

E-commerce in the Luxury Apparel Industry

Maintaining Competitive Advantage in an Online
Context

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Acknowledgement

Our deep gratitude goes first to our supervisor Anders Parment who has guided us and supported us throughout the course of this project. We would also want to give a special thanks to the participants of this thesis. This includes both the managers, the experts and the respondents of the questionnaire. The completion of this thesis could not have been possible without their valuable insights and opinions.

Linköping, May 23, 2020

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Abstract

Title: E-commerce in the Luxury Apparel Industry

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Background: Luxury e-commerce has increased rapidly during the past years, especially among younger generations. While some luxury firms were fast to endorse the idea of selling luxury online, others were more doubtful arguing that the characteristics of the internet are contradictory to the core dynamics of luxury brands. The experience in the physical shopping environment and online shopping experience are two different things and there is a risk that luxury brands follow the e-commerce trend without considering the potential risks and the potential damage that could be incurred on the brand image. Few studies have previously assessed the challenges that luxury brands are facing when they attempt to apply conventional luxury brand concepts in a digital environment as well as how firms can overcome these challenges.

Purpose: The purpose of this thesis is therefore to discover whether and how luxury firms can be engaged in online sales without hurting the brand image and the differentiation strategy.

Method: This is a qualitative research based on inductive reasoning. The study employs both semi-structured interviews with researchers and company managers, and a questionnaire that was designed to capture the opinions of luxury consumers.

Conclusion: The results suggest, inter alia, that the democratization that can arise with e-commerce may dilute the brand and its perceived exclusivity. Most consumers prefer to purchase luxury offline, partly because of the service and in-store experience. Brand authenticity turned out to be an essential factor in the digital environment and storytelling is an effective method to strengthen it. Another discovery of the study is that differentiation attempts online can affect the seamless shopping experience negatively.

Keywords: Luxury brand management, e-commerce, consumer behaviour, differentiation strategy, brand extension

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1. Introduction

This chapter provides the reader with background information and introduces the topics of the study. The background is followed by a problematization, a purpose formulation and finally, the research questions of the study are presented.

1.1 Background

The luxury goods market has been on an upward climb for many years. A report from Bain & Company (2019) shows that in 2019, the total value of the personal luxury goods market worldwide hit 281 billion euros, which is a 4% growth compared to the year before. According to analysts, this upward trend appears to persist in the future. The annual growth rate for the industry is estimated at about 5% in the upcoming five years (Bain, 2019).

Historically, luxury goods were almost exclusively sold in stores. Recently, however, there has been a surge in sales made online. In 2019, online sales grew by 22% to nearly 33 billion euros, which is a far greater pace than the total luxury sales. At the end of 2019, 12% of all luxury sales were made online (Bain, 2019). The sudden increase in online sales could be explained by the growing number of young luxury consumers. In 2018, people born 1980 and later accounted for approximately 47% of all luxury consumption (Bain, 2019). These customers were born into the digital era and regard the internet as a deeply integrated element of their everyday life (Dingli & Seychell, 2015).

Following the rapid digitalisation and the changing consumer habits, analysts started to encourage luxury firms to embrace the new opportunities offered by the internet (Oliver Wyman, 2017; Beauloye, 2018; Wahbe, 2019). The general opinion is that luxury firms need to adapt in the face of changing preferences of younger consumers to remain competitive. It is argued that, as online shopping increases among millennial luxury consumers, it becomes increasingly important for luxury brands to formulate and incorporate new marketing and e-commerce strategies in their general business strategy. Otherwise, there is a considerable risk that luxury companies find themselves lagging behind (McKinsey, 2015; Deloitte, 2019). However, not everyone seems to believe that

luxury firms should be online. Jean-Noël Kapferer, an internationally recognized expert in the field of luxury brand management, claims that the internet should be used merely as a communication channel and not as a distribution channel for luxury brands (Kapferer & Bastien, 2012). Kapferer and other scholars mean that the characteristics of the internet are contradictory to the core dynamics of luxury brands (Kapferer & Bastien 2012; Castillan et al. 2017) and traditional luxury brands fear that online sales may ultimately hurt their brand image (Beauloye, 2018).

1.2 Problem Formulation

As we have seen, there has been a strong dissension within the industry on whether luxury e-commerce aligns with the core dynamics of luxury and the luxury strategy. More consumers choose to purchase online and companies in the luxury industry face the important decision regarding whether and how they should make their offerings available on the internet. There are arguments both for and against selling luxury online. Perhaps one of the most common arguments against is that e-commerce is incompatible with the basic characteristics of luxury brands, such as exclusivity and tradition. A luxury product is not only desired for its intrinsic qualities, but for the brand image and its symbolic values (Kapferer & Bastien, 2012). The brand image and the symbolic values are essential resources to the luxury firm and there is a risk that luxury brands follow the e-commerce trend without considering the potential risks and the potential damage that could be incurred on the brand image.

Moving sales online poses another possible difficulty for luxury brands, since the actual store serves an important role in providing customers with personal service and an overall shopping experience. The store is further where the firm can communicate its brand image and the value proposition to the consumers (Fionda & Moore, 2009). There is a fundamental difference between creating an online luxury experience and a traditional physical shopping experience, thus the methods used to create a special shopping experience in physical stores are difficult to transfer to a digital context.

Regardless of the contradictions between e-commerce and luxury goods, there is a steady increase in luxury sales online, as presented in the background. Some consumers undoubtedly seem to enjoy shopping luxury online, despite the absence of physical store

experience and the damaging effects e-commerce may have on brand image. For luxury firms, there is a clear economic benefit to e-commerce. The internet enables companies to reach more customers, and thereby to increase the possibilities to improve their cash flow.

Luxury e-retailing is something relatively new and further research is needed to identify the possible implications for the luxury brand. Prior studies cover the dimensions of luxury brands, the buying process of luxury consumers as well as how customers make buying decisions online (Ko et al. 2019; Kapferer & Bastien, 2009; Pebrianti, 2016). However, few studies have successfully assessed the challenges that luxury brands are facing when they attempt to apply conventional luxury brand concepts in a digital environment as well as how firms can overcome these challenges.

Even though more people choose to buy luxury online, the desire to receive a luxurious sensation that justifies the high price remains. Because of this, it is necessary for luxury firms to understand how this luxury sensation can be established online and how to respond to the increasing demand for e-commerce without hurting the brand image.

1.3 Purpose and Research Questions

The purpose of this study is to discover whether and how luxury firms can be engaged in online sales without hurting the brand image and the company's differentiation. Furthermore, the study aims to map the consumers attitudes towards luxury e-commerce today. To fulfil the purpose of this study, the following research questions have been formulated:

- *What do consumers today think about luxury consumption online/offline?*
- *How do luxury firms create a luxury experience online?*
- *What are the risks and opportunities associated with e-commerce for luxury firms?*
- *How do luxury firms manage to integrate e-commerce in their overall business strategy?*

1.4 Scope and Delimitations

Luxury goods are often defined as expensive things that are pleasant to have but not necessary (Cambridge Dictionary). Luxury goods usually include watches and jewelry, pencils, make-up and fragrances, apparel and accessories, vehicles, and certain food and beverages. Since these objects differ fundamentally in nature, the authors of this study have decided to focus solely on luxury apparel, including accessories. This thesis focuses on luxury fashion brands and the apparel industry, and will not cover products or industries beyond this scope. Therefore, the results in this study should not be generalized and applied in contexts outside this study, for example, in other luxury industries.

2. Literature Review

This chapter consists of a literature review covering existing theories about strategy, luxury brand management, consumer buying behaviour and online retail. The first part of this literature review takes a company perspective and focuses mainly on how firms can achieve competitive advantage through the development and positioning of a luxury brand. The second part discusses consumer behaviour and motivations and thus takes a consumer perspective. Finally, a review of the implications of the internet on the fashion retail industry will be presented. The theories presented in this chapter will together form a conceptual framework that will be used as support in the analysis section of the study.

2.1 Luxury Characteristics

This section aims to clarify the concept of luxury. Different definitions and characteristics of luxury are introduced to help distinguish luxury from premium and mass market brands. Later, an explanation of how firms in the industry can achieve competitive advantage is provided.

2.1.1 Luxury Brand Definition

A basic assumption made by Kapferer and Bastien (2009) is that luxury goods are fundamentally different from other products, which is why they require a different kind of marketing and distribution than basic consumer goods. Kapferer and Bastien (2009) describe the luxury product as an object accompanied by a service. They further suggest that when purchasing a luxury item, the consumer does not only pay for the object but for the whole experience. While a basic product corresponds to a need, and branded products correspond to a wish, the luxury product corresponds to a dream. Kapferer and Bastien (2009) point out two dimensions on which the dream concept of luxury is based; a social dimension and a personal, emotional dimension. The social dimension implies that luxury goods bring social status and class while the personal and emotional dimension gives the consumer a sense of intrinsic pleasure thanks to the intangible and symbolic values that the product represents. Being able to separate the dream aspect of a luxury item from its functionality aspect is fundamental for the product to succeed. What the product represents is more important than what it really *is* (Kapferer & Bastien, 2009).

Moreover, Kapferer and Bastien (2009) describe luxury brands as “superlative” and not “comparative”. The brand image is an essential aspect of the luxury firm, and the firm should focus on deeply integrating this image into the brand, rather than worrying about where they stand in relation to their competitors (Kapferer & Bastien, 2009). Luxury brands and luxury products have been defined by many other academics. Some definitions will be summarized in the following table.

Table 1: Luxury brand definitions, created by the authors of this study

Author	Definition
Okonkwo, 2007	Brand strength, differentiation, exclusivity, innovation, product craftsmanship, premium pricing, high quality
Keller, 2009	Premium image, intangible brand associations, premium pricing, controlled distribution
Godey et al., 2012	Beauty, rarity, quality, price
Phau & Prendergast, 2001	Exclusivity, well know brand identity, high brand awareness, high perceived quality, customer loyalty
Fionda & Moore, 2009	Excellent quality, high transaction value, status symbol
Jackson, 2004	Exclusivity, premium prices, image and status, desirable for reasons other than function
Kapferer & Bastien, 2009	Exclusivity, timelessness, quality, hedonism over functionality, multi-sensory and experiential, handmade
Dubois, Laurent & Czellar, 2001	Perceived high price, excellent quality, exclusivity, uniqueness, aesthetics, long history, non-necessity

Although no standard definition has been agreed upon, it is possible to discern some recurring characteristics of luxury. As shown in table 1, most authors have identified exclusivity as one of the main characteristics of luxury, as well as quality and premium pricing. Brand image, non-functionality, aesthetics and an aspect of history and timelessness are other words used repeatedly to describe luxury products.

2.1.2 The Pyramid Model

Kapferer and Bastien (2009) describe luxury companies' business models and how they are affected when they use a *brand extension strategy*. Brand extension, or brand stretching, means that a brand offers one or more alternative product lines that are more accessible to the public in terms of price and distribution than the original product line. This strategy is commonly used and allows luxury brands to increase sales and to grow beyond their organic internal growth. The reason for extending brands is mainly financial

(Kapferer & Bastien, 2009). Luxury brands are costly to build and to maintain, and licensing parts of the offer can generate "easy money" as it allows to leverage the already existing brand image to enter new markets without any particular investment (Albrecht et al. 2013). Pressure from shareholders to improve the return on equity is another factor that often leads to brand extension. Kapferer and Bastien (2009) present two ways to extend the brand; *vertically* (the pyramid model) where the price of the extended products is reduced to attract a broader clientele, or *horizontally* (the galaxy model), where new products are introduced into other areas of the consumer's life without changing the price level. The pyramid model is attractive because it offers rapid growth in sales. The expansion mainly consists of products that can be produced rapidly and sold with a high margin, typically around 75% (Kapferer & Bastien, 2009).

Many luxury houses have a history of haute couture or other hand-made products such as leather goods or jewelry. Haute couture is French for "high sewing" and means customized, hand-made, high-end pieces of clothing (Jackson & Shaw, 2006). These kinds of products do not generate enough profit today, which have led luxury houses to create a more accessible offer consisting of products that more people can afford. Haute couture and other handmade creations still exist in the companies' offerings, but their function is to maintain the dream aspect and the mythical image of the brand, while the cheapest products (i.e., the extended product offering) are the real cash cows that create the profit margin (Kapferer & Bastien, 2009). Brand extension is typically realized in three product categories; perfume that builds brand awareness for the masses through advertising; accessories that generate profitability and visibility, and cosmetics and spa activities that bring physical proximity to the customer (Kapferer & Bastien, 2009). As the price, exclusivity and luxury aura are diminishing with this kind of brand extension, it is sometimes called *downward stretching*. The pyramid expansion model can be applied to many luxury brands' business models and will therefore be studied more deeply in the following section.



Figure 1: Luxury brand pyramid, adapted from Kapferer (1997, p. 254)

The pyramid was first illustrated by Kapferer in 1997 and consists of four parts of increasing proportion and decreasing exclusivity. The aura or atmosphere that surrounds a luxury product diminishes as we move down the pyramid. However, it is worth mentioning that all luxury brands do not have all ranges of the pyramid, and some manage to produce goods at the bottom of the pyramid without sacrificing quality or the aura. Wolf et al. (2015) state that the divisions of the pyramid may imply varying levels of perceived luxury by the customer, but the divisions do not explain any differences in motivation for the customer.

Kapferer and Bastien (2009) call the top of the pyramid "the griffe" and it includes the most exclusive pieces, characterized by a very high level of creativity, quality, and absolute uniqueness. Haute couture and other custom-made items can be found in "the griffe" if it is part of the brand's activities. Moving down the pyramid, we find what Kapferer and Bastien (2009) refer to as "the luxury brand". The creations in this category are produced in small series and there is still a high level of exclusivity, craftsmanship, and creativity related to the products. Further down is the "upper-range brand". Although the quality in this range remains high, more copies of each article are produced thus each one is less exclusive. Lastly, at the bottom of the pyramid, is "the brand" range. Kapferer and Bastien (2009) describe the products of this range as mass-produced and more widely

distributed than the previous ones. Furthermore, they are under a higher cost pressure than the more exclusive luxury goods, whose designers enjoy a more creative leeway, allowing for more expensive creation processes and materials. Neither can the quality be expected to be equal with the rest of the brand (Kapferer & Bastien, 2009). The product is sufficiently refined to be recognized under the name of the luxury brand, but it has little to do with the upper ranges of the pyramid. This type of product is sometimes referred to as "masstige", a term popularized by Silverstein and Fiske (2003) that can be defined as prestige for the masses. The products that fall into "the brand" range are, indeed, intended for the masses, to create profit margin and to spread awareness beyond the targeted customer group (Kapferer & Bastien, 2009).

Brand extension raises a great strategic challenge for luxury firms, namely the balance between accessibility and exclusivity (Albrecht et al. 2013). Pina et al.'s (2010) findings show that brand extensions can have negative effects on the extended brand image, effects that could possibly outweigh the positive effects. There is a risk that unsuccessful expansions cause brand dilution (Kapferer & Bastien, 2009; Albrecht et al. 2013). In addition, the accessible lines at the bottom of the pyramid may harm some of the most essential elements of luxury; creativity, excellence, and selectivity (Kapferer & Bastien, 2009). The quest for higher margins is a short-term strategy that does not match the luxury firms' traditionally long-term business view.

2.2 Luxury as a Competitive Advantage

Internationally recognized researcher and strategist Michael E. Porter (1996) states that in order to outperform rivalry, companies need to be able to provide their customers with greater value than other competitors on the market. If an organisation is believed to deliver superior value, the company has achieved competitive advantage. Porter (1996) suggests two ways in which an organisation can attain competitive advantage - namely *cost leadership* and *differentiation*. Cost leadership implies that the company supplies the customers with a similar product at a lower cost. Differentiation, on the other hand, is about offering something unique for which the customer would accept to pay a price premium (Porter, 1996). Both systems provide customers with greater value and allow the firm to achieve a higher rate of profit relative to its rivals.

Competing in terms of cost has become increasingly challenging for firms during the recent decades because of the high competition from emerging markets (Grant, 2016). This has forced many firms to adopt a differentiation strategy and compete on the basis of uniqueness. Formulating a differentiation strategy is essentially about understanding what customers want, what motivates them and how they make purchase decisions. A common misunderstanding is that differentiation is about offering products with unique physical characteristics. Instead, the perceived value of a product depends on both the tangible as well as the intangible aspects of the offering (Grant, 2016). According to Grant (2016, p.189) “differentiation includes every aspect of the way in which a company relates to its customers”.

The *intangible differentiation* focuses more on the psychological, social and emotional considerations involved in the purchase decision making. The idea is to satisfy the more complex needs of consumers and the human desires related to status, exclusivity, individuality and community. In this way, companies can build a strong brand image which ultimately allows firms to charge higher prices for their products and thus make higher profits. Having a strong brand image is especially important when customers are unable to observe and try the product during the time of purchase (Grant, 2016). Intangible differentiation is fundamental in the overall luxury strategy. As opposed to many other types of products, luxury goods are to a larger extent bought for what they mean, instead of what they really are (Dubois & Paternault 1995).

