

# Luxury Brands: Towards an Omnichannel Experience

An exploration on how the evolution of omnichannel affects the way luxury brands should manage and integrate online touchpoints to strengthen the brand equity



## **Master's Thesis Copenhagen Business School September 2015**

MSc in Economics and Business Administration  
Cand. Merc. Brand and Communications Management

Olivia Poblano

Supervisor: Christian Linnelyst

Hand-in date: September 11, 2015

Number of characters: 176,961

Number of pages: 79

# Executive Summary

---

Retail is now becoming an omnichannel experience, where consumers can use both offline and online channels to shop. The ultimate goal for luxury retail brands is to be able to provide a seamless experience along all channels while keeping track of their consumer. Since luxury brands are known for their outstanding service, they are expected to be able to keep up with the same quality of service along all channels. Unfortunately, many luxury brands still fear the adoption of a digital strategy due to the risks associated with it. A lack of digital strategy means that luxury brands are not yet able to provide an omnichannel experience. Therefore this research paper tries to uncover the ways in which luxury brands can begin to embrace the use of online channels.

The goal of the paper is to understand how the different online touchpoints can help luxury brands improve the customer shopping experience. The touchpoints considered in this paper include luxury brand website, e-commerce and seven social networks. An inductive approach is applied to analyse the results from surveys and data collection by observation. The research is based on three main theories; the purchasing decision journey, CRM and the consumer-based brand equity model. A comparison is made between the goals of affluent consumers and those of luxury brands when using online channels to expose the gaps. The uncovered gaps allow the development of three new models (inspired by previous theories); the CBBE including online touchpoints, a consumer decision journey with the online touchpoints and the new, non-stop decision journey. These models act as an initial guide for luxury brands to understand at what point in the decision journey the touchpoint is most effective.

This thesis provides insight into the online channels and the role they play in an omnichannel approach. The results suggest that luxury brands should not only focus on the current strategy, but also prepare for future innovations in digital. The recommendations provided aim to enhance the luxury consumer experience therefore, increasing consumer satisfaction to lead to higher brand equity.

## Table of Contents

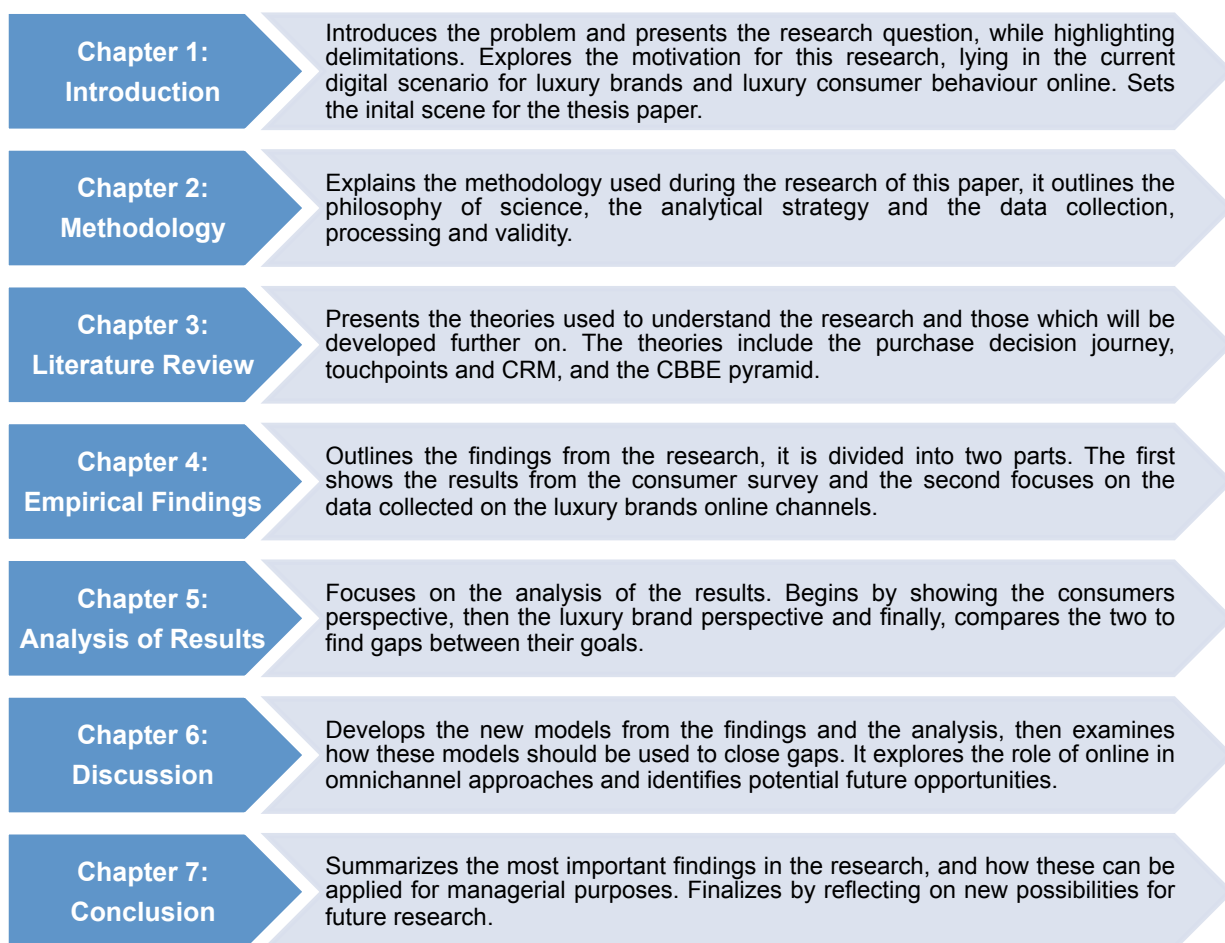
Executive Summary .....	2
1. Introduction .....	4
1.1 Structural composition .....	4
1.2 Problem definition and topic delimitation .....	4
1.3 Defining omnichannel retailing and challenges.....	6
1.4 Motivation.....	9
1.4.1 Understanding the digital luxury scenario .....	10
1.4.2 Online vs. offline channels: luxury distribution and communication .....	13
1.4.3 Summary.....	18
1.5 Understanding the digital luxury consumer behavior .....	18
1.5.1 Channel preferences.....	20
1.5.2 Online activities .....	20
1.5.3 Summary.....	22
2. Methodology .....	23
2.1 Philosophy of science .....	23
2.2 Analytical strategy .....	25
2.3 Data collection and sampling .....	25
2.4 Data Processing and Analysis .....	29
2.5 Data Validity and Limitations.....	30
3. Literature review .....	32
3.1 Digitalizing the consumer decision journey.....	32
3.2 Consumer experience- Digital touchpoints and CRM .....	35
3.2.1 Importance of Integration .....	38
3.2.2 Summary.....	39
3.3 Consumer Based Brand Equity.....	39
4. Empirical Findings.....	42
4.1 Online survey to consumers .....	42
4.2 Internet data from luxury brands .....	44
5. Analysis of results .....	48
5.1 Consumers' expectations of luxury brand online experience.....	48
5.2 Luxury brands strategy on digital channels.....	53
5.3 Gaps between luxury brands and consumers.....	60
6. Discussion.....	61
6.1 Recommendations: what should luxury brands do to close gaps? .....	61
6.2 The role of digital touchpoints in providing an omnichannel experience.....	67
6.3 Future of digital in omnichannel retailing .....	70
7. Conclusion .....	74
7.1 Putting into perspective.....	74
7.2 Managerial Implications .....	76
7.3 Further research .....	78
Bibliography .....	81
Appendix A: Figures and tables .....	84
Appendix B: Consumer survey and results.....	90
Appendix C: Luxury brands data collection.....	106

# 1. Introduction

---

## 1.1 Structural composition

To ease the reading of this thesis, below is a graphic illustration of the structural composition with a brief explanation of the content.



## 1.2 Problem definition and topic delimitation

This thesis will focus on exploring how luxury brands should communicate with consumers through online touchpoints. This paper will study the evolution towards omnichannel retailing in a digitalized world and how the customer experience has now changed to include online channels. “Marketing is moving from multichannel to omnichannel.

Omnichannel, however, represents more than simply adding mobile and social media to the mix. It heralds an interconnectedness among touchpoints that from the perspective of the consumer, blurs the distinction among channels” (Jason Bloomberg, Forbes, 2014).

The paper will look at how the shift from offline to online channels has affected the customer’s purchasing behavior. “Promoters of integration state that channel integration could enrich the customer value proposition” (Gallino and Moreno 2014). The aim is to get a deeper understanding of customers experience with luxury brands’ online channels and how it affects the whole customer experience and what the luxury brands can do to meet customers’ expectations. More specifically, I want to be able to answer the research question: **how can luxury brands use online touchpoints to create an omnichannel approach that will enhance their customers’ shopping experience?**

Luxury is all about exclusivity. Luxury brands must be desired by all, consumed only by the happy few (Kapferer & Bastien, 2009). The Internet, an opportunistic platform for the luxury industry, faces resistance from luxury brands. Despite offering opportunities for increased sales, the Internet may diminish perceptions of brand value (Dall’Olmo & Lacroix, 2003). These brands have refused to adopt digital strategies due to the fear of becoming too available and the risk of not being able to uphold a prestige image online, however consumers purchasing behavior has changed and become more digital. For this reason, luxury brands have had to respond to this change and adopt the use of online channels to be able to improve their shopping experience. The Internet has become essential in branding, to manage customer experience and communication strategies for all type of companies, including luxury brands. Despite growing interest, there exists relatively little empirically founded research on digital luxury marketing (Geerts, 2013). In fact, according to McKinsey, digital now influences 44% of all luxury purchases (online & offline), as 75% of luxury consumers are now connected via smartphone or tablet. This is where the motivation for doing this research paper lies. Luxury brand marketing is all about storytelling, and they now need to look into creating these stories online. However, there is not much research regarding online touchpoints due to the very recent adoption of online channels by luxury brands. The fact that it is a growing trend is undeniable and it is important to look into how online is changing the customer experience, especially for those

brands that are expected to excel in quality and service.

The theories addressed in the paper include consumer decision journey, customer touchpoints, CRM and the brand equity model. It will look at how the customer experience has now changed to include online channels and will weigh the importance of the different touchpoints to improve the overall experience. CRM will be used to understand how online marketing managers use online channels and to recognize how this contributes to the existing theory. The brand equity model will be used from a consumer-based approach to see if the value of luxury brands is affected by their online presence from the consumer's viewpoint.

Both qualitative and quantitative research will be used to come up with empirical findings and recommendations for luxury brands omnichannel retailing. Research will include both questionnaires to luxury consumers and online research for primary and secondary data of luxury brands. These surveys will be carried out to consumers in Europe where luxury brands have an important presence.

The goal of this paper is to come up with a new customer experience model including the online touchpoints. The findings will be able to help develop a new model, specific for luxury brands. Once we have a better understanding of the digital touchpoints then luxury brands can use this to know what actions to take to improve their customers' shopping experience and ultimately to increase their brand equity. This paper could also lead to future research in other fields (such as FMCG) also using online channels, to come up with a model for their own customer touchpoints.

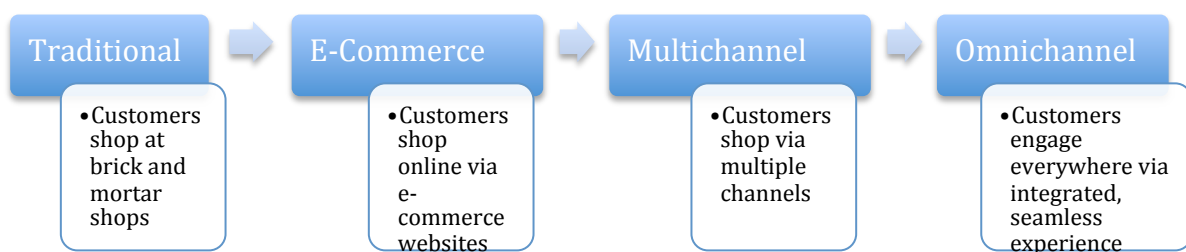
### **1.3 Defining omnichannel retailing and challenges**

Retailing, as we know it no longer exists. Consumers have gradually shifted from a purely offline to an online-enhanced shopping experience. More than ever before, consumers are using technology to interact with brands, whether to do research or to make a purchase. As consumers, we are constantly connected to a variety of digital platforms and brands need to take advantage of this. An omnichannel approach aims to connect all shopping channels to be able to track a consumer across all of them, making it easier for consumers

to move from one channel to another. To put it in better wording, marketers now need to provide a seamless experience, regardless of channel or device. Consumers can now engage with a company in a physical store, on an online website or mobile app, through a catalog, or through social media. They can access products and services by calling a company on the phone, by using an app on their mobile smartphone, or with a tablet, a laptop, or a desktop computer. Each piece of the consumer's experience should be consistent and complementary (Stocker, 2014).

The image below shows how brick and mortar retail stores have evolved by adopting digital channels. The first time technology played a major role in retail was in the 90s' with the emergence of e-commerce sites such as Amazon.com, Venteprivee.com and Gilt.com, to name a few. By the 21<sup>st</sup> century, this was followed by social media platforms, bloggers, QR codes and augmented reality, which paved the way to a seamless omnichannel experience. Currently, we can still distinguish between online and offline but as we move forward, these distinctions will soon be completely blurred.

### **Business Model Evolution:**



Source: AMA Richmond

Luxury brands need to understand the experience consumers are looking for and provide them with it. Consumers expect to experience the brand as a whole and consistently through all channels. As a luxury brand, consumers have even higher expectations. Digital is not just a new marketing or distribution channel, it is a new dimension in our lives which must be cross-company (Luxury Society, 2014). Luxury brands should provide quality content on all platforms and be able to keep up their first-class image. In order to try to control this image as much as possible, luxury brands need to adopt the use of online channels. When it comes to omnichannel retailing, brands need to provide a personalized

service. By being able to track a consumer along all channels, the brand is able to learn about the consumer and respond to their individual demands. This allows for a potential increase in sales as brands will recommend products that will be specific to each customer and their preferences according to their purchasing history, making them more likely to purchase it.

While online platforms offer an opportunity for luxury brands, they also pose the biggest threats. One of the most important challenges in entering omnichannel retailing is the need to create a seamless experience across all platforms- this means in store, online, mobile, catalogue. All of these must offer immediate and accurate information regarding their products. Luxury brands need to coordinate top quality content along all platforms. In the future, a true omnichannel brand will be able to identify the consumer across all channels, provide their history of transactions and give the same product recommendations. The customer will expect their favorite luxury brand to be able to recognize them and know their latest preferences in products and even payment methods.

Another of the most significant risks when luxury brands go online is total price transparency. This is more likely to affect brands that have many sub-brands and a wide distribution across numerous sales channels (flagship stores, e-commerce store, luxury department stores, etc.). Transparency will become an even bigger issue for luxury brands that offer sales. While this isn't an issue for all luxury brands, some find that price variations that were not obvious in the physical world are all too evident online. (The Boston Consulting Group, Inc., 2014). More transparency leads to more intense competition across channels, not only regarding prices but also the visuals presented online.

Just like the seamless experience, omnichannel should also be managed in such a way. Traditionally, most multi-channel retailers have siloed structures, where the physical store division and the Internet store division operate independently of each other (Gallino and Moreno, 2014 and Rigby, 2011). Luxury brands should adopt a new business model, where integration is taken to the next level. Siloed structures can potentially lead to a disconnection between the brand and the buyer. This goes against an omnichannel



approach to allow consumers to search, purchase, exchange or simply manage a relationship with the brand through any channel, at any given time.

The Internet is the biggest challenge faced by luxury, because on the one side it explodes the brand awareness and it allows people to go inside the companies, to attend a runway show, to go into the heritage of the company... So it's a fantastic kind of movie on your mobile or your tablet, but then if you put everything for sale on the Internet, via e-commerce or the likes, it's a different story. Because what makes the reputation of the brand is what kind of people wear it. On the Internet anyone can buy, so there is a real danger here (Kapferer & Doran, 2013). So while luxury brands can create brand awareness by using online channels, these same channels also open distribution in an undesirable way. Luxury brands organizations have to maintain a fragile equilibrium between high exposure and awareness but a controlled level of sales to maintain their dream value and avoid the risk of commodisation (Dall'Olmo & Lacroix, 2003).

Along with the opening of distribution, comes the challenge to be able to coordinate their customer orders. There has to be an integration of their inventory across all channels, whether the customer buys in store, online or "click and collect" (paying online, and picking up the merchandise at the store), the company needs to be sure of their stock. There will be no tolerance if a customer buys a product that turns out to be sold out.

Despite the digital gold rush, major sections of luxury brands still have not fully arrived in the digital world. Their sentiment increasingly shifts from "Do we need to be online?" to more complicated questions such as "How do we actually do it right?" and "How can we make better use of digital opportunities?" (Berghaus & Heinea, 2014). In other words, luxury brands still fear the challenges presented by online channels in adopting an omnichannel approach.

## **1.4 Motivation**

In order to understand the motivation for this research paper, the current position of luxury brands and consumer behavior online needs to be outlined.

#### 1.4.1 Understanding the digital luxury scenario

Luxury sales realized online have accelerated in 2014 reaching €14 billion of a total €224 billion – a 50 percent rise from 2013. They now represent 6 percent of the global luxury market for personal goods (McKinsey/Altagamma, 2015). While this channel was dominated by the USA, the fastest growth rates were in Asia. Key structural changes in digital commerce included mobile which was gaining market share and shortened delivery times, which were creating competition with physical stores. The growth of digital, both for sales and communication, had encouraged brands to increase their focus on their ‘omnichannel’ presence (Bain & Company and Fondazione Altagamma, 2014). To put this into perspective – 75 percent of all luxury sales today are influenced by digital. This could go up to 100 percent by 2025, so luxury brands have no choice but to embrace the digital era and become truly omnichannel (McKinsey/Altagamma, 2015). In other words, it is no longer if luxury brand should be online but rather how can they go about this.

Digital tools and technology are completely revolutionising the luxury market, in terms of sales and in marketing (Doran, 2014). In fact, online sales represent one of the fastest growing opportunities in the global luxury market. The overall market is expected to grow at 5 percent between 2012-2018, whereas luxury e-commerce sales are forecast to increase by 18 percent during the very same period (McKinsey, 2014). While pure online transactions only represent about 4 percent, it is growing three times faster than the industry as a whole (Appendix A, Fig. 1). In the luxury sector brands are not looking to increase online sales but rather sales, period. As Sohrab Ghotbi (Gucci worldwide media digital director) explained “we want people enter the funnel: to discover our brand, research our products and get them to purchase online or in store”. Generally speaking, digital tools serve more as a sales support channel for luxury brands, rather than a channel for the direct transaction.

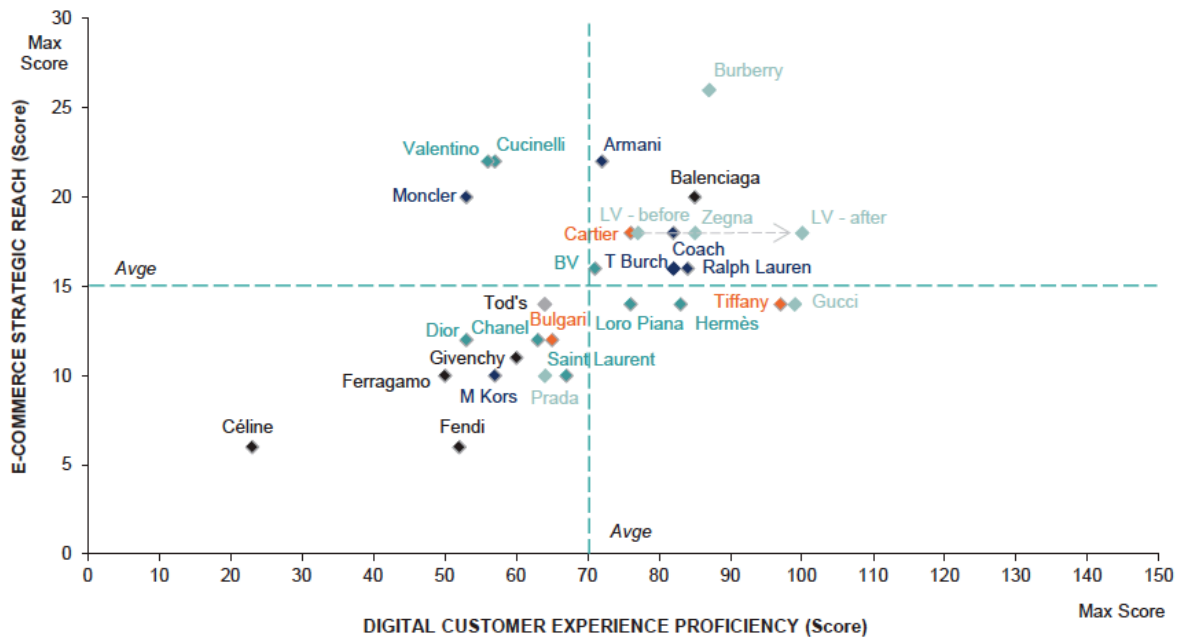
Many luxury consumers still refuse to buy such expensive products online, they want to be able to feel and look at it. Online tools are used for research purposes, to compare prices and options and for inspiration. Each digital platform has its own audience and purpose, and it is utterly important that brands understand the use of each one. The luxury

marketers need to be proficient in each community code and make sure that each message is tailored specifically to that platform and audience (Doran, 2014).

In regards to e-commerce, luxury brands tend to use this in a different way from other organisations. It is a channel that is used to communicate about the brand and their products, not for sales purposes solely. On their e-commerce luxury brands should try to present as much or even more information (than in store) about their products. Consumers will research online so they need to be able to find all the product details and information, otherwise they might turn to another brand and a potential sale is lost. At Balenciaga, Annika Mohr Storfait explained that digital integration was both coming from the top-down (internally) and bottom-up (externally). As consumers continue to come into store with images of products on mobile phones, the brand is forced to have a fully integrated understanding of marketing and distribution both online and offline (ibid.). Especially, in globalised times like today where consumers from Asia have done research before shopping for luxury bags in Europe. The consumer is aware of product prices, models and colours and the store personnel must be able to inform their consumers of all their products and services. This means that the luxury consumer is already omnichannel and brands should invest more efforts to meet the expectations.

According to a new report released by Exane BNP Paribas, luxury labels have improved the digital experience they offer to customers by eight percent in the last quarter of 2014 (Exane BNP Paribas, ContactLab, 2014). In this report they created a tool called the Digital Competitive Map for luxury sector, which takes into account 1) depth and breadth of product offer; 2) ease of navigation and quality of website experience; 3) delivery, service and return policies/performance; 4) cross-channel integration (ibid.). Out of all luxury brands, Gucci ranked at the top of the brands' digital customer experience, followed by Louis Vuitton, Tiffany, Cartier and Ralph Lauren. However, Burberry ranked number one in terms of e-commerce strategic reach, which considers e-commerce geographical reach, the languages on the Web site and the number of products sold on the site. Online pioneers, such as Burberry, seem to have a significant digital contribution to sales. In this paper we will focus on the digital experience, rather than the e-commerce strategic reach.

Digital Competitive Map (July 2014)



Source: (Exane BNP Paribas, ContactLab, 2014)

It should be pointed out that mobile seems to be the best way to reach customers, mostly because we tend to spend more time with our phones than any other digital device (Appendix A, Fig. 2). Based on interviews carried out to more than 3,000 luxury consumers, three out of four luxury consumers own a smartphone. More than half of luxury shoppers' searches are mobile, and more than one in five of the shoppers said they often or always researched luxury products on a mobile device before making a purchase (Dauriz, Michetti, Sandri, & Zocchi, 2014). To support a sales strategy which is able to generate a significant impact on a brand's overall turnover, a digital content strategy is increasingly being implemented to encourage customers' loyalty. Every purchasing experience, whether online or off-line, is a point of contact which must be taken advantage of in order to build the customer's loyalty (Exane BNP Paribas, ContactLab, 2014).

Despite initial refusal from luxury brands to adopt online channels, they have realized they need to be where the consumer is and at the moment, the consumer is part of digital communities. Now that luxury brands have gone digital, the next important consideration is their customers' expectations; this includes features such as the website layout, the ease of navigation, the functionality, the content, and strength of the brand presence. The lines between marketing, distribution and CRM have never been so blurred. Engagement

should be the priority for luxury brands, who should make sure they are available on the platforms the customer exists, with the right message at the right time (Doran, 2014). Ultimately the goal is for digital to be integrated to adopt an omnichannel strategy.

It is clear that a late adoption of digital means is a result of luxury brands facing major challenges when deciding to adopt this strategy. It is not easy to create an omnichannel experience for many brands and they may not be sure how to tackle these issues at first. Some of the most significant risks include coordinating the message along all channels (offline, online, mobile, etc.), total price transparency, moving from a siloed to an integrated business model, having too much exposure and reaching the wrong audience and finally handling a proper inventory management. Despite the numerous challenges related to the adoption of an online presence, luxury brands need to follow their customers where they are. They are already lagging behind as the consumer has now reached an omnichannel approach. They will interact with the brands across multiple channels and most of these tend to be digital. However, it is clear that luxury brands are aware of this and have seen the potential in this sector (with a growth three times faster than the rest of the luxury industry). For this reason, luxury brands should make it a priority to invest in their online platforms and engagement. “The success of digital in a luxury brand will come from understanding that the online and offline revolution must take place together, to create real value for consumers that exist in these two worlds simultaneously” (Doran, 2014).

#### **1.4.2 Online vs. offline channels: luxury distribution and communication**

The keyword in luxury is experience. Experience is what is lived and felt at each point of contact with the brand, and retail channels play an important role in this. In more simple terms, retail channels make up the distribution, and distribution is communication. In order to communicate successfully with the customer, luxury brands carefully select where their brand is to be exhibited and sold to the client. Unlike non-luxury brands, they tend to be located in the most expensive streets in the biggest cities around the world. Distribution is also the most awkward part to manage on a daily basis, once the brand has a global reach: ensuring coherence and strategic rigor, while remaining profitable, when you are embedded in countries that are totally different culturally and economically, requires

considerable engagement and energy from management. Furthermore, the distribution is often entrusted to local partners, which in fact comes down to entrusting client service and client experience to them (Kapferer & Bastien, 2009). The decisions that come with distribution have been further complicated by the introduction of digital channels. This being said, the transition into a digital world is having the most important impact on retailing. It is not about looking where to place the brand's stores but also on which online platforms will they decide to be present; website, ecommerce, blogs, social networks and so on.

One of the jobs for distribution channels is to communicate the price level without having to say it explicitly. Luxury consumers are wealthy and thus, they do not have to look at the price tag before deciding to make a purchase, for this reason luxury brand will not communicate the price directly. This is where retail channels come into play. It is up to the channels to be able to reflect the brands' price level. Everything should be done, in the appearance of the store and the management of client relations, to suggest the product's price level; the sales points should of course be very elegant, but placed at the brand's exact level, through their placement (hence the 'luxury streets') through their architecture and their internal design, and of course through the style of the sales personnel (Kapferer & Bastien, 2009). Nowadays, this rule should be followed both by online and offline channels. While offline channels traditionally focus on delivering a first-class service through the store atmosphere and the personnel, offline channels concentrate on publishing good content to drive consumers to the stores.

Luxury companies will always prefer offline channels because they are easier to manage; they have more control over the presentation and service provided. However, the reach is much wider and cheaper online. The personnel are trained to reflect the brand culture and to enhance the customers' shopping experience. The company is able to communicate the moment the customer walks by the window by carefully displaying an ensemble of the latest collection in an intricate manner. Offline channels also have the great advantage of touch and feel. Customers paying for such expensive items like to know what the product actually feels and looks like once it is on. Flagship stores also allow prices and product range to be under tight control, in other words, no past season products or discounts should be offered by a true luxury brand. Overall, offline retailers are able to present the

brand atmosphere more accurately by ensuring total control over all aspects and thus dictate the price level. However, online channels challenge this very notion. The big disadvantage of a purely offline strategy is that it does not follow the consumer into a digitally enhanced world. They miss opportunities for sales by overlooking these channels.

Luxury companies not only fear a loss in control, but also the inability to reproduce such an elite image online, mostly because a lot of what makes them luxury occurs offline. Luxury companies fear loss of control of their brand if they go online, in fact, the opposite is the case (Tungate, 2009). If you don't establish an online presence, your consumer will do it for you. Going online means that the brand will no longer be able to control everything that is said about them, the Internet gives each person the freedom to share their opinions and comments regarding any topic they want. It is better to be online and try to create a website where your customers can communicate with the brand than being blind sighted and leaving the brand image in the hands of the audience. Online, brands need to be able to communicate a high price level, simply by showing good content. This goes all the way from the e-commerce layout, ease of navigation, the quality of pictures to the contents featured on each social network. The biggest advantage of online channels is simply the fact that affluent consumers are now online. They tend to be more mobile than ever and use digital tools to research, compare and shop. Furthermore, online channels allow their consumer to reach the luxury brands wherever they are 24/7.

Even though offline channels may seem to be the easiest to manage for luxury companies, it does not meet the consumer where they are present. On the other hand, online channels do not provide the consumer with the touch and feel which they highly appreciate when it comes to luxury purchases. According to a study by Google, 65 percent of luxury buyers say they want to touch and feel a product before purchase (Ipsos Media CT, 2014). While both offline and online channels each have their benefits, luxury brands are adopting an omnichannel approach to create a seamless experience by blurring the lines between the two. Customers now have endless online and offline options for researching and buying new products and services, all at their fingertips 24/7. Under this scenario, digital channels no longer just represent "a cheaper way" to interact with customers; they are critical for executing promotions, stimulating sales, and increasing market share (van Bommel, Edelman, & Ungerman, 2014).

#### *1.4.2.1 Towards channel integration: blurring online and offline*

Channel integration is defined as the degree to which different channels interact with each other (Bendoly, Blocher, Bretthauer, Krishnan, & Venkataramanan, 2005). In omnichannel retailing, there is a vast number of channels that can offer an opportunity to luxury brands. These include brick and mortar stores (flagship or store-in-store), showrooms, PR events, fashion shows, e-commerce sites, mobile sites, tablet sites, social networks (Facebook, Twitter, Pinterest, Instagram), e-retailers (such as net-a-porter.com), blogs, e-mails, among many others. The Digital Marketing Manager for the Watch Gallery said visitors to their sites and stores expect a degree of polish and finesse. Their customers will often use their phones in-store to show them the exact model they want to buy (Estill, 2015). With such high levels of cross promotion, it is important they are able to present a uniform product when in store. This points out that it is now time for channels to enter into a relationship in which they share the same hopes and dreams; otherwise the relationship will fail (ibid).

#### *1.4.2.2 Online trends and drivers*

It is not enough to simply be able to blur the lines between offline and online; luxury brands should take it one step further to be able to understand how online trends can be used to produce the best results for a seamless experience. As Ruder Finn Shanghai senior vice president, Gao Ming, explained “the solution lies in striking the right balance between online product offering, customer experience, and customer service, both online and offline. Focusing on optimizing the online customer experience is more crucial to success than ever before”. There are a couple online trends worth pointing out to understand where luxury brands should invest in.

