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30123 Venezia

The way to maintain luxury
brands' exclusivity and arouse
emotion in the digital era

Supervisor

Ch. Prof. Vladi Finotto

Graduand

Lisa Silvestri

Matriculation Number 832350

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I. Abstract

This thesis investigates how luxury brands could maintain their exclusivity and arouse emotion in the digital environment. The purpose is to define some guidelines that luxury brands could take into consideration to develop and implement online strategies.

To achieve this aim the thesis analyses first of all different subjects, from luxury branding to consumer buying behaviour, in order to identify some key features which could be useful to evaluate brand's exclusivity and emotion in the digital world.

Moreover, the cases of Burberry and Gucci are studied to evaluate how these luxury brands, which appear pioneers in the digital environment, have managed the identified features.

The findings show that brands' strategies are well structured in order to boost both brands' values and characteristics; furthermore it appears that they take into account the majority of the key features, especially those concerning brand's consistency, heritage and interactivity.

Key words: luxury, brand, digital, exclusivity, emotion, experience.

II. Résumé

Ce thèse étudie comment les marques de luxe pourraient maintenir leur exclusivité et susciter l'émotion dans l'environnement digital. Le but est définir des lignes directrices qui les marques de luxe pourraient prendre en considération pour développer et mettre en œuvre des stratégies en ligne.

Pour atteindre cet objectif, la thèse commence avec l'analyse de différents sujets, de l'image de marque de luxe au comportement d'achat des consommateurs, afin d'identifier certains éléments essentiels qui pourraient être utiles pour évaluer l'exclusivité et l'émotion de la marque dans le monde numérique.

En outre, les cas de Burberry et Gucci sont étudiés pour évaluer comment ces marques de luxe, qui apparaissent pionniers dans l'environnement digital, ont réussi les caractéristiques identifiées.

Les résultats montrent que les stratégies des marques sont bien structurées afin de stimuler les valeurs des marques et leurs caractéristiques; en outre, il semble qu'ils en tenant compte de la majorité des caractéristiques clés, notamment la cohérence, le patrimoine et l'interactivité de celles concernant la marque.

Mots clés : luxe, marque, numérique, exclusivité, émotion, expérience.

III. Introduction

Digital represents another industrial revolution because it changes the way we live, however people still not realize how much their live could change: the potentiality of digital tools is enormous.

According to Michel Serre, a French philosopher, digital technologies impact on:

- Time: it is referred to the interaction that among people could be on real time, there is no more distance, everything could be near;
- Space: it concerns the fact that these interactions could happen potentially whenever.

Basically, everyone becomes neighbour but this not means be intimate. In this sense digital technology gives the possibility to get in touch with others people, communities, brands etc. but this does not mean that there is a strong and deep relationship between them. Digital tools only give the possibility to establish something but the intimacy's degree of the relationships is not predicted.

Nowadays luxury brands have to deal with digital environment not only to satisfy consumers' needs and their challenges, in terms of buying behaviour, but also especially to exploit this powerful tool which could leads towards interesting opportunities.

Nonetheless as it is possible to understand from the following charters, the relationship between luxury brands and digital environment sometimes appears controversial and quite complicated to manage. Luxury brands should face with critical issues, challenges and opportunities in order to decide what and how implement in terms of digital strategies.

The aim of this thesis is to investigate the relationship between luxury brands, digital tools and emotions, looking into more detail how a brand could maintain its exclusivity online and how it could raise emotion through these tools, which according to some authors, seem to be inappropriate for luxury industry.

In order to develop these arguments, the thesis is divided into six parts regarding the literature review:

- The concept of luxury: to give a background of what is luxury and its history;
- Definition of luxury industry: to analyse and comprehend the trend of luxury industry and what are the influences of digital environment;
- Luxury and Digital: to understand what are the critical issues, challenges and opportunities that luxury brands have to deal with;
- The role of brand and its peculiarities: in order to realise what are the role of brands in that industry, understanding how to create a luxury brand, how to manage it, looking at both interactions with consumers and digital effects;
- Theory of consumer behaviour and motivation to buy: the purpose is to enter consumers' mind to understand how to create online luxury experiences;
- The concept of emotion: in order to interpret what is the role of emotion in a purchase process and how to manage it in a digital context exploiting brands' ability to create ad hoc webmosphere.

Moreover, the final part of the thesis regards the study of two real cases, Burberry and Gucci, using some key features concerning brand's exclusivity and emotion in order to deduce guidelines and managerial implications which could be useful for luxury brands to develop their digital strategies.

IV. Research question

The main purpose of this thesis is to investigate how a luxury brand could maintain its exclusivity and how it can boost emotion in the digital era.

Nowadays the impact of the Internet could be seen everywhere and it changes both daily life and the way to do business. It influences each sector and industry, thus its effects could be observed also in the luxury industry. Looking into more detail the role of digital on luxury, different points of view could be highlighted, indeed there is not a common approach or a common way to exploit this tool: there are a lot of discussions concerning its implementation even if everybody agree that it appears a very powerful resource.

The objective of this thesis is to investigate the extent to which it is possible to combine this powerful tool with luxury industry, where the role of emotion is crucial to involve customers and to spread its values of exclusivity and scarcity.

In particular, the role of emotion becomes more and more important to engage consumers and to develop a competitive position. Basically, it is important to understand that the way to stimulate emotion in a digital environment has to fit perfectly with the way to arise emotion through brand positioning in a real context.

As it is possible to understand from the introduction, the thesis could be divided into two main parts:

- The first part is an overall description of the industry in terms of context, digital environment, branding, consumer behaviour and emotion with discussions concerning tools, strategies and ideas that could be useful to deal with the research question;
- The second part exposes the two cases: Burberry and Gucci.

The purpose is to find out some guidelines, which should be implemented according to companies' features and their goals.

V. Motivation

I have decided to carry out this argument because of my personal curiosity and interest both in luxury industry and marketing.

In particular, luxury industry could be considered a peculiar field because it comprehends different sectors (from tourism to fashion) and different approaches to manage them. In this sense, the role of marketing becomes relevant in order to maintain both a competitive position and, especially, a leader position differentiating both products and brands' features.

On this scenario the role of brands appears crucial, especially on this industry, because of their ability to spread values and emotions that are crucial during the buying process. To this end the role of point of sales is known, nonetheless there is another touch point to take into consideration: the digital world.

It has to take into account that globalisation, internet and new technologies are changing the rules of the game and new marketing approaches and strategies should be contemplated to survive.

In that context the boost of emotion appears complicated to manage, for this reason I have decided to write a master thesis that could be useful to better understand the context and the possible actions that could be implemented according to brand strategy, position and image.

1. The concept of luxury

The word “luxury” originates from Latin and it literally means “excess”, “excesses”, “debauchery”, “splendour” but also “false”.

The luxury as a purchase to satisfy refined needs, that exceed consumptions considered “indispensable” from society, is not a modern phenomenon.

From the beginning the concept appears ambiguous and contradictory because it swings from positive to negative notions and perceptions and vice versa. This is particular evident looking at the history of luxury and its development over time.

Many people from the ancient world associated luxury with the Orient because of its exaggerated usage, corruption and its imbalance among subjects. However, when the Greek cities have known luxury, after the conquest of Asia by Alexander, they permitted it and wealth’s disparity but, at the same time, the luxury and the extreme gap between people were considered as signals of the State’s corruption, for this reason, for instance the expenses for funerals and banquets were forbidden.

Plato and Aristotle judged the abuse of wealth as a source of laziness and political instability; moreover, it was also considered vulgar wastefulness and incompatible with mortal virtue.

On the contrary, originally the ancient Rome considered luxury as one of its Republic’s strengths, a sort of power’s representation. Nonetheless, the Republic became more and more weak due to a surplus of luxury goods, especially on aristocratic environment; this is why some laws started to prohibit the exaggeration of consumption goods such as clothes, jewellery and furniture¹.

The austerity became a key point of the Roman ideology and it was celebrated by Tito Livio, who was one of the most famous Roman historian, as an essential part of Roman virtue. For this reason, a lot of measures have been emanated by Nerone, Antonino e Marco Aurelio but they did not obtain relevant results.

¹*Lex Oppia* was one of the most famous laws issued to forbid the excess of luxury consumption and it was published on 215 B.C., after the Rome’s defeat in Canne by Hannibal. This law had the aim to reduce women’s wealth and its ostentation. In detail, *Lex Oppia* prohibited to wear colored or decorated crimson clothing and to travel using vehicles pull by horses (Pani, 1991).

Additionally, in the Hebraic - Christian world prevailed the negative perceptions of luxury and, especially during the Middle Ages, there were a lot of actions to prohibit the excesses in favour of modesty and simplicity.

Everything changed with the Modern Era in terms of luxury consumptions and its definitions. It is important to take into consideration the study “Luxury and Capitalism” of Werner Sombart (1982). This classic text has highlighted the born of capitalism which began with the Court of XV century and the establishment of European States, “Sombart called capitalism the illicit child of luxury” (International Review of Social Sciences and Humanities, 2013).

Moreover, the text also put in evidence the birth of consumerism and the transformation of luxury. In particular, according to the author “Luxury is any expenditure that goes beyond the necessary” (Aiello & Donvito, 2006) where necessary could be divided into two definitions of luxury: qualitative and quantitative. The first one regards the consumption in terms of better quality, while the second one regards the act of consumption as wastefulness². Basically, Sombart explained that qualitative luxury could create a luxury object, in this sense production and consumption of luxury goods are able to found markets and develop capitalism.

In agreement with the previous statements, there was a deep change in terms of luxury: from a public and periodic phenomenon to a more private and usual event. This is the concept that Christopher Berry called “de-moralization of luxury”. The crucial point is the behaviour modification towards moral considerations, there was a shift of luxury association from corruption to an issue of everyday life that boosted economic effects as a consequence³.

This brief overview showed that the concept of luxury has been very different and ambiguous through time and it has to take into consideration that a lot of authors have written about it, from Aristotle to Adam Smith.

² According to Sombart, it is possible that the two typologies of luxury may manifest together (Aiello & Donvito, 2006).

³ According to Christopher Berry “...central to this de-moralization is the re-evaluation of mundane life. From being deprecated because of its concern with the recurrent necessities of everyday living [...] it is within this necessity that a new source of certainty could be located [...] because the ‘modern psychology’ itself identifies a certainty and predictability by virtue of man’s material nature...” (Franchetti, 2013).

It seems very difficult provide a unique definition of this theme because there are a lot of way to explain it. Some definitions arrive from Economics and Marketing, others from Sociology and Psychology; however it is possible to extrapolate common points or macro-area of description that are the following⁴:

- Status – Prestige;
- Pleasure – Hedonism – Emotion;
- Superior Quality – Aesthetic Refinement;
- Ostentation;
- Exclusivity;
- Rarity;
- Higher Price;
- Heritage;
- Investment;
- Materialism;
- Futility.

As it is possible to see from the previous rank, the second attribute regards the sphere of pleasure and hedonism, which comprehends the emotional dimension.

It seems clear that all the changes happened in the course of time, the demoralization and also the democratization of luxury, lead to a field that is more than just materialism or ostentation, it is the field of emotions and people's involvement to increase themselves satisfactions.

⁴ For further details see the work: Aiello G. and Donvito R. (2006) "The evolution of the concept of luxury and the strategic brand management. A quantitative analysis of the perceptions of context, brand and luxury product", Cà Foscari University of Venice.

2. Definition of luxury industry

The luxury industry could be defined a combination of different sectors and products, in particular it comprehends: apparel, art de la table, jewellery, watches, pens, lighters, leather, shoes, accessories, fragrances and cosmetics, which are the so called “personal luxury goods” (Fondazione Altagamma, 2014). Moreover, others categories are travel, leisure services, boating, yachts, art, collections, wines and spirits.

According to a business definition this industry regards “products which are not necessary but which tend to make life more pleasant for the consumer [...] luxury goods are typically more costly and are often bought by individuals that have a higher disposable income or greater accumulated wealth than the average” (WebFinance).

According to a study conducted by Bain & Company, the business of the total industry overpasses € 850 billion in 2014, having growth of 7% overall, and it appears that automotive and hospitality sectors are the leaders (D’Arpizio, Levato, Zito, & De Montgolfier, 2014). It has to take into consideration that personal luxury goods are defined by authors as the “core of the core” of luxury because of their market size (€ 223 billion in 2014), that is three-times the size of some decades ago.

Despite all the difficulties deriving from the economic crisis, it seems that luxury industry continues to expand, especially thanks to demand from China, Japan and the U.S. Looking in more detail the data related to luxury industry for each country it is possible to see that:

- China registered for the first time a negative trend due to the slowdown of economic growth and the reform implemented by President Xi Jinping to fight against the corruption, on consequence the demand of luxury goods became more weak⁵ even if it increases slowly thanks to the expenses of the middle-upper class;

⁵ “The central government not only implemented regulations to prohibit purchasing luxury goods with public funds, but also began to investigate officials who were exposed by the public as owning luxury goods” (Luxury Society, 2014).

- Japan appears the best market in terms of performance in 2014 and it positioned as the second largest market in terms of luxury goods, especially thanks to the implementation of Abenomics, a monetary policy, that improved spending power;
- The U.S. is placed as a largest market of luxury goods which boasts approximately a quarter of global sales.

However, it appears that market opportunities are concentrated on the Asia Pacific area (Deloitte Touche Tohmatsu Limited, 2014) and emerging markets like “the UAE, Saudi Arabia, Egypt, Singapore, Malaysia, Thailand, India, Brazil, South Africa, Vietnam, and Indonesia are expected to drive growth during forecast period 2014-2020” (CNBC, 2015). Emerging markets (Asia, Africa and Latin America) are becoming more and more important to take into consideration, owing to the development of the middle class which supports industry’s growth.

The forecasts show that “for the Personal Luxury Goods Industry performance in 2015 converge towards an overall growth ratio around 5%” (Fondazione Altagamma, 2014).

Geographically speaking, Europe is the biggest market because of the location and/or origin of the most famous luxury companies. It is interesting to highlight that tourists have a central role on the demand, especially in Europe, thanks to a tendency to buy more luxury goods when they are abroad⁶. In particular, tax free shopping encourages luxury expenses, primarily from Chinese tourists and the most esteemed cities seem to be Paris⁷, London, Singapore and Milan.

⁶ “Japanese citizens make most of their luxury purchases at home, primarily owing to currency factors. (The value of the yen has declined nearly 30% since 2012.) But Chinese consumers now represent the top and fastest-growing nationality for luxury, spending abroad more than three times what they spend locally” (D’Arpizio, Levato, Zito, & De Montgolfier, 2014).

⁷ “France’s luxury industry depends on tourists from all over the world for more than a half of its € 16 billion in revenues across all luxury sectors” (Deloitte Touche Tohmatsu Limited, 2014).

2.1. Democratisation of luxury

The so called “democratization of luxury” or “luxurification of society” is a recent phenomenon that involves luxury markets. Consequently, there is a broader access to luxury goods, because of both globalization and information technology and new markets and customers.

Customers’ segments are changing and the way to look luxury is not the same, for instance, it appears that mass marketing strategies are used to boost consumption of luxury goods. It seems a paradox but, nowadays, mass luxury strategies are becoming a trend, a revisited way to do business combining two approaches which have been considering opposite for long time.

The new groups of customers could be referred to the middle-class or lower-class, people who have the aspiration to consume luxury goods and have spending power to do that, in this sense, democratization could be defined as “the selective trading-up of middle-market consumers to higher levels of quality, taste and aspiration” (The Economist, 2002).

These consumers seem to require more information on products and they expect higher quality and gratification, which could be translated into lower loyalty brands because of their concentration on direct satisfaction and desires.

Luxury brands start to think about new strategies and the way to “combine a high perceived prestige with reasonable price premiums in order to attract middle-class consumers” (Truong, McColl, & Kitchen, 2009), that is the so called “Masstige”. According to the authors, a Masstige strategy could be considered as an original way to meet new consumers’ needs, maintaining brands’ positioning and brands’ image.

On the other hand, these new customers “simultaneously trading up and trading down” luxury goods (The Economist, 2002), exclusivity become mass availability: whatever, wherever, whenever. In this sense “luxury market may be seen as becoming a relative mass market” (Truong, McColl, & Kitchen, 2009).

It is interesting to highlight that this new luxury has to add “emotional value to the product” (Ward & Chiari, 2008), on the contrary, the traditional luxury is not known to achieve this aim. From this point of view, these new customers need more experiences in

terms of brands and purchasing process, which lead towards strategies related to customers' relations and experiential marketing.

A fascinating case is *Chanel's fall-winter 2014-2015 fashion show* at the Grand Palais (Paris) that exposed this democratization of the market⁸. Karl Lagerfeld showed the democratization to the extreme: the fashion show took place in a super market built inside the Grand Palais. It refers to mass consumption and it was very meaningful because the products exhibited “a totally undemocratic price” (Driscoll, 2014) and funny products' names which showed the link with the history of Chanel (e.g. Coco Flakes and Jambon Cambon).



Figure 1: Chanel's fall-winter 2014-2015 fashion show



Figure 2: Karl Lagerfeld at the Chanel's fall-winter 2014-2015 fashion show

⁸To see the fashion show: <http://www.youtube.com/watch?v=YLDUXZ4X5b8>.

2.2. E-commerce and luxury goods

Internet could be seen as one of the causes of the democratization of luxury goods because it allows to mass consumption and communication. Basically, it could be considered as a mass marketing tool and, probably, the most democratic instrument thanks to its huge amount of information which is available for everyone, for free and whenever.

As it is possible to see from the previous paragraph, the trend for luxury industry growth is around 5%. However, looking at e-commerce, the trend in terms of luxury goods purchases is growing and it is around 15-25%; moreover it is considered the faster retail channel thanks to its influences on 20% of total brands' and retailers' volume. Furthermore, it seems that luxury online purchases are around 5-6% but it has to notice that the percentage is higher in case of leather goods (8%) and "Euromonitor expects 40 percent of all luxury goods sales will be made via the Internet in less than five years" (Wendlandt & Pascale Denis, 2015).

Luxury Goods Market (EUR bn)

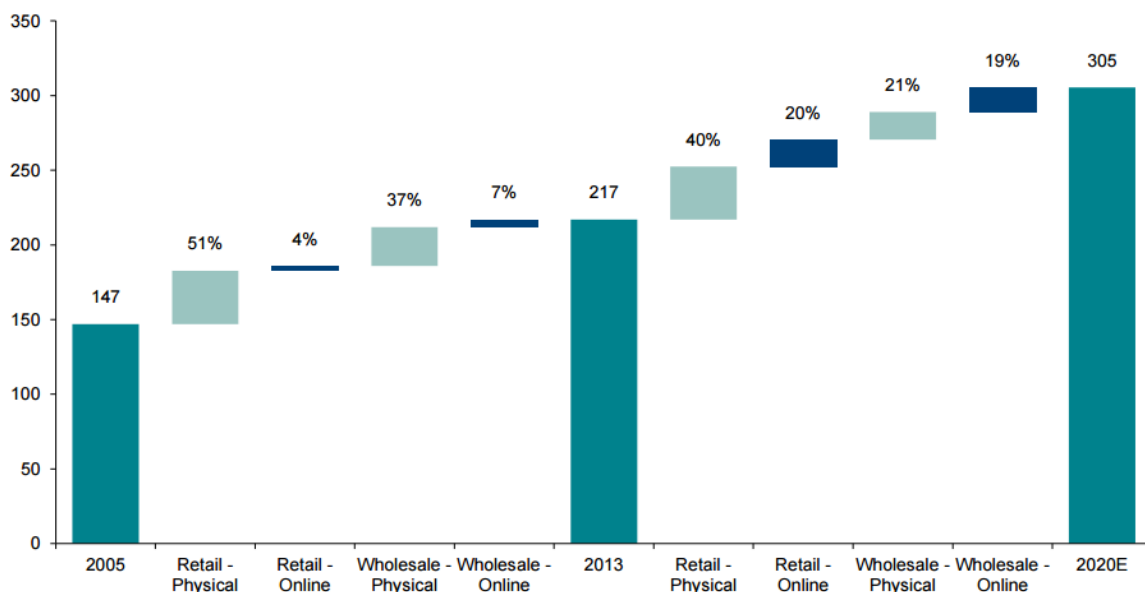


Figure 3: Online will lead luxury growth over the period 2013-2020

Source: Altagamma & Exane BNP Paribas

Although forecasts seem to be positive, the majority of luxury brands are reluctant on using Internet to sell their product. They are worried about the possible loss of their

sense of exclusivity and scarcity due to the mass availability of their products, for these reasons a lot of brands considered Internet first of all as a powerful communication tools.

According to the majority of luxury brands it is very difficult or even impossible replicate a shopping experience on the web, especially due to the lack of touch; in effect these kinds of products need physical contact especially to perceive their higher quality and design and to live the experience of a brand.

Luxury brands seem to be resistant to e-commerce but they are also taking into account all the challenges, critical issues and opportunities to evaluate how they can proceed on this digital era.

In this sense, it is important to notice that Burberry is still considered the leader in terms of digital environment, especially because of its innovative approaches, also Gucci and Louis Vuitton apply great digital strategies, nonetheless others luxury brands are slowly increasing their presence on web. It is interesting to highlight that also Chanel has just decided to retail online next year because it has understood the potentiality of this tool.

According to Exane BNP Paribas report (2014), it is possible to build a digital competitive map highlighting brands positioning on digital environment.

