	30.43%	42
Net Profit Ratio (after tax) ⁴	9.27%	9.71%	74	18.07%	24.64%	42
Operating Profit Ratio ⁵	11.19%	12.02%	74	22.17%	29.76%	42
Return on Capital Employed ⁶	40.58%	47.79%	74,76,77	98.73%	317.65%	42,43
Return on Assets ⁷	16.44%	19.45%	74,76	14.29%	23.94%	42,43
Return on Equity ⁸	19.35%	24.41%	74,76	19.91%	34.35%	42,43
Equity Multiplier ⁹	1.18	1.25	76	1.39	1.44	43

¹ (Gross Profit/Cost of sales)*100%

² (Gross Profit/Revenue)*100%

³ (Profit before income tax/Revenue)*100%

⁴ (Profit attributable to equity holders of the Company/Revenue)*100%

⁵ (Operating Profit/Revenue)*100%

⁶ [(Operating Profit)/(Share Capital + Reserves + Non-current liabilities)]*100%

⁷ (Profit attributable to equity holders of the Company/Total assets)*100%

⁸ (Profit attributable to Equity holders of the Company/Capital and reserves attributable to equity holders)*100% [This formula is stated in Lukfook Group's Annual Report (p.1)]

⁹ Total assets/Capital and reserves attributable to equity holders

For Lukfook, all the profitability ratios rose from 2013 to 2014, which shows that Lukfook has been generating a higher profitability. For example, the net profit ratio after tax rose by 0.44%. The shareholders were also able to benefit from the company's performance as reflected by the increase in return on equity from 19.35% in 2013 to 24.41% in 2014. However, when compared to Pandora which is as well specializing in the sales of jewelry, the profitability of Lukfook is far lower. The net profit ratio after tax of Pandora reached 24.64% in 2014 after a substantial rise of more than 6% from 2013, whereas Lukfook only got around 9.7% in 2014. Moreover, the return on assets of Pandora exceeded that of Lukfook in 2014 after surging by 9% from 2013, indicating a rapid improvement of Pandora in obtaining revenue from the assets. In this aspect, Lukfook lagged behind Pandora in 2014.

When considering whether Lukfook has utilized its resources in an efficient way, the return on capital employed rises from around 40% in 2013 to near 48% in 2014, denoting Lukfook's higher efficiency in handling assets. However, the rise for Lukfook was far behind that of Pandora, which marked more than a triple of the return on capital employed in 2014 than in 2013. It conveys a message that Lukfook had to pay even more attention and effort on ameliorating the use of resources and capital.

3.2 Asset utilization

	Lukfook		Ref. Pg.	Pandora		Ref. Pg.
	2013	2014		2013	2014	
Inventory Turnover ¹ [times]	2.25	2.65	74,76,129	1.52	2.14	42,43
Average Inventory Turnover Period ² [days]	162.46	137.80	74,76,129	240.95	170.20	42,43
Trade Receivables Turnover ³ [times]	42.36	85.05	74,76	7.08	10.07	42,43
Average Trade Receivables Collection Period ⁴ [days]	8.62	4.29	74,76	51.72	36.26	42,43
Trade Payables Turnover ⁵ [times]	11.78	16.42	74,76,129	8.82	5.91	42,43
Average Trade Payables Repayment Period ⁶ [days]	30.98	22.23	74,76,129	41.49	61.81	42,43
Operating Cycle ⁷ [days]	171.07	142.09		292.67	206.45	
Total Assets Turnover ⁸ [times]	1.77	2.00	74,76	0.79	0.97	42,43

¹ Cost of sales/Average Inventory [Cost of Licensing Income is excluded]

² Average Inventory /Cost of sales *Number of the dates for the year [Cost of Licensing Income is excluded] [This formula is stated in Lukfook Group's Annual Report (p.1)]

³ Revenue/Trade Receivables

⁴ (Trade Receivables/Revenue) *Number of the dates for the year

⁵ (Cost of sales-Opening Inventory + Closing Inventory)/Trade Payables [Cost of Licensing Income is excluded]

⁶ (Cost of sales-Opening Inventory + Closing Inventory)/Trade Payables *Number of the dates for the year [Cost of Licensing Income is excluded]

⁷ Average Inventory Turnover Period + Average Trade Receivables Collection Period

⁸ Revenue/Total assets

The performance of Lukfook is overall satisfactory. It could be shown by the decrease in average inventory turnover period from 162 days to 137 days, which was even lower than that of Pandora with 170 days. This reflected that there are less idle inventories for Lukfook. The cash conversion cycle of Lukfook decreased from 140 days in 2013 to 120 days in 2014, connoting that Lukfook was able to collect cash starting from the day when cash was paid for buying materials. Assets were thus better utilized in Lukfook. Furthermore, the total assets turnover for Lukfook rose from 1.77 in 2013 to 2.00 in 2014, which was higher than 0.97 for Pandora in 2014, meaning that Lukfook was more proficient in making use of its assets to generate sales.

3.3 Short-term Liquidity

	Lukfook		Ref. Pg.	Pandora		Ref. Pg.
	2013	2014		2013	2014	
Cash Conversion Cycle ¹ [days]	140.09	119.86		251.19	144.64	
Current Ratio ²	6.66:1	4.75:1	76,77	1.95:1	1.67:1	42
Quick Ratio ³	1.72:1	1.29:1	76,77	1.15:1	1.02:1	42,43
Cash Ratio ⁴	1.18:1	0.92:1	77,81	0.20:1	0.30:1	77,81

¹ Average Inventory Turnover Period + Average Trade Receivables Collection Period – Average Trade Payables Repayment Period

² Current assets/Current liabilities

³ (Current assets-Inventory)/Current liabilities

⁴ Cash and cash equivalents/Current Liabilities

Short-term liquidity of Lukfook had lowered from 2013 to 2014 as shown by the drop

of current ratio and quick ratio towards a more reasonable level. Though the current ratio of Lukfook was still considered as too high, as Lukfook is a retail chain store selling jewelry, the large amount of inventories for sales was comprehensible. In the meantime, the quick ratio was kept at a suitable level at 1.29:1 and there was still more areas for the company to further use its resources for expansion. Lukfook had a better performance in short-term liquidity than Pandora as Pandora's current ratio was too low which might face a shortage of inventories.

3.4 Long-term Solvency

	Lukfook		Ref. Pg.	Pandora		Ref. Pg.
	2013	2014		2013	2014	
Gearing Ratio ¹	0%	7.43%	76,77	0.12%	0.76%	43
Debt to Equity Ratio ²	16.88%	24.70%	76,77	39.35%	43.53%	43
Time Interest Earned ³ [times]	4827.47	811.80	74	11.52	25.29	42
Debt to EBITDA ⁴	0	0.23	1,77	0.00	0.02	4,43

¹ (Long-term Bank Loan + Short-term Bank Loan + Bank Overdrafts)/Capital and reserves attributable to equity holders of the Company*100% [This formula is stated in Lukfook Group's Annual Report (p.1)]

² (Total liabilities/Capital and reserves attributable to equity holders)*100% [This formula is stated in Lukfook Group's Annual Report (p.1)]

³ Operating Profit/Finance costs

⁴ Total Borrowings/EBITDA

The gearing ratio for Lukfook is 7.43% in 2014, which is still low and there is area for Lukfook to further increase its borrowings. However, the rise in debt to equity ratio indicates a larger size of total liabilities relative to owners' equity. Meanwhile, the time interest earned of Lukfook dropped significantly from 4827 in 2013 to 812 in 2014, showing the greater difficulty of the company in making its interest payment from this year's profits, while its competitor, Pandora, recorded a rise in time interest earned in 2014 to 25. Lukfook should also pay more attention on the volatility of profits and interest rates. However, generally, Lukfook's time interest earned was still over 30 times than that of Pandora, proving its strength in this aspect.

Although the debt to EBITDA for Lukfook increased from 0 to 0.23 in 2014 which is higher than Pandora, the figure was still situated in a low level and more debts could be taken to support future growth.

Section 4 Business Plan

4.1 Financial analysis

	2013	2014
Net Profit Ratio	9.27%	9.71%
Return on Assets	16.44%	19.45%
Total Assets Turnover	1.77	2.00

Higher profitability of Lukfook is indicated by a slight increase in its net profit ratio. This can be explained by the significant growth in its revenue (+43.27%). Efficient use of assets supported by increases in return on assets and asset turnover also accounts for the growth. On the other hand, its operating cost increases greatly (+43.38%). It seems that the company could introduce a more effective cost-controlling system to further minimize its operating expenses and could focus more on high margin products. However, overall speaking, Lukfook being the only one with an increase in net profit margin among the top three jeweler in Hong Kong¹, its performance is appreciated.

4.2.1 External environment

Political	Economic	Social	Technological	Physical
-the Hong Kong Government is planning to control the number of individual visit scheme	-high purchasing power for middle and upper class	-influenced by western culture	-advanced technological level	-well-developed transport network
-Government's plans to upgrade tourist facilities(e.g. "Iron Man Experience" in the Hong Kong Disneyland) *	- relatively high inflation rate →not all people can afford to buy those expensive accessories	-buy jewellery usually for wedding or new born baby instead of self-using.	-knowledge-based economy	-high density →shops are close to residents
-additional funding of \$50 million to the HKTB in the coming two years*		-Existence of SINKs and DINKs who prefer to enjoy life more		

*Source: The 2015-16 Budget <http://www.budget.gov.hk/2014/eng/budget20.html>

4.2.2 Internal Environment

Strength: It is the second large Hong Kong company with the revenue increased by

¹ Changes in net profit margins of Chow Tai Fook (2013 - 2014) and Chow Sang Sang (2012 - 2013) are -0.26% and -0.56% respectively (calculated from their annual reports).

43.3% to HK\$19 billion. These are all the solid proves of the strong financial and market position in Hong Kong. Moreover, Luk Fook owns production plant in Nansha to have a more efficient merchandising and sourcing capabilities to ensure product quality. Also, it has its own design process to ensure the quality.

Weakness: According to our observation and the information provided by Luk Fook, Most of its customers are women between 20and40. However, Luk Fook does not have a clear positioning compared with other competitors (e.g. Pandora). Therefore, it cannot attract youngsters to buy the products because of the design and the brand image of Luk Fook.

Opportunity: There are the potential of new market segment, for example the youngsters, man. These can be the opportunities of Luk Fook to expand its market share.

Threat: There are intense competitions with other retailers as there are many jewelry retailers in Hong Kong. Moreover, there are already many competitors in segments of youngsters and man and have already built a brand name, for example Pandora. It makes Luk Fook a greater risk to enter these market segments.

However, considering the potential of these market segments can help LukFook gain a more distinctive positioning among the other Hong Kong jewelry retailers and gain better revenue to offset the loss of the declining store sales from the decreasing purchasing volume of the tourists of the Individual Visit Scheme

4.2.3 Product Portfolio

Lukfook is a renowned jewelry retailer in the industry with various kinds of series serving different purposes. For instance, there are wedding collections for newly married couples, with gold and diamond rings included. Moreover, there are also festival-related products, such as the Mother's Day Collection with pure gold pendants. Nonetheless, the products of Lukfook are deemed as not diversified

enough as the dominant gold products can rarely appeal to the majority of the younger generations, which poses great threat to the sales of the company in the future due to unpopularity among the young people brought by its traditional image. In sight of the problem, the company has attempted to introduce the Rilakkuma Collection in order to widen the variety of customers with its prior advantage as a retail chain selling qualified and delicate products.

4.2.4 Competitive Positioning

Competition of Luk Fook in the jewellery retail remained fierce, as there are many competitors and new market such as Chow Sang Sang, Chow Tai Fuk and Pandora. Yet, it could remain a strong position in the market. With reference to the firm's Annual Report in 2014, for the year ended 31 March 2014, the revenue of Lukfook increased by 43.3% to HK\$19billion. The profit attributable to equity holders hit its record high and reached HK\$1,865 million, showing that it has the competitive edge in the industry.

4.2.5. Key Success Factors

uk Fook first started its business in Hong Kong in 1991. Its operation history is comparatively shorter than the two other main jewellery retailers in Hong Kong: Chau Sang Sang and Chau Tai Fuk, with only about 30years history. However, it has become the second large company in the industry.