**Less is more.** First and foremost, is the emergence of countless new online platforms. What started off as e-commerce sites had now developed into social networks, blogging, apps, among others. The reason these have come to exist is due to the digital consumer. Our habits of being constantly connected have forced marketers to follow us into the digital sphere and come up with new ways to communicate with us. As we become more demanding, there has been a multiplication of platforms. However, luxury brands should be careful not to tackle all these platforms at once. Companies that make digital



investments wisely, based on their unique brand archetypes and categories, will see measurably better results and create more value (Dauriz, Michetti, Sandri, & Zocchi, 2014).

**A mobile consumer.** As previously mentioned, data shows that mobile is the best way to reach the affluent consumer. Smartphone penetration is fueling luxury shoppers' "digital passion." Three out of four own a smartphone, and about half of them own a tablet (Dauriz, Michetti, Sandri, & Zocchi, 2014). Luxury brands have to make sure their mobile sites work properly and don't take too long to load. It also offers brands the opportunity to use mobile apps, however only about 4 percent of the shoppers surveyed (McKinsey) reported downloading a luxury brand app. It is also important to keep it relevant, for example Hermes has developed an app where consumer can watch videos of the different ways to wear a scarf, which also allows non-consumers to use the app therefore having a larger reach.

**Importance of search.** Consumers now enter a luxury store knowing all the product specifications. They have done prior research online to help them in their purchase decision and for this reason, it is imperative that the personnel is trained to know as much as the consumer. According to Google, 75 percent of affluent shoppers conduct research online before purchasing and 72 percent of shopper in new markets conduct research online and then go to the store to make a purchase (Ipsos Media CT, 2014). In other words, luxury brands need to provide all relevant information online to help the consumer in their decision otherwise they may lose potential sales to other brands.

**Creating buzz.** Social media creates over 55 percent of the brand buzz (Appendix A, Fig. 3), with Twitter in the lead (Dauriz, Michetti, Sandri, & Zocchi, 2014). Although affluent consumers do not seem to post personal opinions on luxury brands online or care for others opinions, the content on social media platforms does have the greatest chance of creating buzz.

**Content as a sales driver.** Content can lead to attraction. The luxury consumer still prefers to buy luxury products at a physical store. Therefore, the goal for the luxury marketer is to attract the customer into the store by posting good content online. Digital attraction strategies must be devised and measured in a way specific to the platform,

audience and strategic objective (Doran, 2014). The customer will be buying a high-value item, so a simple blog will not suffice; you should focus your attention on developing a content strategy that fulfills the requirements of your customer and gets them to make repeat visits to the site throughout the purchase decision process (Estill, 2015).

### **1.4.3 Summary**

Distribution has always played a significant role for luxury brands, this is shown by the location of luxury stores around the world. They tend to be concentrated on the most expensive and accessible streets in big cities. Distribution allows brands to implicitly communicate with their consumer by providing a first-class service that reflects their price and reputation, however with the emergence of online distribution channels they have been facing many challenges. Although luxury brands are afraid of not being able to keep up a top quality service online they must be able to reach the affluent consumer. To lead to a more competitive advantage luxury brands must blur the lines between offline and online distribution. There are a few trends which are important when considering online distribution; it is better to pick only a few (than too many) online platforms to be present on, the affluent consumer is a mobile consumer, consumers do research before going into a store to buy luxury products, creating buzz is one of the best ways to reach a large audience and high-quality content should be used as a sales driver.

## **1.5 Understanding the digital luxury consumer behavior**

Without the digital consumer, there would be no digital. This is why it is important to understand the behaviour of luxury consumers and what they expect from an online shopping experience. In 2013, the global luxury market was worth €190 billion (D'Arpizio & Levato, 2014). The luxury market can be categorized according to the consumer generation. Of these categories, Gen X and Gen Y accounted for 47 percent of the total luxury consumer population (Appendix A, Fig. 4). These generations are the most significant because they represent the future luxury consumers. In 2011, Gen Y consumers upped spending on premium, full-priced luxury goods by 31 percent over the prior year. Gen X followed Gen Y in terms of spending growth - climbing 23 percent from 2010 (American Express Business Insights, 2012). Luxury brands should therefore try to understand these consumers' habits and preferences when shopping for luxury goods.

According to the research conducted by Bain, the Gen X and Gen Y have a preference for shopping online compared to the Baby Boomers (Appendix A, Fig. 5). Similarly, both generations also spend more time searching for information in the digital sphere.

The digital consumer has become more complex in many aspects, and this may dictate their behaviour online. Accenture has identified the different types of consumers according to their needs (Carroll & Guzmán, 2013):

**More knowledgeable**, thanks to Internet accessibility and online consumer-created content and social networks. Consumers are more informed than before.

**More demanding**, consumers redefining of what value means to them. For example, time-compressed consumers are increasingly prioritizing convenience.

**More empowered**, as consumers follow their unique requirements and increasingly pursue self-service and multi- channel options.

**More collaborative**, as customers increasingly bring their own devices, apps and other tools from outside the ecosystem of the service provider, and thus increasingly determine not just what they wish to consume, but exactly how they wish to consume.

**More diverse**, thanks to the globalization of the market- place and the consumerization of it, which is blending business requirements with consumer technology such as smartphones and tablet computers.

**More interactive**, as consumers increasingly engage in online dialogue and content sharing and produce their own content for personal use and online publishing.

**Increasingly on the move**, thanks to new capabilities for mobile purchase and consumption of content and services anytime, anywhere.

In order to do so effectively [re-energize customers], they must understand the full range of heterogeneous luxury consumer segmentations, execute relentlessly on reaching the segments that have the highest potential, and invest in capturing the attention and imagination of new potential shoppers who could be buying luxury today but who aren't, while understanding how to delight and truly engage their current consumer base (D'Arpizio & Levato, 2014).

### **1.5.1 Channel preferences**

The affluent luxury consumer tends to be much more tech-savvy than other consumers. In general, they have two times more smartphone penetration than for the general population (Ipsos Media CT, 2014). According to the same study, they also spend more time online than any other consumer. Furthermore, Gen Y and Gen X spend 7-17 hours more online per week than Baby Boomers (Appendix A, Fig. 6a).

Each generation also has preference in their shopping attitude regarding what, how and where they shop. What is noteworthy is that Gen Y has a preference of online shopping while Gen Y and Baby Boomers still lag behind, preferring offline stores (D'Arpizio & Levato, 2014). According to the luxury institute, while Gen Y, X and Baby Boomers all prefer to do research online and then purchase in-store (versus research in store, then purchase online) (Appendix A, Fig. 6b).

It is not only a matter of offline and online channels, but also the devices used to carry out online research. Research is carried out most often through a computer, tablet or smartphone (Appendix A, Fig. 7) (Ipsos Media CT, 2014). This emphasizes the need to have a website that is responsive to the device being used.

In general, what can be noted is that each generation tends to have their own channel preferences and for this reason it is important that luxury brands satisfy all their customer groups, and this is best done by adopting an omnichannel approach; where all consumers can experience the same service online and offline. Consistency may be one of the least inspirational topics for most managers. But it's exceptionally powerful, especially at a time when retail channels are proliferating and consumer choice and empowerment are increasing... by using a variety of channels and triggering more and more interactions with companies as they seek to meet discrete needs, customers create clusters of interactions that make their individual interactions less important than their cumulative experience (Pulido, Stone, & Strevel, 2014).

### **1.5.2 Online activities**

It is clear that the affluent consumer, and the future luxury consumer (Gen X and Y) are more digital than ever before. But how exactly do these affluent consumers use digital

channels to research or buy luxury products is the interesting question. Affluent consumers can use online channels for several purposes, to conduct research on a luxury brand/product, to compare options, or to actually purchase online. Research online accounts for over 69 percent in mature markets (Appendix A, Fig. 8) (Ipsos Media CT, 2014). This means that over two thirds of affluent consumers go online to get information before making a purchase. Consumers can gather the information before a purchase in several different ways. According to previous research, websites and social networks are of the most common tools used to do this (ibid.). It is an opportunity for luxury brands to take control of the content featured here and making sure to inform their consumers.

The main motivations to buy online is because of convenience, practicality and the ability to find more attractive deals (Appendix A, Fig. 9). On the other hand, 40 percent of luxury consumers said they do not buy online mostly because they cannot find what they want (Appendix A, Fig. 10). Other important reasons include liking the shopping experience, concerns over the security and complexity of buying on the platform. While the pre-purchase and post-purchase phase happens mostly online, the actual purchase still tends to be an offline process. However, this does not reduce the role of e-commerce, as it still accounts for 13 percent of sales in mature (Appendix A, Fig. 11) (ibid.).

Regarding the affluent consumer's digital behaviour, luxury brands need to recognize the numerous touchpoints that emerge in this channel and be able to respond to consumer needs. The needs mostly include information for research and comparison, content to attract them and a good feel for the brand value online, in order to make a purchasing decision. The purchasing decision journey now takes place both offline and online, and marketers need to identify how this process works to be able to make it easier for consumers to make a decision, and therefore result in more sales. Each consumer generation will use online and digital means for different purposes and goals, so luxury brands need to understand how they behave online and offline and what they can do to improve the consumer's shopping experience. There are both benefits and drawbacks with online channels (convenience vs. lack of touch and feel). While most purchases are still done offline, there is a significant growth in online channels.

### 1.5.3 Summary

The thing that stands out the most when looking at luxury consumers and their behaviour is that they can be easily divided according to their age group. While baby boomers remain the largest group of the luxury market, their habits are not as digital as the Gen X and Y (who will make up the largest group of future luxury consumers). It is important for luxury brands to think ahead because of the drastic change of their customer base in the near future, they will expect a different type of online service. It is not only about creating an omnichannel experience, but also one that can keep up with their needs. The young consumers are not only more knowledgeable, but also more demanding, more empowered, and on top of that they want a more personalized and collaborative experience. In regards to the online behaviour, consumers are increasingly carrying out online research before making a purchase (mostly through search engines, but also using luxury websites and even apps). While convenience is the main motivator for online shopping, an inability to find a certain product online is the main reason for not buying online. Despite offline purchases still accounting for over 60 percent of sales, online sales should not be discarded as they account for the largest growth.

## 2. Methodology

---

This section will explain the methodological approach I have used to carry out research for this paper. The first part will refer to the philosophy of science, which will define my scientific perspective which will affect the way in which I will not only carry out the research but also how I gain and use knowledge. The second part will focus on the analytical strategy used, and the third part will describe how the data was collected in order to help answer the research question.

### 2.1 Philosophy of science

Philosophy of science seeks to describe and understand how science works within a wide range of sciences (Forster, Malcolm; 2004). The aim of this project is to understand how luxury brands can provide an omnichannel experience that will fulfill their customers' expectations and for this reason, I have decided to use a hermeneutic and social constructionism approach. Both these approaches will allow me to gain a deeper understanding of the information gathered (Gadamer, 1960; Berger and Luckmann, 1966). In order to understand each approach we must first talk about ontology and epistemology. Merriam Webster Dictionary defines ontology as the philosophical study of the nature of being; and epistemology as the study or a theory of the nature and grounds of knowledge especially with reference to its limits and validity. In both philosophies of science, philosophical hermeneutics and social constructionism, we deal with these studies.

Philosophical hermeneutics is an interpretivist philosophy, in other words it deals with the interpretation of a text. As Gadamer (1970) explains, understanding is not an isolated activity of human beings but a basic structure of our experience of life. It goes on to explain that it is not possible to detach ourselves from our past experience and traditions, and that this will always affect the way in which we interpret and gain knowledge. Understanding is not a matter of setting aside, escaping, managing or tracking one's own standpoint, prejudgments, biases, or prejudices. On the contrary, understanding requires engagement from one's biases (Schwandt, 2005). Therefore, as humans we cannot be objective when confronting new information and this may lead to some constraints when

carrying out research for this paper. More importantly, Gadamer says the way we interpret will also depend on the questions formulated and how we communicate with others. We should aim at correct understanding of what the “things themselves” say. But what the “things themselves” say will be different in light of our changing horizons and different question we learn to ask (Gadamer, 1970). This notion implies that the questions asked in surveys will be interpreted according to what I understand the respondents mean in their phrases.

Social constructionism has a different focus; here I will take from Berger and Luckmann’s socially constructed reality. Berger and Luckmann explain that one should understand both objective and subjective aspects of reality. To do this, one should view society in terms of an ongoing dialectical process composed of the three moments of externalization, objectivation, and internalization. They describe an institutionalized world that puts forth certain habits, rules, and practices which are external to any individual, there are already “there”. Institutionalization arises whenever there is a reciprocal and repeated action adopted by a group of people; therefore institutions are created by society. The rules are set for a group of individuals to follow them and to continue to adopt them over time. In order for an institution to be created, it must allow some time for these habits to be performed on a daily basis. Once these habits become more permanent they are objectivated. The objectivity of the externalized world is a humanly produced, constructed objectivity (which was formed together and subjectively brought into forming the institution). The internalization occurs when the pre-established institutionalized world and its set of rules are extended to new members who immediately interpret it and find personal meaning (Berger & Luckmann, 1966). Therefore, making reality socially constructed. I will use a social constructive approach to understand how the recent development of digital channels has changed how consumers are behaving towards luxury brands and their new behavioral patterns- the use of digital being the institutionalized world where society is adopting a new “set or norms” to communicate with luxury brands.

To be more specific regarding the philosophy of science, the philosophical hermeneutics will be used to gain understanding of the surveys and data collected to find the meaning of the results (epistemology), while the social construction approach will be used to understand the way consumers behave digitally, as I understand the world (ontology).



## 2.2 Analytical strategy

The analytical strategy used in this research is an inductive approach; this is concerned with producing a new theory emerging from raw data. The main purpose for using an inductive approach is to allow findings to arise from recurring or dominant themes implicit in raw data. The key is for me to begin the research with a completely open mind, without any predetermined ideas of what the results will be. The specific type of inductive reasoning I will use is based on the Grounded Theory (developed by Strauss & Corbin in 1990). One way to define Grounded Theory is as follows:

*Grounded theory is not a theory at all. It is a method, an approach, a strategy. In my opinion, grounded theory is best defined as a research strategy whose purpose is to generate theory from data. 'Grounded' means that the theory will be generated on the basis of data; the theory will therefore be grounded in data. 'Theory' means that the objective of collecting and analysing the research data is to generate theory. The essential in grounded theory is that theory will be developed inductively from data (Punch, 1998).*

There are three main purposes of using an inductive approach: 1) to condense extensive and varied raw data into a summary, 2) to establish clear links between research objectives and summary findings derived from raw data to ensure links are both transparent and defensible, and 3) to develop a model or theory about the underlying structure of the experiences or processes which are evident in the text (raw data) (Thomas, 2006). In order to come up with empirical findings, I will use open, axial and selective coding when necessary; for example, when analyzing the data from the open answer questions in the consumer surveys. Therefore, there will be simultaneous participation in the data collection and analysis to be able to come up with a new brand equity model and a new consumer decision journey to include online touchpoints.

## 2.3 Data collection and sampling

Generally speaking, data collection unfolds in three distinct stages (Fowler, 2001; Hewson, Laurent, & Vogel, 1996). It commences with researchers drawing a sample of individuals to participate in the research study. Next, it entails administering an instrument to the enlisted participants. The final stage centers on compiling responses from participants (Krueger & Best, 2004).

In order to make a better decision regarding the strategy of data collection and analysis, I have come up with objectives of the data collection. The aim of this paper is to understand how luxury brands can integrate digital channels to create an omnichannel experience for their consumers, therefore the data should try to answer the following questions:

1. Are consumers buying online?
2. What do luxury consumers use social media channels for?
3. Are consumers satisfied with the experience provided online?
4. What would they improve and their future expectations?

To understand what the luxury brands are doing, a second set of questions arise:

1. On what online channels are luxury brands present and to what scope?
2. What is their aim for each channel?
3. Is there an effective communication strategy with their consumers online (gaps)?

The research carried out for this paper was done by two separate methods: firstly, an online survey (Appendix B, Survey 1) distributed via social platforms (mainly through Facebook and LinkedIn) and secondly, data collection from first hand observations of luxury brands' online platforms (website, e-commerce, and social media). The first method was directed to consumers and the second to gather data on luxury brands. An alternative could be to have gone to the stores and hand out surveys face-to-face, however this is not only much more time-consuming but many shoppers are not willing to take time to do this on the spot. Internet survey makes it easier, and faster to use as it gives the respondents the choice of answering when they have time. It also allows me to reach a larger number of respondents through online sharing platforms. As for the data collected from luxury brands, the initial intention was to interview online marketing managers but unfortunately, this was not possible due to a lack of willingness to provide such information.

The purpose of a survey is to provide statistical estimates of the characteristics of a target population, some set of people. One fundamental premise of the survey process is that by describing the sample of people who actually respond, one can describe the target population (Fowler, 2009). The online survey provided to luxury consumers were distributed by publishing online through social networks (such as Facebook and LinkedIn).

Computer-based modes provide a number of advantages that cannot be replicated with paper and pencils. For example, rules for which questions to ask that are contingent on the answers to more than one question are nearly impossible to follow without computer assistance (Fowler, 2009). The sample consists of respondents from mainly Europe as well as North America, ranging from 18 years to over 50. This can help understand not only how current luxury consumers are using online channels to interact with luxury brands, but also provide insight into how future generations of luxury consumers will be likely to act. This is also focused in marketing campaigns released in the Western countries, as they usually vary in Eastern ones. Therefore, the research will be specifically referring to luxury brands' communication strategy in Europe.

In order to be able to understand what luxury consumers think of luxury brands' online strategy, an online questionnaire was designed with both qualitative and quantitative questions. It [the internet] provides access to millions of potential research participants. It permits an array of instrument designs, facilitating alternative question formats, various sequencing options, and audiovisual stimuli. In many instances, it can even transmit and receive information more quickly and inexpensively than conventional communication modes (Krueger & Best, 2004). The questions were created using information from past reports and data on the current luxury market online. Quantitative data was collected from a series of questions to understand initial behavior of luxury consumers online, this included whether they have ever bought a product online, and a scale as to why they would not be willing to buy online with various reasons. To gain understanding of the individual online platforms, consumers were asked whether they used the different channels and for what purpose. Qualitative questions included thoughts on the future of online strategy for luxury brands, such as location-based push marketing and a full online profile created for luxury consumers to provide a more personalized service.

To begin with the luxury brands, the first step was to come up with a list of the top luxury apparel brands. Using BNP Paribas Report on The Digital Frontier: Ready, Steady, Go! as a source. It provided a list of the top 28 luxury brands from which this study focused on 18 of those (discarding jewelry brands and a few brands which are more likely to be considered prestige, rather than true luxury). The selected brands were the following:

Burberry, Louis Vuitton, Zegna, Gucci, Prada, Bottega Venetta, Chanel, Brunello Cucinelli, Hermes, Dior, Loro Piano, Valentino, Saint Laurent, Balenciaga, Ferragamo, Givenchy, Fendi and Celine. As for information regarding the luxury brands strategy, I was unable to get answers from the online marketing director from the brands themselves, as they were not allowed to answer those questions, instead they referred me to online sources such as their websites and online platforms, as well as their annual reports.

The data collected from the luxury brands sources consisted of primary data (observations) and secondary data (annual reports and list of luxury brands). The observations were done by looking at the online channels and looking at information such as the website layout, functionality, user friendliness and overall experience, cross-channel integration, in addition to languages, geographical scope, product range, transparency and customer service. To quantify the user experience, I followed a model provided by Rubiconsult LLC. (an Internet consulting firm). In order to rate the overall user experience, four sub-categories were considered: branding, functionality, usability and content (by taking into account a four or five parameters for each one). In total, eighteen different factors were used to rate these (Appendix C, Table 1). The branding focuses on the experience and the engagement, whether the visuals are coherent with brand identity, the graphics added value and if it delivers the perceived promise of the brand. Functionality considers the time to respond to, the time to load and redirect, privacy standards and if it's integrated to offline processes. Usability takes into consideration whether the website is optimized for the target audience, if it helps accomplish goals while minimizing errors and if it adheres to its standards. Content looks at the visual layout and format, the ease of navigation, clarity, structure, up-to-date, appropriate to needs and comprehension across languages. Using a scoreboard, I studied the websites and was able to grade them. Afterwards by adding the score, the overall user experience was given. Subsequently, I looked into the social networks content and strategies. Then information on the social media channels including Facebook, Twitter, Instagram, Pinterest, Blogs, Apps and YouTube were collected (Appendix C, Table 2 & 3). The social media data focused on looking at the number of followers, posts per week, and adoption date. More importantly, looking at the content on each channel and cross-referencing it to the strategy described in the annual reports understood the goal of each channel. Having

read interviews and reports about luxury brands on social networks, I came up with seven goals that seemed to be the most popular. These were 1) to create marketing campaigns, 2) to increase sales, 3) to improve brand awareness, 4) to improve brand loyalty, 5) to share visual content, 6) to keep consumers informed and 7) to create buzz. Some brands may use have more than one goal in mind when using a specific network.

## **2.4 Data Processing and Analysis**

Once all the data was gathered from the customer questionnaires, Excel was used to plug in data and generate graphs to show quantitative data. Excel seemed to be a good tool to analyze results due to the ease of using functions and creating graphs, and experimenting with the values to see if there were any visible similarities among responses. The data has then be used in the analysis to find a pattern as to why people do not buy luxury products online and the purpose of using the different online channels provided by luxury brands.

For the qualitative questions, coding the text was used to analyze the responses (Appendix B, Part 2). The intended outcome of the process is to create a small number of summary categories, which in the coder's view captures the key aspects of the themes in the raw data and which are assessed to be the most important themes given the research objectives (Thomas, 2006). I start with open coding, which is the process of breaking down, examining, comparing, conceptualising and categorising data. Then, axial coding will continue by making connections between categories and finally, selective coding is the process of selecting the core category, systematically relating it to other categories, validating those relationships, and filling in categories that need further refinement and development (Strauss & Corbin, 1990). Once the text had been coded, quantitative data could be used by looking at the number of respondents that referred to the same theme. For example, when asked what the consumers would like to see on the luxury brands website many responded 'a better sizing chart' with different wording. The coding simply looked at the recurring words (sizing, charts, measurement, model sizes, etc....) and categorized it into 'better sizing charts', therefore making it possible to count the number of people who would like to see an improvement of this online and providing quantitative data to analyze the results.

From the data collected from luxury brands online channels, the analysis will look at what the numbers actually mean. What does each channel purpose say about the marketing strategy? I want to understand the use of each online channel and how they try to achieve their goals by posting a specific type of content or providing a customer service.

Finally, a comparison will then be made between what customers view as the present strategy and future of luxury brands online and what goals the luxury brands are actually trying to reach through each channel and how their current online service affect the overall perception of their digital presence. The objective of doing this analysis is to understand how each channel (touchpoint) influences the decision journey and to be able to see whether there is a gap between luxury consumers and luxury brands' use of online channels and to come up with suggestions as to how luxury brands can improve their online strategy (at each touchpoint) to positively affect their brand equity.

## **2.5 Data Validity and Limitations**

Some researchers have compared manual and electronic formats, examining the issues of validity and reliability of research instruments (Berrens, Bohara, Jenkins-Smith, Silva, & Weimer, 2003; Schilewaert & Meulemeester, 2005; Sethuraman, Kerin, & Cron, 2005). They have found test-retest reliabilities for both formats to be nearly equal, indicating that both formats can generate equally reliable data assuming that the participants are cooperative and truthful, and the questions are valid (Szlemko & Benfield, 2006)

The data collected had a few limitations, starting with the use of Internet as a data collection and the limited number of questionnaire responses. The data are most susceptible to hacking, corruption, etc., while these are being transferred from the respondents' computers to the researchers' computer (Szlemko & Benfield, 2006). The respondents remained anonymous therefore leaving credibility at risk. Internet data collection could indeed be problematic from the point of view of source credibility; an important issue in persuasive communication, as research in the area of persuasion indicates (Hong, 2006; Hovland & Weiss, 1951; Olson & Cal, 1984). Moreover, due to lack

of time, I was unable to wait for a larger number of respondents especially of age groups 40 and above, which make up the biggest group luxury consumers (in terms of spending). For this reason, the paper will also consider the future generations of luxury consumers as they make up the largest sample group. As mentioned above, the research is also limited to luxury brands online presence in the European countries. The findings are somewhat skewed to younger consumers and may not be applied to other populations. When analyzing the qualitative questions, the coding did have a clear procedure of the data categorization but could also be viewed as being subjective. Clearly, there is the potential for considerable confusion regarding what coding actually is, so that it is doubtful whether writers who employ the term are referring to the same procedure (Berghaus & Heinea, 2014).

The fact that I was unable to reach the online marketing managers may have also affected the validity of results as the qualitative data gathered was subjective to my own understanding of the content and the quality of the overall user experience online. However, I did try to cross-reference the values with the annual reports and previous studies on the website user experience of luxury brands to be able to create a more reliable set of data.

## 3. Literature review

---

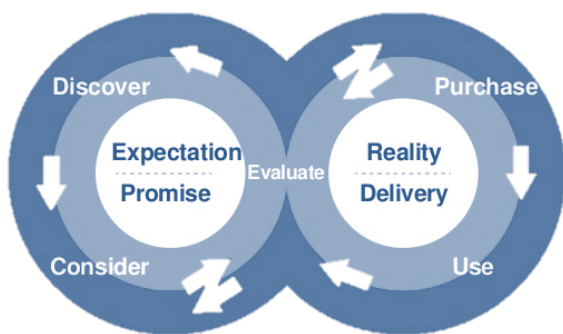
### 3.1 Digitalizing the consumer decision journey

The purchasing funnel is a model used to describe the consumer journey from the first moment of contact with a brand to the ultimate goal of purchasing. The funnel analogy suggests that consumers systematically narrow the initial-consideration set as they weigh options, make decisions, and buy products. Then, the post-sale phase becomes a trial period determining consumer loyalty to brands and the likelihood of buying their products again. Marketers have been taught to “push” marketing toward consumers at each stage of the funnel process to influence their behavior (McKinsey & Company). The consumer decision process is usually influenced by our social, cultural and environmental factors. In a world where the physical and the digital environment are converging, there is a need to digitalize the consumer decision journey.

The current decision journey in an omnichannel approach will start online, go offline and back. [In an omnichannel approach] each interaction becomes a seamless extension of their previous interaction, allowing each customer’s journey to continue where it left off; enabling customers to use the channel of their choice for each step along the journey, including product research, product comparison, buying and paying; and giving customers access to all the promotions, discounts and loyalty points they have acquired, regardless of channel (Carroll & Guzmán, 2013). This quest for marketing perfection is not in vain- during the next five years or so, we’re likely to see a radical integration of the consumer experience across physical and virtual environments. Already, the consumer decision journey has been altered by the ubiquity of big data, the Internet of Things, and advances in web coding and design (van Bommel, Edelman, & Ungerman, 2014). Each step in the journey is influenced by a mix of offline and online interactions with the brand. Maximizing satisfaction with customer journeys has the potential not only to increase customer satisfaction by 20 percent but also to lift revenue by up to 15 percent while lowering the cost of serving customers by as much as 20 percent (Pulido, Stone, & Strevel, 2014).



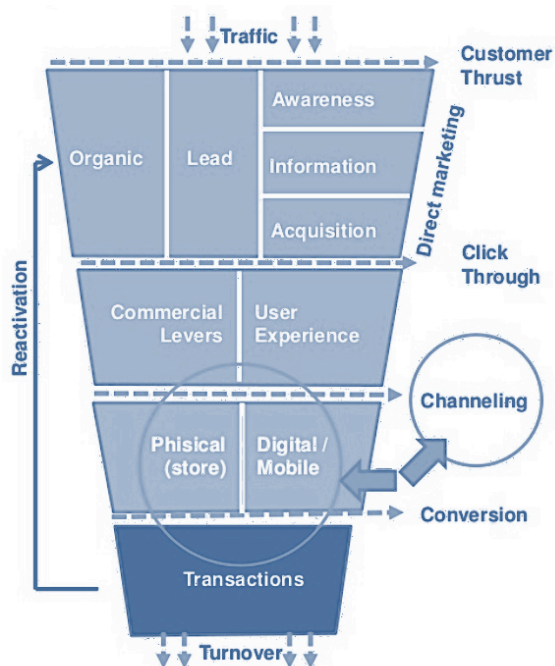
The consumer journey is now a circular journey- a nonstop process. Enabled by technology, customers can now easily control and vary their routes within (and across) channels to suit their needs at any given moment. The customer journey is now dynamic, accessible and continuous, with evaluation at the center and channels that are always on and always at hand (Nunes, Schunck , & Wollan, 2012). **(1) Dynamic.** Although the customer decision journey still involves passing through the five stages: awareness, consideration, evaluation, purchase and use, they consumer never exits the evaluation process. The consumer is constantly interacting with the brand across all channels and does not follow a linear process. Instead, the consumer may go back to a previous step and change their decision or may even decide to enter and exit a relationship with different brands at unpredictable points. **(2) More accessible.** Consumers are not only looking at content provided by the luxury brand, but also by other luxury consumers. In digital platforms, everyone is welcome to join the consumer decision journey by posting their opinions and making it known to others. The “voice of others” may even be more influential than the “voice of the brand” itself. The consumer has become more powerful, while brands are becoming weaker (they no longer control all content or channels). **(3) Continuous.** This goes hand in hand with a dynamic decision journey. Online channels are always “on”, the consumer can access information anytime, anywhere so there are no time constraints on making decision purchases. This has resulted in a change of focus from purchase, to evaluation. It is easier for consumers to compare their own expectations to the experience provided by luxury brands by looking at their promises versus delivery of these.



Source: Accenture (2013). *The New Omni-Channel Approach to Serving Customers*

With so much activity happening online, it is vital that luxury brand marketers are able to track where their consumers are on the purchase decision journey. They have analytical

tools available that can help them understand this and create a new model to funnel online to offline channels. A model proposed by Accenture suggests the journey begins by the consumer's online traffic driven by the brand's direct marketing efforts; the goal is to get the highest possible volume of visits. If a consumer clicks on a link then we enter the second phase, where the consumer will come into contact with the brand's online presence. The commercial and user experience elements will determine the conversion rate. The third phase is the most interesting; this is where the omnichannel experience can be beneficial. Once the consumer interacts with the brand online, they will be able to decide which channel they prefer to be on to continue the decision journey. The last step in this funnel is the actual transaction, which will affect the overall turnover for a brand. Once a consumer acquires a luxury product, they will be able to use it and evaluate the whole experience. This will then result either in a reactivation of the relationship (a new purchase) or if the consumer is not satisfied, they will move onto a new brand.