Another way to look at competitive advantage is to consider the resources and capabilities inside the firm. Proponents of the *resource-based view* (RBV), first coined by Barney (1991), argue that firms can achieve competitive advantage if they manage to develop superior resources. As opposed to previous theories in the field of strategic management, the RBV puts less emphasis on finding an attractive market and regard the company and its resources as the main source of competitive advantage. Grant (2016) distinguishes between *Tangible, Intangible and Human resources*. *Tangible resources* are the resources that appear on the company’s balance sheet. These are usually easy to identify and evaluate. *Intangible resources*, on the other hand, are generally bundled up and are thus often difficult to identify and appraise in the balance sheet. However, generally intangible resources tend to be more important than those that are tangible (Grant, 2016). The reason for this is that intangible resources are oftentimes deeply embedded in the organization's

culture and history (Marr & Gray, 2006). Brands and patents are normally considered the most valuable among the firm’s intangible resources.

According to Barney (1991), resources can establish competitive advantage once they meet the criteria in the VRIN framework. These are: Valuable, Rare, Inimitable and Non-substitutable. A resource that meets all the four criteria is deemed to sustain over time and enables firms to attain competitive advantage.

In the luxury industry, intangible resources are predominantly the resources that permit firms to achieve competitive advantage. It is generally the intangible resource, and more specifically the brand image that creates the perceptions of the company and its offerings. As discussed in the previous section, luxury brands are associated with a number of values and characteristics that enable luxury firms to charge their customers significantly higher prices. The table below illustrates how firms can meet the criteria in the VRIN analysis using a combination of superior quality and different brand attributes.

Table 2: An illustration of how a luxury firm’s brand image creates competitive advantage, created by the authors of this study

Valueable	High quality, craftsmanship
Rare	Unique, exclusive, selective, customized
Inimitable	Heritage, legacy, creativity
Non-substitutable	Heritage

2.3 Consumer Behaviour

This section includes theories explaining how consumers make purchase decisions and how the consumer demand for some products might change in certain circumstances.

2.3.1 AIDA

AIDA is a classic marketing model initially introduced in the late nineteenth century by St. Elmo Lewis, intending to help salesmen to trade successfully by understanding the customers’ buying process (Barry & Howard, 1990, cited in Wijaya, 2012). AIDA is an acronym of Attention, Interest, Desire, and Action, four parts that together constitute the steps preceding a purchase, the purchase moment included. Attention signifies that the

product catches the consumer's attention, and he or she becomes aware of the product's existence. In the next steps, the customer becomes interested, and eventually feels a desire for the product. Finally, the consumer acts, in other words, makes a purchase. Sometimes an S for Satisfaction is added as the last step to show that the customer's evaluation of the product also is part of the buying process (Wijaya, 2012).

2.3.2 The Consumer Purchase Process for Luxury Goods

Kapferer and Bastien (2008, cited in Maheshkar, 2017) have developed a model explaining the luxury consumer purchasing process. Similar to the previously introduced AIDA model, this model maps the consumer's buying process. However, Kapferer and Bastien (2008, cited in Maheshkar, 2017) believe that the purchasing process for luxury items differs from the one of basic consumer goods. Therefore, they have illustrated luxury purchases as a three-phase process, including pre-purchasing behaviour, purchase decision and post-purchasing behaviour.

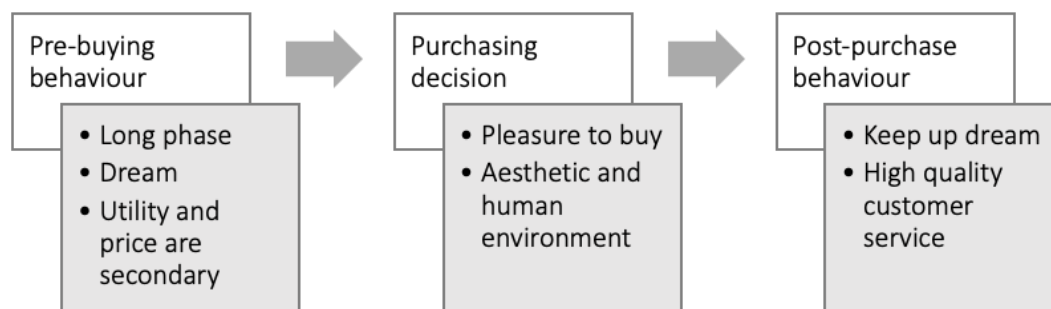


Figure 2: Luxury consumer process. Figure adapted from Kapferer & Bastien (2008), via Maheshkar 'Luxury via E-commerce' (2017, p. 84)

The first phase, the pre-purchase behaviour, represents the time before a purchase and corresponds to the attention, interest and desire in the AIDA model. This phase is long, and the consumer gains insight of the values and the dream that the product represents (Kapferer & Bastien, 2008, cited in Maheshkar, 2017). The dream is closely linked to the craftsmanship and the history associated with both the product and the brand. Since luxury products are primarily about fulfilling a dream, price and utility are secondary, although the customer may perceive some form of risk at a very high price (Maheshkar, 2017).

The second phase treats the purchasing decision, where the aesthetic and human environment is a vital factor. This suggests that an essential part of selling a luxury item is the store atmosphere and the physical meeting with the salesperson, including the service that this person is expected to provide. Kapferer and Bastien (2008, cited in Maheshkar, 2017) further emphasize that these factors are crucial to justify the luxury brands' premium price setting. In the AIDA model, this phase corresponds to action.

Finally, there is the post-purchase behaviour phase. When the purchase has been completed and the dream has been replaced by ownership, consumers want to ensure that they have made a good decision (Maheshkar, 2017). In addition to providing the high-quality customer service that customers expect (Yang & Mattila, 2016), the company must endeavour to maintain the idea of the product as a dream. Although the customer now owns the product, he or she should still feel that it is exclusive. A strong relationship with the customer is also of great interest to the brand as it can help them differentiate from other brands (Maheshkar, 2017). This phase is missing in the initial AIDA model, but can be compared to the "Satisfaction" step that is sometimes added to the model in order to stress the importance of the customers evaluation of the purchase.

2.3.3 Consumer's Demand - Bandwagon Effect, Snob Effect and Veblen Effect

According to Leibenstein (1950), the demand for consumer goods can be divided into functional and non-functional demand. The functional demand is affected by those qualities that are inherent in the actual product. The non-functional demand, however, is determined by those factors that are not related to the product itself but the external effects on utility. Leibenstein (1950), claims that the perceived utility derived from a product is dependent upon the consumption of others as well as the price of the product. This is in strong contrast to Alfred Marshall's traditional microeconomic theory that suggests that individuals make independent and rational decisions according to the law of demand and supply (Marshall, 1890, cited in Leibenstein, 1950). Leibenstein (1950) breaks down the non-functional demand into three different effects; the *bandwagon effect*, the *snob effect* and the *Veblen effect*.

The bandwagon effect is originally a psychological theory which claims that individuals will do something primarily because other individuals are doing it. In the fields of consumer behaviour and microeconomics the effect implies that consumers preference

and demand for a product increases as more people buy the product. This ultimately explains why there are people that follow fashion trends according to Leibenstein (1950). *The snob effect* is contrary to the bandwagon effect. The interest for a specific product decreases as more people purchase the product. This means that snob products have a demand curve that is positively sloped and it is usually the case for luxury items with low practical value but high economic value. The snob effect can be explained by the customer's desire and search for exclusiveness (Leibenstein, 1950). *The Veblen effect* is the third abnormal market behaviour that explains how consumers increase their demand for a product as the price rises. This means that some consumers choose to buy higher priced goods despite the availability of cheaper substitutes. Once again, this is due to the perceived exclusivity of the product and the buyers desire to attain a higher social status (Veblen, 1899, cited in Leibenstein 1950).

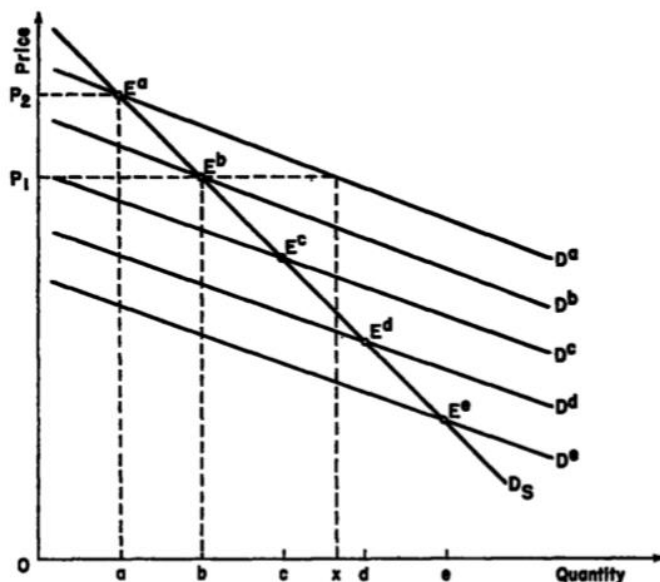


Figure 3: Snob effect. Graph from Leibenstein 'Bandwagon, Snob, and Veblen Effects in the Theory of Consumers' Demand' (1950, p. 201)

2.4 Selective Distribution

Luxury brands need to be selective in almost everything they do. The reason for this is that the luxury firm fears that the brand loses its exclusivity and its rareness when it is over-distributed and becomes widely available. This is usually referred to as brand dilution and explains why many luxury firms are reluctant to license their brand to other firms (Kapferer & Valette-Florence, 2016). Many luxury firms have exclusive distribution, which means that the firm enters an agreement with only one single dealer

authorized to sell the product. This ultimately inhibits competition and price discrimination (Catry, 2003).

Luxury firms are said to prefer class over mass. They use only a modest number of stores at well-thought-out geographical locations (Arrigo, 2015) and they avoid displaying their brand in too many contexts (Kapferer & Valette-Florence, 2016).

2.5 Seduction and Luxury Experience

This section introduces theories and concepts that contribute to the seductive and the experiential aspects of luxury, including experiential marketing, seamless customer journey, multi-sensory brand experience, and the value of the flagship store and its location.

2.5.1 Experiential Marketing

Experiential marketing has become increasingly important in the luxury industry due to changing consumer consumption motives. In the 90s, the western consumption of luxury was mainly motivated by a desire to display wealth and to boost status. Today, however, consumers buy luxury goods to express themselves, to create identities and to develop a sense of belonging. They are also largely driven by new needs and desires for experiences (Atwal & Williams, 2009). Unlike the traditional marketing which assumes that consumers make rational decisions based on functionality and benefits, experiential marketing regards customers as emotional beings seeking pleasurable experiences, interactivity and connectivity. The main objective for experiential marketers is therefore to use physical, sensory and interactive experiences to fortify the product and what it symbolizes (Atwal & Williams, 2009).

2.5.2 Seamless Consumer Journey

Customer experience occurs and is being reinforced every time the customer interacts with the firm. This can take place in both the offline and the online environment. Therefore, it is essential that the firm shows consistency so that the perception of the company always remains the same. This is because a poor performance in one channel may impact the customer's image and expectations of the retailer in the other channels. A firm that uses multiple distribution channels needs to make sure that all channels are

integrated in order to create a seamless customer experience and a high degree of channel integration is important to create or protect a successful brand image (Kwon & Lennon, 2009). Some scholars even claim that seamless customer experience can help retailers attain competitive advantage on the market (Heckmann et al. 2012).

2.5.3 Multi-sensory Brand Experience

Creating a holistic brand experience is particularly important in the luxury industry. An effective tool to enhance the customer experience and to establish a brand image is to use multi-sensory marketing. Multi-sensory marketing is a marketing technique that uses the human senses to strengthen the emotion of a brand. (Wiedmann et al. 2013) When appealing to our five senses, a more personal experience of a brand is created. This happens usually on a deeper, emotional level, where the individual's lifestyle, personal characteristics and social context come into play (Hultén, 2011).

Many brands work actively to incorporate these concepts when they design their stores. When the firm manages to successfully establish the desired store atmosphere it will also strengthen the brand experience (Mascarenhas et al. 2006). The idea is to use a mix of different stimuli including images (visual), sound (auditory), skin contact (haptic), smell (olfactory) and taste (gustatory) to influence the consumer's image and total experience of the brand (Hultén, 2011).

The *visual stimulus* is the strongest emotion-triggering factor since we perceive most of our impressions by means of our sight (Hultén, 2011). According to Okonkwo (2007), the visual stimulus is particularly important in the luxury industry where attractive visualization and the right use of different visual stimuli affects the client's perceived value of luxury goods. In stores, this involves a selection of layout, size, colours, decoration and lightning. The *auditory stimulus* can be triggered by music and sounds (Grewal et al. 2003). Researchers have found that different music subconsciously influences our emotions and moods (Blood et al. 1999): Fast and loud music stimulate impulse purchase and quiet discreet music commonly played in luxury stores, encourage the clients to stay longer in the store. The *haptic stimulus* is essentially about inviting the customers to touch and feel the product and its different materials. Furthermore, the temperature in the store and the materials used in the decoration plays an important role

when it comes to enhancing the customer experience (Hultén, 2011). The *olfactory stimulus* relates to scents. It has been shown that the use of scents in stores enhances brand attention and improves brand memory (Morrin & Ratneshwar 2003). Finally, positive emotions can be invoked through the fifth stimulus, namely *gustatory stimulus*. Many luxury brands offer their customers champagne, chocolate or coffee in the store (Okonkwo, 2007) to satisfy these last senses. The last three stimulus; the haptic, the olfactory and the gustatory, can only be achieved in an offline environment.

According to Wiedmann et al. (2013), luxury companies should not focus solely on one or a few stimuli but instead use multiple stimuli simultaneously as the message becomes stronger when all senses are stimulated at the same time. In this way, luxury companies can create a holistic sensory experience for the consumer and in turn affect the customer's perceived value of the luxury good.

2.5.4 Flagship Stores and the Value of Geographic Location

Many scholars judge the point of sale as a crucial factor for a luxury brand's positioning and success (Kent, 2003; Clow & Baack, 2010; Doyle and Broadbridge, 1999 cited in Arrigo, 2015). Fionda and Moore (2009) mean that the luxury store environment and the service provided there are key elements of the luxury brand proposition. While the flagship store serves as a sales point, it is also essential for the brand's reputation. These stores are characterized by heavy financial investments, using architecture to convey a sensation of luxury. As they allow the brand to display collections and their overall aesthetics to customers and bypassers, they are considered crucial for the marketing communication and a support for the entire business (Fionda & Moore, 2009).

In her framework of luxury flagship store location, Arrigo (2015) suggests that the geographic location of the point of sale is just as important as the point of sale itself. Luxury brands' flagship stores are often concentrated in a particular urban area, and the geographic proximity of many flagship stores generates a "luxury sense of place" related to the brands that are present (Arrigo, 2015). The decision of geographic location, including both choice of city and location within the city, is considered one of the major ones by most luxury experts (Arrigo, 2015). By locating the flagship store in the most expensive area of a city, the luxury firm utilizes the reputation of the already established luxury stores to influence their own brand positioning. Arrigo (2015) describes this as a

co-branding strategy realised by the firms involved, the co-branded product in this case is the previously mentioned “luxury sense of place”.

2.6 Online Shopping

This section covers theories linked to the internet and the use and characteristics of the internet as a retail channel.

2.6.1 Offline versus Online

Table 3: Comparison of the traditional face-to-face versus online customer context, retrieved from Rose et al. (2011, p. 27)

	Offline context	Online context
Personal contact	High to medium	Low
Information provision	Varies in intensity over different media	Intensive
Time period of interaction	Dictated by organization	Dictated by customer, Anytime, Anywhere
Brand presentation	Range of tangible devices used to present the brand	Audio-visual

The emergence of the internet has changed the way customers and organizations interact with each other. New technology allows customers to access information about a product or make online purchases anytime and anywhere. Today, organizations need to consider two retail contexts that differ substantially; face-to-face (offline) and internet based (online). The key differences have been discussed in the work of Rose et al. (2011) and are summarized in table 3.

Rose et al. (2011) present the first distinction as the *degree of personal contact*. While intensive personal contact is common in the offline context, it is unfeasible in the online environment. Face-to-face interaction is regarded as a richer source of contact which brings about subjective responses. The second major aspect is the *information provision*. The internet provides the consumer with an unlimited amount of information and consumers can easily compare and evaluate products using different sources at the same time. In the offline context, however, the provision of information is limited to what can be communicated through brochures and sales representatives (Rose et al. 2011). As previously highlighted, *the time period of the interaction* is also somewhat different.

Customers using tablets, computers or mobile devices can purchase an item at any time. This is not the case in conventional shopping where customers need to consider the store's opening hours. Lastly, the *brand presentation* in an offline context is realized using an array of artefacts. While the store can reflect the brand image using buildings, staff, and other tangible and intangible elements, the online environment is normally restricted to audio and visual (Rose et al. 2011).

2.6.2 Internet in the Fashion Retail Industry

The fashion retail industry was relatively slow to adopt e-commerce which can be explained by the many challenges related to transferring the in-store experience to an online platform (Sender, 2011). As pointed out in previous sections, the store atmosphere and the overall store experience serves a crucial role when it comes to generating value perceptions. Research has shown that customers receive immediate satisfaction from buying a product and when they receive personal service in a store (Kilcourse & Rosenblum, 2009). When customers are exposed to more multisensory elements in the store environment they derive more enjoyment from the shopping. In addition to this, clothes are classified as high-involvement products which means that customers feel a stronger need to see, feel and try the product prior to purchase. More interaction with the product also reduces the perceived risks related to a purchase (Sender, 2011).