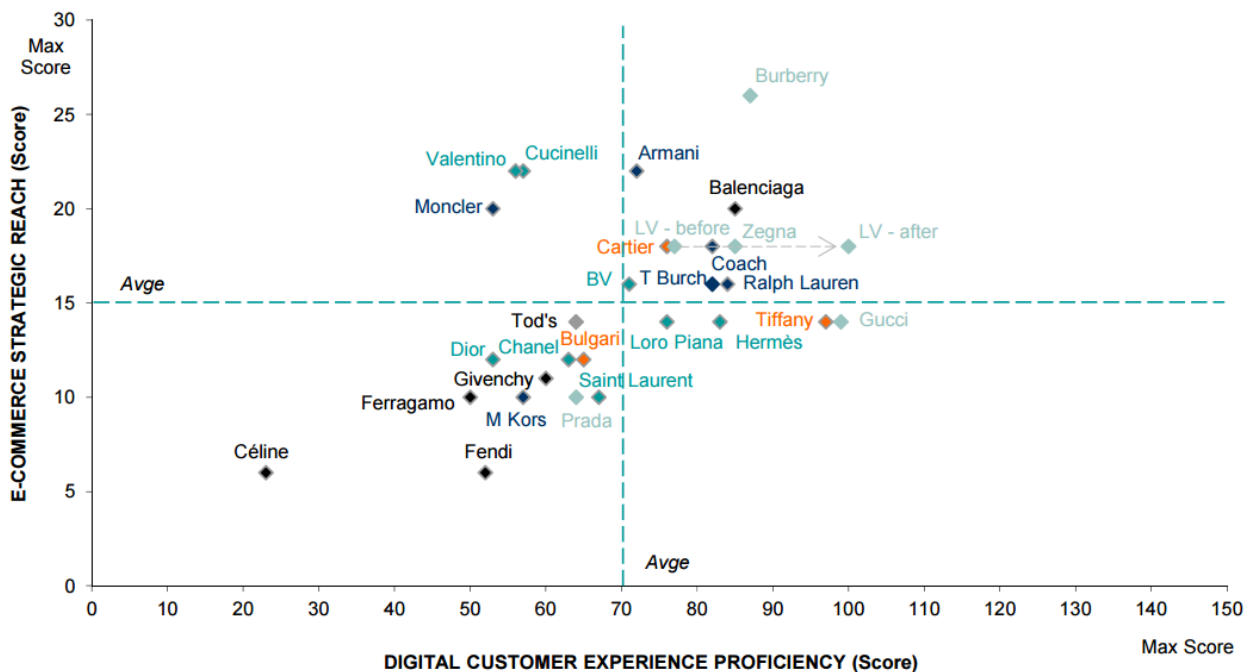


Figure 4: Digital competitive map. Source: Exane BNP Paribas (2014)

The digital competitive map has built taking into account two variables which are digital customer experience and e-commerce strategic reach, in order to place brands on that space. According to this map, Burberry appears the leaders in both dimensions and it still remains a leader taking into consideration the second dimension; however in terms of customer experience Louis Vuitton and Gucci reach better results.

The competitive map could be very useful especially for both investors and shareholders who evaluate and make strategic decisions. Indeed, brands positioning allow understanding which kinds of strategies they implemented and which strategies they probably are going to implement.

However, it has to take into account that the decision of being part of digital environment in terms of e-commerce is not so easy for luxury brands which have to deal with a lot of issues, measuring carefully advantages and disadvantages of each choice.

3. Luxury and Digital

For many years luxury industry has not been attracted by e-commerce or Internet in general, because of its firm belief that Internet is particularly useful in case of lower or discounted products or that luxury customers are not willing to buy online. For these reasons they preferred offering personalized service and physical shopping experiences.

However, luxury brands have soon realized that nowadays Internet could be an important source of competitive advantages and it could help brands in the matters of creation, development, reputation, image and management. Moreover, as it is possible to see on the previous paragraph, the role of Internet become more and more important and the trend of e-commerce is globally increasing.

Nonetheless it is interesting to highlight the fact that the use of the Internet for many luxury brands still represents a “dilemma that luxury requires to overcome through avoiding e-commerce, whereas other literature have suggested that the Internet is purely a channel of communications for luxury brands” (Okonkwo U. , 2009).

These contrasting positions put in evidence the difficulties in understanding the power of this tool and how manage it, even in an industry where innovation is a central feature. In fact it is “an industry that is known for innovation, avant-gardism and creativity” (Okonkwo U. , 2009), for this reasons it is no possible that is not compatible with a tool which has, more or less, the same characteristics. Basically, they are considered incompatible because luxury is focused on exclusivity and rarity while Internet implies using mass marketing strategies because of its nature of democratic tool (everything is accessible whenever and wherever).

Moreover, the use of the Internet implies also a lack of touch in the shopping experience, in an industry where experience and emotion are crucial issues in a purchase process. Nonetheless, according to data people seems more and more willing to buy some luxury items online, especially because of both more availability of online products and physical impossibility to buy in a store.

Before starting the discussions of these arguments it could be important to notice that companies need to realize which are both their digital positions and those of their direct competitors. In the opinion of Dauriz, Remy, & Sandri (2014) to reach this aim luxury brands have to be categorized according to some archetypes: “plugged-in pro”, “selective e-tailer” and “hesitant holdout”.

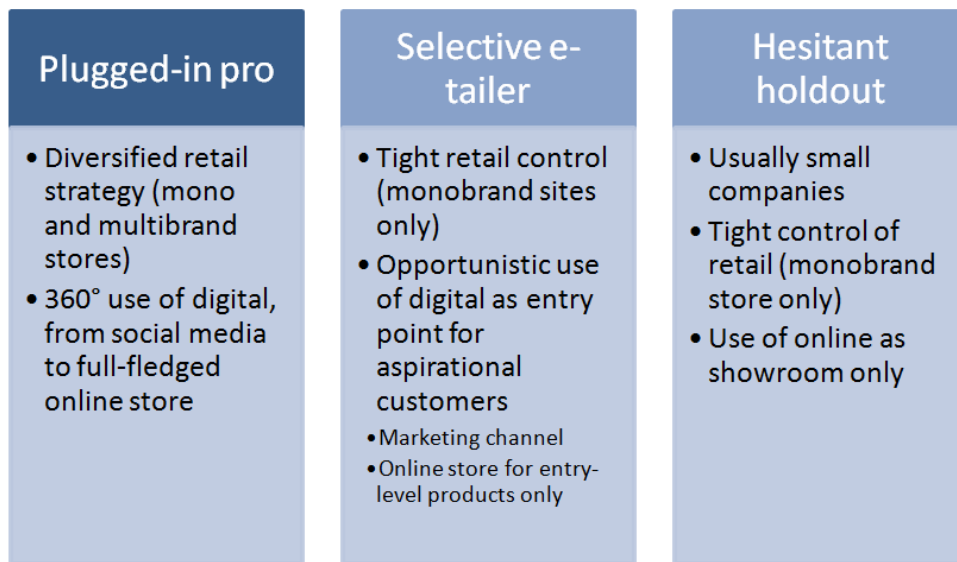


Figure 5: Digital archetypes of luxury industry (Dauriz, Remy, & Sandri, 2014)

These archetypes show the degree of brands in terms of digital integration in order to explain both own position and reposition of a brand.

As it is possible to understand, companies have to deal with critical issues, challenges and opportunities to develop strategies on digital environment, which nowadays is considered the most powerful tool in terms of growth opportunities.

3.1. Challenges and critical issues

First of all it has to take into consideration the shift from a top-down to a bottom-up perspective. This is happened because of the loss of control by luxury brands in favour of the empowerment of consumers thanks to digital devices. Basically there is no more a unique relationship from brands which impose values, products and services to consumers;

nowadays it is possible to see a true relationship in terms of conversation between the two parts: consumers become part of brands.

Looking at this context luxury brands are worried also because of the implications of the Internet on their core values such as exclusivity and scarcity. In this sense luxury brands deal with a trade-off: increasing sales exploiting the power of e-commerce with the risk of over-exposure brands or maintaining a more selective position in terms of sales, to preserve the high status of exclusivity and scarcity, losing possible revenues.

In order to make a decision which fits better with own brand's strategies, it has to take into consideration some features of the Internet that could influence the choice:

- Lack of touch: there is just a limited experience on the website without the possibility to get in contact with the product and to activate all the senses;
- Pull marketing approach: it is possible when there is a strong brand image, in order to make customers directly asking for its products, the aim is to attract customers;
- Low switching costs: it is very easy and fast change website and it does not imply costs;
- Huge availability of products and access whenever, wherever;
- Source of information, for this reason it could be also a good tool to drive and increase traffic in stores.

Even if all the previous characteristics seem to be incompatible with luxury goods, the reality shows that they could use successfully the Internet. Some reasons could be found on luxury brands specificities perceived anyway by customers: craftsmanship, attractiveness, status, superior quality and design.

However, according to Okonkwo U. (2009) luxury brands have to consider that the use of Internet implies the following six challenges:

- Corporate orientation: it means change the way of thinking, organizing strategies, developing qualified Internet departments which comprehend not

only engineers but also responsible in the field of communication, branding, e-commerce and e-CRM;

- Communication: Internet is much more than a channel of communication, it is completely different from other media because it is a multidimensional channel, moreover, it is an interactive tool which supports conversations;
- Brand essence: it is spread first of all through brand website which should be able to transmit its values using an appropriate web design creating what is called “luxurious webmosphere” (Okonkwo U. , 2009);
- Cyberspace: companies have to take into account not only own website but also the whole virtual world (communities, competitors’ websites, blogs, etc.) to better understand how it works and what kind of strategies they should implement to reach own goals;
- Consumers: Internet is still changing the way in which consumers interact with brands and products and their attitudes and behaviours, however, companies could be able to segment them online according to these variables;
- E-retail: it regards the trade-off which is explained on the previous paragraph, basically, companies have to understand what and how sell their product, thinking about consequences in terms of availability; moreover, especially in terms of e-commerce, it is crucial understanding how develop an online store to re-create a physical shopping experience;
- Web 2.0 approaches: it concerns the approach of brands in terms of social web, which is related to the empowerment of users due to user-to-user communities like social networks, chat groups and blogs.

Looking at all these issues it is possible to deduce that luxury companies have not only to take into account a lot of factors in choosing their digital strategies but also they must be up-to-date in terms of digital innovations and opportunities to reach their strategic goals.

3.2. Opportunities

Data shows that luxury brands, which have already implemented some kind of digital strategies, have reached good results in terms of revenues and brand management.

It is important to take into account that there is a wide range of digital strategies which could be implemented and e-commerce is just one of them. However, it could be interesting to notice that the use of flexible payment system (e.g. special account and credit cards) has boosted purchases of luxury products.

In particular, it seems that digital world is able to influence both online and offline purchases, indeed “40 percent of luxury purchases are in some way influenced by consumers’ digital experiences” (Dauriz, Remy, & Sandri, 2014).

In addition, digital experiences are able to increase both store traffic and conversations (the so called “buzz” in viral marketing). In this sense, thanks to information provide by digital devices, it is possible to support and facilitate dialogues between brands and users and among users to better understand, for examples, brand’s perceived position and what kind of strategies it should implement to reach its target audience. Moreover, providing further details help to solve the problem of information asymmetry gap among parts.

As it is possible to comprehend from the previous arguments, the role of digital tools is crucial as a source of information for companies, which should be able to elaborate these data to extrapolate new ideas and discover new opportunities. According to Dauriz, Remy and Sandri (2014) mobile apps are very useful to spread information about brand, products and services, while they does not seem to guarantee “the best returns and therefore should not be a high priority for luxury brands”.

Basically clients consider apps as a source of information, which opinion appears very similar to those of social networks, where the key point is the exchange of information using comments. Looking at social media, companies should be able to attract “ambassadors” who are willing to spread brands’ values in order to attract more consumers and to develop an adequate social media strategy. Furthermore, companies should exploit cyberspace’s hyper-

interconnectivity to reach more and more consumers who are willing to share ideas, values, passions and lifestyle. Nonetheless, companies should provide superior online luxury experiences to be able to attract new users.

Nowadays the most relevant ability of a brand is to spread itself through all the channels, managing them in a complementary way, to be sure to exploit each interesting opportunity that they could offer.

4. The role of brand and its peculiarities

It is quite complicated to give a unique and exhaustive definition of “brand”, however it should attract people and it could make the difference in terms of competition. Nonetheless an interesting article explains that “a brand is a tangible or intangible concept that uniquely identifies an offering, providing symbolic communication of functionality and differentiation, and in doing so sustainably influences the value offered” (Tynan, McKechnie, & Chhuon, 2010).

“Luxury brands have often been associated with the core competences of creativity, exclusivity, craftsmanship, precision, high quality, innovation and premium pricing. These product attributes give the consumers the satisfaction not only owning expensive items but the extra-added psychological benefits like esteem, prestige and a sense of a high status that reminds them and others that they belong to an exclusive group of only a select few, who can afford these pricey items” (Okonkwo, 2005).

As it possible to extrapolate from the previous definition, luxury brand is a complex issue because of the wide range of variables to take into consideration. In particular, the definition of Okonkwo puts in evidence products’ characteristics and the more relevant factors linked with “social representation and position” (Atwal & Williams, 2009). In the matter of social actions, brands have several aims: communication, identity creation, sense of membership and, at the same time, sense of distinction. For this reasons brands should sell more than products: they must offer experiences and emotions.

Luxury brands have to focus on customers’ involvement so, basically, they should use creative approaches to appear more charming and seductive. This goal can only be reached doing constant studies and researches to improve own marketing strategies.

In consequence of previous considerations, it could be useful taking into account factors that are part of the “paradox of luxury” (Ward & Chiari, 2008):

- Demand: loyalty could not be a goal of luxury products because, after the consumption experience, it is difficult to convince people to remake it (e.g. tourism), however, loyalty through brand is an important issue to manage;

- Product: products are not directly linked with consumers' needs, they just derive from creative designer⁹;
- Price: price does not come from costs, most of the time price and costs have no correlation, however, price is influenced by add values, it could be also called "the price of a dream" (Ward & Chiari, 2008);
- Distribution: rarity and exclusivity have to take into consideration as key elements, so, a massive distribution is negative;
- Communication: in terms of communication the brand name is enough.

As a result of these paradoxes creation of fidelity and new needs become more and more relevant, as the management of client relationship, that is the reason why brand management and its role are particular significant.

Looking carefully at previous paradoxes, it is possible to recognize some elements of the marketing mix. It could be considered a traditional tool of marketing, however, it is possible to demarcate the 4P considering luxury's peculiarities:

- Product: the focus is on product's style and quality, indeed, style could be considered as something that adds value, a sort of special status or characteristics, on the other hand, quality is often spread thanks to brand image, "made in" of a brand, brand's designer and manufacturing system (handmade and/or the use of new technologies could make the difference on luxury);
- Place: the role of place is to give the perception of rarity, exclusivity, for this reason it is important to make the right choice in terms of channel and retail management¹⁰, moreover, place is also a key factor to improve shopping experiences because of its power to boost emotions;

⁹ For further details see the paragraph 3.2 of this paper: "The interactions between brands and consumers".

¹⁰ The role of "Different players in the luxury industry" will be discussed of paragraph 6.

- Price: as one of the paradox explains, price is not directly linked with costs of manufacturing, but it has to be in line with the cost of living, moreover, what is interesting is the add value that consumers are willing to pay (see Figure 6) and it is very important that luxury companies have its control and the ability to manage it according to different needs and situations;

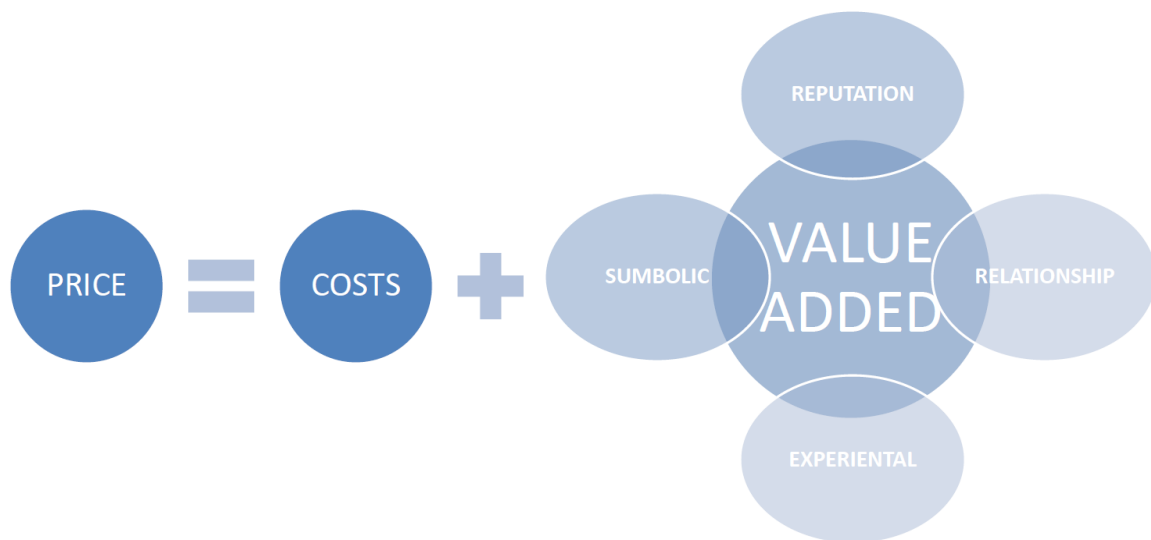


Figure 6: Luxury goods' price (Ward & Chiari, 2008)

- Promotion: the paradox concerning communication highlights that brand image is enough, nevertheless, it is not so easy to build it strong and positive, and in addition, brand communication and positioning are crucial issues as the choice of communication's tools.

Nonetheless, considering the circumstances, this is not enough to better involve customers so it has to bear in mind the way to manage luxury brands, which depends also on the degree of luxury that they have. In this sense, one approach could be the Brand Identity prism by Kapferer.

As it is possible to observe from Figure 7, this model is composed by two dimensions: externalization and internalization, moreover, it highlights the two categories of source and receiver. The first dimension concerns the relationship between consumers and brand, while, the second regards brand's values and cultures.

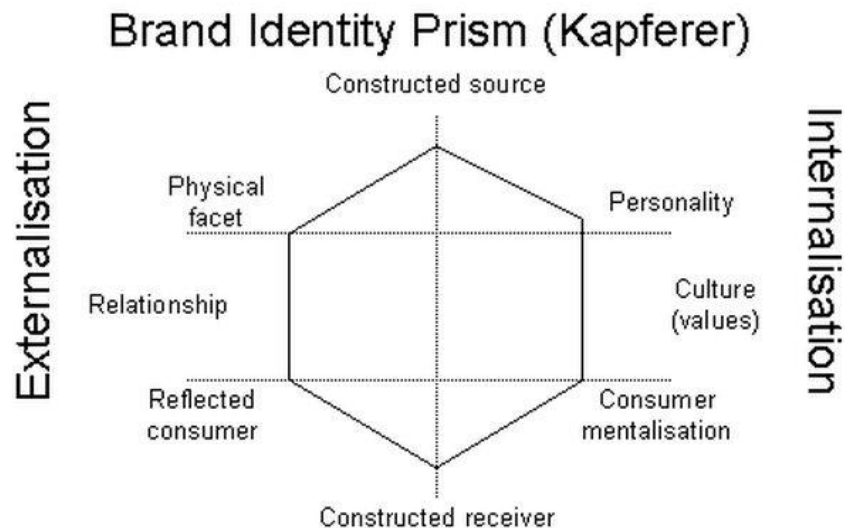


Figure 7: Brand Identity Prism by Kapferer

This model enables to compare different brands, looking into detail each relevant elements, and to analyse deeply own brand in terms of strengths and weaknesses.

The analysis of own brand is very useful to understand how its values are transmitted and if there is coherence among the elements. A greater engagement and stronger emotions are arisen thanks to both brand's coherence and good relationships with consumers. Moreover, luxury's concept as synonymous of prestige status has to be established accurately and in step with brand to communicate its values; it means that brand identity and image should be consistent with the degree of luxury that it wants to tell.

In the opinion of experts it is possible to differentiate brands according to their degree of luxury and their management (Okonkwo, 2005):

- **Luxury and Prestige brands (or inaccessible luxury):** they are trendsetters and the highest forms of luxury, thanks to both quality and perceptions, moreover, consumer loyalty is concrete and not affect by others stimuli or desires, for these reasons this type of brands are able to pull them wherever and whatever (e.g. Cartier, Chanel, Hermès);
- **Premium brands (or intermediate luxury):** they would like to become luxury and prestige brands, however, their orientation in more based on strategies that inspire mass market, in this sense, it is possible to talk about mass-luxury

strategies and, as a consequence, they are more exposed to competition that means lower brand loyalty (e.g. Tommy Hilfiger, Polo Ralph Lauren);

- Fashion brands (or accessible luxury): they used mass-strategies to attract the masses and boost consumption, the competition is higher and loyalty is lower than the previous (e.g. Zara, H&M).

These three typologies are due to different perceptions both in terms of products' availability and exclusivity and levels of quality and price. Moreover, it appears that strong values, as tradition and heritage, are crucial factors in luxury, especially for luxury and prestige brands. These kinds of values allow brands to build a storytelling and narrative, which influences consumers' experiences and emotions.

4.1. Luxury brand creation

According to the previous paragraph, brands could be more or less luxurious, moreover, one brand could be considered luxurious in a product category and less luxurious in another and this distinction could be based on different customers' perceptions¹¹.

It appears that luxury brand marketers should control and measure if the brand image is consistent with consumers' expectations, because of their role on brand definition.

Higher is the level of luxury brand's perception, higher are the expectations of consumers who view this brand as a "big promise" (Keller, 2009). It is possible to identify three different types of expectations:

- Could expectation;
- Should expectation;
- Will expectation.

The first and the second categories are related to the actions of luxury brand marketers, while the third is attributed to consumers and what they think about marketers'

¹¹ For instance, Cartier is considered a luxury brand on jewellery but not so luxurious in apparel and fragrance markets (Vigneron & W. Johnson, 2004).

behaviours. These three expectations could be very different thus it is important to understand if there are gaps and, if there are, what could be implemented to bring them into alignment.

Typically, luxury brands have high level of expectations because of their history, reputation and fame, so “consumers are more likely to have opinions as to whether the firm and marketers of the luxury brand are making good decisions” (Keller, 2009).

Through communication brands establish values and expectations on customers’ minds and they create promises. These promises will be tested, thanks to shopping experiences and consumption, and they will influence the construction of brand equity.

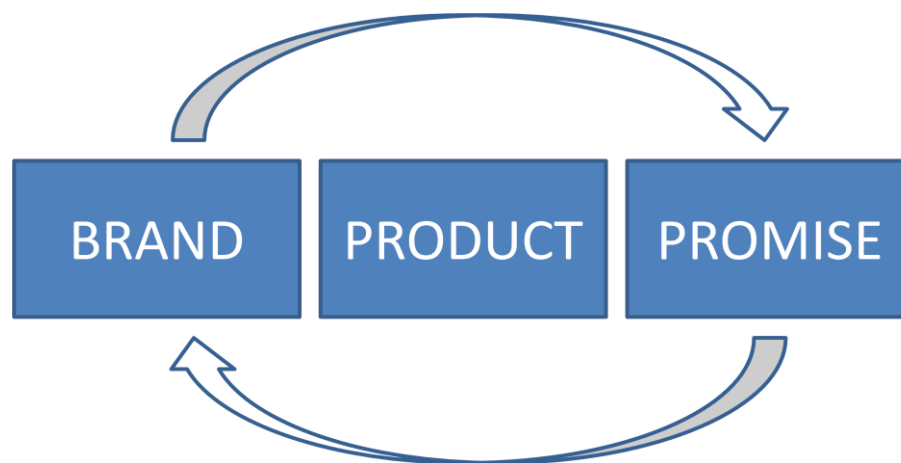


Figure 8: Brand – Product – Promise relationship (Ward & Chiari, 2008)

As it is possible to see from Figure 8, through a product consumers will decide if a brand exceeds, maintain or not a promise and this judgment will influence their brand’s perceptions.