Luk Fook emphasizes on product quality, rather than maximizing its profits. It principally engages in the sourcing, designing, wholesaling, trademark licensing and retailing of a variety of its product. To ensure the quality, Luk Fook has its own production plant in Nansha, Gwangzhou of over 350,000 sq. ft. It has an efficient merchandising and sourcing capabilities to ensure product quality and successfully attract customers' trust. In addition, owing to successful promotion of the business and expansion to China and other countries, the revenue of the firm increased by

43.3% to HK\$19billion.

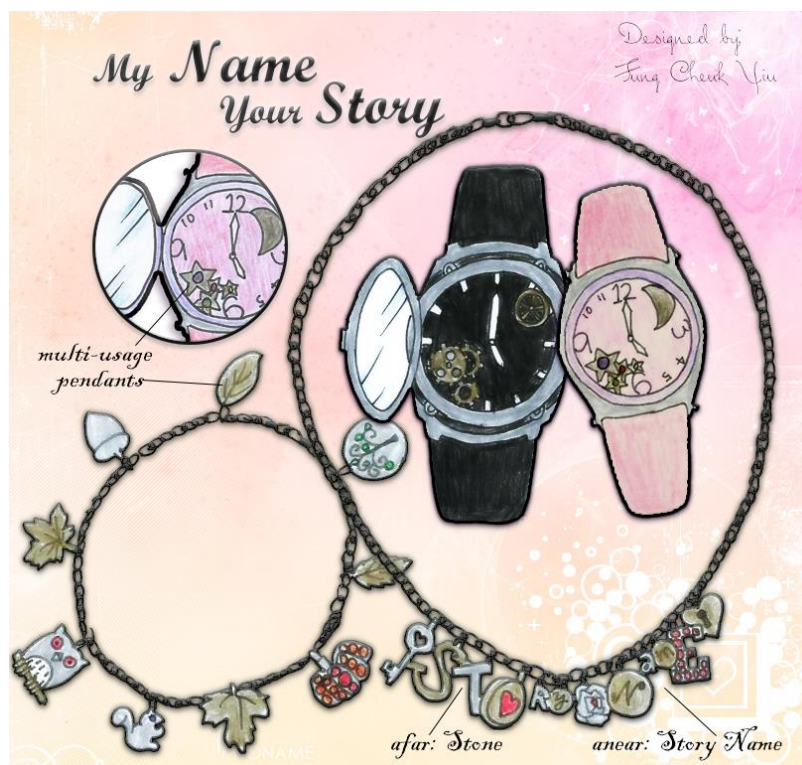
4.3.1 Business Plan

Apart from maintaining the friendly and cordial image LukFook has always holding, we would like to introduce a new series of product called **'My name, your story'** and child accessories in order to push LukFook to a more refreshing impression to the public and widen the target market customer. Moreover, as there are still rooms of improvement in pricing, place and promotion strategies, we would refine the company's marketing efforts as well.

4.3.1.1 Product strategies

4.3.1.1.1 My Name, your story

We are proposing a new product named **"My name, your story"**. It is a set of pendants of different size (mainly two sizes, large and tiny) and themes (e.g. alphabets, seasons, natural beauty [stars, moon], emoji and constellation). The target customers of this new series will mainly be the youngsters.



Selling point 1: The pendants can be **pieced out to form words** or even express

one's feelings. Furthermore, by creativity, people can form words with **more than one meaning** by a necklace and pendants of different sizes. Take "Story Name" as an example, as shown in the picture, "S", "T", "O", "N", "E" are pendants of larger size while "R", "Y", "A", "M" are smaller in size. When viewing afar, the word "stone" would be observed. But with closer observation, the word "story name" would be seen. *My name, your story* is sure to be popular among the young due to the diversified combinations. Besides that, the behaviors of youngsters nowadays are noted. They are keen on piecing up photos and posting them, or expressing their feelings on social media, like Instagram and Facebook². We believe that this new series would fit them as they could express themselves with their own unique combination of pendants. Furthermore, DIY accessories now becomes a fashion.³ This product can cater for young people looking for new things.

Selling point 2: The **multi-usage pendants** can be fit into necklaces, bracelets and also **watches**. The pendants can be taken away from ornaments, rearranged and placed into another accessories. The tiny pendants can even be fitted into watches of special design. It can give people a sense of freshness. It especially suits people detesting necklaces and bracelets as the pretty designs of necklaces and bracelets can also be reproduced in watches. Whenever customers are bored of wearing the necklaces with the same patterns every day, they can either rearrange the pendants or fit them into bracelets and watches. This can help to increase the variety of the product and result in better match of dressing.

4.3.1.1.2 Child accessories

We would like to recommend Lukfook to design **accessories targeting children (mainly 3 to 8)**. Nowadays, parents seems



² 社交媒體使用行為調查: <http://bit.ly/1DELNvv>

³ 潮流興 DIY 精品店乘勢擴充 - 香港經濟日報網站: <http://bit.ly/1ApwGRU>

to be more willing to spend on their children. In addition to the appearance of child star and increasing popularity of child garments⁴, we sincerely believe that ornaments for children would become a great market. Lukfook could produce **necklaces, bracelets and headdresses** specialized for children. Furthermore, the materials should not be limited to gold, but also diamonds or several gemstones, which suit kids better.

4.3.1.2 Price Strategies

To keep Lukfook's jewellery as a symbol of wealth, we suggest the existing products could be maintained at their current price, with "mid-price, high quality" strategy adopted. For the new products, penetration pricing strategy are recommended. As nearly 80% of Lukfook's customers are mainlanders, any curb on IVS will be sure to have a great impact on its sales. Therefore, prompt market diversification and penetration are essential. In order to make *My Name, Your Story* a daily necessity, it is suggested that the charms could be mainly made of inexpensive material (e.g. gemstones low in carat or clarity) and sold at relative low price, since the young usually have low purchasing power. They could be sold either at a margin of 15% to 25% or at HKD\$100 to HKD\$500. The same pricing strategy could also be adopted for the kid's jewellery..

4.3.1.3 Place Strategies

First, a specialty store could be setup for men. From the interview in focus group, we know that men may feel awkward when walking into a jewel shop. To avoid this problem face by men which resisted men from purchasing accessories, we could transform an existing retailer shop in Mong Kok into a specialty store for men, letting Lukfook stepping into male accessories market, *selling name card holders, watches or tie clip.*

⁴童星效應跟傳媒在此階段對童裝發生宏大影響: <http://bit.ly/1aExjCn>

Next, stores could be set up in different districts in Hong Kong. It is known that most Lukfook stores are concentrated in Mong Kok and Tsim Sha Tsui, having 11 stores and 9 stores respectively. But surprisingly, there aren't any store in some tourist-concentrated areas such as Tung Chung (where a grand outlet is located). Comparatively speaking, the stores in Mong Kok and Tsim Sha Tsui are over-centralized. In this situation, we suggested that to cut the amount of store in these two hotspots and moving some to other tourist spots or near big housing estates such as in Sha Tin City One which is easily reached by public transport. (*Not the main focus of the marketing plan)

4.3.1.4 Promotion Strategies

First, to further promote *My name, your story*, we suggest holding a **Charm Collection Designing Competition**. The campaign would open to all ages with premium. Participants would be asked to design pendants or charms. The selected charm collection would be produced and sold to the public through 'My name, your story' series. Through this competition, Lukfook could make noise and better understand the taste and preference of the general public, especially teens.

Next, Lukfook could invite **YouTubers** to make videos in YouTube for promotion. From survey questionnaire's results, Lukfook's existing advertisements are unrecognizable. To enhance the effectiveness of its advertisements, it may cooperate with YouTuber so as to bring it closer to the new generation⁵. Nowadays, YouTubers gradually appeared and constantly post up videos about their daily life or creating some mini-movies. In fact, these video attract millions of netizen watching. On the view of the trend, we suggest Lukfook to cooperate with some popular local YouTubers such as BOMBA to produce some advertisement. It could make noise and help to change Lukfook's image.

⁵新媒體加創意：化學作用何止 1+1=3: <http://bit.ly/1wyOuis>

Third, Lukfook could make better use of **social media** to promote its products further⁶. Nowadays, people like discussing jewellery and dressing in forums⁷. On the view of the trend, Lukfook could focus more on social media. For example, Lukfook could open a page on Instagram⁸ or Facebook (or make use of hashtag) for netizen to discuss the dress match or the combination of *My Name, your story*. It could arouse discussion and attention of the general public, especially in this web era 2.0.

Fourth, to be socially responsible, Lukfook could sponsor **scholarship** fee for gemology schools (e.g. The H.K Institute of gemology) or even tertiary schools. It could help Lukfook to build a positive image and bring Lukfook closer to students and the general public.

Last, **discounts campaign** could be held on the occasion of different festivals. It should not be limited to Valentine's Day or Christmas, but also Father's Day or Children's Day, so as to further penetrate into other market segments.

4.3.2 Implementation Plan

	Jun-Dec,15	Jan-Apr, 16	May-Aug, 16	Sep-Dec, 16
<i>My Name, Your Story</i>	Research, Development	Demonstration	Distribution	Distribution, Evaluation
Child accessories	Research, Development	Demonstration	Distribution	Distribution, Evaluation
YouTube advertisement			Provision	
Charm Collection Design Competition			Promotion	Provision
Promotion via social media	Operation	Operation	Operation	Operation
Scholarship		Provision		
Men's Store	Renovation	Operation	Operation	Operation
Discount Campaign	Provision, Promotion	Provision, Promotion	Provision, Promotion	Provision, Promotion

4.3.3 Budget

⁶ Why Your Fans Aren't Following You on Social Media: <http://bit.ly/1x8o8S2>

⁷ Pandora post 相專區 - 潮流時尚 - 親子王國: <http://bit.ly/1BrHVPI>

⁸ Instagram 用戶破 3 億 超越推特 - Yahoo 新聞香港: <http://bit.ly/1EB4X7a>

Strategies	Resources	Budgeted expenses
<i>My Name, Your Story</i>	1. Materials 2. Manufacturing 3. Research and evaluation 4. Certification	<i>HKD\$320×20,000 pieces</i> =HKD\$6,400,000
Child accessories	1. Materials 2. Manufacturing 3. Research and evaluation 4. Certification	<i>HKD\$800×3,000 pieces</i> =HKD\$2,400,000
Men's store	1. Renovation fee	HKD\$800,000
	2. Staff*	HKD\$0
	3. Retraining	HKD\$10,000
Charm Collection	1. Promotion fee	HKD\$40,000
Designing Competition	2. Prize	HKD\$10,000
Scholarship	1. Scholarship Fee	<i>HKD\$10,000×5 students×2 years</i> =HKD\$50,000
You Tube Advertisement	1. YouTuber	HKD\$50,000
Promotion via social media	1. Computers	HKD\$0
Discount Campaign	1. Promotion fee	HKD\$30,000

*Staff in the original store would be retained, so expenditure is not included.

4.3.4 Budgeted Income Statement

Luk Fook Holdings (International) Limited

Budgeted Income Statement for the year ended 31 December 2015 and 2016*

	2015	2016
	HK\$'000	HK\$'000
Revenue		
Revenue – existing business	24,979,409	34,971,173
Revenue – My Name, Your Story	1,920	4,480
Revenue – Kids' Jewellery	720	1,680
	24,982,049	34,977,333
Cost of Sales		
Cost of Sales – the existing products	19,501,009	27,301,412
Cost of Sales – My Name, Your Story	1,536	3,584
Cost of Sales – Kids' Jewellery	576	1,344
	(19,503,121)	(27,306,340)
Gross Profit	5,478,928	7,670,993
Other income	107,510	107,510
Selling and distribution costs	(1,994,550)	(2,068,349)
Administrative expenses	(156,422)	(162,210)
Incremental expenses	(820)	(220)
Other gains, net	61,317	61,317
Operating profit	3,495,963	5,609,041
Finance income, net	12,323	12,323
Profit before income tax	3,508,286	5,621,364

*It is known that Lukfook's financial year should be ended 31 March 2016 and 2017. However, because of the requirement of the competition, budgeted income statement for the year ended 31 December 2015 and 2016 is drawn.