Shipping and delivery process are other aspects of internet retail that differ from offline shopping contexts. Vakulenko et al.'s findings (2019) show that the quality of the delivery is decisive when customers evaluate their online shopping experiences. Online shopping is often perceived by customers as one holistic experience. They do not separate the seller, the shipper and the company that finally delivers the product. Mistakes that occur along the transportation chain tend to be ascribed to the seller and may therefore harm the brand, regardless of who is responsible for the error (Vakulenko et al. 2019). Companies with e-shopping solutions must be aware of the risks involved if the seamless customer journey gets disrupted and the impact that the delivery aspect may have on the brand image.

2.6.3 Features of Internet in Relation to Luxury Brands Characteristics

As we can see from section 3.1 and 3.6, the features of internet retail are somewhat different from those of luxury brands. In the following section, the key features of the internet will be compared to the dynamics of luxury.

Table 4: Features of internet in relation to luxury brand characteristics, created by the authors of this study

Internet characteristics	Luxury characteristics
Low personal involvement (Rose et al. 2011)	High personal involvement (Rose et al. 2011)
Low personal service (Rose et al. 2011)	Superior service (Yang & Mattila, 2016)
Few ways to present the brand (Rose et al. 2011)	Need to create a sensory experience (Wiedmann et al. 2013)
No geographic location (Rose et al. 2011)	Importance of geographic location (Arrigo 2015)
Fast and convenient shopping (Ingaldi & Ulewicz, 2019)	Satisfying, pleasure to buy (Kapferer & Bastien, 2008)

2.7 Conceptual Framework

The authors of this thesis have developed a conceptual framework that will be used as an analytical tool in the later chapters. Based on the literature review covering various research in fields, including marketing, consumer behaviour and luxury brand management, this conceptual framework summarizes and visualizes the result of prior research and shows the relationships between different luxury concepts. In a later chapter, the conceptual framework will be reviewed and revised when the data has been gathered and analysed.

The conceptual framework consists of two layers. The first layer includes concepts that together contribute to the characteristics of the second layer. The perception of exclusivity and the luxury experience are thus dependent upon the firm's geographic location, the level of selectivity and service as well as the ability to appeal to customers' senses. A luxury firm that manages to implement all of the concepts will achieve luxury desirability and a stronger brand image which can lead to competitive advantage. The purpose of the conceptual framework is thus to explore how each luxury concept is affected by the implementation of e-commerce. The conceptual framework will further be used to assess how firms can successfully fulfil the concepts, in both the first and the second layer, to achieve luxury desirability in an online context.

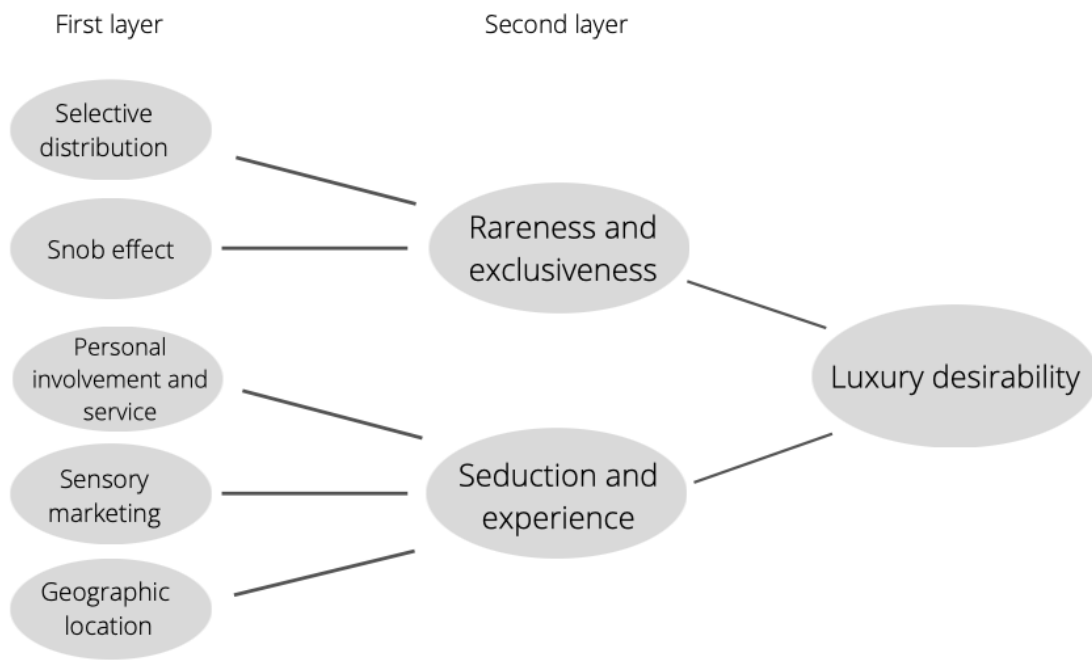


Figure 4: Conceptual framework developed by the authors of this thesis

3. Methodology

This chapter outlines the research methodology of the thesis. The methodology includes the research strategy, approach and design, the data collection methods, the types of data analysis, the quality of the study, ethical considerations and limits of the project.

3.1 Research Philosophy

Before anything else, it is important to understand the underlying philosophical assumptions adopted by the authors. Our philosophical assumptions are essentially the way we view the world (Bryman, Bell & Harley, 2019). These assumptions influence the direction of the research and finally its conclusions. There are primarily two different kinds of assumptions that the researcher should discuss when studying a social phenomenon. These are related to the concepts of ontology and epistemology (Bryman, Bell & Harley, 2019). *Ontology* relates to the assumptions that we make about what it means for something to exist. A researcher can here choose to take one of two different positions. The researcher can either view the social phenomenon studied as something that exists objectively external to the observers or view the phenomenon as something that is made real by the activities of humans and the meaning we attach to it. This latter view is referred to as *constructionism* and is the position of the authors of this thesis (Bryman, Bell & Harley, 2019). The researchers of this thesis acknowledge that many objects studied in this research are socially constructed rather than external realities. As discussed in the theory chapter, the concepts of luxury and brand image exist in the head of the consumer and are something that we all assign meaning and emotions to.

The study further takes an interpretivist stance. *Interpretivism* is a part of epistemology which discusses how we can study reality. As opposed to positivism, the interpretivist assumption is that the socially constructed reality cannot be studied using the same objective methods as for natural sciences (Bryman, Bell & Harley, 2019). The idea of the interpretive research is to analyse and reconcile people's realities and interpretations to make sense of a social phenomenon. In business and management researchers, this means that organisations are studied from the perspectives of different groups of people. (Saunders, Lewis & Thornhill, 2019). Interpretivist studies are more subjective than other studies since they do not solely include the interpretations of the respondents but also the researchers own interpretations (Saunders et al. 2019). This perspective is most

commonly used in qualitative studies with a constructivist view on reality (Bryman, Bell & Harley, 2019).

3.2 Research Strategy

A *qualitative* research method focuses primarily on words rather than numbers and is used when studying open and complex issues (Bryman, Bell & Harley, 2019). According to Creswell (2014), a qualitative research approach can be used to get detailed information about individuals' perceptions and insights of a specific phenomenon. Since the aim of this thesis is to explore the perspectives and opinions of the managers in the luxury industry, rich qualitative descriptions are needed rather than a quantifiable data set. A qualitative research approach is therefore deemed to be most suitable to answer the research questions. E-commerce in the luxury industry is also something relatively unexplored which forces us to seek an in-depth understanding of the phenomenon.

3.3 Research Approach

The role of theory in research is linked to two different reasoning approaches; *deduction* and *induction*. A deductive approach starts by formulating a hypothesis based on previous theories and understanding about a specific topic. The objective is then to analyse and test the hypothesis using collected data. Inductive approach, however, starts at the other end. Data is collected and interpreted to derive completely new concepts or theories (Bryman & Bell, 2011).

This research leans more towards inductive reasoning since appropriate theories on the specific research topic were initially lacking. Generally, the less the researcher knows about a given phenomenon the more inductive the researcher will need to be. No study is purely inductive or deductive and as in most inductive studies, existing theories had to be considered when the research questions were formulated (Bernard, 2003). Prior studies and theories were also used when the authors of this thesis developed a conceptual framework.

3.4 Research Design

The choice of research design for this study is a *multiple case study*. Case studies are generally qualitative and embody a constructivist orientation towards knowledge

(Merriam, 2009). Therefore, using a case study can be justified when the research question is of either explanatory or descriptive nature, and when the study seeks to explain a specific phenomenon (Yin, 2003). According to Yin (2014) a case study method is also relevant when research questions start with how, why or what and when an in-depth description is needed.

In multiple case studies, the researcher attempts to explain one issue using multiple cases. This type of study is usually preferred among scholars since it generates data that shows different perspectives on the issue and allows the researcher to compare and contrast the findings from different cases (Creswell, 2007). Data derived from multiple case studies are therefore generally regarded as more accurate and rigorous than data generated from single case studies (Yin, 2018).

This study focuses on producing general findings for the luxury apparel industry, rather than on the specific cases and their unique contexts. Bryman and Bell (2011) suggest that a study with this focus is better viewed as a cross-sectional study than a multiple case study. However, they state that the data generated in a cross-sectional study must be quantifiable to be able to examine variation. The findings in this study are generated with a qualitative method and are not intended to be quantified. The authors of this study have therefore chosen to call it a multiple case study, although the focus is more similar to the one in cross-sectional studies.

3.4.1 Selection of Cases

The next step in the research process is to decide which cases to study (Stake, 1995). The selection of cases in this thesis has been made using both *purposive sampling* and *snowball sampling*. Purposive sampling is a sampling method where respondents have been selected based on a set of criteria that will help the researcher answer the research question. As opposed to purposive sampling, snowball sampling is a sampling method where already established contacts are used to find other people to interview (Bryman, Bell & Harley, 2019).

The initial plan for selecting cases was to connect with e-commerce managers at major luxury houses. However, due to internal policies in these companies, it proved difficult

to organize interviews with the intended people. This led to a change in strategy, where interviews with managers at smaller luxury firms were conducted instead. The criteria used when selecting interviewees were therefore:

- *The interviewee is working with or is well informed about the company's brand management and e-commerce strategies*
- *The respondent is working for a company in the apparel industry that can be defined as a luxury company according to the definitions and characteristics presented in section 2.1*

The change of strategy is not expected to play a decisive role in the outcome of this study. Although the studied companies are smaller in size than the major luxury houses, they still possess the characteristics that are assumed to define a luxury brand in this thesis (see table 1). Therefore, similar factors can be assumed to impact the companies' e-commerce strategies.

According to Creswell (2007) the researcher should select cases purposefully to show different perspectives on the issue examined. To achieve this, the authors of this thesis decided to interview researchers within the subject, in addition to managers at luxury companies.

3.4.2 Sample Size

The empirical data has been gathered from five interviews with different actors in the industry. Henrik Ugglå and Jacob Östberg were selected because of their knowledge in brand management and consumer behaviour. Ugglå's expertise in the luxury industry was especially valuable for this study. The directors of the luxury companies were selected based on their position and knowledge of their respective company's strategic decisions concerning e-commerce.

Table 5 summarizes the interviews. It indicates information about the interviewee, as well as the interview method, length of the interview and the language in which the interview was conducted.

Table 5: Interview respondents

Case	Informant	Position	Based in	Language	Interview method	Duration
Henrik Ugglå	Henrik Ugglå	Consultant, researcher	Stockholm	Swedish	Face-to-face	60 min
Jacob Östberg	Jacob Östberg	Author, researcher	Stockholm	Swedish	Telephone	25 min
Anderson & Sheppard	Anda Rowland	Director	London	English	Telephone	46 min
Cornelia James	Andrew Lawson	Managing Director	London	English	Telephone	30 min
Tanner Krolle	Marco Scarpella	CEO	London	English	Telephone	30 min

The survey consists of a total of 103 responses. If the aim of the survey would have been to quantify the responses, more responses would have been collected. However, since the purpose was to examine consumers' opinions and ideas, the authors of this thesis judged that 100 responses would be sufficient to discern some patterns.

3.5 Data Collection Methods

3.5.1 Interviews

As for most qualitative studies, a less structured method of data collection has been applied in this thesis (Patel & Davidsson, 2011). The data has been gathered through *semi-structured interviews*, which means that some general questions were formulated prior to the interview while others were added during the interview when the respondent mentioned something interesting or relevant. This type of interview was chosen since it is flexible and since it allows new ideas and perspectives to emerge from the collected data (Qu & Dumay, 2011). Again, the open-ended nature of the research question encourages the authors to seek and discover new explanations of the phenomenon and a semi-structured interview is ideal in this regard.

All interviews took place within a time span of five weeks and lasted, on average, 30 minutes. All interviews, except the one with Henrik Ugglå, were conducted via telephone. The reason for this was that many of the interviewees live and work in other countries and given our financial and time constraints, travelling to these places was not an alternative.

Some interviews were conducted by both interviewers, while others had to be performed by only one. Being two interviewers is generally regarded as an advantage since it creates a more informal atmosphere. Furthermore, having an extra interviewee could also be beneficial as one can focus on observing potential reactions from the interviewee and take notes (Bechhofer, Elliott, & McCrone, 1984, cited in Bryman & Bell, 2011).

The authors of this thesis are aware of both the advantages and the disadvantages related to telephone interviews. Telephone interviews are, for example, cost efficient and reduce interview bias. However, the interviewer cannot observe possible reactions from the respondents and thus evaluate their attitudes (Quinlan et al. 2019; Bryman & Bell, 2011).

Two different interview guides were used during the interviews. One was designed for the experts and the other one for the managers at each respective company. The interview guides can be found in appendix 1 and 2.

3.5.2 Survey

In addition to case study interviews, a survey (see appendix 3) has been conducted to gain the perspective of luxury consumers. A survey is a research technique which gathers primary data from a sample of respondents using a self-completion questionnaire (Sreejesh et al, 2014). Self-completion surveys are most commonly used in quantitative studies, however, the questionnaire has been formulated in a way that allows the researchers of this study to derive more qualitative data. The questionnaire includes mostly open-ended questions. Open-ended questions allow respondents to answer on their own terms which ultimately could lead to new findings (Bryman, Bell & Harley, 2019). In addition to this, the questionnaire in this study should be seen merely as a complement to the case interviews. The purpose of the questionnaire is again to provide a third perspective and to support the data acquired from the other research methods.

A survey is fundamentally different from case study interviews. First, as the name implies, the self-completion questionnaire is completed by the respondent alone and does not involve an interviewee (Bryman, Bell & Harley, 2019). Compared to case study interviews, the self-completion questionnaire is also inevitably structured. This prohibits the researcher from asking probing questions which is particularly important when open-ended questions are used (Bryman, Bell & Harley, 2019).

The questionnaire first includes some personal factual questions. The respondents were asked to state their age and gender but were also given the opportunity to bypass. The demographic questions are relevant to most studies irrespective of the core matter of the

research. Having information about the subjects being surveyed allows the researcher to look for potential patterns and explanations of a specific phenomenon. The personal factual questions were followed by a mandatory question on whether or not the respondent has purchased a luxury item before. Respondents answering “Yes” on this question were then asked a set of questions regarding the respondents’ opinions and attitudes. The respondents were asked if they prefer to buy luxury in a physical store or online and then, which is more important for the purpose of this research, why they prefer to buy luxury online or in the physical store. The respondent was also asked about what aspects they value most when purchasing luxury products online or in store.

Respondents stating that they have never bought a luxury item before could still complete the questionnaire. The survey presents these respondents with a few vignette questions which are hypothetical questions that permit the respondent to think about how they would reason if they were to purchase a luxury item (Bryman, Bell & Harley, 2019).

The questionnaire was initially tested on a number of people to see if it was well functioning and if the questions were correctly understood. When the testing was completed, some adjustments were made before the questionnaire was distributed to a large number of respondents. The survey was distributed partly through mailings to the personal networks of the authors of the thesis, and partly via Facebook groups for networking around university studies.

3.5.3 Secondary Sources

Secondary data refers to already existing data produced in previous research (Sreejesh et al. 2014). The secondary sources used in this study mainly consist of literature covering luxury brand management, strategy and consumer behaviour. Most of the secondary sources are articles retrieved from academic search engines such as Google Scholar and Unisearch. Books from the university library have also served as secondary sources.

3.6 Data Analysis

3.6.1 Interviews

In qualitative studies, researchers typically end up with an extensive database. Transcribing and organizing this data is often time consuming and the data is sometimes

so massive that analysing becomes difficult. Unlike quantitative data analysis, there are no specific rules on how qualitative data should be analysed. However, scholars have proposed some broad guidelines on how to conduct the data analysis. Bryman and Bell (2011) suggest that a starting point to organize data may be through a *thematic analysis*. This method is found, in a way or another, in most qualitative data analysis approaches, although it is not always referred to as thematic analysis. Recurring topics in the data material are organised by theme to find a pattern and path to follow. Organizing by theme helps the researcher get an overview of the material, which later makes the analysis easier. Bryman, Bell and Harley (2019) define a theme as a category, possibly related to the research question. Furthermore, the theme is based on codes derived from transcripts of the interviews and should help the researcher to get a theoretical understanding of the data.

