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CUSTOMIZED LUXURY RETAIL

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CUSTOMIZED
While studying International Fashion & Management at AMFI, I have noticed that the reactions of certain individuals towards my field of study are often superficial and sometimes even slightly insulting. This is because fashion is seen as something for the shallow, the ‘fake’ and ‘downright dumb’ people in today’s society. Yet because of its complexity, I would propose that the individuals who are successful within the industry are indeed intelligent: the collections made being a real reflection of or reactions towards culture, and that the industry itself is therefore a very serious business.

Apart from considering fashion as an important means of expressing myself, I find it interesting to discuss what it is that makes people actually go out and buy fashion; especially when it comes to reasons that extend beyond the primary function of just covering the body. It is this luxury industry especially, which is therefore interesting to me to investigate, for like Coco Chanel once said – “there is no necessity in owning luxury fashion goods.” However, the industry is growing as if it is just that: a necessity. Unfortunately, even though growth is what the luxury industry aspires to achieve, it is also its biggest risk. This is due to the fact that luxury is always linked to exclusivity and uniqueness, and expansion might change this notion. In short, my bachelor thesis is an opportunity to research the perceptions and value of luxury from the consumers’ perspective, and to examine the current luxury retail strategies in order to find out whether the luxury fashion retail environment anno 2015 needs an update.
EXECUTIVE SUMMARY

Even though fashion luxury originates from the simple idea of Kings and Queens demanding exclusive garments and accessories, the luxury market anno 2015 is a far more complex and substantial concept. In the 21st century the definition of luxury is ambiguous, evoking different associations with different people. Fashion luxury brands therefore seem to be focussed on how to present the product to the customer; a strategy in which the retail environment plays an important role. In this retail environment both the increase of cross-cultural clientele and the less-impressed consumers are obvious challenges. The aim of this thesis is to find out how luxury fashion companies can use the information they have with regards to their customers and their customer’s behaviour as a starting point for improving their retail environment.

The production side of the luxury fashion market is changing. Competition increases as more new luxury fashion brands are establishing themselves, and all together the luxury fashion brands struggle to maintain their exclusive image while simultaneously expanding globally. Nowadays, luxury fashion brands appear to have multiple brand and retail strategies that they implement and in this thesis the concept of the flagship store as one of these strategies, will be extensively discussed. Moreover, luxury fashion brands are increasingly displaying themselves as luxury art worlds, presenting their stores as museums and products as artistic objects. The role of the creative director is seemingly more important as well, as fashion luxury brands use this charismatic individual to influence and legitimize the brands’ product aesthetics. In the retail environment it is becoming distinctively apparent that these brands attempt to create an experience, whereby service plays an essential role.

On the consumer side of the market, there is the phenomenon of ‘luxurification’ of society, in which an increase of income leads to an increase of clientele and demand towards the best of the best. Also in the retail environment, consumers’ expectations are raising as the clientele is becoming more cross-cultural and therefore it is becoming seemingly harder for a luxury fashion brand to respond to all these needs. Research has been done towards high- and low context, or individualistic and collectivist cultures. It appears that the differences in cultures have an effect on purchase behaviour as individualists purchase items for self-expression intentions and collectivists for self-presentation motives. Also, the brands’ country of origin has an effect on the purchase behaviour, as some nationalities have the reputation of being a leading example in fashion, this legitimizes the brand products’ aesthetics. The importance of a brand behind the luxury fashion products is of influence as well, as being an essential means of differentiation. Thus, the brand can both generate trust and authorize quality through its respectively relational and functional dimension.
In the last chapter of this thesis I have opposed solutions that are based on customer focus where helpfulness and personalization are key indicators that will lead to customer loyalty and eventually revenue. Regarding helpfulness, I have opposed to keep focussing on educating and training the personnel. Moreover, emphasis should be more on the importance of knowing facts and habits of different cultures and this can be implemented by creating a small booklet per nationality. Also, investing in a system that can map the customer data in a way that gives insight into purchasing habits and thus making communication with the customer more easily should be made available for luxury fashion personnel. Even though the research done towards luxury customer’s purchase behaviour is still as yet under-investigated, a lot of the current data could be of value in the communication between sales assistant and customer.

Concerning personalization the physical retail space should be reconsidered, as this has not changed at all for years. In the last chapter of this thesis I suggest store layouts that are customized towards the clientele of that specific store, making divisions in spaces for customers rather than spaces for products. This might result in stores that look different from one another in layout, however visual merchandising, choice of material and other aesthetics will ensure there is cohesiveness between stores of the same brand. Another idea that I put forward, regards the store interior that should provide innovative systems in which the store interior can be ‘revamped’ every now and then. At present, luxury brands build immense ‘brandscapes’, but once they are finalised nothing about it – except for the merchandise –for the next several years to come. As luxury customers of today expect the best of the best and are more quickly used to an environment, changing the environment will give the customer another reason to drop in more often to a particular luxury fashion store.

All in all, luxury fashion brands seem to have the right strategies, but should respond more to the trend of customer focus. Brands can implement this to suit their own special concept and they should, as the personality and uniqueness brand is increasingly an important factor in the decision making of the customer. Thus, by focussing on the customer’s expectations, the whole experience of visiting a store will be enhanced not only with regards to service but also physical layout. And as stated previously, this experience is important in order to convert loyal customers and eventually to increase sales. To summarize my proposition, I would suggest luxury fashion brands implement experiential marketing that is personalised towards the consumer by means of differentiation and service, while still retaining the concept of their brand.
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In the words of Gabrielle Coco Chanel: “Luxury is the necessity that begins where necessity ends.” Although Chanel was one of the first luxury fashion designers, a forerunner in shaping the luxury fashion industry in its earlier phase, these words still apply to the luxury market of today. Over the years, a lot of research has been done regarding the overall luxury industry; an industry that has been growing substantially on a global scale and therefore represents important consumer product sales worldwide.

When I started to work for a luxury fashion company in 2012, I had no idea of the immense proportion of this market, nor the complexity of communications within the industry. However, being a sales assistant in a company like Mulberry, one is forced to understand the various ways of communicating with customers. Slowly but surely, I started to find out how alluring and attractive this industry is. It’s an industry communicating the stories of brand heritage and history, showing new looks of the season in mesmerizing catwalk ambiances and offering handmade products constructed with care in a retail environment where, as a customer, anything seems possible. But even though the environment of the retail luxury market has become more and more cross-cultural, the functions of the shops have hardly changed in the last decade.
Fashion itself is a complex phenomenon because it is concrete, yet simultaneously the most bodiless of commodities (Serge Reinach, 2011). Malcom Bernard (2007) notes in the first chapter of his book “Fashion Theories,” that even though the question “what is fashion?” seems to be easy to answer, analysis shows that there have been – and still are - divergent discussions concerning the definition of fashion. It is often related to or seen as synonym for ‘adornment’, ‘style’, ‘dress’ and ‘consumer goods’ (Polhemus and Protector, 1778 cited in Bernard, 2007), shows that fashion is often being defined in association to other phenomena. Entwistle (2000, cited in Bernard 2007), even states that fashion is as a matter of fact more specific than ‘dress’ or ‘adornment’ and that it stands for a “system of dress that is found in western modernity”. Ann Hollander (1994, cited in Bernard, 2007) seems to concur, but adds to this definition by stating “everybody has to get dressed in the morning and go about the day’s business .. [W]hat everybody wears to do this has taken different forms in the West for about seven hundred years and that is what fashion is”. Personally only focussing on the West when it comes to fashion seems a bit out dated, extending it to a global matter would be more contemporary as in the 21st century fashion is not only a commodity in the Western world.

**RATIONALE AND RELEVANCE**

In the 21st century, fashion luxury retail strategies arrive with new challenges as the luxury market has become increasingly complex due to globalisation. Luxury brands struggle to keep the brand’s image of exclusivity while expanding and growing on a global scale.

This thesis investigates what globalisation, and thus a cross-cultural customer database, leads to in a retail environment from both sides of the market. Furthermore, I would like to research whether improvements in the retail strategy of luxury fashion brands could be derived from this. From my own experience I know that there are often settings in which it is hard to deal with a consumer from a different culture, and that you cannot communicate with one client from a particular culture as well as with another from another culture. Indeed take the instance of clients from different generations as one of the most basic examples; one addresses a younger client very differently from a more mature client, mainly because of a difference in interests and perceptions. And where Western customers often include the sales assistant in their conversation asking for their opinion and expertise, Eastern consumers do not communicate with the sales assistants unless they want to know something specific.

This research will be relevant for the luxury industry because, even though there has been a lot of research towards luxury consumer behaviour in relation to culture, the form and function of the luxury retail environment has barely if not remained unchanged for some time now. Maybe there is a way in which luxury shops can implement research done towards consumers’ purchases, and to rethink their option possibilities in the retail environment.
AIM AND RESEARCH QUESTIONS
The aim of this research is to find out if current luxury retail strategies and shop interior functions need an update as a result of the increasingly complex market of the 21st century. By researching both sides of the luxury fashion brands and consumers, the end goal will be to find out whether information derived from consumers’ purchase behaviour can be implemented to improve the physical store experience. My product will be implementing these findings onto the Mulberry retail environment, with special focus on their flagship store.

The following main question has been formulated in order to achieve this aim:

HOW CAN LUXURY FASHION BRANDS USE CONSUMER’S PURCHASE BEHAVIOUR INFORMATION TO IMPROVE THEIR RETAIL ENVIRONMENT?

In order to answer the main question of this research thesis, the following sub-questions have been defined:

1. What is luxury?
2. What are the current brand and retail strategies of the luxury fashion companies and their aspirational creative directors?
3. What research has been done concerning consumers’ buying behaviour?

RESEARCH METHODOLOGY
The methodology for doing my research will be partly by means of participant observation; working in luxury shops in Amsterdam and Roermond, helping clients and taking notes. In Amsterdam, London (image 4) and Paris (image 3) I will visit luxury fashion brand shops to observe the retail environments of these companies, and this will add to this observation methodology. Also making notes while working on specific requests, interesting comments or suggestions from the consumer. Besides this participant observation, my plan is to interview multiple retail employees from luxury fashion brands, asking them questions and their opinion on the matter, which will be included when adding value. Finally, I will also use previously done research and written literature to back up, explain or describe matters.

STRUCTURE
The thesis is structured as follows: Firstly the reader will get an introduction towards the world of luxury. Next, both sides of the luxury companies and luxury consumers are researched and finally conclusions are derived from this research. The order of the sub-questions mentioned previously will be the order of chapters.

Chapter 1.
Starting with the theoretical framework, the first chapter elaborated on the debate of what luxury is. Also, the history of luxury as well as the 21st century luxury market is touched upon in this section. In this thesis I am focussing on the luxury retail environment of brands with fashion products being a focal point.

Chapter 2.
This chapter will explore the different brand and retail strategies that luxury fashion brands currently are implementing, backing these theories up with examples.

Chapter 3.
Moving on from the company’s perspective towards retail, this chapter will elaborate the consumer side of retail by introducing research that has been previously done before on the subject and combining this with the participant observation.

Chapter 4.
Finally, chapter four will answer the main research question, stating how and which improvements can be made in the luxury retail environment of the luxury fashion brands.
LIMITATIONS
The intention of this report is to give an overview of the current fashion luxury retail environment, to map and show an increasingly complex market. As this market is becoming complicated with a sharp increase of new established luxury brands, in this research it was not possible to investigate all luxury fashion brands and their strategies. A distinction has been made between the more mature fashion brands with the recently established ones, and from these categories the more well known brands have been featured. Also, when a situation, theory or strategy is discussed, mentioning a luxury fashion brand’s situation is often suitable to visualize this situation, theory or strategy. Concerning the consumer research, theories and subjects have been chosen in relation to my personal view on the subject as a sales assistant of a luxury company. The subject of consumer behaviour has been widely researched, yet the specific subject of luxury consumers has been insufficiently examined, which made me combine different theories that concern this research.
1.1 HISTORIC AND 21ST CENTURY ECONOMY

The word ‘luxury’ comes from the Latin word luxus, meaning indulgence or excess, and its derivative luxuria, meaning in abundance or extravagance. For centuries, people that were wealthy enough have treated themselves by the act of purchasing and ownership of luxury goods. Regarding luxury in fashion chronologically, it was in the 18th century when Rose Bertin (image 5), the foremost fashion merchant and dubbed “Minister of Fashion” (Michelle Sapori 2003, in Fashion Reader 2011), who differentiated arts from craft concerning clothing. Fashion merchants were more than just seamstresses; fashion merchants came up with the visuals and ideas, where the seamstresses were there merely to execute these ideas into a garment. With Rose Bertin the image of a predecessor couturier was born. Rose Bertin was famous for dressing Queen Marie Antoinette at the time, a women besides her royal status well-known for her excessive and uncontrollable spending habit with fashion (image 6). Because Rose Bertin managed a store in Paris, it was at this period that luxurious fashion became not only available for the Queens and Kings, but also for wealthy individuals within early eighteenth century Parisian society.