Assumption: The average costs of My name, Your Story and Kids' Jewellery are

HKD\$320 and \$800 respectively. They will be sold at a margin of 20%, which means the average revenues are HKD\$400 and HKD\$1000 respectively. It is assumed that 80% of these two products produced would be sold out. Revenue and cost of sales of the existing business will increase by 30% and 40% in 2015 and 2016 respectively. The estimation is evaluated based on Luk Fook's past performance. From 2010 to 2014, increases of around 45% in revenue were recorded every year, except year 2013. However, as shown in its 2014/2015 interim report, its revenue decreases by 25.1%. Nevertheless, the company still holds an optimistic view on its business due to a foreseeable "gold rush". Moreover, from the annual reports, the growths in the cost of sales were found to be closed to that in revenue. Furthermore, by holding a prudent attitude, any other revenues is assumed to remain unchanged for 2015 and 2016 while other costs and expenses are projected by 3.7%, which is slightly higher than the estimated inflation rate (i.e. 3.5%)⁹.

Section 5 Appendices

1. Lukfook Jewellery Official Website: <http://bit.ly/1wyOejL>
2. Luk Fook Holdings (International) Limited Annual Report 2013 and 2014:
(2013) <http://bit.ly/1K1JIQJ> (2014) <http://bit.ly/1BrHHaM>
3. The Budget: 2014-15 <http://bit.ly/1gTXMXH> 2015-16 <http://bit.ly/1DnSBxA>
4. Pandora Annual Report 2012 and 2013:
(2012) <http://bit.ly/1GBpZlf> (2013) <http://bit.ly/1zOMtKX>
5. Bomba: <http://bit.ly/1AHQTHB>
6. 港澳研削自由行 零售賭股即捱沽 - Yahoo 新聞香港: <http://bit.ly/1G58Xi6>
7. HK CE to consult Beijing on revised IVS terms - Macau Business Daily: <http://bit.ly/1GBsHHI>
8. Tourism Commission - Visitor Information: <http://bit.ly/1LZ2xjf>

⁹ (Budget 2015-16) 3.5pc annual inflation growth expected between 2016-19 - The Standard: <http://bit.ly/1vMIVO6>

Section 6 Survey and Results

6.1 Interview with a salesperson in Lukfook retail shop

Q1	What is the most popular product in the shop?
A1	Gold products are the most popular as they are the favourites of the Mainland tourists.
Q2	How many percent of the total customers come from the Mainland?
A2	Mainland tourists account for 80%.
Q3	When are most of the sales made?
A3	Most of them are made at weekends, i.e. Saturday and Sunday.
Q4	Are there any strategies involved in clustering the retail shops? Will there be intense competition?
A4	That will outclass our products from those in other shops and boost our sales.

6.2 Focus Group Study

6.2.1 Summary of results

	Miss Lau	Mr Yip	Miss Ho	Mrs Lee
Background Information	- Age: 23 - A student	- Age: 38 - A manager of a wholesale company	- Age: 27 - An office lady	- Age: 46 - A house wife

Details of the interview	<ul style="list-style-type: none"> - 17th Jan 2015 (Sat) - 2 pm – 3 pm - Mongkok 			
Aspects of Lukfook that are appreciated	<ul style="list-style-type: none"> - staff's attitude 	<ul style="list-style-type: none"> - products' quality 	<ul style="list-style-type: none"> - N/A 	<ul style="list-style-type: none"> - staff's attitude - no. of stores
Ornaments usually worn	<ul style="list-style-type: none"> - bracelets 	<ul style="list-style-type: none"> - watches 	<ul style="list-style-type: none"> - necklaces - bracelets - earrings - rings 	<ul style="list-style-type: none"> - bracelet
Factors considered when buying ornaments	<ul style="list-style-type: none"> - price - material - appearance - style 	<ul style="list-style-type: none"> - quality 	<ul style="list-style-type: none"> - material - appearance - symbolic meaning - materials - themes - style 	<ul style="list-style-type: none"> - appearance - family's opinions
Products proposed	<ul style="list-style-type: none"> - DIY bracelets for the young 	<ul style="list-style-type: none"> - ornaments specialized for men (except watches and rings) 	<ul style="list-style-type: none"> - products using seasons as theme - products with eye-catching colour 	<ul style="list-style-type: none"> - more ornaments for gifts - ornament specialized for kids

Room of improvement	- products could focus more on the young	- No	- N/A	- stores should not be too close to one another
Promotion strategies suggested	- advertisements via YouTube	- No opinion	- advertisements focus on the young - design competitions	- endorsements by Korean stars

<p>Others</p>	<p>- N/A</p>	<p>- Feel embarrassed to visit jewellery stores</p>	<p>- N/A</p>	<p>- doesn't wear the ornaments as gifts for her marriage or daughter's completion of its first month of life</p> <p>- thinks Lukfook should focus more on products instead of promotion</p>
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6.2.2 Interview Script (translated and amended)

Miss Lau, 23, a student

Q1	Have you ever patronized Lukfook Jewellery?
A1	I think I have done so. I have visited Lukfook with my family to buy wedding rings for my elder female cousin, but I have never gone into Lukfook on my own.
Q2	Are there any aspects of Lukfook Jewellery that you appreciate?
A2	I think the staff are nice and their attitude are customer-friendly. They always smiles to the customers. I remember that they gave me a cup of tea once I just sat down.
Q3	Are there any aspects that Lukfook Jewellery could be improved?
A3	Actually, I am not sure as I have just visited Lukfook a few times. I think Lukfook puts too much focus on the mainlanders and most of the products are of gold. As a Hong Kong people, I have a feeling that it is not for me to visit. Or I should say, I will not go into LukFook unless I have to buy gifts. For the young, Lukfook's products are not attractive.
Q4	Would you wear ornaments in peacetime?
A4	I am not the one always wearing ornaments. I would only wear inexpensive bracelets when I am out. I think the ornaments of Hong Kong jewellery stores do not suit the young. Wearing those ornaments just feel like becoming elderly. Although some of my friends like wearing ornaments, they would only buy from foreign stores or choose the one with lower price. They would not patronize Hong Kong jewellery stores.

Q5	Which types of products would you suggest Lukfook to add?
A5	I think it could add some bracelets that could be DIY by customers, just like Pandora's. Many of my friends like wearing Pandora's bracelets. I think the products should fit the young and it would be great if they can outstand one's taste and style.
Q6	How could Lukfook improve in terms of publicity?
A6	I am not familiar with Lukfook's promotion. I think it does have TV advertisements. But, in fact, the content of different jewelers' TV advertisements are quite similar and it is difficult to distinguish from one another. I think the advertisements could be more creative or may be funnier. Advertisements via YouTube could also be considered.

Mr Yip, 38, a manager of a wholesale company

Q1	Have you ever patronized Lukfook Jewellery?
A1	Yes. A few years ago, I bought a ring form Lukfook to propose marriage to my wife. Sometimes, I would visit Lukfook to buy gifts.
Q2	Are there any aspects of Lukfook Jewellery that you appreciate?
A2	The products are of high quality. My wife and I can always find the things we need in Lukfook.
Q3	Are there any aspects that Lukfook Jewellery could be improved?
A3	I don't think there are any aspects for improvement. Overall speaking, it is quite good.
Q4	Would you wear ornaments in peacetime?
A4	No, it is quite strange for men to wear ornaments. I only wear watches.

Q5	Have you ever bought watches from Lukfook Jewellery?
A5	No. I prefer to patronize the shops specialized for watches. Although I learn that Lukfook also engages in the sales of watches, frankly, I find it strange for a man to purchase a watch from Lukfook. If I do not accompany my wife, I would definitely not visit Lukfook. It is really strange and embarrassing for a man to visit Lukfook on his own.
Q6	Which types of products would you suggest Lukfook to add?
A6	Probably some ornaments for men. It seems the only men's ornaments can be found in Lukfook are watches and rings. I think there could be more variety in men's ornaments.
Q7	How could Lukfook improve in terms of publicity?
A7	I am not sure. I do not have any opinion.

Miss Ho, 27, an office lady

Q1	Have you ever patronized Lukfook Jewellery?
A1	I've only gone window shopping but I have never gone into stores.
Q2	Why don't you visit Lukfook?
A2	The ornaments displayed were not attractive and most of them were made of gold.
Q3	Would you wear ornaments in peacetime?
A3	Yes, I do wear necklaces, bracelets and earrings, and sometimes rings also. I wear ornaments when I go to work or am out in the streets. Dressing is necessary.
Q4	What would you consider when buying ornaments?
A4	Their appearance, like whether they are trendy, or if they suit myself. I

	think it is important to buy ornaments that can outstand one's image but not give a feeling of oddity at the same time.
Q5	Which types of products would you suggest Lukfook to add?
A5	I think there could be more variety and the products could be of different themes, but not only focus on marriage. A season series is appreciated. It should focus more on the young. Besides that, there could be ornaments with symbolic meaning, for example, different stones representing different affections. There could also be more diversity in the materials, especially those with eye-catching colour.
Q6	How could Lukfook improve in terms of publicity?
A6	The advertisements should not be too old-fashioned. They should suit the young. Design competitions could also be organized.

Mrs Lee, 46, a house wife

Q1	Have you ever patronized Lukfook Jewellery?
A1	Yes, I always give my friends and relatives the jewellery bought from Lukfook when going to feasts.
Q2	Are there any aspects of Lukfook Jewellery that you appreciate?
A2	Staff's attitude is hospitality any customer-friendly. Moreover, it is convenient. You can find a Lukfook store easily. Whenever you want to visit Lukfook, it will not take you a lot of time to find one.
Q3	Are there any aspects that Lukfook Jewellery could be improved?
A3	I think there could be more choices, so others would not receive the same ornaments when they get married. Furthermore, stores are too close to one another. Though it is convenient, but if there are too

	many stores selling the same ornaments or collections, you will find it averse and it will worsen Lukfook's image.
Q4	Would you wear ornaments in peacetime?
A4	Nowadays, I seldom wear ornaments due to my husband's objection. I would only wear bracelets. In fact, I sometimes have a sudden impulse to buy ornaments due to forums' discussions. However, my husband always stop me. I have some ornaments, but most of them are the gifts for my marriage or my daughter's completion of its first month of life. I would not wear those ornaments.
Q5	Which types of products would you suggest Lukfook to add?
A5	I think there could be more ornaments for gifts. Besides that, I would like to suggest Lukfook to open a new product line targeting kids. Sometimes, I want to buy some ornaments like tiaras for my daughter but I fail to find one suitable for her. If Lukfook sells jewellery for kids, I will definitely consider buying one for my daughter.
Q6	How could Lukfook improve in terms of publicity?
A6	I think Lukfook could create more TV advertisements. However, it seems that people nowadays rarely watch TV. Or Lukfook could invite celebrities as endorsers, especially Korean stars, who are very popular. But, I think what more important are products. Instead of promotion, it should focus more on its products. If the designs of products are not eye-catching, no matter how many advertisements you create, still, no one will buy those products.