Ryan and Bernard (2003) have summarized what researchers search for when trying to find themes in written material. This includes repetitions, indigenous typologies and categories, metaphors and analogies, transitions, similarities and differences, linguistic connectors, missing data, and theory-related material (Ryan & Bernard, 2003). Bryman, Bell and Harley (2019) underline repetition as the most common criteria, but it is not alone sufficient for the repeated subject to be considered a theme.

The data material in this study has been carefully scanned in order to find themes. Subjects raised more than once were noted, interpreted and then used as a basis for the empirical results. In the interviews with the researchers, the following themes were found; the role of e-commerce for luxury companies, risks related to e-commerce, and techniques that could be applied to avoid these risks. These themes differed somewhat from the themes found in the company directors' interviews. These interviews turned out to cover the following themes; reasons for the company to offer e-commerce solutions, service online, luxury experience online as well as the interviewees general thoughts about the combination of luxury and e-commerce.

3.6.2 Survey

Questions that generated quantifiable data have been summarized in graphs, while comments from the open-ended questions have been analysed in a similar way to the

interviews with a *thematic analysis*. When the collection of responses was completed, all responses were listed and carefully searched for themes. After identifying the most common themes, these were presented in the results of the survey. Direct quotes from respondents are integrated into the result, in order for the reader to get a transparent picture of the respondents' opinions. The thematic analysis was mainly used as a tool to derive the most common values and opinions under each question. Unlike the interviews, which were presented by theme within the cases, the results of the survey were presented by question.

3.7 Quality of the Study

When researchers assess the quality of their study, they generally consider the *reliability* and *validity* criterion. However, many researchers have been sceptical about whether or not these two criteria have actual relevance in qualitative research (Bryman, Bell & Harley 2019). The reason is that these two criteria assume that there is one single and absolute truth about the social world that can be revealed. Lincoln and Guba (1985, cited in Bryman & Bell, 2011), for example, go against this perception and suggest two other criteria that researchers should consider when they evaluate their qualitative research. These are *trustworthiness* and *authenticity*. The trustworthiness criterion consists of four sub criteria; *credibility*, *transferability*, *dependability* and *confirmability* (Bryman & Bell, 2011).

As there are no absolute truths, qualitative research needs to be credible. Bryman, Bell and Harley (2019) mean that *credibility* can be achieved only if the researcher manages to convince the reader that research has been carried out accurately and according to good practice. To ensure the credibility of the results of this study, methods such as respondent validation and triangulation have been used. Respondent validation is about making sure that there is a shared understanding between the interviewer and the respondents about what has been said during the interview (Bryman, Bell & Hadley, 2019). The interviewees in this study have been invited to check their quotes before use, to be able to make small adjustments if something has been misunderstood or misrepresented. Triangulation is another technique that has been used, which implies that the researcher considers multiple sources and methods to validate the results (Bryman, Bell & Harley, 2019). As previously mentioned, data has been gathered from both consumers, companies and researchers.

Qualitative studies are highly contextual which prevents them from being easily generalized and used in other circumstances (Bryman, Bell & Harley 2019). This is also the case in this study. However, the authors of this thesis intend to increase the *transferability* by providing thorough details regarding the circumstances of the study, the research strategy, the findings and conclusions. In this way, future researchers can assess the transferability for their respective purposes themselves.

To achieve trustworthiness, the research must also be dependable. The *dependability criterion* relates to the research process and suggests that it should be well-documented, logical and traceable. The aim is to be transparent and so that the reader has an opportunity to judge the study's reliability (Bryman, Bell & Harley, 2019). To achieve dependability, the authors of this thesis have included all interview questions in the appendix. The thesis also includes a comprehensive description of the design of the research explaining how the data was collected and analysed. In addition to this, the thesis has been regularly scrutinized by both a supervisor and other students.

The last sub criterion of trustworthiness is *confirmability*. It is impossible to achieve complete objectivity in a qualitative study. However, the researchers are required to act in good faith and should try to avoid any personal belief or values from influencing the results (Bryman, Bell & Harley, 2019). The authors of this study have no personal interest in, and cannot derive any personal benefits from, the outcomes of the study. Quoting is a method that was used to avoid expressing personal opinions when presenting the data which thereby helps to strengthen the confirmability of the study (Bryman, Bell & Harley, 2019).

While there is a similarity between the trustworthiness criterion and those that are commonly used in quantitative studies, the *authenticity* criterion is unique to qualitative studies (Guba & Lincoln, 1985, cited in Bryman & Bell, 2011). The authenticity criterion aims to ensure a fair representation of different perspectives of members in a social environment, but it also regards the political impact of research (Bryman & Bell, 2011). Furthermore, authenticity is about ensuring a fair presentation of the interviewees' answers. Throughout the study, the authors of this thesis have been aware of this and

acted carefully in order to guarantee a fair picture of the interviewees' and respondents' opinions.

3.8 Ethical Considerations

Ethical consideration should be an integral part of the research process and need to be taken seriously by the researcher (Bryman, Bell & Harley, 2019). A researcher that discusses and evaluates different ethical dilemmas also minimizes the ethical risk. Diener and Crandall (1978, cited in Bryman, Bell & Harley, 2019) highlight four ethical issues that should be considered when conducting a study. These are: *avoidance of harm, informed consent, privacy* and *preventing deception*.

Avoidance of harm is essentially about preventing any participant from coming to *harm* due to the research. Harm relates to everything from physical harm to stress, self-esteem or anything that could harm the participants future job prospects. It is the researcher's sole responsibility to evaluate if the respondent could be exposed to any risk of harm and to make sure that the harm is minimized (Bryman & Bell, 2011). The researchers of this study have had this ethical issue in mind throughout the research process.

Informed consent is about providing the participants with enough information about the study and its purpose so that the customer can decide whether or not to participate. In addition to this the participant should also be informed if the researcher intends to record the interview (Bryman, Bell & Harley, 2019). In this research, the informed consent issue has been addressed in multiple ways. First by letting the participants know the purpose and research question of the study. Each participant was given a thorough explanation of the research and its authors before participating. Furthermore, the respondents were asked for permission to be recorded during the interview and were given the possibility to be anonymous.

The authors of the study also need to ensure that the *privacy* of each respondent is protected (Bryman & Bell, 2011). Again, all the interview participants were given the possibility to remain anonymous in this thesis. The answers from the questionnaire were stored anonymous and it is therefore not possible to identify any respondent. Furthermore,

in this study, no participants have been forced, pressured or deprived of the possibility to refrain from answering any question.

Deception can happen when researchers present their research as something other than what it is (Bryman & Bell, 2011). To prevent deception, both interviewees and survey respondents have been given a thorough and fair presentation of the study's purpose. The authors of the study do not intend to use the collected information in any other way than for the purpose of the study.

3.9 Limits of the Study

This method has potential limitations. The first is the fact that qualitative research may be too subjective. The researcher often has a tendency to rely too much on his or her own opinions about what is important (Bryman & Bell, 2011). The second limitation concerns the number of cases studied. Even if the researcher's understanding and ability to describe the context of the social dynamics of the cases is more important than the number of cases (Dyer & Wilkins, 1991), this study could have benefited from a few more cases. Thirdly, this thesis studies companies in the luxury apparel and leather goods industry and the results cannot be generalized to other sectors within the luxury industry. This has to do with the fact that the motivating purchasing factors behind other types of luxury goods may vary considerably from those behind luxury apparel purchases.

4. Empirical Findings

The following chapter presents the empirical findings for this study. The first section includes the data collection from the interviews. The different cases will be presented separately starting with the interviews conducted with the researchers followed by the interviews with directors of luxury companies. Each case is divided and presented according to the themes found in the thematic analysis. In the second section, the data derived from the online survey is presented.

4.1 Henrik Uggla

Henrik Uggla is a strategist, consultant and researcher in the field of strategic brand management at the Royal Institute of Technology in Stockholm. He is an expert in strategy and brand development as well as customer behaviour and new consumption trends. Uggla is also an author and has won prizes for his publications. Many of his books discuss branding and marketing. Uggla further holds lectures and has participated in podcasts discussing specifically luxury brand management.

The role of e-commerce

Uggla has an ambivalent attitude towards luxury e-commerce and about what role e-commerce should play in the overall business strategy. He says that he understands the criticism of Kapferer, but he also believes that the growing trend of e-commerce should not be ignored. If the company decides to fully ignore e-commerce, the risk is that the company loses potential future luxury consumers.

However, Uggla stresses that many luxury purchases decisions are not based on the consumption experience derived exclusively from the website or the physical store. The in-store experience often has an impact on the buying decision either during, after or prior the buying decision making. Some people visit the store to see and touch the products and then buy them online using online luxury retail platforms such as Farfetch or Net-à-Porter. These people have thus already been to the physical store and have identified all different associations that motivate them to buy the luxury product. The emotional and self-expressive benefits that the in-store environment involves have already been experienced by the consumer, and this might lower the threshold for buying luxury online.

However, Ugglä believes that the ideal webshop should work as a "teaser" that attracts the customers to the physical store which then increases the intensity of the luxury. Many luxury firms have therefore had an accessory-strategy, according to Ugglä, which means that the company sells predominantly minor objects on the webshops such as sunglasses, bracelets and scarves. These are inexpensive and easy to transport and have a high aspirational value. Ugglä further states that these smaller and cheaper products oftentimes become gateways to more expensive products that the consumer prefers to buy in store.

Authenticity is, according to Ugglä, key when it comes to luxury e-commerce and is something that he returns to several times. Ugglä claims that it is only the most authentic luxury brands that can make an active choice on whether they should engage in internet sales or not. Authenticity consists of integrity, quality, consistency over time, heritage and trustworthiness. Ugglä fears that the increased use of digitalization among luxury firms will slowly and gradually erode the authenticity of luxury brands.

Risks related to e-commerce

Ugglä highlights several risks associated with the use of e-commerce in the luxury industry. The first risk relates to the brand image which could be damaged by e-commerce in several ways. First, a luxury firm that sells its products on an online platform loses the possibility to identify and select its customers. The customers are ultimately what gives the brand its life and plays a major role in shaping the brand image. There is therefore a prominent risk that firms that engage in e-commerce lose control over the brand ambassadors and thus the positioning of the brand.

Ugglä also places particular emphasis on the risks that emerge from online luxury fashion retail platforms such as Net-à-porter and Farfetch. These companies have grown in popularity but pose, according to Ugglä, a real damage to the luxury brand's initial brand positioning.

These companies have an outlet nature on the internet and go from selective distribution to intensive distribution. You sell the luxury at any price. This could, in the long run, tarnish the perceived quality of the brand. Anything that is iconic should be based on pull and not push. I walk into Nordiska Kompaniet but the ice cream truck honks at me.

Farfetch and other online luxury platforms collect products from different luxury brands and thus offer the customer a broad selection of the luxury market. These companies also tend to have a more aggressive approach to marketing using techniques such as popups and discount offerings. According to Uggla, these platform companies could potentially lead to what Uggla refers to as an “involuntary democratization of luxury” which means that the luxury goods are made available to a larger degree than before. This could be positive from a customer perspective and especially for bargain hunters seeking luxury deals online. However, from the luxury brand point of view, this democratization enabled by the luxury platforms could be harmful to the integrity and the authenticity of the brand.

According to Uggla there is also a risk for what he calls “brand drift” when intermediaries display and sell luxury in these settings. Brands start to flow more freely from their initial brand positioning and the brand image becomes somewhat blurry and confusing to the customers. In addition to this, Uggla warns that luxury firms run the risk of losing control over the pricing of their products.

Luxury firms lose control of the brand and can become a price taker instead of a price maker. All luxury brands try to create their own demand curve. You lose the opportunity to act according to your own agenda and become much more opportunistic.

Finally, he points out the broad availability and the exposure that the luxury brands get on the internet as major risks, since it could destroy the dream value connected to the luxury product. If you can see and experience the goods everywhere and anywhere the aspiration slowly disappears.

Some luxury firms say "Our webshop is open 24h"- however, accessibility is nothing you should strive for in luxury. How fun would it be if you didn't have to fight for it.

Techniques that can be used

Uggla is certain that firms that manage to establish a sense of authenticity can still succeed on the internet. Uggla claims that the more authenticity a luxury firm can create in the

digital environment, the more it will retain its brand loyalty. Additionally, the more integrity, history and class associated with the brand, the more it stands for itself and less it is prone to harmful comparison on the internet. The aim of managers should, according to Uggla, therefore be to strengthen the authenticity of the brand. This can be accomplished when firms work actively to protect and strengthen the core (symbolism) of the brand. Uggla illustrates this with the example of how the iconic Coca-Cola glass bottle was reintroduced to strengthen the associations to the brand.

4.2 Jacob Östberg

Jacob Östberg is a professor of Advertising and PR at Stockholm University and a docent in Fashion Studies. As a researcher, Östberg has been particularly concerned with the symbolic dimensions of consumption, how value is created through our consumption and how customers assign meaning to different brands.

The role of e-commerce

Östberg means that the physical store has traditionally been incredibly important for luxury firms as it constitutes a big part of the overall luxury experience. The luxury experience and the luxury aura provided by professional and well-dressed shop assistants is after all what customers pay for, Östberg says. The exclusive store arrangement is fundamentally what embellishes the luxury good which is not necessarily very special per se. The products need to be enchanted in some way to reach a new level and the store environment plays an important role in this enchantment work. Östberg argues that this is the reason why many luxury firms question e-commerce as a distribution channel. He further says that many luxury brands decided to avoid online sales due to the fear of having the brand damaged, commoditized and too widely available.

The importance of the physical store as well as e-commerce is fundamentally a question about exclusivity and availability in the luxury industry, according to Östberg. Östberg believes that it is difficult for luxury firms to balance exclusiveness against availability. Luxury firms are, as most other organizations, dependent upon incomes and if the products become too unattainable, the firm will eventually lose customers. However, if the luxury product can be bought everywhere or anywhere and sometimes to a lower price, it will lose its exclusivity. Luxury firms have always had to consider this balance,

but the question has become particularly important due to the emergence of the internet. According to Östberg, luxury companies need to find the right balance which allows them to be both exclusive and accessible at the same time. Some luxury brands choose to go more in the exclusivity direction while others more in the accessibility direction.

Regarding the growing trend among younger generations to shop luxury goods online, Östberg believes that this stems from the fact that luxury consumers belonging to the younger generation perceive the internet in a different way compared to older luxury consumers. He claims that there is a less tendency among young consumers to draw a distinction between the internet and the real world. Östberg further states that this implies that younger consumers do not regard online luxury as less exclusive or less sophisticated.

Östberg thinks that there are generally two different kinds of consumer mindsets when it comes to luxury. The first group of consumers really wants to go to the store and sit down, be treated with respect, get a nice bag with a silk ribbon and so on. The other one does not want this experience, possibly out of fear of not fitting in, and these customers value the possibility to avoid that part of the purchase. Östberg explains that the experience associated with luxury products may not only be appreciated. If a customer feels misplaced, the in-store experience can also represent a barrier for the purchase.

Risks related to e-commerce

Östberg points out diminished exclusivity as one of the risks related to e-commerce. The possibility of buying luxury clothes from the bed, wearing pyjamas, possibly surrounded by dirty dishes, increases accessibility and as a result, the exclusivity inevitably decreases. While the product still is premium priced online, it is de facto accessible for a wider customer group. Even though many luxury brands' webshops seem to work quite well, Östberg believes that the online presence could erode the exclusive sensation of the brand in the long run, which is problematic since luxury per definition must be exclusive.

E-commerce also opens up for democratization of luxury, as extended product lines might be easier to sell online, Östberg explains. More people want, can and consider it reasonable to indulge in luxury today compared to a few decades ago, partly because it has become more accessible. Historically, luxury has gained its value by one person owning it and another not, but today it is no longer seen as something exclusively for the

extremely wealthy. When giving access to a broader clientele, the brand gets less distinctive. If everyone has access to something, it is no longer luxury. As Östberg puts it:

Many of the luxury brands have a strategy where they offer some cheaper stuff that could almost be considered “nick-nacks”, so that customers can dip their toes and feel the luxury without taking the full step.

Östberg presents the presence of counterfeit products as a third risk to which luxury brands are exposed online. Making the distinction between fake and authentic products might be difficult when both are sold online. If the customer knows that the authentic product can be bought in one webshop, why would it not be available in another? Not all counterfeit products are poorly made, and some customers are likely to be deceived by this. Fake products can also be found in physical shopping contexts, but authenticity is easier to check there.

Finally, Östberg identifies a risk that is not necessarily related to e-commerce but to the use of internet in general. Not only the brand managers shape the brand, but internet and social media contribute with “brand authors”. With social media, anyone can shape the brand using, for example, hashtags. People do not need to own a product to use the brand, which could lead to a use that is not coherent with the brand identity.

Techniques that could be used

To avoid some of the risks, Östberg recommends restrictions regarding the product portfolio offered online and carefully selected delivery partners. A limited range where only a part of the product offering is available could be a compromise. This allows consumers to “taste” the brand but if they want the whole experience, it would be necessary to go to the store. This strategy could help maintain a sense of exclusivity.