Fashion merchants

Moreover, with the arrival of Rose Bertin, luxurious fashion was no longer solely associated with craftsmanship, precision and time-consuming work, it was the birth of the idea of that a fashion merchant could be the initiator of a fashion (Michelle Sapori, 2003 in Fashion Reader 2011). Another important aspect of fashion merchants at that time was that they did not merely concern themselves with the body and the garments dressing it, but also were involved in the styling of the head, adorning hairstyles (Michelle Sapori, 2003 in Fashion Reader 2011). Here one can find the first resemblances with the present day runway looks. Fashion started to be then, and is now still, not only about the garment. It is the entire look that communicates the vision of a creative director. Even though Marie Antoinette was a well-known leading lady in the eighteenth century fashion scene, it was on behalf of Rose Bertin that this was the case; she was the forerunner of the modern day couturier, even before luxury fashion icons such as Beau Brummel, Frederik Worth, Paul Poiret and Coco Chanel came into the scene (Fashion Reader, 2011).
**21st century market**

Going back to luxury in general, nowadays there are some interesting phenomena going on. Despite the fact that luxury started as merchandise only reserved for the upper social classes, anno 2015 status, the class or ethnicity of the customer has become insignificant. As long as the consumer can afford it, no one shop will stop you from purchasing a product in a luxury store. Moreover, over the recent years, the entire luxury market – not only fashion & leather goods but also perfumes, watches & jewellery, cosmetics etc. – has increased from $20 billion in 1985 to $68 billion in 2000 (The Economist, 2002) and research has shown that 21st century customers are motivated to pay considerably higher amounts of money for luxury brands, which might be the reason that luxury goods are not only one of the fastest growing brand segments, but also one of the most profitable ones (Bertho et al., 2009). However, growth within the luxury business also comes with a multitude of challenges. Yeoman and McMahon-Beattie (2006) refer to “luxurification of society” to explain the tendency of middle market consumers moving up for commodities that meet their desired needs, a noticeable movement within a worldwide context (Atwal and Williams (2009). Furthermore, Roper et al., (2013) affirm a “democratisation of luxury”; due to structural and cultural shifts in capitalist markets. Challenges of both the ‘luxurification’ of society together with the democratisation of luxury results in luxury as a commodity is struggling to hold its perception as being rare and exclusive. As a result, marketers within the luxury industry need to reconsider their strategies to accommodate this transition.
### IMAGE 7
OVERVIEW OF THE KEY MODELS IDENTIFYING THE LUXURY FASHION BRAND DIMENSIONS

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<tr>
<td>Brand/marketing strategy</td>
<td>Relevant marketing programme; Global reputation</td>
<td>Brand image; A drive to reinvent oneself to be the best</td>
<td>Critical mass; Global recognition</td>
<td>Well known brand identity</td>
<td>The brand name</td>
<td>Marketing; Value driven emergence</td>
<td>Marketing</td>
<td>A distinct brand identity; A global reputation; Emotional appeal</td>
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<tr>
<td>Product and design</td>
<td>Premium quality; Heritage of craftsmanship; Element of uniqueness to each product; Recognisable style or design; Ability to time design shifts when category is fashion intensive</td>
<td>Product quality; Creativity</td>
<td>Core competences and other products</td>
<td>Quality</td>
<td>Recognition symbols; Creations</td>
<td>Product integrity</td>
<td>Iconic products/design; Control over product manufacturer</td>
<td>Innovative, creative, unique and appealing products; Consistent delivery of premium quality; Heritage of craftsmanship</td>
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<tr>
<td>Price</td>
<td>Exclusivity</td>
<td>Limited production run</td>
<td>Powerful advertising</td>
<td>Evoke exclusivity; Increase brand awareness</td>
<td>Endorsement</td>
<td>Premium price</td>
<td>Premium price</td>
<td>Exclusivity in goods productions; High visibility</td>
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<td>Communications strategy</td>
<td>Personality and values of its creator</td>
<td>Company spirit</td>
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<tr>
<td>Brand leadership/designer</td>
<td>Distribution strategy</td>
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<td>Immaculate flagship stores; Superb customer service</td>
<td>Culture</td>
<td>Locations</td>
<td>Tightly controlled distribution</td>
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Regarding brand strategy, there are words that identify this dimension such as global reputation (Nueno and Quelch, 1998) and global recognition (Morgan Stanley Dean Witter, 2000). It is true that luxury brands such as Gucci, Burberry and Chanel are well-known and are recognized not only by the Western customers, but also with regards to the Eastern market. Indeed, the more mature luxury brands set the standard for the younger brands to make a name for themselves and within the likeness of top brands globally, before being able to compete with them. Another aspect mentioned in the table is a well-known or distinct brand identity (Phau and Prendergast, 2000; Oknokwo, 2007), something that luxury fashion companies put an increased emphasize on these days. And for the younger fashion luxury brands the relation between a strong identity and being well-known goes hand in hand with the growth and expansion of such a company. The mature luxury brands such as Chanel and Louis Vuitton highlight the history behind the brand; how it started – Louis Vuitton himself becoming a ‘trunk-master’ - and what they stand for – like ‘preserving creativity’ and ‘respecting heritage’ at LV (Louis Vuitton online, 2014). However, for the younger brands this does not seem to be valid, as there is no history of that kind yet. They put an increased focus on their brand and spreading the brand awareness. Not only for the younger brands but also for the mature ones, it is increasingly important to be noticeable by means of their identity, and to likewise have a recognizable brand aspect inserted in their products. The most obvious example of this is luxury brands having a recognizable logo or other visual element, and displaying these in some sort of way through their products (images 8 to 11).

1.2 AMBIGUOUS MEANING OF LUXURY

Primarily, luxury was only permissible to Kings and Queens, nowadays luxury has turned into a mass marketing aspect which is commonplace. It suggests that products or services are of a very high standard, and if there is anything that researchers can agree on concerning luxury, it is that there is not yet a clear understanding or definition of the word (Dion and Arnould, 2011; Bromsel, 2995 in Godey et al., 2011; Shukla and Purani, 2012).

There have been numerous researchers who have tried to clarify the concept of luxury. Even though it is impossible to map all the outcomes and conclusions of these researches, a table has been made with an overview of the key models identifying the luxury fashion brand dimensions. Because the dimensions and aspects in the table should apply to a widespread of luxury organisation, I will implement these descriptions to the fashion luxury brands and see if the conditions still apply. The table is visualized in image 7. As you can see from this table, some critical dimensions have been investigated and discussed by a multitude of researchers. These critical dimensions are; brand/marketing strategy, product and design, price, exclusivity, communications strategy, brand leadership/designer, distribution strategy and heritage. Not all researchers have specified all dimensions; as a matter of fact not one of the researchers mentioned in the table has discussed every dimension, but combining them all together does give an in-depth overview.
Assouly (2005) concurs with the researchers highlighted in the table that luxury goods in general have historical heritage. He extends this explanation by declaring that luxury is typically illustrated in longer-term traditions. This comment was made about all sectors of luxury, but does not seem to apply to the luxury fashion brands. As previously stated, an important aspect in the 21st century is that there are new and upcoming luxury brands, which do not have heritage and history of such kind. Even though these younger luxury fashion brands have not been around for a long time, they are able to form serious competition towards the more matured luxury brands. Take the recent label Victoria Beckham by the homonymous creative director is probably the most unmistakable example of this phenomenon, as the company saw an increase of 91% in turnover from 2012 to 2013, and with this approximate €50 million in 2013’s turnover she has established a growth of 2900% in the last five years of the brand’s existence (Business of Fashion, 2014; Telegraph online, 2014). Thus, it proves that a brand that showed its first collection in September 2008 is able to be successful – which is an understatement after letting these numbers sink in - without longer-term traditions. It is possible that the perception of luxury of a recently established brand is formed through the use of historical craftsmanship. In this case, some younger brands such as Proenza Schouler use the traditional expertise without the having the backup of bygone times of being known for using this craft. However there are also younger brands like Stella McCartney that are an exception, as the usage of innovative production techniques and values of sustainability are embedded in the company. This makes

Throughout all dimensions, identifications that have been used more than once are premium quality, product integrity, heritage of craftsmanship, endorsement and premium price, and luxury brands indeed seem to go by one or multiple of these strategies. Heritage of craftsmanship is especially communicated by the established brands, stating their knowledge and specialty in the making of products, and you don’t have to know the exact price tag of the Chanel bag displayed to know that the prices of luxury brands are not the same as the ones of a high street brand. But to answer to your curiosity, it had a price tag of €3.100,-, at the beginning of this year but in the meantime the price is now €4.150,- (Fashionscene, 2015). This increase is one of the reasons why, as a sales assistant was so polite to inform me, there were literally queues waiting in front of the Chanel stores in Europe at the beginning of this year. But let’s focus back on the table for now. Even though it seems like the researchers agree on some levels, it is hard to define a luxury brand by these conditions, as not all brands use all aspects to define themselves. Just like a brand that applies these conditions, is not necessarily a luxury brand.

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Assouly (2005) concurs with the researchers highlighted in the table that luxury goods in general have historical heritage. He extends this explanation by declaring that luxury is typically illustrated in longer-term traditions. This comment was made about all sectors of luxury, but does not seem to apply to the luxury fashion brands. As previously stated, an important aspect in the 21st century is that there are new and upcoming luxury brands, which do not have heritage and history of such kind. Even though these younger luxury fashion brands have not been around for a long time, they are able to form serious competition towards the more matured luxury brands. Take the recent label Victoria Beckham by the homonymous creative director is probably the most unmistakable example of this phenomenon, as the company saw an increase of 91% in turnover from 2012 to 2013, and with this approximate €50 million in 2013’s turnover she has established a growth of 2900% in the last five years of the brand’s existence (Business of Fashion, 2014; Telegraph online, 2014). Thus, it proves that a brand that showed its first collection in September 2008 is able to be successful – which is an understatement after letting these numbers sink in - without longer-term traditions. It is possible that the perception of luxury of a recently established brand is formed through the use of historical craftsmanship. In this case, some younger brands such as Proenza Schouler use the traditional expertise without the having the backup of bygone times of being known for using this craft. However there are also younger brands like Stella McCartney that are an exception, as the usage of innovative production techniques and values of sustainability are embedded in the company. This makes
the association of especially historical heritage discussable again. Even though the words in the table on their own are arguably incomplete, the table as a whole sketches a good basic overview of most of the words associated with the luxury brands. However, my most important criticism concerning this table is that, in my opinion, there is a critical distinction between the mature luxury fashion brands and the recently established ones, making the discussion of what is luxury even more perplexing.

Associations that are not visible in the table but that luxury is also often associated with words are rarity, beauty and prestige (Godey et al., 2011; Dion and Arnould, 2011). Rarity can be defined as something difficult to obtain, while beauty is a physical attractiveness that is retrieved by seeing the object. Deeter-Schmelz et al. (1995) explained prestige preference in relation to the act of purchasing as “an individual’s preference for shopping in clothing stores where the combination of patron status, store type and atmosphere, merchandise price, quality, branding, and fashion combine to create a particular prestige level!” According to Yeoman and McMahon-Beattie (2011), luxury is not merely about the seeking of materialism, but also for the quest for enhancement and time. They argue that free time has become more and more desired, as consumers’ understanding of quality of time has changed. So for a multitude of people, luxury refers to the happiness of having time to relax. Finally, active involvement, contextual effects and value recognition from others are essentials that make a luxury good (Shukla, 2011; Wiedmann et al., 2009) and are likewise not included in the table. From all these additions and adaptations you can therefore conclude that luxury is not just definable, but that it is linked to associations that are intertwined among each other again, and are all arguably obscure. Many of the other correlations of luxury brand dimensions are obscure, need explanation and then still do not apply to all luxury brands. E.g. “creativity” is one of the words that has a high subjective connotation, and is therefore hard to translate into a luxury brand dimension. As a conclusion, I concur with Berthon et al. (2009 cited in Joy et al., 2014), that luxury brands can be identifiable in terms of their materiality, the individual experience of their products, and their symbolic roles, as signifiers of wealth and taste. It is an association that suits the concept; it appears to give a lot of information, yet its outcome is subjective and thus indefinite.
1.3 LUXURY COMMUNICATION FOCUS

The concept of luxury has become incredibly ambiguous and has varied greatly throughout time and in different cultures. Historically it has been associated with commodities such as champagne, caviar, designer clothes and sports cars (Yeoman and McMahon-Beattie, 2014). The contemporary consumer, however, sees luxury as something more than just a commodity, but as an improvement of their lifestyle. Throughout this chapter there is not one inherent definition of luxury that has been discussed, only words and associations that form a concept of this.

Feminisation of luxury

Equally, there is no intrinsic luxury good; and it is for this reason that retail communications systems put emphasis on the organization and control of the ways in which luxury is merchandised and expressed in particular contexts (Kapferer and Bastien 2009). Because there is no clear definition of luxury and the luxury product, focus has been put on the way the product is presented to the consumer (Dion and Arnould, 2011). This also applies to the fashion and leather goods sector of luxury, where the communication strategies of these companies have become more and more important throughout the years. Danzinger (2005), Israel (2003) and Gambler (1997) call this the “feminisation of luxury”; a term with which they want to illustrate the process of luxury going from its masculine character and power symbols towards experience and extravagance (Yeoman and McMahon-Beattie, 2014). It is a phenomenon that they associate with the increasing buying influence of women. Here again is the consumer-brand relationship and customer loyalty of extreme importance, and because of this luxury is obtaining a high interaction of indefinite value in relation to price (Hagtvedt and Partick 2009 in Dion and Arnould, 2011; Kapferer 1997 in Dion and Arnould, 2011; Nueno and Quelch 1998; Vigneron and Johnson 2004). Most of the respondents, which professions vary from sales assistants to store managers (Appendix), see notice this emphasis on the way the product is presented as well, and indicate that the retail environment is an important part of this strategy (image12).

Because of this relevance of the relationship between brand and consumer, it has also been important to research into the consumers’ vision of luxury brands. Contemporary researchers have been adding on to this vision that there is an increase of different ethnicities mingling and communicating due to globalisation, and therefore there has even been a high focus on cross-cultural observation of the reaction towards the luxury image (Dubois and Laurent, 1996; Dubois and Paternault, 1997 in Husic and Muris, 2009).

Another relevant change concerning the luxury fashion retail environment is that consumers’ expectations are increasing and they are getting used to desiring and getting the ‘best of the best’ (Yeoman and McMahon-Beattie, 2014). This is due to luxury fashion brands competing in the race to the ultimate exclusivity and luxury, and leads to the phenomenon of consumers who are getting used to chic and becoming intuitively materialistic and more demanding.

This study focuses on the luxury fashion sector, as it is internationally one of the fastest growing sectors and as it is becoming an increasingly cross-cultural environment. It is this internationalization of business that can both be seen as an opportunity and threat for the luxury industry, as growth is what a company aspires and is inseparable from its economic development, yet for the fashion and leather goods sector it is important to balance it out with the notions of rarity and exclusivity. Since there is a high focus on how the product is communicated to the consumer, and researchers have already found out that the market is becoming increasingly cross cultural, it is interesting to combine these elements of cross-cultural and how to bring the product to the consumer in the 21st century.
1.4 RECAP
The definition of luxury is ambiguous and becoming increasingly complicated over time with the success of recently established luxury fashion brands. These brands are nowadays putting an increased emphasis on the way the product is been presented towards the consumer. This makes the physical retail space a crucial component, as it is here where brands can have control in regards to how it is presented. In this chapter also challenges of the current retail space were proposed, firstly the increasingly cross-cultural environment and secondly the increasingly less-impressed consumers. Both aspects in combination with the ambiguous meaning of luxury make it problematic for brands to define themselves as luxury, as the concept is subjective and dependent on the consumer's individual perception.
SUPPLY: LUXURY BRAND AND RETAIL STRATEGIES

This chapter will first explore the concepts of luxury retail strategy and brand ideology, after which the phenomenon of the flagship store is introduced. The most significant brand and retail strategies become apparent: the concept of luxury art worlds, the importance of the creative director, the experience and storytelling approach.