To build the promise luxury brands use different approaches and communication tools according to their degree of luxury. For instance, luxury and prestige brands do not use mass communication tools; in fact, they prefer deal with opinion leaders, worth of mouth and public relations to maintain their characteristics of exclusivity and rarity.

Basically, to establish a perfect brand, firms have to think first of all at their brands position, to better understand their target, secondly what kind of promise they want to

build. To reach this aim, it is indispensable comprehend the meaning of the brand according to customers.

In the matter of brand strategic management, there are some characteristics to take into account, deriving from the way to consider and define luxury brand. According to Prendergast and Phau, luxury brand has the following features (Aiello & Donvito, 2006):

- Exclusivity evocation;
- Strong brand identity;
- Rise to fame;
- High perceived quality;
- High level of customer loyalty.

Companies that want to offer luxury products must work on the previous features. It is interesting to highlight that these characteristics influence customers' brand experience and have a central role on the creation of emotion. Thinking about the point of sales, it is clear that both sense of rarity, exclusivity, celebrity, high quality and the right management of services and sales people on the point of sales could boost perceived emotion and improve shopping experiences.

It has to take into account that the sense of exclusivity is supported by fame, however, if both fame and sales increase, the degree of exclusivity goes down due to exaggerated sales. This could be referred to the phenomenon of luxury democratisation¹², for this reason, the aim is to find an appropriate equilibrium of product availability and its celebrity.

Moreover, advertising assumes a key role to build luxury's perceptions and communicate symbolic features of a brand. In fact, its characteristics allow consumers to associate peculiarities to specific brand and product. To reach this goal, and to spread brand's values and culture, advertising uses a sort of symbolic language¹³. However, to

¹² For further details see the paragraph: "2.1 Democratisation of luxury".

¹³ The symbolic language to better communicate a luxury brand has to be built around:

- Product and its peculiarities (e.g. raw materials, manufacturing process, exclusivity) that should be transmitted through images and texts;

devise a symbolic language, it is important to take into consideration the role of tourists on luxury demand because that means adopting a global vision of the offering (D'Arpizio, Levato, Zito, & De Montgolfier, 2014).

In general, luxury could be considered expression of symbolic values and, according to Ward and Chiari (2008), nowadays there are two methods to build new luxury brands:

- Bottom-up: when a mass “luxury” brand starts to be perceived by customers as luxury brand thanks to focused advertising, communication and strategic positioning (e.g. Diesel);
- Top-down: when the classical luxury is mixed with “the experiential value that the true luxury buyers today want” (Ward & Chiari, 2008) to create and/or exploit niche markets (e.g. Hummer cars).

In conclusion, to create luxury brands the focus should be on brand positioning, strategies and key features to better understand how meet the promises made by brands. Going into detail, it seems that the role of emotion is crucial for customers to realise if the promises are honoured or not, especially because luxury brands tend to be more an emotional choice.

4.2. The interactions between brands and consumers

A lot of studies started to talk about the so called “co-creation” as an emergent trend that all firms have to take into consideration to increase their profitability. The idea is that involving customers on the production process, especially on the phases of creative treatment and design, could help companies to better realise what are their needs, what kind of features they are willing to buy and how satisfy them in the best way. Indeed, here the focus is on the relationships between the two parts and, basically, they “co-create value at multiple points of interactions” (Tynan, McKechnie, & Chhuon, 2010).

-
- Background that assigns the feature of luxury to a product, thanks to images and refined setting;
 - Others elements that have to be communicated through texts (e.g. rarity, points of sales).

It seems that this approach is able to reduce costs because of the participation of customers in the process who, partially, take place of internal designers.

In this sense, co-creation or co-production could be considered as “a significant source of competitive advantage ... [which] ... can enable firms to reduce new product development costs” (Fuchs, Prandelli, Schereier, & W. Dahl, 2013). As a consequence, it appears that co-creation is strictly related with companies’ value creation.

In terms of marketing of innovation, the role of customers on the production process could be critical for managers who need to reach double digit growth using the following approaches:

- Open up new value trajectories: which means explore new scenarios/strategies;
- Governing existing value trajectories: which means exploit the current value proposition but in an innovative, different way.

Moreover, each approach that could be implemented is able to improve time to market thanks to the reduction of time on product design and development.

It is interesting to note that this is called “user design” to highlight the existing interaction between customers (users) and companies. Indeed customers are not passive actors, on the contrary they become an active part of the process, which is the reason why they are considered companies’ active partners. The relationships that are built between them are characterized by exchanges of knowledge, expertise, skills and experiences. Relationship means interaction and interaction lead to experiences, for this reason it is possible to talk about Experiential Marketing.

Nowadays, Experiential Marketing becomes more and more relevant thanks to the increasing interest of companies on the way to manage both experience and emotion, especially on luxury industry. The aim of this marketing approach is to amplify the essence of a product/service through the involvement of customers, using “a set of tangible, physical and interactive experiences that reinforce the offer” (Atwal & Williams, 2009).

In more detail, it is interesting to put in evidence the fact that using digital tools to distribute products, physical experiences are not possible. The use of digital environment lead to a “lack of touch”, on consequence, it is difficult to manage experience and emotion on e-commerce. However, thanks to Internet it is possible to deliver more experience in terms of personalization (e.g. Luis Vuitton bags¹⁴).

It is necessary to note that “co-creation is about joint creation of value by the company and the customer. It is not the firm trying to please the customer” (Prahalad & Ramaswamy, 2004), it consists in a sort of dialogue between two parts where an experience could be considered as a sort of consequence that happens in real time and constantly.

In terms of co-creation and interactivity, it is possible to take into consideration the model of Pine and Gilmore which shows that an experience could be seen through the variables of involvement and intensity.

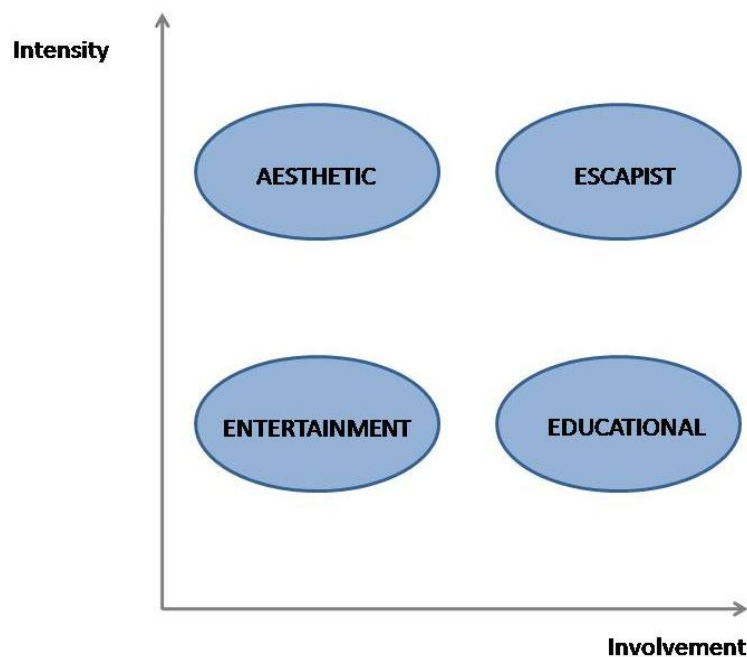


Figure 9: Experiential Zones (Atwal & Williams, 2009)

What is important to put in evidence in this context is the variable of involvement which is referred to the level of co-creation and inter-activity between the two parts. High level of involvement leads to high participation of customers in the process that could be

¹⁴ For further details visit the following website: <http://us.louisvuitton.com/eng-us/women/personalization>.

translated into more valuable experience. On the opposite side, there is the variable of intensity which is connected to the level of strength that could be seen in this interaction.

Looking the relationship between these variables it is possible to highlight four zones:

- Aesthetic: the majority of luxury goods are comprehended on this zone because is characterized by high level of intensity, which means that customers are delved into an experience maintaining a sort of distance due to low participation;
- Escapist: there are high levels of both the variables, this is typical of luxury tourism and luxury and prestige brands;
- Entertainment: there are low degree of both the variables, this is normal, for instance, in case of fashion shows;
- Educational: there is just a high level of involvement, which means that customers are active parts of an activity and the aim is to learn something about a company/brand or to improve the existing knowledge.

The previous zones are not mutually exclusive, indeed the experience in terms of co-creation could be seen as a combination of all of them.

Taking into account all the preceding considerations, it is easy to understand that a luxury product is characterized by add values which are spread through some “extras such as hyper-personalized services” (Ward & Chiari, 2008). This is referred to the Escapist’s zone of the model of Pine and Gilmore, where the focus is on luxury and prestige brands or inaccessible brands. In fact, the other levels of luxury brands such as premium and fashion brands or intermediate brands are characterized by lower personalization.

It has to consider the fact that the value is co-created if a consumer is able to personalize his/her experience using products and services offered by a firm and, at the same time, this firm is able to obtain higher return on investment in terms of both profitability and brand value and loyalty.

Looking at brand value and loyalty it is interesting to highlight that co-creation could be seen as a sort of touch point because it allows customers to be in touch with a company.

To reach this purpose, companies could build a system to manage this co-creation of value. According to Prahalad and Ramaswamy (2004) this system has to consider the following blocks:

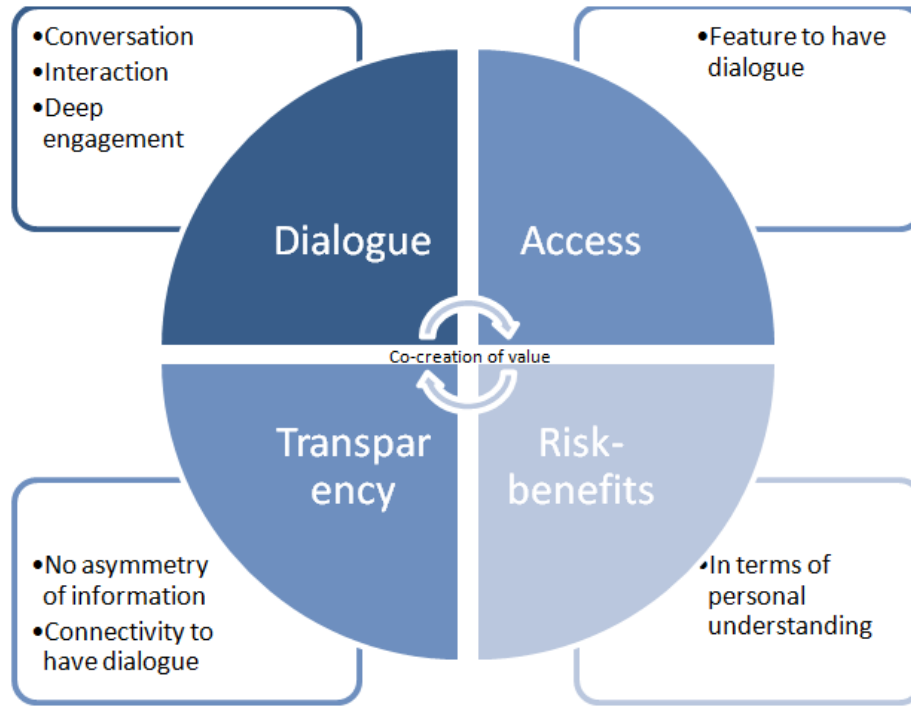


Figure 10: System for co-created value

Nonetheless, even if many studies suggest that co-creation is a good way to reach some goals and to exploit opportunities, other studies argue the contrary. In particular one research suggests that “being close to users does not help but rather harms luxury fashion brands, because user design hinders consumers from signalling high status ... we believe that user-designed products will be ineffective in creating feelings of high status, defined here as agentic feelings of being advantaged, superior, and worthy compared with others” (Fuchs, Prandelli, Schereier, & W. Dahl, 2013). However, according to the authors the negative implications of user design could be avoided taking into account at least one of the following strategies:

- Companies and their internal designers have to legitimize in an explicit manner the user design, it could be considered a sort of approval;
- Avoid the use of the word “user” because it could be linked with the negative notion of ordinary customers;

- Companies have to select carefully the users who will be part of the co-creation process.

4.3. The role of digital tools on luxury branding

Looking into more detail the management of brands, it appears that consistency is the most important attribute. Consistency refers to the ability of a brand to be coherent in terms of its image, development and strength through all the available media.

For this reason, a brand has to take into consideration that its strategies in the digital environment have to be consistent with its whole strategies, that is why it is recommend implementing online and offline strategies in a complementary way to create and boost luxury experiences. Indeed, online strategies could help to reinforce brand image and reputation and they give the possibility to get in contact with billions of people.

Moreover, Internet seems to be a perfect environment for luxury because of its ability to spread both desirability and exclusivity in terms of distribution. Desirability is referred to the fact that there is a kind of “distribution of content that appeals to existing and potential customers” (Hennings, Wiedmann, & Klarmann, 2012), which means that thanks to Internet brands are able to propagate both their image and position and “dream”. However, in terms of exclusivity there is a sort of paradox: on one hand exclusivity and rarity are core features of brands and, one the other hand, Internet is famous for its “democratisation” which means that is a mass media and world where, potentially, everybody could access. The point is: how a brand could maintain its exclusivity using a mass tool?

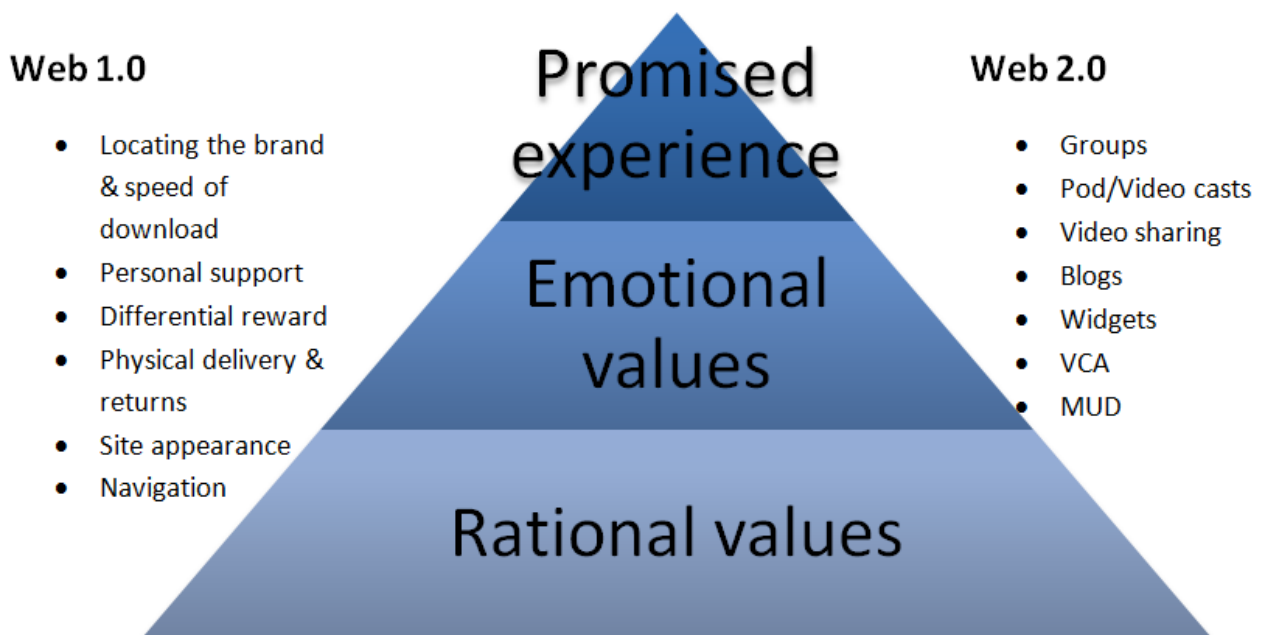
This paradox appears very difficult to solve, especially for some luxury and prestige brands, nonetheless, some brands have already tried to implement online strategies (also in matter of e-commerce) obtaining successful results. For instance, Louis Vuitton with its Soundwalk has extended its products also on virtual environment¹⁵; the aim was to create a

¹⁵ “Soundwalk is an International sound collective based in New York City. Founded in the early 2000s by Stephan Crasneanscki, Soundwalk made its name by producing cutting-edge audio guides, mixing fiction and

“sound walk” for the Louis Vuitton Voyages which took place in Beijing from May to August 2011.

Moreover, working on digital environment implies to take care about customers, on this context brands show their social personality also managing user communities. The users become more powerful and brands could lose their control, for this reason being involved on communities’ activities (both spontaneous communities and official communities created by brands) could help to better manage brands image and reputation and to become more customer oriented. As a consequence “branding on the Internet exemplifies participation and co-creation of meaning” (Christodoulides, 2009), in addition, it is important to highlight that the purpose is not control but facilitate these exchanges and sharing.

Looking the Figure 11 it is possible to note the difference in terms of branding from Web 1.0 to Web 2.0 because of the shift from a static approach to an interactive approach, where brands have to take into consideration factors that are outside their immediate control.



In order t

Figure 11: Branding Web 2.0 (Christodoulides, 2009)

1 digital world, it

seems that one of the best strategies is increasing brand familiarity. According to Park & Stoel (2005) improvements on brand familiarity help to reduce risk perceptions and augment

reality to provide an exclusive and poetic discovery of a city, on the bridge between Baudelairian stroll and cinematic experience” (Soundwalk, 2011). For further details visit the website: <http://www.soundwalk.com/>.

purchase intentions on the Internet. Brand familiarity could be defined as “the number of brand-related direct or indirect experiences that have been accrued by the consumer” (Park & Stoel, 2005). Basically, the positive relationship, that is statistically significant, between brand familiarity and stores could be considered efficient also on digital environment.

Moreover, according to Woolley (2013) it has to look at four effective technique concerning:

- Exclusivity: taking into account its paradox, it could be useful create a private space, using some selecting criteria, and develop a good content (e.g. without advertising) that is able to spread brand image and emotion;
- Privacy: luxury consumers are more sensitive on this theme than others, for this reason build strong relationships, using for instance ad hoc invitations or communities, could help to solve this issue;
- Personalization and customization: customers want to feel part of a brand, they want to feel engaged and involved for these reasons some brands give the possibility to personalize products and they try to boost experiences, for example, through testimonials and storytelling;
- Expert Service: is an important part of a brand’s purchase, even if customers never use it, because even if social media could give information about other customers’ experiences, they could not substitute the original messages from brands.

However, it has to take into consideration that the digital environment is much more than a website. Of course the website is a good source of information, promoting products and boosting store traffic but digital world also comprehends all the techniques of digital marketing in terms of brands, the way to display advertisements, e-boutiques, e-CRM, e-merchandising, the management and the use of social media, etc. It is clear that all these stuffs should be evaluated and controlled by companies through digital performance metrics.

As it is possible to understand from this brief discussion, branding on digital environment has to consider a lot of variables and it has to be up-to-date in terms of techniques and tools. Personally, the most interesting thing is that, nowadays, companies

have not a corner on their brands, on the contrary they share brands' value and their creation with consumers.

5. Theory of consumer behaviour and motivation to buy

To this end it is interesting to highlight what Gabrielle Coco said: “Luxury is a necessity that begins where necessity ends”. The traditional approach of buying behaviour regards Maslow’s theory which highlights five needs, from the base of the pyramid that concerns physiological needs, to the top where there are self-actualization needs (self realization).



Figure 12: Maslow’s Pyramid

In terms of luxury, the five levels could be equally important, however, it seems that the last three types of needs are crucial to understand what luxury should represent according to consumers.

The traditional theory of buying behaviour puts in evidence a given structure:

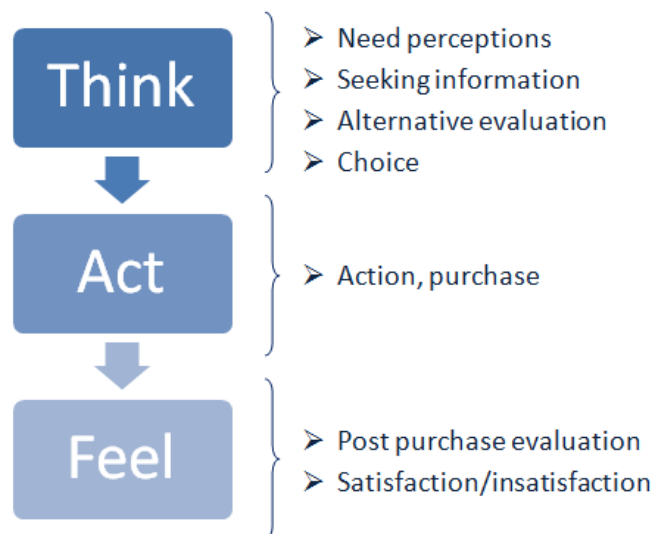


Figure 13: Traditional buying behavior

However, it has to take into account that luxury purchases are made first of all because of the “feel” that consumers perceive and that they want to show on a reference group, basically, their purchase process has to be seen as something beyond a rational system.

According to Dubois and Laurent (2003) consumers decide to buy luxury items because they perceive the value of luxury through:

- Excellent quality;
- High price;
- Rarity in terms of offers and/or distribution;
- Five senses which influence consumers’ luxury experiences;
- Relationship with the past in terms of tradition, values and history;
- Uselessness and futility of products.

All these variables condition the decision making process, however, it has to take into consideration that the motivations to buy luxury products were changing over the years, on consequence, companies had to change their strategies to deal with new trends. Basically the challenges on luxury consumption and motivation reflect those on society.

A lot of theories suggest that consumers use luxury items to create own image on social environment, dealing with their reference group. At the same time users want to imitate others members of the group and be different from them to “impress the others”.

The overall motivations could be classified according to the following features:

- Functional;
- Non-functional:
 - External effect on utility:
 - Bandwagon effect;
 - Snob effect;
 - Veblen effect;
 - Speculative;
 - Irrational.