6.2.3 Interview Scripts (Original version)

Miss Lau, 23, a student

Q1	你有沒有光顧過六福珠寶？
A1	Er...算係有掛。我曾經同屋企人去六福買戒指賀我表姐結婚，不過冇試過自己一個入去。
Q2	你認為六福珠寶有甚麼做得好的地方？
A2	我覺得 D 員工服務態度幾好，成日面帶笑容，一坐低就拎茶嚟比我飲，好 nice。
Q3	那麼你覺得六福珠寶有甚麼地方可以改進？
A3	其實我就只係入過六福一兩次，唔算好清楚。不過，六福比我既感覺就係太過 focus 嚟內地人，賣既多數都係金器啊、金戒指啊，總之所有都係金既啦。作為一個香港人，我覺得六福唔係一個岩我去既地方。又或者咁講，除咗係買禮物送比人之外，我唔會行入去六福。對於一個年輕人嚟講，六福冇咩吸引力。
Q4	平日有沒有戴首飾的習慣？
A4	我個人就唔係經常戴首飾果類人黎既，要戴既話，都係出街戴平平地果種手鏈居多。我個人覺得首飾，應該話係香港珠寶店既首飾唔太岩年輕人，戴左個感覺好似好老咁。身邊雖然都有 D 朋友會戴首飾，但一係就係外國珠寶店買既，一係就街邊貨，冇咩人會去香港既珠寶店買。
Q5	你希望六福珠寶可以增設甚麼類型的產品？

A5	<p>增設咩類型珠寶...Er...我覺得可以係一 D 可以自己 DIY 既鏈，好似 Pandora 果 D 呢，依家好似幾 hit，身邊有唔少朋友戴。我覺得最重要就係年輕少少，唔好太娘，可以突顯到個人既 taste 或者 style 就更好。</p>
Q6	<p>你認為六福珠寶在宣傳方面有甚麼可以改善的地方？</p>
A6	<p>宣傳啊？考起我啦。Um...其實六福做過咩宣傳？好似係咪拍過電視廣告？不過，其實間間珠寶行都有賣廣告，內容又差唔多，好難分邊間打邊間，加上我又唔多睇電視。如果要改善的話，我覺得廣告可以多 D 創意，例如有 D 笑位。或者可以試下拍一 D youtube 片，依家好似幾流行 youtube 既宣傳廣告。</p>

Mr Yip, 38, a manager of a wholesale company

Q1	<p>你有沒有光顧過六福珠寶？</p>
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A1	有。幾年前向太太求婚既時候入過去買戒指，有時送禮都會去六福。
Q2	你認為六福珠寶有甚麼做得好的地方？
A2	產品都算幾好。入去買禮送比人結婚、滿月果 D，都好快睇岩既。應該話係岩我太太心水，全部都係佢揀既。
Q3	那麼你覺得六福珠寶有甚麼地方可以改進？
A3	冇咩，樣樣都幾好。
Q4	平日有沒有戴首飾的習慣？
A4	冇，男人戴首飾好怪。或者錶囉，平時有戴開錶既。
Q5	有沒有曾經在六福珠寶購買過鐘錶？
A5	冇，多數都係去專門賣錶既鋪頭、名店買。雖然我知六福有賣開錶，但坦白講，我覺得一個男人去六福買錶好似好怪咁，平時如果唔係陪太太既話，我絕對唔會行入去六福，即係珠寶店果 D，自己一個男人咁走入去好怪、好尷尬囉。
Q6	你希望六福珠寶可以增設甚麼類型的產品？
A6	其實冇咩特別想增設既產品...如果係話我想要既，可能係一 D 男士產品，我覺得可以多 D 種類，依家好似只係得錶同埋戒指，我覺得可以係其他方面發展一下。
Q7	你認為六福珠寶在宣傳方面有甚麼可以改善的地方？
A7	呢方面我唔太清楚，冇咩意見。

Miss Ho, 27, an office lady

Q1	你有沒有光顧過六福珠寶？
A1	係門口睇過下啦，冇試過真係行入去囉
Q2	為甚麼不走進去？
A2	係個櫥窗果度見到 Display 果 D 唔太吸引，多數都係金，咁睇左陣就走 啦。
Q3	平日有沒有戴首飾的習慣？
A3	有，頸鏈、手鏈、耳環果 D 會戴囉，有時都會戴下戒指咁既。出街、番 工、裝扮下自己係需要既，係囉。
Q4	通常選購首飾會考慮甚麼因素？

A4	<p>我覺得最主要都係個 look 囉，夠唔夠 trendy 其實幾重要，最好就係襯到自己既形象，可以突出到自己，但又唔會標奇立異咁囉。</p>
Q5	<p>你希望六福珠寶可以增設甚麼類型的產品？</p>
A5	<p>young D 既囉，多 D variety 啊，主題可以多 D，唔好只係做婚嫁囉。</p> <p>可以出 D 珠寶係容易襯衫既，又或者係出個 season 系列，再唔係既話可以係果 D... 依家好似好興有 D 象徵意義，唔同寶石代表唔同既野，咩開唔開心啊果 D 囉。用料方面我覺得係可以多元化 D，顏色 eye-catching D 囉。</p>
Q6	<p>你認為六福珠寶在宣傳方面有甚麼可以改善的地方？</p>
A6	<p>廣告唔好咁老套，多 D focus 係年輕人、OL 度囉，我覺得呢方面係絕對有市場。又或者搞 D 咩設計比賽，製造下話題咁囉。</p>

Mrs Lee, 46, a house wife

Q1	你有沒有光顧過六福珠寶？
A1	有既，平日親戚朋友結婚擺酒送禮會入去睇下有冇岩。
Q2	你認為六福珠寶有甚麼做得好的地方？
A2	服務態度幾好既，幾殷勤，以客為本，呢方面做得唔錯。另外就係，方便囉，幾個街口就一間，咁突然回心轉意，想去番六福買，都唔駛行咁遠。
Q3	那麼你覺得六福珠寶有甚麼地方可以改進？
A3	可以多番 D 選擇。有時送禮，咁人地結婚一生人一次，尤其係好熟既朋友，咁佢或者佢既子女結婚，都希望可以花多少少心思，揀份別緻少少既禮物，咁揀禮物既時候都希望係特別少少，唔想同人撞。不過，款式選擇始終係有限，冇咩可能話係唔撞既，咁就唯有約埋一大幫人出黎一齊揀囉。但係，我覺得冇可避免，點都會撞既啦。另外，就係鋪與鋪之間太近啦，有時同一條街可以有幾間六福既。雖然係方便左，但當你見到幾間咁近，賣既野又差唔多，反而有時係會覺得反感，覺得六福賣既野低級左咁。
Q4	平日有沒有戴首飾的習慣？
A4	少左啦，我老公成日話我都做左人啊媽啦，仲戴咩首飾咁嘞。偶然會戴下手鏈既。其實有時上討論區見到其他人討論珠寶都會有衝動想買既，

	<p>但奈何我老公成日反對，咁冇計啦...屋企即使係有珠寶既，多數都係結婚，或者我個女滿月既時候人地送既，都只係會放係屋企，唔會真係拎黎戴既。</p>
Q5	<p>你希望六福珠寶可以增設甚麼類型的產品？</p>
A5	<p>都係多 D 送禮款式咁囉...啊，或者呢，會唔會係可以出 D 比小朋友戴既款？有時呢，我帶個女出席宴會，去人地結婚擺酒，咁我都想幫佢裝扮得靚少少，著得隆重 D，咁都會想有 D 係專門 for 小朋友既飾物，例如係頭飾啊咁比佢戴，但市面上好似唔多呢種既飾物，有都係比較普通既款式。如果六福出珠寶頭飾既話，我絕對會考慮買比個女戴。</p>
Q6	<p>你認為六福珠寶在宣傳方面有甚麼可以改善的地方？</p>
A6	<p>拍多 D 廣告啊...不過，依家好似都唔多人睇電視，哈。或者可以試下搵明星代言，依家韓星受歡迎，可以搵韓星代言、設計珠寶。不過，我覺得宣傳其實唔係真係咁重要，只要我知你係間大公司，信譽好，咁我送禮就多數會入去買既啦。不過如果唔係只係針對送禮的話，可以多少少宣傳既。但係，我覺得最重要既，都係你賣既野囉，產品既形象真係決定一切，如果設計得唔好既，你再多宣傳都冇用。我依家真係要戴出街，你同我講果件首飾有幾好都冇用，唔岩戴出街既話就唔會有人買既啦。</p>

6.3 Questionnaire

6.3.0 Introduction

The survey questionnaire was conducted from December 2014 to January 2015. 497

samples were collected successfully. 131 were distributed in Mongkok while the others were distributed via Facebook and different forums in Hong Kong. During the survey, convenience sampling and volunteer sampling were adopted.

6.3.1 Survey Questionnaire

您好，我們是張祝珊英文中五級學生，正就香港人購買首飾的風氣和如何提高珠寶店銷量進行研究。現懇請閣下花一至兩分鐘時間幫忙填妥問卷，期間所填寫的個人資料絕對保密，並於是次研究完成後徹底銷毀。

Hello, we are F5 students from Cheung Chuk Shan College. We are now studying Hong Kong people's culture of buying jewelry and the ways to improve the jewelry stores' sales. Your help is essential. Would you please spare one to two minutes to complete the questionnaire? Personal information collected will only be used in this project and maintain secrecy. Moreover, all personal data will be completely destroyed after completion of study.

性別 Sex : 男 Male 女 Female

年齡 Age : ≤11 12-18 19-30 31-44 45-65 ≥66

1. 你每月願意花多少錢購買首飾？

How much do you spend on jewelries each month?

HK\$0 HK\$1-2000 HK\$2001-4000 HK\$4001-5000 ≥HK\$5001

2. 你有多頻繁於香港的珠寶店購買首飾？

How often do you buy jewelry from Hong Kong jewelry stores?

少於每年 1 次 Less frequent than once per year

- 每年 1-2 次 Once to twice per year
- 每年 3-4 次 Three to four times per year
- 每年 5-6 次 Five to six times per year
- 每年 7-8 次 Seven to eight times per year
- 每月 9-10 次 Nine to ten times per year
- 多於每年 10 次 More than ten times per year
- 從不 (請移至第四題) Never (Please jump to Question4)

3. 為甚麼購買首飾？(可選多於一項)

Why do you buy jewelry? (can choose more than one option)

- 作飾物佩戴 For ornaments
- 作嫁妝 For dowry
- 求婚 To propose marriage
- 取悅男/女朋友 To please boyfriend/girlfriend
- 保值/投資 Preservation/Investment
- 送禮[婚嫁] For gifts [marriage]
- 送禮[嬰兒出生] For gifts [birth of baby]
- 取其吉祥意頭 Because of auspicious meanings behind
- 其他，請註明 Other, please specify:_____

4. 你有沒有意慾購買下列產品？(1 為毫無意慾，5 為很有意慾)

Are you desire to buy the following products? (1 represents no desire, while 5 represents great desire)

	1	2	3	4	5
戒指 Rings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
吊墜/頸鏈 Pendants/Necklaces	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
黃金擺設 Gold Figurines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
手繩/手鐲 String Bracelets /Bracelets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
金條/金章 Gold Bars	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
耳環 Earrings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
鐘錶 Watches	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. 請試就你對以下珠寶店的整體印象評分。(1 為最低，5 為最高)

Please rate the following jewelry stores base on your overall impression. (1 is the lowest and 5 is the highest)

	不認識 Not Familiar	1	2	3	4	5
周大福 Chow Tak Fook	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
六福珠寶 Luk Fook Jewellery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
周生生 Chow Sang Sang	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
謝瑞麟 Tse Sui Luen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Tiffany & Co.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mabelle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cartier	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pandora	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. 請試憑印象寫出以下廣告的珠寶商和系列名稱。

Please try to identify the jeweler and the collections in the following advertisements.