2.1 INTRODUCTION TO LUXURY RETAIL

As Yeoman and McMahon-Beattie (2011) point out, luxury products and services have become more common because of the increase of wealth in society. It is due to this increasing wealth in the Western world that luxury can be accessed on a more mainstream basis. Thus, the intensity of experience is becoming more important for both companies and consumers, which goes for all systems of extravagance that motivates consumers to fulfil deeper psychic desires (future Foundation, 2013 in Manlow & Nobss, 2013). As a result, luxury fashion brands are putting an increased emphasize on their retail brand ideologies in order to prevent being perceived as too accessible, and with that lose their luxury appeal.

Retail brand philosophy

Borgini et al. (2009, p. 365) describe retail brand philosophy as a “retail branding initiative and experience based on a detailed representation of moral and social values, presented in an extensive and intensive manner through the physical environment, and is linked to actual moral action in the lives of involved consumers.” In other words, retail brand philosophy is a branding experience that occurs in the tangible environment - from a brand – that communicates beliefs where at the time connection with the consumer takes place. With this, a basic definition of the concept of retail branding has been formulated. However in the luxury fashion industry and in the 21st century in general, this definition needs some small alteration and extension. To start, in the definition it does not state clearly which “moral and social values” it is relating to. Is it a detailed representation of the moral and social values of the consumer, or that of the company? Although there are many brands that try and represent the social and moral values of their customers - in order for them to relate to the product and themselves - within the luxury sector it are mostly the values of the company that are represented, and with which the customer would like to be identified (Niels Jacobs, respondent I, Appendix). Therefore, instead of using ‘moral and social’ values in this definition, it would be better to replace this with ‘historic and contemporary’ values of the organisation, as it is often important for a brand to communicate its origin and current position.

Concerning the second part of the definition - “presented in an extensive and intensive manner through the physical environment” - a simple addition of “and trained personnel” in this section would be advisable, as it is not only the environment, but especially the outstanding customer service that makes a luxury fashion brand, and which is changing as a brand changes their employees. Also the last part of the definition “and linked to actual moral action in the lives of involved consumers” can be adjusted. The luxury fashion retail industry differs in this aspect from the overall market in a way that it is not only linked to the morals of the customer, but also to the desires, fully understanding who they are and what they want. Last but not least I would highlight the ‘experience’ a bit more in the definition, since in the luxury fashion retail industry this is one of the most important aspects. A definition concerning retail-branding ideology in the fashion luxury sector as I just proposed would look like the following. Retail brand ideology is a retail branding initiative based on a detailed representation of historic and contemporary values of the company, presented in an extensive and intensive manner through the physical environment and trained personnel, and associated with...
the actual morals and desires of involved consumers, with as main goal giving an enduring experience unlike any of the competitors.

**Luxury retail strategy**

While some researchers referring to retail brand ideology, Dion and Arnould (2011) label this as luxury retail strategy. Luxury retail strategy may be thought of as a system that brings together dimensions that include the traditional ideas that luxury involves exclusive and artistic value, craftsmanship and premium materials, aesthetic value in relation to price, an aura of authenticity, legitimacy due to an artistic director who designs the products, expression of the creative leader’s charisma, and last but not least a retail ideology evolving around a vision of beauty (ibid.). Both the luxury retail strategy as the retail brand philosophy definitions give a knowledgeable basis for the retail environment, and show that all aspects of the retail environment are thought-through and essential.

One might wonder in these times of the Internet why companies would put such an emphasis on the retail store environment and the act of purchasing offline. Manlow & Nobbs (2013) state that shopping “is an interactional process involving branding and identity of stores as a means of promotion and advertising. It is also a way for stores to engage emotionally with consumers, and it is an activity important to consumers themselves”. With this quote I want to emphasize that the retail environment and real life shopping is still an important aspect of the branding and communication of fashion organisations. In the luxury fashion industry, excellent customer service and exclusivity are key indicators for the presentation of the products. Launching a web shop can make a brand loose these values (of exclusivity and customer service) and on the long-term decrease sales instead of expanding the company. Niels Jacobs, Store Manager at Mulberry, notices this as well, and states that he personally thinks it is a shame how much luxury fashion brands put themselves out there on the internet, as the concept of the world wide web is in its core contradicting with the exclusivity of luxury (respondent I, Appendix). Both he and Gemma Batt, Floor Manager of Mulberry’s flagship on Bond Street (respondents I & II, Appendix) state that fashion luxury customers in the 21st century still come to the physical shop for the experience and service, aspects of which the relevance will be discussed – amongst others – in this chapter. A supervisor at Saint Laurent Paris (respondent VI, Appendix) highlights the importance of a retail environment as an introduction to the brand in a designed physical space, and an expansion of brand awareness.
2.2
THE FLAGSHIP STORE

Since the introduction of the concept in the 1970’s, the function of the flagship store has changed significantly (Kozinets et al., 2002; Jones and Doucet, 2001; Varley, 2006; Kent and Brown, 2009; Moore et al., 2010 cited in Manlow & Nobbs, 2013). Even though it has been proposed that the function of flagship stores is both operational and strategic, this has never been empirically researched (Allegra Strategies, 2005; Mikunda, 2004; Riewoldt, 2002; Moore and Doherty, 2007 cited in Manlow & Nobbs, 2013). Just like the definition of luxury, the flagship store has conflicting definitions and functions and it is stated that the role of the flagship is under investigated (Manlow & Nobbs, 2013). According to Manlow & Nobbs (2013), key dimensions can be derived from a multitude of researches done by Kozinets et al. (2002), Mikunda (2004), Jackson (2004), Diamond (2005), Varley (2006), Moore (2006), Frings (2008), Kent and Brown (2009). They found four noticeable similarities of characteristics; The flagship store (1) is located in a prominent area, (2) offers widest and most in-depth product assortment, (3) has a high quality store environment and (4) serves to communicate brand position and values (Manlow & Nobbs, 2013). Moore and Doherty (2007), add that a flagship store also functions as a market entry method; to sustain market relationships; as the centre of marketing communications; as a prototype for store development. For consumers, the flagship store serves as a space in which business and identification with branded characters is executed (Manlow & Nobbs, 2013).

In Paris, the Avenue de Montaigne is the shopping street in which the French luxury fashion brands have their flagship store stationed (images 13 to 15). Think of Louis Vuitton, but also Givenchy and Saint Laurent Paris. In London on both Bond Street and Mount Street - the most well known areas for luxury fashion shops in the city – a lot of British luxury fashion brands have their main flagship store (images 16 to 18). Working at Mulberry and visiting the flagship store in London, the product assortment was noticeable, as they appeared to have all the bag models and every fashion item. As Gemma Batt - Floor Manager at Mulberry Bond Street - confirmed, they indeed had every piece from the collection in stock. Luxury fashion companies often rate their stores according to several aspects, such as size, location and if it is a concession or stand-alone store. Dependent on these factors, your stock is decided upon. A flagship store has every item from the collection, unless sold out. A concession store in a city like Amsterdam, not currently being one of the mayor cities like Paris, London or New York, has a smaller selection of products, dependent on concession size and sales figures. Besides the high stock level, the visual merchandise in the Bond Street store is always used as an example for Mulberry stores spread across the world.
According to participant observation research, an additional function for the flagship store is that it serves as an example for secondary stores of the same brand, concerning numerous aspects from visual merchandise to customer service. Also, branding through flagship stores does not only have promotion, advertising and an example for the retail chain as goal, but it is also a way to connect emotionally with consumers by creating valuable experience that possibly leads to brand-customer relationships (Manlow & Nobbs, 2013). For consumers, the flagship store represents a space in which business and identification with branded identities is enacted (ibid.).
In the present-day luxury fashion industry, the phenomenon flagship is an omnipresent and widely known concept. And as the concept of it spreads, so do the actual flagship stores (Allegra Strategies, 2005; Kent and Brown, 2009 cited in Manlow & Nobbs, 2013). In order to compete with the growing demand for products and profit for shareholders, fashion luxury conglomerates started opening stores in secondary cities since the 1990’s. Secondary cities are locations that are considered less important in the fashion market, and aren’t major contributors to the luxury industry. To visualize in examples, New York, London, Paris and Milan have been big players since the beginning. Concerning demand, cities in Asia such as Shanghai and Hong Kong have also become highly important for luxury companies to locate shops as well. Cities just as Amsterdam, Florence or Copenhagen are secondary cities, as they are in their size and sales not able to compete with the primary locations. As the stores started spreading, so did the concept of luxury. This democratization of luxury was accompanied by an increased competition (Silverstein and Fiske, 2003; Thomas, 2007 in Manlow & Nobbs, 2013), and so followed the urgency to augment authenticity in relation to the product’s recognized quality and exclusivity (Tungate, 2009). It is for this reason that the phenomenon of a flagship store has obtained an increased importance, because it is in this aesthetic environment where the brand’s objectives are communicated (Manlow & Nobbs, 2013). In order for the function and characteristics of a flagship store to work, the design of such a store is of high importance.

**Brandscape**

The design of the flagship store is an expression of the brand’s identity, something what Riewoldt (2002) refers to as a “brandscape” (images 19 & 20). Brandscapes reflect the brand’s identity in every aspect of design from architecture to visual merchandising strategy, in order to create a multisensory experience for consumers (Manlow & Nobbs, 2013). Hata (2004 cited in Manlow & Nobbs, 2013) seems to concur and states that we have entered a new era concerning luxury flagship stores, whereby brands have been forced to evolve upwards to create the “uber flagship, epicentre or global flagship store”. In order to create this “uber flagship,” according to Marlow & Nodds (2013), the emphasize will increasingly be towards the connection between the luxury flagship stores and their consumers.
2.3 LUXURY ART WORLDS

Art is the aesthetic and social guarantor of luxury (Kapferer and Bastien, 2009), and it might be for this reason that an increasingly number of fashion brands uses the concept of art as a branding strategy. Dion and Arnould (2011) call this the aesthetically oriented strategy, which makes a brand include art in its identity. Traditionally, profit organisations such as shops and commercial art galleries are seen as “market- and consumer oriented” (Crane 1987 in Joy et al., 2014; Joy, 1998 in Joy, et al., 2014) while non-profit organisations like museums were considered “product oriented” (Griffin, 2003). Museums would imply the “art world” (Becker, 1982 in Joy, et al., 2014), and commercial galleries are the “art market” (Crane, 1987; Moulin 1986 in Joy, et al., 2014). However, a combination of these opposing product- and market-oriented concepts is possible, creating a “hybrid institution” such as Louis Vuitton, both luxury fashion store and museum gallery (Joy, et al., 2014) (images 21 & 22).

Louis Vuitton is not the only luxury fashion organisation that is creating this hybrid institution, combining multiple functions in their retail environment. Many fashion luxury brands such as Saint Laurent Paris, Prada and Fendi have been displaying their products as if it were art for some time now (image 23). Dion and Arnould (2011) highlight that a key basis for luxury strategy involves art and beauty, and they state that ideology of the beautiful is communicated through the store to the products. While conducting research in London, Fendi displayed in their store on Bond Street both art installations as separate pieces, and applied art installations to present their products. Likewise Victoria Beckham had flower art installations in her shop on Dover Street (image 25), and instead of having mannequins in the shop window it displays the same flowers but then as stickers on the glass. Right across the Victoria Beckham store is Dover Street Market, an arty department store for all luxury brands and a phenomenon in London. Just like LOUISAVIAROMA in Florence, these department stores are displaying
fashion luxury collections and products as art pieces, and accompanied by art installations (image 24). Even though it is not the story of the brand that is communicated in this context, the luxury fashion is associated with art, making the retail environment continuously/increasingly hybrid.

Dion and Arnould (2011) say that art and magic used in luxury retail environments confirm the vision of a creative director. At the same time this artistic spirit incorporates the temporary: the charm of fashion and ever changing trends linked to dynamic installations, and an amusing and upbeat experience (Lipovetsky and Manlow, 2009 in Joy, et al., 2014). According to Venkatesh and Meamber (2008 in Joy, et al., 2014), aesthetics are all forms of sensory experiences relating to the arts, and the movement towards ‘aestheticization’ becomes increasingly powerful as consumer culture becomes progressively visual. Aesthetics have been around for a long time in the retail environment and are nowadays an essential aspect of the marketplace (Charters, 2006 in Joy, et al., 2014). Niels Jacobs, Store Manager of Mulberry (respondent I, Appendix), concurs and highlights that art in relation to fashion has the ability to inspire the consumer. Successful brands resemble an aura, and indeed luxury brands such as Louis Vuitton concentrate on aesthetics. Similar to art objects, it “possesses an aura of authenticity which surrounded by the original work, endowing it with qualities of uniqueness, distance, and otherness” (Heibrunn 1999, cited in Joy et al., 2014). Louis Vuittons and its competitors implement retailing strategies including ‘magical’ aspects of connection and contagion, in combination with adoration marketing (Joy et al., 2014). Brands like Gucci, LV and Prada embrace the “luxury is art” model (Okonkwo, 2007 in Joy et al., 2014) and turn their flagship stores into art installations by use the interior and exterior of the retail environment as a canvas and undertake art collaborations to turn luxury objects into artistic items (images 26 to 28).
Visiting a luxury flagship store present-day is thus an aesthetic experience, just like visiting an art museum. These places create an atmosphere where consumers can gaze and also fully employ to a brand’s artistic vision, just like in an art institution (Joy et al., 2014). Just like the interior of luxury fashion stores are essential in the brand’s communication with the consumer, so is the architecture of the store and other third places becoming more and more important. Present day collaborations between fashion brands and prominent architects and artists have been enhanced, with as most recent example the opening of the Louis Vuitton Foundation, an actual art museum and cultural centre, in 2014 (image 29). Foundation Louis Vuitton is sponsored and founded by the Louis Vuitton Moët Hennesy group which consists of many luxury brands, not only fashion and leathers goods companies but also watches and jewellery, wines and spirits and perfumes and cosmetics. It is one of the largest groups, with brands such as Loewe, Céline, Marc Joacobs, Fendi, Dior, Louis Vuitton, but also Moët & Chandon, Veuve Clicquot. The Foundation has been set up in order to promote art and culture, and probably also as a statement of power and spreading of the name or likeness of the group. An important competitor of LVMH is the Kering group, with brands such as Gucci and Alexander McQueen, Balenciaga. However, this group doesn’t have anything like a Foundation – yet – and thus it seems as if there is some old fashioned flaunting involved here as well.