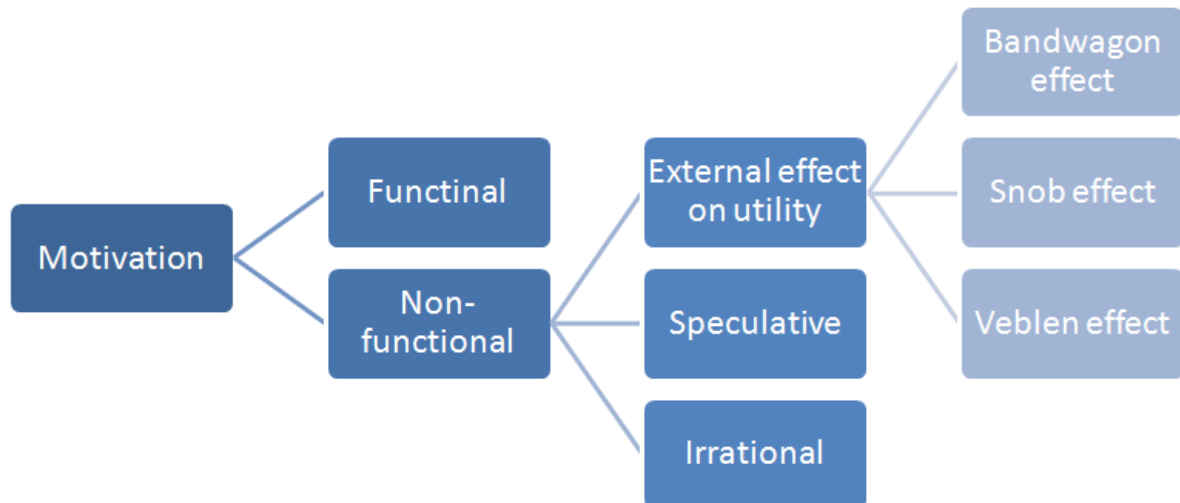


Figure 14: Motivations to buy luxury product

According to Harvey Liebenstein (1950) the forms of ostentation and status (external effect on utility) could be divided into three effects: Bandwagon, Snob and Veblen.

The first effect is referred to consumers' need to select and buy a luxury good because of self-acceptation into the reference group. In this sense, people research a peculiar value with the aim to show it into the group of peers.

The second effect concerns the fact that people are willing to buy and use luxury goods because of their rarity and exclusivity, for this reason, the snob effect could be seen into two phases of products life cycle: at the beginning, in the introduction phase, and in the phases of growth and maturity.

The third effect derives from Veblen's studies and it highlights that people consume luxury goods in order to show their wealth, power and status. Luxury consumers want to prove their power and status consuming these kinds of items to gain status into a reference group.

Other studies put in evidence that "there is a strong link between a positive attitude towards cultural change and consumption of luxury" (Shamina, 2011). Basically people decide which products consume looking at what they symbolize, in this sense, products express own values.

However, there are not only ostentation forms of luxury consumption, but also those hedonistic.

The hedonistic forms of luxury consumption could be referred to the theories of recreational shopping and consumption. According to these studies, gratification and satisfaction derive from the act of purchase independently from the object of transaction. The explanation is related to the emotional dimension, which is a broader motivational system which allows goods to raise emotions and sensations also through the senses.

Putting together both ostentation and hedonistic perspective it is possible to notice personal (hedonistic and perfectionist¹⁶) and interpersonal (Bandwagon, Snob and Veblen effect) motivations in a unique framework, taking into consideration values of luxury:

VALUES	MOTIVATIONS
Conspicuous	Veblenian
Unique	Snob
Social	Bandwagon
Emotional	Hedonistic
Quality	Perfectionist

Table 1: Framework of luxury values and motivations (derived from Shamina, 2011)

Using the previous framework it is possible to build the following chart:

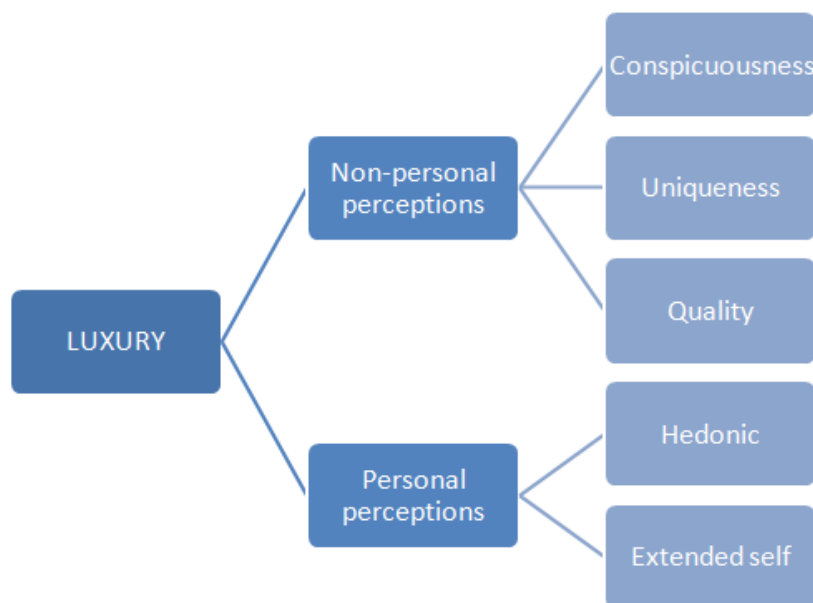


Figure 15: "Luxury seeking consumers' behavior framework (Shamina, 2011)

¹⁶ The perfectionist effect is referred to consumers' evaluation of luxury goods in terms of both higher quality and high price.

This chart helps to better understand the relationships between values and motivations of buying luxury products.

Moreover, according to Fabris luxury could be also considered a sort of prize because of pains which consumers have to deal with. In this sense it is possible to talk about “luxury democratization” as a possibility to gain something luxurious thanks to own efforts.

Furthermore, other studies suggest that there are four dimensions of luxury value perception to take into consideration:

- Financial: price is considered as a core features of luxury good, however, it has to take into consideration that is an element which help to spread own image (self realization) on the society;
- Functional: is referred to products’ functions;
- Individual: luxury goods help consumers to build their identity project, basically, the value incorporated on brands’ image could be seen as sources of aspiration;
- Social: it concerns the relationship between a person and the society or his/her reference groups.

As it is possible to understand from this discussion, the theme of consumer behaviour is very broad. For this reason the following paragraph are going to focus on more specific arguments regarding online behaviour and shopping experience.

5.1. Online consumer behaviour

Digital tools lead to procedural changes in terms of consumer behaviour process. Looking at Figure 13, it is possible to deduce that this given structure could change; in fact, Google¹⁷ argues that this potter is not valuable anymore.

¹⁷ Google is considered the best source of information in digital environment.

Nowadays the basic structure of buying behaviour (see Figure 13) is altered also due to digital technologies and, as it is possible to see from Figure 17, the new structure is completely erratic.

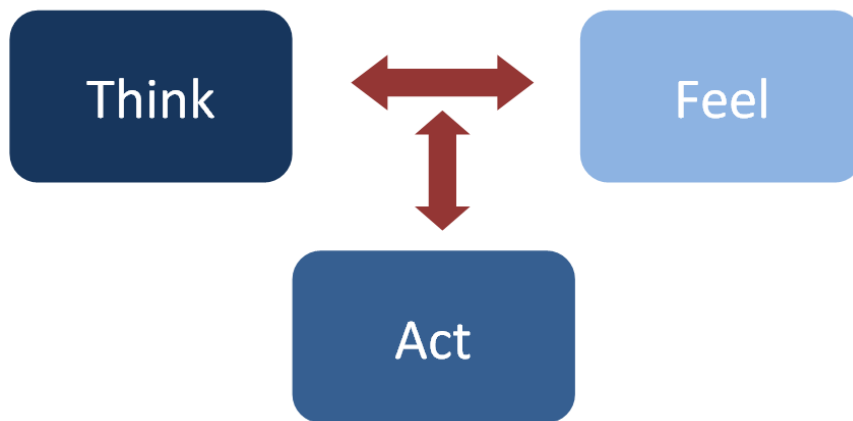


Figure 16: Digital influences on buying behavior

This structure highlights that it is quite complicated the understanding of consumer behaviour because of its unpredictable sequence of steps, moreover, the role of emotion has to take into consideration as a feature of luxury purchases.

Time and space are transforming due to digital environment and consumers adapt their behaviour on purchases according to them. These variables notice that interactions are changing, everything could be potentially closer. In this sense trends show that consumers are more and more willing to purchase luxury items online, especially those who already had shopping experiences with a brand.

It has to take into consideration that for customers there are not switching costs on digital environment, they could visit thousands of websites before taking a purchase decision or they could use websites only as sources of information to make eventually purchases in store. In this context, it is clear that if a consumer already has an experience with a specific brand, the online decision making process could be faster and easier, on consequence, this could be reflected on more possibilities for brands to predict consumers' behaviour. For these reasons, it is very important for brands act in a complementary way both offline and online.

Moreover, it is possible to reanalyze the dimensions of luxury value perception taking into consideration digital's implications:

- Financial value: price is still an important signal of luxury goods, for this reasons, it should avoid a brand' association with Internet in terms of lower price or price discount;
- Functional value: the functions of a product could not be perceived through a shopping experience using all the senses (the most critical issue is the lack of touch), that is the reason why a lot of websites try to raise consumers' experiences boosting interactivity, entertainment and anything else which could be useful to attract consumers and convince them to buy;
- Individual value: at this level luxury is considered a symbolic resource because it helps to build a self identity project, on consequence, consumers need to be involved on online shopping experiences in a deeper way to met the same satisfaction and gratification of those offline;
- Social value: it could be found on digital environment looking at social networks, helping consumers on the creation of their online identity project.

According to Okonkwo (2007), it is possible to identy different levels of online behaviour:

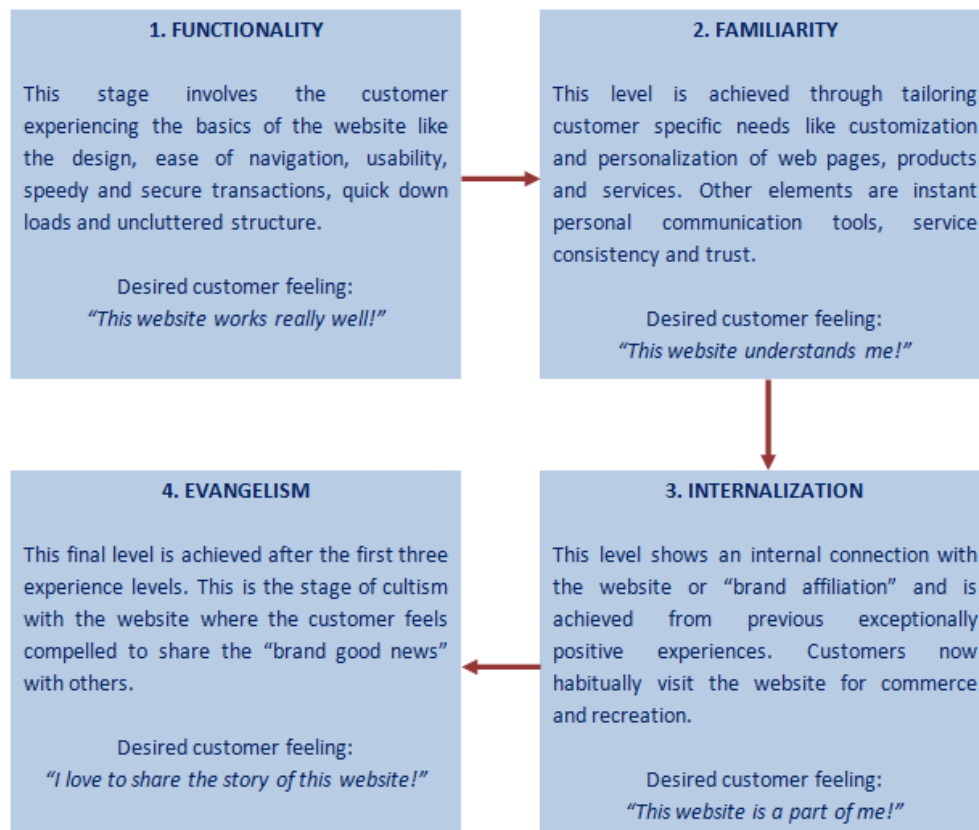


Figure 17: Phases of consumers' online behavior
(Okonkwo U. , Luxury Fashion Branding: Trends, Tactics, Techniques, 2007)

As it is possible to deduce from the previous discussion, emotion and positive experience have a central role also in digital environment because of the final aim of luxury goods to help consumers on the creation of their identity project. Brands should meet consumers' expectations even on digital channels; otherwise they are able to easily change websites, without switching costs, to find others brands which fit better with their needs. On the other hand, it appears that if a brand is able to meet consumers' expectations and satisfy their needs, even in a superior way, it could obtain repeat visits from them.

It has to take into consideration that visit a website does not imply make a purchase, indeed consumers could visit brands' website only to obtain information about the products and services or to see the news of a brand. For these reason, a website must be attractive and able to stimulate users' sense in order to propel to online purchases. In this sense "the sum of the consumer experience while shopping online determines their evaluation of the website, which subsequently affects future visits" (Okonkwo U. , *Luxury Fashion Branding: Trends, Tactics, Techniques*, 2007).

5.2. Creation of online luxury experience

Looking at the previous paragraph it appears that create online luxury experience is a core issue for all the brands which want to expand on digital environment.

However, it has to take into consideration that the creation of multi-sensorial experiences is not so easy on the Internet. It is difficult to create the same brand's perception on both online and offline channels because of the different tools which could be adopted. Nonetheless, even in a website it is possible to spread brand's values and its myth exploiting all the tools and opportunities that Internet could offer. In this case, Internet seems to be very useful especially to spread brand's information in terms of brand's dream and myth because of its principles of democracy and accessibility.

The Internet allows using sophisticated visual tools like videos and 3D representations, especially to represent products; moreover the music of a website could be useful to reproduce the offline shopping experience recreating the atmosphere of purchase. Furthermore, the most important thing to take into account is the ability of the Internet to

boost interactivity both between consumers and brand and among consumers of a brand. Internet is able to raise conversations which are an important source of visibility and opportunity for brands.

To reach the aim of improving e-experience, brands should be able to exceed customers' expectations and, in this case, consumers have high expectations regarding luxury brands so they have to provide higher online experiences.

Luxury brands should realize that their presence on the Internet have to create visitors' exceptional experience with the final aim of offering the entire brand's universe. In order to reach this goal luxury brands must integrate online and offline strategies paying attention, for example, at website design, e-consumer analysis, e-branding, e-marketing, e-experience and e-communication. Moreover, luxury brands websites have also to transmit exclusivity, on consequence, it could be useful tell a great story¹⁸ in order to boost the creation of experiences.

Therefore, brands need to focus at least on the following features in a digital environment:

- Design: it must be up-to-date to attract luxury consumers and it should transmit the voluntary of brands to be perfect, impeccable and exclusive;
- User experience: website has to take care about details, trying to provide a similar in-store shopping experience;
- Customer service: the human touch during a shopping experience is sometimes fundamental, especially in the case of luxury products, for this reason it is quite complicated to develop it in a digital environment, however, it is possible to provide a kind of one-to-one experience exploiting digital tools regarding interactive functions.

¹⁸ A lot of brands put their attention on storytelling in order to involve customers on brands' universe, with the aim of spread brand's values and dream. It is a matter of narrative transportation which has to take into consideration some key elements to create a story:

- Plot: which is referred to the temporal sequence of the events;
- Characters: the players of the plot;
- Climax: is referred to the dramatic intensity along the plot;
- Outcome: the end state.

In order to tell an efficacy story, it appears that only purchases characterized by higher consumers' involvement and self-expression are able to do that successfully.

As it is possible to understand from this brief discussion, the brands' ability of involving consumers on online purchases seems to depend from their ability to create an appropriate atmosphere, the so called "webmosphere" in a digital environment¹⁹.

¹⁹ The discussion of the webmosphere could be found on the following chapter regarding emotion because of the link among them.

6. The concept of emotion

“Emotion” has been called a psychological category only since the 19th century. The word itself already existed in English from the 17th century as translation of the French’s word “emotion”. The word “emotion” highlighted a sense of physical disturbance.

Nonetheless, even now it is complicated give a unique and exhaustive definition of emotion; the term could boast several meanings. According to the founders of psychology the emotion notices a sort of relationship between both mind and body and thought and feeling which are quite controversial and unresolved. Izard argued that “emotion consists of neural circuits (that are at least partially dedicated), response systems, and a feeling state/process that motivates and organizes cognition and action” (Dixon, 2012). He also highlighted the fact that this concept comprehends two types of definitions: everyday/common and scientific concepts.

In general, emotion could be considered as a multi-component phenomenon which comprehends cognitive content, physiological manifestations, behavioural implications with a subjective feeling (Tran, 2014). Moreover, emotion could be seen as an episodic phenomenon that is the reason why it has brief duration and it could regard specific object. On consequence, it is clear that emotion is different from affect and mood.

It is important to note that emotions sustain motivation and actions, however they could facilitate or inhibit a process even if they are positive or negative. It is essential to take in mind that everyone is unique so each person feels and shows emotions in a different way.

According to all the arguments covered right now, it is possible to understand that the role of emotion is crucial also in luxury industry where one of the main purposes is to raise consumers’ experiences. For this reason, the following paragraphs are going to explain the role of emotion a purchase process and the impact of digital technologies on that context.

6.1. The influences in a purchase process

Emotion is an important factor to take decisions in the everyday life, in addition this is particularly evident in case of luxury purchases where the emotional part prevails on the rational one.

Moreover, when a person has to take a decision he/she compares the available options taking into consideration the emotions of previous experiences which are related to content of the current choice.

A lot of studies try to deal with the theme of the emotion's influences on consumers' decision making process, for instance:

- fMRI: it is the acronym of "functional magnetic resonance imaging" which aim is to measure neural activity through blood flow changes, in different parts of the brain. These studies seem to be very useful to understand and evaluate brand positioning and recognition, in this case, it appears that consumers are more willing to judge using first of all their emotions and then objective information of a brand;
- Advertising: a lot of researches on this field have put in evidence the fact that the ads' ability to raise emotional responses is much more able to generate consumers' intention to buy than the ads' content itself;
- Branding: studies suggest that if a brand is able to spread and raise positive emotions it could obtain higher level of consumer loyalty and retention.

Moreover, in order to measure the perceived emotions there are not only techniques which measure the reaction of the brains but also useful tools of psycholinguistic and cognitive psychology. For example, words and textual information could be seen as rich communication tools, in this sense, on digital environment this type of analysis could take place.

All the studies argue that consumers prefer a brand first of all because of the emotions that is able to arouse, that is exactly the reason why the role of emotion in the luxury industry is so important and it must be taken into consideration. On consequence, the

more a brand is able to create emotions, the more likely are consumers towards this brand and they are also willing to pay higher prices.

In particular, taking into consideration the brand's creation and management, it is important to notice that both brand personality and narrative could be seen as key features in order to arouse emotions.

On one hand brand personality could be seen as the characteristic traits of a brand which are bequeathed through visual tools, videos, packaging, words, etc. On the other hand, brand narrative is related to storytelling and the ways used by a brand to spread own ideas and values. All these factors could be reproduced on a digital environment taking into account all the tools that could be exploit on the Internet to create an appropriate brand website.

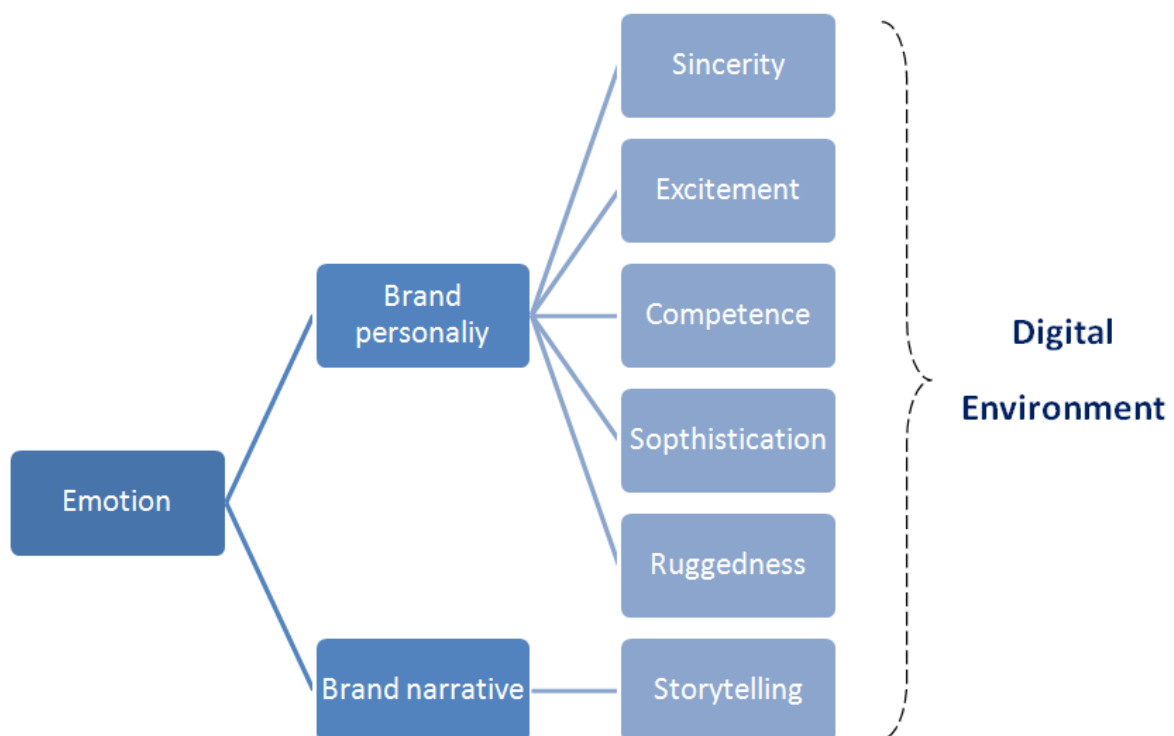


Figure 18: Brands' impact on emotion

Brands should think as consumers to deduce what kind and how much emotions they need, in order to understand how they can influence the decision making process.