When it comes to delivery, Östberg thinks that it should be in the company's interest to control the entire chain to make the customers shopping experience as seamless as possible. Queuing at the post office to collect a luxury package erodes the feeling of exclusivity. Instead, the luxury company should carefully select a partner company that delivers the package all the way home to the customer in person.

Until the customer has the product, the full experience must be permeated by the brand aura.

4.3 Anda Rowland - Anderson & Sheppard

Anderson & Sheppard was founded as a bespoke tailor on Savile Row Street in 1906. The mission of the company has, since the foundation, been to "craft bespoke clothing for some of the world's most notable men in business, government and the arts" (Anderson & Sheppard, 2020). The company has today a shop on Burlington Street and Clifford Street in London. Anderson & Sheppards seeks to produce their products using materials from high class mills and craftsmen in England, Scotland and Europe thus one of the main focuses of the company is to assure high quality. The company also wants to offer its customer high class service and attention. According to the website, visiting customers can expect a warm welcome from the company's devoted team and spend comfortable time while shopping. For instance, a customer coming to the Anderson & Sheppard store will be greeted with a cup of tea and can, besides shopping, sit by the fire and page through a newspaper.

Reasons for e-commerce

Anderson & Sheppard has had an online shop for years and the director of the company, Anda Rowland, explains that the reasons are many. First, she says, the company has had a wide international following for a long time, especially in the US and in Japan. Therefore, she reckons that it was logical for the firm to have the company's products available for those customers that cannot come to London.

The second reason was to facilitate future purchases among customers that already own an Anderson & Sheppard product. Rowland argues that men, in comparison to women, are more likely to repeat buy and thus an online shop simplifies the purchasing process for the customers who wish to repeat buy.

They have their favourite trousers, jacket or shoe brand. They tend to go "I love this jacket I want the same, I have it in blue I want it in grey", so if you already bought something from us and you want to repeat your buy, an online shop is a convenient way of doing that without having to go into the shop.

Lastly, Rowland claims that the online shop is important since it allows their customers to review the product line, the prices and sizes before going to the store. Being the most traditional end of luxury, however, customers can only get what Anderson & Sheppard provides by coming in and seeing the craftspeople. Rowland continues, explaining that 99% of their new customers have already visited the webshop before deciding to come to the physical store and again, this has to do with how men make purchase decisions.

Generally, men do not enjoy shopping as much, so if they go shopping they want to know that they are definitely going to find what they are looking for. They do not want to go to 3-4 different stores without finding anything. They want to be more efficient and that it is worth the effort of visiting the shop.

Rowland says that although the company prefers to have the customer visit the physical store, good customer service needs to include an online solution.

Talking about customer service, the website is a part of this customer service. It can never replace the in-store experience, but we look at our online shop as customer service and it also provides things for people in our international customer base.

Luxury online

Rowland means that there have been several shifts in luxury companies' sales strategies in order to maintain the perception of scarcity.

In the old days, a lot of this perception of scarcity and exclusivity would be conveyed through the shop, where you come in and there will be slightly haughty, distant salespeople and you would always have to prove that you are worthy to buy the product - that was a part of the sales strategy then.

Rowland continues, explaining that there has been a new shift today.

These days you can walk into a shop in a pair of flip flops and be welcomed and treated properly with the best customer service that that shop can provide.

Because people are much too smart.

For a long time, Rowland explains, luxury companies often released limited edition collections that were called limited not because the products were difficult to produce but because the companies wanted to be able to increase the margins. With this in mind, Rowland means that forcing people to the shop by avoiding digital presence and thus creating a perception of scarcity, is only another way to increase the margins, rather than to increase the customer satisfaction. People can see through this, according to Rowland.

In her opinion, companies should get the customers into the shop to offer them a nice experience, where they can learn something new and meet people, not because it is the only way to buy the products. Avoiding digital presence only creates a fake aura of scarcity, something that Rowland thinks more and more people see through.

It [the product] is special because it is special, not because it is not available online - that's my view.

When it comes to the question regarding whether the company sees any problems with losing the control over the brand's ambassadors, Rowland says that she is happy as long as people enjoy wearing the company's clothes. Furthermore, the company has also been operating for a long time and can be associated with a wide variety of different men from Fred Astaire, Gary Cooper to Prince Charles and Jason Statham.

Service online/offline

In Rowland's experience, many luxury brands no longer invest in the salespeople working on the shop floor. They often work on commission and are not always sufficiently informed about the products' characteristics. Because of this, Rowland means that the customer service provided in webshops may be better than in many physical luxury stores. On a website, customers can quickly get information about size, production location and fabrics, as well as styling ideas from the designers themselves. Rowland illustrates how this works at Anderson & Sheppard. In addition to their own, not fully developed

webshop, the company has a partnership with Mr Porter which is an online retail destination for high-end menswear. On this website, customers can get advice and talk directly to knowledgeable advisors through an immediate chat.

Delivery aspect

Rowland points out the waiting time between the purchasing moment and the reception of the product as a disadvantage of online sales. Unlike traditional commerce, where the consumer purchases a product and receives it at the same moment, the customer has time to "cool down" before receiving the product.

When it comes to him in the box and /.../ he does not immediately feel the quality for the price he is paying, if there is any deception in terms of how the product is presented or the quality, he puts it straight back into the box and sends it back.

Rowland explains that returning products bought online is easy at Anderson & Sheppard, and because of this, the product needs to stand for itself. The pictures and the fit of the clothes on the webshop must correspond to how the customer experiences the product when receiving it. The company wants to avoid a situation where customers wait for a product they have ordered, try it on at home, discover that it doesn't fit and then return it. Because of this, they have decided to hold some products back and not present them online. Some pieces must be fitted personally, and the company does not want to disappoint customers by selling clothes that might not fit well.

Luxury experience online

Rowland says that the company is currently working to improve the online shop. She is unsatisfied with how it presents things visually, in terms of finding things, styling advice and ideas. How the firm could transfer the in-store luxury experience to the online platform, is something that Rowland wants more advice on. She suggests that the current website needs more film, more styling and richer information about fit, and origin of the materials. Customers coming to the shop can expect to receive professional advice and ideas from the company staff and this is a very important part of the in-store experience

and how the firm wants to be perceived. Being able to offer the customers styling suggestions and professional advice will thus be particularly important on the new upcoming webshop. One major obstacle, however, is the large costs of setting up a shopping platform online. Creating an online store with many different features oftentimes includes huge costs that smaller firms in the business cannot bear.

Apart from the online shop and the physical store on Clifford street, the company also sells its products on the website Mr Porter. Rowland acknowledges that these types of platforms might have a negative impact on the brand in terms of price, bad presentation, misinformation and sales. However, she assures that the company is very careful about who they collaborate with and that the company in question is very professional and treats the brand respectfully. It is in both parts interest to handle the brand properly and Mr Porter, she says, has specific agreements for each respective brand concerning margin, discounts et cetera. The parties have continuous conversations with each other and both need to agree on what is the right thing to do.

We have discussions up front, about how they are going to price things and present things. They are highly professional. When we started, we discussed which brands we wanted to be styled with, for example if we wanted to have our trousers fitted with other brands' jackets. So they were very open about which brands we could be associated with and presented with. They were also clear about that they do not use aggressive discounting. It is the same for department stores, you sell your products to people and then they could be on a bargain rack discounted when you are still trying to sell them. That could obviously happen online too, so that is why you need to be confident about who you are working with.

4.4 Andrew Lawson - Cornelia James

Cornelia James is a glove maker that has been operating since 1946. The company was founded by Cornelia James herself, who fled the second world war and established her own business in Britain. The company holds a Royal warrant since 1978 and many of the

products are worn by Queen Elisabeth. The gloves are produced using old fashioned techniques and machines in the company's atelier in East Sussex (Cornelia James, 2020). Andrew Lawson is the managing director of the company.

Reasons for e-commerce

Cornelia James gloves could previously be bought in department stores, but this has changed. Today, the products exist solely on the company's own website and Lawson explains that there were many things that justified this shift. First, he says, big department stores today use concessions which means that they rent out space to various brands. Lawson argues that Cornelia James is, at this point, too small to be able to embrace this sort of sales model. Using an online platform is a less expensive way to promote the product. In addition to this, he believes that these types of retailers are relatively poor when it comes to selling gloves. Gloves can be considered as a niche product that needs to be presented accurately in the store.

If you're going to sell it you have to back it up with sizes, different colours, and the gloves in themselves are quite hard to display effectively. Also it is not a self-selection type, although it's an accessory, it is not like a scarf that you can pick off a rail. The gloves have to be looked after really. Every time somebody tries a pair on, they have to be rearranged.

Another reason is that, since gloves is a niche product, the company needs to effectively target a very small, discrete group of people and these can be more easily targeted online.

If someone is looking for a niche product on the internet, it's quite easy to find, so that gives a certain commercial advantage.

Finally, Lawson highlights that about 60% of the company sales comes from customers in the US and thus the internet is a great advantage when it comes to serving these customers.

Luxury online

Values that Lawson wants to communicate through the online presence is craftsmanship, quality, family business and heritage; values that he thinks resonate with their sort of

customer. The customers come from a wide range of income groups, age and nationalities. Lawson talks about the Royal warrant as a way to create trust online for the customers. He believes that the warrant can reassure customers who are more reticent about doing business online. It is especially good for their business in China and in the US as the customers know that it stands for high standards, reliability and integrity.

Lawson explains that even if the Royal warrant mostly is considered a resource, it may also be a hindrance. The brand does not want to get stuck in a situation where people consider gloves as something that only the queen wears, neither do they want the business to be dependent on the Royal warrant.

Service online/offline

Lawson means that one main objective of the company is to offer high class service, as this could lead to repeat business. Therefore, the company works hard to never let the customer down. If something goes wrong, it is highly important to recover fast and efficiently from the mistakes. For instance, a faulty glove could be disastrous for Cornelia James, thus it is of great importance to immediately make up for any suffering of the customer. In cases when customers receive a faulty glove, they are invited to send it back and get a replacement pair. As Lawson puts it: “it’s almost good to make mistakes so that you recover from it well.”

Lawson believes that the website offers a better opportunity to reassert and build the brand values in the eyes of the customer, than if they would sell through a reseller in a physical store. He says that there are many tools available to reduce the distance between the company and the customer.

One of these tools is to email the clients. The company occasionally sends out broadcast email to all clients, even if most emails are targeted. Lawson explains that the company communicates with its customers in a discrete way. He means that they contact the customers in the same way as they would do if the customer came into a physical store.

It’s the way in which you do it which makes the difference, and people don’t like to be pestered. /.../ You have to judge your customer and know exactly when to step in, and when not to step in.

Another way to reduce the distance to the customer, Lawson explains, is to enclose a little note with every glove, saying who made it. This creates a connection between the customer and the craftsperson.

Luxury experience online

Lawson explains that there were some obstacles that the company had to overcome when they first launched their online shop. First, he says, there is this hesitancy among customers when it comes to buying things such as gloves online. Many customers worry about the size and fit thus Cornelia James reckoned that it was important to develop a very informative and helpful website. In addition to this, the idea was also to establish an online shop that replicates the experience that the customers would have if they came into a physical store to try a pair of gloves. One method used to create a stronger online experience, besides giving the customer thoughtful fitting advice, is storytelling.

We hope that reinforces the brand, you know it makes it more of a personality, we hope that all the stories point in the same direction, and give the same impression of: people trying to do their best. So if you were walking down the high street, you'd want to come in and see it because you'd know that it'd be a nice place, a nice experience.

Another method is to attempt to personalize the purchase. This is partly realized during delivery.

When we send the glove, they always get a really nice, very expensive box and everything goes with a hand-written note. So we try to make that connection so the customer feels like we have done it especially for them, as in fact we have. It's a very low volume, high effort business, but that's how we see it going forward.

Lawson believes that the box more or less symbolizes the brand. Since the box is expensive, the intention is that the customer saves it as a memory. The colours and the design are well thought-out and every box contains a personalized handwritten message for the customer.

They [the customers] love a handwritten note that is addressed to the customer with their name. We know that it's not their first order, we try to personalize it as much as possible and I think that's part of the connection. We try very hard to make personal connections and it does seem to be appreciated. It is part of building the brand, the best customers always want to come back and back.

The delivery of the box usually takes place the day after the order if the purchase was made within the UK. Customers in the US can expect to wait around three or four days. However, a foreign customer wanting fast delivery has the option of paying an additional fifty pound for a next business day delivery service.

4.5 Marco Scarpella - Tanner Krolle

Tanner Krolle is a British leather goods company founded in 1856. The founder of the company, Frederich Krolle, was a saddle maker who came to London from Germany in the 1850s. In 1920, Krolle merged with stationery manufacturer Tanner and together they became Tanner Krolle (Tanner Krolle, 2020). Being acquired by Chanel in the early 1990s, and later by an American private equity firm, major reconstructions have been made within the company. In 2019, they opened a new townhouse store in central London after being closed for a time and this is currently the company's only physical store. Marco Scarpella is the CEO of the company since 2016.

Reasons for e-commerce

Scarpella joined Tanner Krolle in a time during which the company was performing a complete reconstruction of the brand. Everything from the brand logo to the product range was revised and Scarpella explains that it was during this period of reconstruction that the company also decided to go online. To go online was an efficient way to introduce the new brand and let customers rediscover its meaning.

Scarpella also says that being present online helps when it comes to getting maximum exposure among certain potential customers. This in turn, shows that you are relevant to the people you are trying to connect with. When talking about potential risks of e-commerce, Scarpella emphasizes that potential risks of not having an online shop outweigh the risks of having one.

If you do not have a webshop nowadays, you miss out chances to be perceived as a complete brand. So yes, you do not need to sell hundred percent of your things online but I would see it as something very weird not having e-commerce nowadays.

Scarpella highlights another advantage of opening an online shop. It allows customers to register and become a part of the “Tanner Krolle world”, where they can access exclusive previews of collections. The traffic on the website also enables the firm to gain customer data that can be used to target the customer directly.

That's one of the beauties of e-commerce, you can target, /.../ and direct the customer towards what you really want.

Service online/offline

To provide good customer service is important to the firm both in store and on the website. On the webpage, the customers are given the opportunity to get in touch with one of the company’s specialists that can assist with gifting solutions or general bespoke options. The customer can, for instance, receive a handwritten message as well as a business card and a Whatsapp number that the customer can call in case of any enquiries. The company strives to answer these enquiries within fifteen minutes. Scarpella claims that good service is related to availability.

So when you open an e-commerce, you need to be able to respond to customers twenty-four seven around the world from Italy to China or America - there is no real time zone. So if you are not replying in time, that can be considered as a bad service. Once you open an e-commerce you are open twenty-four seven.

Luxury experience online

Heritage and quality are two of the values that Scarpella wants to communicate to Tanner Krolle’s customers. He emphasizes quality as the most important one, meaning that in a world where everyone claims to be luxury, the product needs to speak for itself. To communicate the quality aspect online, the company uses storytelling, partly through social media but also in magazines. Scarpella says that e-commerce is not enough,

different media channels have to be linked in order to create the perception that they want the customers to have. The pictures and stories that the company provides are about making the customer interested in the brand, in doing some research about it or to ask questions about things that might not be stated on the website.

Luxury online

Scarpella believes that a brand can be widely available and still be considered exclusive. Tanner Krolle is today a relatively small company, thus the dilemma might not be relevant to the company but Scarpella argues that there are examples of companies that manage to be both broadly available and exclusive at the same time and that is a part of their strategy. Scarpella uses Hermès to illustrate this, meaning that the company will remain exclusive no matter if they sell for 1000 million pounds worldwide. This has to do with how they communicate with their customers, the products that they are selling, how customers perceive them as well as how they distribute the products. Therefore, Scarpella means that if you can keep your status, you can keep your exclusivity, regardless of how broadly the product is available.

4.6 Interview Summary

Table 6: Interview summary, luxury company directors

	Reasons for E-commerce	Luxury online	Service online/offline	Luxury experience online
Anderson & Sheppard – Anda Rowland	<ul style="list-style-type: none"> - Reach international customers - Facilitate future purchases for existing customers - Allow customers to review the product line 	<ul style="list-style-type: none"> - The delivery time can get the customer “cooled down” which may lead to a return - Products must speak for themselves - Availability online is no obstacle to exclusivity 	<ul style="list-style-type: none"> - Companies do not invest enough in the salespeople in store - Customers can get more of information rapidly in webshops - E-commerce platforms can help offering professional advice online via immediate chat 	<ul style="list-style-type: none"> - Unsatisfied with A&S’s webshop today - More photos, videos and styling suggestions are required
Cornelia James – Andrew Lawson	<ul style="list-style-type: none"> - No physical store and no more partnerships with department store – e-commerce necessary - Effective way to target their customer group - Reach international customers 	<ul style="list-style-type: none"> - The Royal Warrant might be reassuring for customers when shopping online 	<ul style="list-style-type: none"> - High class service online is important as it leads to repeat sales - Provide detailed information about size and fit - Create a relationship with the customer through emails and a note telling who made the glove 	<ul style="list-style-type: none"> - Wants to replicate an in-store shopping experience - Storytelling - Personalize the purchase - Gloves are delivered in an expensive box meant to keep
Tanner Krolle – Marco Scarpella	<ul style="list-style-type: none"> - Efficient way to reintroduce the brand after reconstruction - Maximum exposure among potential customers - Gain customer data 	<ul style="list-style-type: none"> - Wide availability is no obstacle to exclusivity – the communication is more important for staying exclusive 	<ul style="list-style-type: none"> - Customers can call the company’s specialists directly on a phone number - Handwritten message with delivery - Good service related to availability 	<ul style="list-style-type: none"> - Communicate values through storytelling in different media - Use of photos and stories

4.7 Survey

This section contains the results of the online survey. The results have been compiled in figures and text to show how the respondents have answered the survey questions. The first part maps the respondent demographics and the second part includes the qualitative result from the respondents that have purchased luxury products in the past. The third part summarizes the responses from the respondents that have never previously purchased luxury products.