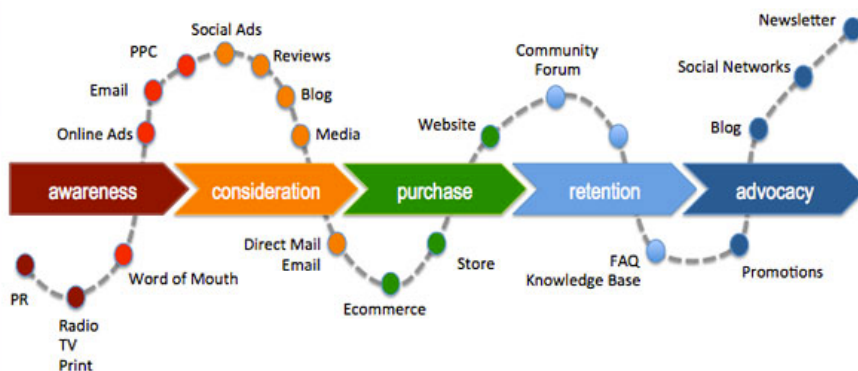
Source: Accenture (2013). *Profit distribution in omni-channel retail*

How companies engage customers in these digital channels matters profoundly—not just because of the immediate opportunities to convert interest to sales but because two-thirds of the decisions customers make are informed by the quality of their experiences all along their journey (van Bommel, Edelman, & Ungerman, 2014). The decision journey can be explored in depth by looking at the individual touchpoints that come into play in the

throughout the journey.

### 3.2 Consumer experience- Digital touchpoints and CRM

The consumer experience is a sum of all the individual experiences lived at each touchpoint with the luxury brand. If marketing has one goal, it is to reach consumers at the moments that most influence their decisions. When marketers understand this journey and direct their spending and messaging to the moments of maximum influence, they stand a much greater chance of reaching consumers in the right place at the right time with the right message (Court, Elzinga, Mulder, & Jørgen Vetvik, 2009). Getting consistency right is key to provide a satisfactory consumer experience. That's because by using a variety of channels and triggering more and more interactions with companies as they seek to meet discrete needs, customers create clusters of interactions that make their individual interactions less important than their cumulative experience (Pulido, Stone, & Strevel, 2014).



Source: CrownPeak Web Experience Management (2014). *Does Marketing Really Own the Customer Experience?*

The previous image shows an overview of the numerous touchpoints the consumer can pass through during the decision journey. Unlike before, now the consumer can decide where and when he decides to interact with the brand. Now that companies can communicate with the customers through various touch points, a key goal of the omnichannel strategy is to deliver a consistent, cohesive message across the touchpoints... inputs should all contribute to the “seamless customer experience” (Jay H. Baker Retailing Center, 2011). Even though it is the “whole picture” that counts when a consumer evaluates the experience with the luxury brand, each touchpoint is crucial in building this picture. The customer is exploring the different touchpoints each time they

decide to make a purchase (Appendix A, Fig. 12). At each phase of the consumer journey, there are different touchpoints that can be used as leverage the final outcome. In an omnichannel strategy, luxury brands can use a different approach to improve declining performance of traditional strategies; using digital channels as leverage (Accenture, 2013).

If during the customer journey, 81 percent of time spent by a customer is online that proves the importance of this channel (Accenture, 2013). In order to decide which touchpoints to use, luxury brands first need to establish what it is they want to achieve in the digital domain (Heine, 2010). The suitability of digital instruments can only be evaluated with reference to the brand's objectives, and ultimately its brand identity and personality. They [touchpoints] are listed in a way that the distance from the website tends to indicate a company's level of control of a touchpoint, which is decreasing from company-driven (owned channels) to consumer-driven (social channels) and third party-driven platforms (paid channels) (Berghaus & Heine, 2014).

To make use of digital capabilities to leverage, luxury brands have to understand the use of each digital touchpoint (listed in decreasing level of control).

**1) Luxury brand website.** The website represents the heart of a luxury brand's digital presence. Executives of the panel agree that it is the most important digital asset, as it is the first stop for most affluent consumers when they search for information about a brand (Berghaus & Heine, 2014). Luxury consumers have high expectations when it comes to luxury websites, especially with regard to their aesthetics (Dall'Olmo Riley & Lacroix, 2014).

**2) Search engine optimization.** SEO is linked directly to the brand website. It aims at increasing traffic on the website by getting better visibility on search engines. SEO can increase your sales without proportionately increasing your marketing costs, thereby growing profits exponentially and over time (Search Engine Land). It can be used as leverage in the initial stages of searching for options.

**3) Direct mailings.** There are two main reasons for continuing to use traditional mailing; to increase spending and to create an additional touch point. E-mail recipients spend more per capita than non-recipients and non-registered consumers, however only a small proportion of in-store clients agree to receive e-mails (corresponding to 20% of total in-store sales) (Exane BNP Paribas, ContactLab, 2014). Another rationale behind regular

mailings is that the more touchpoints a brand creates, the more memorable and familiar it becomes to consumers (Colliander & Dahlen, 2011). Mailings being sent out regularly can be used as leverage for consideration (to remind consumers of the luxury brand and inform of new collections) and during loyalty and advocacy (to ask luxury customers whether they were satisfied with their purchase and ask for feedback).

**4) Online advertising.** Online advertising is a more aggressive customer acquisition tool compared to the website. Luxury brands can get creative with online advertising by making them interactive and therefore more likely to attract their consumer. This may range from shop-able videos that yield instant conversions to more user-generated campaigns. It can be used as leverage during the consideration phase and loyalty and advocacy when consumers can decide to interact with the brand or share campaigns with others.

**5) Brand communities.** A brand community can be defined as a specialized, non-geographically bound community, based on a structured set of social relations among admirers of a brand (Muniz & O'Guinn, 2001). One popular platform of a brand community is Facebook, where consumers can "Like" the luxury brand page and get news, share opinions and interact with other consumers. Burberry has [artofthetrench.com](http://artofthetrench.com) where consumers are invited to share a picture of themselves wearing their Burberry trench. Communities as leverage are most useful in the loyalty phase; consumers can become part of this community if they are satisfied with their relationship with the luxury brand.

**6) Social campaigns.** Social content communities facilitate the sharing of media content. Twitter and YouTube are two of the most important social content communities; in order for brands to be present on these platforms they must produce content. Content is usually created in the form of campaigns. A brand can never fully control this discussion, but social campaigns should still aim at maximizing (favorable) consumer-to-consumer communication and coverage on third-party platforms (Colliander & Dahlen, 2011). The relevance of consumer-driven and third-party touchpoints stems from the fact that purchase decisions are highly influenced by independent third-party reviews, and even more by word-of-mouth recommendations from family and friends (Court, Elzinga, Mulder, & Jørgen Vetvik, 2009). Social campaigns are very good leverage for advocacy, as it allows for consumer to share their content with others in a fast and easy manner.

**7) Phone and tablet apps.** Apps are very popular at the moment. It is not enough for a luxury brand to simply make an app; the app needs to be carefully developed so it works

correctly. If the app does not reflect superior quality, then it can cause more harm than good. Tablets have also become a common tool to be used at the point of sale. Depending also on the specific luxury consumer segment, a central question of digital luxury marketing is one of balance between technological innovation and gadgets, and substantial authenticity and usefulness (Berghaus & Heine, 2014). Depending on the app itself, it can be used as leverage throughout the different phases of the decision journey.

**8) E-commerce.** A luxury product can communicate via the Internet, but not be sold there (Kapferer & Bastien, 2009). Many luxury brand executives still fear the selling of luxury online, mostly because they are not able to provide as good a service as in physical stores. However, luxury brands are increasingly adopting the use of e-commerce in order to meet their consumers' online expectations and have a 24/7 shopping possibility. It is clear that e-commerce is the best leverage in the purchase phase.

### 3.2.1 Importance of Integration

Integration between the website, e-commerce and physical store is essential. In the past, the offline and online channels each had their purpose and were used specifically for that goal, but in omnichannel it is all about creating integration between offline and online channels. There are two basic approaches to channel integration (Appendix A, Fig.13): (1) providing access to and knowledge about the Internet store at physical stores (offline–online channel integration), and (2) providing access to and knowledge about physical stores at the Internet store (Herhausen, Binder, Schoegel, & Herrmann, 2015). Previous research has shown that a customer's evaluation of a new channel will be influenced by previous experience with another channel. More importantly (1) online-offline integration (OI) directly increases perceived service quality of the Internet store, (2) OI indirectly increases overall and Internet outcomes via perceived service quality of the Internet store and (3) OI does not negatively affect the physical store (Herhausen, Binder, Schoegel, & Herrmann, 2015). Overall, customers appreciate a well integrated Internet store and will in turn, lead to more favorable behavior towards both the physical and the Internet store. This will result in a competitive advantage for the whole brand, as customers will be more willing to purchase if there is a proper offline- online integration. While some scholars believed there could be channel cannibalization with the adoption of online channels, consequent research shows that this is not the case. In fact, Internet channels

complement rather than substitute physical channels (Jill, Steenburgh, Deighton , & Caravella, 2012).

Relationships have always been key for luxury brands. It is only natural that CRM is that much more important to these brands. The way to “real” CRM still seems long. We do not yet see any sign of brands integrating in-store consumer knowledge (store managers and sales assistants) with hard transaction data. We are convinced this will lead to practical and matter-of-fact segmentation opportunities, with improved brand-consumer CRM dialogue (Exane BNP Paribas, ContactLab, 2014).

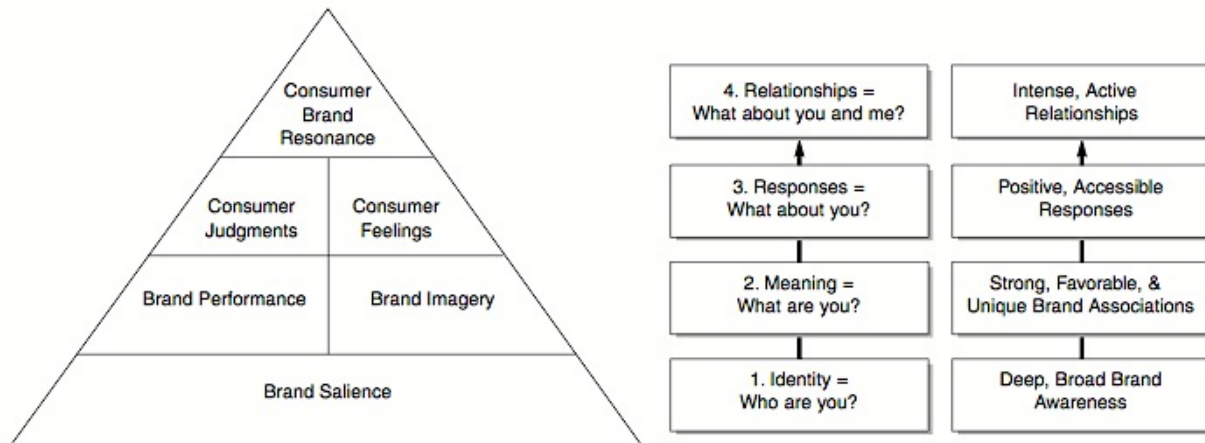
### **3.2.2 Summary**

The consumer decision journey is no longer a linear process, but rather a circular one. With digital means entering the decision journey the consumer can now decide to exit and enter the journey at different points, or they may even go back a previous step. The Funnel is now dynamic, more accessible and continuous. The decision to reactivate this process will depend mostly on the quality of the experiences along the whole journey, which is made up each individual interaction with the brand. This means that luxury brands must carefully consider the implications of the use of different touchpoints and the best way to communicate at that point. Some of the most popular digital touchpoints include the brands website, SEO, direct mailings, online advertising, brand communities, social campaigns, apps and e-commerce. To lead to a more competitive advantage luxury brands must blur the lines between offline and online distribution. According to luxury consumers a well integrated offline-online will enhance the consumer shopping experience and lead to a better evaluation of the service provided. Therefore, luxury brands should consider how to build a successful and long-lasting relationship by using CRM in order to increase customer satisfaction resulting in higher sales.

## **3.3 Consumer Based Brand Equity**

Consumer based brand equity is based on the assumption that the power of a brand lies in what consumers have felt, learned, seen and heard with past experience with the brand. In other words, the power of the brand lies in what resides in the minds and hearts of

consumers (Keller Lane, 2013). It is important to consider brand equity, because creating an omnichannel experience has the goal of increasing this brand equity and thus, earnings. Below is a diagram with the dimensions of the CBBE, which will be referred to during the analysis of the communication strategy of each luxury brand.



Source: Keller, (2001). *Building Customer Based Brand Equity*.

To understand the brand equity further, the role of integrated marketing will be referred to and how e-communication can be used. Integrated marketing communications (IMC), defined as ‘a concept of marketing communication planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines, e.g. general advertising, direct response, sales promotion and public relations – and combines these disciplines to provide clarity, consistency and maximum communication impact’ ( The American Association of Advertising Agencies). IMC may therefore also be defined from the customer’s point of view. It is in the field of communications where the receiver is offered sources, messages, instruments and media in such a way that an added value is created in terms of a faster or better comprehension of the communication (De Pelsmacker , Geuens , & Van den Bergh, 2010). While there may be many goals when using IMC, they all ultimately lead to increasing profitability, whether through an increase in brand awareness, enhancing brand image, increasing market share or sales, among others. Therefore, luxury brands need to be able to adopt an IMC in order to create a seamless experience by communicating the same message across all channels, making it easier for consumers to distinguish their brand from others. For the purpose of this research paper, we are interested in looking at one particular



media channel, the e-communication. E-communication focuses on four marketing goals when using digital tools (De Pelsmacker , Geuens , & Van den Bergh, 2010):

- 1) Generating brand awareness: ideally via online marketing
- 2) Shaping brand image and brand attitudes: best achieved by brand sites, online advertising, anchor deals, e-mail marketing, or mobile marketing.
- 3) Generating trial: mobile marketing, e-mail marketing, online contests, e-couponing and e-sampling are the best online marketing instruments to attain this objective.
- 4) Creating loyalty: e-mail marketing, brand websites, virtual communities and certain e-rewarding games and online loyalty promotions contribute to the objective of generating and sustaining brand loyalty.

Luxury brands should therefore keep in mind how IMC can help in creating a seamless experience. More importantly, luxury brands need to understand the digital tools available, who their audience is in order to plan a carefully thought omnichannel strategy to take advantage of online and social media platforms to promote their brand and grow their brand equity (Abrams Research, 2011).

## 4. Empirical Findings

---

### 4.1 Online survey to consumers

A total of 141 online surveys were completed during a 6-week period from May 12<sup>th</sup> until June 25<sup>th</sup> (Appendix B, Survey 1). Respondents were mostly from European and North American countries; including Swedish, Danish, Germans, Spanish, British, French, Italian, German, Austrian, Dutch, Turkish, Swiss, Estonia, Russian, Norwegian, Canadians, Americans and Mexicans. However, I asked those only who lived in Europe to answer in order to focus in the European market as strategies vary for different geographical areas. Respondents varied from 20 years to over 50 years old. This will provide insight into current luxury consumers and future generations of luxury consumers. As millennials are quickly becoming the largest generation by population size, many of them are obtaining higher levels of affluence and are affecting the way premier and luxury brands are approaching their consumers (Van Adam, 2015). Over 60 percent of respondents were in the 20-30 year age group, followed by 26 percent of 30-40 year olds, 10 percent of 40-50 years and only 1 percent above 50 years of age. Females accounted for up to two-thirds of the respondents, and men one-third (Appendix B, Fig. 1&2). Therefore, these results may be biased towards younger generations. For this reason, and the fact that these generations are not only more active in social networks but are also the future luxury consumers, the results found in this research are more applicable when referring to luxury brands preparing to communicate with future generations of luxury consumers, rather than current ones. However, it is still important to note that almost all consumers (regardless of age) do use digital channels to interact with luxury brands (Appendix B, Fig. 13).

The first set of questions deals with brand loyalty and online shopping behavior (Appendix B, Fig. 3-12). When asked whether consumers usually had a favorite set of luxury brands or tended to switch, only 45 percent of the respondents said they stick to their favorite brands, which shows the lack of brand loyalty even for luxury brands. While 54 percent of the respondents say they have previously bought a luxury product online before, only 1

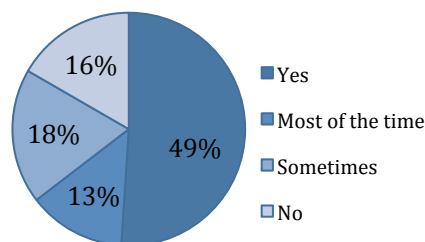
percent said they prefer to use online channels for this. However, 46 percent said that their preference for the different channel (online or offline) depends on the type of product they intend to purchase. Considering over half of these still say they prefer buying offline, it is important to understand the reason why. The survey mentioned seven reasons which seemed to be a common reason as to why consumers do not buy online and asked respondents to answer on a Likert scale (from strongly disagree to strongly agree). The results show the most recurring reason as to why consumers do not buy online is because of a “lack of touch and feel experience”. This was followed by “complications related to returning the product if not satisfied with it”, and “a preference to have the product in my hands as soon as I pay for it”.

The second set of questions focuses on the use of the different digital channels and their purpose as viewed by the consumer (Appendix B, Fig. 14-33). In the survey, ten platforms are considered: Facebook, Instagram, Twitter, Pinterest, luxury brand website, luxury brand e-commerce, multi-brand e-commerce, blogs, apps and YouTube. Over 80 percent of consumers said they use digital tools or online platforms to interact with luxury brands. Again, the survey asked how often they use the platform on a Likert scale (ranging from always to never). The platforms used most often are Instagram, luxury brand e-commerce, luxury brand website and Facebook (descending, in that order). Multi-brand websites also seem to be used somewhat regularly. Then there are those platforms that stand out because they appear to not be used at all; these include Apps and YouTube. Of those that seemed to be used the most, I want to understand for what purpose exactly (and whether they differ). The respondents are provided with a table where they can choose between a series of purposes for each channel. Facebook is used to see interesting content (i.e. pictures) according to almost 50 percent of respondents. Instagram has the same use but here, almost 70 percent of respondents agree on this purpose. About 65 percent agree that luxury brand websites are used to get information on products/brand. The luxury brand e-commerce is used by 38 percent to gather information on products/brand and by 52 percent to make a purchase. Similarly, multi-brand websites are used to get information on products/brand by 44 percent and to make a purchase by 35 percent. While, the remaining channels do not seem to be popular in use, it's still worth noting why some people do. Twitter is used to start a conversation, Pinterest and YouTube to view

interesting content (pictures), blogs are used to give feedback and get information on products, and apps to see interesting content and get information.

The last set of questions mostly consisted of open-ended in order to allow the respondents to share their thoughts on the overall experience provided by the luxury brands online and to get ideas for improvement or for development in the future. I wanted to know whether consumers thought that luxury brands were able to create a “seamless” experience by asking how they felt about the fit between the brand culture, and the offline and online experience. Almost half of the respondents said there was a good fit between the offline and online experience, while the other half of responses were divided between most of the time, sometimes and always.

Do you feel the online experience fits well with the brand culture and their physical stores?



Source: Quantitative analysis from survey results

The last question I will discuss in the findings will be whether consumers were satisfied with the online experience created by luxury brands. Over 80 percent said yes, with less than 10 percent giving a definitive no (Appendix B, Fig. 34).

The results from the questions regarding why consumers aren’t satisfied with online experience and what can be done to improve this, or what they expect to see in the near future will be discussed throughout the analysis. These will be mentioned in the analysis due to the coding process, allowing deeper insight.

## 4.2 Internet data from luxury brands

The data collected from luxury brand through the Internet are divided into three different parts. The first focuses on the luxury website itself; it looks at several aspects that help

understand the overall user experience. The second table looks at the luxury brand e-commerce and its scope. The third one shows the social media platforms and its overall activity, along with type of content posted to understand their aim (Appendix C, Table 3).

All luxury brands considered have a website, all except four have links to their social media. Celine is the only brand that does not have any social media presence. Most brands have between six to seven social platforms, with Valentino standing out with eight. When it comes to languages, there are more variations; many having between four to six languages available and a few with over eleven (Chanel, Louis Vuitton, Dior, Burberry and Hermes). Cross-integration between the different platforms is quite high. All of the brand websites are adaptive (meaning the format will adapt to the device being used to access it) except for Zegna (which is responsive, it simply responds to make the format fit to the device size).

Brand	Website	Link to other social media	Number of social platforms	Languages	Cross-channel integration	Powered by third party?	Responsive vs. Adaptive
Burberry	Yes	No	6	14	High	No	Adaptive
Louis Vuitton	Yes	Yes	8	13	High	No	Adaptive
Zegna	Yes	No	6	9	Medium	Yes, YOOX	Responsive
Gucci	Yes	Yes	6	7	High	No	Adaptive
Prada	Yes	Yes	4	5	High	No	Adaptive
Bottega Venetta	Yes	Yes	7	5	High	Yes, YOOX	Adaptive
Chanel	Yes	Yes	6	15	High	No	Adaptive
Brunello Cucinelli	Yes	Yes	3	4	Medium	Yes, YOOX	Adaptive
Dior	Yes	Yes	7	13	High	No	Adaptive
Hermes	Yes	Yes	7	11	High	No	Adaptive
Loro Piano	Yes	No	2	4	Low	No	Adaptive
Valentino	Yes	Yes	8	7	High	Yes, YOOX	Adaptive
Saint Laurent	Yes	Yes	3	5	High	Yes, YOOX	Adaptive
Balenciaga	Yes	Yes	4	6	High	Yes, YOOX	Adaptive
Ferragamo	Yes	Yes	7	6	High	No	Adaptive
Givenchy	Yes	Yes	5	5	Medium	No	Adaptive
Fendi	Yes	Yes	7	2	High	No	Adaptive
Celine	Yes	No	0	4	Low	Yes, YOOX	Adaptive

Source: Internet data analysis

The next step is to look at the luxury brand e-commerce site. While most brands join their e-commerce and their website, there are different features on each. The only thing that remains the same is the languages made available. Only two of the brands don't have an e-commerce, those being Givenchy (which instead offers an m-commerce) and Celine. Burberry was the pioneer releasing its e-commerce in 2004, while most started after 2010.

The geographical scope includes all European countries, a few Asian ones, USA, and a few in Latin America. Transparency looks at the information given regarding product information, sizes, prices and product care details. The vast majority has high transparency providing most of the information on the e-commerce. Product range and delivery varies from brand to brand, some provide all products and other still continue to offer only accessories and beauty. Delivery varies depending on the country you want it delivered to; some might have a limit on items while others may charge different amounts. Clicks to buy tends to be the same averaging at about 4, the less clicks the easier it makes it for consumers to purchase online. Live chat is an important way to provide a personal service online for shoppers, making it easier to get advice in real time. However, only three luxury brands offer this service (Burberry, Louis Vuitton and Dior).

Brand	E-commerce	Release date	Geographical scope	Transparency	Product range	Delivery and return policy	Clicks to buy	Live Chat
Burberry	Yes	2004	44	High	RTW, Accessories, Bags, Beauty	Both free, flexible	4	Yes
Louis Vuitton	Yes	2005	41	High	RTW, Accessories, Bags, Beauty (limited)	Both free, limited flexibility (some products excluded)	5	Yes
Zegna	Yes	2010	55	High	RTW, Accessories, Fragrances	Both free, flexible	4	No
Gucci	Yes	2002	28	High	RTW, Accessories, Bags, Beauty	Both free, flexible	4	No
Prada	Yes	2010	22	Medium	Accessories, Shoes, Bags	Only returns are free, flexible	5	No
Bottega Veneta	Yes	2010	50	High	RTW, Accessories, Bags, Beauty	Both free, flexible	4	No
Chanel	Yes	n/a	25	Medium	Beauty	Delivery free, no returns, low flexibility	3	No
Brunello Cucinelli	Yes	2011	47	High	RTW, Accessories, Bags, Beauty	Both free, flexible	4	No
Dior	Yes	2010	7	Medium	Accessories, Shoes, Bags	Both free, flexible	3	Yes
Hermes	Yes	2002	13	Medium	RTW, Accessories, Bags, Beauty	Only returns are free, flexible	4	No
Loro Piano	Yes	2012	29	High	RTW, Accessories, Bags, Beauty	Both free, flexible	3	No
Valentino	Yes	2008	64	High	RTW, Accessories, Bags, Beauty	Only returns are free, flexible	4	No
Saint Laurent	Yes	2007	62	High	RTW, Accessories, Bags, Beauty	Both free, flexible	4	No
Balenciaga	Yes	2011	97	High	RTW, Accessories, Bags, Beauty	Only returns are free, flexible	4	No
Ferragamo	Yes	2009	36	High	Accessories, Bags, Beauty	Both free, flexible	3	No
Givenchy	No, m-commerce	2013	n/a	Medium	RTW, Accessories, Bags, Beauty	n/a	n/a	n/a
Fendi	Yes	2015	28	High	RTW, Accessories, Bags, Beauty	Both free, limited flexibility (max. 7 products)	4	No
Celine	No	n/a	n/a	Low	RTW, Accessories, Bags, Beauty (limited)	n/a	n/a	No

Source: Internet data analysis

The last of the findings of the luxury brand is the social media used by each one. In this paper we focus on seven social media platforms: Facebook, Instagram, Twitter, Pinterest, Blogs, Apps and YouTube. The most popular social network used by luxury brands is Facebook. Followed by Instagram, Twitter and YouTube (all but three brands offer this platform). About half of the brands offer Pinterest, which appears to be so that brands can have some sort of control over the posts made. Apps are also being used by half of the brands, some even offer more than one app (intended for different target audience). Most of the apps are mobile ones, usually shown as a magazine featuring the brand products and advertising (Appendix C, Table 2).

Brand	Facebook	Instagram	Twitter	Pinterest	Blogs	App	YouTube
Burberry	Yes	Yes	Yes	Yes	No	No	Yes
Louis Vuitton	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Zegna	Yes	Yes	Yes	Yes	No	Yes	Yes
Gucci	Yes	Yes	Yes	Yes	No	Yes	Yes
Prada	Yes	Yes	Yes	No	No	No	Yes
Bottega Venetta	Yes	Yes	Yes	Yes	No	No	Yes
Chanel	Yes	Yes	Yes	No	Yes	Yes	Yes
Brunello Cuccinelli	Yes	Yes	Yes	No	No	No	No
Dior	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hermes	Yes	Yes	No	Yes	No	Yes	Yes
Loro Piano	Yes	No	No	No	No	Yes	No
Valentino	Yes	Yes	Yes	Yes	No	Yes	Yes
Saint Laurent	Yes	No	Yes	No	No	No	Yes
Balenciaga	Yes	Yes	Yes	Yes	No	No	Yes
Ferragamo	Yes	Yes	Yes	Yes	No	No	Yes
Givenchy	Yes	Yes	Yes	No	No	Yes	Yes
Fendi	Yes	Yes	Yes	Yes	No	Yes	Yes
Celine	No	No	No	No	No	No	No

Source: Internet data analysis

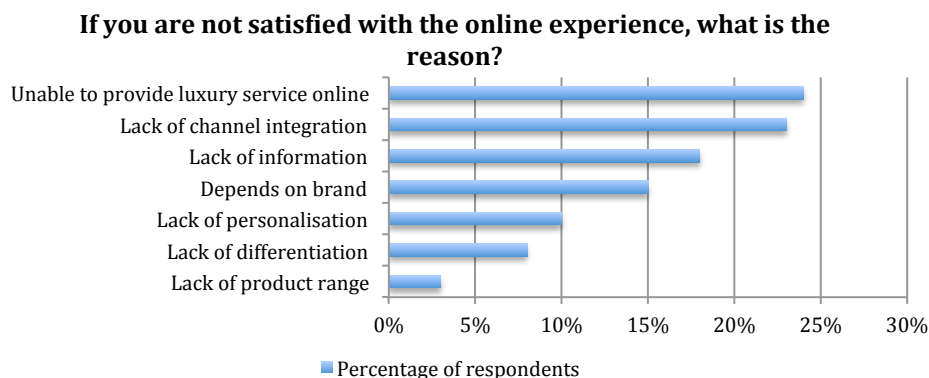
The findings are a starting point to continue onto the analysis of the data. So far, it is clear that some social media platforms are more important than others, Instagram being in the lead for consumers and Facebook being in the lead for luxury brands. More importantly, the luxury brand needs to pay close attention to the website and e-commerce as these are the most frequented for information and actual sales. This is the only place where the brand has complete control over the content and structure. In social media, as implied, it relinquishes control to the consumers. I have also understood that there are different uses for the platforms and these should be compared with the luxury brands' aim in order to find out whether there is a gap between the two. If so, how can luxury brands close this gap in order to facilitate the consumer decision journey while fulfilling the consumers' expectations of an omnichannel service?

## 5. Analysis of results

---

### 5.1 Consumers' expectations of luxury brand online experience

The findings from the consumer surveys show that although half of them have bought a luxury item online, no one really prefers this channel to make a purchase. The main reason for this is because people want to be able to feel and see the product when they buy and be able to leave with the product in their hands. However, we still see that online sales are increasing quite significantly for luxury brands. Last year, nearly all of the €5 billion in luxury goods market growth came from e-commerce (McKinsey/Altagamma, 2015). Therefore, I want to understand how brands can improve the e-commerce to get those consumers to buy online. It is not only about getting consumers to develop a preference for online channels, but also to understand what they would like to see in the future. I should note that there are still about 20 percent of respondents who are not satisfied with the online experience. How can luxury brands be prepared to provide an omnichannel approach by considering their consumers needs? By coding the open-answer questions on the survey (Appendix B, Part 2, first open question), I have come up with a few recurring themes.



*Source: Qualitative analysis from coding survey responses*

There are some clear patterns shown by the respondents' answer, and the most obvious one is that they think that **luxury brands are not able to provide a luxury service online**. The idea that a lot of what makes luxury can only be provided offline; still remains



and brands should try to consider other ways of offering a luxury service online. Many mentioned that the interior and exterior design of a shop is very important to the luxury service, as well as the sales person assistance. The smaller details such as smell, presentation, tidiness also contributes to making a luxury experience.

*"The online presence doesn't have the elements that you can have in a store. For example, architecture, salesperson attention, music (or silence), tidiness, etc." (respondent 39)*

*"In my opinion, the in-store experience of luxury brands is part of the whole brand experience. For instance flagship-stores with great design and architecture (ex. Burberry - Regent Street), make the purchase feel even more special - something online shops hardly can deliver" (respondent 53)*

Another important reason as to why consumers aren't satisfied with the online experience is the **lack of channel integration**; this is crucial as omnichannel is about being able to create a seamless experience. Many argued that there are luxury brands that still do not offer a "click and collect" option or even being able to see if the product is available at a specific store. This shows that despite brands wanting to adopt an omnichannel approach, they have not managed to bring the online and offline process together to provide such services.