Looking into more detail the emotions involved on the decision making process, it is possible to note the following areas of discussion:

- Emotion classification: according to various authors there are basic emotions such as “joy, love, peace, compassion, anxiety, boredom, sadness, surprise, fear and anger” (Zamuner, 1998), however, there are also complex emotions which could be divided into those primary and secondary. According to Robert Plutchik (1997) the primary emotions are “anger/fear, sadness/joy, surprise/waiting, disgust/acceptance”, nonetheless, others authors suggest different classifications, Bindu et al. (2007), for instance, defined twenty two categories of primary emotions. Basically, looking at primary emotions’ variations it is possible to recognize others classifications, the secondary one. In order to better identify the emotions, the so called “emotion wheel” (Figure 20) could be considered a great practical tool which highlights the most common emotions:

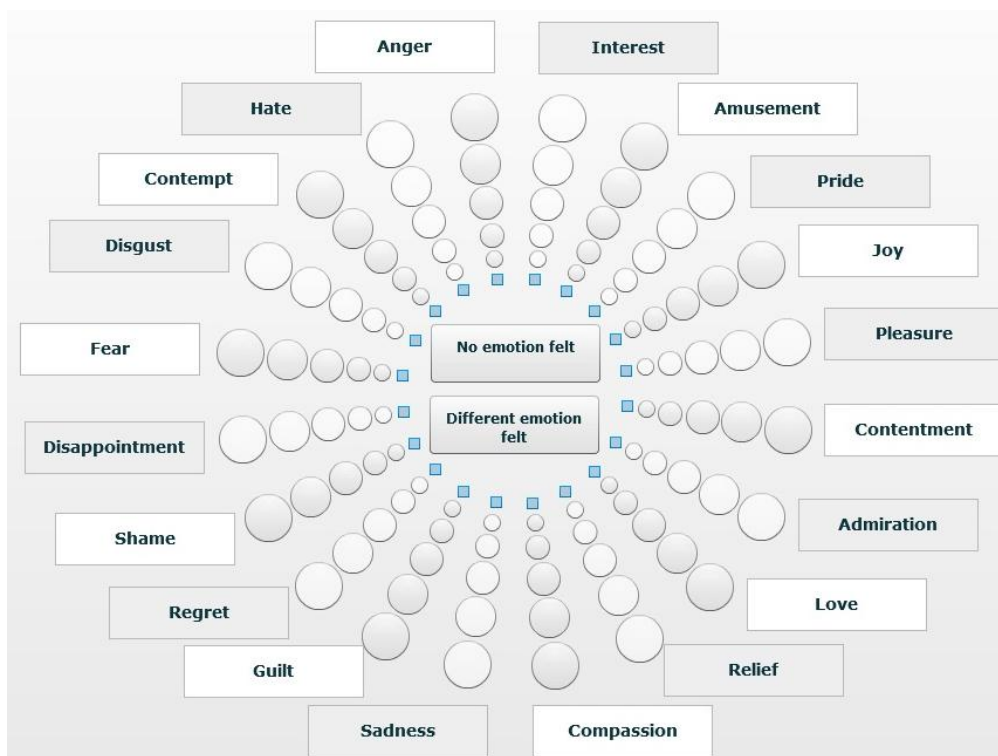


Figure 19: Geneva Emotion Wheel 3.0 (Scherer et al., 2012)

- Customer emotions and needs: the focus is on customer pleasure and the emotions could be seen as a sort of universal language, moreover, there are emotional needs which have to bring together with functional needs (those that are satisfied by products’ basic functions) to better understand the

decision making process. In this case it has to note that the generation of emotions is normally driven by customers multi-sensorial involvement, for instance through visual tools, brand's symbols and iconic, music, fragrances, etc.;

- Emotional intelligence: this concept has been introduced by Peter Salovey and Daniel Goleman and it could be defined as the "ability to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in oneself and others". Goleman argued that there is not only a pure rational intelligence, indeed, among people and between a person and an object there are relationships based on empathy. However, according to Mayer et al. (2008) its definition is a bit different: "the ability to perceive emotion, integrate emotion to facilitate thought, understand emotions and to regulate emotions to promote personal growth". This model is particularly interesting because it considers the following abilities:

ABILITIES	DESCRIPTION
Perceiving emotions	Ability to detect and decipher emotions in faces, pictures, voices and cultural artifacts.
Using emotions	Ability to harness emotions to facilitate various cognitive activities, such as thinking and problem solving.
Understanding emotions	Ability to comprehend emotion language and to appreciate complicated relationships among emotions.
Managing emotions	Ability to regulate emotions in both ourselves and in others.

Table 2: Emotional Intelligence model and abilities, adapted from Mayer (2008)

In conclusion, it appears that the influences of emotions on purchases process are very broad and they comprehend a lot of variables and notions which should take into consideration. It is clear that on this brief paragraph it is not possible dealing with the whole argument of emotions and decision making process, for this reason the notions exposed have been selecting in order to be more appropriate looking on a digital perspective.

6.2. The webmosphere

The word “webmosphere” derives from a combination of two terms: web and atmosphere. This word has the aim to highlight the fact that even in a digital environment, the atmosphere of a brand, of a shopping experience, has to be reproduced.

This is particularly relevant especially for luxury goods where the shopping experience is characterized by high involvement of consumers through all the senses. In a digital context is difficult or impossible exploiting the multi-sensory features of luxury products, especially due to lack of touch, smell and taste.

It is possible to understand that in that context the role and the right implementation of a luxury webmosphere, also called “luxemosphere” by Okonkwo (2010), is crucial.

Thanks to digital tools it is possible to create a luxemosphere using visual elements and sounds. Visual components could regard all the elements of a brand website such as welcome page, design, images, videos, colours, layouts, texts, 3D views, zoom, graphic, etc., while sounds components concern the music that could be found as website background which facilitate a link between brand’s experience and consumers, with the goal of evoke feelings and emotions. Furthermore, sound seems to be particularly important to spread and arouse brand personality.

Moreover “to recreate a truly splendid universe within the virtual environment of a brand mainly through replicating the unique identity, style, signature and codes that the brand uses in its offline existence” (Okonkwo U. , *Luxury online: styles, systems, strategies*, 2010). The aim is to create a sort of emotional link with a brand.

Another important element to take into account looking at brands’ websites is their usability. The usability regards the way to interact with a website, its functionality and the general navigation. In this sense layout, graphic and design of a website should facilitate the rapidity of navigation and the whole webmosphere. As a consequence the tools selected to improve usability influence the online shopping experience and also the perception of brand values and personality.

It has also to take into consideration that it is possible to compensate for the lack of some sense using sentences, words, and descriptions with high emotional content in order

to evoke emotions and, if there are, past shopping experiences. Nonetheless the lack of personal relationship and service still remains one of the most critical issues, which, according to the literature, seems to be impossible to translate in a digital environment. Of course this appears quite complicated or impossible nowadays, however, the advancement of digital technology could help to solve these issues in the future.

7. CASES

This second part of the thesis regards the discussion of two cases: Burberry and Gucci.

First of all it is going to expose in more detail what is the aim of this paper and then the discussion will regards:

- Burberry and Gucci and the reason why they are chosen;
- Methodology in order to understand how the analysis is made;
- Analysis to deep comprehend the perspectives and the actions of the two companies;
- Findings;
- Limitations and future researches in order to highlight the limits of this analysis and which could be the future investigations of the theme.

7.1. Purpose

This thesis would like to highlight and deeply understand the relationship between three subjects:

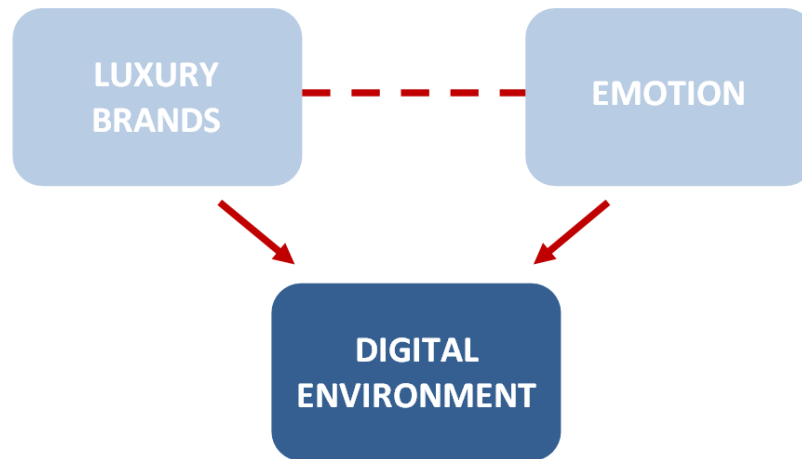


Figure 20: Subjects of interest

In particular, the thesis is going to expose this relationship taking into consideration two points of views:

- How a luxury brand could maintain its exclusivity online?
- How a luxury brand could arouse emotions in a digital environment?

According to the literature these two perspectives seem to be complementary. Indeed, it appears that both exclusivity and emotion are the most important features of a luxury brand.

In particular, on one hand exclusivity is a core features that is part of each luxury brands, however, the degree of exclusivity could be different because of their level of democratization, which could rise due to the way of using and managing digital tools. On the other hand, emotion is related to the whole shopping experience of luxury products, it regards the involvement of consumers, for this reason the ability to boost emotion in a digital context is very critical.

It appears evident that the two arguments are strictly connected, moreover, they are key features for the analysis of the highlighted relationship, for this reason they will be deeply discuss on the examination of the cases.

7.2. The choice of the firms: Burberry and Gucci

The choice of the companies to take into consideration on the analysis was made first of all looking at the general performance of luxury brands in the digital environment.

According to the report of Exane BNP Paribas (Solca, Bertini, Fan, Pozzi, Bertasio, & Iacono, 2014) it could be build a digital competitive map, which is created taking into account the following issues:

- E-commerce strategic reach: products' depth and breadth;
- Website usability and experience: evaluation of the website navigation;
- E-commerce experience: performances, services and delivery;
- Cross-channel experience: channel integration.

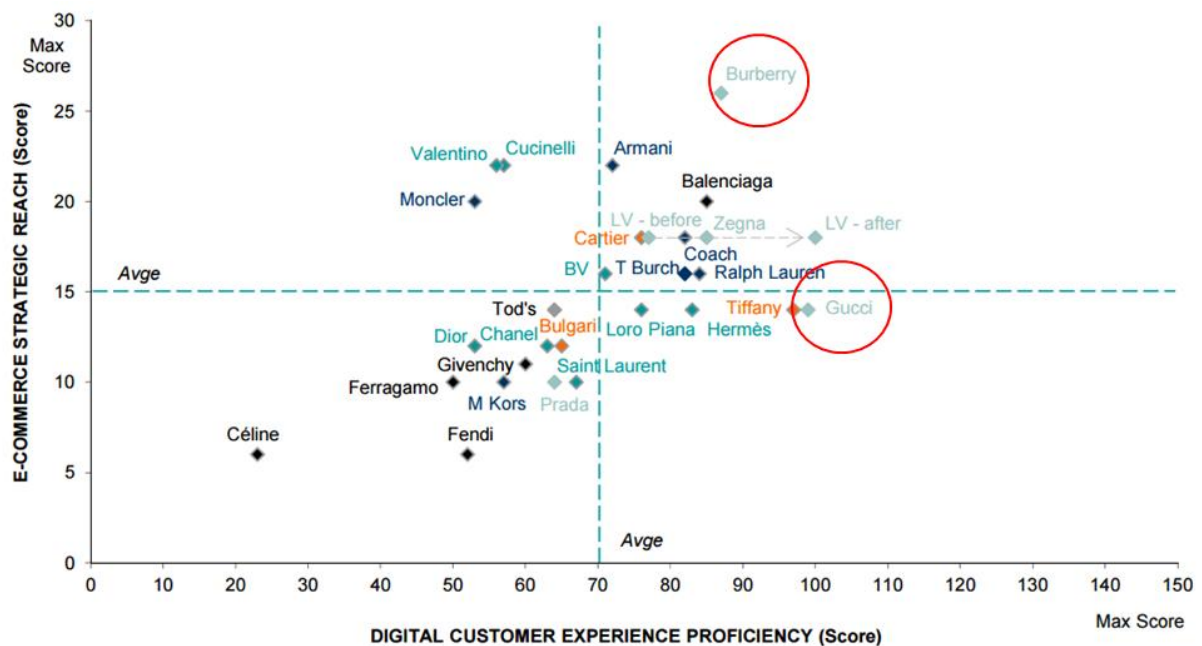


Figure 21: Burberry and Gucci on Digital Competitive Map

Adapted from Exane BNP Paribas (2014)

It is possible to see from the map that both Burberry and Gucci are well positioned looking the two dimensions of e-commerce strategic reach and digital customer experience.

On one hand Burberry is known as the leader luxury brand on digital environment and the chart still notices its excellent position on both variables of consideration. On the other hand Gucci shows a lower e-commerce strategic reach in comparison to Burberry but a higher position in terms of digital customer experience.

It has to take into account that the e-commerce strategic reach comprehend data of countries' coverage, languages and products (RTW, soft accessories, shoes, bags, SMLG, jewellery, sunglasses, perfumes, watches and children).

E-Commerce Strategic Reach									
Brand	Online geographic coverage				Languages				Online product range
	Key countries	China	Russia	Brazil	Key Languages	Chinese	Russian	Portuguese	% Categories
Burberry	6	Y	Y	N	8	Y	Y	Y	100%
Gucci	5	N	N	N	7	Y	N	N	100%

* scale 1-10, Y=yes, N=no

Table 3: E-commerce Strategic reach: Burberry and Gucci

Adapted from Exane BNP Paribas report (Solca, Bertini, Fan, Pozzi, Bertasio, & Iacono, 2014)

Moreover, in the matter of website, e-commerce and cross-channel experiences, the report evidences that these two companies are located on the higher positions.

Their whole digital approach could be identified observing the following map:



Figure 22: Digital IQ score Burberry and Gucci, from L2 research (2014)

Burberry is well known for its digital strategies, nonetheless, also Gucci appears well performed in all the underlined digital approaches, and in effect it seems that Gucci has surpassed Burberry on digital environment in 2014. Nonetheless, according to L2 research,

both the companies show higher digital development in terms of presence on social media and mobile in comparison with their websites.

Moreover, in the opinion of researchers, it seems that the so called “omnichannel strategies” allow to reach better results, indeed, Burberry and Gucci appear the most advanced luxury brands in this field.

Taking into consideration the previous arguments, it is possible to affirm that Burberry and Gucci could be considered part of the “plugged-in pro” category²⁰. This category implies that brands apply diversified retail strategies and use a whole digital strategy from social media to brand’s website and its online store.

It is possible to deduce from this brief discussion that the cases of Burberry and Gucci seem very interesting because they are up-to-date, innovative and sophisticated. Moreover, they concern two of the most famous brands on the luxury fashion industry. For all these reasons the cases of Burberry and Gucci are discussed on this thesis, in order to infer information and guidelines to answer the research question.

7.2.1. Burberry

The brand has been founded in 1856 by Thomas Burberry. It became famous especially thanks to its trench coat and its distinctive tartan pattern. He opened his first store in Basingstoke (Hampshire, United Kingdom) and he introduced the first gabardine in 1880.

The brand also covers different kind of products for men, women and children such as clothing, shoes, accessories, fragrances and beauty; which are designed, produced and sold by Burberry. Nonetheless, its most famous product remains the trench, which was created during the First World War because of the commission of the British War Office and, after the war, it became popular among civilians. In 1998 the company has launched the label “Burberry Prorsum” which is the most fashion and luxury collection.

²⁰ For further information see Chapter 3 “Luxury and Digital”, Figure 5.

The company could be proud of different brands like Burberry Prorsum (5% of retail apparel revenue), Burberry London (45% of retail apparel revenue) and Burberry Brit (50% of retail apparel revenue); which is illustrated on Figure 23.

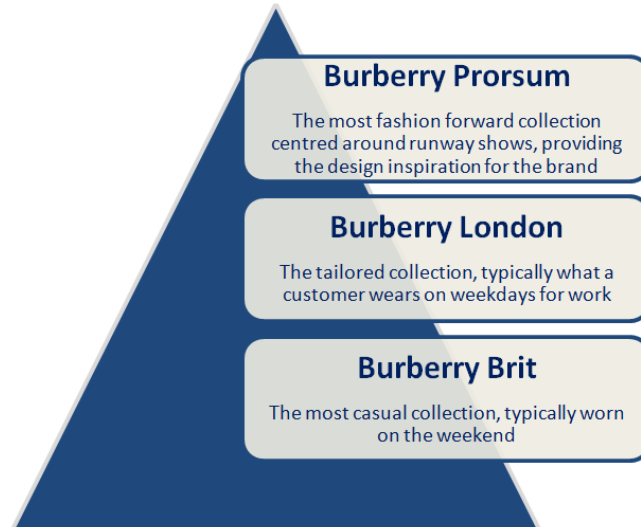


Figure 23: Burberry Brands

Moreover, the Figure 8 could be easily adapted in order to better understand and resume the whole brand, its values and its promises.

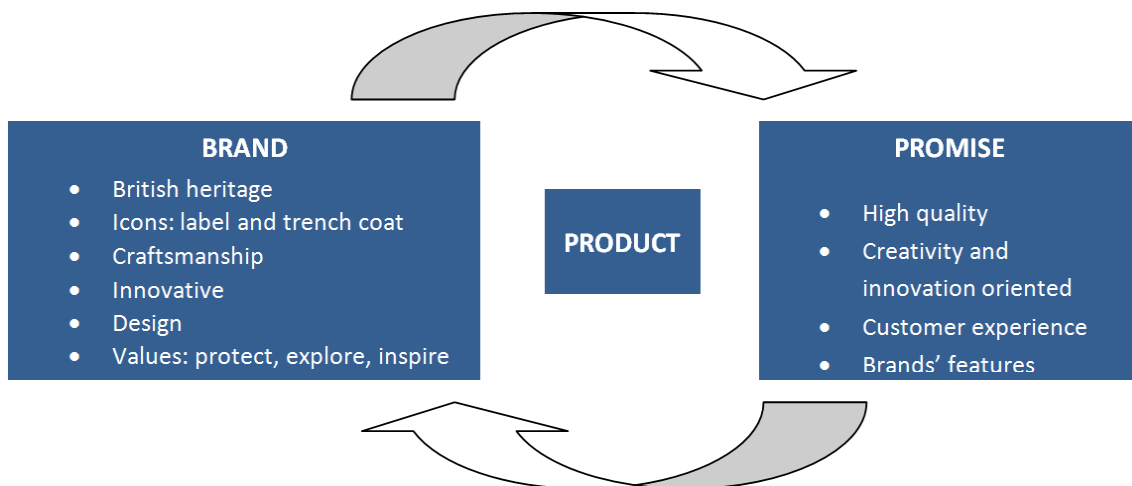


Figure 24: Burberry: Brand-Product-Promise relationship

It has to take into account that the operation model is organized looking at channel, region, product and function. In particular, the channel structure comprehends the retail department which includes also the digital one.

7.2.1.1. Burberry and its digital approach

Burberry had a brand crisis at the beginning of two thousands due to the brand's association with unwanted promoters²¹. In order to improve brand image, the company decided to improve and boost its communication in all the channels.

Christopher Baily, the Chief Creative Officer from 2001, has completely changed brand's strategies focusing on the core feature of Burberry: being British. To reach this aim the company started to make communication using the image of English celebrities (e.g. Emma Watson), that is reason why it has also launched the "Burberry Acoustic" program to promote English artists. It is possible to deduce that Burberry is very careful on both musical and visual culture.

The brand has also decided to focus on online strategies in order to integrate them with the offline part (the so called "omnichannel strategy"); the final aim is to create an integrated brand universe to spread brands' values and to create the best brand experience.

In order to achieve this total integration between online and offline strategies Burberry has designed a new store's format, Burberry's Regent Street Flagship, which has built taking into consideration the architecture of the website. According to the CEO "Our approach to the store was to make a bridge between the online and offline experience. Today I think we're less concerned about where we actually shop, and more concerned about the experience we have while we're shopping" (Doran, 2014).

The mission is also to create a "social enterprise" to be connected with clients and shareholders, in order to arouse amazing brand experiences. Indeed, according to Angela Ahrendts, who has been the CEO from 2006 to 2014, the focus should be on customers' experience and, to achieve this aim, the orientation must be on digital environment because "Doing things digitally is how the entire world communicates". In her opinion, the attention should be also on brand storytelling and it seems indispensable build strong and long relationship with clients.

²¹ It is referred to the so called "chav" who are young British related to the world of drugs, alcohol and street fights.

Basically, to better achieve relationships with its clients, Burberry has introduced peculiar customer services, for instance, the website gives the possibility to contact the brand and, through “Burberry Bespoke”, consumers could design and order their trench coats²².

For all these reasons, the brand is well positioned and organized on the following social media:

- Facebook²³: the company publishes more or less five posts per day, concerning future collections, advertising, campaigns, products and events; moreover, it has to consider that there is the Burberry official page (more than 16 millions of fans) but there are also other pages of Burberry’s stores and communities;
- Twitter²⁴: the brand use twitter daily and this profile is related with those of Instagram, Vine and Youtube, however, there are not so much hashtags related to events and Burberry initiatives, indeed, this social network is used especially to follow fashion magazines, celebrities and singers of Burberry Acoustic. Even in this case there are more pages on twitter related to the brands but the official has the huger number of followers (around 3 millions of followers);
- Pinterest²⁵: it is used especially to publish news concerning future collections, campaigns, products and the “trench world”, also on Pinterest there are a lot of images, that are not from the official brand page (more than 75 thousands of followers), and which regard especially iconic products;
- Instagram²⁶: the brand published posts more or less three times per week and it shares mostly photos regarding London and fashion shows, however, in contrast with Twitter, it seems that Burberry has not a defined strategies on Instagram (around one million of followers);

²² For further information visit the micro site: Burberry’s Art of Trench.

²³ <https://www.facebook.com/Burberry>

²⁴ <https://twitter.com/burberry>

²⁵ <https://it.pinterest.com/burberry/>

²⁶ <https://instagram.com/burberry/>

- Google plus²⁷: it is daily used (more than 3 millions of followers) by the brand especially to publish photos of products, fashion shows and videos of Burberry Acoustic;
- Youtube: the company use this tool (around 92 thousands of followers) to publish videos about campaigns, fashion shows, tutorial and Burberry Acoustic;
- LinkedIn: it is not much used and the page is not well-finished, there are only videos and articles regarding the brand and its strategies.

Looking at the whole digital approach, it appears that Burberry bets first of all on mobile, moreover, it promotes a continue exchange from digital to physical and vice versa, in order to better integrate online and offline approach.

7.2.2. Gucci

The founder of Gucci is Guccio Gucci, artisan of leather goods, who opened the first store in 1921 in Florence. His was particularly inspired by the “London style” and he wanted to combine his passion with the great craftsmanship of Tuscan artisans. Moreover, Guccio Gucci was also inspired by the equestrian world for which he designed a dedicated collection of bags, shoes, trunks, belts and gloves.

Thanks to the combination of these passions he developed the unique Gucci Horsebit icon and the ribbon (green/red/green), which are the most peculiar features of the brand.

The company has soon achieved the success thanks to the sophisticated clientele who visited Florence. The brand became well-known because of its timeless design and symbols, for this reason the maison decided to open various stores also abroad. Furthermore, a lot of celebrities started to wear Gucci products, such as Maria Callas, Audrey Hepburn, Liz Taylor, Jackie Kennedy and Grace Kelly. In particular, the famous Gucci bag “Jackie O” is dedicated to Jackie Kennedy and Grace Kelly co-created with the company the well known foulard “Flora”.