4.7.1 Respondent Demographics

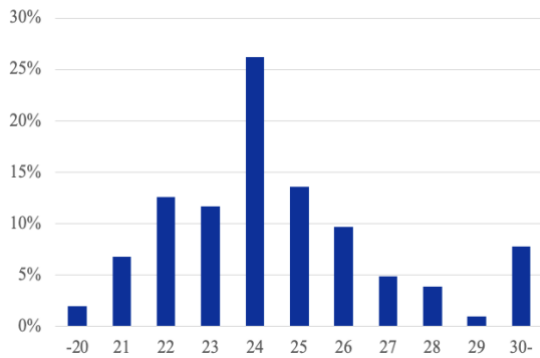


Figure 6: Age of respondents

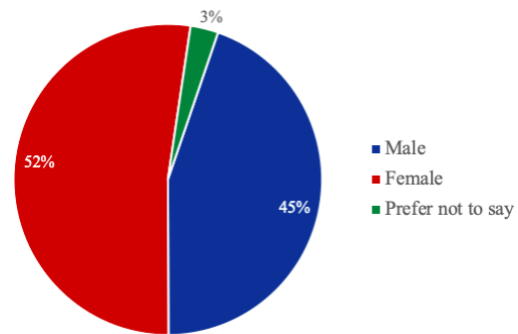


Figure 5: Gender of respondents

The survey includes responses from 103 participants. A big majority of the participants are between the ages of 20 and 27. 26% of the respondents are 24 years old which is a total of 27 people. The survey comprises more females than men. The number of females account for 52% of the total number of respondents while men represent only 45%. 3% have chosen not to provide this information.

40% of the respondents claim that they have purchased a product from a luxury apparel brand. Among these, 73% say that the purchase took place in a physical store whilst 27% say that the product was bought online.

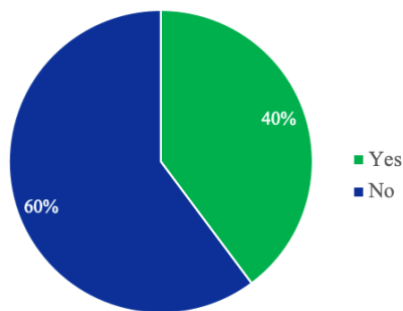


Figure 8: Have you ever purchased a product from a luxury apparel brand?

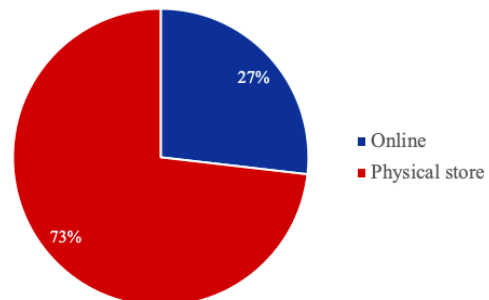


Figure 7: If yes, where did you buy the luxury product?

4.7.2 Customers Buying Luxury Products Online

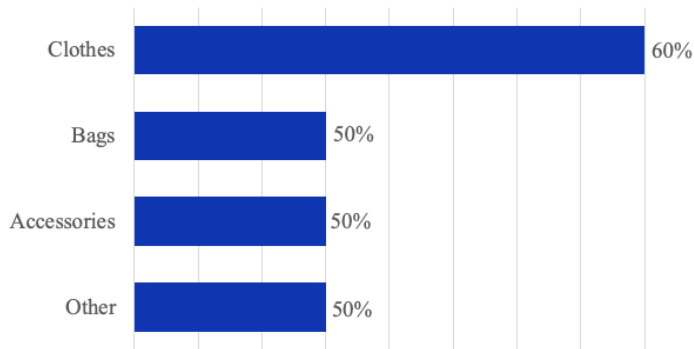


Figure 9: What type of products are you most likely to buy online?

Consumers who buy luxury online are most likely to buy clothes. 60% of the respondents state that they tend to buy luxury clothes online while 50% say that they buy bags or accessories. Among the respondents that have answered question “Why did you decide to buy the luxury product online?”, most highlight convenience as an important factor. One respondent states:

The convenience, I value the simplicity I experience in online shopping higher than the "luxury" I imagine others prefer in a store.

Another writes solely that “it's convenient, and it saves time”. Apart from convenience, several other reasons were mentioned. A few are stated below:

There are many colours to choose from. Also, if you are in a physical store, you might want to wait a little before you make a purchase decision, and then when you have decided, you can just easily order online!

Mainly because I'm able to browse a wider stock without having to travel abroad.

I mostly buy second hand, which in most (but not all) brands means cheaper prices.

Not all physical stores have a lot of options.

When the respondents were to decide what aspects they value the most when purchasing luxury products online, most of them seem to value the delivery aspect highest.

I don't really care much about the surrounding things (like packaging), what I want is the product itself. But, fast delivery time is probably the most important thing and that you can return it easily in the store.

Flexibility and price, it should go quickly from the time I ordered a product until I get the product and that no products can "disappear" or be canceled due to the wrong stock balance or things like that.

These opinions were shared by other respondents replying in a similar way. A total of 4 respondents out of 11 stated that delivery is the most important aspect when buying luxury online. Other aspects that were brought up by the respondents was that there should be a greater variety of goods online compared to the physical store, that the payment system is fast and easy, that the customer can trust that the vendor is not selling replicas and finally, that the customer can compare prices. Another respondent states that he appreciates rich information about measures of the product, many pictures and simple website layout when he buys luxury items from an online store.

4.7.3 Customers Visiting the Physical Store

The replies indicate that most customers visit the luxury store to be able to experience the product prior to purchase. 12 responses out of 29 has to do with the desire to touch, feel and try the product inside the store. Below are quotes from some of the respondents:

Always nice to see the product before if the price is high.

I can try it on, and test if it fits my outfit.

For luxury products, I like to view the quality of the product in person.

The second most stated reason of why the luxury customers purchase products in the store is because of a specific feeling that comes with the store visit.

It was a perfume so I wanted to know how it smelled! Then it feels a bit more luxurious to be able to buy physically.

It feels safer and more personal.

Finally, two respondents explain that they visit the store to take advantage of the service provided by the staff. Even if customer service is not the main reason why luxury shoppers choose to go to the physical store, customer service still appears to be an important aspect when it comes to the overall in-store shopping experience. When the respondents were asked about the most important aspect when buying luxury products in a store, the vast majority mention customer service.

Service and sortiment as well as knowing that it is mostly likely not a fake.

Knowledge and professionalism. I am a minority, and I don't like for people to try and tell me what I can or cannot afford.

Customer service affects a lot!! Do not buy anything if the shop workers are snobby or arrogant.

Only a few respondents choose to mention other aspects such as the cleanliness, that there are many sizes and models available, or that the store is “stylish”.

4.7.4 Customers That Have Never Purchased a Luxury Product

60% of the respondents have never purchased a luxury item. These persons were asked a hypothetical question about whether they would prefer to purchase a luxury product online or in a physical store. A vast majority, 84%, would prefer to shop in a physical luxury store, while 16% would do it online. The subsequent questions

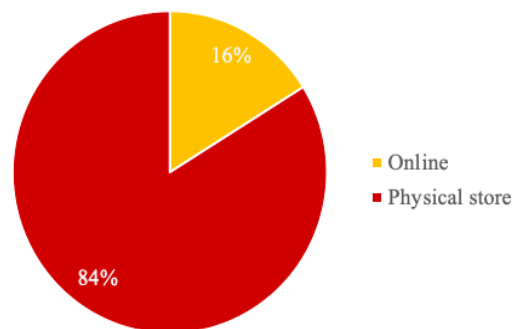


Figure 10: If you were to buy a luxury product, where would you buy it?

differed depending on how respondents answered this one.

Online

Among those who would prefer to shop online, 40% of the respondents mentioned that the reason was to avoid being disturbed by salespeople during shopping. One respondent states that they feel pressured to make a purchase when visiting a physical luxury store. Some other responses are quoted below:

I prefer to look at a product undisturbed without a seller coming up to chat.

I get easily annoyed by salespeople, especially in exclusive shops that are often quite empty. I want to decide calmly what I want to buy and the easiest way to do that is through a webshop.

Other respondents point out the convenience of online shopping as the reason for their choice. Less frequent responses include an aspect of options and comparison of prices, as well as a feeling of intimidation and of not belonging. One respondent put it like this:

I feel a bit intimidated by luxury stores. I know that the personnel has been “trained” to recognize people with money and to give those people more attention than “normal” people.

When asked about their expectations on purchasing a luxury product online compared to a “regular” product, 70% of the respondents mention a nice packaging and a good presentation of the product. Some respondents add that they would appreciate a small gift such as an accessory, a travel bag for shoes or a personal letter. Other responses concern the delivery of the purchase. Two of the respondents expect a quick delivery, while one respondent focuses on the quality of the delivery:

Maybe the parcel comes directly to my home, and not to some sort of post office or distributor.

One respondent highlights better customer service as an expectation.

Physical store

Respondents who said that they would prefer to buy a luxury product in a physical store were asked for what reason, and three recurring themes have been found among the responses. The most common reason was related to the evaluation of the product itself; feel the material, check the quality, see the product and try it on. Over 60% mentioned this as one of the reasons for visiting a physical store. Several respondents explain that since it is an expensive purchase, they want to ensure that the product meets their expectations in terms of quality and fit.

Buying luxury means that I will spend more time evaluating the product. Close inspection is required when luxury, due to the high price.

Enabling trying the item, thus minimizing the risk of having to deal with the item not being perfect to my taste.

If I spend a lot, I want to make sure the product fits.

20% of respondents state that the service provided by the salespeople, such as advice and recommendations, is one of the reasons to visit the physical store rather than a webshop. Here, too, respondents mean that the price that they would pay for a luxury product makes them want to enjoy this service.

Since it is expensive I would like to receive recommendations and make sure I am buying something fitting with my needs.

I want to get the service I expect to receive with the price.

It's an expensive product and that comes with some extra service from a store employee.

The third most common answer has to do with pleasure and experience. Some respondents mean that buying a luxury product would be a special occasion and therefore, they would like to turn the purchase into a "holistic exclusive experience".

I would like to hang around in the pretty shops, feel it's "presence", it's more enjoyable than just to order it online.

It's part of the experience to shop in the store. Buying online feels more similar to shopping regular [products], e.g. clothes from H&M or similar.

I'd like to "get my money's worth" and get the whole experience by buying it in a store.

One respondent summarizes the experience that they would expect in a physical store as follows:

To get the whole experience of purchasing a luxury product in a physical store: getting a proper presentation of the product from a professional salesman, having the opportunity to see and touch other products than the one I was looking for, taking my time to choose what I really want, having a coffee at the store...

Other, less common reasons, included that shopping in physical stores makes it easier to deal with potential problems, is safer in terms of both delivery and authenticity and it allows to avoid the shipping time that comes with online shopping.

4.7.5 General Questions

The survey ends with two general questions that were answered by both luxury consumers and those respondents that stated that they had never purchased a luxury item before. More than 50% of the respondents agree that exclusiveness is the most important aspect when buying luxury, followed by personal service and the in-store experience.

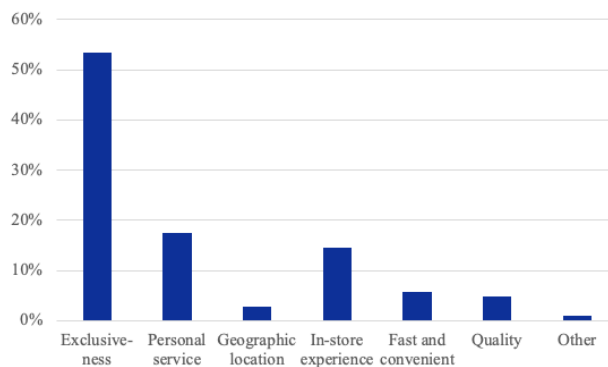


Figure 11: Which is the most important aspect when buying luxury?

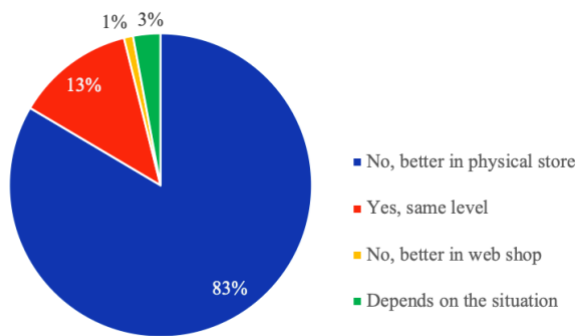


Figure 12: Do you believe that you can receive the same level of customer service in a physical store and in a web shop?

The predominant view is also that the customer service is better in the physical store. 83% of the respondents claim that the customer service is better provided in the physical store while 13% believe that a customer can receive the same level of customer service in the physical store and online. Only 1% consider the service better online. Three respondents say that it depends, leaving the following comments:

Depends, sometimes I may not feel comfortable in a lux shop.

No, depends completely on the staff if it's better or worse than shopping online.

Depends on the brand, staff and packaging.

4.7.6 Survey Summary

Table 7: Survey summary, respondent opinions

	Luxury consumers	Non luxury consumers
Reasons to buy online	<ul style="list-style-type: none"> - Convenience, simplicity, flexibility - Saves time - Wide selection - No travelling required 	<ul style="list-style-type: none"> - Avoid salespeople - Convenience - Wide selection - Price comparison - Feeling of not belonging in store
Reasons to buy in store	<ul style="list-style-type: none"> - Touch and try on - Verify quality - Customer service - Experience - Authenticity 	<ul style="list-style-type: none"> - Touch and try on - Verify quality - Customer service - Experience - Authenticity - Avoid shipping time - Easier to deal with potential problems

5. Analysis

This section provides a qualitative analysis of the empirical data. The analysis is based on the conceptual framework that was presented in chapter two. The different aspects of luxury desirability will be assessed one by one to see how the empirical findings fit the conceptual framework.

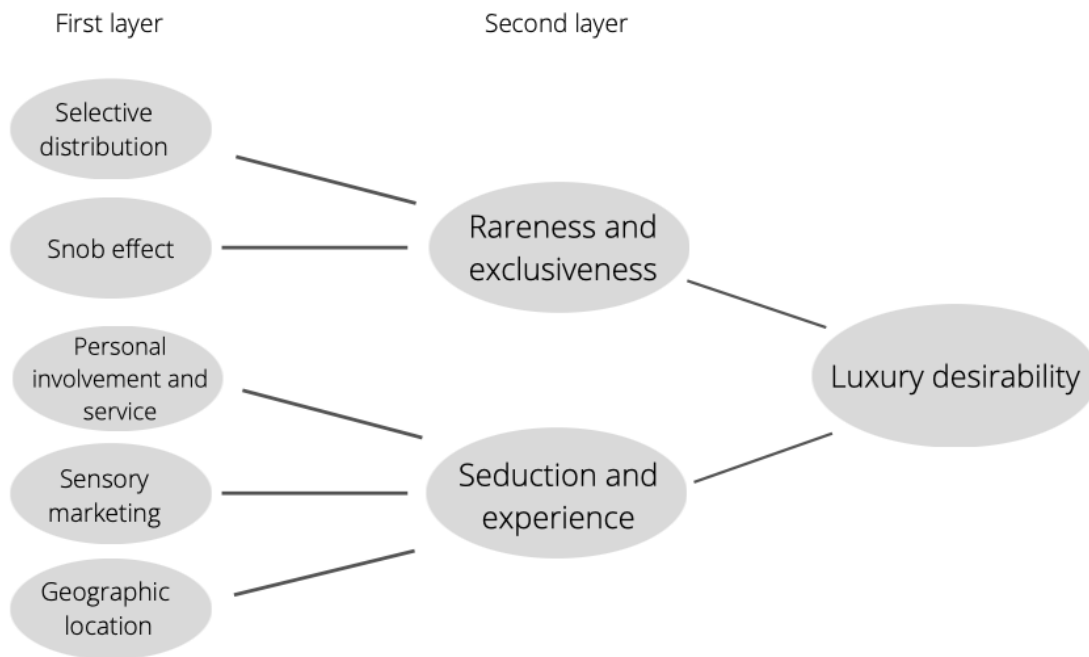


Figure 13: Conceptual framework developed by the authors of this thesis

5.1 Selective Distribution

The first aspect of luxury desirability is selective distribution. As shown in the framework, selective distribution can contribute to create a sense of the exclusivity and rareness and is therefore an important aspect of luxury desirability. Being selective is essentially about preventing the brand from becoming overly distributed. Prior researchers have claimed that luxury brands that sell their products using too many distributors, run the risk of brand dilution (Kapferer & Valette-Florence, 2016). Uggla seems to agree with this view when he says that luxury firms should aim for pull and not push. He regards online platforms such as Net-à-Porter and Farfetch as particular threats since they force brands to go from selective distribution to intensive distribution which, in turn, could disturb the initial positioning of the brand and tarnish its perceived quality.