Brand differentiating
Louis Vuitton seems to have a high focus on the implementing the artistic vision in every aspect of the company and thus creating absolute’ brandscapes.’ On their website, in the section “World of Louis Vuitton > La Maison > Architecture”, pictures of all store exteriors are visible, and when clicking on one of them, you get to see short inspirational movies about the city and the neighbourhood where the store is located, a short movie on the façade of the store and last but not least a short movie
concerning the interior of the store. It is an interesting strategy to display all this information onto the website. It gives the customer who has not yet had the chance to travel to the concerning destination the opportunity to visit the store online, and possibly creates the desire for the customer to go there themselves to experience it themselves. Also Chanel, with its clear distinction on how to present their products, seems to go in the direction of creating ‘brandscapes.’ Chanel does not have pictures and information on every store of Chanel, but this could be a strategy as well as not revealing what there is to see gives a sort of mystery. Distinction has to be made between younger and older luxury fashion brands concerning exteriors, since it are often the brands that have been longer around that have the amenities and necessities to create these huge projects. However, this does not mean that only these brands implement the art theme in their retail environment. Like stated before, Victoria Beckham, even though she recently opened her first own store, displays art and also Mulberry is increasingly displaying their products as art object in the shop window. Every brand seems to have its own signature visual that has been used for the retail interior and/or exterior. Take Prada, using pistachio-like green in a lot of their shop as a prominent colour. This in combination with the black and white tiles on the floor will make a Prada store very recognizable (image 30). Also the sister brand Miu Miu uses a green-tint as distinct factor in their stores. Moving on to Saint Lauren Paris, where the usage of the material marble is evident in both their stand-alone and concession stores. By presenting pictures online of their retail interiors without any products visible in the picture, the brand states the importance of this clear visual aesthetic. As you can see, present day it is all about the feeling and mood of a brand, and so is managing luxury brands slowly transforming to managing the ambience of the brand (Dion and Arnould, 2011). Moreover, luxury retail strategy incorporates artistic dimensions within and without the store (ibid.), and some argue that retail luxury is producer rather than consumer focussed and aims to provoke awe rather than community (ibid.).
2.4 THE CREATIVE DIRECTOR

While conducting analysis of luxury fashion brand stores in London, an evident creation of the creative director was recognized was inside the Fendi store on Bond Street, where Karl Lagerfeld – not only creative director of Chanel but also of Fendi – is used as inspiration for their latest accessories collection (image 38). Karl Lagerfeld is in this collection literally visualised in a key hanger. In other stores, such as Céline and Balenciaga, the artistic vision of the creative director was communicated while talking to the sales assistants by means of story telling. Meaning that while talking to a sales representative, associations to the vision of the creative director are often cited by explaining the unique vision behind a collection, product or campaign. The luxury brands enhance their flagship retail stores focusing attention to the artistic vision of the creative director, who is seen as evidence of authority. Furthermore, the artistic director acquires ‘magic power’ to create, exceptional persona and is legitimized by art world authorities (Becker 1982, cited in Dion and Arnould, 2011). Dion and Arnould (2011) state that evidence of this artistic vision is presented in the retail environment, and they refer to this particular devotion towards the creative director in the luxury industry as ‘adoration marketing’. Adoration marketing has to be maintained by managing the success of the creative director, mythologizing the founders and bringing the ambience to the luxury boutiques. The transferring of the aura towards the luxury stores is done either by means of contamination by similarity – touched by an artist whereby his ‘magic’ is transmitted to the product – or contamination by contiguity – created by an artist whereby his vision is transmitted to the product (ibid.).

Karl Lagerfeld is probably the most well known example of a creative director, and with a portfolio filled with names such as Valentino, Fendi, Chloé and Chanel definitely one of the most influencing persons in the luxury fashion industry (image 31). He has been responsible for huge successes at almost all companies where he worked. Currently he is both creative director at Fendi and Chanel, while at the same time working on fashion and art-related projects. A wide audience has praised his artistic visions and even though he is in his 80’s, he is not planning on retiring anytime soon. What Karl Lagerfeld is for Chanel, Nicolas Ghesquière has been since recently for Louis Vuitton, Phoebe Philo (image 36) is for Céline, Victoria Beckham is for Victoria Beckham and Johnny Coca will be from this summer onwards for Mulberry. Even though creative directors likely change from one brand to another over time, this doesn’t mean that they are not important for the brand. In the contrary, Dion and Arnould (2011) highlight the importance of a charismatic creative director. Luxury retail strategy sets itself apart from other retail strategies not only in extraordinary formulations of product, price, distribution, and attraction to consumer perception, but also is increasingly dependent on the authority of a creative director (ibid.).
Matured luxury fashion brands

Traditionally, luxury has been associated with the exclusivity of materials and the know-how of craftsmanship (Sicard, 2005) and some brands such as Hermès carry forward this tradition. In the 90’s however, the luxury fashion retail subdivision implemented mass marketing which resulted in a higher amount of distribution methods, a progression in manufacturing methods and last but not least an alteration of inventory turnover. It made the industry reliant on the sales of accessories and thus targeting a wider audience (Dion and Arnould, 2011). Consequently, this will threaten the luxury brand perception according to the analysis towards the issues of mass reproduction in relation to art from Benjamin (1927, 2002 in Dion and Arnould, 2011). Findings state that it weakens the perceptions of exclusivity, aesthetic and technical prestige, differentiation and eccentricity (Assouly, 2005; Brown et al., 2003; Lipovetsky and Roux, 2003).

To avoid this from happening, Dion and Arnould (2011) argue that brands such as Louis Vuitton, Dior and Chanel link their values of craftsmanship and know-how to the legitimacy of the creative director. These brands will most likely not hire an unknown creative director to represent the brand, because only a creative director with previous experience, success and proven artistic skills will be recognized as legit and has the ability to reinforce the brand’s reputation. Take for example Louis Vuitton, where Marc Jacobs was running the fashion house quite well until 2013, when he decided to focus on his own namesake label. Louis Vuitton is not the type of brand that will appoint an unknown person to fill up the position, and appointed Nicolas Ghesquière – until then creative director of Balenciaga – as the new head of the brand (image 33).

The importance of a creative director was noticeable for Dior when in 2011 John Galliano, creative director at the time, made anti-Semitic comments and scandal arose. The brand was involved, as John Galliano is the main association with the fashion house. Dior acted quickly and fired Mr. Galliano (image 35). Because this all happened so quickly, Galliano’s right hand was appointed as replacement until a proper replacement was found. This happened in 2012 when Raf Simons, previous successful creative director of luxury brand Jil Sander, was appointed to replace John Galliano. Also Mulberry recently experienced how important it is for a luxury fashion brand to have an artistic persona. In 2013, former creative director Emma Hill announced leaving the brand after six years, and the company share prices dropped immediately in the aftermath of the news. After a period of minor profit and financial struggles, the brand announced in 2015 the forthcoming of Johnny Coca (image 37) - former designer for leather-goods, accessories, jewellery and sunglasses at Céline - and share prices of Mulberry rose after a year of decline (Bloomberg, 2014). The new director provides “an aesthetic brand ideology”, and luxury retail relies on the assumptions of art and magic to extend his artistic view to the brand (Dion and Arnould, 2011). Charismatic legitimacy derives from creating devotion to, or adoration of the phenomenal personality of a leader (Waeraas, 2007), and where charisma is an exceptional quality, that one - indifferent whether real, presumed or fake – has and gives one authority that others acknowledge (Weber 1915/1996 in Dion and Arnould, 2011). Mulberry seems to have taken into account this strategy by appointing Johnny Coca. Johnny Coca was previously a designer at fashion house Céline, and head designer of shoes, bags and jewellery and sunglasses. Even though the name Johnny Coca has not been wide known, his work at respectively Louis Vuitton and Céline has, as he has been responsible for a lot of successful products at both brands.
Young luxury fashion brands
Furthermore, it is not just the luxury fashion brands that have been around for a long time that implement this strategy. The new luxury fashion brands such as Marc Jacobs, Jason Wu, Alexander Wang and Victoria Beckham are hardly ever mentioned without referring to their namesake creative directors. The difference however between the matured luxury fashion brands and the younger fashion brands is that having a namesake creative director makes it increasingly hard to separate the reputation from the creative director from the brand. When Victoria Beckham (image 32) announced to be starting a fashion brand, critics were ruthless about giving their opinion. It appeared that Ms. Beckham didn’t have such a fashionable reputation. However, despite this the brand turned out to become a huge success, as mentioned before. And when Stella McCartney (image 34), daughter of former Beatles member Paul McCartney, announced to be starting a namesake luxury fashion label there appeared to be put a huge weight on her shoulders. As daughter of a famous musician, all eyes were focussed on her first collection. It appears to be that having some kind of fame before starting really helps, as also here the brand Stella McCartney became well known very quickly. Another relatively young brand with an interesting history concerning creative directors is Maison Martin Margiela. Martin Margiela, a Belgian fashion designer who studied at the Royal Academy of Fine Arts in Antwerp, founded the brand. As we discussed the popularity of creative directors and their well-known reputation, the story of Martin Margiela stands out because he has deliberately tried to keep a low personal profile and avoid the media, by for example not showing himself after the presentation of a runway show (which other creative directors always do red.). And for some reason, it totally worked well with the brand’s image and reputation of being mysterious. As mysterious as his no-show appearances were, so was his departure at the fashion house, as in 2009 it was announced that Martin Margiela has not been at Maison Martin Margiela for a long time. The company has declined to comment on his departure ever since, and amazed everyone by appointing John Galliano as new head of the brand in 2014.
2.5

THE EXPERIENCE IS EVERYTHING

Luxury fashion retailing has traditionally always had a great focus on offering premium service, which includes storytelling and is embedded in offering an experience. In relation to storytelling, an experience is defined as ‘a continuously interactive process of doing an undergoing, of action and reflection of cause and affect which has meaning for the individual in more than one context of his life’ (Snel, 2006 cited in Dear Customer, 2013 p. 7), and Dear Customer (2013) states that such an experience starts the first time a customer gets in touch with the business and does not really have an end. Conducting research in London, the sales assistant Chanel’s concession in Selfridges was very helpful and spend over half an hour to discuss all the details of one of their specific ‘it’ bags: the ‘Boy’. Not hesitant to communicate her knowledge concerning material features and going through the release periods of the next selection of the collection – since the bag asked for with a price tag of around €3100,- was sold out (!). Burberry on Bond Street has likewise an understanding of what premium customer service entails. Within no time when entering the store and asking some explicit questions, the private client consultant of the store came into the store to be of service, explaining that his job implied personally arranging everything for VIP customers in the city, offering a wide range of services whether that would be product or event concerned.

Storytelling seems to be an important aspect in order to offer an in-store experience, as multiple stores visited came up to inform about the history of the brand, the details of the collection and vision of the creative director. It is the story telling method that is used to bring across the background of the art director, the layout of the flagship and latest art collaborations – all highlighted in this chapter. At work at Mulberry it is noticeable that the company puts an emphasis on bringing the story of the brand across, and it is made sure that everyone knows the story by trainings in relation to product and leather knowledge – where does the inspiration come from, how and where is the item made – customer service knowledge – how to deal with different cultures – and of course brand knowledge – introduce the founder, history and current story of the brand.

V.I.P (very important person) treatment

As Yeoman and McMahon-Beattie (2014) point out, to a greater extent every shopper is being handled as a VIP; every person is entitled to a sense of exclusivity. But, due to a multitude of events such as increased competition, the rising expectations of customers demanding the best of the best, democratization of luxury and the ‘luxurification of society’ have challenged the present day marketers to reconsider traditional luxury strategies. Yeoman and McMahon-Beattie (2014) propose that the future of luxury will be about the basic principles of over luxury positioning, characterised by exclusive authenticity, expertise, knowledge, innovation and customisation. Also, they argue that the groundwork of desire through which exclusive luxury blossoms is social capital. In other words, the discourse between sales advisor and customer is an extremely important aspect in the creation of desire towards luxury brands. Niels Jacobs, Store manager at Mulberry concurs and highlights the importance of influence in the retail environment (respondent I, Appendix). As he states, in the retail environment as customer can come in planning on buying a black item, but can leave the shop very satisfied with a red item. Discourse with an employee has the ability to do this, create desire and attract someone towards luxury. Atwal and Williams (2009) seem to concur and notice that luxury fashion retail is, apart from focussed on offering premium service, moving increasingly towards experiential marketing. The difference between service and experience is highlighted by Pine and Gilmore (1998 cited in Atwal and Williams, 2009), starting with service: ‘when a person buys a service, he purchases a set of intangible activities carried out on his behalf’, which can be translated in having the concerning treatment executed that the customer wants to be executed, in a way that the customer wants it to be executed. When explaining experiential marketing,
they state: ‘when he buys an experience, he pays to spend time enjoying a series of memorable events that a company stages to engage him in a personal way’ (Pine and Gilmore (1998 cited in Atwal and Williams, 2009), which can be recognized as the superior stage of service, adding value of unconscious desires into the act of purchasing, turning it into an experience. In other words, the main difference between a service and experience is that with a service the customer gets what (s)he expects to be done, while with an experience the customer receives the unexpected.

The experience
Luxury retail stores are of high importance and created to add on to the act of boosting sales; they must also promote their brand, communicating the brand’s story and values (Martineau, 1958 in Joy et al., 2014). By selling “the dream” or “the experience”, spreading the brand awareness is a vital role of a luxury fashion retail environment. Consumers’ perceptions of the brand’s quality and of the store image are playing an increasingly powerful part in the retail environment (Martineau, 1958 in Joy et al., 2014). Both Gemma Batt and Niels Jacobs agree (respondents I & II, Appendix) highlighting that one of the most important functions of a luxury retail shop is the offering of an experience. This differentiates not only brands from each other, but also the shop environment from the online web shop. A multitude of respondents agree that offering this experience and excellent service is a reason for customers to return to a shop or brand (Appendix), and Gemma Batt notices that nowadays customers also know they get exceptional service, hence expect the best of the best.