A)

	<p style="text-align: center;">珠寶商名稱</p> <p style="text-align: center;">Name of Jeweler</p>
	<p><input type="radio"/>周大福 Chow Tak Fook</p> <p><input type="radio"/>六福珠寶 LukFook Jewellery</p> <p><input type="radio"/>周生生 Chow Sang Sang</p> <p><input type="radio"/>謝瑞麟 Tse Sui Luen</p> <p><input type="radio"/>Tiffany & Co. <input type="radio"/>Mabelle</p> <p><input type="radio"/>Cartier <input type="radio"/>Pandora</p> <p><input type="radio"/>不清楚 Don't know</p> <hr/> <p style="text-align: center;">系列名稱</p> <p style="text-align: center;">Name of Collections</p>

	(如不清楚，請填寫 N/A) (If don't know, please fill in N/A)

B)

	珠寶商名稱 Name of Jeweler
	<input type="radio"/> 周大福 Chow Tak Fook <input type="radio"/> 六福珠寶 LukFook Jewellery <input type="radio"/> 周生生 Chow Sang Sang <input type="radio"/> 謝瑞麟 Tse Sui Luen <input type="radio"/> Tiffany & Co. <input type="radio"/> Mabelle <input type="radio"/> Cartier <input type="radio"/> Pandora <input type="radio"/> 不清楚 Don't know
	系列名稱 Name of Collections
	(如不清楚，請填寫 N/A) (If don't know, please fill in N/A)

C)

	<p>珠寶商名稱</p> <p>Name of Jeweler</p>
	<p><input type="radio"/> 周大福 Chow Tak Fook</p> <p><input type="radio"/> 六福珠寶 LukFook Jewellery</p> <p><input type="radio"/> 周生生 Chow Sang Sang</p> <p><input type="radio"/> 謝瑞麟 Tse Sui Luen</p> <p><input type="radio"/> Tiffany & Co. <input type="radio"/> Mabelle</p> <p><input type="radio"/> Cartier <input type="radio"/> Pandora</p> <p><input type="radio"/> 不清楚 Don't know</p>
	<p>系列名稱</p> <p>Name of Collections</p>
<p>(如不清楚 , 請填寫 N/A)</p> <p>(If don't know, please fill in N/A)</p>	

D)

	<p>珠寶商名稱</p> <p>Name of Jeweler</p>
	<p><input type="radio"/> 周大福 Chow Tak Fook</p>


	<input type="radio"/> 六福珠寶 LukFook Jewellery <input type="radio"/> 周生生 Chow Sang Sang <input type="radio"/> 謝瑞麟 Tse Sui Luen <input type="radio"/> Tiffany & Co. <input type="radio"/> Mabelle <input type="radio"/> Cartier <input type="radio"/> Pandora <input type="radio"/> 不清楚 Don't know
	系列名稱 Name of Collections
	(如不清楚，請填寫 N/A) (If don't know, please fill in N/A)

E)

	珠寶商名稱 Name of Jeweler
	<input type="radio"/> 周大福 Chow Tak Fook <input type="radio"/> 六福珠寶 LukFook Jewellery <input type="radio"/> 周生生 Chow Sang Sang <input type="radio"/> 謝瑞麟 Tse Sui Luen
	<input type="radio"/> Tiffany & Co. <input type="radio"/> Mabelle <input type="radio"/> Cartier <input type="radio"/> Pandora

	○不清楚 Don't know
	系列名稱 Name of Collections
	<hr/> (如不清楚 , 請填寫 N/A) (If don't know, please fill in N/A)

F)

	珠寶商名稱 Name of Jeweler
	<input type="radio"/> 周大福 Chow Tak Fook <input type="radio"/> 六福珠寶 LukFook Jewellery <input type="radio"/> 周生生 Chow Sang Sang <input type="radio"/> 謝瑞麟 Tse Sui Luen <input type="radio"/> Tiffany & Co. <input type="radio"/> Mabelle <input type="radio"/> Cartier <input type="radio"/> Pandora <input type="radio"/> 不清楚 Don't know
	系列名稱 Name of Collections

	(如不清楚 , 請填寫 N/A) (If don't know, please fill in N/A)
--	---

G)

	珠寶商名稱 Name of Jeweler
	<input type="radio"/> 周大福 Chow Tak Fook <input type="radio"/> 六福珠寶 LukFook Jewellery <input type="radio"/> 周生生 Chow Sang Sang <input type="radio"/> 謝瑞麟 Tse Sui Luen <input type="radio"/> Tiffany & Co. <input type="radio"/> Mabelle <input type="radio"/> Cartier <input type="radio"/> Pandora <input type="radio"/> 不清楚 Don't know
	系列名稱 Name of Collections
	(如不清楚 , 請填寫 N/A) (If don't know, please fill in N/A)

7. 你認為下列哪項能增加你到珠寶店購買首飾的意慾？(可選多於一項)

Which of the following can arouse your desire to buy jewelry from jewelry stores?

(can choose more than one option)

- 首飾設計時尚 Fashion Design
- DIY 飾物 DIY ornaments
- 首飾具象徵標誌 With Symbolic Meaning
- 實用(具其他用途，如八達通) Functional (with other uses, for example, can be used as an octopus card)
- 價錢便宜 Cheap ○價格高昂 Expensive
- 重新裝潢店鋪 Redecoration of Stores
- 增加廣告宣傳 (如:由明星代言) Increase in advertising (Endorsement by stars)
- 其他，請註明 Other, Please specify:_____

8. 你認為以甚麼為主題的首飾最能增加你的購買慾？

Which of the following themes can best arouse your desire to purchase jewelry?

- 愛情 Love ○親情 / 友情 Kinship/Friendship ○季節 Season
- 節日 Festival
- 運勢 (如：生肖 / 星座) Fortune (e.g. Chinese zodiac/horoscope)
- 花卉 Flower ○動物 Animal ○心情 Mood
- 喜慶 (如：生日、升職) Celebration (e.g. birthday, promotion)
- 其他，請註明 Other, Please specify: _____

9. 其他意見 Other opinion :

<完>

[The End]

<謝謝>

[Thank you]

6.3.2 Results

Part A) Background Information of Respondents

1. Sex

	No. of respondents (total = 497)	Percentage (%)
Male	206	41.45
Female	291	58.55

2. Age

	No. of respondents (total = 497)	Percentage (%)
≤11	0	0
12-18	122	24.55
19-30	180	36.22
31-44	89	17.91
45-65	106	21.33
≥66	0	0

3. Integration

		No. of respondents (total = 497)	Percentage (%)
Male	12-18	50	10.06
	19-30	83	16.70
	31-44	31	6.24
	45-65	42	8.45
Female	12-18	72	14.49
	19-30	97	19.52
	31-44	58	11.67
	45-65	64	12.88

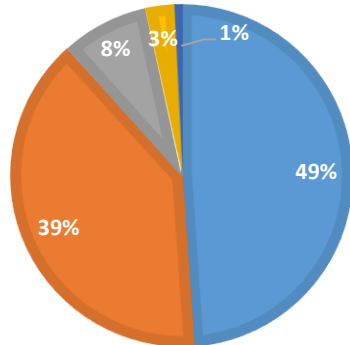
Part B) Survey Questions

1. How much do you spend on jewelries each month?

	No. of respondents (total = 497)	Percentage (%)
HK\$0	243	48.89%
HK\$1-2000	196	39.44%
HK\$2001-4000	41	8.25%
HK\$4001-6000	14	2.82%
≥HK\$6001	3	0.60%
Mean = HK\$825.21 S.D. = 1206.93 Mode = HK\$0		
* Class mark of class interval "≥HK\$6001" is considered as HK\$7000.5		

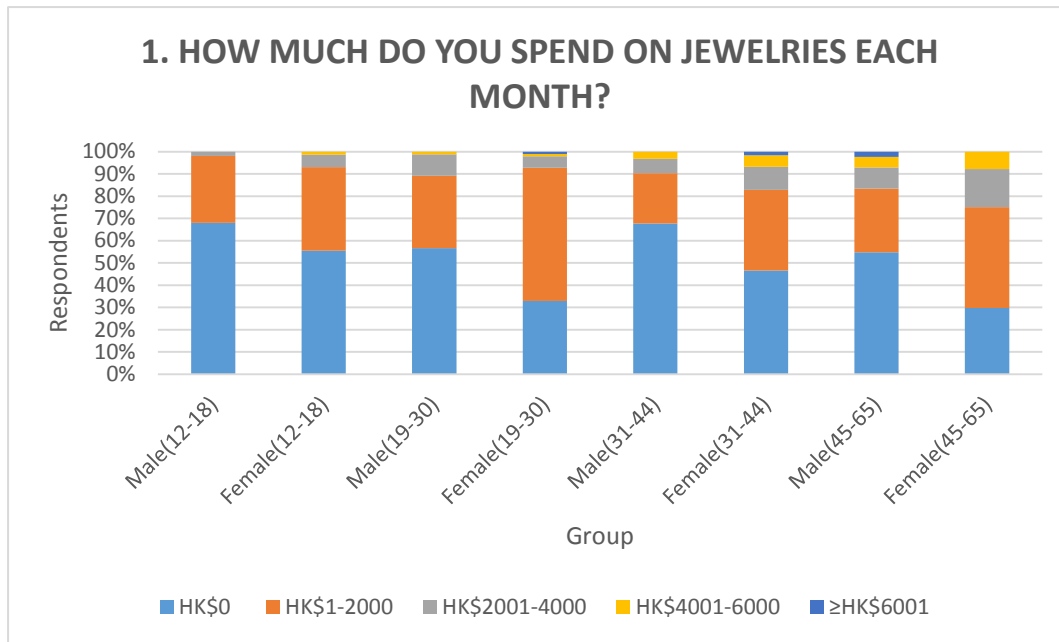
1. HOW MUCH DO YOU SPEND ON JEWELRIES EACH MONTH?

■ HK\$0
 ■ HK\$1-2000
 ■ HK\$2001-4000
 ■ HK\$4001-6000
 ■ ≥HK\$6001



	No. of respondents							
	12-18		19-30		31-44		45-65	
Sex	M	F	M	F	M	F	M	F
HK\$0	34	40	47	32	21	27	23	19
HK\$1-2000	15	27	27	58	7	21	12	29
HK\$2001-4000	1	4	8	5	2	6	4	11
HK\$4001-6000	0	1	1	1	1	3	2	5
≥HK\$6001	0	0	0	1	0	1	1	0
Mean (HK\$)	360	611	675	877	581	105	976	1360
S.D.	592	921	101	102	112	152	159	1451
			9	8	9	5	6	

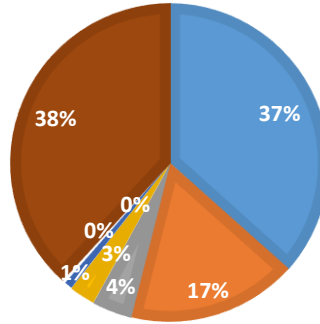
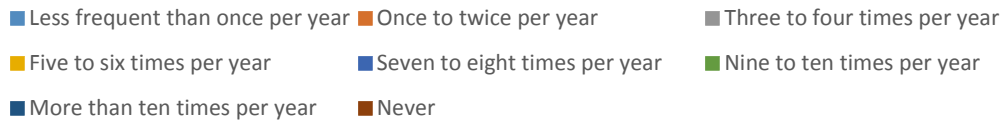
* Class mark of class interval "≥HK\$6001" is considered as HK\$7000.5



2. How often do you buy jewelry from Hong Kong jewelry stores?

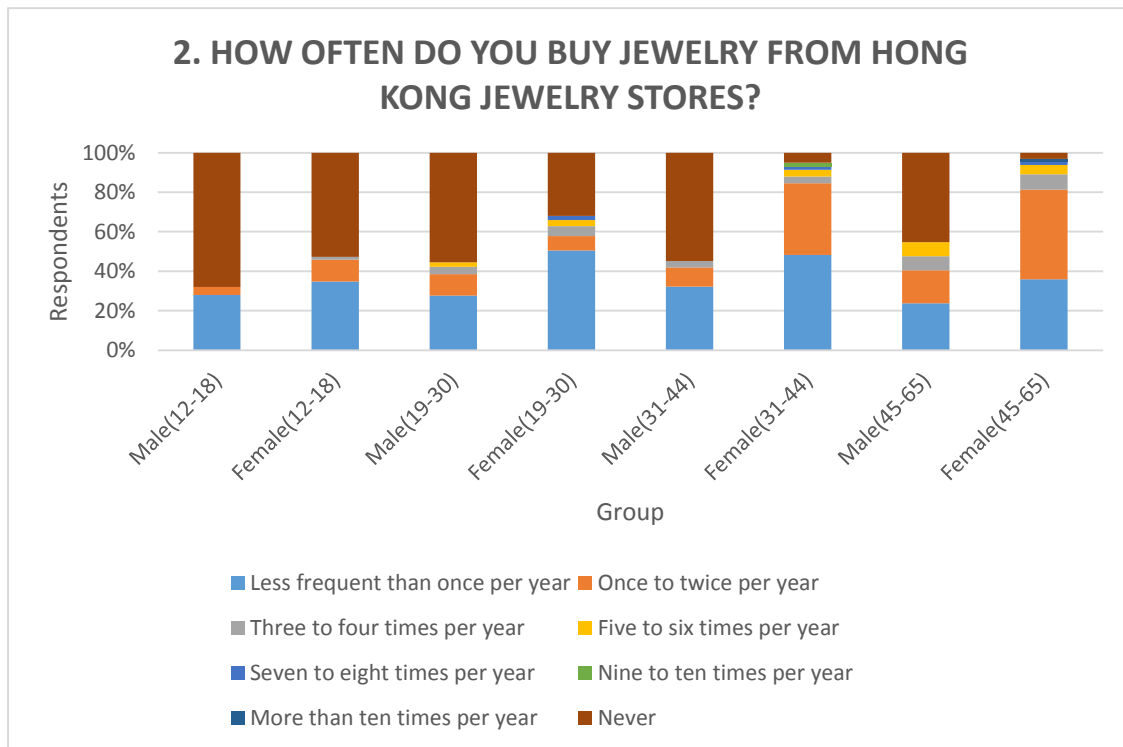
	No. of respondents (total = 497)	Percentage (%)
Less frequent than once per year	182	36.62
Once to twice per year	86	17.30
Three to four times per year	20	4.02
Five to six times per year	13	2.62
Seven to eight times per year	4	0.80
Nine to ten times per year	1	0.20
More than ten times per year	1	0.20
Never	190	38.23