²⁷ <https://plus.google.com/+Burberry/posts>

Nonetheless, Gucci started to use its logo with the double G only in the mid-60s, which remind the initials of the founder, and it organized the first fashion show in 1981 in Florence.

During the years the children of Guccio Gucci have succeeded on the management of the company and in 1999 Gucci secured an alliance with Pinault-Printemps-Redoute. Nowadays, Gucci is part of Gucci Group that is a division of the French holding Kering.

Gucci is an Italian brand which is positioned between modernity and heritage, trendsetting and sophistication and innovation and craftsmanship. The made in Italy is very important for the company; moreover, it also put a lot of attention on its products icons such as the Jackie bag, the Bamboo bag, the foulard Flora, Stirrup bag and the Horsebit in order to rethink them in an innovative way to attract also new audience.

Also in this case, it could be useful highlight the relationship brand-product-promise in order to resume and better understand the brand.

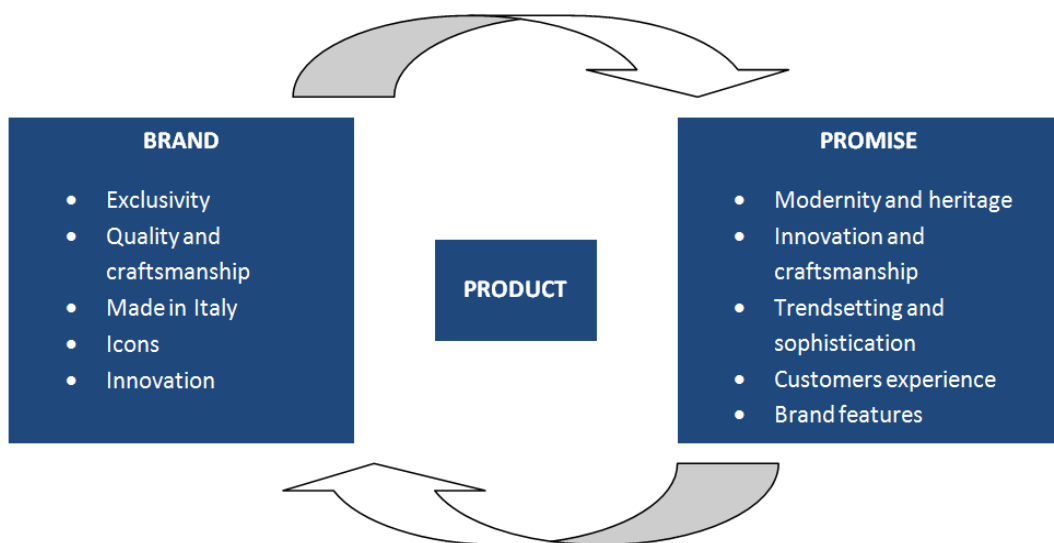


Figure 25: Gucci Brand-Product-Promise relationship

Moreover, as Burberry, even Gucci has a well organized digital department.

7.2.2.1. Gucci and its digital approach

Gucci has been the first luxury brand which developed the e-commerce in 2002. Only in 2010 the website had 2.5 millions of visitors per month and it was possible buying in

thirteen countries. In 2010 Frida Giannini, creative director of Gucci until December 2014, worked to improve the website in order to create a digital boutique where clients are able to appreciate the quality, beauty and craftsmanship of Gucci's collections through luxury experiences, even on the online channel. The company tried to expose in the best way its brand values and features working on the website's restyling.

It is possible to deduce just looking at the data, that Gucci has been one of the pioneers of luxury brands on digital environment, also on the social media. For instance, it is particularly interesting the campaign in 2010 to launch the fragrance "Gucci Guilty" for which it has created a social media strategy integrating different online channels of the brand²⁸. Another interesting campaign was "Eye want you" in order to promote the sunglasses of the collection Eyeweb. For this campaign it has developed an application for Facebook called "Eye Want You" and designed by Frida Giannini. The application allows creating and sending messages to friends, moreover, it is possible to choose among thirty six viral videos which show six different moods to give to users the possibility to better personalize their videos. On Facebook the brand has its official page with more than 14 millions of fans.

Moreover, Gucci also developed a lot of applications, for example in 2009 Frida Giannini and Mark Ronson have created the app "Gucci Beats" in order to receive the news about the brand and products. In 2011 the brand launched a version completely renovate which is called "Gucci Style". This app is for iPhone and iPad and it is a sort of magazine where everything could be potentially bought and it also offers news about fashion and histories about people who manage the most important luxury brands worldwide.

However, the most successful initiative was the creation of the "Gucci Connect Event" which allows following brand's fashion shows. It was launched in 2011 for the fashion week in Milan but, thanks to its success, it is still used²⁹.

²⁸ The main channel of the campaign was Youtube and it has been created a dedicated channel called "GucciParfum" where it is possible to see a mini-film with the possibility to share it in other social networks. This campaign was launched on June 2010 and after three months it reached more than 1.4 millions of visualizations and around two thousands of comments.

²⁹ For further information visit the website: <http://www.gucciconnect.com/#>.

On February 2011 Gucci also opened a brand page in Foursquare³⁰ with the aim of discovering the world Gucci, which means, tell the places of the brand to better transmit its universe. In 2011 Gucci also opened a page in Tumblr³¹ which goal is to spread photos and create a sort of micro blogging, for example, talking about Gucci's icons and history. Gucci is also present on other social network like twitter³² (1.61 millions of followers), Pinterest³³ (around 40 thousands of followers), Google Plus³⁴ (3.5 millions of followers) and Instagram³⁵ (3.6 millions of followers).

In this year the brand also became promoter of Social Sidekick, a web tool create by Condé Nast³⁶. This tool could be defined as a "fan editorial aggregator" which allows to aggregate contents from both official brand pages on social networks and digital platforms, on consequence consumers could find in a unique platform all kinds of information concerning a particular brand. Another interesting initiative regards the "click-to-buy video" for the pre-Fall 2011 collection. Basically, it is a video catalogue which gives the opportunity to scroll all the products and click to them to make purchases.

According to this brief discussion it seems clear that Gucci is a very innovative brand on digital environment that tries to find and exploit new opportunities in order to develop up-to-date strategies.

Finally, looking at the different digital strategies adopted by Gucci it is possible to understand the reason why, nowadays, this company seems to reach higher levels of digital experiences in comparison to Burberry which was the leader during preceding years.

³⁰ <https://it.foursquare.com/gucci>

³¹ <http://gucci.tumblr.com/>

³² <https://twitter.com/gucci>

³³ <https://www.pinterest.com/gucci/>

³⁴ <https://plus.google.com/117338484400239480369/posts>

³⁵ <https://instagram.com/gucci/>

³⁶ Condé Nast is a division of Advance Publications that publishes in the U.S. eighteen magazines among which there are Vanity Fair, Vogue, GQ, The New Yorker and Architectural Digest.

7.3. Methodology

It has to take into account that both Burberry and Gucci are well developed on digital environment, especially on social media and mobile (see Figure 22) and a huge amount of researches are made on these arguments. However, just few researches seems to put their attention on companies' website in order to better understand how they could maintain brands' exclusivity and how they could arouse emotion in the digital environment.

According to marketing research definitions this thesis could be defined as:

- Basic research: because it is not directly related to the solution of a pragmatic problem, however it tries to expand the current limits of knowledge and it could have some managerial implications;
- Descriptive research: because it could be defined as something between ambiguity and certainty of a problem, indeed the research question is known and clearly defined and the aim is to analyse some kinds of interrelationships among variables of interests, which are all the features that could impact on brands exclusivity and emotion.

The analysis will be focused on both secondary data and qualitative research techniques.

Secondary data are data from previous researches which are not specifically collected for this research question, indeed, the discussion is developed using external secondary data from published materials and internal secondary data from the companies.

Qualitative research techniques are characterized by criteria and evaluations which have emotional and subconscious content, for this reason, it is not possible to generalize them. In particular, the analysis uses the technique of observation which is part of qualitative non-disguised techniques. Observation could be very useful to investigate some variables in an accurate way also thanks to the lack of interaction which minimizes data distortion; however, it could be resulted inconclusive for others. In this case, two types of observations are applied:

- Human: because I have analyzed features of each website;

- Structured: because all the requirements that have to be investigated are well established.

Basically, the analysis will be structured discussing the two cases separately; the companies will be compared only on the findings. Moreover, taking into consideration the arguments debated on the literature review, the analysis of the cases is developed following some key issues:

- Website metrics, such as bounce rate, daily pageviews for visitors and daily time on site, to comprehend the results achieved by the companies and that could be considered reasonably good indicators of user experience;
- Consistency in terms of brand image development on the online channel;
- Ability to boost brand myth and its values, history and personality through appropriate webmospheres that are related to users' experiences and senses.
- Usability and functionality in terms of layout, graphic, design and content (iconic and linguistic);
- Interactivity which could be investigated looking at products' personalization and customization.

As it is possible to deduce from the previous chapters, brands' exclusivity and emotion are strictly related because the variables which could influence one feature could also influence the other. For instance, the consistence of a brand helps to spread its sense of exclusivity but also to arouse the same emotion through different channels.

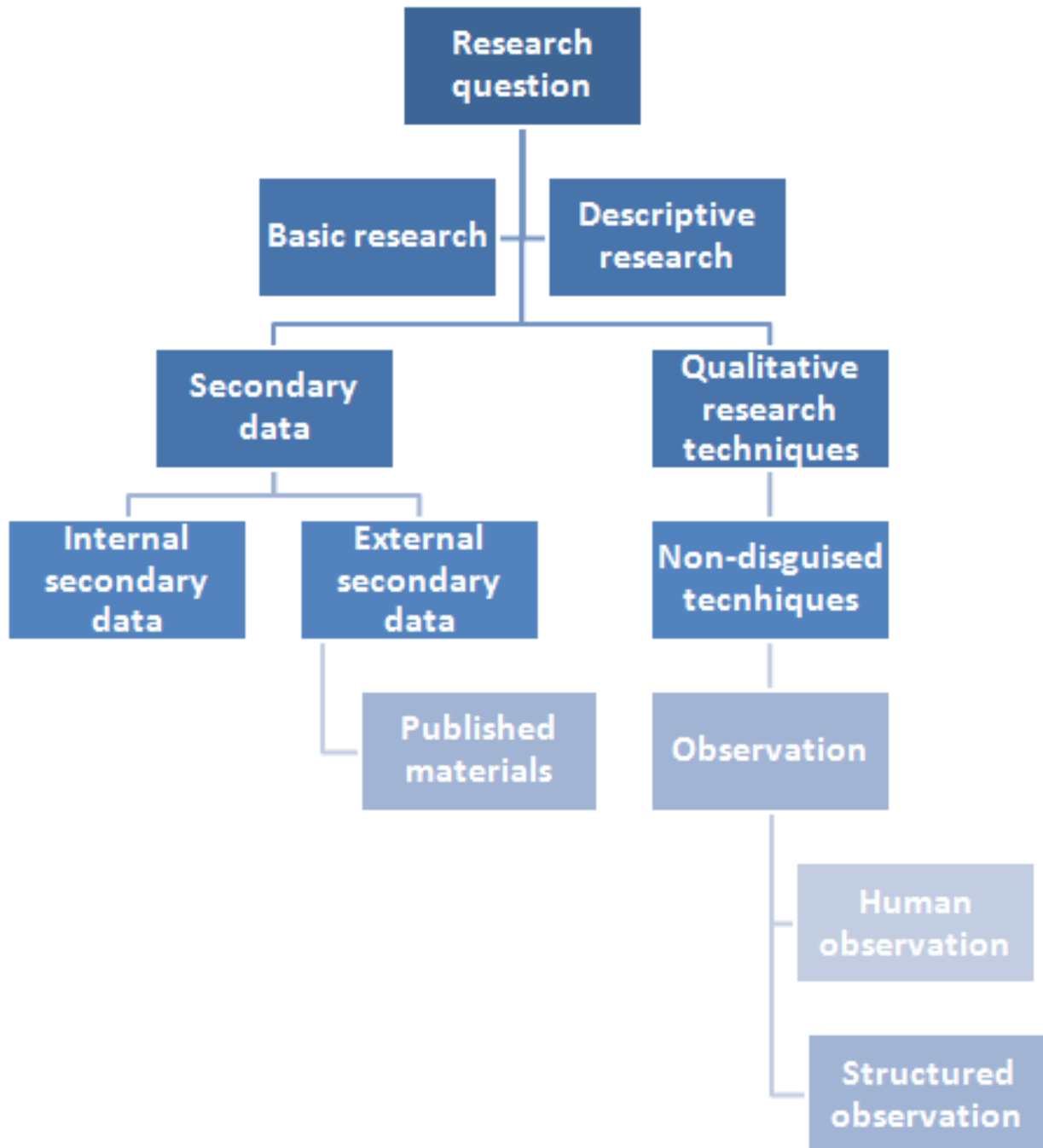


Figure 26: Methodology

7.4. The analysis of Burberry

The analysis of the case starts first of all looking at website metrics, such as the bounce rate³⁷, daily pageviews per visitor and daily time on site, in order to comprehend the level of users' engagement. In particular, the user experience could be seen as something related with both sense of exclusivity and emotion, for this reason, the analysis begins with site metrics and proceeds with the investigation of others variables.

Burberry		
Bounce rate	Daily pageviews per visitor	Daily time on site
28,80%	4,89	03:29

Table 4: Burberry's website metrics, from Alexa (2015)

The bounce level is 28.8% which means that if the website has 100 visitors, 29 visitors left it after visiting the first page because of different reasons such as impossibility to browse or low interest. In this case the rate is relatively low, which is very positive for Burberry, because it suggests that the website is attractive, indeed people visit more than one page.

The second index, daily pages per visitor, is 4.29 and it exposes the number of website's pages viewed in average by each visitor per day. The index seems to be high so it appears that the website has engaging information, however its meaning could be conflicting: on one hand it could mean that various pages are viewed and on the other hand it could suggest that the website is not so easy and intuitive in terms of navigation so people spend a lot of times to find what they are looking for. In order to better understand this aspect, the analysis will expose also the results in terms of usability and functionality.

The last website metrics is the daily time on site, in this case it is 3:29 which is quite high thus it suggests, as the previous index, that the website contains interesting contents. It has to take into consideration that internet users are impatient and they do not like spend a

³⁷ The bounce rate shows the percentage of visitors who left the website after visiting one pages. This definition suggests that low levels of bounce rate are positive. In particular if the bounce rate is higher than 80% is a disaster for the website, if it is around 50% is on average and, in general, a bounce rate under 30% represents a great result.

lot of time so, a high daily time on site means that they are willing to spend more time on the website which is considered attractive.

On average, the website metrics suggests that Burberry website appears interesting and attractive according to users, on consequence they show that the user experience is quite high on that website.

Moreover, it is also necessary that the brand should be consistent on the online channel and it has to be able to spread brand myth and its values, history and personality through the webmosphere to arouse senses and emotions.

Looking at the previous chapter brand's core features are the following:

- British heritage;
- Icons: label and trench coat;
- Craftsmanship;
- Innovative;
- Design;
- Values: protect, explore and inspire.

Observing the website it is possible to note that the majority of brand's features are exposed even on the home page. As it is possible to note from Figure 27, the home page put immediately in evidence the artistry of the products highlighting the fact that they are related to tailoring which is synonymous of high fashion.

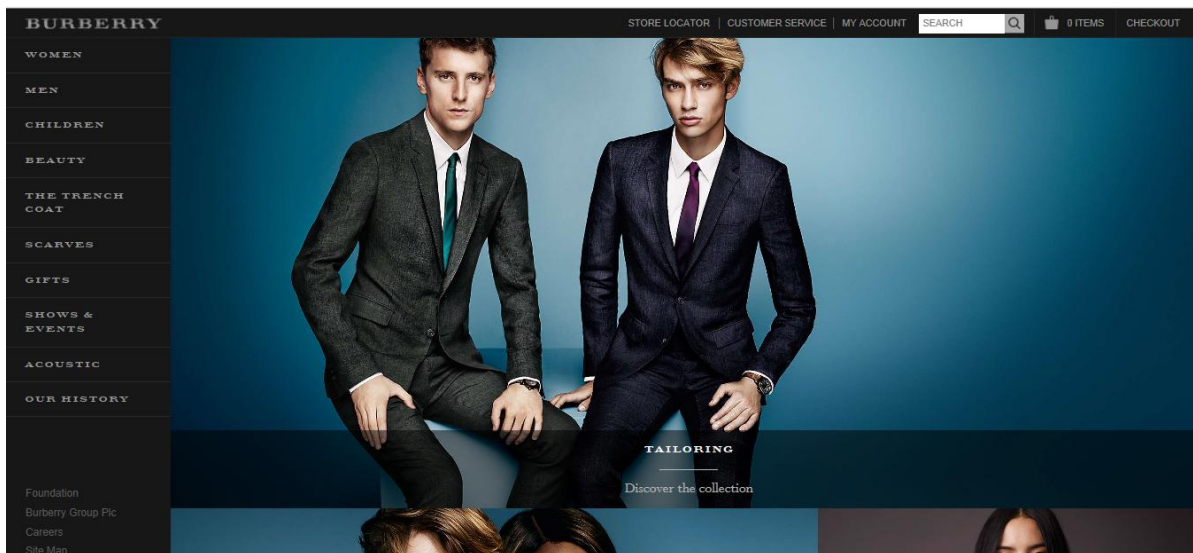


Figure 27: Burberry website: home page, tailoring, source Burberry.com

Scrolling down the home page it is possible to see that it also puts in evidence one of the icon of the brand: the trench. As it is possible to observe from Figure 28 the title is “the heritage trench coat” and, clicking on it, there is the possibility to see and perceive the nature of this product: tradition and innovation are put together to show the ability of the company to be creative and, at the same time, observant of Burberry’s history and heritage.

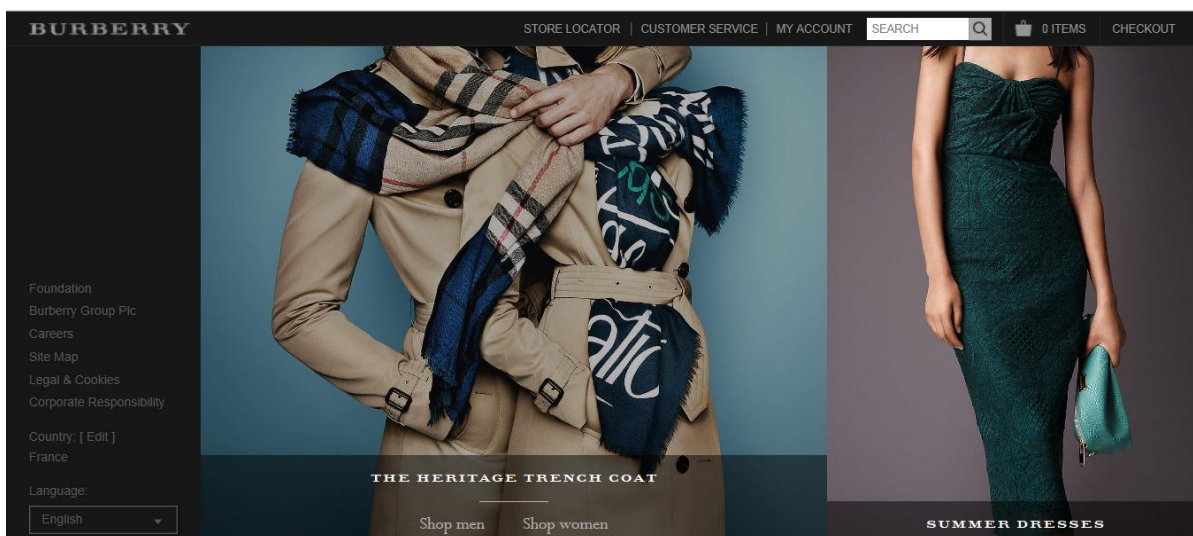


Figure 28: Burberry website: home page, heritage trench coat, source Burberry.com

This page also shows the different model of trench coats for men and women that are the Sandringham, the Kensington, the Wiltshire (only for men) and the Westminster. It is interesting to note that is page is directly connected with the parts of menu dedicated to

Coats and Jackets, where it is possible to find the section of “Heritage trench coats” which appears also in the home page. Moreover, traditional scarves are also exposed in the same pages in order to put together two products that are complementary and both parts of brand personality. Indeed, on the home page there is also a section dedicated to scarves.

Basically, just looking at the home page Burberry seems to be able to spread its values of tradition, craftsmanship, innovation and creativity. However, it is interesting to highlight that there are no images about the iconic equestrian knight device, the Prorsum, or trademark check.

As it is possible to see from Figures 27 and 28, the home page contains only the brand name above the menu. The name is not positioned in an invasive way, it seems that there is the will to give space at products because of their ability to talk in behalf of brand. This perspective appears in line with the offline part, in fact, looking at Burberry’s stores it is possible to notice the same approach: the logo is not intrusive.

Burberry’s ability to spread brand myth in terms of history, culture, personality and also values could be found on website’s pages related to the company. As it is possible to see from Figure 29, the main menu highlights the section “Our History” where the principal phases of Burberry are recalled.

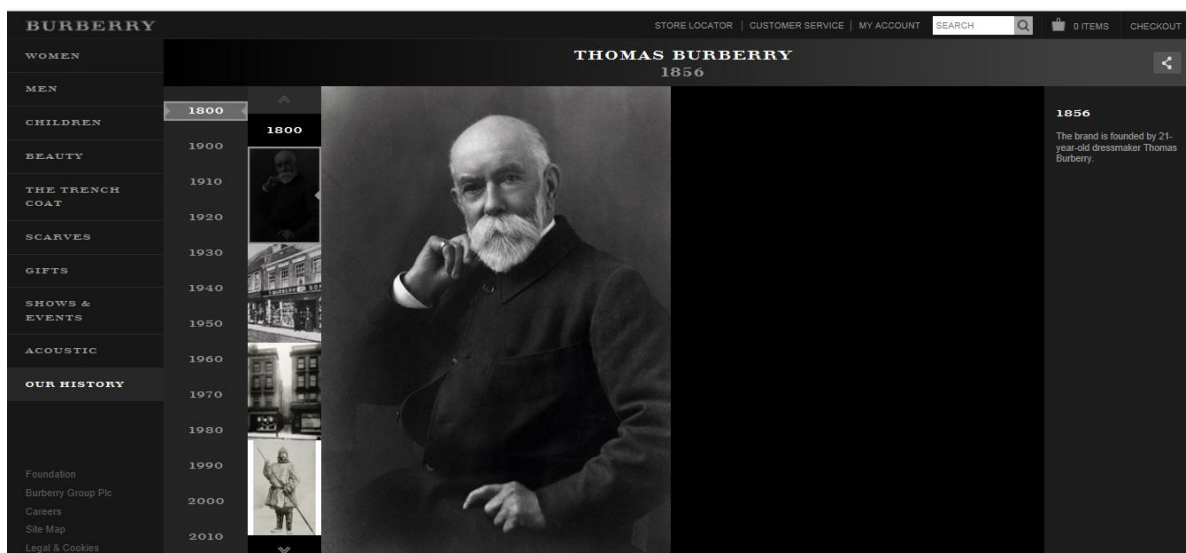


Figure 29: Burberry website, Our History, source Burberry.com

Scrolling this section it is possible to feel part of the brand, this could be considered a sort of storytelling which allows to users' engagement thought story, images and sounds.