Anderson & Sheppard is a company that deliberately chooses to sell its products on an online luxury retail platform. The director of the company Anda Rowland, agrees that there are potential risks associated with being displayed on these retail platforms but that these risks can be easily mitigated. She says that luxury brands have continuous conversations with the online distributors and that both parties enter agreements regulating how the brand is being treated. In this way, she argues, the company can keep full control over the brand positioning and still continue to use online wholesalers to distribute their brands. However, even if the company can manage how its own products are being displayed on these websites, another issue arises when the brand becomes a subject of comparison in an online multi-brand environment. One major reason why luxury firms need to remain selective is to prevent competition and price discrimination (Catry, 2003). On online retail platforms, the luxury brand can be presented side by side with another brand which allows customers to make comparisons with competitors. Kapferer and Bastien (2009) believe that luxury brands must be "superlative" and not "comparative". The brand's own identity is more important than thinking about where you stand in relation to competitors, but on these online platforms, this is being compromised. In addition to this, the fact also remains that these platforms sometimes offer seasonal sales and are designed in a way that puts a lot of focus on the price which is contradictory to what existing theories say about luxury buyer behaviour. Many customers actually become less attracted to luxury products when the prices decrease since the price is expected to reflect the exclusivity of the product and fulfil the buyers desire to attain a higher social status (Veblen, 1899, cited in Leibenstein 1950). Thus, again, even though firms can use methods that allow them to regulate how the brand is being perceived by the customers, it appears as if the mere characteristics of these online platforms are opposed to what prior researches say about luxury.

Another interesting aspect brought up by Ugglå was the lacking opportunity for an online luxury brand to be selective when it comes to its customers. The company's customers, or brand ambassadors, oftentimes embody the brand identity and provide brand meaning for other people. Ugglå means that losing the control of the brand ambassadors could thus also potentially damage the brand's intended position. It seems as if this dilemma only concerns bigger luxury firms that can selectively choose their customer base. All companies interviewed argue that their respective company is too small to even consider being selective in this regard. At the moment, the goal is rather to spread the awareness

of the brand both in the domestic market but also abroad. Cornelia James is already a niche product that struggles to make the product attractive to the broader mass. Anderson & Sheppard has had a wide variety of ambassadors over the years that customers can choose to identify themselves with. The most important thing in the end, according to Rowland, is that the customer appreciates their products. Even if the issue of losing control over the brand ambassadors does not seem to concern the companies in this study, the missing opportunity to actively select brand representatives online is something that has not been discussed in prior studies and should be considered by luxury firms.

Östberg mentioned another problem related to luxury distribution which has little to do with brand positioning or perceived brand image. He says that the presence of online luxury distributors might increase the number of counterfeit products and thus also increase the scepticism among luxury customers. As he puts it: *If the customer knows that the authentic product can be bought in one webshop, why would it not be available in another?* (Östberg). Many of the respondents from the survey seem to share this concern. One important reason why they preferred the physical store over the online shop was because they can feel more confident that the product is not fake. It could therefore be advisable for a luxury brand to resist using too many online retailers if these will increase in the future.

5.2 Snob Effect

The second aspect of luxury desirability is the snob effect. The snob effect relates to selective distribution as it has to do with supply and the perception of exclusivity. The phenomenon was first introduced by Veblen (1899) and describes the situation when the interest for a certain product decreases as more people buy it. The interviewed experts' discussions on democratization of luxury is in line with the concept of the snob effect. Östberg explains that historically, luxury has gained its value by one person owning it and another not, but today, a much broader clientele has access to luxury. Increased availability through e-commerce makes the product less exclusive, and consequently, the brand gets less distinctive. Östberg even means that if everyone has access to a product, it is no longer luxury. Following the reasoning behind the snob effect, a widely spread brand, possibly through e-commerce, would no longer be interesting for those who desire the exclusive aspect of luxury.

The concept also seems to be supported by consumer opinions as exclusivity proved to be the most highly valued aspect for luxury products. The consumer wants the product to feel exclusive. Exclusivity is by definition excluding and not for everyone. So, when the product actually is available to everyone online, it is, in a way, no longer exclusive. It might still be exclusive in terms of price, but it has lost a traditional aspect of its exclusivity, namely its perceived scarcity.

Compared to the researchers and consumers, luxury firms have a more liberal view on this. Anda Rowland at Anderson & Sheppard does not believe that online sales and maintenance of exclusivity are contradictory. She means that a product will not automatically be exclusive only because the company keeps it off the internet. Rowland emphasizes that the value of the product lies in its intrinsic qualities rather than in its potential scarcity. Consumers today would see through a strategy where the company attempts to increase the product's exclusivity by selling only in stores, Rowland means. Nor does Marco Scarpella at Tanner Krolle believe that a growing customer base would be a problem for the brand's exclusivity, as the perceived exclusivity is maintained by other factors such as communication and the product's own qualities. However, both Kapferer and Bastien (2009) and Östberg dismiss that customers buy luxury items solely because of the product's own characteristics. Kapferer and Bastien (2009) believe that the store environment is essential for the purchasing decision, and Östberg agrees with this. He means that the luxury product may not be very special per se, but it is enchanted by everything that surrounds it, including its perceived exclusiveness.

5.2.1 Democratization and Brand Extension

While the interviewed researchers argue that decreased exclusivity may hurt the luxury brand, appearing too exclusive might be just as hurtful for some. As Andrew Lawson explains, a small company like Cornelia James does not want to risk their products getting stuck in an image of being "only for the queen". Therefore, the company is trying to move towards a democratization of the brand, rather than trying to increase the image of exclusiveness. Actively wanting to democratize the full offering is a fairly unusual strategy for a luxury company and something that the interviewed experts would advise against. In Cornelia James' case, they offer a niche product that is already relatively

unique, and the company might not want to make their products appear even more exclusive. Luxury companies with a wider product range than Cornelia James usually democratize selected parts of the offer by stretching the brand downwards, partly to increase the profit margin but also to spread brand awareness among the masses (Kapferer & Bastien, 2009). There is a fine balance between exclusivity and democratization that each and every company must take into account. Being too exclusive might result in decreased profitability while excessive democratization can damage the brand image in the long term.

As Kapferer and Bastien (2009) explain with the pyramid model, the extended product lines are mass produced, typically accessories or perfume, and intended for a much wider clientele than the targeted customer group. The commercialization of these products helps to improve cash flow and may allow for managers to increase short-term profits. However, luxury firms must be cautious when stretching the brand since it, as previously mentioned, may result in brand dilution or harm the essential characteristics of luxury in the long run, according to Kapferer and Bastien (2009). We can see that this could evolve into a conflict of interest. Without considering the long-term brand dilution, many managers would be tempted to exploit the power of the brand and extend the product line to attract the broader mass, which would ultimately increase the short-term profits of the firm. Uggla, however, does not agree that extended products harm the brand image. Instead, he argues that accessories or perfumes are easy to sell online which makes them very useful when it comes to “teasing” the customers with the brand. He further asserts that they often become gateways to more expensive products that the customer prefers to buy in a physical store. In this way, Uggla goes against Kapferer and Bastien’s idea that extended products, such as accessories, would dilute the brand. Instead, Uggla believes that these products could lead the customers to explore the more expensive parts of the brand offering.

5.3 Personal Involvement and Service

As mentioned in the literature review, superior customer service is something that really defines luxury. Kapferer and Bastien (2009) describe the luxury product as an object accompanied by a service and Fionda and Moore (2009) mean that the in-store customer service is a key element of the luxury brand proposition. With this in mind, it is interesting

to see how luxury companies work to offer the same level of customer service online as in the physical store. This is important since a vast majority of the respondents in the survey answered “customer service” when they were asked about the most important aspect when buying luxury products in a store.

The perception of what great customer service is seems to differ among the actors in the luxury industry. Rowland from Anderson & Sheppard is confident that the customer service provided online may be better than in the physical luxury store as the webshop often provides richer information about size, production location and fabrics. Rich and detailed information about the products is supposedly key to great service in the luxury apparel industry, and this can oftentimes be better communicated to the customer through an online channel rather than a salesperson. This was mentioned by Rose et. al (2011), who said that one major distinction between online and offline customer experience is that the online environment enables richer provision of information in comparison to the offline environment.

The survey respondents, however, do not seem to agree with Rowlands opinion that the service is better provided online. 83% of the people asked think that the service is better in the physical store. This might be because most customers appreciate the physical presence of the professional salesperson and its engagement more than detailed product descriptions. Many customers comment that they visit the physical store for consultation and to make sure that they get their money's worth. Luxury goods are, after all, bought for what they mean and their ability to satisfy complex human needs, not for what they really are (Dubois & Paternault 1995).

Another view on what good customer service is was introduced by Marco Scarpella from Tanner Krolle. In his view, good service is related to availability as well as quick and personal communication. The company shares with their customers a WhatsApp number that the customer can call in case of any enquiries and the company answers within fifteen minutes. Lawson at Cornelia James also seems to think that fast service is important in the luxury industry. He mentioned that their customers can expect to have their products delivered before the following business day. Based on the result from the survey, it appears as if the customers also appreciate this business strategy. When the respondents were to decide what aspects they value the most when purchasing luxury products online,

most of them seem to value the delivery time highest. Uggla is however sceptical towards this strategy. He argues that accessibility is something that should be avoided in luxury and that “open twenty-four seven”-policies may destroy the aspiration and the dream value connected to the luxury product. To protect the conception of the luxury product as a dream is something that was also highlighted by Kapferer and Bastien (2009). Here it seems as if there are two conflicting ideas about how luxury firms should act and the firm might need to strike a fine balance between availability and protection of the dream.

5.3.1 Personal Involvement

As we have discovered, there are many different methods used by luxury brands to deliver great customer service. A very central element of customer service is the actual interaction between the customer and the sales representative. The buyers' overall impression of the luxury firm is obviously to a large extent shaped by their experience in dealing with that person. Bastien and Kapferer (2008) argued that it is the store atmosphere and the physical meeting with the salesperson that justify the luxury brands' premium price setting. Thus, one of the inevitable problems related to online sales, which was mentioned also by Rose et. al (2011), is that personal interaction between the consumers and the company goes missing.

Anda Rowland says that she is opposed to the idea that customer interaction is necessary per se for luxury firms. It is the quality of the service and the personal consultation that matters and luxury firms that have commission-based salaries for their salespeople will have no real advantages over firms that exist exclusively online. Anderson & Sheppard customers can also get advice and talk directly to knowledgeable advisors through an immediate chat on Mr Porter, and Rowland means that the service provided here could be better than in many physical luxury stores. Nevertheless, Anda Rowland highlights that the personal encounters with the customers could be valuable from a company point of view as the face to face meetings with customers in the store helps them learn more about their customers; what they like and how they dress.

We have also seen that firms that do not have a physical store such as Cornelia James can still build a personal connection with their customers. In this case, by including a handwritten and personalized message in every delivery box. The customer is addressed

by name and is informed about who from the company that made that specific product. In this way a bond is created between the company and the customer after the completion of the purchase and this personalization is according to Lawson a part of the building of the brand. Tanner Krolles also try to reconnect with their customers via WhatsApp after the completion of a purchase to make sure that the customer is satisfied with the product. To provide service using an informal communication channel such as WhatsApp could arguably be a good method since instant and private messaging is much more personal than sending an email to customer service.

Cornelia James' approach goes in line with much of what researchers have said about post purchase behaviour, which is the last phase in the luxury purchase process. Maheshkar (2017) says that it is important to continue to build a relationship with the customer and provide customer service after the purchase has been made. Although the customer now owns the product, he or she should still feel that it is exclusive. The aspiration and the dream related to the purchase of a luxury item are consumed once the customer has received the product, thus the firm needs to prolong the luxury experience and try to maintain the idea of the product as a dream.

Unlike many other delivery boxes that are used by companies merely to protect the product during transport, the luxurious delivery box of Cornelia James serves a broader purpose. While other boxes are quickly thrown away by the customer, the idea behind the Cornelia James box is that the customer should save it as a memory. The box has a beautiful design and is made of exclusive materials to make the consumer want to keep it. Every time the customer sees the luxurious box, it will re-experience the emotions and the satisfaction felt during the time of purchase. The box therefore serves an important function in extending the experience into the very last step of the consumer purchase process. This is necessary in order to create a holistic and seamless customer journey (Heckmann et al. 2012). Companies that create and reinforce the perception of exclusivity in the first stages in the consumption process, but ignore to do so later on will not establish a complete and seamless customer journey. This will be discussed further in section 5.6.

5.4 Sensory Marketing

Multi-sensory marketing is oftentimes employed to enhance the customer experience and to establish a brand image (Wiedmann et al. 2013). However, as we explored in the literature review, the online environment is normally restricted to audio and visual systems (Rose et al. 2011). This was one of the major reasons why Kapferer and Bastien (2008) were sceptical towards luxury online. The sensory experience disappears and is being reduced to simple impressions from a computer screen.

Hultén (2011) emphasised that firms must appeal to each and every of the customers' five senses. Anderson & Sheppards work actively to do this, especially in the offline environment. The customers are always greeted and invited to enjoy a cup of tea by the fireplace in the flagship store in London. This seems to be a good approach given the responses provided by those customers that answered the question “why would you rather buy the luxury product in a physical store than online?”. Several respondents answered things such as, “hang around in the pretty shops”, “feel the presence” and “taking my time to choose what I really want, having a coffee at the store.”. This indicates that many people expect to have a stronger experience in a luxury store compared to in an ordinary store.

5.4.1 Sensory Marketing Online

When it comes to the online shop, Anderson & Sheppard wants to work more with visual presentation to create a luxury experience online, for example by adding more videos. In this case, Anderson & Sheppard attempts to maximize the utilization of the stimulus that they can control, namely the auditory and the visual stimuli. Cornelia James does not have a physical store at all, which strictly limits their possibility to appeal to all five senses. Instead, they see a chance to satisfy yet another stimulus upon delivery. In addition to the product itself, the company creates a haptic experience using the box in which the product is delivered. Lawson, the director of the company, stresses that it is an expensive box that is meant to be kept by the customer, explaining that the design and color are carefully thought-out.

Many luxury firms work, just like Anderson & Sheppard, to create a visually appealing website with films and pictures. The question is whether visual stimulation can be enough

to make the customer want to buy a product. The visual stimulus is the strongest emotion-triggering factor according to Hultén (2011), and is particularly important in the luxury industry where attractive visualization affects the client's perceived value of luxury goods. However, Wiedmann et al. (2013), suggested that firms need to create a holistic sensory experience and use multiple stimuli simultaneously as the message becomes stronger when all senses are stimulated at the same time. In addition to this, we saw in the survey that the main barrier to shopping luxury online was the missing haptic exploration of the product. The respondents stated that they want to make sure that an expensive product is worth the money by testing and feeling it. This is nothing new. Clothes are classified as high-involvement products which means that the buyer wants to experience the product prior to purchase. Being able to experience the product also reduces the perceived risks related to a purchase (Sender, 2011). However, according to Grant (2016), a strong brand image can motivate customers to buy a product even though they are unable to observe and test it (Grant, 2016). It is thus possible that luxury clothing is more easily sold online because the luxury brand has established a stronger brand image. Customers that choose to buy the product from a luxury firm's official website trust that the product meets their expectations. The trust in the brand outweighs the perceived risk that comes from the high price and the missing possibility to feel the product. Nevertheless, more research is required to evaluate whether establishing a strong brand image can convince customers to purchase a luxury product online.

5.4.2 Sensory Marketing - "Spill Over"

As previously mentioned, what the physical store environment does is to "enchant" the product and embellish it in the eyes of the customer. This enchantment work is also what encourages the customer to pay a premium price for a product that is not very special per se, according to Östberg. Trying to sell the same product online where the customer is not equally stimulated by surrounding impressions can therefore be problematic. However, Uggla argues that the emotional and self-expressive benefits that the customer gets from visiting the store can "spill over" on the webshop. Customers that have had a luxury shopping experience in the store can just as well buy the luxury product online as they have already felt the in-store atmosphere and thus the luxury associations. Customers that have been to the luxury firm's physical store once can therefore be more prone to buy the firm's products online in the future. This could potentially explain why those who had

already bought a luxury product were more likely to shop online in our survey. 27% of those who had already bought a luxury product preferred to buy luxury online compared to 16% among those that had never purchased luxury. This seems to also be the case for Anderson & Sheppard. Rowland mentioned that many of the people that use the company's online shop are customers that have already purchased clothes in the store but want to repeat buy.