2. HOW OFTEN DO YOU BUY JEWELRY FROM HONG KONG JEWELRY STORES?



	No. of respondents							
	12-18		19-30		31-44		45-65	
Sex	M	F	M	F	M	F	M	F
Less frequent than once per year	14	25	23	49	10	28	10	23
Once to twice per year	2	8	9	7	3	21	7	29
Three to four times per year	0	1	3	5	1	2	3	5
Five to six times per year	0	0	2	3	0	2	3	3
Seven to eight times per year	0	0	0	2	0	1	0	1
Nine to ten times per year	0	0	0	0	0	1	0	0
More than ten times	0	0	0	0	0	0	0	1

per year								
Never	34	38	46	31	17	3	19	2



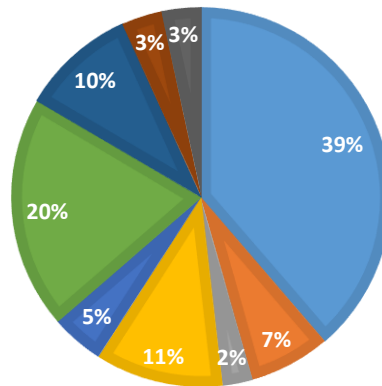
3. Why do you buy jewelry? (can choose more than one option)

	No. of respondents (total = 307)	Percentage (%)
For ornaments	213	69.38
For dowry	38	12.38
To propose marriage	14	4.56
To please boyfriend/girlfriend	60	19.54
Preservation/Investment	25	8.14
For gifts [marriage]	109	35.50
For gifts [birth of baby]	54	17.59
Because of auspicious meanings	19	6.19

behind		
Other	18	5.86

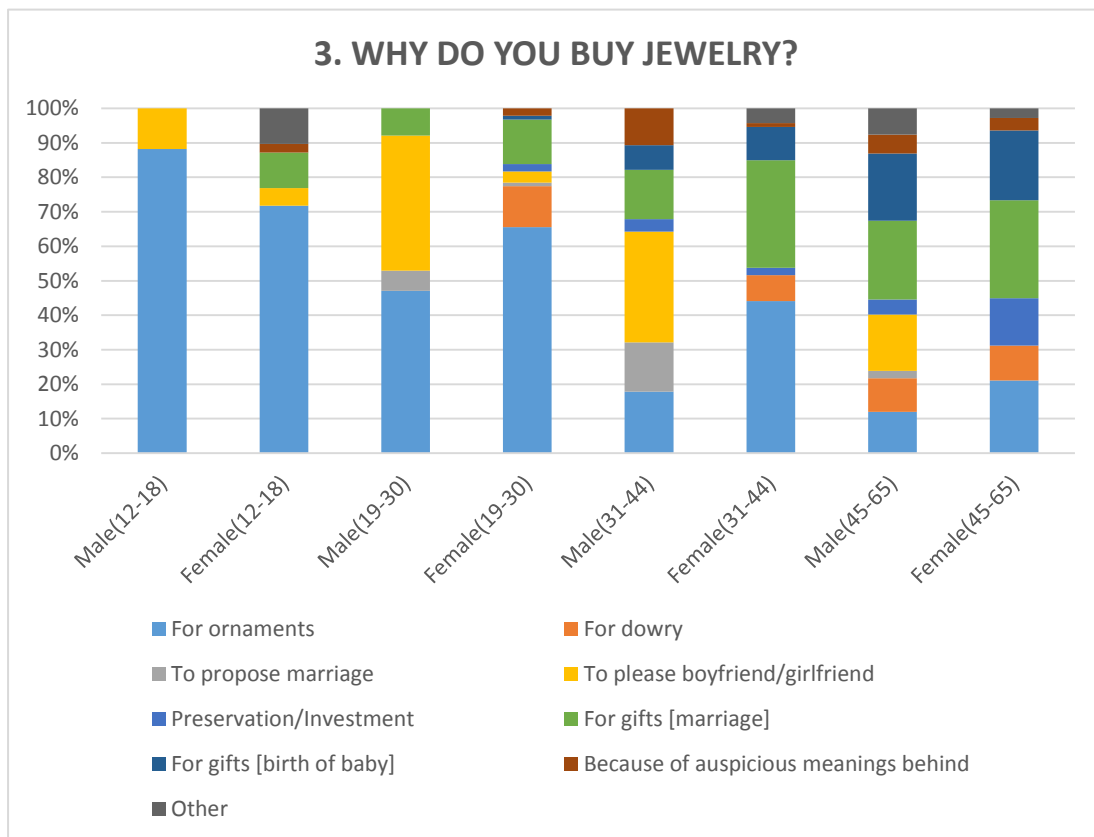
3. WHY DO YOU BUY JEWELRY?

- For ornaments
- To propose marriage
- Preservation/Investment
- For gifts [birth of baby]
- Other
- For dowry
- To please boyfriend/girlfriend
- For gifts [marriage]
- Because of auspicious meanings behind



	Frequency							
	12-18		19-30		31-44		45-65	
Sex	M	F	M	F	M	F	M	F
For ornaments	15	28	24	61	10	41	11	23
For dowry	0	0	0	11	0	7	9	11
To propose marriage	0	0	3	1	8	0	2	0
To please boyfriend/girlfriend	2	2	20	3	18	0	15	0
Preservation/Investment	0	0	0	2	2	2	4	15
For gifts [marriage]	0	4	4	12	8	29	21	31

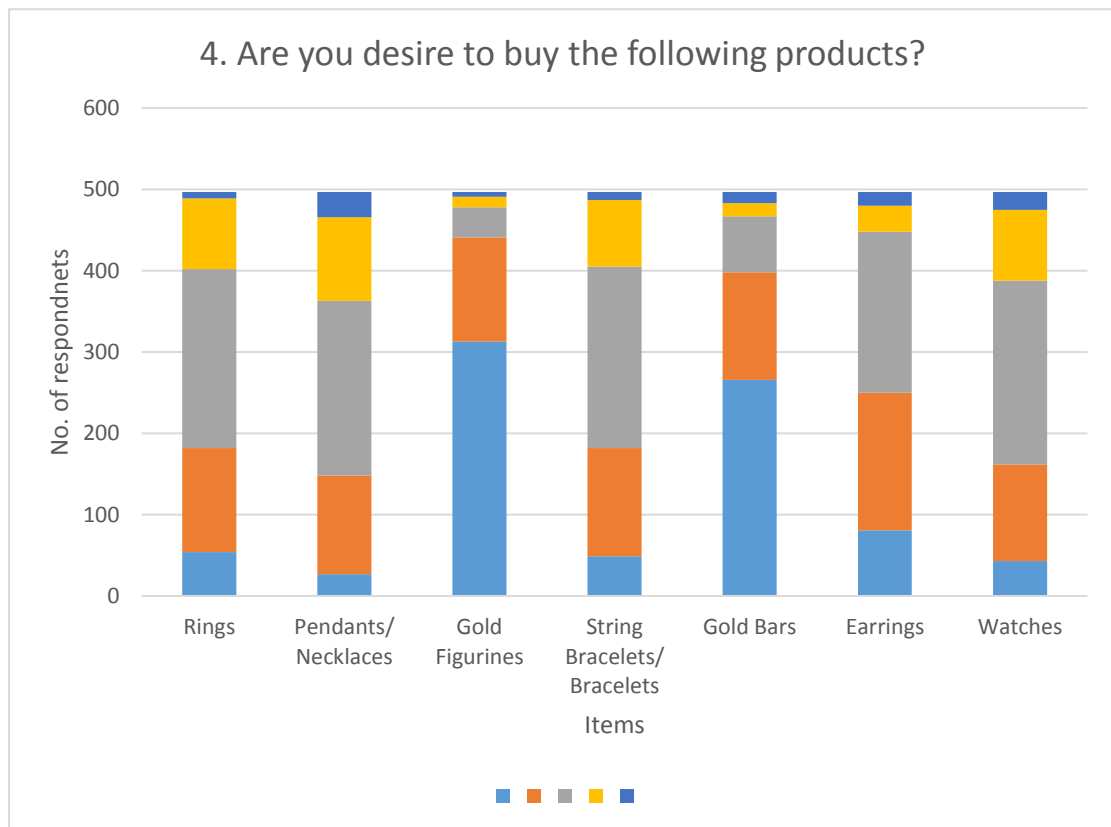
For gifts [birth of baby]	0	0	0	1	4	9	18	22
Because of auspicious meanings behind	0	1	0	2	6	1	5	4
Other	0	4	0	0	0	4	7	3



4. Are you desire to buy the following products? (1 represents no desire, while 5 represents great desire)

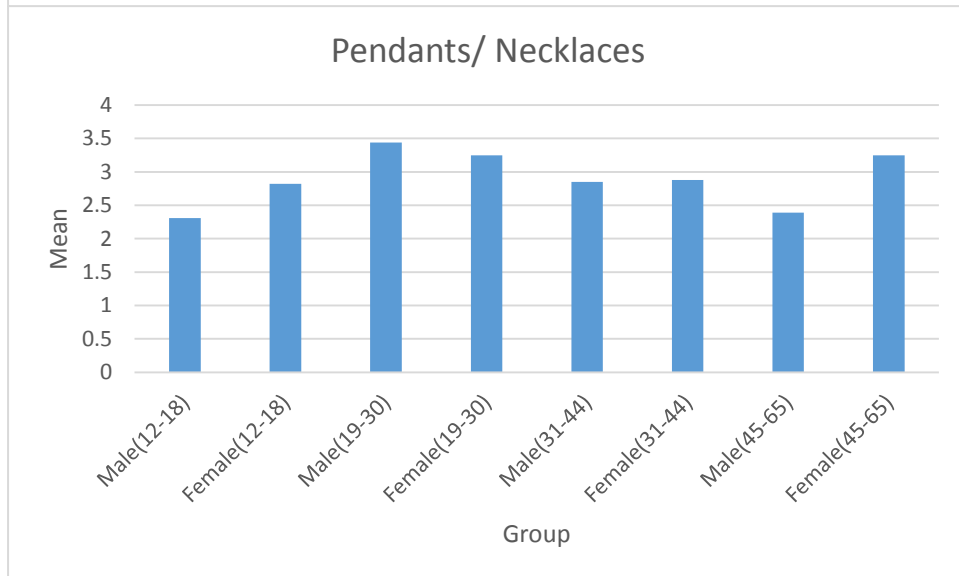
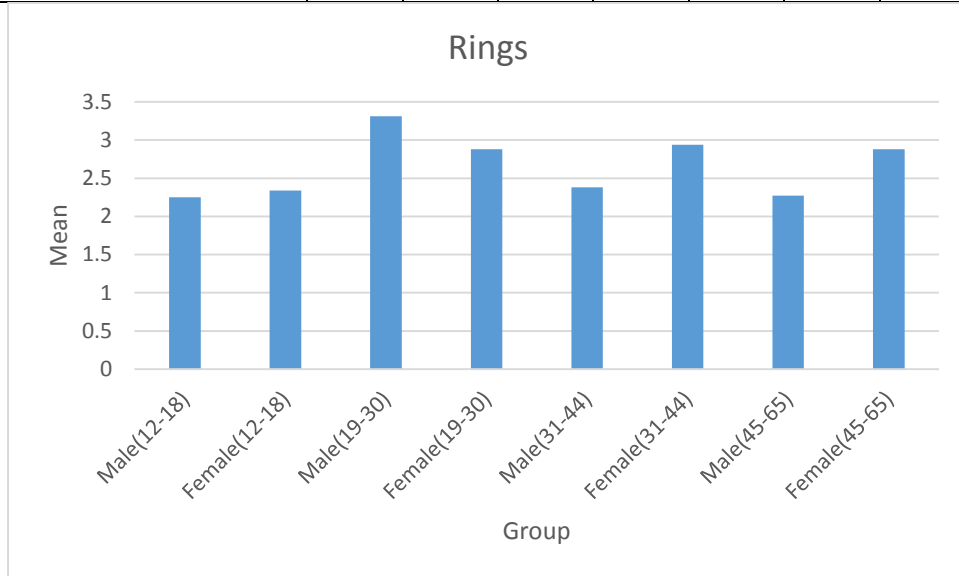
	No. of respondents (total = 497)					Mean	S.D.
	1	2	3	4	5		
	Rings	54	128	220	87		
Pendants/ Necklaces	27	121	215	103	31	2.98	0.96