2.6 RECAP
After this chapter we know that the flagship store is an important communicator of the brands’ aesthetic, and that some brands even take it a step further by creating brandscapes. It is especially when entering these stores where customers expect the absolute best. Fashion brands are thus especially focussed on these shops as it is expected that these stores always look flawless and create awe. However, once a brandscape or flagship is created, except for the merchandise hardly anything is changed. Even though the introduction of a new store is inspiring and exciting, it is natural for this interest to go away after a period of aesthetic sameness interior-wise. The section of luxury art worlds has shown us that the link to art is used to enhance a brand, and the creative director is acting as an important influence to a brand. However when it comes to the aesthetics of the store, the brand itself and its characteristic visuals are unmistakeably featured. This is also evident in the storytelling strategy, where the story behind the brand is communicated extensively.

This chapter has shown us that concerning luxury fashion brand and retail strategies, the brand itself is fundamental where the creative director and art references acts as an authority to legitimize its choices, the flagship is the most important communicator of the brand as a whole entity as it is here where the consumer is directly serviced and the brand’s story is told. These strategies show that maintaining a luxury fashion brand involves more than opening a store with products, also because the customer expects more. However, except for the service in a store – which the luxury customer expects nowadays as well – the consumer is not taken into account more than decades ago, and the operations in the store have not changed either.
3. DEMAND: PURCHASE BEHAVIOUR RESEARCH

This chapter kicks off with giving an introduction towards the subject of consumer research and its importance, after which the first subject of investigation will be discussed: high- and low context, or individualistic and collectivist cultures and their purchase behaviour. Then the brands’ country of origin in relation to the consumers’ perception will be touched upon, as well as the importance and effect of the brand towards the customer.

3.1 CONSUMER’S SOCIETY

Shopping is the central activity of a consumer-based society (Zukin, 2004 in Atwal and Williams, 2009), and zooming in on consumer experience gives researchers a better impression of how the retail environment is used by the consumer both to create their own identity and to seek shared projects (Arnould, 2005 in Joy et al., 2014). Multiple researchers attain the theory of “conspicuous purchase” of Veblen as the reason behind buying luxury brand derives from. The idea behind this theory is that consumers buy in order to create a favourable social image that they can create through their purchases (Eagly & Chaiken, 1993 in Husic and Muris, 2009). Like stated earlier in this research, a luxury brand is associated words such as exclusivity, craftsmanship, heritage, premium pricing and quality, global reputation and recognizable style, and defined mostly from a producer perspective. From a consumers’ perspective, luxury goods are commonly characterized as products that likely bring status to the owner (Grossman and Shapiro, 1998 in Kauppinen-Räisänen et al., 2014) and influence the owners’ identity and self-image (Husic and Cicic, 2009 in ibid.). There have been a multitude of documents written about the consumer and the consumer’s purchasing behaviour, but the focus points of these researches have been divergent. Some research into consumer behaviour try to categorize and investigate this behaviour, while others take the cultural background of the consumer into perspective and try and find links with between the ethnic background and purchasing behaviour of the consumer. The concept of luxury is not consistent, because luxury is a subjective concept (Phau & Prendergast) that is dependent on the consumer’s sense of value. Value perceptions are an important and broadly discussed topic in the establishment of the definition of luxury goods, but researchers agree that it is the notion of value perception that is insufficiently understood and under-investigated (Tynan et al., 2010; Wiedmann et al., 2009; Vigneron & Johnson, 2004). As discussed previously, expectations towards brands rise as income and expenditure increases. Inflation of consumers’ wealth then comes with challenges as well as opportunities. The increase of disposable income of the middle class has been previously referred to as 'luxurification of society', and causes retailers to put an emphasis on connecting with the consumer. Building this relationship between brand and customer requires knowing the consumer and thus calls for consumer research.
3.2
INDIVIDUALIST VERSUS COLLECTIVIST

Trying to grasp the reasons behind luxury consumption (Kapferer & Bastien, 2009; Keller, 2009 cited in Shukla and Purani, 2012), and how consumers’ perceptions of luxury value influence their buying behaviour (Tynan et al., 2010; Wiedmann, Hennings & Siebels, 2007 cited in ibid.) becomes increasingly significant for luxury managers as the world economy is becoming increasingly cross-cultural. Academic researchers often use the cultural dimension of individualism versus collectivism to explain the general differences between Western and Eastern perspectives on the concept of the self (Wang & Waller, 2006 in ibid.), and associate this with high- and low-context cultures (Bian and Forsythe, 2012). All of the luxury retail personnel interviewed (respondents I to VI, Appendix) have the perception that there are indeed differences in purchase behaviour of different cultures. While the Store manager of Loewe states that different cultures set very divergent vibes, the Floor manager of Mulberry mentions that different cultures put emphasis on very different aspects of a product and/or brand (respondent II & V, Appendix). Also the store manager of Louis Vuitton (respondent IV, Appendix) states that having a conversation with someone from a different culture varies greatly in comparison with a dialogue with a compatriot. In order to prevent miscommunications or disappointment due to these culture barriers, a sales assistant always has to be cautious and vigilant.

Hofstede & Hofstede (2004) addresses the differences in individualistic and collectivist cultures in regards to “the degree of interdependence a society maintains among its members”, or to which extent the people’s self image is defined in terms of “I” – individualistic - or “we” – collectivist. This is related to their society, as individualistic persons are responsible to themselves and close relatives, yet collectivistic people belong to and take care of a larger grouping (Hofstede & Hofstede, 2004). Concerning high- and low-context, these terms refer to which degree the culture itself is considered as a framework, and whether is it necessary to add on to it by means of words (Kittler, Rygl and Mackinnon, 2011). High-context cultures in this case is where the culture itself explains a lot, and not that many words are spoken, leaving the value of words said higher compared to the words said in a low-context culture, in which a communicator has to be much more explicit and the amount of words said increases (ibid.).
When looking at research done towards the difference between these cultures, according to Markus and Kitayama (1991 in Shukla and Purani, 2012) consumers from Western cultures look at the self as a relatively independent, self-sufficient, and autonomous individual. Individualism appears further to correspond positively with priority on self-fulfilment, where consumers emphasize on personal goals, physical happiness, and success (Hofstede & Hofstede, 2004). Opposite, Eastern consumers define the self to a greater extent by relationships with people of one’s entourage, including family, relatives and co-workers (Wang & Waller, 2006 in Shukla and Purani, 2012). Bian and Forsythe (2012) have done research towards these cultures’ self-expression and self-presentation attitudes in relation to reason of purchase. Consumption is predominantly driven by social-purpose attitudes, like the two mentioned, as luxury brands allow consumers to express their individuality and present their social status (Wilcox et al., 2009 in Bian and Forsythe, 2012). Luxury brands can answer to this need for uniqueness and individuality (Vigneron & Johnson, 2004 in ibid.), as well as strengthen the social image by representing collective classification and connections. These roles of luxury brands provoke the self-expression and self-presentation attitude, in which individualistic consumers preserve self-consciousness and individual identity and collectivist societies portray their social status (Hofstede & Hofstede, 2004).

So collectivist consumers have an urge to self-monitor their status, leading to self-presentation (Bian and Forsythe, 2012), while individualist societies on the other hand have a wish for uniqueness, leading to an urge to self-expression (ibid.). The results of Bian and Forsythe (2012), show that consumers’ wish for differentness influences their social-purpose attitudes towards luxury brands, and that consumers’ self-monitoring has a positive effect towards their social-purpose attitudes concerning luxury brands. Furthermore, attitudes are significant when creating the social self, and emotions are linked to these core attitudes, that at the same time are crucial in the establishment of purchase intention (ibid.). The idea that the self-controls the value perceptions of individualistic consumers, while mainly others control the value perceptions of the collectivist consumers, can be of importance when helping customers in a shop as it determines how much value they attach towards opinions and statements of others in the decision making.
3.3 BRANDS’ COUNTRY OF ORIGIN

While some researchers have extensively studied the matter to which the consumer’s origin is related to purchase behavior, others investigate the degree in which a brand’s country of origin has an effect on this purchase behavior. The relocation of production has changed the relations between where a product is designed and where a product is manufactured, and a multitude of researchers are interested in the effect of this in the retail environment (Serge Reinach, 2011; Khan, 2012; Roper et al., 2013). Segre Reinach (2011) argues that fashion present day is not merely about people dressing up and the way brands are distributed any more, but seen as a chance for countries to be part of the global market. It has become increasingly important for a city or country to convey a specific image as a symbol for political and economic power (Segre Reinach, 2011). The reason behind the will for becoming a fashion nation or city is that consumers value country of origin (CoO) as an asset of product quality (Bloemer et al., 2009; Veale and Quester, 2009; Verlegh et al., 2005 in Godey et al., 2011). The luxury product is, just like any other product, a combination of “cues”: product-intrinsic cues, like taste, design, material and performance, and product extrinsic cues, such as price, brand, store, warranty, and country of origin (Godey et al., 2011). Generally, consumers rely more on intrinsic attributes, but in certain circumstances they prefer the extrinsic attributes, finding them trust worthier than their own assessment (Srinivasan et al., 2004 in Godey et al., 2011). Consumers link the products with the image of the product’s country or city of origin, which is a representation or reputation of a specific country or city (Nagashima, 1970, 1977 in Godey et al., 2011). In practise, this means that the origin of the luxury brand is of influence on the purchase behaviour. It might have something to do with the fact that the luxury fashion brands from Paris, London, Milan and New York are more recognized and successful in the worldwide industry.
It is self-evident that different countries have different tastes in fashion and style, yet over the years the major fashion capitals have stayed the same. This phenomenon is independent to the fact that in recent times the number of Fashion Weeks has increased in a significant amount of “fashion cities” (Ling 2006 in Serge Reinach, 2011). According to a study carried out by Godart (2009 in ibid.), the most important fashion capitals where brands have to get a reputation and have success are still Paris, together with New York, London and Milan. Probably not coincidentally, these are the same capitals in which most of the successful luxury brands originate from and accommodate their headquarters. It appears to be that not only these capitals are the most important one to make name, but that there is a link between the brand’s country of origin and their success in the industry. Louis Vuitton, Chanel and Hermès amongst many others come from Paris, and just like Valentino and Dolce & Gabbana, Prada started in Milan. New York accommodates new luxury brands such as Alexander Wang, Proenza Schouler and Michael Kors, while London is well known for their British Burberry, Mulberry and more recent Stella McCartney and Victoria Beckham. As shown on image 40, fashion luxury brands such as Mulberry proudly communicate their origin by means of their shop window. Furthermore, present day the interest of knowing the brand’s origin is also noticeable on the shop floor, where a customer asking for the brand’s country of origin is not a rare question. Working at Mulberry, not as widely known yet as Chanel or Louis Vuitton, the Asian customers in particular are interested in this matter. Niels Jacobs (respondent I, Appendix) notices the same, adding on to this matter that Asians also value significantly knowing information on where the bag is made. As they come from far to purchase European luxury goods, they prefer products made in Europe to products manufactured in Asia.

Besides the country of origin, the customer is also confronted with the country of design (CoD) and country of manufacturing (CoM). Mulberry has recently noticed that the increasingly knowledgeable and also demanding customer has strong associations with these factors. In general, luxury fashion customers correlate the country of manufacturing with the level of product quality. They often take manufacturing in Europe as value added information to the product, while luxury products manufactured in Asia implies contradiction. It could be that production in Asia has an effect on purchase behaviour due to the associations with cheap labour, awful working conditions and events like the Rana Plaza disaster, however this subject in relation to the luxury fashion companies is under-investigated so it is not possible to excerpt conclusions. The company used to fabricate their small leather goods in China, but increasingly it appeared that not only the European customers, but also the Asians were not enthusiastic about buying a luxury product made in Asia. It was for this reason that Mulberry decided to build another factory in England, and to move production towards Europe. It is an example of how there are strong associations between the country image and product quality in relation to product evaluations (Kotler and Gertner, 2002 in ibid.). Unfortunately, this subject is under-investigated and specific value perceptions of one culture towards another have not yet been defined. But that there is a relation between the brand’s country of origin and the value perceptions, and thus the brand’s country of origin has an effect on the purchase behaviour, seems certain.


3.4 BRAND INFLUENCE

Vigneron and Johnson (1999, in Husic and Muris 2009), explain luxury consumption according to five behaviours, what they call “effects”. They start with noting down the Veblen effect, which entails customers to attach an increasing importance to price as a sign of status. With this, it is the customers’ primary goal to impress others. This derives from the theory of “conspicuous consumption” by Veblen, and the consumer is focussed on the perceived conspicuous value of luxury (Yeoman and McMahon-Beattie, 2014). The second effect noted down is the snob effect, in which consumers perceive price as a sign of rarity, and avoid buying mainstream and prominent brands. Here luxury attains a unique value to the customers. As Niels Jacobs states (respondent I, Appendix) he recognizes this amongst Mulberry clientele when they are looking for something different than the already well known, established Louis Vuitton and Gucci. When customers perceive social value in regards to a luxury item, Vigneron and Johnson (1999, in Husic and Muris 2009) refer to the bandwagon effect. Here consumers are focussed on their reputation, and the effect they make on others while purchasing luxury items while they are less focussed on price as an indicator of prestige. This is something I notice myself when there are customers buying an item because a close relative or friend has the item, or when they have seen a celebrity wearing the item. Next are the customers that purchase luxury brands because of their own feelings and thoughts, and perceive emotional value in regards to luxury items. This is referred to as the hedonic effect. Last but not least they speak of customers to which brands have the perfectionism effect, where the perceived quality value is important. Here customers rely on their own opinion concerning the product’s quality, and they may include the price as indicator of this quality. Gemma To recap, the effects mentioned were the Veblen effect, the snob effect, the bandwagon effect, the hedonic effect and the perfectionism effect.

With these effects, Vigneron and Johnson (1999, in Husic and Muris 2009) have sketched to what seems like consumer profiles, by categorizing customers and their value perception towards buying luxury items.