*"Still lacking some channel integration, for example buying online and picking it up at a store or checking stock at a store nearby" (respondent 65)*

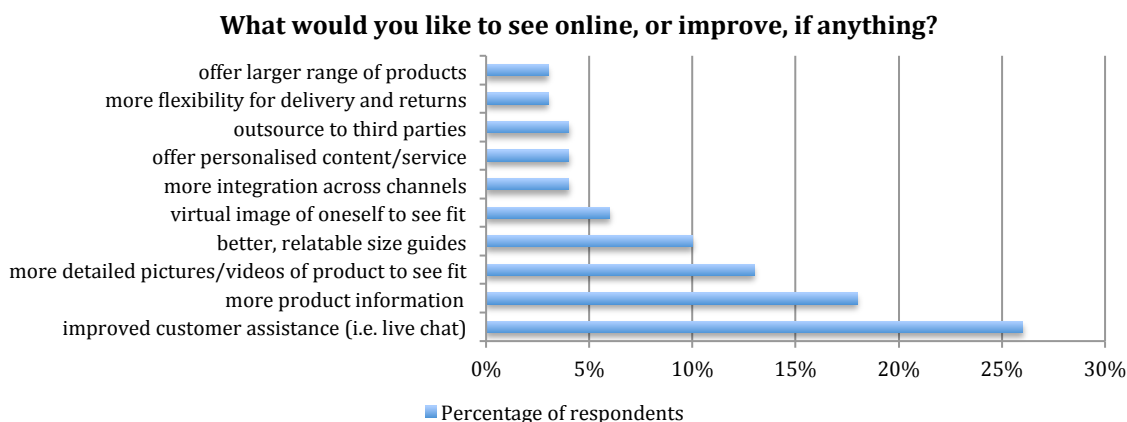
**Lack of information** was an issue for several respondents. They explained that there is some information lacking on the websites such as prices. This is further proved by the fact that some luxury brands did not have high transparency and the range of products was limited so consumers are not able to access information on these. Internet is mostly used to gather information on these products and to be able to compare, some shoppers noted that they are not able to compare if the brand does not provide all the details, and therefore are more likely to discard it from its set of consideration. The surveys also showed that satisfaction **depends on the brand** itself. Whilst some brands do quite a good job providing a luxury online experience (Burberry among the most mentioned one), others have not been able to adapt to this channel. Therefore, they believe that there is no general reason but rather we should look at the individual brand to understand their performance and room for improvement. **Lack of personalisation** is mostly due to the lack of customer service available online. Very few brands offer instant messaging with sales assistance for example, and they should all be able to provide at least this. It was a

common thought that personalisation is very important for luxury brands, and there are many options available to do this but very few seem to take advantage of IM, live chat or video chat. **Lack of differentiation** in comparison to non-luxury brands, respondents seem to think that it is hard to distinguish a luxury from a non-luxury brand online. There is no real differentiation made between the two and this is very risky for luxury brands. They do not want to be competing against those brands, especially online, where consumers can view and compare prices and services (as most non-luxury brands provide a good online delivery and competitive prices).

*“It [online experience of luxury brands] does not seem to stand out compared to non-luxury brands. Maybe a more personalised service would help in this case, provide instant chat and a virtual body type to view products”(respondent 85)*

The last recurring theme is that there is a **lack of product range** offered on the luxury brands e-commerce. This is also affecting consumers’ satisfaction of the online experience, if a luxury brand is already using e-commerce they should try to offer a wider range of products.

The consumers have already expressed why they are not satisfied with the online experience, so I want to see what they can suggest as an improvement to tackle these issues (Appendix B, Part 2, second open question). There is one improvement that stands out with a significant value (over 25 percent), consumers want an **improved customer service**. Several mention having live chat as a possibility, while Burberry and a couple others already offer this, most of them don’t.

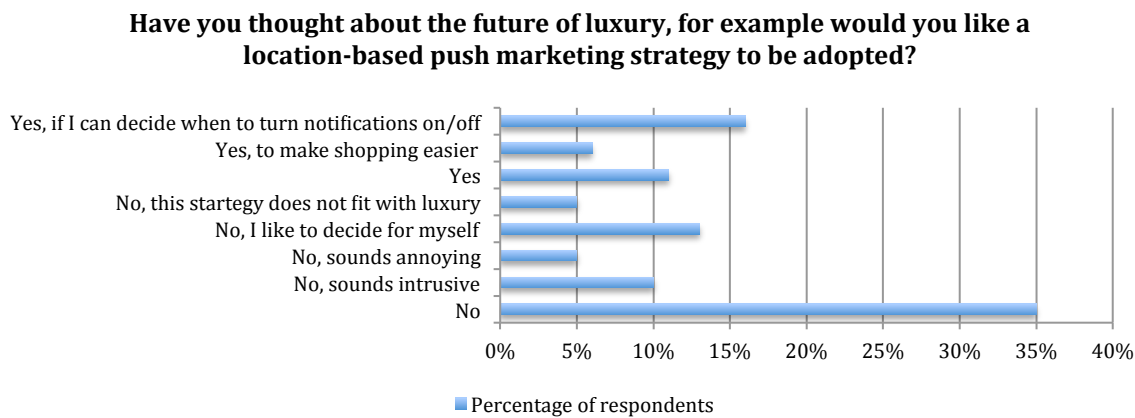


Source: Qualitative analysis from coding survey responses

**More product information** was also suggested by several respondents, especially regarding the prices and sizes (both in terms of clothes, and bags/accessories). In supplement to the information, people also want to see **more detailed pictures/videos of product to see fit**. A few mentioned that ASOS (a multi-brand e-commerce) offers runway videos where one can see how the product looks like when it is worn (along with model measurement to be able to compare to their own size), and thought luxury brands should do the same. Similar to this idea, is that luxury brands online should provide **better, relatable size guides**- complaining that many times they face issues regarding choosing the right size. Another idea related to sizing issued is to create **a virtual image of oneself to see the fit**. Other improvements include more channel integration, more personalised service and more flexibility for delivery. Most of the improvement suggested by the respondents is linked to sizing issues. By far the most important one is the improved customer service which can help develop the luxury service provided online, the need for more personalisation and customer service. As for the ones regarding the details and sizes; these deal more with a need for more information and personalisation (as well as customer service, as it can imitate a sales assistant if the right sizes can be properly communicated). While not many mentioned integrating the channels, it is still one of the main reasons for dissatisfaction so luxury brands can keep this in mind.

Finally, I try to find out what consumers think the future of luxury brands will be in the digital sphere. To help out, as it may be difficult to imagine the future of digital I mention a few options such as location-based push marketing (Appendix B, Part 2, third open question). This entails luxury brands having access to their consumers location through geo-localisation in order to be able to send them mobile notifications when they are near a store about their latest collection or limited offers that they may be interested in (offers do not refer to discounts, rather limited collections and so). Although two-thirds of respondents have an unfavourable reaction to this idea, the one-third that does means there is potential. Those who are not convinced by this seem to worry that it may not be the correct approach for a luxury brand as it is intrusive. However, for those who said yes, the possibility to decide when to receive these notifications is essential. The consumer likes to know that they are still in control, so if luxury brands want to be able to do this they

need to assure the consumer that they have the power to decide if they want the notifications on or off.



*Source: Qualitative analysis from coding survey responses*

An alternative scenario for the future of luxury brands using an omnichannel approach is to reach the top level of integration by creating a customer profile accessible both online and offline where all the information regarding past purchases, location, sizes, preferences, even card details can be stored. In this way a sales person is already as knowledgeable as the consumer and can extend the service level. In other words, luxury brand may try to take personalisation one-step further in order to identify their consumer wherever they are present. In contrast to the idea of location-based marketing, this one had a much more favourable response. Almost 80 percent of respondents said that they would like this '360 degree' profile of themselves created, many pointed out that this is already being done by some luxury brands (however, not to the same extent). About 18 percent said they would not like this, and the remaining 2 percent said they were not sure (Appendix B, Fig. 35).

As far as consumers go, the three big areas to improve to provide a better online experience are trying to find new ways to be able to become "luxury" online, to include more information, and to integrate channels. The biggest area of discontent is the lack of customer assistance (which goes hand in hand with providing a luxury experience online) and the troubles related with sizing. Need for more channel integration stands out because this is what using an omnichannel approach is all about, and it appears that consumers think that luxury brands are still lagging behind in this category. In regards to the future of luxury brands in digital only a third of respondents seemed open to the idea of receiving

notifications when they are near a store, keeping in mind that they be allowed to activate or deactivate the service when they want. A more significant number would like for their profile to be created including all their details and past purchases, many stating it would make shopping easier and faster. Now that I have gotten a better understanding of what consumers expect from luxury brands online, I will look into the luxury brands' strategy and then compare both sides to find inconsistencies, if any.

## 5.2 Luxury brands strategy on digital channels

In the findings, the data was presented to give an overview of the current presence of luxury brands online. Now, this will be analyzed to understand what strategy they are adopting and for what purpose. All luxury brands considered in this paper have a **website**, they want to be present where there consumers are. As CEO of LVMH Fashion Group, explained, "the Internet is often a consumer's first window into our brands, so if someone goes online we want to be sure they are actually experiencing our brand, not a counterfeit store" (Roussel, 2014). This refers to the consumer decision journey; brands need to be able to be present when the consumer enters the circular process. It is no longer a funnel when we consider online channels, as the consumer can decide to go in and out of the journey and come back at any point. Being present online is mostly to do with luxury brands trying to control their brand image as much as possible at the different consumer touchpoints, starting by their website. The website is usually the first contact the consumer will have when looking for information online (Berghaus & Heinea, 2014). Then comes **social media**, most brands provide a direct link from their website to the different platforms. This is part of the **cross-channel integration**; except more links are taken into account- links from social media to their website and e-commerce, and vice versa. In order to be fully integrated online and offline, brands must first be sure to provide online integration. These platforms are most useful when trying to create brand loyalty (Berghaus & Heinea, 2014) and advocacy (Court, Elzinga, Mulder, & Jørgen Vetvik, 2009). By allowing consumers to enter their online universe they also give them access directly to the other channels. On the Louis Vuitton website, visitors are also given opportunities to interact on the site and share information they find via their favorite social networks (Diderich, 2011). Due to consumers being active on numerous social networks at once, it is necessary for luxury brands to do the same in order to ease the task of sharing content

online. This is also why luxury brands are present on six social networks on average. Another reason luxury brands have to link all the platforms is to create one universe. Otherwise, the consumers might feel they are experiencing separate worlds online. Whether it's Tumblr or Instagram or Twitter or Facebook or burberry.com, it's a question of how we can make sure that's one world (Ahrendts, 2014). The **languages** provided by the luxury brands on each website are of course strategic, these will depend on their biggest current or potential markets. The most common languages are English, French, Spanish, Italian, Chinese, Japanese, Russian, and Portuguese. Some of the websites are **powered by an external partner**, such as YOOX. YOOX is a global Internet retailing partner specialized in luxury e-commerce and customer service. This gives luxury brands an advantage as YOOX has years of expertise on the digital arena, unlike most who have up until recently been present online. Many brands decide to partner with YOOX because it can help them provide a top service revolving around customer needs (i.e. Kering entering a joint venture with YOOX). Through the joint venture, YOOX made available to Kering luxury brands its technology platform tailored to luxury e-commerce, as well as its worldwide reach with local expertise, best-in-class functionality, luxury customized services and e-commerce experience, including web design, user experience, digital production, customer care and web marketing (Kering Press Release 2013). However, there are many brands that are still doing very well without this provider. In fact, some may argue that luxury brands loose control when they give the responsibility of customer care to an external power. Whether a website is **adaptive or responsive** will also play an important role in the consumers evaluation of the experience. Luxury brands use an adaptive layout to improve the experience on all type of devices for the consumer. A website that simply shows up in a smaller screen is not enough as it may be hard to read or too long to load, instead these brands have modified the format and content to provide the best possible experience for a smartphone, tablet and laptop. The features of the luxury brand websites all serve a specific purpose, and this will help evaluate the overall user experience.

In order to rate the user experience, I looked at the website branding, functionality, usability and content. I rated the features and then labeled them according to the score. As mentioned in the methodology, this analysis is subjective to my own judgments and may

need further research to confirm the overall user experience. While I tried to remain as objective as possible by using the same criteria and looking for the same features on the brand websites, there may be some influence from personal opinions. Below is a visual summary of the results for the brands.

Brand	Branding	Functionality	Usability	Content	Overall User Experience
Burberry	Excellent	Excellent	Excellent	Excellent	EXCELLENT
Louis Vuitton	Excellent	Very good	Very good	Excellent	EXCELLENT
Zegna	Very good	Very good	Excellent	Excellent	EXCELLENT
Gucci	Excellent	Good	Very good	Very good	VERY GOOD
Prada	Very good	Good	Satisfactory	Excellent	GOOD
Bottega Venetta	Very good	Excellent	Very good	Excellent	VERY GOOD
Chanel	Excellent	Satisfactory	Satisfactory	Very good	SATISFACTORY
Brunello Cucinelli	Good	Very good	Good	Excellent	VERY GOOD
Dior	Satisfactory	Good	Satisfactory	Very good	SATISFACTORY
Hermes	Excellent	Very good	Excellent	Excellent	EXCELLENT
Loro Piano	Good	Excellent	Very good	Very good	VERY GOOD
Valentino	Very good	Excellent	Very good	Excellent	VERY GOOD
Saint Laurent	Satisfactory	Excellent	Satisfactory	Very good	GOOD
Balenciaga	Very good	Very good	Excellent	Excellent	VERY GOOD
Ferragamo	Good	Satisfactory	Satisfactory	Very good	SATISFACTORY
Givenchy	Satisfactory	Good	Satisfactory	Good	SATISFACTORY
Fendi	Very good	Good	Very good	Excellent	VERY GOOD
Celine	Below satisfaction	Below satisfaction	Below satisfaction	Satisfactory	BELOW SATISFACTION

Source: Website analysis based on subjective grading

The first remark of the user experience is that almost all brands have very good or excellent **content**; this is probably because it is the easiest and most important to get the consumers attention. If a brand puts interesting pictures and videos then consumers are more likely to pay attention and like what they viewing. It is also quite straightforward for luxury brands to create content that not only stands out but also makes it easy for the consumer to find what they are looking for and navigate through their pages. **Functionality** is also scored well by many brands, most of these are powered by YOOX. This is expected as YOOX has more tools and experts on how to provide a top customer service (i.e. timely response and integration for delivery). **Branding**, on the other hand, has not scored well by many. This is not surprising considering many respondents from the survey mentioned that there is a lack of differentiation between luxury and non-luxury brands. Although branding may seem simple, many luxury brands like to keep the website simple and this may create some confusion as to which brand it belongs to, there is no clear distinction. **Usability** was the hardest to study because it has to do with more

technical capabilities, however once looking into the different pages it was revealed that some websites are not user-friendly in regards to accomplishing goals and minimizing errors. Some luxury brands fail to clearly lead the consumer to the appropriate page or the content is too heavy to view it. Most brands are quite good in being tailored to the target audience. The user experience will help build the consumer based brand equity, the content and branding is part of the imagery while the functionality and usability will dictate the performance. This is where a luxury brand can try to differentiate themselves from other brands in order to become part of the “brand consideration” set (De Pelsmacker , Geuens , & Van den Bergh, 2010).

There are only four brands (Burberry, Louis Vuitton, Zegna and Hermes) that give an excellent user experience, these all provide high cross-channel integration, high transparency and are present in at least six social networks. Two of these provide live chat, which many consumers have stated as an improvement. Three of the brands are pioneers in adopting an online strategy, giving them a head start in understanding what the consumers like and want. It can be concluded that luxury brands tend to be focusing too many efforts in providing top quality content online, and have forgone usability and functionality aspects. Luxury brands have a big advantage in providing online content due to their rich visual archives of their heritage and their new collections, as well as celebrities spotting at big events. However, it is important that now luxury brands focus on making the user experience better by branding, functionality and usability. Luxury brands need to adopt a strategy that will answer the question ‘what are you?’ for consumers. It needs to define the meaning of the brand. There is one common use for a **luxury brand website**, this is to make it the ‘central’ platform (see Appendix C, Table 3, the next pages will refer to these charts). All other platforms will lead in one way or another, to and from this page. There are two main goals that appear to be used, firstly to inform the consumers (of the brand heritage, new collections, advertising campaigns, runways, to name a few). Secondly, to improve brand loyalty by making the online experience fun and memorable. Luxury brands have a section on the website where they tell their story, how the brand was born, what their inspiration is, what their style is like, who they design for to try to get the consumer to know them and trust them. Another way to put it, is that the website is the DNA of the online channels and therefore has the ultimate goal of making sure the



consumers will enter a relationship with the brand through the different online touchpoints. As for **the e-commerce** the goal is not to increase online sales directly, but to drive sales in general. However, most importantly they aim to keep consumers informed (of products and prices).

The last part of the luxury brands' online presence analysis looks at their use of social networks. These will not only add to the brand value, by building the different blocks of the brand equity pyramid but also represent the various touchpoints throughout the decision journey. It appears that the starting point for luxury brands entering the social media world is **Facebook**, probably because it was one of the earliest platforms. It was in 2006 that Facebook was open to the general public, the same year Twitter was launched. Once they gave the option to create a 'Page' for brands so that people can 'Follow' it, this became an easy option to start with. The use of Facebook varies a lot from brand to brand, what does remain the same is that it is an outlet used to share visual content. Although the content can have very different purposes, for most the content is about improving brand awareness. The posts therefore include advertising campaigns, red carpet events, new launches and runways shows. Most posts try to show the logo or portray the brand style to make consumers aware of what their brand is about (the style). Burberry even features music videos that give a feeling of the brand atmosphere. The adoption of **Twitter** comes shortly behind, with almost all brands joining from 2009 to 2011. Some brands have made the mistake of posting the same content as Facebook (Bottega Venetta, Brunello Cuccinelli, Chanel, Valentino, Balenciaga and Givenchy). Three brands have decided not to use this network at all. The other brands have focused more on posting news of brand events, ranging from a new store opening to a countdown to their runway shows. The goal being to keep consumers informed, as well as sharing visual content. Chanel and Louis Vuitton have stood out in their use of Twitter, having more than one Twitter account, one of these being specialized in customer service. Although **Instagram** is actually one of the newest networks to launch, they have become the second favorite platform for luxury brands. This is probably because it is about sharing visual content and the audience tends to pay more attention to visual on Instagram more than any other online platform. "Ads have proven to be more effective in regards to recall compared to average online advertising, extending the usefulness of the platform for top-of-funnel awareness building"

(L2 Insight Report: Instagram Advertising, 2015). Most brands use Instagram to share advertising campaigns and to improve brand awareness. A common action is to post close-ups of the luxury brand products, such as clothes and bags, or videos featuring the handcraft behind each item. They also like to post pictures of celebrities wearing the brand collection (this is also done on Facebook and Twitter but not to the same extent). This will help consumers associate the brand image with a certain type of personality and identify themselves with it. **Pinterest** is more about keeping control of the brand image, it offers good quality pictures of their products and brand, so they can make sure the content of the brand being 'pinned' is adequate to fit the brand image. The content usually features pictures of campaigns, collections and brand heritage. Pictures of products link to the e-commerce so there is a goal of increasing sales as well. **Blogs** are used both by luxury brands and by individual bloggers; here we refer to those of luxury brands (however, in the consumer survey it refers mostly to individual bloggers). There is a lack of blogging from luxury brands, probably because the power of blogs comes from those created by consumers (bloggers). People trust word-of-mouth and bloggers are seen as "experts" when it comes to fashion and trends. They believe that these people are more objective when reviewing a product or sharing information on it. Therefore, luxury brands prefer to collaborate with bloggers instead. However those brands that do blog, write about the latest news on the brand. **Apps**, although not yet widely adopted, seem to be having more traction. The app should be carefully developed so that it is compatible with the device and completely functioning, otherwise it can be more harmful to the brand image than helpful (Berghaus & Heinea, 2014). Givenchy for instance, does not offer an e-commerce but instead only has an m-commerce as an app, believing their consumer spends more time on mobile and tablets than on a laptop. Similarly, a couple brands have an app that has the same content as their website and e-commerce to make it easier for consumers to browse. This has the goal of keeping consumers informed of products and prices. The most common goal of apps is to increase brand loyalty. Hermes, for example, has an app that shows consumers how to tie scarfs in different ways. Luxury brands create apps that fit with the brand culture in order for consumers to interact in a more entertaining way with the brand. The loyalty arises by creating positive feelings, and inviting them to engage with the brand (De Pelsmacker, Geuens, & Van den Bergh, 2010). Fendi offers an app where consumers can create their own bag and share it with the community. **YouTube** is used by

the majority of luxury brands because it is much cheaper than paying for a TV commercial and can reach a larger audience. The goal for posting content on YouTube is to share marketing campaigns, and create buzz. Posting campaigns on YouTube gives the consumer the chance to share the video if they like it, and luxury brands usually invest a lot of efforts on making these videos attractive. Some brands are also allowing consumers to click on an interactive video to purchase it instantly. Therefore, trying to increase sales. However, for a few brands it is also about sharing interviews with the designers or models to give a sense of engagement with the consumer. By watching these videos referring to their inspiration and style, consumers almost get a sense on entering into a dialogue with them.

The online strategy is clearly distinct for each brand, while some brands have a clear understanding of the different purposes of social networks (i.e. Burberry), some still lack expertise and fall into the mistake of posting the same content everywhere (i.e. Bottega Venetta). There is another factor that is very important when being present online, that is frequency of posts. Luxury brands are posting more often on Twitter (at least once a day), compared to Facebook (four posts per week average) and Instagram (over five posts per week average). YouTube receives fewer posts because creating a video takes more time than a picture. It is also not necessary to be creating video campaigns as often. The number of followers will also depend on the channel; Facebook receives by far the largest amount (Louis Vuitton has over 17 million), followed by Instagram, Twitter, YouTube and Pinterest (in descending order). Scheduling posts is important, as the consumer will be expecting to see new content in a regular frequency; most luxury brands have understood this. There is a difference in the frequency depending on the channel. This aspect of online strategy can be considered as a way in which the consumer can develop trust from the relationship, they need to be sure that they will receive new content at a specific day and time and the luxury brand is responsible for making this happen. In other words, there has to be credibility from the luxury brand to lead to a relationship. "Trust and consumer confidence can have a direct and profound effect on a company's profits. The reputation of a business is essential for its survival, as the world has become more interconnected, interdependent and transparent than ever before. If consumers can trust luxury brands, they will make time to listen and engage with them, share their content and tell their

stories” (Verde Nieto, 2015). Generally speaking, not only does the content and frequency on each platform vary in order to fulfill a specific goal which ultimately leads to creating brand loyalty and therefore brand equity, but each one should be considered as an individual touchpoint which has a specific influence on the consumer decision journey. The next part will compare both sides and look at whether luxury brands have adopted the appropriate strategy for each channel according to consumers’ online behavior.

### 5.3 Gaps between luxury brands and consumers

Through the consumer surveys and the data from luxury brands online strategy, the objectives from both parties have been exposed. A summary of the consumer goals and the luxury brand objectives for each network (Appendix A, Table 1) has been made to compare them and come up with a gap model. Here, the brand objectives refer back to the consumer based brand equity model to understand the link between the goals of the strategy for each online channel and how it contributes to building brand value.

#### Gaps in Luxury Brands’ Strategy for Online Touchpoints:

	- Gap in <b>creating brand awareness and loyalty</b> - Motive: lack in website differentiation and personalisation
	- Gap in <b>increasing online sales</b> - Motive: lack of (1) information (sizes and prices), (2) product range and (3) customer assistance
	- Gap in making consumer <b>feel part of a community</b> - Motive: lack of engagement
	- No gap
	- Gap in <b>engaging in a conversation</b> - Motive: lack of customer service
	- Gap in <b>increasing sales</b> - Motive: too much focus on posting content that does not lead to purchase behaviour
	- Gap in <b>creating positive reactions</b> (judgments) - Motive: lack of credibility and objectivity compared to bloggers
	- Gap in <b>creating fun experience</b> - Motive: lack of interesting function or utility
	- Gap in <b>creating brand awareness</b> - Motive: lack of creating new and innovative content

Source: Qualitative analysis from comparison between luxury brand and consumer goals

## 6. Discussion

In this section I will start by presenting solutions to the gaps at the various online touchpoints. Afterwards, another model will be developed to understand how the consumer moves along the decision journey through each touchpoint and how luxury brands need to incorporate the digital channels to the non-digital to provide a true omnichannel experience. At the end of the discussion I will also look at the future of omnichannel retail for luxury brands, in terms of what the consumers want or expect and how current technology will open ways to new uses of digital means.

### 6.1 Recommendations: what should luxury brands do to close gaps?

The gaps at the different touchpoints will have a negative effect on the overall consumer experience and therefore, brand equity. It is easier to understand at which points in the consumer based brand equity pyramid there are gaps by showing it in a model.

#### Online touchpoints in the Consumer Based Brand Equity:

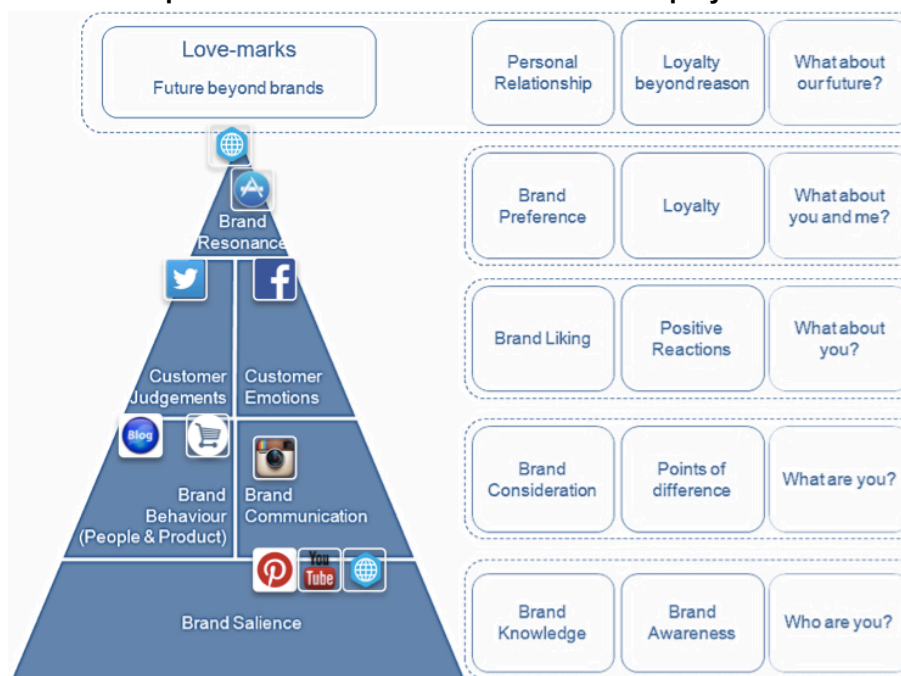


Figure 8.1a. Each online touchpoint serves different purposes in the brand equity pyramid. Visual-intensive touchpoints serve to build awareness, while more information-intensive ones are useful to create positive reactions and loyalty. These should be considered when creating the content (inspired by Keller, 2013).

The recommendations will be done starting at the brand salience up until the brand resonance to have a clear step-by-step approach:

**Luxury brand website** (in brand salience and communication). In order to be able to create brand awareness through the website, luxury brands need to differentiate it a bit more. User experience has also been considered in the analysis and will play a role in closing this gap. The common thought from consumers is that it is not possible to tell a luxury brand website from a non-luxury. This can create great confusion in the mind of the consumer. However, while luxury brands may think this fits with the brand image, they do not realise that this also means they are easily compared to premium brands online doing the same. Luxury brands do not want to be competing against non-luxury, especially due to ease of price comparison online. Having looked into the luxury brand websites, there was a clear preference to keep the page simple and clean looking. Brands such as Louis Vuitton and Hermes have used a different approach and tried to really immerse the consumer into their universe by providing instant music when the consumer goes on the website, as well as videos and interactive content. All luxury brands already feature excellent content, so it is a matter of making it stand out for consumers to remember what the brand is about (branding). The overall user experience is also very important in the website, luxury brands should focus more on functionality and usability to create a better user experience. Websites powered by YOOX appears to have a better usability and functionality so there is a positive link between the two. Combining music to the experience is a start, along with videos that will entice the consumer (not only clean, high-quality photographs). As for improving the user experience, one possibility would be for luxury brands to get an external provider (such as YOOX) whose expertise will allow the website to have a better functionality and usability.

**YouTube.** This touchpoint offers a great opportunity for brands to create buzz by making interesting videos. It is also cheaper than commercials and has a higher diffusion rate. However, there is a lack of use of this channel by many brands. It used to be a popular channel, but some luxury brands have discontinued its use. This may be due to emergence of new social networks, such as Instagram where content can be made more easily. Videos are a great way to inform consumer of the brand and their products, so it is not surprising that many consumers turn to YouTube to get information and view

interesting content about the brand products. It is no longer about only creating brand awareness; it can also lead to instant purchases. Luxury brands such as Prada have produced interactive videos where consumers can instantly click on a product to purchase and be redirected to the e-commerce. "Content needs to be engaging enough to bring people in and the experience needs to be seamless enough so as to not jolt the user. If they feel like there are too many disconnects or hoops to jump through between content and purchase, chances are they will never end up hitting the buy button" (Ron Schott, senior strategist at Spring Creek Group, 2012). To close this gap, luxury brands should not forgo the creation of video content to post on YouTube in order to keep consumers informed and aware of their brand. Once they create content they should make sure to take advantage of the possibility of making instant purchasing available.

**Pinterest.** This is an interesting touchpoint because it is more widely used by middle-aged women than younger teenagers (Pinterest Statistics, 2015). This gives luxury brands an opportunity to use this channel to reach a more attractive customer segment (higher disposable income). While Pinterest is an obvious channel to create brand awareness by posting pictures of advertisement, campaigns and runway collections, for brands it has the goal of creating sales. By linking the image to the e-commerce, luxury brands try to convert their consumer interest into a purchase. However, the content many luxury brands are posting are not the most effective for purchasing results. They should focus on posting pictures of products on their own, rather than with a model. Brand images without faces receive 23 percent more re-pins (Pinterest Statistics, 2013).

**Instagram.** This is the only social network where there is no gap between luxury brands and the consumer objectives. Consumers expect to see interesting content on Instagram, but more importantly, they want insider pictures. Luxury brands have understood this and post many behind-the-scenes, private events, advertising campaigns and collection sneak-peaks. Consumers recall posts on this channel better than others, therefore making it very attractive for brands to create awareness. Luxury brands should continue to use the same strategy on Instagram, and for those who are still not present in this channel it would be advisable to start using it.

**Blogs.** The problem with blogs is that consumers trust other people's opinions more on luxury products over the brands themselves. Consumers read blogs to get information and feedback on products, and this type of "word-of-mouth" is more effective than brands

trying to create content themselves. This may be why most luxury brands have do not use their own blogs. Bloggers will have a more objective opinion, according to consumers. Even though, in most cases bloggers are collaborating with the luxury brands directly. For example, bloggers can usually be seen in front rows of fashion week runways and at the VIP events. In order to create positive customer judgements, luxury brands should put less effort in posting on blogs and collaborate with influential bloggers instead. They should make sure the bloggers content on the luxury brand reflects the brand image properly, and provide good products for them to feature on their own blogs.

**E-commerce.** While the objectives of providing information and increasing sales does match the consumers' use of the e-commerce, the service does not live up to expectations. Many consumers expressed dissatisfaction in the lack of information provided, range of products and the customer service. There is also a lack of channel integration. Many luxury brands show the full collection but will not provide details on the prices, instead asking consumers to go to their nearest shop or call to get the details (i.e. Dior and Louis Vuitton). This is creating a problem for consumers, especially when it comes to accessories such as bags. Consumers are willing to buy these products online but the lack of availability or information deters this. In order to close this service gap, luxury brands should try to become more transparent and have full disclosure on their products, in terms of the range and the prices. The next step is for brands to improve the customer assistance, namely by providing a live chat option where consumers can get immediate sales assistance. They should also provide a better sizing guide, for example by creating a virtual image with one's measurements to view the product and making videos to present the products (such as ASOS). As for integrating channel, consumers want to have the "click and collect" option. Luxury brands do not give the option to view if a product is available at a store nearby, or to be able to buy the product online and collect it at the store. This issue is also related to the issue of returning products; consumers should be given the option of being able to return a product to the shop even if they bought it online, as it may be easier. This is a basic service that should be adopted by luxury brands to improve the shopping experience. Lastly, if luxury brands want to create a seamless experience they should have an e-commerce in all the countries where the shops exist (they are still some discrepancies between these).