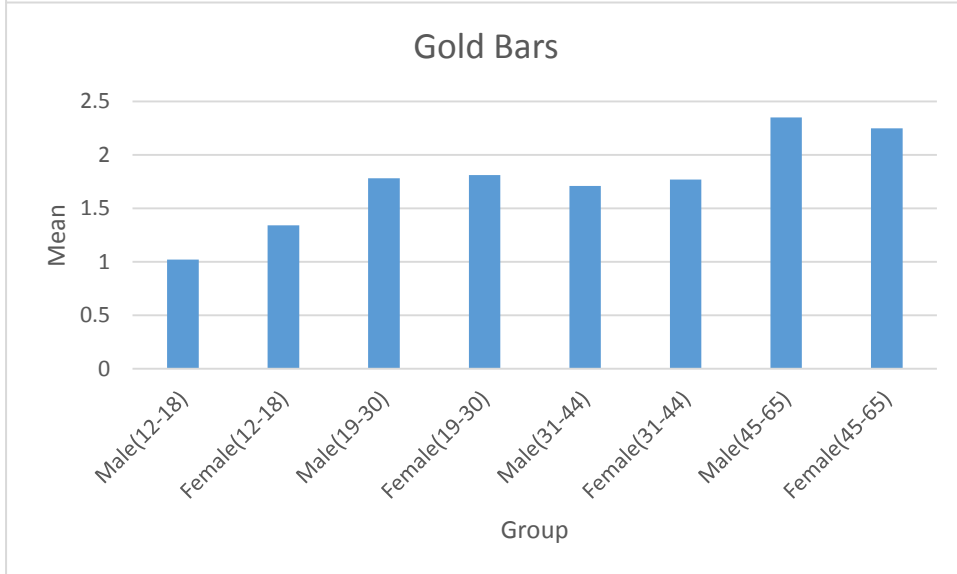
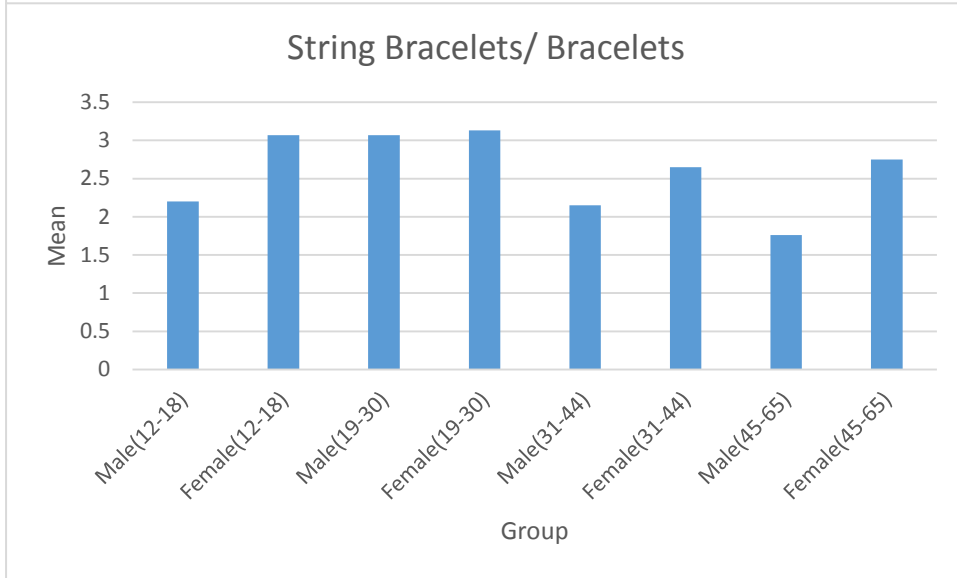
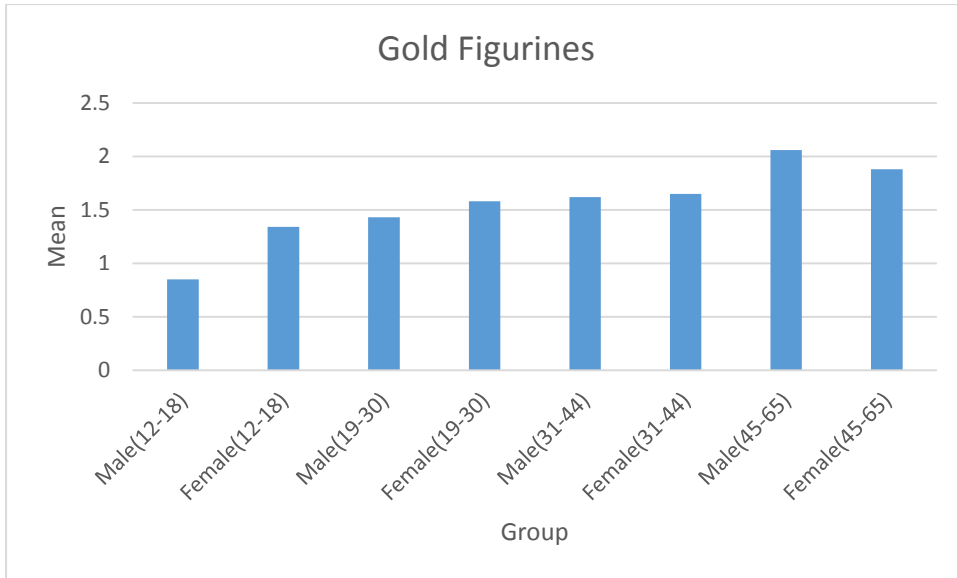
Gold Figurines	313	128	37	13	6	1.53	0.84
String Bracelets/ Bracelets	49	133	223	82	10	2.74	0.92
Gold Bars	266	132	69	16	14	1.75	1.00
Earrings	81	169	198	32	17	2.47	0.95
Watches	43	119	226	87	22	1417	0.96

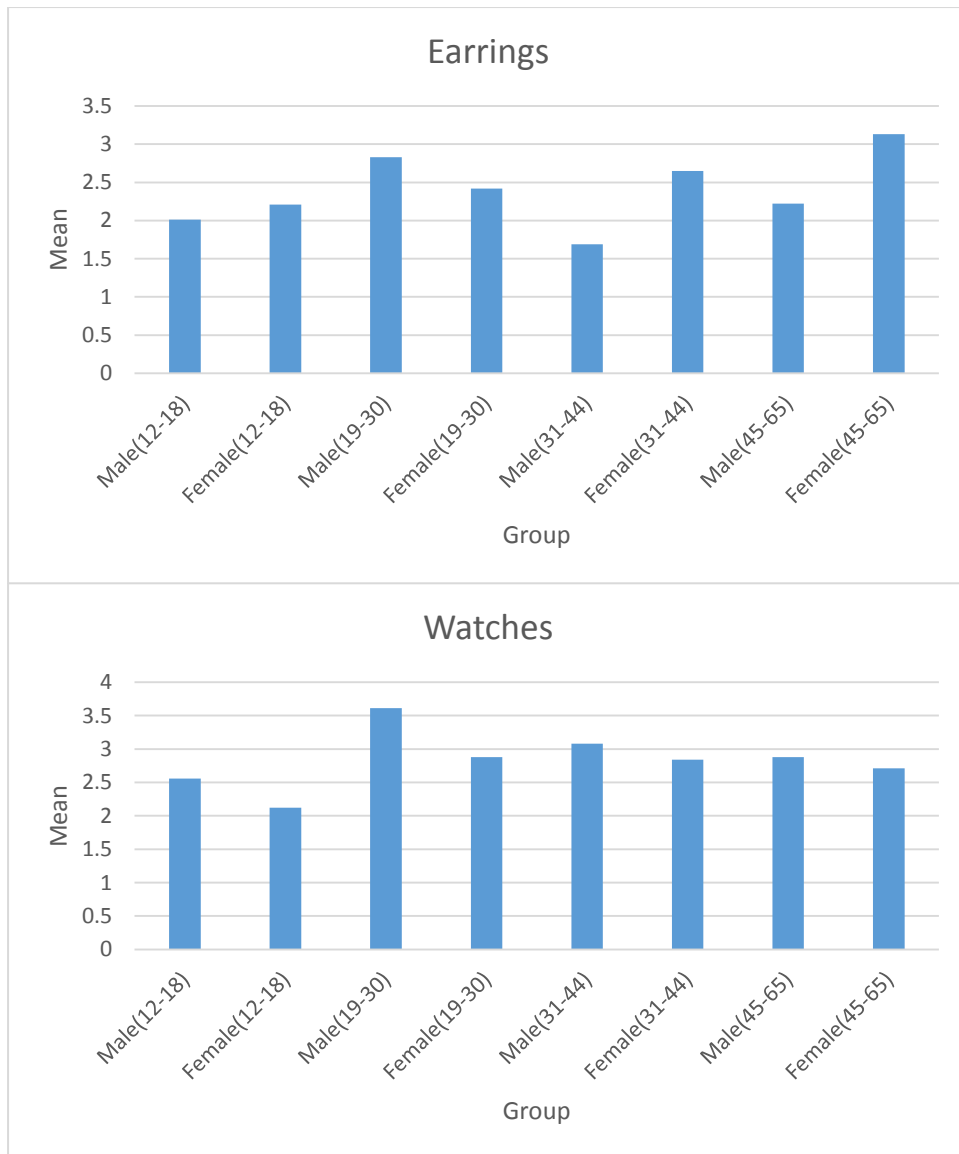


	Mean							
	12-18		19-30		31-44		45-65	
Sex	M	F	M	F	M	F	M	F
Rings	2.25	2.34	3.31	2.88	2.38	2.94	2.27	2.88
Pendants/ Necklaces	2.31	2.82	3.44	3.25	2.85	2.88	2.39	3.25
Gold Figurines	0.85	1.34	1.43	1.58	1.62	1.65	2.06	1.88

String Bracelets/ Bracelets	2.20	3.07	3.07	3.13	2.15	2.65	1.76	2.75
Gold Bars	1.02	1.34	1.78	1.81	1.71	1.77	2.35	2.25
Earrings	2.01	2.21	2.83	2.42	1.69	2.65	2.22	3.13
Watches	2.56	2.12	3.61	2.88	3.08	2.84	2.88	2.71