The increasingly cross-cultural market is forcing luxury fashion organisations to investigate more thoroughly towards the connections between consumers and luxury brands. The brand is seen as an important aspect of the product, because it seems to have an effect on the customer’s perceptions and attitudes (Dion and Arnould, 2011). Gemma Batt (respondent II, Appendix) concurs, stating that for some customers the brand indeed plays an important role in purchasing. As how she states, it is remarkable that for example the Thai and Chinese customers put emphasis on the image and reputation of the brand, while Norwegian customers rather go for the style and quality that they relate to the brand. Different cultures seem to attach different values and symbols to a brand dependent on their origin.

Dion and Arnould (2011) discuss two dimensions of how a brand can have effect, and call it the functional and relational dimension. With the functional dimension, the brand commonly represents the organisation and its identity (Rego et al., 2009 in Dion and Arnould, 2011). For example, when thinking of Louis Vuitton, one might think of the recent appointment of Nicolas Ghesquière as creative director, its history as a trunk-making company or its position in the LVMH group. It is the dimension that makes customers associate the brand with the activities of the brand, such as product/collection releases or runway shows, innovations or iconic events. According to Keller (2008 in Dion and Arnould, 2011), brands can help making choices and authorize quality. In order to respond to this dimension, companies focus on brand awareness and image (Keller, 1993/2008 in Dion and Arnould, 2011).
The relational dimension derives from the constant brand identity that is established and worked on, and evolves around the brand-customer relationship (Fournier, 1997 in Dion and Arnould, 2011). To mention an example: because I have had a particular likeable experience in a Chanel store, this might be of influence of my choice of brand. That is, if I could or would ever buy such an expensive good. Either way, in this case the emotional condition of a customer feeling connected with a specific brand is important (Dion and Arnould, 2011). Brands respond to this dimension by trying to generate trust through focusing on services that might make the customer feel connected with the brand. There both is the service that is always offered when buying an luxury product, which often includes beverages and a personal assistant. However there is also the extra service, where luxury fashion brands provide benefits such as monogramming or customizing your product, or a repair service in case of an already bought item (images 41 & 42). As how we noticed in London, for the loyal and well-recognized VIP customers some brands offer a Private Client Advisor who can get them invited on exclusive brand events, such as a runway show during Fashion Week.

3.5 RECAP

It appears that the differences in cultures have an effect on purchase behaviour as individualists purchase items for self-expression intentions and collectivists for self-presentation motives. Due to globalisation and acculturation however it is problematic to implement these theories in the store of the customers country, as nowadays the retail environment is overly cross-cultural. This means that a luxury fashion brand store should find a system of communication that is interdependent with the customer; personal service and training is still the most suitable option. As some nationalities prefer brands with a specific origin more than another, more research should be done towards these exact relations in order to educate the personnel of a luxury store. So staff would know to whom they should explicitly explain the background of a brand in order to convert sales, and to whom it might not be beneficial. Last but not least the importance of a brand in the purchasing behaviour was touched upon, as it appears to be essential as a means of differentiation. The brand can both generate trust and authorize quality, through the respectively relational and functional dimension. Luxury fashion brands are already focussed on brand communication, however the means in which they execute this inside the store could be more customized towards the clientele. The loyalty of the customer seems to be heavily dependent upon the relation with the fashion brand, and as customer loyalty converts most likely in a sale, focus should be put towards establishing a strong brand-customer relationship.
4. LUXURY FASHION RETAIL IMPROVEMENTS

Here advise and research towards the retail environment from alternative researchers will be announced, after which the improvements for the luxury fashion brand retail environments will be stated. This chapter will not have a recap, as the conclusion presents itself as such.

4.1 EXPERIENCE FACTORS

Dear Customer (2013) derived eight experience factors that have the ability to create excellent customer service. These eight factors apply to the whole industry, but in regards to the retail industry the most important experience aspects are helpfulness, competence and personalization, with helpfulness and personalization as the two most important (Dear Customer, 2013). The luxury fashion industry is focussing on customer experience, and this is not without reason. It appears that a positive customer experience will lead to loyal customers, which in return will lead to an increase in revenue (ibid.). Especially in an era where consumers are spoilt for choice in a crowded luxury market (Business of Fashion online, 2015) and showing less loyalty, focussing on these aspects is highly important.

Luxury fashion brands luxury brands seem to be focussed in the right directions with their retail strategies, as helpfulness and personalisation are often embedded in the story telling and customer service approach. When conducting research in Paris however, it seems that while the brands appear to focus on these aspects, sales assistants do not always execute these strategies properly. It is not certain if it was because of a cultural difference, or because the French cliché that they don’t speak English properly appeared to be true in the shops. Either way we felt misunderstood as customers and got complete different answers to our questions, situations in which a beverage offered by the shop doesn’t enhance anything about the experience. Besides the sometimes-insufficient level of executing the strategies, the ways in which these strategies are implemented in the luxury fashion retail environment have not had an overall update for years now. Only some brands have implemented more modern technology – the Victoria Beckham store for example does not have a traditional cash desk, but this is hardly the newest idea out there (images 43 & 44). Most luxury fashion brands however still operate the same as they did years ago with a cash desk, their store divided in product categories and one large stockroom per store. It is not possible to derive specific retail strategies that all brands should implement since the experience and story- telling per brand is uniquely different. However, according to the two most important experience factors acknowledged by Dear Customer (2013), I will give an overall advice per factor. This because the research of Dear Customer has shown that customer focus is an important trend in retail, and luxury fashion brands can improve their retail experience by implementing this trend.
4.2 HELPFULNESS
Helpfulness is an important factor of customer focus and can only be met by the retail staff (Dear Customer, 2013). However, as it reflects the entire brand image it is a valuable luxury retail component in which the company should provide the tools. The luxury fashion brands already seem to go towards this direction, as often the retail personnel is trained in such a way that they should be able to bring across the brand story, product features and collection information. However, with the increasingly cross-cultural environment of this century, an important addition to the retail’s staff knowledge would be cultural know-how. Depending on one’s personality and culture, it can be offending when the sales assistant does not have knowledge on a customer’s background or gives an antagonizing comment. Moreover, it is helpful when a sales assistant has information about one’s nation or culture when falling into the conversation or using it as background knowledge in the conversation. As one’s nationality does have impact on a customer’s consumer behaviour, a beneficial product would be a small booklet per nationality. In these booklets, information is stated not only about the country itself – as it would be nice to know which language they speak and what the main capital is – but also about the culture, habits, interests and purchase behaviour of these nationalities. Sales assistants would then become semi-cultural professionals, and as a result customers will feel appreciated and understood which leads to loyalty; returning to the brand. As such booklets do not yet exist, brands can either construct these themselves by means of the research done and their own data or an external company can take-on the challenge to do so. In this case further research would be advisable, as important factors are still missing in the current research. It would be an immense project mapping this many nationalities and their behaviours, but will definitely add on to the helpfulness factor in luxury fashion retail. Every store would then be able to have different booklets, depending on the nationalities that are most often visiting or buying in their store. This collection can be consistently expanded if the customer cultural database would do so as well.
Another interesting way to use the customers’ data on the shop floor is if there would be a system made available, creating an overview of the store’s clientele. Working in a fashion luxury store where there is a cash desk system to which you can add a new customer, if you want to look up information about a customer because of some kind of communication it is a cumbersome way of doing this. This cash desk system is mostly used to link the customer to a receipt. Advisable is a system or subsystem in which sales personnel can put in their customer, but also map and look up information in a more practical way than is possible now. How this exactly would look will be dependent on the brand and their preferences, but an accessible system in which everything is ordered can make the conversation with a customer a lot smoother. This system can then be used as a communication tool with the customer, to pass on messages or inform the customer about their purchase, order or item. It would not only be more convenient and straightforward in communicating with the customer, but also sales personnel is forced to be more involved in the whole process of building a customer database.

Finally, regarding helpfulness and in line with building a consumer database would be the option for sales assistants to create their own connections. As Niels Jacobs stated and I myself have experienced, is that a lot of loyal customers attach value to one or more sales assistant(s) of the brand. This strategy is also partly based on the experience of meeting the private client advisor of Burberry in London, who made personal contact and us feel welcome immediately. Customers come back specifically asking for a person, or determined to buy an item but only if that person is there to help. Focus should be towards building this clientele by having business cards per sales assistant with not only the information of the store on there, but also the name of the sales assistant. A sales assistant should communicate when handing out these cards that the customer can always call to ask when (s)he is working, or by stating which days they will be present in the store. Also, when having the idea that the customers will come back, asking the customers for their names and some personal information in order for the customers to feel less like customers will be beneficial. When having a positive experience like that, it will eventually convert in loyalty and thus sales.
4.3 PERSONALISATION

Another part of customer focus is personalization, whereby the retail luxury fashion experience needs to be personalized towards the shopping behaviour of customers. This can be more easily done by investing in a system in which customer information can be more easily mapped, which was discussed in ‘helpfulness’. Besides putting it all on the shoulders of sales staff in the store, again here the luxury fashion company should provide the tools. A suggestion for the layout of luxury fashion stores would be to focus on creating spaces that are customer personalized, rather than retail stores that are divided in product categories. Focussing on spaces for the customer to stay rather than showing them around the whole store and in the end back again to the cash desk, allows them to relax and take in what is shown to them. Rather than having to take the customer to the product, the product has to be brought to the customer. Also, I would pose a more efficient usage of store space, in which cash desks will no longer be present. This because of the same reason; the customer would have to relocate in order to buy an item. Rather, the sales assistant should go to the customer for the settlement. Multiple secret storage spaces against the wall can store more stock as well as gear to pack the just bought items. Having one large stockroom as right now will result in the customer having to wait longer before an item is brought to them. It is not possible to have all styles in the small stockrooms, but the most popular products from the collection can be stored in multiple places in the store and refilled accordingly.
Dividing the store in customer spaces would add on to the experience, as the customer would just have to go in, and be helped accordingly while being offered a beverage. Customizing the store according to the stores’ customers might result in retail environments looking different for the same company concerning layout, but the aesthetics will make sure that the brand is communicated through visuals and thus cohesive with other stores of the brand. Not only will the fashion luxury brand attain an extra unique selling point when implementing this layout strategy, the layout has also the ability to attract new customers and create a space for clientele bonding. In the customized store spaces the customers will feel more at ease and relaxed, and not rushed into a sale will make them slowly bond with the brand. This customer loyalty will convert into new customers, loyal customers and eventually sales. When conducting research from interviews, it is evident that store managers themselves have a good idea who their clientele is and also notice that there is a difference in clientele per store in the same city. Therefore taking into account the knowledge of the store manager when adapting the layout is crucial, an aspect that is unfortunately often forgotten in the top-down retail strategies.

In this thesis it has been put forward that fashion luxury brands are focused on creating brandscapes; immense luxury fashion stores that communicate the brand throughout. However, once these brandscapes have been realized the inside of the store hardly changes – except for the seasonal merchandise. In a century where the luxury customer expects the best of the best, having seen the same store for a while can become tedious. As it is nearly impossible to build an entire new store every few years on divergent locations, finding a system that allows one to change the interior of the brand more easily would be a beneficial solution. Think of being able to change the walls and thus walking route every now and then, and completely turning the store around. Luxury fashion brands are already creating inspirational spaces for events they are hosting (image 45). Utilizing these attributes in the store environment for temporary purposes in a selected part of the store will inspire the consumers and motivate them to come back to see what is new next time. Depending on the brand’s story and background, companies can all come up with their own way of doing so. I am more than certain luxury fashion brands have close connections with architect and interior professionals who can come up with achievable and innovative design systems.

To finish this chapter, a quote by Atwal and Williams (2009) gives a good overview on the items discussed throughout this chapter, and reflects on the suggestions done. “Luxury brands need to stay in front of luxury consumers, through the discovery of new and different ways to give expression to their desires” (Atwal and Williams (2009)).
CONCLUSION

The luxury market in the 21st century is a complex concept. On the consumers side of the market, there is the phenomenon of ‘luxurification of society’, where an increase of income leads to an increase of demand towards the best of the best. Also in the retail environment, consumers’ expectations raise while the clientele is becoming more cross-cultural. At the same time, the producer side of the luxury fashion market is changing as well. As it is becoming more crowded with new luxury fashion brands building, competition increases. Luxury fashion brands thrive to grow globally, while trying to keep holding on to their exclusive image. Keeping all of this in consideration, for the luxury fashion brands it is complex on how to cope. An important way of connecting with the customer seems to be via the physical retail stores. The aim of this thesis was to find out how luxury fashion companies can use the information they have in regards to their customers and their behaviour as starting point to improve their retail environment retail environment. In the last chapter of this thesis I have opposed solutions based on customer focus where helpfulness and personalization are key indicators that will lead to customer loyalty and eventually revenue.

Regarding helpfulness the advice is to keep focussing on educating and training the personnel, because in the luxury fashion retail environment customers often attach – besides the brand - value to the person they are assisted by. As sales assistants are still the most interdependent factors in a store, they are the ones with the ability to accustom communication per consumer. Moreover, emphasis should be on the importance of knowing facts and habits of different cultures. This can be achieved by creating small booklets per nationality, which sales assistants can go through and absorb. Even though the research done towards luxury customer’s purchase behaviour is still under-investigated, a lot of the current data can still be of value in the conversation between sales assistant and customer in order to put achieve a beneficial relationship. A result of implementing this advice will be sales assistants who serve as communication and cultural semi-professionals. Customers will notice when personnel is educated and moreover they will feel more related when personally approached based on their culture. A positive experience as such will lead to customers attaching value to that specific store or person, and as a result the customer will drop in more often and eventually an increase in sales.

Also, investing in a system that can map the customer data in a way that gives insight in and makes communication with the customer more easily should be made available for luxury fashion personnel. In this way, staff will be personally responsible for their own clientele bonding and it is more easily to communicate directly with the customer. This will lead to more satisfied customers who are willing to return after being serviced in an excellent manner.
Concerning personalization the physical retail space should be reconsidered, as it hasn’t changed drastically for years now. In the last chapter of this thesis I am suggesting store layouts customized towards the clientele of that specific store, making divisions in spaces for customers rather than spaces for products. In this way the customer will have the ability to choose whether they want to lounge or not, and will be serviced accordingly. Rather than the sales assistant walking around with the customer following as how it goes right now, the sales assistant will bring everything to the consumer. The ultimate service experience is created, which results in an increase in revenue and visiting customers after the word is spread. Implementing this strategy might result in stores that look different from one other in layout, however visual merchandising, choice of material and other aesthetics will make sure there is a cohesiveness between stores of the same brand. Another idea that I put forwards regarding the store interior is to come up with innovative systems in which the store interior can be exceptionally changed every now and then. Right now luxury brands build immense ‘brandscapes’, but once they are finalised nothing – except for the merchandise – about it changes for the next years to come. Luxury fashion brands should use visual merchandise more frequently as an attractive and inspirational authority, by not only displaying these commodities in the shopping window but also extensively in the store (image 46). As luxury customers of nowadays expect the best of the best and are more quickly used to an environment, changing the environment will give the customer another reason to step more often in a luxury fashion store. Customers doing this on a regular base will become more loyal to the brand and its store, and this will be profitable in terms of sales.