The heritage of the company could be also found on the less evident section dedicate to Burberry Group Plc (Figure 30), which also contains information about brand, group, strategy management and videos.

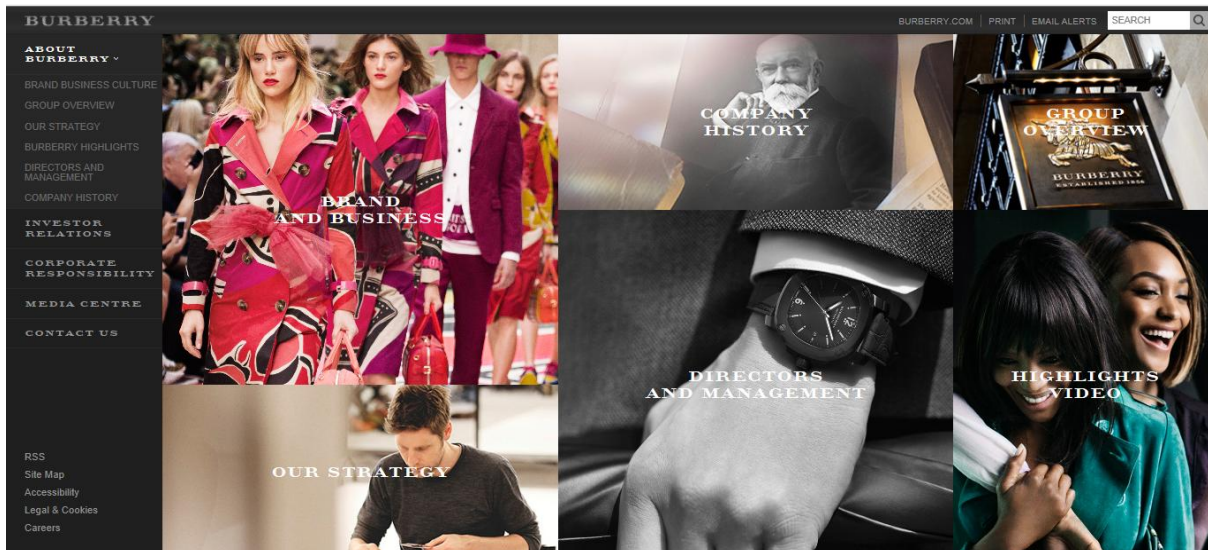


Figure 30: Burberry website, Burberry Group Plc, source Burberry.com

In this page, looking at the section dedicated to highlights video, it could be seen an amazing video³⁸ regarding Burberry history and what they did especially from April to September 2014. This page is always up-to-date in order to share performances and results and to feel users more and more involved with brand universe.

Focusing on brand and putting in evidence what it could give to consumers in terms of values and identity, the senses are stimulated and allow increasing the levels of familiarity and internalization highlighted by Okonkwo (2007).

Furthermore, it has also to take into account usability and functionality of the website in order to investigate the features which could influence customers' buying behaviour. Observing the home page (see Figure 27 and 28) it appears clear that it calls to mind the style of the company: elegant, luxurious, immaculate and refined.

³⁸ https://d3lkew8zknjt1t.cloudfront.net/butotv/live/videos/jhkYj/1/CbRbw/CbRbw_1200.mp4

In terms of graphic and colours it is possible to note that they remain consistent on the whole website. The graphic is very clear and clean, in line with brand image and exclusivity. Also the colours transmit brand's features through the use of shades of blue, grey and yellow, which seem to call in mind the distinctive colours of trademark check.

Moreover, the navigation of the website is easy because it is well organized: there is always a link to come back to the home page, the main menu and there is the possibility to check the site map. The functionality is also facilitated thanks to the low number of clicks to make in order to select product and services. For instance, to select a product, looking at all its characteristics and information, four clicks are maximum necessary, however, to see a product and its price only two or three clicks are required from the home page. Thus, it is possible to assert that the high level of the index "daily pages per visitor", the site metrics, expresses a positive result.

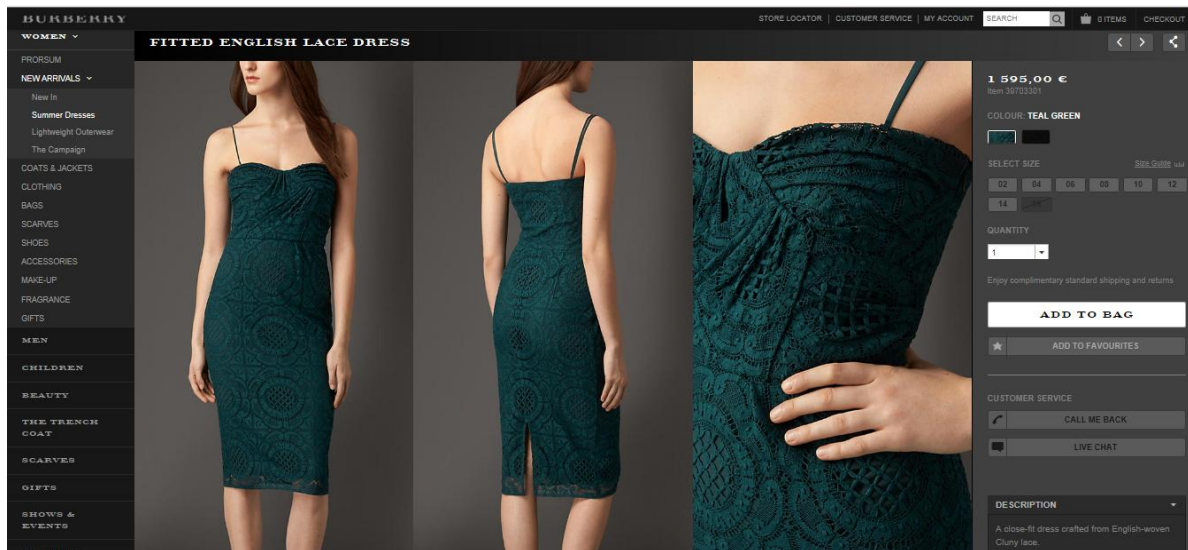


Figure 31: Burberry website, product selection, source Burberry.com

It has also to take into consideration the content of the website which appears up-to-date and very attractive. This website stimulates the senses in a great way through visual items and music. Indeed, there are sections dedicated to videos like "Highlights videos", which has already been explained, and "Shows and events" that is part of the main menu. Here it is possible to find videos about the more recent fashion shows and Burberry's events, all of them are very good thus it seems to be part of the experience, which is the best way to share brand universe online.

In terms of up-to-date content, it is interesting to note that home page changes the photos and the order of different pages. Doing this it is clear that when a user enters the website he/she could have always different perceptions because of the different products that are exposed.

The content also regards the texts which appear short and focused. For example, the story of the brand is told first of all through images, the texts only resume the main data and company's results; another example could be the description of the product which is also very focused on it, no-frills.

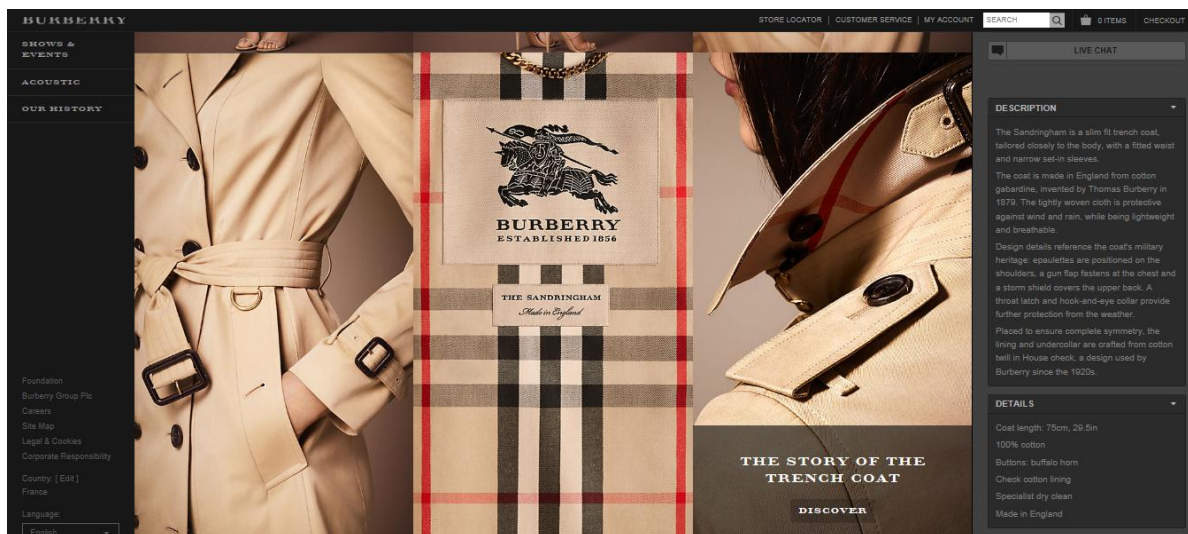


Figure 32: Burberry website, product description, source Burberry.com

As it is possible to see from the website, only the iconic products show longer descriptions (e.g. trench coats); nonetheless they put emphasis only on products' features.

Finally, it has to take into account the issue of interactivity which is a crucial point in terms of customers' involvement. According to the previous considerations, it appears that the importance of consumers is on the core business of Burberry which is able to express this concept very well even in the online channel. First of all it is possible to talk about interactivity focusing on the services provided for customers. On the top of the home page there is a section entitled "customer service" which shows the possibility to get in touch with the companies, for various reasons, using live chat, a service called "call me back" and there is also the possibility to have an appointment (Figure 33).

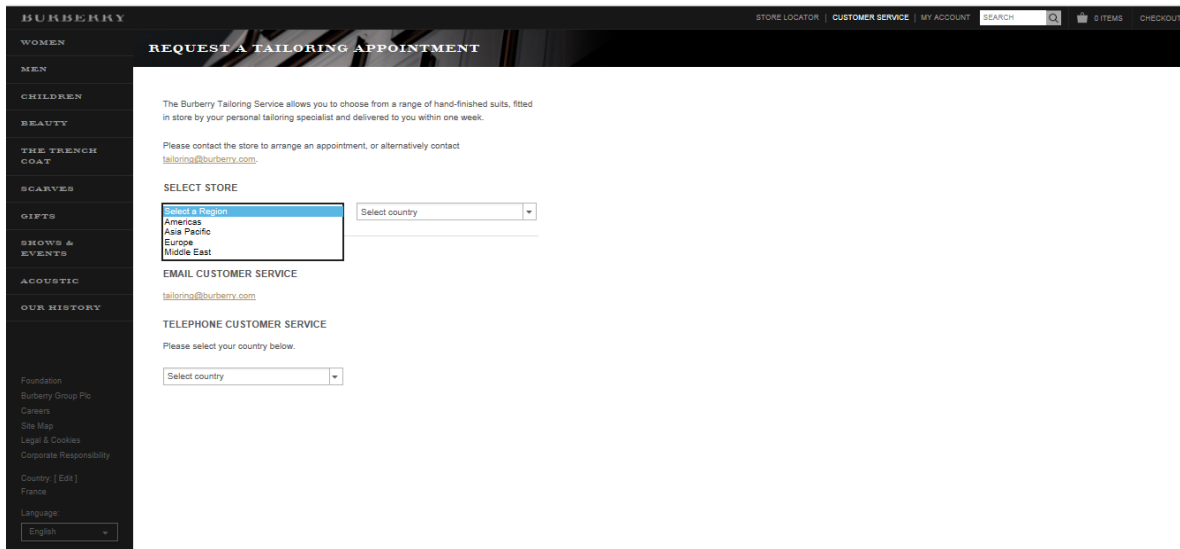


Figure 33: Burberry website, Appointment, source Burberry.com

The customer service is well evident also during the shopping experience because there is the possibility to use the service “call me back” in order to have assistance. This service is very important because it partially solves the problem of the lack of service, which is one of the main characteristics of a luxury shopping experience.

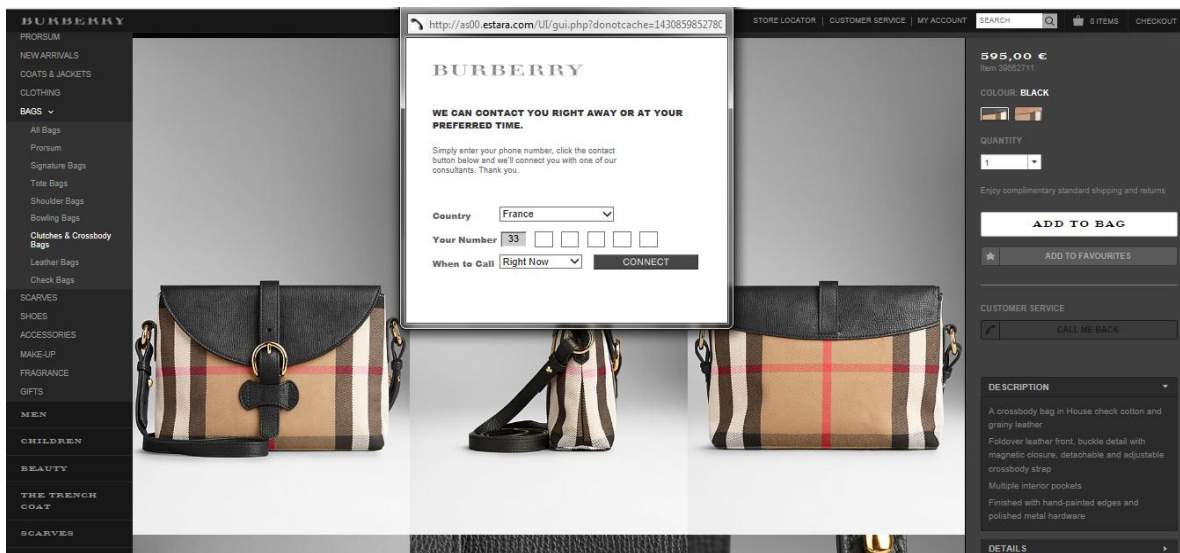


Figure 34: Burberry website, Customer service, source Burberry.com

It could be also considered a sort of customer service the pages regarding the “Gifts”, which could be visited clicking on the main menu. This part of the website exposes possible gifts for women, men and children; moreover, it could be downloaded “The Book of Gifts Summer 2015” which aim is to collect the most “giftable” items of the ongoing season.

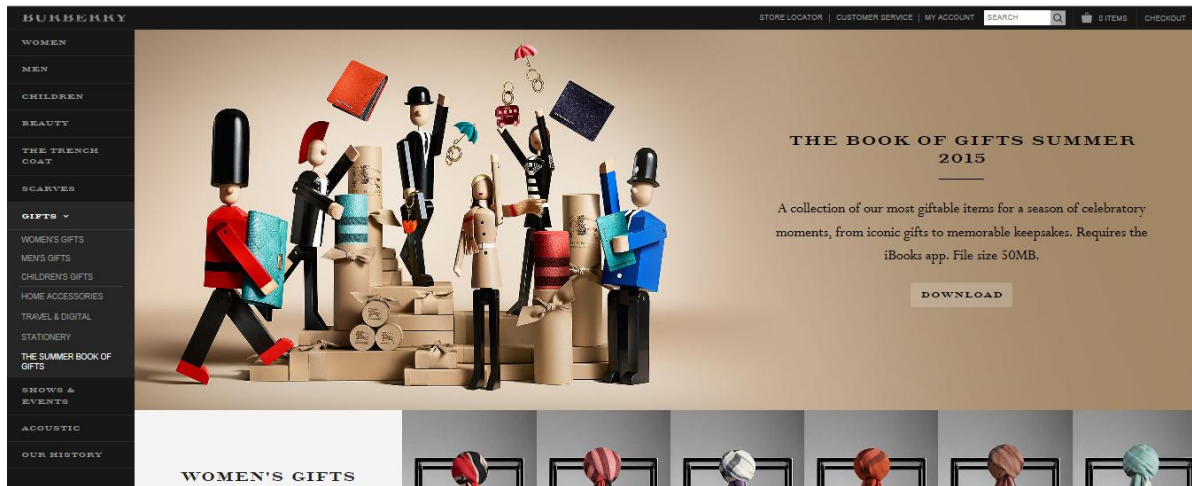


Figure 35: Burberry website, The book of gifts summer 2015, source Burberry.com

Looking at the theme of personalization, the website also offered a service called “Be spoke”, which could be found on the main menu on the section related to trench coat. This service gives the possibility to create own trench coat according to personal specifications; moreover, there is the possibility to design and order it online or the website suggests to visit Burberry flagship store in London to have a concrete experience with professionals.

To conclude, in the matter of interactivity it has to note that Burberry has created a page entitled “Art of the Trench”³⁹, where people could add photos wearing their own iconic trench. The aim appears to call consumers to act, in order to involve them in a sort of community, share emotions and feelings about the brand.

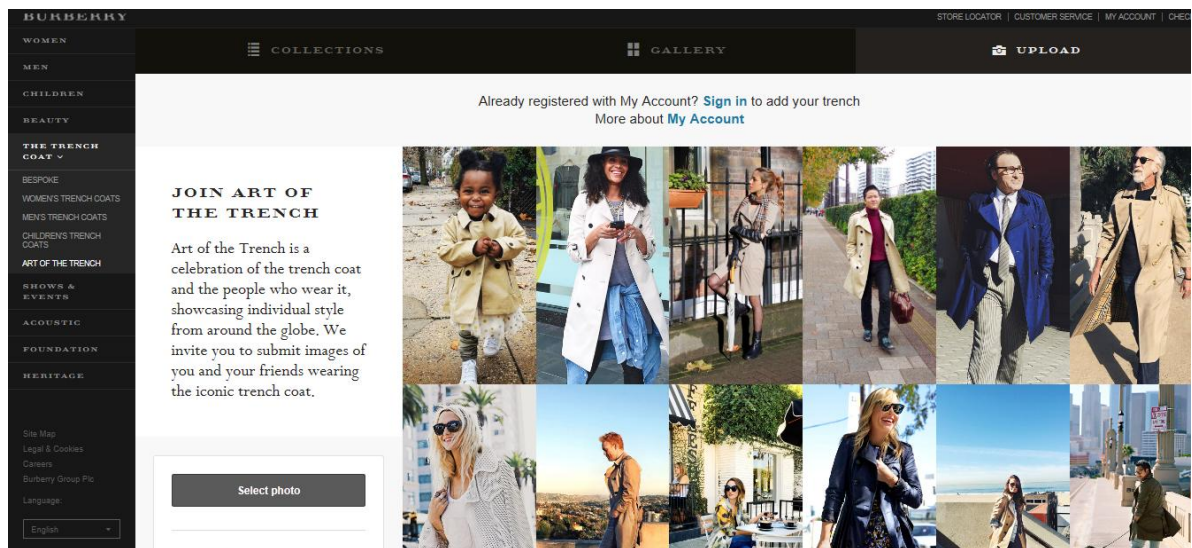


Figure 36: Burberry website, The art of trench, Burberry.com

³⁹ <http://artofthetrench.burberry.com/upload/>

7.5. The analysis of Gucci

The analysis of Gucci starts looking at website metrics, like bounce rate, daily pageviews per visitor and daily time on site, and it proceeds studying a set of variables. The aim is to deduce users' engagement; indeed these metrics seem to be useful in order to investigate users' experience which is linked with both sense of exclusivity and emotion.

Gucci		
Bounce rate	Daily pageviews per visitor	Daily time on site
27,00%	4,21	03:43

Table 5: Gucci's website metrics, from Alexa (2015)

The bounce level is 27% which means that if the website has 100 visitors, 27 visitors abandon it after visiting the first page, nonetheless the reasons could be different, for instance the impossibility to browse in that moment. It is quite easy to understand that lower levels of bounce rate (ideally less than 30%) suggest a positive result for the company. Thus in this case where the index implies that website is attractive because people visit more than one page.

The daily pages per visitor are 4.21, which suggest the number of website's pages viewed in average by each visitor per day. The index seems quite high, on consequence it implies that the website has engaging users, however, it meaning could be contrasting: on one hand it could mean that a various pages are viewed because of their interest content and on the other hand it could suggest that people spend a lot of times to find what they are looking for because of difficulties on navigation. Therefore to better comprehend this index, the analysis should deeply investigate the usability and functionality of the website.

The last site metrics is the daily time on site which is 3:43; it is high so it suggests that the website contains interesting contents. It has to take into account that users are impatient and they do not like spend a lot of time on navigation if the content is not interesting so, basically, a high daily time on site means that they are willing to spend more time thanks to the attractiveness of the website.

On average, the site metrics analyzed note that Gucci's website is considered interesting and attractive according to users, on consequence it is possible to affirm that the user experience seems to be well organized.

Nonetheless, in order to deep comprehend the user experience it is also necessary analyse other variables. First of all it is important to take into consideration the brand, which should be consistent even online, and it should be able to spread brand myth and its values, history and personality exploiting the webmosphere.

Looking at the previous chapter brand's core features are the following:

- Exclusivity;
- High quality and craftsmanship;
- Made in Italy;
- Icons: Horsebit, Bamboo bag, Jackie bag, Stirrup bag and Flora foulard;
- Innovation, sophistication and creativity.