5.4.3 Sensory Marketing and Young Consumers

Östberg mentioned something that could potentially raise the question regarding whether sensory marketing is even relevant online. Östberg means that younger consumers, who constitute a large part of the questionnaire sample, do not draw a distinction between the internet and the real world. He believes that the reason why more and more young consumers choose to buy luxury online is because young people do not regard online luxury as less exclusive or less sophisticated compared to buying in a physical store. If that is the case, sensory marketing might be less important today among younger consumers which thus also challenge the criticism from Kapferer. However, based on the results from the survey, customers today still seem to be more willing to purchase luxury products in a physical store. 84% of the respondents asked, claimed that they prefer the store over the webshop if they would choose. Inarguably, more research is needed to closely examine whether customers' age affects the shopping experience in an online and offline environment.

5.5 Geographic Location

As we have discovered in the literature review, the geographic location plays an important role when it comes to creating a perception of exclusiveness and a luxury experience. However, this aspect was not widely addressed in the empirical findings. Only 1% of the survey respondents stated this as the most important aspect of luxury shopping. Neither did the interviewed directors seem to attach much importance to the geographical location when asked about the luxury experience. A reason for this may be that customers and managers consider the location of stores as an integral part of the brand and it is therefore not alone highlighted as an important aspect.

Although it has not been confirmed through our empirical findings, we still consider the geographic location of stores an essential aspect for the luxury experience as well as for the luxury desirability. We believe that the carefully selected locations of luxury stores are important for the brand image and for maintaining the dream value of the brand. Arrigo's (2013) study, that was introduced in the literature review, shows that the concentration of luxury stores at certain geographic locations contributes to a certain "luxury sense of place". Luxury brands with stores at these locations benefit from the sensation of luxury and can use it to improve their positioning (Arrigo, 2013). Based on this, we assume that the geographical location is an important part of the brand image, the luxury experience and consequently, the luxury desirability.

5.6 Seduction and Luxury Experience

As illustrated in the conceptual framework, the use of sensory marketing, the personal service provided and the geographic location of stores are believed to generate an aspect of seduction and experience to the luxury brand which, in turn, is important for the overall luxury desirability. Creating a seamless customer experience is an essential element of the luxury experience and something that helps companies attain a competitive advantage on the market (Heckmann et al. 2012). Other methods that are used to create a competitive advantage can, however, be somewhat conflicting with the seamless customer experience. Cornelia James, for instance, differentiate by offering a next-day delivery service for domestic customers, but also for foreign customers as a paid service. This service is highly appreciated by consumers, as we have seen in the survey. However, if the company does not deliver within the promised 24 hours, there is a risk that the customer will be dissatisfied, and in this way, the differentiation attempt can affect the seamless shopping experience negatively. With every extra feature or service proposed by the company, another factor that could go wrong and thus disturb the seamless experience is added. As Vakulenko et al. (2019) have shown, customers do not separate the different steps along the shipping process and therefore, errors tend to be ascribed to the seller and which could ultimately hurt the brand image. The built-in waiting time for e-commerce could also risk disrupting the seamless shopping experience. Rowland at Anderson & Sheppard describes the time gap between ordering and receiving the product as a factor that may "cool down" the customers and lead them to return the item. However, whether it is

negative to allow the customers to cool down, can be discussed. As previously mentioned by Uggla, this time gap could also have a positive effect as it can contribute to prolong the customer's aspiration and maintain the dream value linked to the product.

5.6.1 Holistic Brand Experience

The consumer survey shows that the overall experience of the brand is important for both consumers who have purchased luxury products before and those who have not. 15% of all respondents value the in-store experience the highest. When it comes to luxury, consumers undeniably want something more than solely the product, just like Kapferer and Bastien (2009) suggest. Therefore, the company's ability to bring the experience online matters. The interviewed luxury brand directors agree that the experience is important and that it must be maintained online. Lawson explains that at Cornelia James, they try to replicate an in-store experience by offering a website with all the information that would be accessible in a physical store, including detailed information about sizes and measures. Lawson also means that a handwritten note with every delivery helps create a sort of personal link between the customer and the salesperson, something that happens naturally in a physical store. As Maheshkar (2017) argues, this kind of personal relationships with the customer can help the brand differentiate.

Another way of transferring a part of the experience from the physical store to the internet is through storytelling. Scarpella explains that Tanner Krolle does this by linking different media. Visibility in both social media, magazines and in the webshop helps create a holistic image of the brand and allows the company to tell the story that they want the customers to hear. According to Uggla, luxury companies can succeed with e-commerce if they manage to establish a sense of authenticity, which he means consists of integrity, quality, consistency over time, heritage and trustworthiness. The more authenticity associated with the brand, the stronger and less prone to comparison online it becomes, and storytelling is one way to convey these important values online.

This reasoning is supported by Barney's (1991) resource-based view, which suggests that the company and its resources are primary in the creation of competitive advantage, while

finding an attractive market is less important. The authenticity of a luxury brand is an intangible resource and, according to Uggla, it can be considered the firm's primary resource and source of competitive advantage. Once the company has achieved authenticity, the market itself becomes less important. Uggla points out that only the most authentic luxury brands can make an active decision on whether to engage in e-commerce or not.

Barney (1991) further suggests that a resource that meets all the criteria in his VRIN framework is deemed to last over time. In this way, the brand authenticity can be considered a sustainable resource as it meets all the VRIN criteria. The brand authenticity brings *value* to the firm as it is a source of competitive advantage. It is *rare* since it takes time to obtain, thus it is not available to all competitors. Furthermore, the authenticity is *inimitable* as it is based on several other unique intangible resources such as integrity, heritage and trustworthiness. Lastly, it is *non-substitutable*, as it cannot be replaced by a different resource. Although the brand authenticity meets the VRIN criteria and thus can be considered a sustainable resource today, it is possible that the authenticity will be seen differently in the future. Uggla fears that the increased use of digitalization among luxury firms may gradually erode the authenticity of luxury brands. In case of erosion of the brand authenticity, the luxury company could lose an important part of its competitive advantage. It is therefore important that these companies manage their intangible resources well, especially in digital contexts.

5.7 Rareness and Exclusiveness

The exclusivity aspect of a luxury brand is a recurring subject and something that can be interpreted in several ways. From the conceptual framework, we can see that rareness and exclusiveness are assumed to be derived from the selective distribution of the brand, but are also maintained by the snob effect of customers. However, the empirical findings have shown that it might be more important that the product is perceived as exclusive, rather than that it actually is. Many luxury companies sell their products online and although this makes them more accessible, and thus less exclusive, customers continue to purchase these products. 80% of all survey respondents prefer to shop in stores, but the fact remains that online sales in the luxury industry is increasing each year and the growth is expected

to continue (Bain, 2019). This indicates that maintaining an exclusive brand image is more important than actually being exclusive in terms of availability or distribution. The product does not have to be rare to be considered exclusive. Since the exclusivity aspect is so central for consumers, delivering a sensation of exclusivity also becomes necessary for companies, regardless of the accessibility of their products.

The concept of exclusiveness has proven to be far more extensive than merely coming from the first conceived factors in the conceptual framework, namely selective distribution and the snob effect. Companies attempt to convey an exclusive image of the brand in different ways, but none of the interviewed managers claimed that their exclusivity depends on the availability. Rowland's stance is that the quality of the product is more important than being exclusive, arguing that companies today cannot try to be exclusive by limiting the supply of the product, but the product must speak for itself. Scarpella raised the case of Hermès to show that the image of exclusiveness and a wide accessibility with an extensive clientele are two separate matters. According to him, the status and perception of the brand are more important for the brand's exclusiveness than the availability.

The rareness and exclusiveness aspect is finally more about maintaining an image of being exclusive. This image is created using all of the concepts from the first layer of the conceptual framework. The selective distribution limits the availability. The personal involvement and service make the customer feel unique. The sensory marketing helps communicate the exclusive brand image, and the geographic location contributes to a luxury sense of place.

5.8 Luxury Desirability

The different elements of luxury that have been discussed until now leads to what the authors of the thesis refer to as *luxury desirability*. A brand that manages to be properly selective, that offers superior customer service and at the same time appeals to customers' different senses will create a luxury experience and a perception of exclusivity that makes it desirable. Customers' desire for luxury is essentially what allows companies to charge higher prices for their products. The overall luxury image is thus the firm's most important resource and is ultimately what allows the luxury brands to stand out in relation to other

brands. Therefore, it is of high importance that luxury firms consider how they can successfully fulfil the concepts of luxury both in the offline and the online environment.

Until now, we have discovered that many companies consider the luxury concepts of our conceptual framework when they attempt to create luxury desirability. When it comes to being selective, luxury firms do not necessarily need to limit the supply of the product to create perception of exclusivity. Instead, companies attempt to convey an exclusive image of the brand in different ways, as previously mentioned. This image of exclusivity can however be damaged, for example, when the brand becomes a subject of comparison and when customers start to associate the brand with counterfeit.

We have seen that luxury firms have found their own different methods to provide high class service and to establish close relationships with their customers. Some of these methods are supported by findings in existing research, while others by the consumer opinions. Regarding sensory marketing, firms should employ this to the extent it is possible online, as many consumers appreciate and expect an experience that appeals to several of their senses when buying luxury. To first establish a strong sensory experience in the physical store is, however, an important starting point as the in-store experience can spill over to the online store. Geographic location remains an important factor for luxury desirability, even though we have not been able to prove this based on our empirical findings.

6. Conclusion

The purpose of this study was to discover whether and how luxury firms can be engaged in online sales without hurting the brand image and the differentiation strategy. To do so, four different research questions were formulated. This thesis first examines the question regarding how consumers today think about luxury consumption online and offline. A lot of time has passed since the first theories within the field of luxury brand management were developed and a more up-to-date investigation of luxury consumer behaviour was needed. We have also seen a surge in online luxury sales in recent years which raise the question regarding whether firms should rethink the way they look at their customers. Despite this upward trend in luxury sales online, our analysis shows that a majority of young customers still prefer to buy luxury in a physical store. The main reason is to feel and try the product but also to get personal service and to get a specific experience that comes with the store visit.

With this thesis, we also intended to provide an answer to the question regarding what risks and opportunities arise when luxury firms choose to engage in online sales today. The risks of selling luxury online have been discussed in other studies in the past. However, by surveying customers and interviewing company directors and experts in the field of marketing, a few new unconventional issues have been raised. First, luxury firm's fast delivery policies are appreciated by many customers but may kill the dream value and the aspiration related to the product. Additionally, if the luxury brand is overly distributed and appears on too many online platforms, customers might believe that the products are counterfeits which ultimately discourage them from buying luxury online. Furthermore, luxury companies initial brand positioning might become disrupted when they lose control of their brand ambassadors. An opportunity that relates to luxury e-commerce is that the luxury firm can capture the customers that feel uncomfortable and intimidated in the physical store. Our research has shown that a great deal of people has a negative perception of luxury stores and therefore prefer to make the purchase online. Moreover, e-commerce allows luxury firms to reach out to international customers, which might be especially valuable for smaller firms with a limited number of physical stores.

The online luxury experience is fundamentally different from the traditional physical shopping experience and many of the methods used to create a luxury customer experience in a physical store context are difficult to transfer to a digital world. This thesis

therefore examines how luxury firms create a luxury experience online. Sensory marketing is central when it comes to creating a luxury experience in a store and we have seen that many of the efforts to create a luxury experience online relates to the missing ability to appeal to all of the customers senses. Many companies attempt to maximize the use of pictures and film to create a visually appealing website and others use luxurious delivery parcels to compensate for the missing haptic exploration. Firms with online sales also attempt to achieve a higher level of personalization by writing personalized messages to each customer and by keeping close contact with the customer after the purchase. Both these things were shown to be efficient methods to prolong the customer luxury experience and to maintain the idea of the product as a dream. A common method is also to use storytelling and emphasize the brands historical and cultural heritage to achieve a sense of authenticity which turned out to be an essential aspect of luxury experience. Lastly, we have also seen that customers that have already purchased a luxury item, and therefore experienced the brand in some way, are more likely to make their next purchase online.

Finally, the authors sought to investigate how luxury firms manage to integrate e-commerce in their overall business strategy, which is a question that more directly relates to the purpose of this thesis. The company's luxury image is its greatest resource and an essential part of the luxury strategy to continuously reinforce and protect this image to make it desirable. The image is in turn the result of the company's ability to differentiate itself as well as to successfully fulfil the different elements of luxury. From the result of this study, we can say that, while engaging in e-commerce is considered necessary by several luxury firms, it might incur damages on the brand image. For example, the democratization that can arise with e-commerce may dilute the brand and its perceived exclusivity. This can harm the brand image as the exclusivity aspect is highly important to customers. We have also discovered that the differentiation attempts online can affect the seamless shopping experience negatively. In the quest of providing superior value to their customers online, many luxury firms add extra complementary services and solutions which, if something goes wrong, could disappoint the customers and thus disturb the seamless luxury experience.

Our findings suggest that there are customers who are only attracted by the product itself and who care less about the surrounding experience and service, but the fact remains that

most customers want more than the actual product. Therefore, companies must have a strategy that considers the customer's expectations of the shopping experience and enables a luxury experience online as much as possible. More and more people choose to buy luxury online, thus it is important that luxury companies consider the conclusions drawn in this study. Both companies with and without e-commerce should be aware of its potential implications on the brand image and the company's overall business strategy.

6.1 Future Research

The research that has been undertaken for this thesis has highlighted a number of topics on which further research would be interesting. First of all, it could be interesting to investigate if millennial luxury consumers' perception of the reality affects their willingness to buy luxury online. Younger generations do not make the same distinctions between the internet and the real world thus it is plausible that the desire for a luxury experience in a physical store would decrease among future generations of luxury consumers.

Furthermore, much research also remains to be done on whether increased trust in luxury brands facilitates e-commerce. It could be that people are more prone to buy luxury products online if they can feel confident that the company will deliver a product that will meet all of their expectations.

6.2 Limitations of the Study

One major limitation of this study is that the researchers do not take account of the opinions and perspectives of bigger luxury brands. The reason for this is that many larger luxury companies have strict confidentiality policies that prevent their employees from talking openly about the company's operations. It is possible that international luxury brands that sell on a larger scale have attitudes and strategies towards e-commerce that differ from those of smaller luxury brands. Therefore, future research should seek to explore how e-commerce influences the strategy and the brand image of large international luxury firms.

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Appendices

Appendix 1. Interview Guide - Companies

Reasons for e-commerce

- What kind of e-commerce solutions does the company offer, and why?
- Considerations before launching the webshop?
- Thoughts about possible implications/risks of e-commerce on the company?

Customers

- Who is buying online?
- Can you see a difference in the clientele online and in store?
- Are you targeting the same clientele online and in store?

Offer

- Is the internet offer the same as in store? If no: what differs and why?

Online experience

- Is it possible to create some kind of luxury experience online?
- If yes, how is the company working to achieve this?
- Could the delivery be a factor? How do you manage deliveries?

Brand image/exclusivity

- What brand image do you want to communicate to customers?
- Do you still manage to communicate your brand identity?
- Do you think there is a contradiction in a growing customer base and the perception of scarcity and exclusivity?

Online platform retail destinations

- What are your thoughts regarding the brand being displayed side by side to its competitors on websites like 24s, Farfetch and Net-à-Porter?

Appendix 2. Interview Guide – Experts

Customers

- What is the reason why many luxury consumers shop online?
- It is first and foremost young people who buy luxury online, why and do they not have the same needs as others?
- Is it more important for companies to meet the demands of the new customers than to try to protect the perception of the brand?

Offer

- What types of products do luxury companies sell primarily online?

Challenges

- What more potential risks are there with luxury e-commerce?
- How do you think e-commerce can affect the symbolic values that luxury brands have established? Are there any risks? Benefits of the brand?

Solutions

- Are there any techniques that these companies can use to prevent these risks?
- What tools can you use on the internet to compensate for lacking personal contact, service...?
- Some, use e-commerce fully, some use it to some extent and some do not at all. What do you think is most appropriate?

Online platform retail destinations

- Some luxury brands are sold on several pages such as Farfetch and Net-à-Porter. Is there any risk here? For example, does the company lose control over how the products and brand are manufactured?

Other questions

- The importance of the physical and personal contact in the store? How important is the store experience to the symbolic value of the brand?

Appendix 3. Survey Questions

Questionnaire sent to research participants

- What is your age?

- Gender?

- Have you ever purchased a product from a luxury apparel brand (such as Gucci, Chanel, Louis Vuitton, Fendi, Salvatore Ferragamo, Givenchy, Balenciaga or other...)?

- Did you buy the luxury product online or in a physical store? If both, chose the alternative you prefer.

- What was the reason why you decided to buy the luxury product online?

- What aspects do you value the most when purchasing luxury products online?

- What kind of products do you prefer to buy online?

- Why do you prefer to buy these products online?

- What was the reason why you decided to buy it in a physical store?

- What aspects do you value the most when purchasing luxury products in a physical store?

- If you would purchase a luxury good, would you rather buy it online or in a physical store?

- Why would you rather buy the luxury product online than in a physical store?

- What expectations would you have if you bought a luxury product online, compared to "regular" products?

- Why would you rather buy the luxury product in a physical store than online?

- Which of the following aspects is the most important one if you buy/would buy a luxury good?

- Do you believe that you can receive the same level of customer service in a physical store and in a webshop?