Luxury fashion brands seem to have the right strategies but should respond more to the customer focus trend, and careful supervision should be undertaken to check whether retail personnel is executing these strategies properly. The ways in which this can be done will be different and should be, as the personality and uniqueness brand is increasingly an important factor in the decision making of the customer. When focussing on the customer not only in regards to service but also physical layout, the whole experience of visiting a store will be enhanced. Customers will then visit a store on a more regular base and slowly feel more connected and attached to the brand and its store. And as stated before, the effect of enhancing the experience is important as it converts loyal customers and eventually results in an increase in sales.

To summarize my proposition, I would suggest for luxury fashion brands to implement experiential marketing personalised towards the consumer without losing the concept of their brand, differentiation and service. I would like to end this thesis with a quote from Seth Godin, which goes in line with the luxury fashion retail industry of today and my proposition.

“Tell a story that is memorable and remarkable and worth listening to. Seduce your customers because that’s exactly what they want you to do”.

Seth Godin
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INTERNET


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IMAGE 2

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IMAGE 28
Prada store interior Tokyo, Japan. Prada.com, Special Projects; Epicenters http://www.prada.com/content/dam/prada/SPECIAL%20PROJECTS/EPICENTERS/cover-tokyo.jpg/_jcr_content/renditions/cq5dam.web.1280.1280.jpeg [retrieved 03.04.2015]

IMAGE 29

IMAGE 30

IMAGE 31

IMAGE 32
Victoria Beckham. Creative Director of Victoria Beckham; TheIndependent.co.uk [online photograph] http://www.independent.co.uk/incoming/article9754632.ece/binary/original/Victoria-Beckham-.jpg [retrieved 11.04.2015]

IMAGE 33

IMAGE 34
Stella McCartney. Creative Director of Stella McCartney; i.mdel.net [online photograph] https://imdel.net/i/db/2013/03/211313/211313-500w.jpg [retrieved 11.04.2015]

IMAGE 35

IMAGE 36
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IMAGE 37
Johnny Coca. Creative Director of Mulberry; Condenast.co.uk [online photograph] http://cdni.condenast.co.uk/1280x1920/g__j/Johnny-Coca-1-Vogue-27Nov14-pr_b.jpg [retrieved 11.04.2015]

IMAGE 38

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IMAGE 46

IMAGE 47
1. **Could you name some of the nationalities that are most frequently visiting and buying in your store?**

   This differs per season. From May till September, we tend to see a lot of Arabic customers. It is dependent upon the recreational area (in which the shop is located red.). There are lots of fairs organized in and around the area, and there are multiple campings close by the Meinweg (National Park red.). The target groups of the moment are the (1) Asians and (2) Scandinavians. Concerning brand awareness: the Dutch seem to get familiar with the brand and Germans are as well. However, there is no brand awareness in Belgium, and I find this remarkable. Although, there is almost no marketing done in Belgium. But still, since it is so close I wonder why, because even in the U.S.A, Australia and New Zealand – much further away from England than Belgium – Mulberry is still quiet known.

2. **Do you believe someone’s nationality or culture has something to do with his or her purchase behavior? If yes, could you specify why or what makes you think so?**

   Yes, for sure. Culture relates to status, habitat and a social system (friends and family). Cultures relate to cultures and nationalities with whom they want to identify themselves with. E.g. Asians are interested in the Western, want to identify with the Western society. Another important aspect for the Asians is where (which country red.) the bag is made. England is interesting, China is not because it is too close from where they come from. Corporate responsibility plays a role as well, and relates to the Asian cultures, but also to European cultures such as that of the Germans.

3. **What do you think are the most common functions of a luxury brand shop? From the organization’s perspective.**

   Branding, selling. Service, the story telling. To show their eye for detail versus the online platform. It’s part of a strategy; to inform the customers is important, they don’t want to miss out! Of course there is also an economic aspect behind it; work employment opportunities. Last but not least; demand can be created more easily created in store than online.

4. **What do you think are the most important reasons for customers to go to a luxury brand shop? What attracts them?**

   The perception and experience of the product, the story, the company and individual sales professionals. Personally I notice that customers to not only come back for the brand, but also for the sales advisors. The personal relationship with the customer has to be nurtured! Further, the customers come for information, inspiration and to pas time; lots of customers still plan a day of shopping, they want to be inspired. But even here the customers chooses to go into the stores with which they want to relate themselves.

5. **Could you give your opinion on the current retail environment and strategies of luxury brands and include an improvement from your point of view?**

   Present situation: the high-end luxury companies seem to differentiate by price point entry. Prices rise as material and labor become more expensive. Nowadays however people are looking for something different. Other than walking towards the established luxury brands such as LV and Gucci, the well known and over-branded, the customers are interested in the story behind the brand, looking for a new story. This might be the reason why lately there have been quite a few new luxury brands founded but proven to be successful. The end goal should be either way; amazing strategy and an exceptional mission statement. Strategy however stands or falls with the customers. Clear strategy reflects on who the brand is, what the brand motivates should be the clients. The brand should listen to customers, and adapt their strategy a bit towards their clientele. Brands should also differentiate
with brand’s ID. Concerning fake/not fake, the focus should be on making something that cannot be made counterfeit: real items should get increased importance.

6. Do you believe luxury brands should have more innovative retail environments? Why (not)? If yes, please name suggestions.

Innovation is important. OMNI-channel of Mulberry is the broadest range of reaching the customer, and has endless possibilities. Still with this distribution, the shops’ service keeps playing an important role: the personal service when picking an item up in store, and the extra of offering the customer product knowledge. The level of innovation depends on the brands’ strategy of course. Concerning inspirational websites, all brands should consider getting one. Leave out the web shop part, but just to have covered the online web, for the new generation it is important to be found there. Innovation is always closely related to strategy, and one either cannot do without innovation, or has less chances without it. Social media is another story, it functions as a reminder for the followers. My personal opinion is that the amount of online exposure of luxury brands is damaging the brand and that’s such a shame, even though it has advantages.

Concerning innovation in product development. Heritage is Mulberry’s natural veg tanned (leather red.), and the contradiction is their silky snake (leather red.) and trend related items. Brands have all common grounds due to trends and old traditions, and should always stay close to their own styling.

7. Do you think it is possible for luxury brands to improve the customer experience or service by adapting the shop’s interior? If yes, how would you envision this?

Yes definitely, I have tons of ideas!

Take the website, if a brand has one it should have more links to retail, to show behind the brand information. Also, the importance of the fashion film can stimulate the emotional in a retail environment. There should be more details in a shop to inspire, or personal events that people can attend and be involved with the products (e.g. event of making/designing/putting together a bag). Another idea would be to introduce factory and fabric short films, for information. I notice that there is often more respect for a brand once information is given. Another nice feature would be museum like displaying or information concerning the products, when people are browsing themselves. All to enhance the storytelling; make customers believe it. Culture of sales assistant in relation to customers’ culture is very important for the store in Roermond.

Art in relation to fashion is an important subject to talk about, because it works inspiring. It however has to work without telling. This leads to brand awareness, the immeasurable kind. Not everyone realizes that customers talk and pass onwards a lot, they can be interested and still walk away. This doesn’t mean that the brand awareness is not passed on! Retail experience is remembered and passed on more often than we think, and to differentiate in this aspect is a solution. People should remove the blinkers! Retail has the ability to get someone out of his or her own comfort zone by offering comfort, due to the personal approach, cultural background. E.g. some people come for a black item into the store, but leave perfectly happy with a red item. Retail has the ability to do just that.

The retail shop should either way reflect what the brands stand for, and so should the sales team.

Too much innovation can be damage the brands’ image of luxury. E.g. no luxury brands should have a 3D scanning machine, because it is not personal. The buying of luxury involves around the meeting, the comfort, and the identification with the brand, their strategy and of course status. Innovation also has the ability to derive from the attention of the product, create noise. The environment of displaying a product is important, but it always has to be balanced with to what extend the product needs that. The environment can increase, but also decrease value. This might be different in male and female perceptions towards the retail space. Maybe innovation is as music and lighting were years ago. Then nobody implemented it, thought it was not necessary, now there are whole plans and strategies for it.
1. Could you name some of the nationalities that are most frequently visiting and buying in your store?

Our English database is definitely the largest. Then come the Norwegians, Chinese and Americans (since the opening of Mulberry stores in the U.S.A). Third place goes to the Thai and Korean, where we see an increase in the last 6 to 8 months. Then there are the French and Germans, followed by the Swedish and Danish. Canadians are quite new, there have only been a few customers since recently (shops of Mulberry opened there recently red.). The nationalities that we almost never see here are the Spanish and Italian, and Arabics do shop in London often, but not around this street (Bond Street red.). The Mulberry shop in Brompton Road sees a lot of Arabic customers, and is located close to Harrods.

2. Do you believe someone’s nationality or culture has something to do with his or her purchase behavior? If yes, could you specify why or what makes you think so?

I think so. Some nationalities are all about luxury and put emphasis on the brand, the Thai and Chinese especially think this is important. Norwegians are attracted by the classic style, and are not so much about luxury logo’s, and more into the “Britishness” of the products. The English go two ways, they either have the desire to have a Mulberry item for a long time, and thus are saving up for it, or you have the extreme fans which buy an item every week or month. It differs maybe because the brand is already well known and comes from the UK.

3. What do you think are the most common functions of a luxury brand shop? From the organization’s perspective?

It is all about the service given, taking it to a higher level. One-to-one service allows the brand to create a higher brand position with the service given. Customers know they get exceptional service and social media is publicity, tuned to connect with service. The recent monogramming service adds on to personalizing your item. A lot of customers browse online these days, and the shop (Bond street flagship red.) rates high with social media. The layout should set apart, allow for people to take their time dependent on their demands.

4. What do you think are the most important reasons for customers to go to a luxury brand shop? What attracts them?

Most want the experience when they visit a flagship store. First customers browse on the website, then they try and fit it in the store. In a flagship, people are introduced to all styles and models, and customers are informed extensively with leather knowledge. Issue management is important, like repair issues. It is valid for customers to be able and go (back) to the same person, over and over again. It’s about the personal connection.

5. Could you give your opinion on the current retail environment and strategies of luxury brands and include an improvement from your point of view?

Luxury is split: some brands so not have to work hard for customers to come. We, unlike Chanel and Hermes, try to be available for a wide range of customers; the OMNI-channel is the connection to reach all of our customers. Everyone should become aware of the brand; we should make fans everywhere. There is however always the danger of becoming too accessible. As an improvement, I believe every store works differently, but it should be more cohesive in terms of service and brand spreading.

6. Do you believe luxury brands should have more innovative retail environments? Why (not)? If yes, please name suggestions.

The OMNI-channel has been amazing, and shows that tech should and could be more implemented. Balance is however always important; there shouldn’t be too much
tech, and it shouldn’t go too far towards high street level. Counter-balance with what we’re doing online and in store is a good idea.

7. Do you think it is possible for luxury brands to improve the customer experience or service by adapting the shop’s interior? If yes, how would you envision this?

Yes, adapting to what clients want is definitely a starting point concerning this issue. If the customer wants to spend more time, they need to be able to spend time, have the space to spend time. Drinks and refreshments is also a good idea, and so are lounge spaces. A brand should take in the comments from clients, and create different concepts. Retail should always adapt towards a nice shopping environment.

8. From your experience, could you name some consumer profiles?

Consumer profiles Mulberry Bond Street store:

Male clients, 28-48 years old
They come in having been told or researched, sometimes bringing a photo (on phone). Businessmen don’t have the time when buying for themselves or a partner, and choose for bag models that are not too outstanding, like the Tessie, Daria or Alice. For themselves, they go for Scotchgrain material, and leather bags models Walter and Elkington.

Younger generation, teens/pre-students
They research and browse online, and come in with a picture on their phone. They often have seen someone, famous or not, wearing it, but are open minded.

New to the brand, late 30’s – mid 50’s
These are the customers that are completely open, and have not researched or seen it online. They are not used to shopping online, and are curious and willing to see and hear everything. They mostly go for the all time classic and bestseller Bayswater bag.

The student, young, early 20’s
The youngsters studying a creative subject, like fashion. They buy the trendy items, like the Cara backpack or Blossom tote. Often they have seen an item somewhere, come for info and want to know the technical side and background info. They already have a classic piece, but are interested in bright, seasonal colors mostly. Daily life is about the classics, but like to mix it up now and then.

Traditional customers late 50’s +
These customers have bags from 20 years ago, and will come back for the personal service. They buy the classic styles in core colors, and their purchases go way back; still have home wear from the brand (they don not product is for years any more). These customers are the ambassadors, and most loyal. They know what they want but want the guidance, service, options and info to choose.
1. Could you name some of the nationalities that are most frequently visiting and buying in your store?
Our biggest clientele is from the Netherlands, closely followed by the UK, Scandinavia and China is up and coming as well.

2. Do you believe someone’s nationality or culture has something to do with his or her purchase behavior? If yes, could you specify why or what makes you think so?
Yes, especially with Asians this is visible. They are attracted to the high fashion, to the one of a kind. Hand crafted products and preferably made in Europe. While on the other hand, the Dutch and Germans put their focus on a more sensible item that is timeless and will last a lifetime.

3. What do you think are the most common functions of a luxury brand shop? From the organization’s perspective.
Number one has to be outstanding service, closely followed by high quality products with a good story behind it to pass on.

4. What do you think are the most important reasons for customers to go to a luxury brand shop? What attracts them?
The allure it carries with it, the knowledge of what they can expect, which is fantastic service, quality products and a brand which is well known.