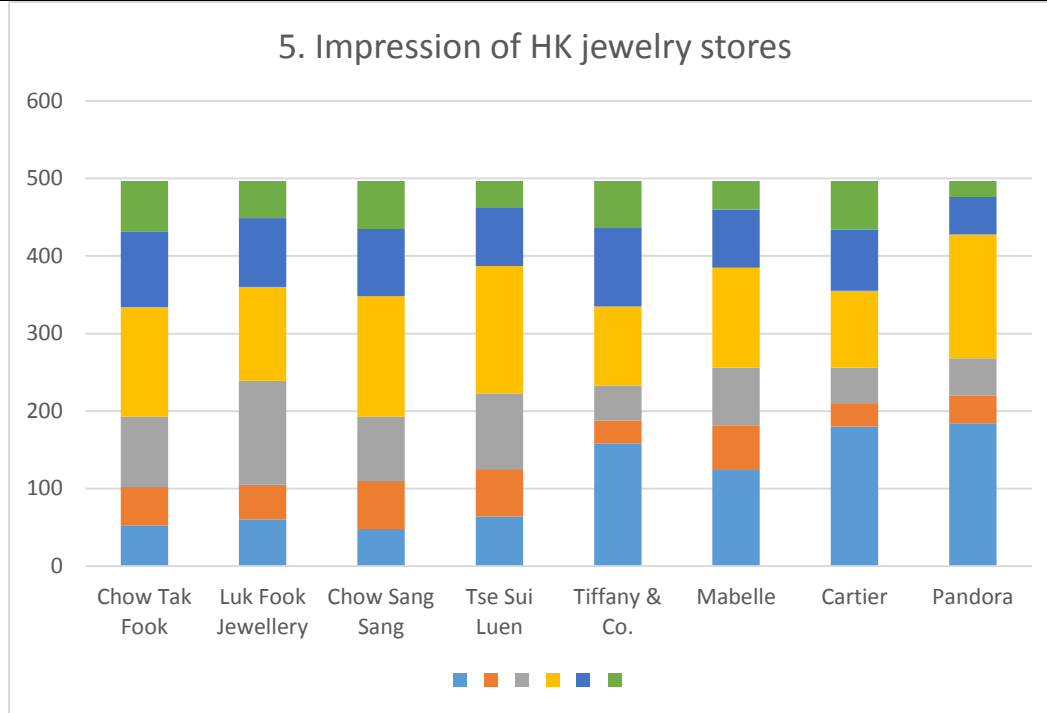




5. Please rate the following jewelry stores base on your overall impression. (1 is the lowest and 5 is the highest)

	No. of respondents (total = 497)						Mean	S.D.
	Not Familiar	1	2	3	4	5		
Chow Tak Fook	52	50	91	141	97	66	2.76	1.48
Luk Fook Jewellery	60	45	134	121	89	48	2.56	1.45
Chow Sang Sang	48	62	83	155	87	62	2.72	1.46

Tse Sui Luen	64	61	97	165	76	34	2.46	1.41
Tiffany & Co.	158	30	45	102	101	61	2.28	1.84
Mabelle	124	57	75	129	75	37	2.17	1.62
Cartier	180	30	46	99	79	63	2.11	1.86
Pandora	184	36	48	160	48	21	1.83	1.62



6. Please try to identify the jeweler and the collections in the following advertisements.

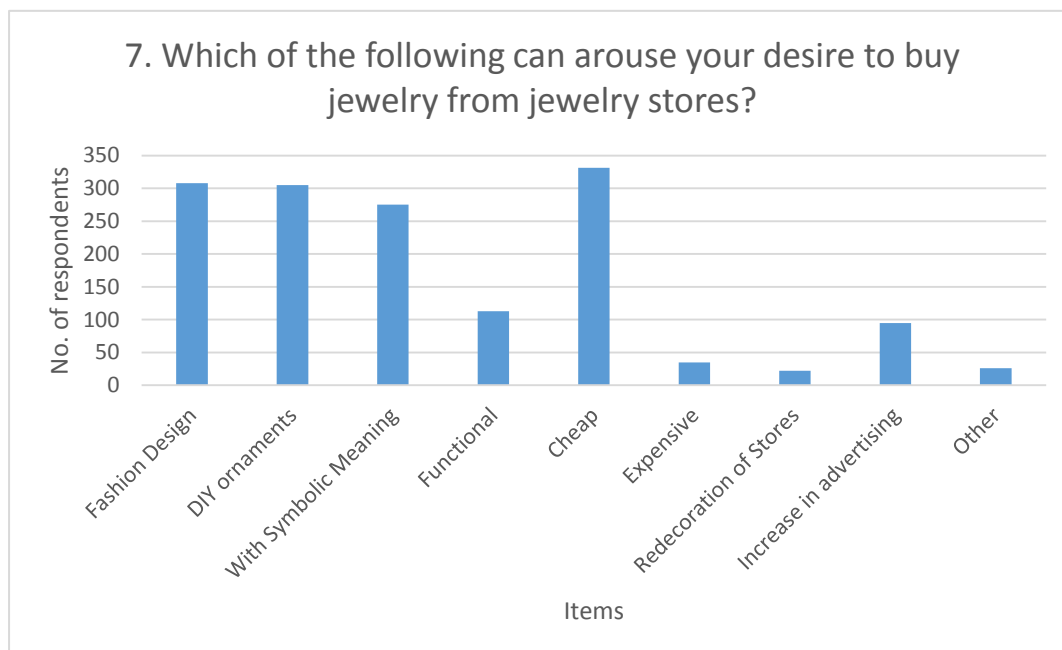
	No. of respondents answering correctly					
	Jeweler's Name		Name of collection		Both	
A	121	24.35%	31	6.24%	16	3.22%
B	32	6.44%	17	3.42%	12	2.41%
C	165	33.20%	56	11.27%	38	7.65%
D	85	17.10%	9	1.81%	7	1.41%
E	13	2.62%	2	0.40%	1	0.20%
F	40	8.05%	3	0.60%	2	0.40%

G	50	10.06%	2	0.40%	2	0.40%
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7. Which of the following can arouse your desire to buy jewelry from jewelry stores?

(Can choose more than one option)

	No. of respondents (total = 497)	Percentage (%)
Fashion Design	308	61.97
DIY ornaments	305	61.37
With Symbolic Meaning	275	55.33
Functional	113	22.74
Cheap	331	66.60
Expensive	35	7.04
Redecoration of Stores	22	4.43
Increase in advertising	95	19.11
Other	26	5.23

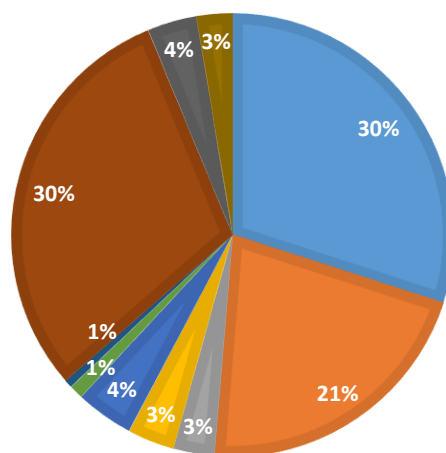


8. Which of the following themes can best arouse your desire to purchase jewelry?

	No. of respondents (total = 497)	Percentage (%)
Love	149	29.98
Kinship/Friendship	106	21.33
Season	15	3.02
Festival	17	3.42
Fortune	21	4.23
Flower	5	1.01
Animal	3	0.60
Mood	150	30.18
Celebration	18	3.62
Other	13	2.62

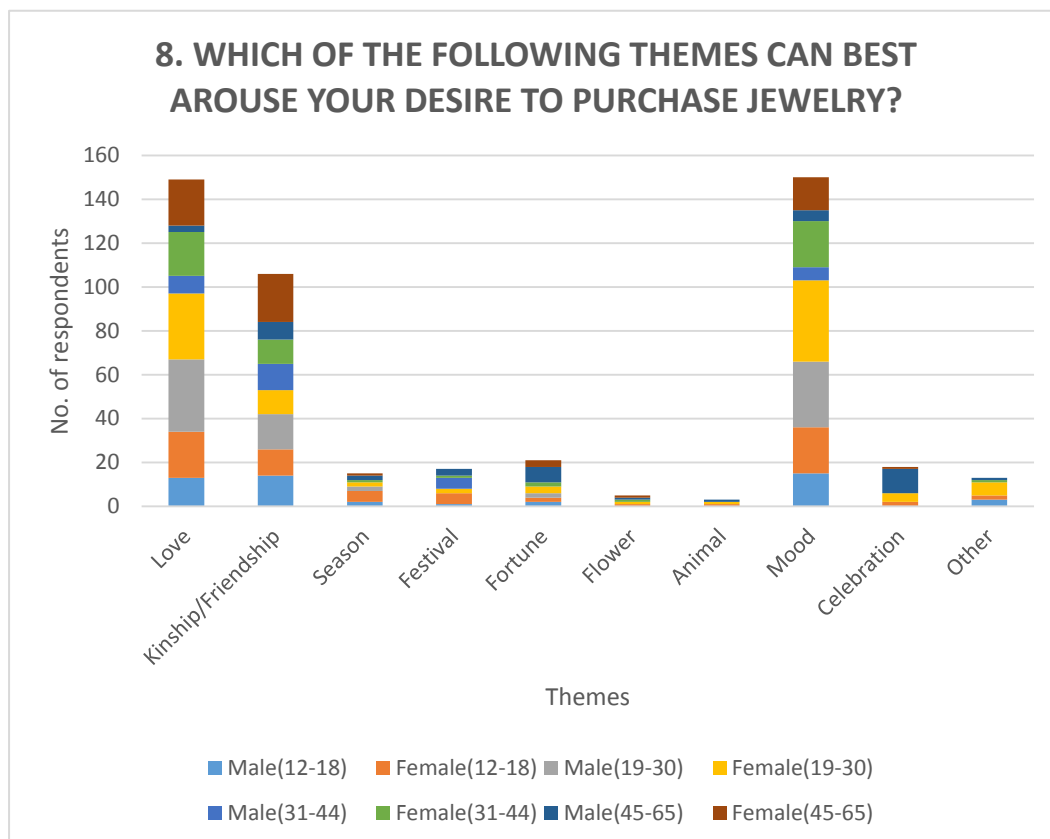
8. WHICH OF THE FOLLOWING THEMES CAN BEST AROUSE YOUR DESIRE TO PURCHASE JEWELRY?

- Love ■ Kinship/Friendship ■ Season ■ Festival
- Fortune ■ Flower ■ Animal ■ Mood
- Celebration ■ Other



	No. of respondents
--	--------------------

Age	12-18		19-30		31-44		45-65	
	M	F	M	F	M	F	M	F
Love	13	21	33	30	8	20	3	21
Kinship/Friendship	14	12	16	11	12	11	8	22
Season	2	5	2	2	0	1	2	1
Festival	1	5	0	2	5	1	3	0
Fortune	2	2	2	3	0	2	7	3
Flower	0	1	0	1	0	1	1	1
Animal	0	1	0	1	0	0	1	0
Mood	15	21	30	37	6	21	5	15
Celebration	0	2	0	4	0	0	11	1
Other	3	2	0	6	0	1	1	0



Part C) Key Findings

1. Most Popular Items

Sex	Age	Items		
		1 st	2 nd	3 rd
Male	12-18	Watches	Rings	Pendants/ Necklaces
	19-30	Watches	Pendants/ Necklaces	Rings
	31-44	Watches	Pendants/ Necklaces	Rings
	45-65	Watches	Pendants/ Necklaces	Gold Bars
	Integration	Watches	Pendants/ Necklaces	Rings
Female	12-18	Bracelets	Pendants/ Necklaces	Rings
	19-30	Pendants/ Necklaces	Bracelets	Rings
	31-44	Rings	Pendants/ Necklaces	Watches
	45-65	Pendants/ Necklaces	Earrings	Rings
	Integration	Pendants/ Necklaces	Bracelets	Rings
Integration	12-18	Bracelets	Pendants/ Necklaces	Rings

	19-30	Pendants/ Necklaces	Watches	Bracelets
	31-44	Watches	Pendants/ Necklaces	Rings
	45-65	Pendants/ Necklaces	Watches	Earrings
	Integration	Pendants/ Necklaces	Watches	Bracelets

2. Most Popular Themes

Sex	Age	Themes		
		1 st	2 nd	3 rd
Male	12-18	Mood	Kinship/ Friendship	Love
	19-30	Love	Mood	Kinship/ Friendship
	31-44	Kinship/ Friendship	Love	Mood
	45-65	Celebration	Kinship/ Friendship	Fortune
	Integration	Love	Mood	Kinship/ Friendship
Female	12-18	Mood	Love	Kinship/ Friendship
	19-30	Mood	Love	Kinship/ Friendship

	31-44	Mood	Love	Kinship/ Friendship
	45-65	Kinship/ Friendship	Love	Mood
	Integration	Mood	Love	Kinship/ Friendship
Integration	12-18	Mood	Love	Kinship/ Friendship
	19-30	Mood	Love	Kinship/ Friendship
	31-44	Love	Mood	Kinship/ Friendship
	45-65	Kinship/ Friendship	Love	Mood
	Integration	Mood	Love	Kinship/ Friendship