**Twitter.** Although many consumers said they do not use Twitter, those who did use it to start a conversation or to give feedback. However, many luxury brands simply post the same content as on their Facebook page. They do not take advantage of the possibility to engage the consumer by responding to their queries. Only two brands understood people use Twitter to complain about products and service and opened a Twitter account especially used to provide customer service. Twitter is also useful to provide the latest news, for example Burberry posts back stage pictures right before runway shows. Unfortunately, most luxury brands have not fully understood the potential of Twitter as a possibility to improve the online service level, therefore to close the gap they should follow the example of using a Twitter as customer service, and should post different content than on their Facebook page. The most relevant content would be to post on last-minute updates, inviting consumers to feel as if they are part of the live process.

**Facebook.** Following a brand on Facebook is done to see interesting content on the brand as well as to be part of a community. Although luxury brands are present on Facebook and creating many posts to keep consumers updated on the brand's news, they are not creating enough engagement through these posts. Even if a brand is constantly posting, this does not mean they are building a "community" for the consumers. There is a preference for posts showing product showcases; on the other hand, posts showing celebrities wearing products are the least liked posts of Facebook. Not all consumers will associate the celebrities with the brand, or the products may not fit as well as on models form advertising campaigns (TrueSocialMetrics, 2014). In order to make consumers feel like they are part of a community on Facebook, luxury brands should be careful of the type of posts made on their page and should focus on creating posts that will lead to more engagement. For example, ask consumers what they like or what they think of a new collection.

**Apps.** Luxury brands have created apps to increase customer loyalty, by giving consumers the chance to interact with the brand in a more "fun" way. By allowing consumers to learn different ways to tie a scarf (Hermes) or creating their own handbag (Prada), luxury brands are connecting with consumers while still keeping in line with the brand culture. Of course, many luxury brand apps simply allow consumers to view the website content in a more mobile or tablet-friendly manner. This also makes interacting with the brand easier for consumers, as they can look at news or browse the e-commerce

faster and even make online purchases more comfortably. However, many consumers are not downloading the apps due to the fact that they are either not aware, or the app is not worth the trouble of downloading. Therefore, luxury brands need to close this gap by trying to develop more interactive apps to make consumers want it or by making more marketing campaigns to promote the existing apps (as consumers are not aware of these). One possibility is to make it a virtual reality where consumers can go into a store and browse through the new collections, as if they were there and giving them a “click and purchase” option.

**Luxury brand website** (in brand resonance). At the bottom of the pyramid, I explained how luxury brand websites could be used as an awareness tool; here it will be considered as a loyalty tool. Luxury brand websites do not only work as channel through which consumers can seek information, but also a place where they can show their commitment to the brand by repeatedly entering it after they have made a purchase. Consumers may look to be redirected to the different touchpoints to share their experience, express a discontent or look for an after-sales service. There is a gap in creating brand loyalty due to a lack of personalisation, as expressed by consumers. This gives luxury brands a chance to use their website to make their experience more memorable. If luxury brands can keep track of their consumers latest searches on the website, or their purchases, then next time they access the website they could bring up a page with suggestions especially for that consumer. Similarly, they can ask a few questions regarding the consumers preference in styles, colours or patterns and make a few suggestion based on that. The key here is to be able to identify what that consumer wants and likes, to help them chose from the collections and make it easier for them to make a purchase, just like a sales person would at a store.

It is important to remember that not all social networks carry the same importance. While respondents affirmed a frequent use of Facebook and Instagram, they also expressed a lack of use of Twitter and Apps. This means luxury brands should focus more resources on those that appear to be used at a higher frequency. Closing the gaps at the different touchpoints is just a start for luxury brands to provide a “seamless” experience. These brands need to then make sure that there is full integration between offline and online throughout the whole consumer decision journey.

## 6.2 The role of digital touchpoints in providing an omnichannel experience

To begin understanding how the digital touchpoints can improve the overall experience, the consumer decision journey will be considered. From the analysis and the consumer based brand equity model, I have developed a new consumer decision journey. First, it is presented in a linear model and then turned into a circular, non-stop model, as this resembles the journey more accurately. The linear model has been developed from the findings and the analysis, in order to show at what point in the decision journey the online touchpoints come into play. It is important to note that the online channels may come into play at more than one point throughout the decision journey; however, for the sake of providing a clear guideline for suggestions to improve online strategy, I will show the point at which the channels seem to have the potential to play the most significant role (i.e. YouTube can have more positive benefits in creating brand awareness than as a service channel). Most consumers interact with brands both offline and online simultaneously before making a purchase. This is clear by simply looking at the numbers: 72 percent of affluent shoppers in new markets will research online and offline and then make the purchase offline (Ipsos Media CT, 2014). Now I will explain how the online touchpoints converge with offline touchpoints to create an omnichannel experience.

### Online touchpoints in the consumer decision journey:



*Figure 8.2a. Each social network serves a priority role during the different phases of the decision journey, while the first steps consider the luxury brand social media accounts, the final advocacy will be reflected in the consumers social media accounts. (Inspired by Kotler and Keller, 2009)*

The steps in the consumer decision journey are very similar to that of brand equity, first a consumer will develop a want. Want because in luxury, there are no real necessities or needs that will arise, it is more about creating a dream and making consumers desire a product. A consumer will be made aware of a set of luxury brands by visiting the website, advertising campaigns on YouTube, or as seen on magazines and posters. During the

consideration, the consumer can either gather information and view pictures of the collection by referring to Instagram or Pinterest, as well as going into the actual store and seeing the options available. Then they will start to evaluate the product by comparing prices online or reading reviews, meanwhile visiting the store to feel the texture and sizes. When a decision has been made, the consumer has the possibility to buy offline, online or “click and collect” (buy online, collect at store). After the purchase, the consumer will experience the product by wearing it, taking pictures with it, going online to share their own opinions or to get a response to their enquiries (this is more easily done through Twitter is available as calling sometimes requires waiting for a considerate period of time). Again the experience will be lived both offline and online. Finally, a consumer will be invited by the luxury brand to join the loyalty program or sign up for their newsletter (if they provided their email at the time of purchase), or they might decide for themselves to follow the brand on Facebook or other social networks if they are happy with the purchase. This represents the second loop in the model below, the loyalty loop. Once a consumer enters a loyalty loop, they can decide to engage with the brand even more by downloading apps, or if the brand realizes the consumer loyalty they may be invited to exclusive events or shows. The last step is advocacy where a consumer will become a “representative”, both offline and online, for the brand after repeated purchases, usually by word-of-mouth (talking about the brand to their circle of influence, or by posting content online showing the luxury products).

#### New consumer decision journey:



Figure 8.2b. The new affluent consumer decision journey is a continuous circular process (Inspired by McKinsey, 2009).

The previous description of the decision journey is an example of what a “seamless” experience should look like, if offline and online are properly integrated. While the process of what the consumer may go through during a decision journey has been outlined, it will now be considered from the luxury brand perspective. This will highlight what services need to be provided as an omnichannel approach. There is one thing that luxury brands need to keep in mind when adopting an omnichannel approach: social CRM. Social CRM is the use of social media networks to engage consumers in order to manage customer relationships. The benefit of social CRM is the ability for brands to interact with consumers in an omnichannel retailing environment. Social CRM allows brands to communicate with consumers in the same way they communicate with each other. Luxury brands need to be able to track and manage the consumer activity, both online and offline, to be able to improve the customer satisfaction, and therefore brand equity.

In order for a luxury brand to be part of the consideration set they must create brand awareness, using a marketing campaign with a consistent message along all channels. The campaign can be featured on YouTube, Instagram, Pinterest, Facebook, apps, magazines, and billboards. It is very important that the message provides the same brand image and information so consumers can recognize the brand faster. Then, luxury brands need to make sure that **all their touchpoints share the same information**. This will make it easier for consumers to evaluate the alternatives. For example, a Dior bag should have the same price online (at single and multi-brand e-commerce) and at the store, the same applies if it is on sale. Nowadays, consumers carry out a lot of research before buying a product so luxury brands **need to be more transparent** (in terms of product range and prices) to still be considered during the evaluation phase. The next step is the purchase; this is the one where luxury brands need to work on the most to provide a “seamless” experience. Luxury brands have to integrate their offline and online stores, they can no longer be divided into separate processes, as consumers are no longer satisfied with this. Consumers expect a higher level of service from luxury brands online, this means that they need to think about providing the same sales assistance online as offline. Having a “live chat” option can help accomplish this. On top of this, luxury brands should give a “click and collect” option and allow consumers to check the stock (online) for an item at the nearest store. The two latter improvements require luxury brands to

**integrate their inventory management.** After consumers have made a purchase, they need to have an **excellent post-purchase experience.** The service provided should be a reflection of the luxury brand prestige, they need to **monitor what is being said about the brand online** and respond to their comments, especially if negative. The focus here should be in using Twitter and Facebook as a feedback channel where they can communicate with the consumer. Meanwhile, they need to provide offline sales support, either through call centres or at the stores. Once the consumer enters a loyalty loop, luxury brands need to track these consumers to be able to reward them for their loyalty. The **service need to be personalised**, such as providing a home page when visiting the website tailor-made to the specific customer. They also need to provide other ways in which consumers can express their loyalty, such as apps or by being included in their email lists for special updates. This means that they should be invited to special events, followed on social media to see if they are representing the brand correctly and making sure they get recognised for their relationship with the brand.

The key in adopting an omnichannel approach is that luxury brands need to be sure to adhere to the same standards both online and offline. More importantly, this means the level of service on both channels should reflect each other. A luxury brand has to adopt an omnichannel retail strategy to provide a “seamless” shopping experience, which leads to a higher customer satisfaction, ultimately resulting in higher brand equity.

### **6.3 Future of digital in omnichannel retailing**

Once full integration is achieved, luxury brands will be able to focus on innovating processes and using new digital means to keep enhancing the consumer shopping experience. Consumers are always ready for the next digital invention so luxury brands should be preparing as well. In regards to the future of digital, three trending innovations will be examined: 1) location-based push marketing, 2) creating a “360 degree” customer profile and 3) virtual reality. The former two will be discussed referring to the open questions from the consumer survey. Push notifications have become a common practice for non-luxury brands, so it would be interesting to see whether there it has any potential as a marketing strategy for luxury brands. Push notifications are useful because the

communication originates from the brand automatically, rather than coming from the consumer. It works by sending the notifications to mobile and tablets, even if the device is locked the message will still appear. As for creating a complete customer service, I want to extend on what is already being done by these brands. Luxury brands already have their customer profiles, however digital innovation can have a significant impact on the profiles by making it easier to track and follow their shopping behaviour (both online and offline). Finally, VR is considered due to the recent development in this simulation tool and its early adoption in luxury retail. While this technology is already available, many luxury brands have not realised its usefulness in creating a better shopping experience.

Many view the idea of location-based push notifications as a strategy for non-luxury brands, however it has the potential to offer a more personalised service. As we saw, personalisation is key in providing a luxury service online and in creating a seamless experience. These push notifications allow brands to be in a constant interaction with the consumers, therefore improving the CRM and brand loyalty. Sending personalised messages to consumers will reinforce the relationship; by reminding them the brand is thinking of them. There are very mixed views about receiving these notifications, with over two-thirds still thinking it is very annoying or does not respect privacy. However, many companies already use this location-based tool to inform consumers of current promotions when they are nearby, so why not use it for luxury brands. It can make shopping an easier task if consumers are sent notifications when they are near the store. The service should be adapted to fulfil luxury expectations, instead of promotion, focus more on offering new collection items the customer might like. Similarly, content should not be too “pushy”. They must personalize the notifications to the consumer preferences and when sending them it should be relevant, otherwise they will not pay attention. The frequency of these notifications should also be kept under control, too many notifications are likely to make shoppers annoyed and uninstall the service. For example, consumers should only be notified of items if the store nearby has it in their size otherwise it will not live up to a high quality service, only taking time from consumers lives without being able to offer them the product. Many respondents expressed a need to be able to decide when these notifications can be delivered. If consumers are given the illusion that they are in control of the situation, then luxury brands can use this to their advantage. By allowing consumers to

receive these notifications on “their terms” then they have the possibility of reaching the consumers on their mobiles.

Luxury brands already have customer profiles created to keep up with their preferences and shopping habits, to make the service more personal next time they come into the shop. This idea is a useful tool for CRM and improving the customer experience. The problem is that the service is not yet provided to the same extent online, while a consumer who comes into the shop will have their details saved when they shop online the system will not have their past purchases and details at hand. One of the reasons this is not always done is due to risk of information being hacked or misused; this issue mostly regards credit cards. With the technological advancement, luxury brands should invest in using a security system that will make such breaches impossible. Saving payment preferences can shorten the “clicks to buy”, which will have a positive effect on sales. There is other information on customers that should be stored and available to consumers equally offline and online to make the experience seamless. The responses from the survey show a need for improvement in sizing guides online, a possibility would be for consumers to get measured at the store by the salesperson and for the measurements to be put into an online system so that when shopping online, the sizes will be automatically suggested. Creating a full profile of the consumer that can be accessed digitally and manually is important to make the consumer feel as if you know their behaviour and can predict it to ease the shopping experience. This profile will also help segment your consumers to be able to deliver a personalised message for marketing purposes (such as sending appropriate push notifications). If the consumer is using social networks then they can follow what they are saying online about the brand and make sure to respond in a timely manner, this social network activity should also be included in the profile. Digital tools facilitate a luxury brand’s ability to understand their individual customers needs and by creating a complete profile, they will be able to improve the relationship to retain the consumers’ loyalty.

The next big innovation available for luxury brands to improve the consumer experience is virtual reality or augmented reality. What is most interesting is that VR already adheres to the standards of a luxury image due to its rich visuals. Although VR is has gained initial



traction (such as Dior Eyes), there is still a need for luxury brands to develop its mainstream application.

*Faithful to the superb quality craftsmanship for which its couture workshops are renowned, Dior conceived Dior Eyes, an ultra-immersive virtual reality headset packed with state-of-the-art technology. The headset is equipped with high-definition image resolution and integrated holophonic audio, creating a 3D immersion into the backstage world at a fashion show, including the sensation of 360° vision, letting visitors move about in the virtual universe (LVMH News, June 2015).*

Virtual reality will allow for a significant improvement in the user experience especially online (mobile and website) to assist in consumer visualization. In fact, consumers are already expecting luxury brands to use this; one of the suggestions made is to provide a virtual image of them on the e-commerce to get a better idea of the fit of the clothes. If consumers were able to view the products in 3D and to play around with outfits and accessories to create complete looks, while being able to view it on a virtual model of themselves, it would imitate the feeling of an offline shopping experience. This feeling leads to a higher potential for sales, as consumers will be able to identify themselves wearing the clothes and make it more appealing. Once again, the overall improvement this can have on customer satisfaction will result in brand loyalty and increase the brand equity. VR also has the potential to be used in stores. For example, luxury brands can install a screen in the changing room where VR will allow consumers to choose different outfits and a call button to ask a sales person to bring in those clothes for them to try it on. Therefore, luxury brands should invest in research to come up with useful application of VR in all channels.

The big challenge for luxury brands in the near future is a result of the speed at which digital innovations are taking place; that is being able **to accept and embrace digital means** to enhance the consumer experience. Luxury brands need to invest more time, talent and money in trying to create new applications of technology for two main purposes. The first is to be able to fully integrate offline and online channels (in terms of design, distribution, sales and support) to create an omnichannel experience, and secondly to improve their CRM.

# 7. Conclusion

---

## 7.1 Putting into perspective

Despite the fact that consumers still express a preference for offline shopping, the importance of online cannot be denied. Online sales represent the largest opportunity for growth in the luxury market; moreover, almost half of luxury sales are now being influenced, in one way or another, by online content. Therefore, it is still surprising that luxury brands are lagging behind when it comes to providing an omnichannel approach. Although most consumers are satisfied with the online experience of luxury brands, there is still room for improvement. The most common reason for dissatisfaction is a lack of customer assistance, information regarding prices and sizes, and channel integration. I have outlined the best uses for each social network, and identified the common gaps that luxury brands need to close. In the first stages, to create awareness and during consideration, the website, YouTube, Pinterest and Instagram are most useful. In the evaluation phase, blogs and e-commerce, the latter is also used for purchasing. In the post-purchase service, Twitter and Facebook and in the last stages for loyalty and advocacy, apps, websites and personal social media accounts will come into play. The biggest issue for luxury brands using social networks is the lack of content differentiation among them. They have not developed a proper strategy for each network and as a result are not producing the most effective content.

Looking at the findings in the research and the analysis on how to approach the use of digital channels, it can be established that there are eight important practices that stand out. Luxury brands should pay close attention and try to follow these guidelines as they prove to be useful in more than one way. These are the following:

1. All information should be the same across channels
2. Clear and distinct goals for each social network (weighed by importance)
3. Higher transparency
4. Integrate inventory management

5. Improve pre and post-sales assistance online
6. Personalize the shopping experience
7. Track online activity concerning the luxury brand
8. Embrace digital innovation

All of these practices have one thing in common; they aim to improve the omnichannel consumer experience. The online improvements will focus on enhancing the user experience, that which consumers experience when visiting the website or when interacting with a brand online. Those of integration will try to make the experience seamless by offering a parallel service both offline and online. However, none of these practices are useful without considering CRM. Luxury brands should not be afraid to embrace the use of digital for social CRM purposes, especially as they need to catch up with omnichannel consumers. If a luxury brand can view the potential of integrating more digital into the shopping experience, they will be able to improve the customer relationship by being able to reach them anywhere, anytime.

Thinking ahead is key for luxury brands. Though very few are preparing for digital innovation, this does not make it acceptable. Luxury consumers expect the best service from these brands and if they keep lagging behind in the digital sphere, the satisfaction level will drop. One of the most logical strategies is to use virtual reality. This can provide numerous improvements in creating an omnichannel shopping experience, both through integration in physical and online stores. While not as promising, luxury brands should also consider push notifications to personalise the shopping experience. However, luxury brands will also need to adapt to the future of social networks, for example Pinterest and Instagram are already testing 'shop now' buttons to promote impulse purchases.

The general aim of creating a great shopping experience is to turn the unknown into the known, the known into customers, and finally customers into advocates- ensuring a long lasting customer relationship and value for the company.

## 7.2 Managerial Implications

The aim of this paper is to understand the best practices of digital touchpoints by luxury brands in providing a seamless omnichannel experience for the consumer. In order to understand how the three models developed, (1) online touchpoints in the Consumer Based Brand Equity, (2) online touchpoints in the Consumer Decision Journey and (3) the New Consumer Decision Journey, can be used for managerial purposes, a few proposals are made.

In order for luxury brands to come up with an effective online strategy, they must first understand their consumers and their new shopping habits. The importance of social CRM for luxury brands has been established. One reason luxury brands tend to gather customer information to create individual profiles is to offer a personalised service. With new, digital tools making data collection easier and more extensive, there is a need for skills to analyse the data. Companies can use these strategies to gather data on their consumers and thereby enhance their ability to manage consumer relationships (Haenlein, Malthouse, Wege, Skiera, & Zhang, 2013). The ability to process unstructured data can improve CRM programs in many ways. Comments in social media can produce insights regarding new products, unanticipated benefits or uses of existing products, more effective ways of positioning a product, and better ways to segment existing customers (ibid.). Therefore, luxury brands should invest resources in analytic tools and in hiring employees with the expertise to use it. The skillset of a data scientist includes, in addition to a fundamental comprehension of social media tools, a specific balance of three types of intelligence: scientific, interpretive, and business (Davenport & Patil, 2012). Once raw data has been processed and generated useful information, the company will know more details on the consumer behaviour and preferences. This requires the data scientists knowing what data should be gathered to produce this information in the first hand. The CBBE pyramid can be used to understand what data should be gathered from each social network, and what questions should be asked to do so. Integrating data analytics with CRM can improve the customer profiling and lead to better insights, to know where adjustments should be made.

Following the employment of big data analytics to improve CRM, the company should focus on adopting the right digital strategy. This digital strategy will vary for each brand. To come up with a successful one, the marketing division should start by using the data analytics to get insight on the consumer behaviour online. Once the marketing team identifies what the goal is at every touchpoint, they can come up with channel-specific content. These goals are highlighted in the second model provided- online touchpoints in the consumer decision journey. The model serves as a guide for the marketing team to create purpose-specific content. Rather than post the same content on all social networks, the companies need to realise the potential of each channel and generate different content. If the marketing team has the knowledge and expertise to use social networks, then they are able to produce content that not only fits to the channel, but also produces most effective results through engagement. Engaging content is key during the service and loyalty loop phase (new consumer decision journey model). The content of social-media posts revealed that luxury shoppers use different social networks for different reasons. Thus, brands should develop a social media strategy that aligns with the way luxury consumers use the various social networks (Dauriz, Michetti, Sandri, & Zocchi, 2014).

The new affluent consumer decision journey shows a clear, continuous process where consumers can decide to engage with the luxury brand both online and offline. This implies that luxury brands should be ready to interact with them at any touchpoint throughout the journey. The final step to use this model is for management to integrate all operations in the company; this includes supply chain, inventory, marketing, sales and after-sales support. A luxury brand will not be able to offer a top quality service unless all of their operations are integrated; as long as there are silos they are unable to become omnichannel. Many consumers still express a discontent in the lack of channel integration. Thus, the company should tear down the silos to make room for tighter cross-channel integration. Only once a luxury brand can successfully integrate their offline and online channels, can they develop a one-to-one relationship with the consumer and be truly omnichannel.

### 7.3 Further research

Even though the online touchpoints and decision journey models created is based on up-to-date research from both the consumer and company perspective, there are a few aspects that should be considered for its validity and future research.

The paper was researched using an inductive approach, meaning general findings from numerous luxury brands were analysed to find a pattern. However, it would be interesting to check whether a deductive approach would yield different results. For example, giving these models for luxury brands to use in the omnichannel strategy and view the effects it may have on their brand equity. It may be that during its application there are certain factors that were not considered in the model and may need to be adjusted to produce a more accurate or effective model.

The most evident limitation is subjectivity, as this paper was written based on my own interpretation of the results from the surveys and how I understood luxury brands to be using digital networks for certain goals. The time frame only allowed me to gather 141 respondents to the survey, making the generalization somewhat restricted. The respondent sample consisted mostly of young consumers from Europe and America. It would be necessary to get more responses and have a larger sample from luxury consumers to review the applicability of the results. In addition to this, the fact that I was unable to get luxury brand employees to participate in an interview due to disclosure motives made the research more complex. To check whether my understanding of their online strategy is correct, contacting the luxury companies and asking them whether this is true could confirm it.

In regards to the geographical scope of the research, this may also play an important factor in the results. While the research focused on Western culture (more specifically, people who live in Europe), it may not be applicable to Eastern ones. The consumers were mostly from Western cultures, as were the luxury brand online channels that were taken into consideration. Consumer behaviour may have a significant difference in Eastern cultures or depending on the age group, more studies to compare the different online behaviour could be valuable. For example, it was pointed out that affluent Chinese consumer tend to be more digital than any other. Likewise, many luxury brands will adapt

the communication strategy according to the geographical target. So while the models may be applicable to luxury brands in European countries, additional research should be done to adjust the model to fit other markets such as Asia. The Asian market is especially interesting as the affluent consumer group is gaining significant purchasing power.

Moreover, the models presented give an overview of the most common social networks that luxury brands are using in the communication strategy. The models present only the goal of the specific touchpoint and state how content should be created in accordance to these. However, there are several other online touchpoints that were not considered in the model and may play an important role. For example, more research into other online means such as e-mails and newsletters could be interesting to understand how the content differs. As for those considered, a deeper analysis into the strategy used for the individual social network may give more insightful information to develop a specific strategy. Thus, the specifics of the content can be presented to come up with a step-by-step guide to increase the brand loyalty through engagement (i.e. frequency of post, the colour palette, effective use of words).

Similarly, while this paper specifies a need to integrate the retail operations it does not offer a strategy to do this. In order to look into how a company should go about integration, more research is necessary to address the issue. It would be crucial to investigate how companies can get rid of silos in the least disruptive way possible to be able to come up with integrated processes. In this aspect, it would also be essential for companies to come up with a rewards system to encourage successful cross-channel integration.

Furthermore, while the results may be applicable to the current social networks and their functions it may soon vary considering the pace at which they are changing. "The changes in terms of the consumer journey and business-model economics that digital has introduced makes it a board of directors issue, because ultimately, the board is charged with protecting value and equity creation for shareholders... And often, in the world of digital, we see value creation and value destruction at speeds and scales which are relatively unprecedented in human history" (Scanlan, 2015). More generally speaking, what may be valid today may not be tomorrow. I mentioned that Instagram is already testing a "purchase" button, and this could affect the way brands use it in the near future.

Therefore, there is a need for constant research to understand how luxury brands can prepare to make the best use of digital innovations.

While the research is specific to luxury brands, the general findings could be useful for other retail companies. It may be necessary to investigate how different retail types may use social networks to adjust the models to fit their goals. In fact, the model may even be extended to companies from other sectors (i.e. FMCG) as long as previous research can be carried out to test the validity of the models.

The models derived from the online touchpoints and their role in enhancing the consumer experience may provide an initial guide for luxury brands wanting to adopt an omnichannel approach. However, there is still a lot of opportunity for further research to complete the models and make adjustments to fit new markets. I hope it can provide a basis to motivate new research in the area and inspire luxury brands to let go of the fear of being online.



# Bibliography

The American Association of Advertising Agencies. (n.d.).

Abrams Research. (2011). *Social Media Guide for Luxury Brands*. Abrams Research.  
Accenture. (2013). *Profit distribution in omni-channel retail*. Milan: Accenture Interactive.

Bain & Company and Fondazione Altagamma. (2014). *Luxury Goods Worldwide Market Report*.

Bendoly, E., Blocher, J. D., Bretthauer, K. M., Krishnan, S., & Venkataramanan, M. (2005). Online/In-Store Integration and Customer Retention. *Journal of Service Research* , 7 (4), 313–327.

Berger, P. L., & Luckmann, T. (1966). *The social construction of reality*. Middlesex: Penguin Books.

Berghaus, B., & Heinea, K. (2014). Luxury goes digital: how to tackle the digital luxury brand–consumer touchpoints. *Journal of Global Fashion Marketing: Bridging Fashion and Marketing* , 223-234.

Bryman, A., & Burgess, R. G. (2002). *Analyzing qualitative data*. London: Taylor & Francis Group.

Carroll, D., & Guzmán, I. (2013). *The New Omni-Channel Approach to Serving Customers*. Accenture.

Court, D., Elzinga, D., Mulder, S., & Jørgen Vetvik, O. (2009). The consumer decision journey. *McKinsey Quarterly* , 3.

Dall'Olmo, F., & Lacroix, R. C. (2003). Luxury branding on the internet: lost opportunity or impossibility? *Marketing Intelligence & Planning* , 21, 96-104.

D'Arpizio, C., & Levato, F. (2014). *Lens on the worldwide luxury consumer*. Milan: Bain & Company.

Dauriz, L., Michetti, A., Sandri, N., & Zocchi, A. (2014). *Digital Luxury Experience 2013: Keeping up with changing customers*. McKinsey & Company, Inc.

Davenport, T. H., & Patil, D. (2012). Data Scientist: The Sexiest Job of the 21st Century. *Harvard Business Review* , 70–76.

De Pelsmacker, P., Geuens, M., & Van den Bergh, J. (2010). *Marketing Communications*. Harlow: Pearson Education Limited.

Doran, S. (2014, December 15). *Understanding the Digital Luxury Consumer*. Retrieved February 19, 2015, from Luxury Society:  
<http://luxurysociety.com/articles/2014/12/understanding-the-digital-luxury-consumer>

Estill, E. (2015, February 4). *Recommendations for Digital Luxury Marketing in 2015*. Retrieved February 19, 2015, from Luxury Society :  
<http://luxurysociety.com/articles/2015/02/recommendations-for-digital-luxury-marketing-in-2015>

Exane BNP Paribas, ContactLab. (2014). *The Digital Frontier: Ready? Steady! Go!* London.

Fowler, F. J. (2009). *Survey Research Methods* (Vol. 4). Thousand Oaks: Sage Publications, Inc.

Haenlein, M., Malthouse, E., Wege, E., Skiera, B., & Zhang, M. (2013). Managing Customer Relationships in the Social Media Era: Introducing the Social CRM House. *Journal of Interactive Marketing* , 270-280.

Heine, K. (2010). The personality of luxury fashion brands. *Journal of Global Fashion Marketing* , 1 (3), 154–163.

Herhausen, D., Binder, J., Schoegel, M., & Herrmann, A. (2015, January 22). Integrating Bricks with Clicks: Retailer-Level and Channel-Level Outcomes of Online–Offline Channel Integration. *Journal of Retailing* .

Ipsos Media CT. (2014). *How Affluent Shoppers Buy Luxury Goods: A Global View*. Google Inc.

Jay H. Baker Retailing Center. (2011). *Future of Brand Building and Brand Experience: The Blurring Boundaries between Advertising and Retailing*. University of Pennsylvania,

The Wharton School. Pennsylvania: Jay H. Baker Retailing Center.

Jill, A., Steenburgh, T. J., Deighton , J., & Caravella, M. (2012). Adding Bricks to Clicks: Predicting the Patterns of Cross-Channel Elasticities Over Time. *Journal of Marketing* , 76 (5), 96–111.

Kapferer , J.-N., & Bastien, V. (2009). *The luxury strategy : break the rules of marketing to build luxury brands*. London: Kogan Page Limited.

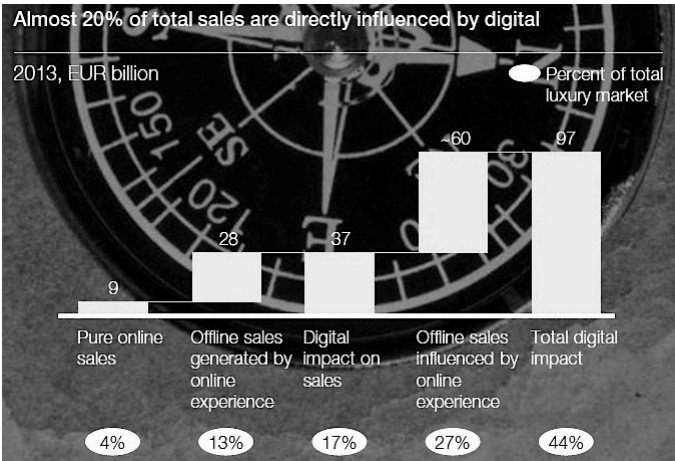
Kapferer, J.-N., & Doran, S. (2013, April 22). *The New Luxury is Luxury For All, Suggests Jean-Noël Kapferer*. Retrieved February 18, 2015, from Luxury Society:  
<http://luxurysociety.com/articles/2013/04/the-new-luxury-is-luxury-for-all-suggests-jean-noel-kapferer>

Keller Lane, K. (2013). *Strategic Brand Management: Building, Measuring and Managing Brand Equity*. Harlow: Pearson Education Limited.