5. Could you give your opinion on the current retail environment and strategies of luxury brands and include an improvement from your point of view?
It is sales oriented, which means it is rather pushy. Especially from the headquarters the focus is on turnover always. I think to let the customer have a look around first is the better strategy. But of course, greeting the customer upon entrance is mandatory always.

6. Do you believe luxury brands should have more innovative retail environments? Why (not)? If yes, please name suggestions.
Absolutely yes. The money should be made available, since the money should be there. It is representing a luxury brand. The type of people that shop at such an establishment are used to certain standards and I think they should be catered to them if possible. Either with technology or levels of comfort (e.g. beverages and seating space).

7. Do you think it is possible for luxury brands to improve the customer experience or service by adapting the shop’s interior? If yes, how would you envision this?
Yes. Make the store itself more an experience. Present the customer with complimentary water, juice or something else. This way they will stay inside the store a little longer which in return will give us a better opportunity to make them familiar with the brand and sell more.
1. **What do you think are the most common functions of a luxury brand shop?**

For a brand like Louis Vuitton, having a shop in a widespread of places can increase the name and likeness of the brand. Louis Vuitton focuses very much on being noticeable for everyone, and is building a reputation as being depicted as a well-known luxury brand. Louis Vuitton uses the

2. **What do you think are the most important reasons for customers to go inside a luxury brand shop? What do you think attracts them?**

At Louis Vuitton we have a lot of loyal customers, distinct brand fans that come in regularly to check up on the new collection, make a little chat or expect some kind of service – e.g. repair. These customers are mostly from England, as it is easy for them to drop in. This is the largest group of clientele that we have at the moment. From the foreign customers, there are a lot of tourists wanting to browse only. They never stay in for too long and drop out quite quickly after they have been asked if they need help. Then there are also foreign customers who come in to purchase, and most Asians do this because of the price advantage, or because of the availability of a specific item.

3. **Could you give your view and opinion on the current retail environment/strategies of luxury brands?**

Personally I believe Louis Vuitton sets themselves apart in the retail section compared to other luxury stores because of the recognizable store facades all over the world. I am not only saying this because I work there, but it really is becoming a strategy for them to not only put emphasis on the location of a store, but also the display of the exterior. This sets them apart because a Louis Vuitton is very noticeable in the luxury streets all over the world. Other brands are focussing a lot on the inside, and are starting now to also put emphasis on the outside. Louis Vuitton is doing this for a while already.

4. **Do you believe someone’s nationality/culture has something to with his or her purchases/purchase behaviour? If yes, could you specify why /what makes you think so (e.g. with some examples)?**

Yes, I do believe so. It is hard to specify why, but I think it has to do with cultural issues and preferences in how someone likes to be treated in a store.

5. **What is the effect of globalisation concerning the retail environment of the luxury sector?**

Globalization has given the luxury fashion industry a lot of opportunities, but also challenges because of the increase of the market. The larger companies, such as Louis Vuitton, have the luck to already have established a brand awareness and the capital to properly expand to the Eastern countries as well. The expansion of such a company leads to a lot of opportunities, which Louis Vuitton translated into the strategy of focussing on the facades of the stores and building a webpage around this. However, the Eastern customers do not only shop in the Eastern countries. In the contrary, in Europe the Asian customers are responsible for a large amount of the sales figures. This comes with challenges as the retail environments become more and more mixed. It is hard to keep up, even when hiring personnel that speak Mandarin.

6. **Do you think it is possible for luxury brands to improve customer experience/service by adapting the shop interior? If yes, how would you envision this? (e.g. more innovation, name examples)**

I believe that it is hard for every luxury brand to come up with innovations that suit the brand. There is a lot possible
these days concerning innovations, yet you never know if it is something that the customers would like to see in a luxury store. However, when balanced off in the right way, I think innovation can be a great addition to the retail luxury environment. Concerning changing the shop interior, I guess it has been the same for quite a while now. For Louis Vuitton, besides focussing on the strategy of retail exterior and interior, it would be great to focus on customer service. Not just to help them when the customer needs something, but also to offer an experience. The company is very much focussed on sales, and even though this is part of their strength and growth plan, it is important to stand still and find out who the customer is and what they want. How to increase our clientele, add new customers to the database.

RESPONDENT V
Interviewee’s name: Anonymous, Store Manager at Loewe
Year of interview: 2015
Interview with Store manager of Loewe
Interviewed by Valérie Van de Voort
Location and exact date of interview: Valerie in Amsterdam, the interviewee in London, interview done over Skype. Netherlands. 13.03.2015

1. What do you think are the most common functions of a luxury brand shop?
Brand awareness is important in retail, as it is here where the customers get familiar with the brand. Especially for Loewe, which is still growing in the hope to become as big as Chanel or Gucci, being present in the luxury streets is a must. When browsing the web for example, one will never find out, without knowing, that Loewe is a luxury brand. Being positioned in Mount Street is therefore important, as it is here where the customers and people get familiar with our positioning and us.

2. What do you think are the most important reasons for customers to go inside a luxury brand shop? What do you think attracts them?
There are multiple reasons that attract our customers inside the shop. First you have, because of our location, tourists that do not know the brand and come in to browse. Most of time these customers will not buy something in their first visit, but they glance to get an idea of what the style of the brand is. We also have customers who already know the brand a bit, have browsed online and come in to see the items in real life. Last but not least we have the loyal customers who have been shopping with us for a while, and who are coming back to see the new collection, talk with the assistants and possibly buy something. Basically they come back for the service, or to relive an experience they had before.

3. Could you give your view and opinion on the current retail environment/strategies of luxury brands?
Personally I think the retail environment of the luxury market is becoming very complex. As the market grows, there are more and more brands that are
introducing themselves and it is hard to keep up. It is a shame because the luxury segment shouldn’t become such a chaotic environment as the high street, with thousands of brands and thus a large set of demands. At the same time, you cannot really forbid new luxury brands from emerging or existing.

4. **Do you believe someone’s nationality/culture has something to do with his or her purchases/purchase behaviour? If yes, could you specify why?**

I think nationalities definitely have something to do with someone’s purchase behaviour. At Loewe we already notice it when people are not intending to buy something, but just browsing. The vibes they set are extremely divergent. Most of the Asians, like the Chinese, do not speak to the sales assistant that much. When they will need help, they will ask for it and then they expect you to go above and beyond for them. They really have high expectations. With the Europeans and Americans it is completely different, they are much more open to a conversation with the sales assistant.

5. **What is the effect of globalisation concerning the retail environment of the luxury sector?**

I think because of globalization the mixes of culture in the retail environment are much more manifold. Years ago luxury brands never had to take into account this many cultures and demands. Now most luxury brands work on a global scale, trying to satisfy everyone, which is challenging.

6. **Can you name an improvement for the luxury retail environment from your point of view?**

As luxury brands are focussing so much on trainings about the products, materials and collections, I think it would be really valuable to also train or educate about cultures. There are trainings that already involve this information, but not as in depth as I would like it. When having customers from a country where you have never been before, it would be great if you had some background information about that country, their language or habits. Also about their culture, if they prefer dialogue or not, would be handy in the retail environment. This would also add on to the customer service and experience.

7. **Do you think it is possible for luxury brands to improve customer experience/service by adapting the shop interior? If yes, how would you envision this? (e.g. more innovation, name examples)**

This all depends on the brands of course, but sometimes I do wonder if the retail environment shouldn’t be getting an update. With luxury it is definitely risky to implement innovation and technology, but personally I would love the idea of adding innovative systems or displays. I do not know enough about it to name examples, but a system in which we could collect our customers in a more personal way – than just linking their name to their purchase – would be an improvement. Also I would love the idea of experimenting with a customers’ personal space inside the store. For example, create corners for customers to relax and sit, with their own fitting room and without being disturbed would be such an experience!
RESPONDENT VI
Interviewee’s name: Anonymous, Supervisor at Saint Laurent Paris
Year of interview: 2015
Interview with supervisor at Saint Laurent Paris
Interviewed by Valérie Van de Voort

Location and exact date of interview: Valerie in Amsterdam, the interviewee in Paris, interview done over Skype. Netherlands. 14.04.2015

1. What do you think are the most common functions of a luxury brand shop?
The most important function of the Saint Laurent Paris shop is to introduce the brand to the customer in a branded or designed environment. People come here because they want to shop the flagship store or Saint Laurent Paris, or because they want to see the shop. Our shop is as an example for other shops, because every detail communicates the brand, from the extensive usage of mirrors and marble to the way the products have been displayed.

2. What do you think are the most important reasons for customers to go inside a luxury brand shop?
Our shop is the flagship store, so people come in and want to see our buy in this branded environment. Or there are tourists, who stroll down Avenue the Montaigne and come in to gaze.

3. Could you give your view and opinion on the current retail environment/strategies of luxury brands?
All luxury companies are increasingly focussing on building up a brand, a unique set of values and visuals, recognizable for the customer. This is good because there are more and more brands who enter the luxury market.

4. Do you believe someone’s nationality/culture has something to with his or her purchases/purchase behaviour? If yes, could you specify why?
Yes, there are differences when helping customers in a store. The French are easy to talk with and help. Other nationalities can be challenging to communicate with since not every sales assistant talks a lot of languages and also the customers often speak only their own language or English.

5. What is the effect of globalisation concerning the retail environment of the luxury sector? 
There are more nationalities coming into the store and thus more languages to communicate with.

6. Can you name an improvement for the luxury retail environment from your point of view?
It would be nice for Saint Laurent Paris stores to be equivalent to the flagship store. Maybe it is not possible stock wise, but in concerns to how the store looks with the visuals and materials used it should be cohesive.

7. Do you think it is possible for luxury brands to improve customer experience/service by adapting the shop interior? If yes, how would you envision this?
We do not have that many places for customers to sit down, only in the shoe-section, while some customers spend a long time in our shop. It would be a good idea to offer this, and to add on to this lounge corner some beverages would be in line with the luxury charisma.
Browsing customers often do not want help, they are “just looking”; however, they do feel
the need to touch and investigate the items. Colleagues think this might have something
to do with the reputation of luxury, that a sales assistants’ help is only needed when
intending to buy a product. For example, often it is clear customers are looking for a
price, but rather than asking for it, they try and find it themselves. Another issue that
is often dealt with, especially since customers are increasingly investigating products
online, but that they want to come to an actual shop to see the product for themselves,
feel the material and get to know more about the construction or maintenance. Also, it
happens that in the customers perception, the colour, shape or size of the item appeared
to look different online. Or customers come in with a picture on their phone, but this
item appears to be from an old collection. So customers browsing via other sites than
the brand’s official website.

As for the buying customers, there are a lot of situations occurring on the shop floor. I
have done research towards buying customers, the younger (below age 30), or matured
(age 30 or above). Most participants were female, followed by couples buying an item,
and there were some exceptions where a male purchased it alone. To start with the
Dutch customers, most 30+ customers took their time, while more customers below
30 had done research online. Also, there appeared to be a visible distinction between
the matured Dutch customers focussed merely on the leather of a bag, while for the
younger customers the colour of the hardware also played an important role. It are
more often the matured customers who do not want to talk or give feedback too much,
who have been thinking for years before buying an item (and sometimes still doubting
in store and therefor going for lunch to think about it) and who showed a great interest
because of sale/discount promotions. The younger Dutch customers were less hesitant,
because they often browsed online already, thought a boyfriends/good friends opinion
was very important, just as a reason of purchase “because my friend(s) has/have it”
often was mentioned.

Then passing on to the other nationalities buying in the store in Amsterdam. Here is it
overall very clear that most tourists buy a luxury item as a present for themselves (to
celebrate the occasion), as a present for others, mainly because of the better price.
Words such as “shopping holiday” were mentioned by the Thai customers, whom main
goal on the holiday was to shop. Thai customers seem to like discount and sales, but are
ever very meticulous when it comes to checking the bag. The Chinese customers bought
the most frequent for other people than themselves, either a friend or partner. The
European tourists mostly gifted themselves, like the Norwegians and English people,
who also mentioned the good price as one of the main reasons.
PARTICIPANT OBSERVATION II
Location: Roermond
Year of observation: 2015
Observation as luxury sales assistant
Observed by Valérie Van de Voort and team Mulberry Roermond
Exact location: Mulberry Designer Outlet store, Roermond Netherlands.
Date of observation: From 23.02.2015 – 15.03.2015

As for observing the browsing customers, the Chinese clients often make pictures of the items to send to a friend – for which they had to find a Wi-fi spot to send it. As an outlet, this is currently the way to exchange visuals, as the online shop of the brand only shows the current collections. Also, quite a few customers call in to check what is in the collection, before driving the distance towards the outlet centre. Concerning tourists buying an item for someone else or themselves, often it has to be approved by their entourage. Sometimes the family and/or friends are with them travelling, but when this is not the case pictures of the item are taken and send to the person concerning. To send this picture however, they have to go to a wifi shop in the outlet centre, leaving the sales assistant to wait. Chinese customers tend to do this a lot, and can walk in for over five times in one day before buying an item! The customers from the Middle East also often need approval, mostly from their friends or husband – when female. The female Middle Eastern customers aren’t very talkative, unless sometimes amongst family or friends. There are also ever still customers who do not come into the shop with the intention of buying an item, but more for browsing, checking the collection and see what they would like to have (in the future).

PARTICIPANT OBSERVATION III
Location: Zurich
Year of observation: 2015
Observation as luxury sales assistant
Observed by team Mulberry Zurch
Exact location: Mulberry Storchengasse store, Zurich Switzerland.
Date of observation: From 05.02.2015 – 20.03.2015

Again from the research conducted in Zurich, Switzerland it appears that tourists or foreigners not living in the city often purchase luxury items as a gift. Also, buying gifts while on holiday seems to be something that merely the 30 years and older customers do. Swiss customers however, the customers visiting the store in Zurich are mostly familiar with the brand, and seem to have informal conversations with the sales personnel. Some customers have a Mulberry bag already and come back for the same one but then in a different colour, while others come back for the same model but then in a different size. All with all this shows that Zurich as some very loyal customers, a result that often is derived from a great customer experience. There were also regular customers purchasing items for family members, showing loyalty and the urge of passing on the brand towards other people. One customer stated specifically that she came in because she is willing to spend money for good quality, rather than for logos and trademarks. This made her come to Mulberry. The male customers that came in in this period of time were seemingly straightforward in what they want.
THE END