- Krueger, B., & Best, S. (2004). *Internet Data Collection*. Thousand Oaks: Sage Publications, Inc.
- McKinsey/Altagamma. (2015). *Digital Luxury Experience Report 2015*. McKinsey & Company.
- Nunes, P. F., Schunck, O., & Wollan, R. E. (2012). Serving the nonstop customer. *The journal of high-performance business*.
- Pulido, A., Stone, D., & Strevel, J. (2014, March). *McKinsey&Company*. Retrieved March 9, 2015, from The three Cs of customer satisfaction: Consistency, consistency, consistency:  
[http://www.mckinsey.com/insights/consumer\\_and\\_retail/the\\_three\\_cs\\_of\\_customer\\_satisfaction\\_consistency\\_consistency\\_consistency](http://www.mckinsey.com/insights/consumer_and_retail/the_three_cs_of_customer_satisfaction_consistency_consistency_consistency)
- Roussel, P.-Y. (2014). The business of creating desire. (O. Sibony, & T. Tochtermann, Interviewers)
- Schwandt, T. A. (2005). Three Epistemological Stances for Qualitative Enquiry. In *Handbook of Qualitative Research* (pp. 189-213). New Delhi: Sage Publications, Inc.
- Stocker, M. (2014, April 1). *The Definition of Omni-Channel Marketing – Plus 7 Tips*. Retrieved April 2015, from Marketo Blog : <http://blog.marketo.com/2014/04/the-definition-of-omni-channel-marketing-plus-7-tips.html>
- Szlemko, W., & Benfield, J. (2006). Internet-Based Data Collection: Promises and Realities. *Journal of Research Practice*.
- The Boston Consulting Group, Inc. (2014, January). Shock of the New Chic: Dealing with New Complexity in the Business of Luxury. Boston, Massachusetts, United States of America.
- Thomas, D. R. (2006). A General Inductive Approach for Analyzing Qualitative Evaluation Data. *American Journal of Evaluation*, 237-246.
- Tungate, M. (2009). *Luxury World: The Past, Present and Future of Luxury Brands*. London: Kogan Page Limited.
- van Bommel, E., Edelman, D., & Ungerman, K. (2014, June). *McKinsey&Company*. Retrieved March 9, 2015, from Digitizing the consumer decision journey:  
[http://www.mckinsey.com/insights/marketing\\_sales/digitizing\\_the\\_consumer\\_decision\\_journey](http://www.mckinsey.com/insights/marketing_sales/digitizing_the_consumer_decision_journey)
- Verde Nieto, D. (2015). Luxury, Trust & Transparency. *Luxury Society*.

# Appendix A: Figures and tables

Figure 1:



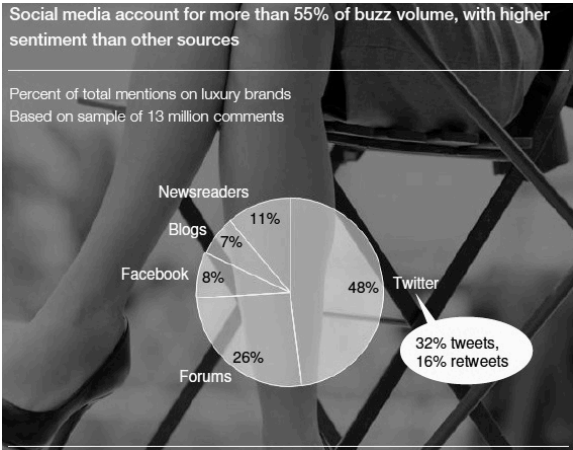
Source: McKinsey, Digital Luxury Experience 2013.

Figure 2:



Source: McKinsey, Digital Luxury Experience 2013.

Figure 3:

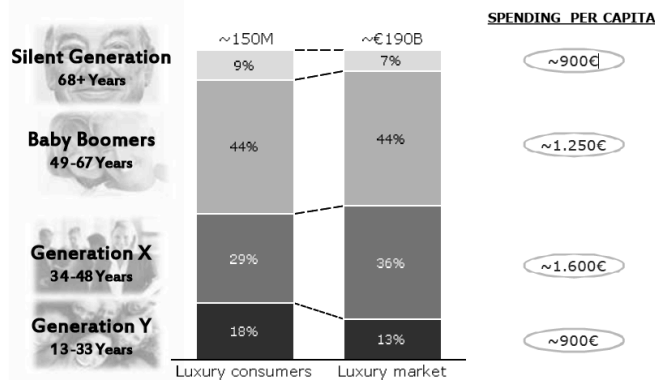


Source: McKinsey, Digital Luxury Experience 2013.

**Figure 4:**

Baby boomers are the *mass* of the market, Generation X, at the top of their careers, the top spenders

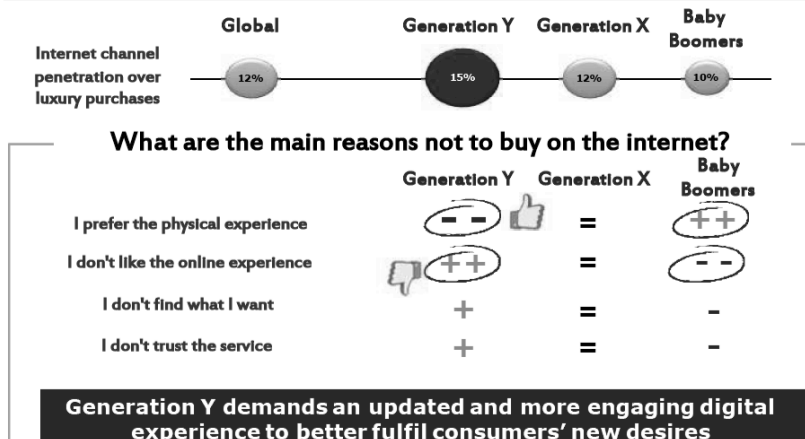
**TRUE LUXURY CONSUMERS DISTRIBUTION AND SPENDING BY GENERATION (2013E)**



Source: Bain & Company (2014)

**Figure 5:**

"Touch and feel" is not a driver for Generation Y, but there are still important gaps perceived in the online experience



Source: Bain & Company (2014)

**Figure 6a:**

**Weekly Time Spent Online by US Affluents\*, by Generation, 2011-2013**

hours

	2011	2012	2013
Millennials (18-31)	40.2	42.4	52.7
Gen X (32-48)	35.6	42.4	42.6
Baby boomers (49-67)	29.4	33.4	35.7
Seniors (68+)	21.8	20.3	26.0
<b>Total</b>	<b>32.8</b>	<b>37.4</b>	<b>41.6</b>

Note: \*household income of \$100,000+

Source: Ipsos MediaCT, "Ipsos Affluent Survey USA," Sep 19, 2013

145830

www.eMarketer.com

Source: Luxury Institute, "WealthSurvey: Q2", April 2014

**Figure 6b:**

**US Affluent Internet Users Who Research Luxury Products/Services Online then Purchase In-Store vs. Research In-Store then Purchase Online, by Generation, Q1 2014**

% of respondents in each group

	Research online, then purchase in-store	Research in-store, then purchase online
Millennials	27%	20%
Gen X	23%	18%
Baby boomers	21%	13%
<b>Total</b>	<b>22%</b>	<b>15%</b>

Note: income of \$150,000+; millennials born 1981-1993; Gen X born 1965-1980; baby boomers born 1946-1964

Source: Luxury Institute, "WealthSurvey: Q2," April 24, 2014

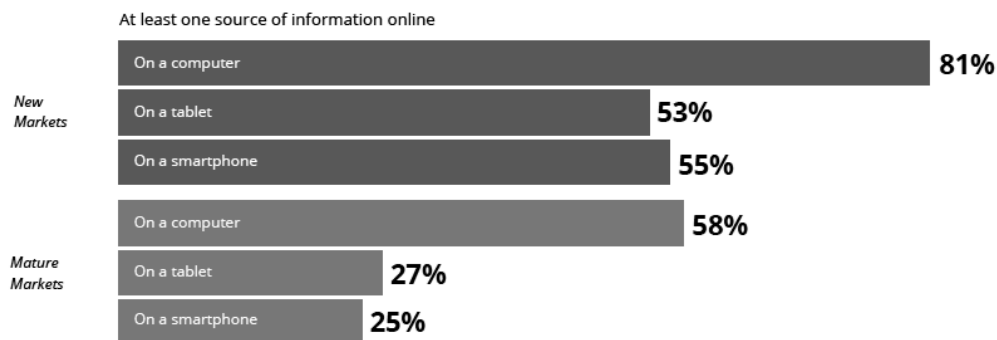
173421

www.eMarketer.com

Source: Luxury Institute, "WealthSurvey: Q2", April 2014

**Figure 7:**

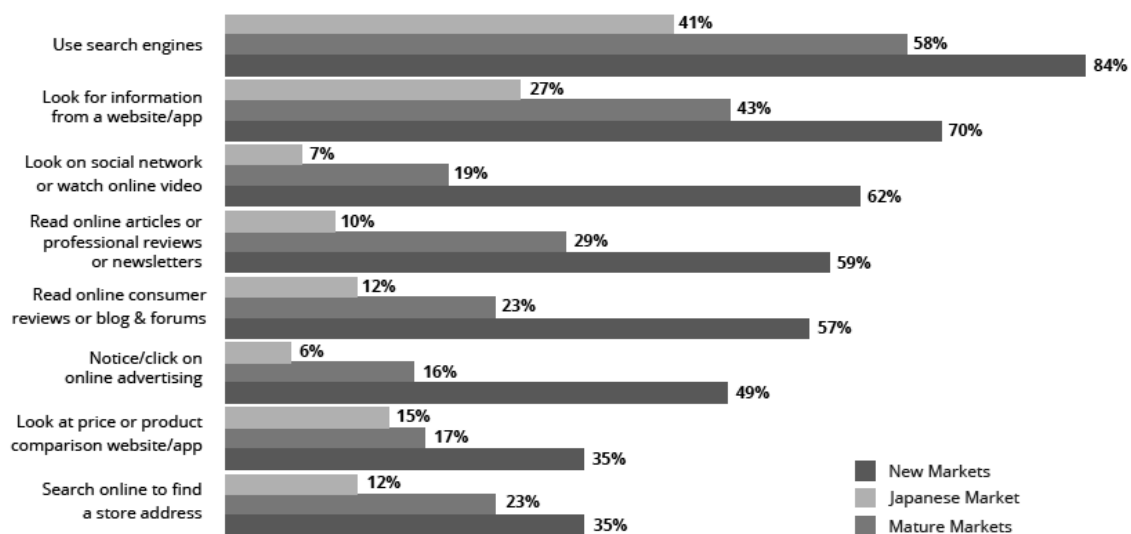
Which devices are used to conduct online research?



Source: (Ipsos Media CT, 2014)

**Figure 8:**

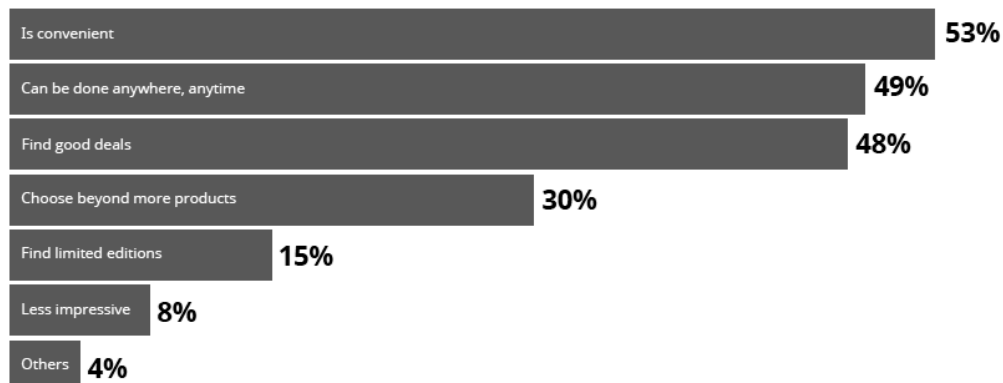
How do luxury purchasers search for information? (Online)



Source: (Ipsos Media CT, 2014)

**Figure 9:**

Main motivations for purchasing online according to the online purchasers



Source: (Ipsos Media CT, 2014)

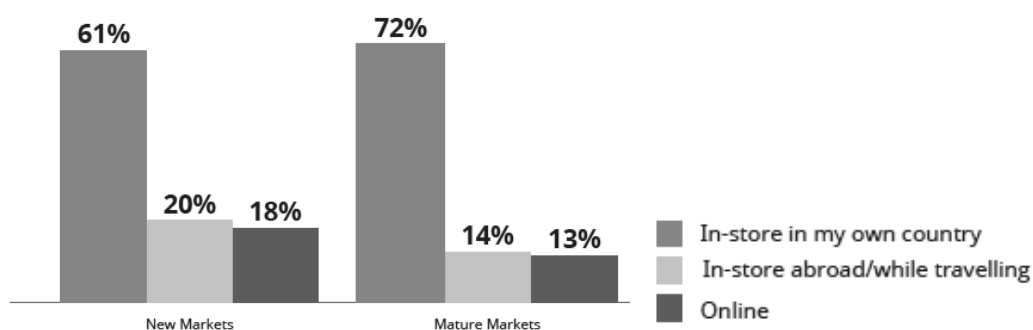
**Figure 10:**

Reasons for not buying online

Reason	%
Could not find what I wanted	40
I like the shopping experience	35
Concerns over security	22
It looked too complicated	15
I need help and advice	13
Conditions of purchase were unclear	11
Like to touch and try	11
Other reasons	55

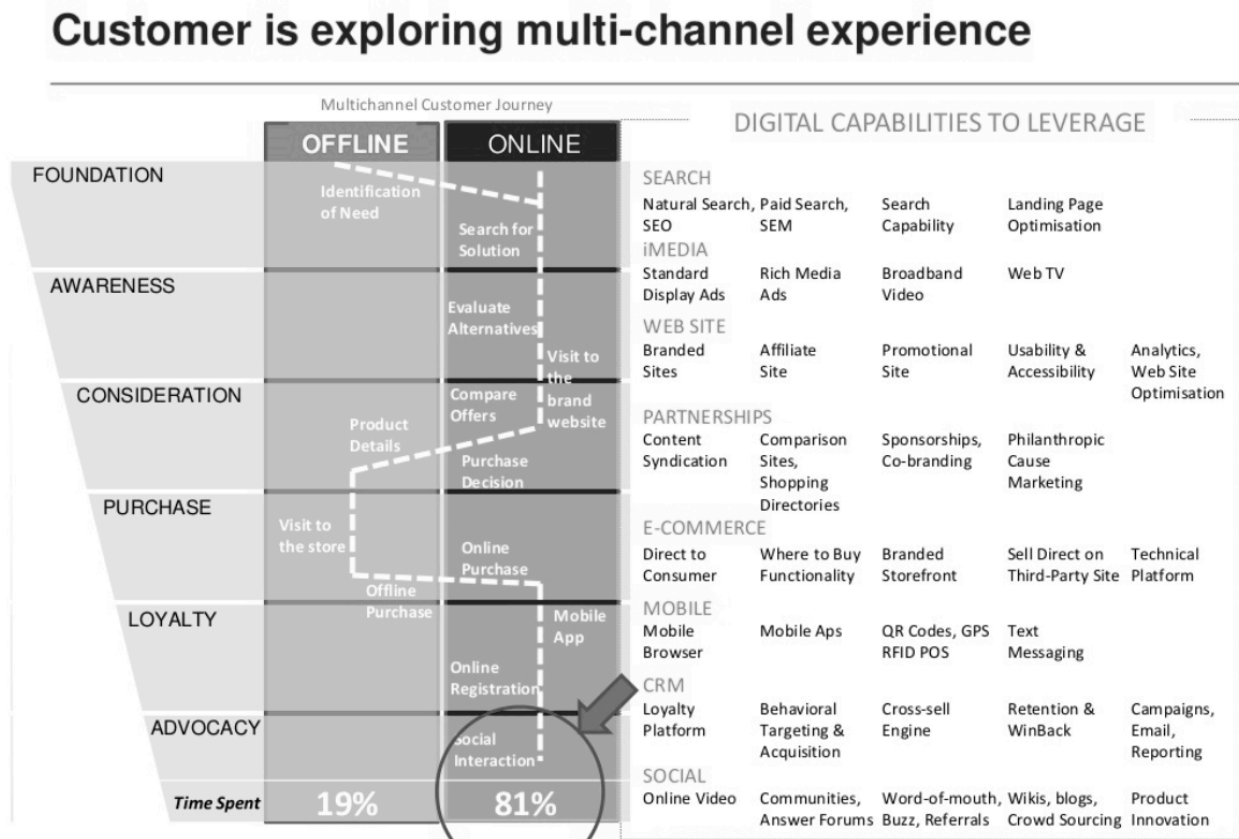
**Figure 11:**

Where do luxury shoppers purchase?



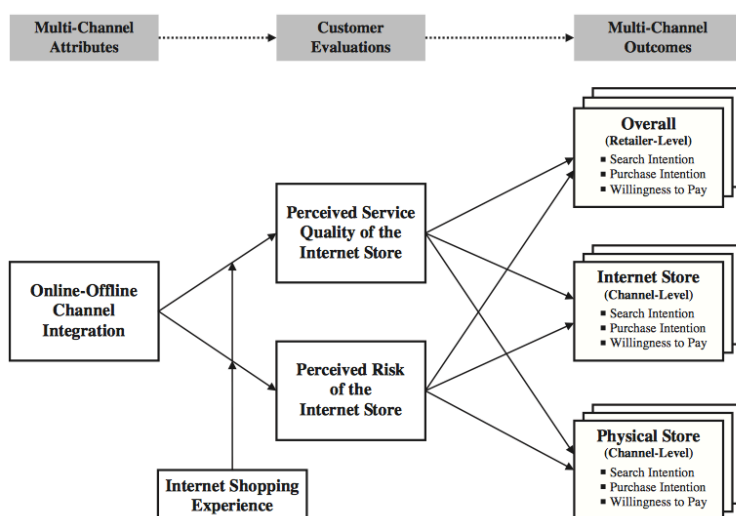
Source: (Ipsos Media CT, 2014)

Figure 12:



Source: Accenture (2013). *Profit distribution in omni-channel retail*

Figure 13:



Source: Herhausen et al. (2015), *Integrating Bricks with Clicks: Retailer-Level and Channel-Level Outcomes of Online–Offline Channel Integration*.



**Table 1:**

	<b>Consumer objectives</b>	<b>Luxury brands objectives</b>
<b>Website</b>	To gather information on products and the brand.	To inform consumers of brand heritage, new collections, events, products/prices. To improve brand loyalty, new strategy is by streaming runway shows.
<b>E-commerce</b>	To make a purchase, but just as much to gather information on products (mostly prices, models, colours...)	To drives sales (offline) by driving consumers to stores. The aim is to keep consumers informed of their selection and prices (to be considered when searching online)
<b>Facebook</b>	To see interesting content (i.e. Pictures), also be part of an online community.	To improve brand awareness (recognition) by featuring visual content such as campaigns, videos, runway collections. To share marketing campaigns.
<b>Twitter</b>	To start a conversation or give feedback.	To keep consumers informed of latest new regarding the brand. To improve brand awareness. (Many similar to Facebook strategy and goals)
<b>Instagram</b>	To see interesting content (i.e. pictures)	To improve brand awareness, higher rate of recall when content is viewed in this platform. To improve brand loyalty, to create marketing campaigns.
<b>Pinterest</b>	To see interesting content (i.e. pictures)	To control brand image, to improve brand awareness and to increase sales (by driving consumers to e-commerce)
<b>Blogs</b>	To get feedback on products, to see interesting content and to get information.	To keep consumers informed (latest news). Prefer to collaborate with bloggers, as consumers trust their opinion is more objective.
<b>Apps</b>	To see interesting content (i.e. pictures) and to get information of products/brand.	To keep consumers informed and to create brand loyalty (by offering game apps related to brand).
<b>YouTube</b>	To see interesting content (i.e. videos).	To create marketing campaigns, to create buzz and to increase sales.

# Appendix B: Consumer survey and results

## Part 1:

### Survey 1:

#### Your opinion on luxury brands and their online presence

This survey is looking to understand how luxury consumers interact with brands online or using digital tools (such as apps). Luxury brands are now adopting an omnichannel strategy, which is a multi-channel strategy that aims to create a seamless shopping experience for consumers, whether they interact online or offline. Luxury brand consumers tend to have higher expectations due to the reputation of these brands, and we want to know whether consumers are satisfied with their digital experience so far.

This research is focusing on luxury brands selling clothing, accessories and shoes (it does not refer to cars or other items). Please keep this in mind when answering the questions.

**Gender\***

- ☐ Female  
☐ Male

**Age\***

- ☐ 20-30  
☐ 30-40  
☐ 40-50  
☐ Above 50

**Nationality\***

**How much money (in Euros) do you spend, on average, per month on luxury products?\***

If you are unable to answer how much, maybe try how many luxury items on average per month you buy.

**Do you have a set of favourite luxury brands or do you switch from one to another constantly?\***

- ☐ Set of luxury brands  
☐ Switch

**Do you carry out research before going into a store regarding the products, prices, sizes, colours, etc.?\***

Do you compare similar items online and make a decision before going to the store?

- ☐ Yes  
☐ No  
☐ Sometimes

**Have you ever bought a luxury product online? \***

- ☐ Yes  
☐ No

**Do you prefer to buy luxury products offline or online? \***

- ☐ Online  
☐ Offline  
☐ Indifferent  
☐ Depends on the product

**What prevents you from buying online?\***

If you haven't bought online in the past, what are the barriers that prevent you from doing so? Please state how much you agree with the question on a scale from "strongly disagree" to "strongly agree"

	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
Lack of touch and feel experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk of entering credit card details online	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A preference to have the product in my hands as soon as I pay for it	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A need of help from a salesperson	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Complication related to returning a product if not satisfied with it	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Preference for an offline shopping experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Luxury brand I buy does not have an online store	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Do you use digital tools or online platforms or tools to interact with the brand?\***

This includes searching online for a store address and contact information.

☐ Yes

☐ No

**How often do you use the following digital platforms to interact with a brand?\***

	Never	Rarely	Sometimes	Often	Always
Facebook	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Twitter	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Instagram	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pinterest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Luxury brand website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Luxury brand e-commerce	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Multi brand e-commerce (i.e. Net-a-porter)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Blogs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Apps	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
YouTube	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For what purpose(s) do you use each digital platform?\***

Does it vary according to what type of information you are looking for or want to share?

	To make a purchase	To get information of products	To get latest news on the luxury brand	To be part of a community	To give feedback	To start a conversation	To see interesting content (i.e. Pictures)	Does not apply
Facebook	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Twitter	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Instagram	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pinterest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Luxury brand website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Luxury brand e-commerce	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Multi brand e-commerce (i.e. Net-a-porter)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Blogs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Apps	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
YouTube	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Are you overall satisfied with the experience online created by your favourite luxury brands? \*

- ☐ Yes
- ☐ Sometimes
- ☐ No
- ☐ Not sure

An omnichannel experience: do you feel the online experience fits well with the brand culture and their physical stores?\*

- ☐ Yes
- ☐ Most of the time
- ☐ Sometimes
- ☐ No

If you answered no to the previous question, could you briefly explain why not?

What would you like to see online or what would you improve, if anything?

Have you thought about what the future is for luxury brands in the online world?\*

One thought could be location based push marketing; the store can track when you are nearby and send you information on new collections or products you might like. Would you like this to happen?

What about having an online profile created of you and your shopping history, tastes, interests and being able to have yourself identified as soon as you step into the store in order to give a more personalised service? \*

- ☐ Yes
- ☐ No
- ☐ Not sure

## Data results from survey

Figure 1:

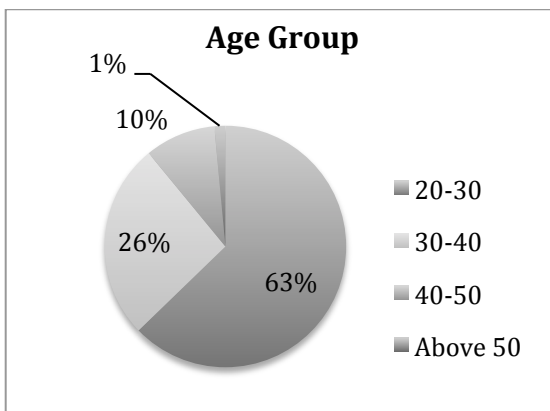
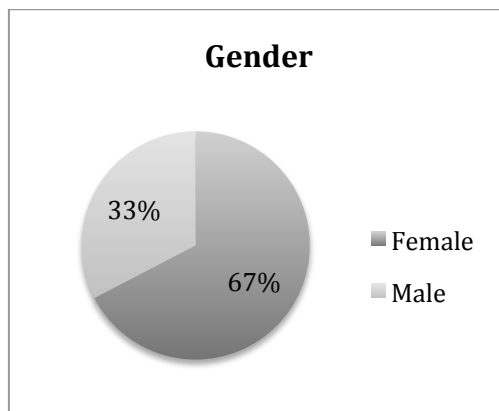
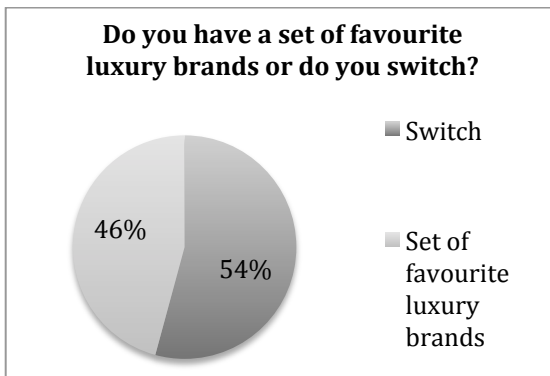


Figure 2:



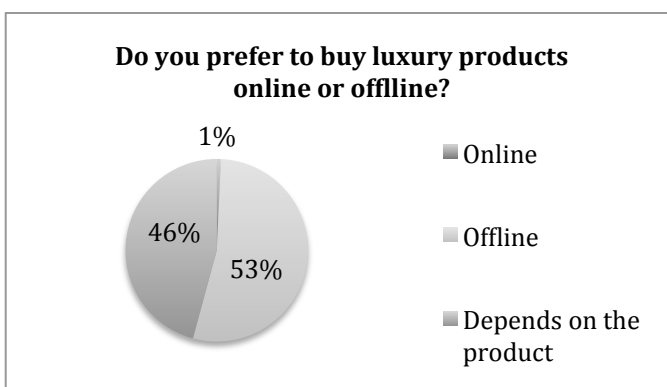
**Figure 3:**



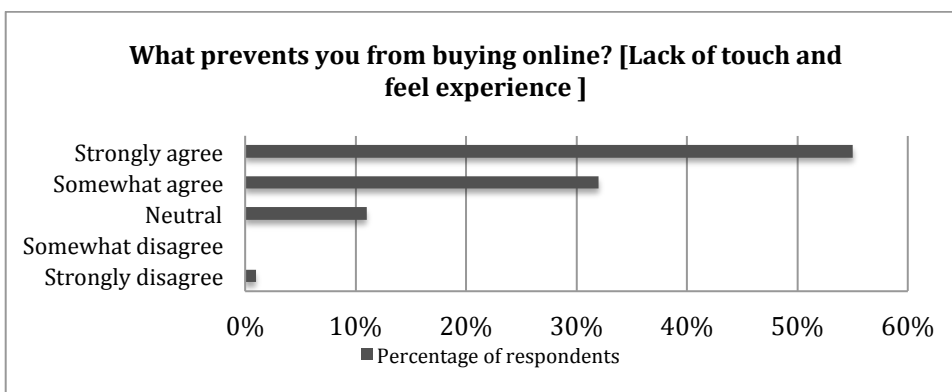
**Figure 4:**



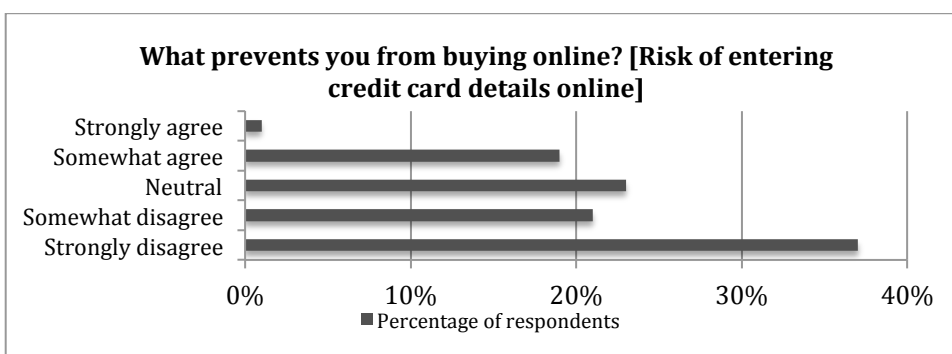
**Figure 5:**



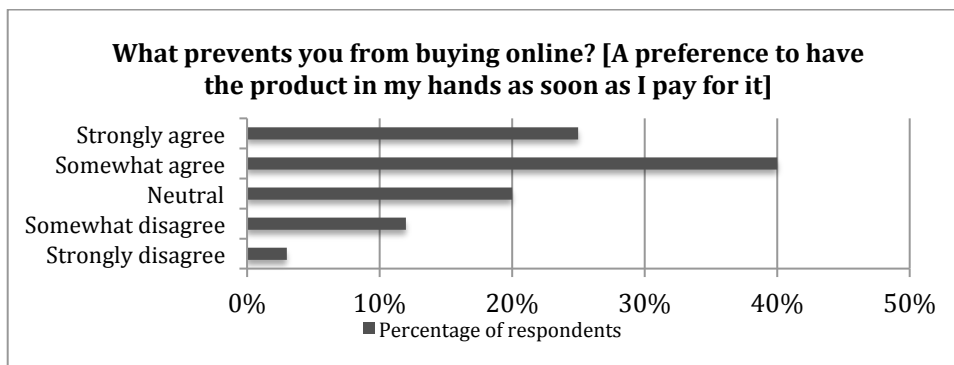
**Figure 6:**



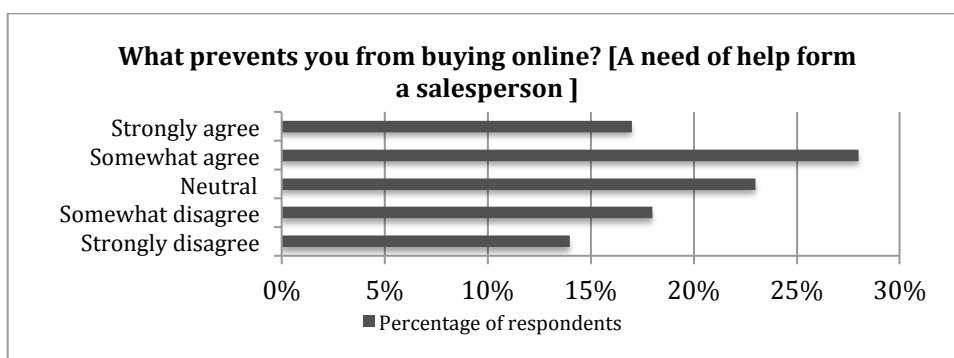
**Figure 7:**



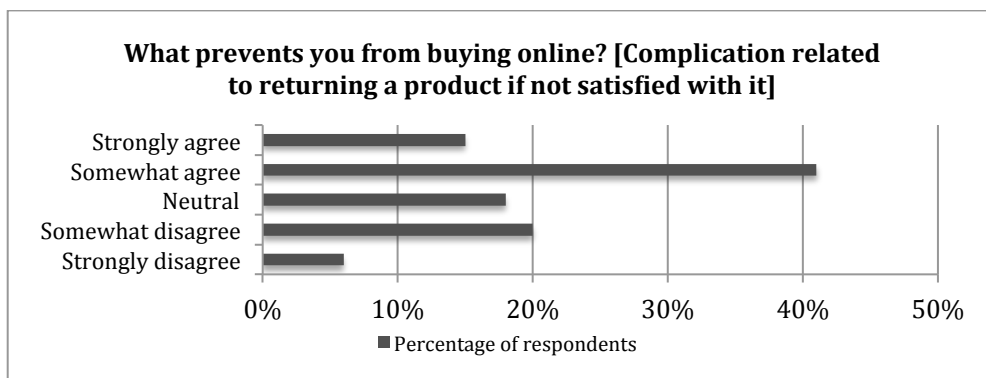
**Figure 8:**



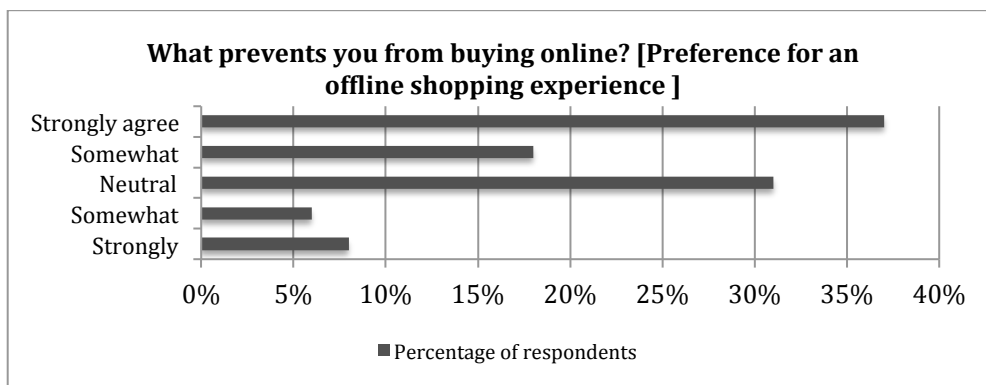
**Figure 9:**



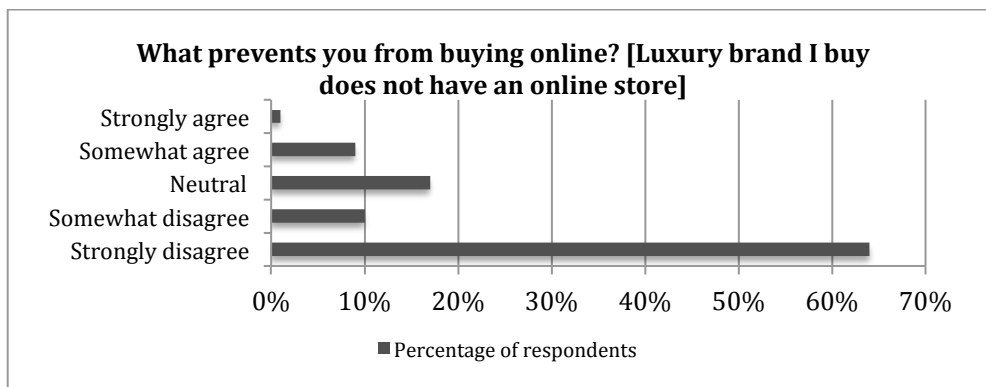
**Figure 10:**



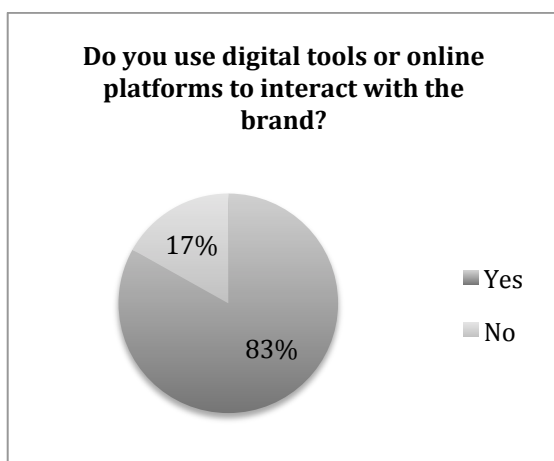
**Figure 11:**



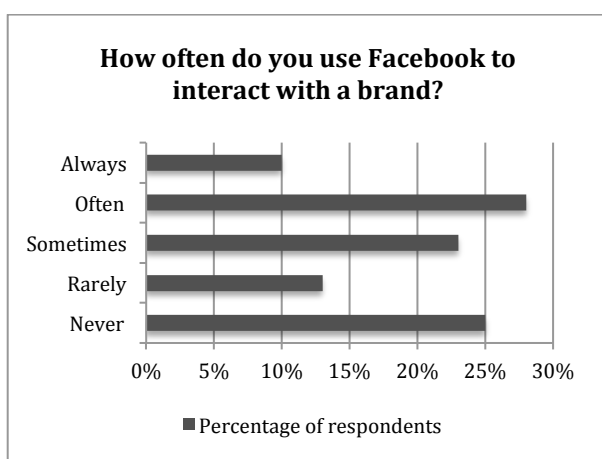
**Figure 12:**



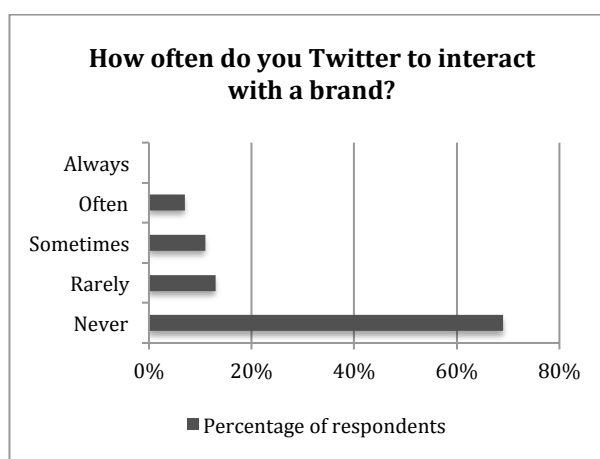
**Figure 13:**



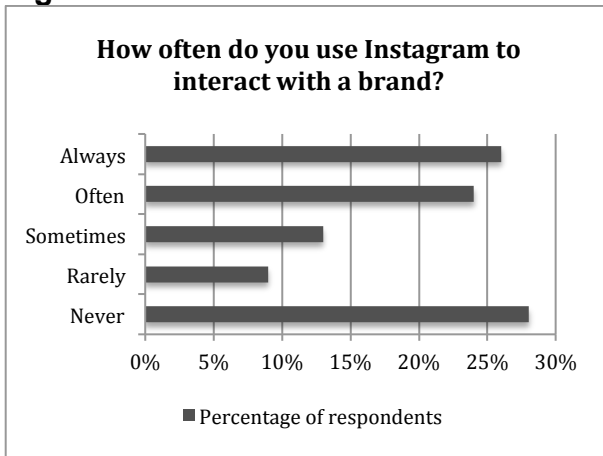
**Figure 14:**



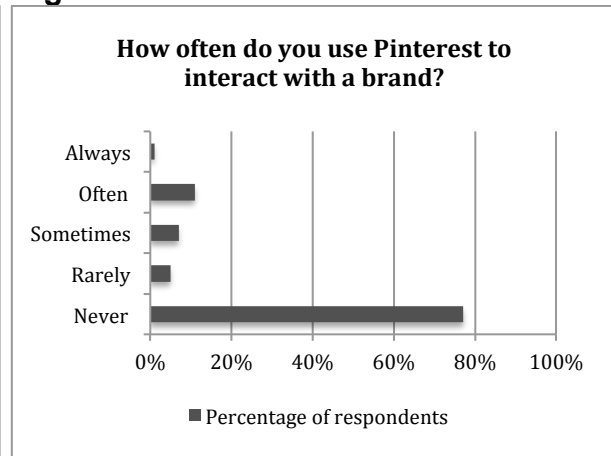
**Figure 15:**



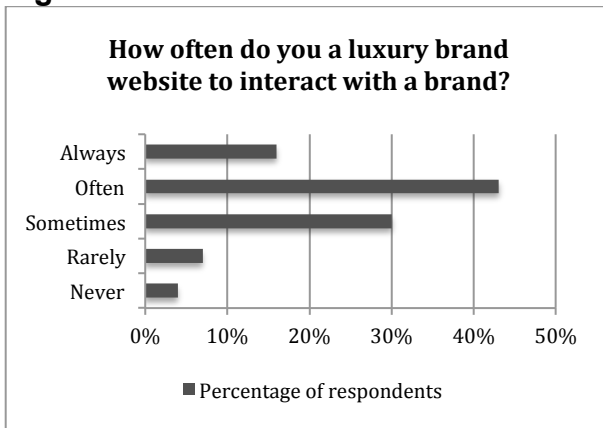
**Figure 16:**



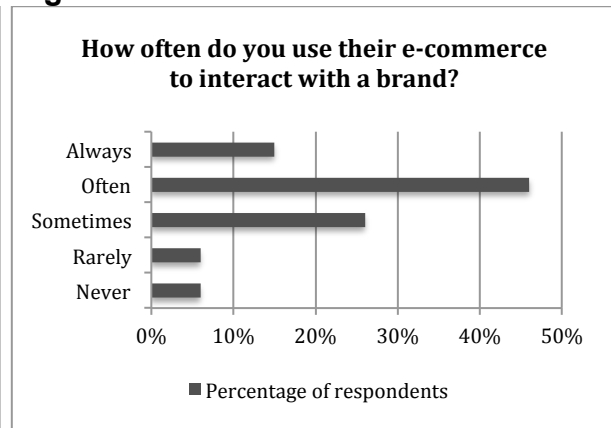
**Figure 17:**



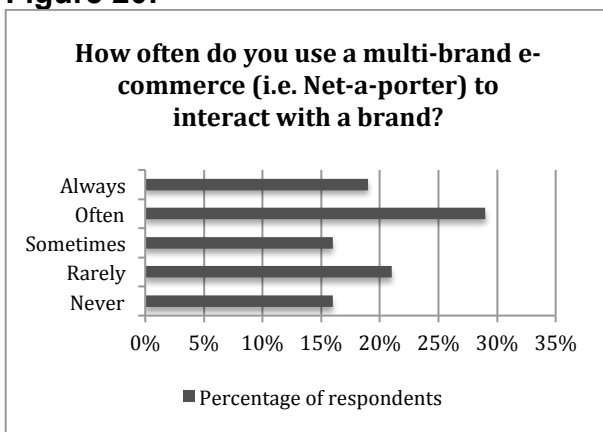
**Figure 18:**



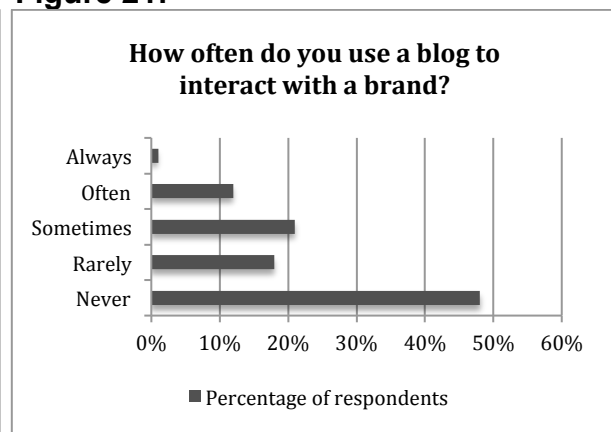
**Figure 19:**



**Figure 20:**

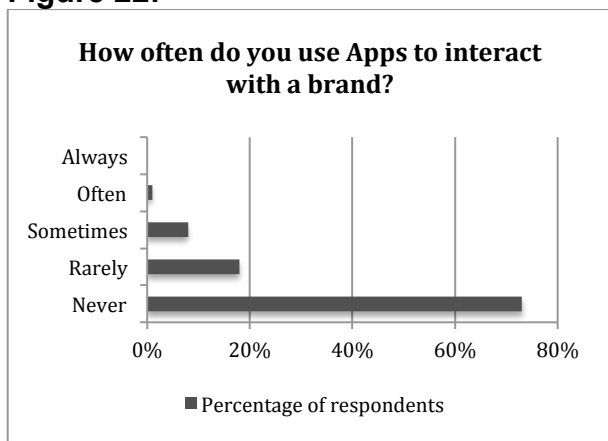


**Figure 21:**

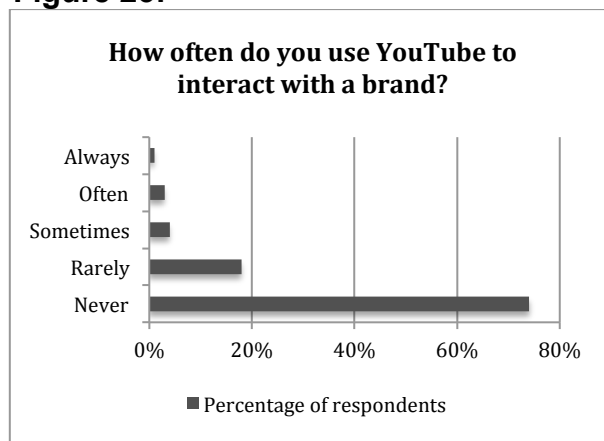




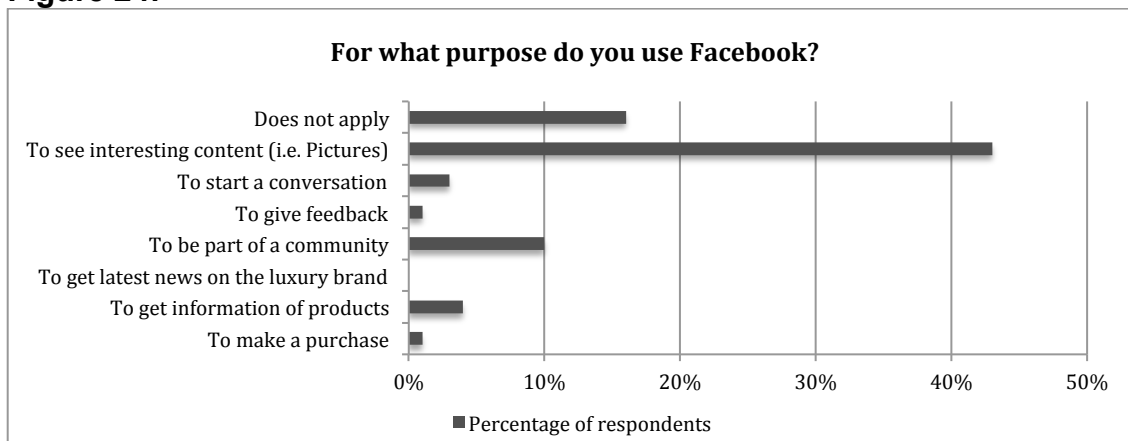
**Figure 22:**



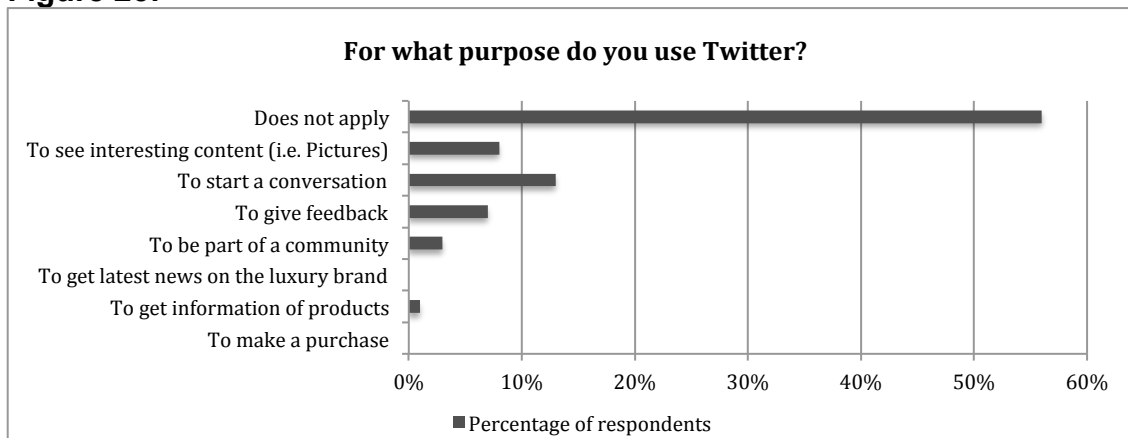
**Figure 23:**



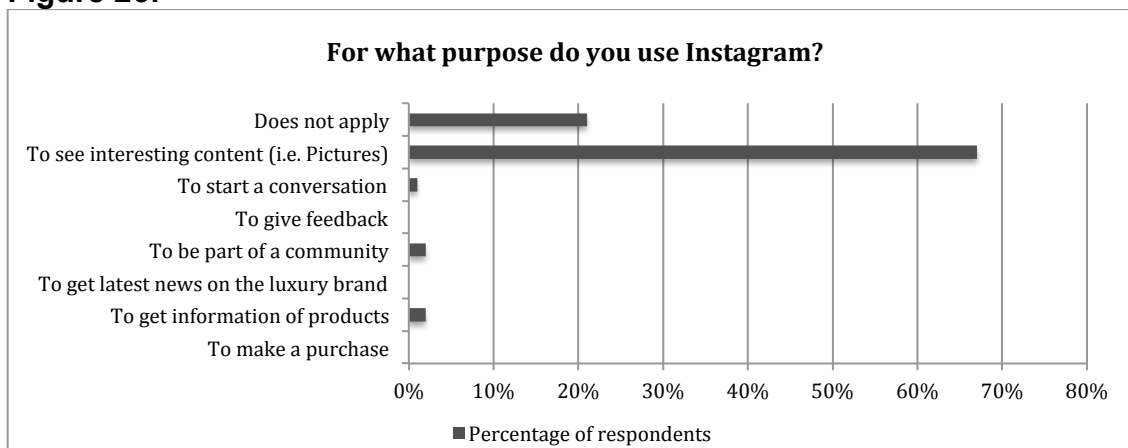
**Figure 24:**



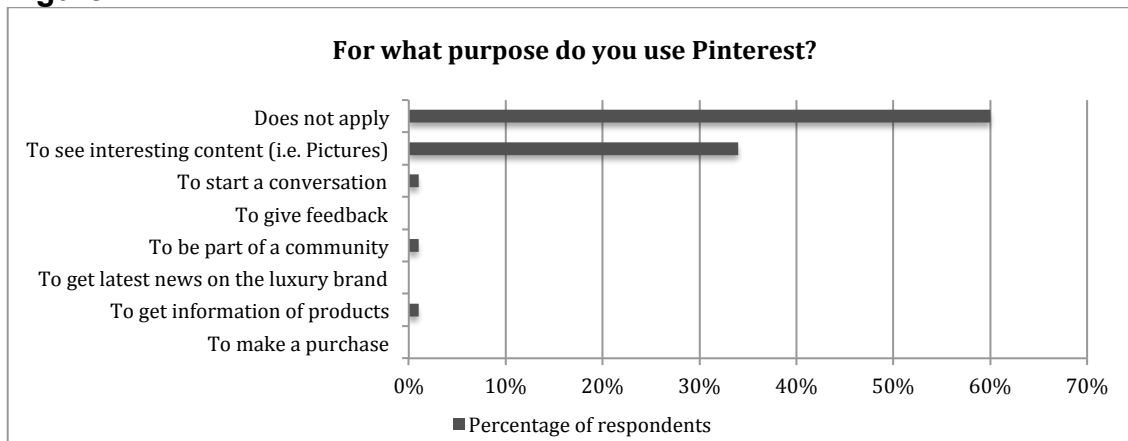
**Figure 25:**



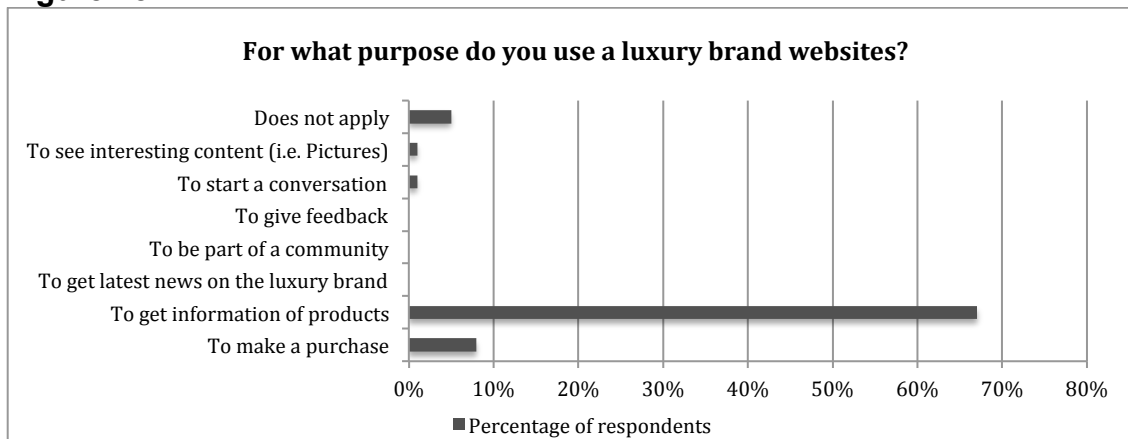
**Figure 26:**



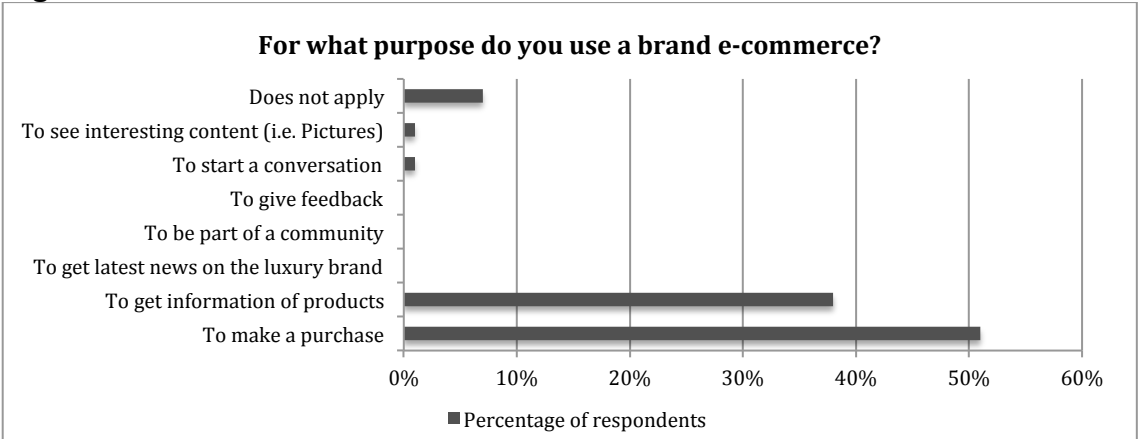
**Figure 27:**



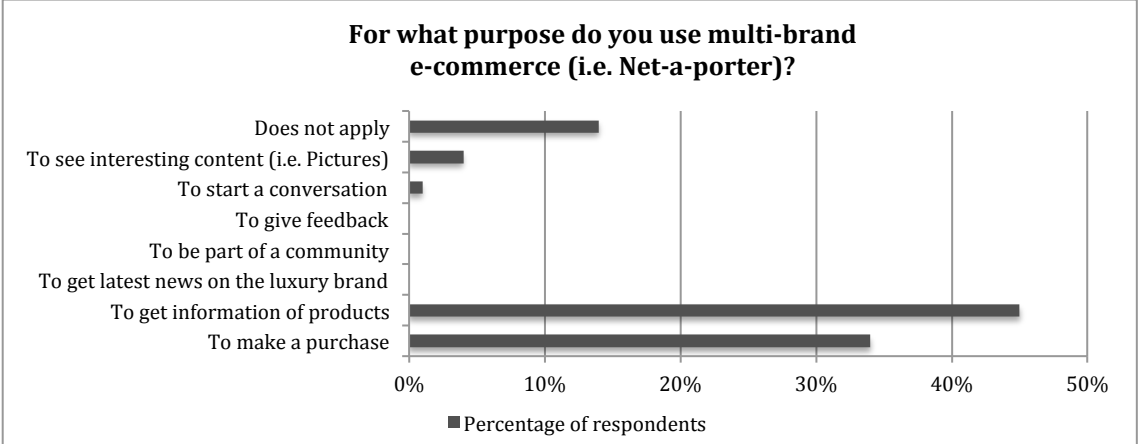
**Figure 28:**



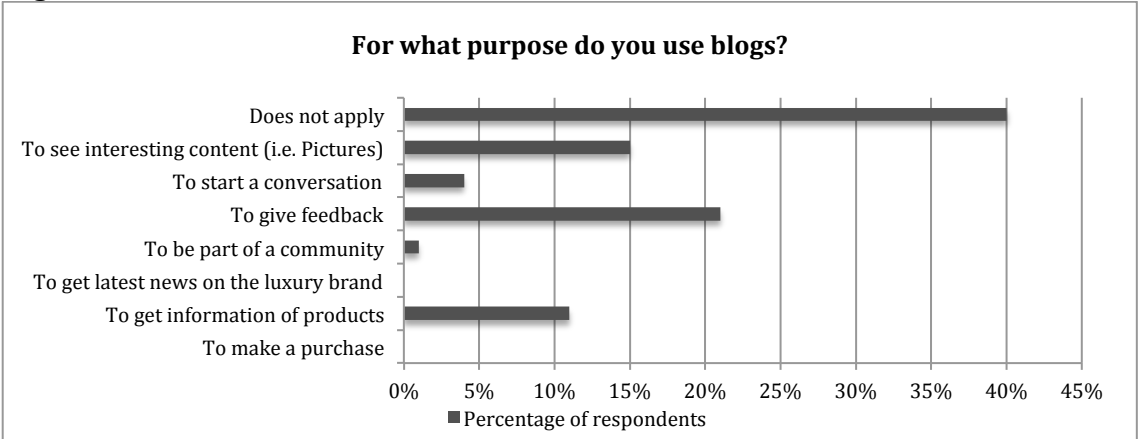
**Figure 29:**



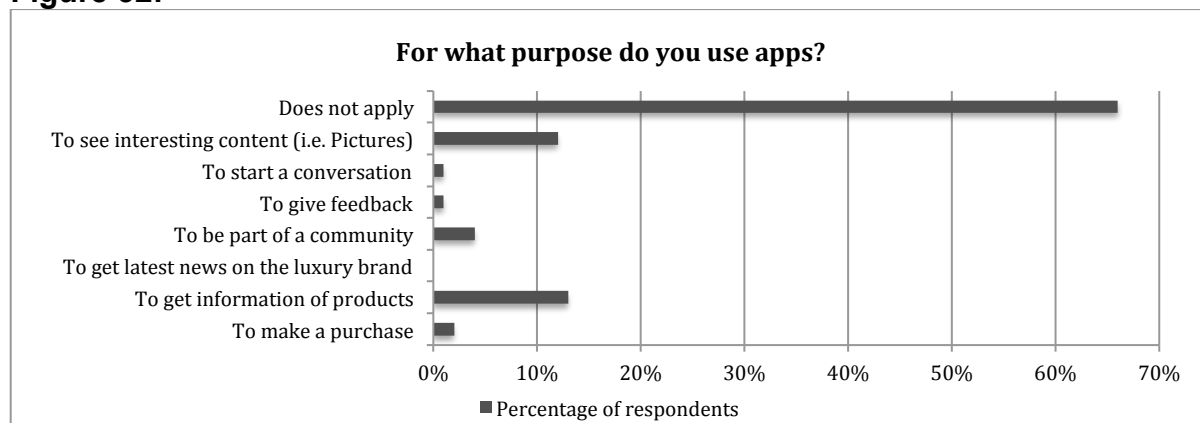
**Figure 30:**



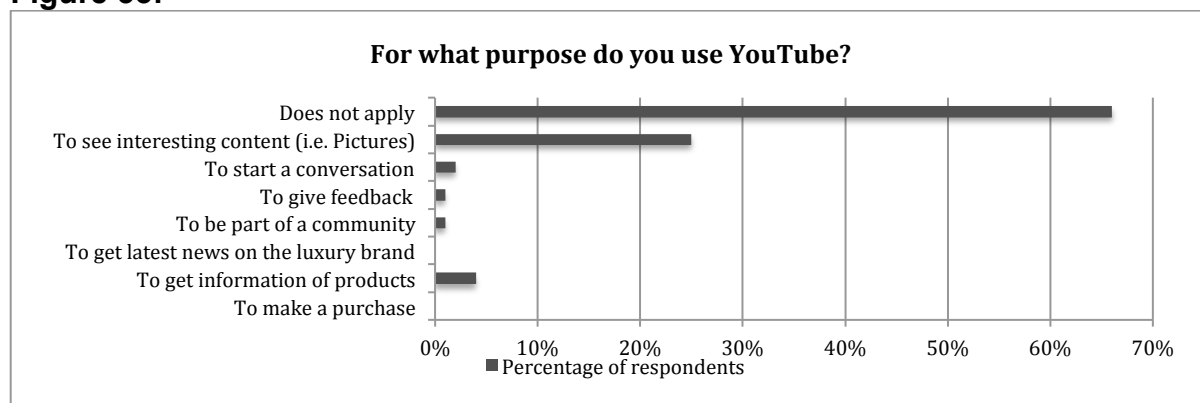
**Figure 31:**



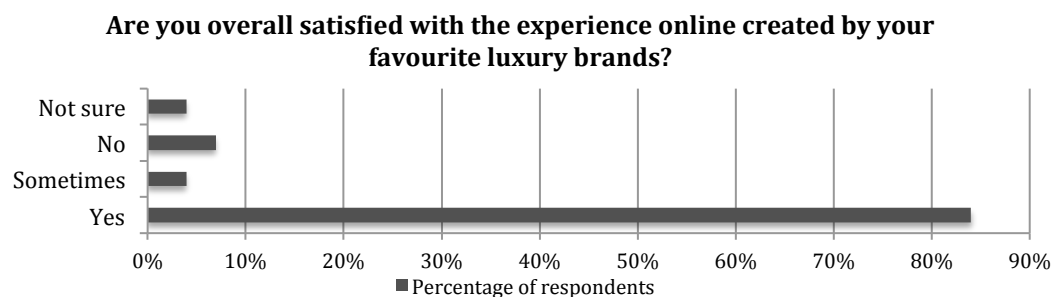
**Figure 32:**



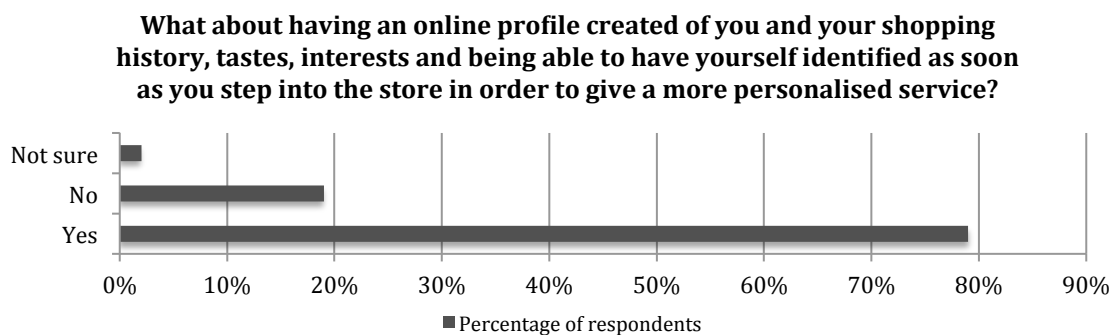
**Figure 33:**



**Figure 34:**



**Figure 35:**



## Part 2: Coding of open question responses:

### *First open question:*

An omnichannel experience: do you feel the online experience fits well with the brand culture and the physical store? If not, could you briefly explain why?

Examples of Responses	Open Coding	Axial coding	Selective coding
<p>The online presence doesn't have the elements that you can have in a store. For example, architecture, salesperson attention, music (or silence), tidiness, etc. Many brands have no online as it would cheapen the brand/ make it non exclusive I like the offline experience when buying expensive goods, the smell of the shops, the assistance and the fact of immediately having the products. Online shopping does not offer either.</p> <p>flagship-stores with great design and architecture make the purchase feel even more special - something online shops hardly can deliver</p> <p>less unique details that in stores.</p> <p>i think its hard for them to create the same service as in stores, especially when it comes to advice from sales people</p> <p>it is hard to keep a top-quality online service.</p> <p>i do not think it is possible to provide a luxury service online</p> <p>hard to live up to offline service expectations</p> <p>do not offer a top quality service just yet</p> <p>not the same quality of service as in-store</p> <p>customer service is not as good as it should be for a luxury brand online</p> <p>I do not think it is possible for luxury brands to give the same quality of service online</p> <p>a lot of them do not offer a top quality service</p>	<p>Not same elements online as in store;</p> <p>architecture counts; hard to imitate offline service;</p> <p>lack of advice from sales people; not able to provide luxury service online; lack top-quality service; customer service not good online</p>	<p>Unable to provide luxury service online</p>	<p>Online experience lacking quality to provide a seamless experience</p>
<p>get annoyed if I cannot return a product I bought online in a physical store</p> <p>still lacking some integration compared to other online stores (such as technological gadgets)</p> <p>still lacking channel integration, for example buying online and picking it up at a store</p> <p>lack of integration</p> <p>not a "seamless" experience yet</p> <p>there are some that lack integration to the physical store</p> <p>i dont think they are very linked to the physical store</p> <p>definitely something lacking in integration</p> <p>i think i see each channel as separate</p> <p>bad integration of online/offline</p> <p>in my opinion it is not a "seamless" experience yet. still lacking connecting processes</p> <p>hard to create a truly seamless or omnichannel experience</p> <p>not always possibility of click and collect</p>	<p>Unable to return online purchase at store; lack integration of technology;</p> <p>unable to click and collect; not seamless experience; lack integration between offline and online store;</p> <p>separate channels; need to create more synchronised experience;</p> <p>lack coordination between online/offline processes; lack of coherence</p>	<p>Lack of channel integration</p>	

some are still in need of development to have a better link between offline and online processes and creating a more synchronised experience still lacking in coordination between offline and online processes. still lack of coherence between online/offline		
details such as pricing are often not visible information and customer service still lacking on some sites lack prices sometimes the prices aren't available still some information missing some prices are not shown for a few brands they dont always provide all prices sizing information is hard to grasp online unless you know it already some information is missing	Prices not given; lack of information; information missing; sizing information lacking	Lack of information
Depends on the brand depends a lot on the brand depends on the brand, some still dont offer proper customer support depends a lot on the brand, some offer great online experience others not so much	Dissatisfaction with omnichannel experience varies depending on the brand	Depends on brand
there is a lack of personalisation definitely something lacking in customisation brands still need to aim to provide a more customised service online maybe a more personalised service would help	Lack of personalisation; lack of customization; need for more customised service online	Lack of personalisation
There is not enough on the websites that differentiates it from any other lower-tier brand hard to differentiate the luxury ones from premium or others does not seem to stand out compared to non-luxury brands not differentiated from lower price brands very few have invested enough efforts to distinguish from non-luxury online experiences there is not a big distinction between luxury brands and others online does not seem to stand out compared to non-luxury brands	Do not stand out; not different enough from lower-tier brands; few invest enough efforts to distinguish a luxury brand online; no distinction between non-luxury and luxury	Lack of differentiation
the assortment is not the same some brand such as Prada still only sell a limited range of products (no clothing) lack range of products there are times when they dont use full potential of online (such as offering all their products) some brands dont offer all their products online which can be somewhat inconvenient still some information and products lacking some prices are not shown for a few brads (limited collections or so) dior limits their bag range	Assortment not the same; limited range of products; do not offer all products; lack of use of full potential; limited collection not featured; limit to only bags	Lack of product range

*Second open question:*

What would you like to see online or what would you improve, if anything?

Examples of Responses	Open Coding	Axial coding	Selective coding
<p>should be almost a shopping assistance</p> <p>Online chat with a salesman or saleswoman</p> <p>help of a sales person</p> <p>the possibility of online chatting with a representative</p> <p>Personal assistance</p> <p>option to interact with a sales person online in real time</p> <p>Maybe a live chat, only a few have this service</p> <p>better customer service</p> <p>live chat with sales person</p> <p>talk live with a sales advisor</p> <p>more customised service (live chat)</p> <p>the customer service</p> <p>should provide a more personalised service, which means increased customer service support mainly</p> <p>an improvement in the customer service</p> <p>live chat</p> <p>better customer service online</p>	<p>Shopping assistance;</p> <p>online chat with salesperson; personal assistance; online interaction in real time with sales person; live chat; better customer service</p>	<p>Improved customer assistance (i.e. live chat)</p>	<p>Need to improve online content and services for customer satisfaction</p>
<p>More detailed product information</p> <p>online is fundamental for product information</p> <p>important to find information online, about opening hours or price etc.</p> <p>more information about the product</p> <p>stories about the products (who designed them, where they are produced, etc)</p> <p>make information more accessible for comparison</p> <p>better catalogues and information on the product</p> <p>prices of some items the information is not there sometimes</p> <p>More product information such as prices for latest collections</p> <p>More transparency</p> <p>More prices</p> <p>More information regarding products, sizes and store hours</p>	<p>More detailed information; information if fundamental; products stories; information more accessible for comparison; price information; more transparency</p>	<p>More product information</p>	
<p>More modelling of the different outfits so that a consumer can see how it looks on</p> <p>More video material - in order to get an a better 'feeling' of the product - sizing, material etc</p> <p>More detailed view and customized settings on fit</p> <p>Real size video</p> <p>more detailed pictures, videos of the products.</p> <p>Better pictures</p> <p>video (like asos)</p> <p>better visual fitting</p> <p>Videos of people wearing the items of interest</p> <p>Videos of model wearing clothes so its easier to imagine on</p>	<p>Video material to see fit of product; more detailed view; real size video; more pictures of product; better visual fitting; videos of models wearing clothes; runway videos (i.e. asos)</p>	<p>More detailed pictures/videos of product to see fit</p>	

runway videos		
Size charts in comparison to body size main concern is sizes and fit Better size understanding Better and more relatable size guides Mainly easier ways to see how clothing fits universal sizing	Better size charts; more relatable size guides; universal sizing	Better, relatable size guides
Possibility to enter a virtual image of yourself to try clothes on To have the possibility to have the product worn virtually digital profile with real measurements to see how clothes fit digitalised version of yourself with busy measurements to be able to try things on online and see how they would look	Virtual image to try clothes on; digital profile with real measurements; digitalised version of oneself for fit	Virtual image of oneself to see fit
more integrated across the different channels click and collect- that way you can go to nearest store and try it on and if not send it back immediately click and collect option higher integration ability to return a product purchased online at a store check stock online at nearest store	More integration across channels; click and collect; return online purchase at nearest store	More integration across channels
Personalized content other goodies that offline shopping cannot offer such as asking your friends or the general public for their opinion (connection with social media) more customised service save my sizes form past purchase so i know which i am already more personalised service	Personalised content; allow social media integration for additional service; more customization services; save previous purchasing details	Offer personalised content/service
leave it to third parties to provide an online service (net-a-porter) maybe they should all outsource the online shop to specialised companies	Outsource to multi- brand companies; outsource to specialised companies	Outsource to third parties
more Flexibility in terms of exchanging goods Easier worldwide delivery. seems like a hassle to return would be good if they could highlight that they have a free, smooth return policy allow products bought online to be returned in store	More flexibility for exchanges; easier delivery; easier return; free return policy; allow returns at store	More flexibility for delivery and returns
more online exclusives that you can't find in the shop larger pricing /range being able to buy a larger range of products	More online exclusives; larger product range	Offer larger range of products



*Third open question:*

Have you thought about what the future is for luxury brands in the online world?

One thought could be location based push marketing; the store can track when you are nearby and send you information on new collections or products you might like. Would you like this to happen?

Examples of Responses	Open Coding	Axial coding
I would not like that I would not want this to happen I would prefer not to get these messages no this is a bit over the top no, i dont like receiving news from brands on general on my phone No, wouldn't like to be tracked no this doesn't seem very appealing	Would not like this; over the top; do not like to be tracked; unappealing; don't like receiving news from brands on phone	No
push marketing sounds rather intrusive to me I'd feel stalked. no, sounds very invasive No, that would be too much no! seems almost creepy that they can locate me	Sounds intrusive; feel stalked; invasive; too much; creepy	No, sounds intrusive
For me the push marketing is something that is annoying the risk is that consumers might be over-bombed with information might also be annoying no, that sounds annoying	Annoying; risk of over-bombed with information;	No, sounds annoying
No, I like to decide myself whether I am contacted or not that would be too much, i search for the stuff i want by myself no, i prefer going in on my own terms	Like to decide for myself; I search by myself; shopping on my own terms	No, I like to decide for myself
I don't think luxury brands should adapt the same measures as mass product brands do no, this does not seem like a good idea for luxury brands. No, would be more of a non-luxury strategy no, might be over doing marketing even more so for a luxury brands no- doesn't really fit with luxury image no this is not the right approach for luxury this seems more of a non-luxury brand marketing plan push marketing doesn't seem to be a fit for luxury so no im not sure this would be the right tactic for these type of brands this is not a luxury brand strategy this would be more apt for fast-fashion brands no - too desperate from them	Non-luxury strategy; mass product brand measure; no fit with luxury image; not right approach for luxury; too desperate; over-doing marketing	No, this strategy does not fit with luxury
i would like to get notifications, yes That sounds pretty good Yes, Would probably increase my purchases at the shop Only a couple of my favorite brands, otherwise no yes could be interesting yes, as long as it promotes an offline experience	Would increase my purchasing; only a few brands; could be interesting; if it promotes offline experience	Yes
Yes, anything to make finding products and shopping easier yes, I'd like that or buy&pick at the next store yes that would be helpful yes definitely sounds like it could be helpful	To find products; to make shopping easier; helpful; to click & collect	Yes, to make shopping easier
if one signs up for it that is not a bad idea If I had the time to go in yes. So maybe if I consent to it beforehand It would be smart to track and send push notifications when you are around in the area, but I think it is getting to personal when someone else has this important information about me That could be useful as long as i can turn it off when i don't want to receive these notifications That could be nice sometimes, not if im in a rush somewhere If I could activate and de-activate the notifications then yes that would be nice only for some brands, and not all the time Yes, only if i can decide when these notifications should be on/off as long as it can be a turn on/turn off application of sort yeah but not always, only when I accept yes but only	If one signs up for it; if I have time to go in; if I consent beforehand; if I'm in the area; as long as I can turn it off/on; if I accept before	Yes, if I can decide when to turn notifications on/off

# Appendix C: Luxury brands data collection

**Table 1:**

USER EXPERIENCE	
BRANDING	
Statements	Score
The website provides visitors with an engaging and memorable experience	
The visual impact of the site is consistent with the brand identity	
Graphics, Collaterals and Multimedia add value to the experience	
The website delivers on the perceived promise of the brand	
The website leverages the capabilities of the medium to enhance or extend the brand	
<b>BRANDING TOTAL (OUT OF 100)</b>	
FUNCTIONALITY	
Statements	Score
Users receive timely responses to their queries / submissions	
Task progress is clearly communicated (e.g., success pages or email updates)	
The website and applications adhere to common security and privacy standards	
Online functions are integrated with offline business processes	
The website contains administration tools that enhance administrator efficiency	
<b>FUNCTIONALITY TOTAL (OUT OF 100)</b>	
USABILITY	
Statements	Score
The website prevents errors and helps the user recover from them	
Overall page weight optimized for main target audience	
The website helps its visitors accomplish common goals and tasks	
The website adheres to its own consistency and standards	
<b>USABILITY TOTAL (OUT OF 100)</b>	
CONTENT	
Statements	Score
Link density provides clarity and easy navigation	
Content structured in a way that facilitates the attainment of user goals	
Content is up-to-date and accurate	
Content is appropriate to customer needs and business goals	
Content across multiple languages is comprehensive	
<b>CONTENT TOTAL (OUT OF 100)</b>	

Table 2:

Brand	Burberry	Louis Vuitton	Zegna	Gucci	Prada	Bottega Veneta	Chanel	Brunello Cucinelli	Dior	Hermes	Loro Piana	Valentino	Saint Laurent	Balenciaga	Ferragamo	Givency	Fendi	Celine
Facebook	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Date of Adoption	2009	2009	2009	2009	2012	2010	2009	2009	2011	2010	2011	2011	2012	2011	2011	2011	2012	n/a
Number of Followers	16.7 M	17 M	376 K	14 M	5.2 M	485 K	14 M	39 K	14 M	2.2 M	26 K	2 M	2.2 M	973 K	1.3 M	2 M	2.2 M	n/a
Posts per week	4+	2+	2+	4+	4+	<1	1+	(no posts in 2015)	5+	3+	4+	4+	<1	2+	5+	3+	4+	n/a
Instagram	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No
Date of Adoption	2012	2012	2014	2011	2013	2013	2014	2014	2013	2013	n/a	2012	n/a	2011	2012	2013	2013	n/a
Number of Followers	3.6 M	5.4 M	125 K	4.2 M	3.7 M	289 K	4.8 M	22 K	4.2 M	1 M	n/a	3.6 M	n/a	997 K	723 K	2.5 M	2.2 M	n/a
Posts per week	6+	4+	7+	6+	4+	<1	<1	1+	6+	2+	n/a	25+	n/a	2+	5+	5+	9+	n/a
Twitter	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No
Date of Adoption	Jun-09	Jun-09	Apr-10	Oct-08	Feb-13	May-11	Jun-11	Apr-12	Aug-11	n/a	n/a	Sep-09	Jul-09	Aug-10	May-10	Mar-11	Feb-10	n/a
Number of Followers	4.06 M	4.42 M	109 K	1.78 M	459 K	27 K	7.9 M	5 K	5.9 M	n/a	n/a	1.28 M	2.7 M	365 K	308 K	559 K	223 K	n/a
Posts per day	2+	2+	1+	2+	1+	<1	<1	(no posts in 2015)	1+	n/a	n/a	2+	<1	<1	1+	<1	2+	n/a
Pinterest	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes	No	Yes	No	Yes	Yes	No	Yes	No
Date of Adoption	2012	2012	2012	2012	n/a	2012	n/a	n/a	2014	2013	n/a	2012	n/a	2012	2012	n/a	2012	n/a
Number of Followers	130 K	68 K	46 K	41 K	n/a	141 K	n/a	n/a	56 K	20 K	n/a	174 K	n/a	16 K	12 K	n/a	12 K	n/a
Blogs	No	Yes	No	No	No	No	Yes	No	Yes	No	No	No	No	No	No	No	No	No
Date of Adoption	n/a	n/a	n/a	n/a	n/a	n/a	2008	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Posts per week	n/a	3+	n/a	n/a	n/a	n/a	5+	n/a	1+	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
App	No	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	No
Date of Adoption	n/a	2013	2011	2011	n/a	n/a	2013	n/a	2015	2014	2012	2013	n/a	n/a	n/a	2013	2014	n/a
Number of Apps	n/a	2	1	1	n/a	n/a	1	n/a	1	2	1	1	n/a	n/a	n/a	2	1	n/a
YouTube	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No
Date of Adoption	Nov-05	Dec-05	May-10	Oct-08	Nov-05	Sep-06	Oct-05	n/a	Oct-05	Nov-05	n/a	Oct-05	Dec-05	Sep-10	May-10	May-12	Nov-09	n/a
Number of Followers	170 K	102 K	10 K	35 K	45 K	5 K	420 K	n/a	205 K	27 K	n/a	14 K	20 K	4 K	9 K	14 K	12 K	n/a
Posts per week	1+	1+	2+	3+	3+	1+	3+	n/a	3+	1+	n/a	1+	<1	<1	<1	1+	1+	n/a

**Table 3:**

Brand	Website	E-commerce	Facebook	Instagram	Twitter
<b>Burberry</b>	To improve brand loyalty, to keep consumers informed- info regarding latest products, campaigns, photo-shoots and runway shows	To increase sales- all information on products with possibility to purchase and live chat to assist	To share visual content, to improve brand awareness, create marketing campaigns- photo-shoot campaigns and music videos	To share visual content, create marketing campaigns, to improve brand awareness- pictures and videos of campaigns and runway shows, celebrities	To improve brand awareness- celebrities wearing the brand
<b>Louis Vuitton</b>	To keep consumers informed, to improve brand loyalty- posts on campaigns, runways, inside LV stories	To increase sales (offline)- shares product info but not all is available online	To share visual content, to improve brand awareness, create marketing campaigns- posts of photo-shoots, event, runways	To share visual content, to improve brand awareness- posts of campaigns, runways, events	To improve brand awareness, to keep consumers informed- ads, celebrities. Twitter for CS.
<b>Zegna</b>	To keep consumers informed, to increase sales- shows, new collections along with sizes for you, latest news on brands	To increase sales- all product info and for suits, you can put in measurement for tailoring	To share visual content, to improve brand awareness- runways, backstage, campaigns, product details	To share visual content, to improve brand awareness- red carpets, runways, product details, stores	To share visual content, to keep consumers informed- latest shows, news, celebrities
<b>Gucci</b>	To keep consumers informed, to create campaigns, to improve brand loyalty- brand history, photoshoots, news, collections	To increase sales- provides all product info, and description	To share visual content- videos, campaign shoots (no news)	To share visual content, to improve brand awareness- picks of campaigns, details, back stage	To keep consumers informed- of latest events, collections, campaigns
<b>Prada</b>	To create marketing campaigns- no news, just allows audience to view latest collections and campaigns	To keep consumers informed of their products- offer only a small range for sale, but still want to have some presence here	To share visual content, to improve brand awareness, marketing campaigns- behind the scenes, runways	To share visual content, to increase brand awareness- posts on back stage, runways, celebrities wearing brand, details of products	To increase brand recognition- posts of details, latest news, stores and events
<b>Bottega Venetta</b>	To increase brand loyalty, to keep consumers informed- videos of collaborations, interviews, collections	To increase sales (more driven offline)- provide prices and product info but redirect consumers to stores for some products	To share visual content, to improve brand awareness and loyalty- collaboration videos, tributes, campaigns, runways	To share visual content, to increase brand loyalty- shows details of collections, gives brand history, behind the scenes	Same as FB
<b>Chanel</b>	To keep consumers informed, to increase brand loyalty, to share visual content- Chanel has news, inside info, behind the scenes, photo-shoots, quotes from Karl, interviews	To improve brand loyalty (in beauty)- only have beauty e-commerce, to make it easier for consumers to stock up on a regular basis.	To increase brand awareness, share visual content- shows runways, campaign videos, celebrities wearing brand	To share visual content, to create buzz- only posts during fashion weeks and shows, behind the scenes sneak-peak at collection as if inviting audience in	Same as FB + few quotes from Chanel. Twitter for CS
<b>Brunello Cucinelli</b>	To increase brand loyalty- information on history of brand, timeline, inspiration	To increase sales (offline)- consumers can see products and details but mostly driven to offline shops	Have not used it since 2014- mostly shows history of brand	To create a marketing campaign, share visual content- promoted latest collection and pieces	Same as FB
<b>Dior</b>	To improve brand loyalty, to create marketing campaigns, to keep consumers informed- provides a lot of content on their website (videos, news, campaigns, details, history)	To keep consumers informed and to increase sales (beauty)- collection without prices, try to drive consumer to store, beauty available so consumers can stock regularly	To share visual content, to improve brand awareness- posts on inspiration, campaigns, photo-shoots, runways, interviews	To share visual content- posts of details of clothing and scenery, behind the scene, backstage, Dior architecture, stores. To portray the brand identity	To keep consumers informed, to share visual content- shares interviews, collection releases, new campaigns, videos

<b>Hermes</b>	to improve brand loyalty- hermes shows brand heritage videos and those that inspire their collections	to increase sales- large range of products offered online but try to drive to stores	to increase brand loyalty, to share visual content- videos, brand heritage, inspiration and collection	to share visual content, improve brand awareness- posts showing products, campaigns, stores, runways	do not use it
<b>Loro Piano</b>	to improve brand loyalty- by showing the heritage of brand, fabrics used, creations, new collections	To keep consumers informed, to increase sales (offline)- share product info but drive consumers into stores	Do not use it	Do not use it	Do not use it
<b>Valentino</b>	To keep consumers informed, to create marketing campaigns, to improve brand loyalty- shows campaigns, collections, brand history and heritage	To increase sales- all products available with prices (lack of size chart)	To share visual content, to improve brand awareness, create marketing campaigns- campaigns, events, behind scenes, runways	To share visual content, to improve brand recognition- celebrities wearing brand, shows, behind scenes, details	Same as FB
<b>Saint Laurent</b>	To improve brand loyalty- share past collections, brand heritage, inspiration, classics	To increase sales (offline)- provides product information and pre-collection with prices available to shop online but drive customers to shop	To share visual content, to create marketing campaigns, to improve brand awareness- mostly post campaign pictures and celebrities	Do not use it (only for YSL beauty to share visual content)	To create marketing campaigns- post stills from campaigns w short description
<b>Balenciaga</b>	To create marketing campaigns- shows some brief history of brand, all campaigns are featured	To increase sales- all products available with description and prices, possible to contact advisor for help	To share visual content, to improve brand awareness, to create marketing campaigns- campaign shoots and celebrities	Same as FB	Same as FB
<b>Ferragamo</b>	To improve brand loyalty, to keep consumers informed- very complete info on collections, news, heritage, creations, campaigns	To increase sales (accessories)- people willing to buy this online so only offer this No info on RTW, need to go to store for that	To share visual content, to improve brand awareness- posts of photo-shoots, events, celebrities, projects, exhibitions	Same as FB, except no runway pictures	To share visual content, to improve brand awareness- posts of photo-shoots and celebrities
<b>Givenchy</b>	To improve brand loyalty, to keep consumers informed- news on brands, campaigns, shows, history of brand, inspiration	Only m-commerce	To share visual content, to improve brand awareness, to create marketing campaigns- campaigns, runway, looks, celebrities	To share visual content, to improve brand awareness- similar to Fb but more emphasis on sharing looks from collection and details	Same as FB
<b>Fendi</b>	To improve brand loyalty, to keep consumer informed- history of brands, news of upcoming campaigns, collections and events	To increase sales- products all offered online with prices and description	To share visual content, to keep consumers informed, to improve brand awareness- runways, backstage, campaigns, interview, events	To share visual content, to improve brand awareness- posts focusing on specific products and description (at runways, on celebrities, or photo-shoots)	To keep consumers informed, to share visual content- events, collections, celebrities
<b>Celine</b>	To keep consumers informed of collection and prices	Do not use it	Do not use it	Do not use it	Do not use it
<b>Platform specific observations</b>	Overall merges all digital platforms and presents them here	Used mostly to inform consumers of products, prices, availability, and to drive sales (not directly through online purchases)	Facebook changes, most post campaigns and videos of runways shows (additional interviews and music/other projects)	Pictures used mostly to depict small details in clothes and celebrities wearing, as well as campaign shoots	Some do same as Facebook, some differ to provide regular posts of news / upcoming events

Brand	Pinterest	Blogs	Apps	YouTube	Brand Strategy Notes
<b>Burberry</b>	To share visual content- pictures of brand and past campaigns	Do not use it	Do not use it	To create marketing campaigns, to create buzz, to improve brand awareness- post videos of marketing campaigns and music	<i>Really clear distinction between the channels. Posts are costumed to each, most differentiated strategy among brands. Facebook for marketing, twitter for news, Instagram for behind the scenes</i>
<b>Louis Vuitton</b>	To share visual content- pictures of brand	To keep consumers informed- videos on campaigns, shows, interviews, new collections	To improve brand loyalty by history of brand, another for marketing campaigns and increase sales	To share visual content- runways and campaigns	<i>They try to differentiate their posts, different messages used for different channels even if same picture. Understand use of each</i>
<b>Zegna</b>	To share visual content- pictures of brand and past campaigns	No but has collaborated with bloggers to present online content and hangout on Google+ for live interactions with fashion experts	Had an in store app but no longer exists due to lack of response form consumers to shop in that way	To share visual content- collection videos and runways	<i>Uses channels for different purposes- Facebook for runways shows and campaigns, Instagram for looks and collection close ups, twitter for news and celebrities</i>
<b>Gucci</b>	To share visual content- pictures of brand and past campaigns	Do not use it	To create marketing campaigns and increase sales- provides videos /photos through which consumers can shop	To create marketing campaigns, to improve brand awareness, to create buzz- share collection videos, runways shows	<i>Differentiates its posts form one channel to the other- some used as marketing, other focus on details and history or events to improve brand loyalty and awareness</i>
<b>Prada</b>	Do not use it	Do not use it	Do not use it	To share visual content, marketing campaigns- videos of campaigns, runways shows, and collections	<i>Still lacking in social media, only offer accessories online but they post interesting content, mostly videos and campaign pictures (overall focus on marketing)</i>
<b>Bottega Venetta</b>	To share visual content- past campaigns, collections, stores, brand details,	Do not use it	Do not use it	To share visual content, to increase brand loyalty- brand projects, runways shows, interviews	<i>Posts same content across all channels mostly. No clear distinction between the aim of each channel</i>
<b>Chanel</b>	Do not use it	Chanel news to keep consumers informed- latest collections and inspiration, campaigns, music	Same as website but adaptive to smartphone/tablet as most consumers are more often on mobile	To share visual content, to increase brand awareness- videos of runway shows and campaigns as well as interviews with spokespersons	<i>Uses social media during their fashion events/ shows, they try to make the audience feel as if they are there. Share a lot of history to improve loyalty (more than for marketing reasons).</i>
<b>Brunello Cuccinelli</b>	Do not use it	Do not use it	Do not use it	Do not use it	<i>Lack of use of social media, only to be present online and to show about brand heritage</i>
<b>Dior</b>	Do not use it	To keep consumers informed- videos on campaigns, shows, interviews, new collections	Same as blog, but meant for smartphone or iPhone	To share visual content, to improve brand loyalty- behind the scenes, exhibitions, runways, spokes-persons, creation and inspiration	<i>Dior tries mostly to show the brand creation and history, while making some products available to shop of inviting consumers to the shop. It understands mobile is important</i>

<b>Hermes</b>	To share visual content- pictures of collections and products	Do not use it	To improve brand loyalty- by showing consumers different ways to tie a scarf or a tie they are giving an extra service	To keep consumers informed, to share visual content- stories about hermes heritage and objects the brand creates	<i>Depicts the brand image on social media, by sharing a history and the craftsmanship while making the brand accessible to others (app) rather than aiming to increase sales directly</i>
<b>Loro Piano</b>	Do not use it	Do not use it	To increase sales- online shop custom made for mobile	Do not use it	<i>Uses online to be able to be where the consumers are, providing product info and prices. Not as marketing channel</i>
<b>Valentino</b>	To share visual content- pictures of brand and past campaigns	Do not use it	Same as website but adaptive to smartphone/tablet as most consumers are more often on mobile	To create marketing campaigns, to share visual content- videos of campaigns and runway highlights	<i>Uses online mostly to increase brand awareness by posting collection highlights and event/ celebrities but also for marketing campaigns (YouTube, app)</i>
<b>Saint Laurent</b>	Do not use it	Do not use it	Do not use it	To share visual content, to improve brand awareness- post videos of music projects and collections (rarely post)	<i>Uses social media more as a marketing campaign outlet, rather than to sell directly online. Heavy users of FB and Twitter to share campaign pictures but no news or runways available</i>
<b>Balenciaga</b>	To share visual content- pictures of brand and past campaigns	Do not use it	Do not use it	Has not been used in over 9 months	<i>Uses for marketing campaign on different channels (repeating same posts), others have been left unused.</i>
<b>Ferragamo</b>	To share visual content- pictures of brand and past campaigns, inspiration, heritage	Do not use it	Do not use it	To create marketing campaign, to improve brand awareness- videos of runways, campaigns, projects, interviews, and collection inspiration	<i>Mostly shares celebrities spotted wearing brands and photoshoot but they include a lot of brand identity in posts and information (history, inspiration, culture.) They do not aim to sell online but still be present</i>
<b>Givenchy</b>	Do not use it	Do not use it	To increase sales, to improve brand loyalty- offer m-commerce so consumers can buy directly though app	To create marketing campaigns, to improve brand recognition- campaign videos and runways shows	<i>Mostly used as marketing purposes (although they have the app for m-commerce), focus on posting fashion runways and celebrities keeping consumer up-to-date as well. No big difference between channels</i>
<b>Fendi</b>	To share visual content- pictures of brand and past campaigns, inspiration, heritage	Do not use it	To improve brand loyalty- offers customers to design their own bags and share them	To create marketing campaign, to improve brand awareness- videos of runways, campaigns, projects, interviews, and collection inspiration	<i>Understands each channel and their use very well, focuses on keeping consumer informed throughout all, shares behind the scenes photos and interviews, tries to keep consumer interested</i>
<b>Celine</b>	Do not use it	Do not use it	Do not use it	Do not use it	<i>Has no digital strategy they are simply present with the collection and some prices</i>
<b>Platform specific observations</b>	<i>Pinterest serves purpose of allowing to pin selected and approved pictures (control of image) and redirect to website to buy</i>	<i>Very few brands use this usually for news of campaigns, runways. Most collaborate with bloggers instead</i>	<i>Mostly used to improve brand loyalty be either making m-commerce, or fun apps related to brand culture</i>	<i>Runways shows and campaigns, interviews with creative directors for insight</i>	