Observing the home page it is possible to deduce some characteristics of the brand: exclusivity, elegance and sophistication. Indeed, it seems a sort of shop window because of the brown colour which is present on the bottom and that is typically used on the desks of the stores. Moreover, it is interesting to highlight that the home page put in evidence three kinds of products (pre-fall handbags, drivers and men's watches) which are not the icons of the brand. Probably this is due to the fact that Gucci wants to be perceived as a luxury brand

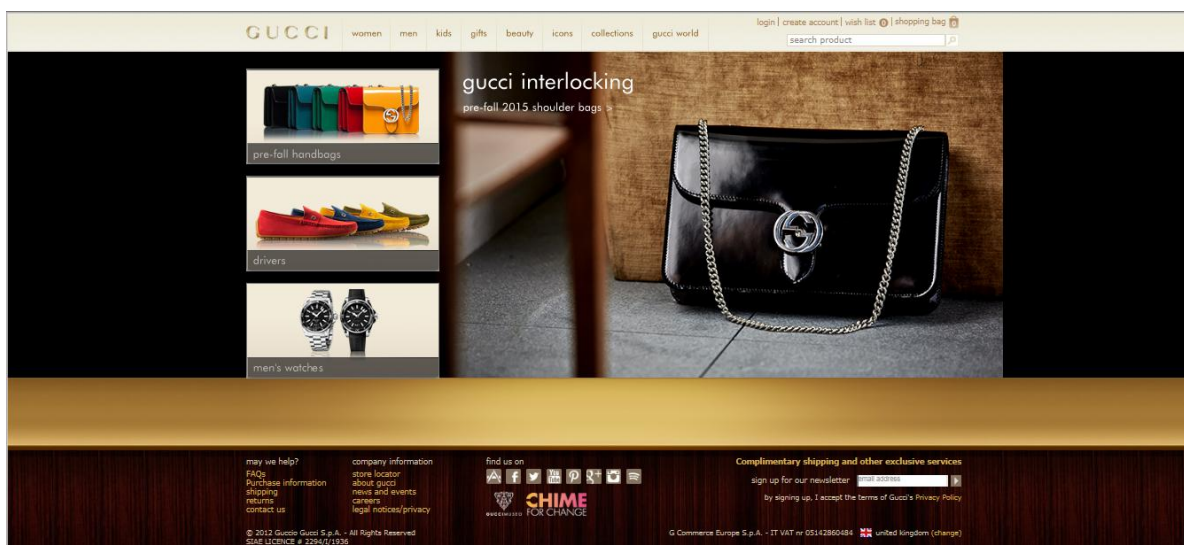


Figure 37: Gucci website, home page, source Gucci.com

not only because of its most famous products but also thanks to every products of the company because they are designed and created in order to spread brand's value of status and Made in Italy so they are equally able to involve consumers.

Nonetheless it is interesting to note that there is neither the double G logo nor the colours of the ribbon (red and green) on the home page, where even the brand name seems to be not intrusive. The page seems to give space at products and not at the company or its history. It is possible to notice that even in store the brand is not invasive; in this sense the brand confirms its consistency online and offline.

Nonetheless, scrolling the main menu it is possible to find the "Icons". The icons have a dedicated section of the website (Figure 37), this suggests that Gucci wants to facilitate the research of the iconic products and also put them all together in other to show its history and ability to create products timeless.

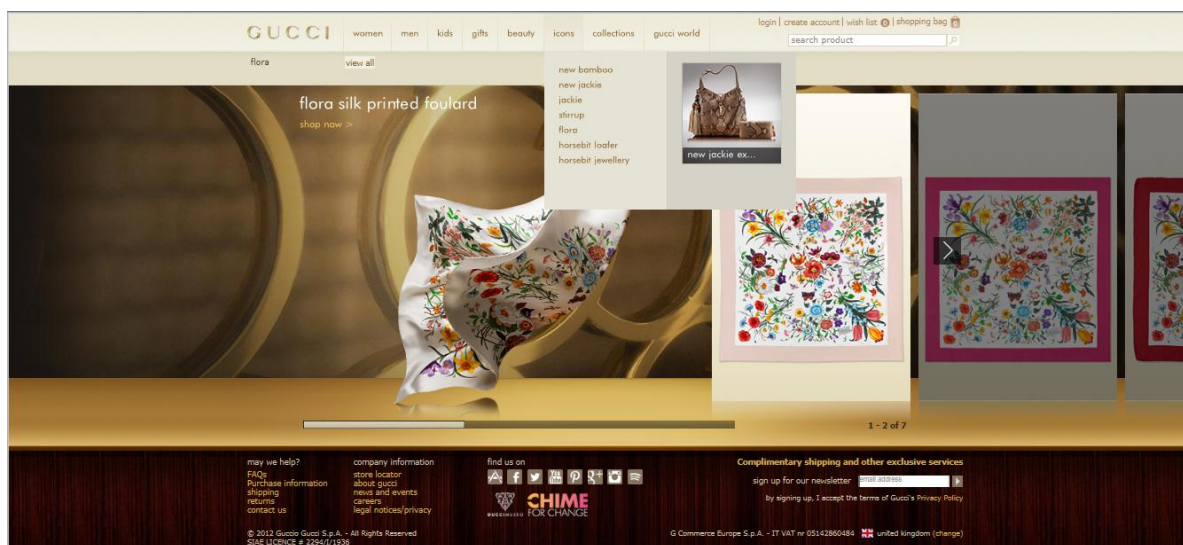


Figure 38: Gucci website, Icons, source Gucci.com

Looking at Figure 37 it is possible to observe that the iconic products are exposed in a background which puts in evidence Gucci's logo and its peculiar colours. This fact suggests that the company wants to highlight in the best way that these products are part of Gucci's heritage and culture.

The main menu also contains a section entitled “Gucci World”, where it is possible to find information about the history of the company, creative director, Gucci museum, flagship stores and the most important value: Made in Italy.

The page concerning the Made in Italy contains an article which explains what it means for the company. Basically, Gucci wants to put in evidence the fact that the “Made in” is not a mere slogan, on the contrary it represents company’s approach and passions, and it also seems a sort of mission for the company because of its will to maintain strong relationships with home places. Through this short article it is clear that Gucci has decided to highlight its stronger value in order to better involve consumers; indeed, through a deep understanding of the “Made in Italy” meaning, users are able to appreciate a Gucci’s product (physical and immaterial part).

Moreover, always on “Gucci world”, Gucci tells its history using different articles for each decade. It could be considered a descriptive storytelling because the texts contain a lot of information and it contains a huge amount of words like “unique, sophisticated, innovation” in order to arouse emotion towards the brand. It is interesting to note that these information could be find into two pages of “Gucci world” which are “the house of Gucci” and “learn our story”, nonetheless, the contents are organized a bit differently: on one hand company’s history is only one section of the pages, while, on the other hand the history is well explained immediately (see Figure 39).

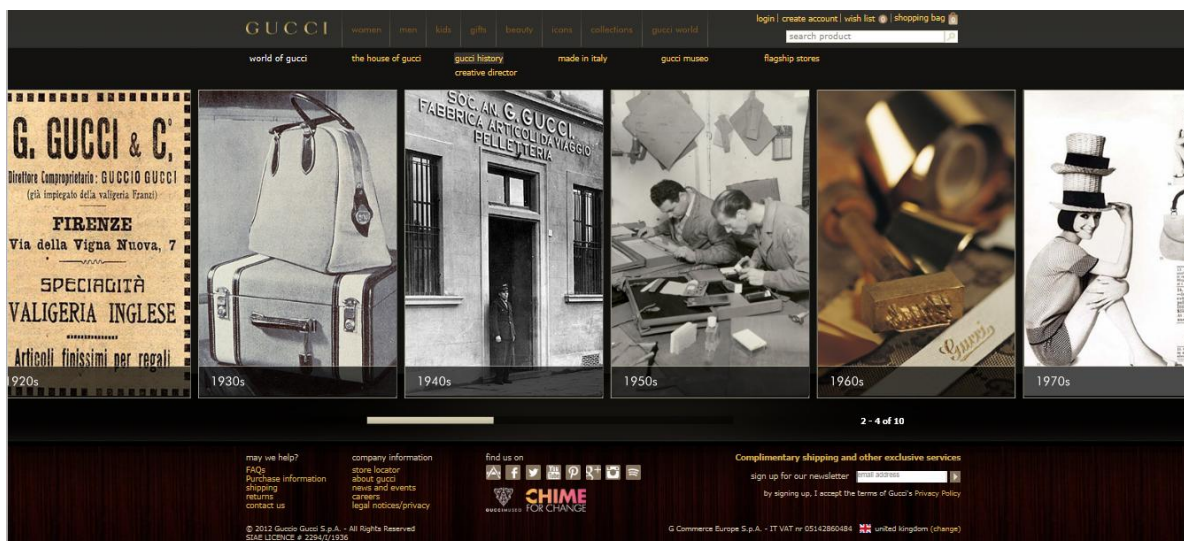


Figure 39: Gucci website, History, source Gucci.com

It is also possible to know the history and the company clicking on “About Gucci” on the bottom of the home page, however it does not contain images or videos but only a synthetic text which appears also very poor in terms of interesting contents.

The heritage of the company could be easily explored browsing on the section dedicated to Gucci’s Museum, which is connected to another website⁴⁰. These pages give the possibility to immerse yourself in the brand universe, indeed there is the possibility to scroll the “Archive” in order to see all the icons and timeless products.

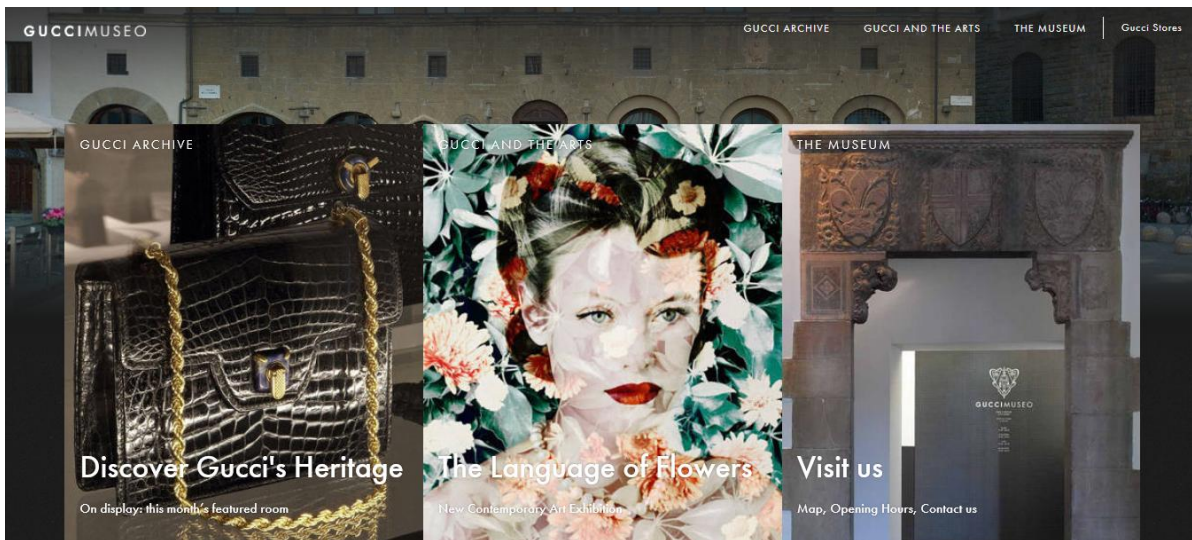


Figure 40: Gucci website, Museum, source Guccimuseo.com

According to Figure 41, the products are exposed as masterpieces, highlighting how they are designed and explaining their history and peculiarities. This website seems to be a

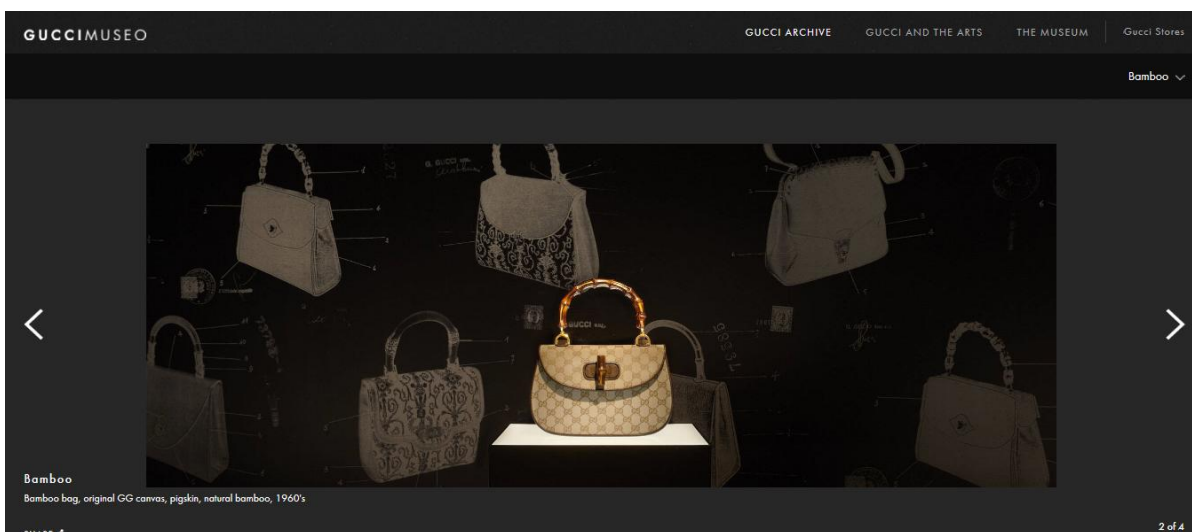


Figure 41: Gucci website, Archive, source Guccimuseo.com

⁴⁰ <http://www.guccimuseo.com/en/>

sort of temple for the brand which transmits its sense of sacredness through the exhibition and the presentation of the products.

The identity and the personality of the brand are also shown thanks to the large amount of video presented into Gucci.com. The videos are up-to-date and very rich in terms of contents; in effect they seem also able to raise emotion. It is interesting to notice that videos regard not only the more recent fashion shows but also the way to produce iconic products and overviews of the recent products. A lot of videos could be find in the page dedicate to “Gucci world”, even if they are on different sections such as “what’s new”, “watch videos”, “view the ad campaigns”, “watch the collections” and “view the show”, and also in the main menu “Collections”. It is easily deducible that Gucci puts more attention on these tools of communication in order to be able to better involve users in the brand world.

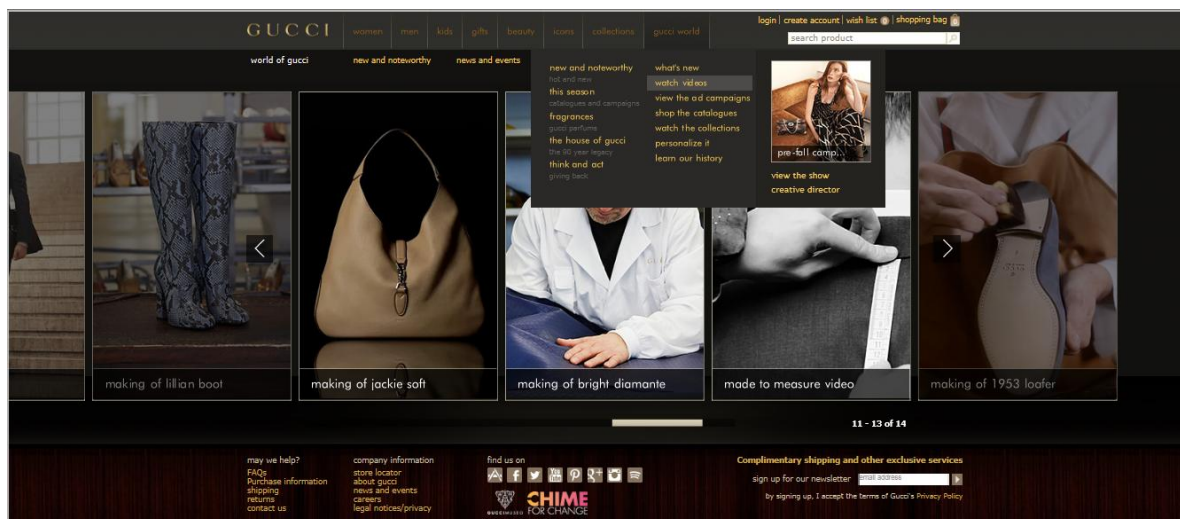


Figure 42: Gucci website, videos, source Gucci.com

Basically, looking at the brand and its ability to boost its values, myths, heritage and personality it is possible to assert that Gucci could be considered an expert on the online channel because its website and its communication are focused on the aim of arouse senses and experiences towards the brand.

Furthermore, it has to take into consideration the usability and the functionality of the website. Starting from the home page it is possible to note from Figure 37 that it is able to spread the core values of the company: exclusivity, sophistication and creativity.

Moreover, all the pages of the website are coherent in terms of graphic and colours. The design is very minimalist and sophisticated and the brown is the most used colour; moreover, certain pages are characterized by the presence of the double G logo as background.

It is also important analyse the usability and functionality of the website in order to deep investigate features which could influence users' buying behaviour. In this sense the home page is well organized, thus the navigation of the website results very simple and intuitive. Surfing into the website it could be observed that the colours on the top of the home page change according to different pages, nonetheless, the main menu is always fixed and there is always the possibility to click in a link to come back in the home page. Nonetheless there is not a site map, on consequence it means that there is not a scheme of the website which could make the navigation easier and faster. However, in general the website appears simple and easy so the metric daily pageviews per visitor could be considered a positive result.

The functionality of the website could be also measured taking into account the number of click which is necessary to display information about the products. In this case, two clicks are sufficient to visualize the price and few products' details while three clicks are enough to scroll all the information. Moreover, there is the possibility to select and buy products scrolling the online catalogues, however in this case the number of clicks increases.

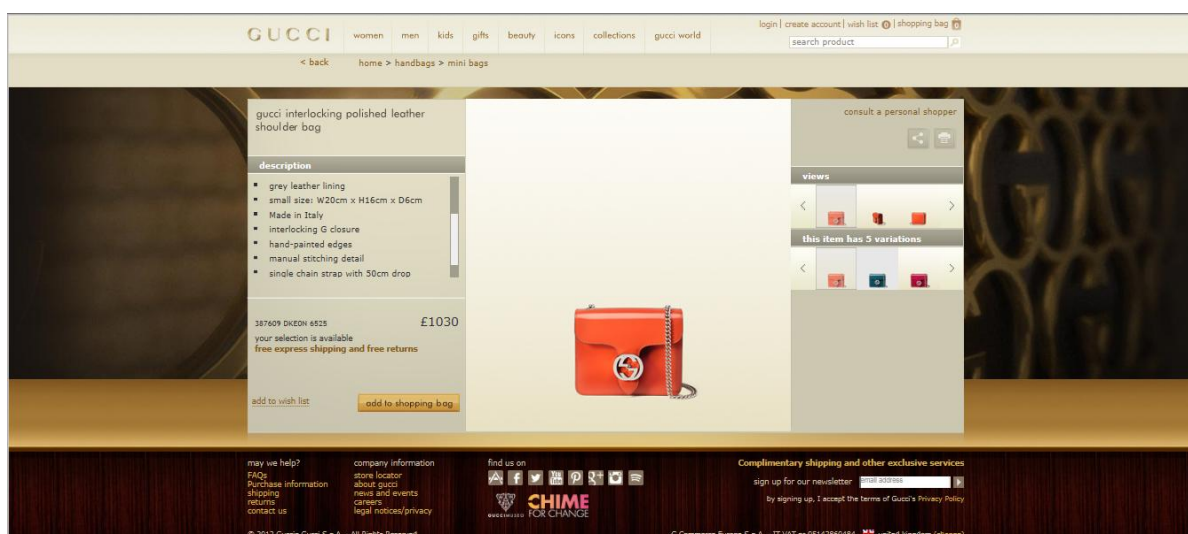


Figure 43: Gucci website, product's information, source Gucci.com

Looking at the contents it could be noted that both texts and videos are up-to-date and well organized. Moreover, texts appear quite long (as it is possible to see from Figure 43 the description of product's details is made using a lot of bullet points) however, reading them appears pleasant because they promote each product in the best way, from eye pencil to bag.

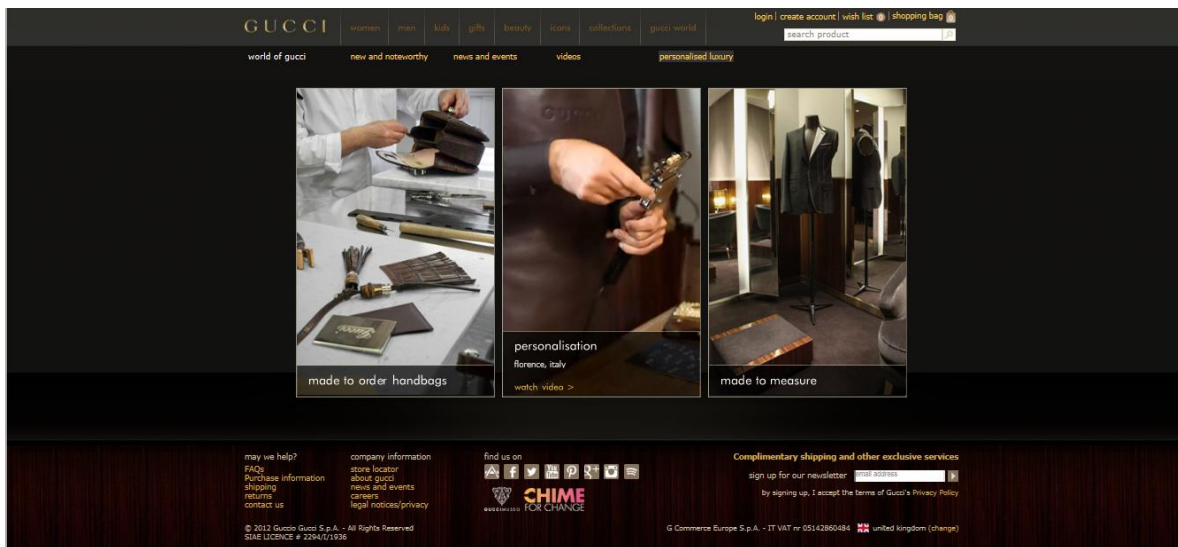


Figure 44: Gucci website, customer service, source Gucci.com

Finally it has to take into account the interactivity which is able to influence users' brand experience and emotion. To this end it is interesting to highlight that the brand tries to involve users on its universe not only through products and its history but also through users' brand experience. The brand appears able to exploit its strength points in order to boost users' experiences.

First of all it has to note that Gucci gives the possibility to consult a personal shopper (by mail or call) during the shopping experience. This is particular useful because it helps to reduce the perceived risk and the lack of service which are inevitable consequences of e-commerce.

Moreover, Gucci dedicates part of its website to a section of personalization. This page puts in evidence three issues: "made to order handbags", "personalization" and "made to measure. They expose video and texts explaining in more details what kind of services are provided by Gucci. In particular the company offers gucci service of personalization, made to order and made to measure which is provided on Gucci's boutiques.

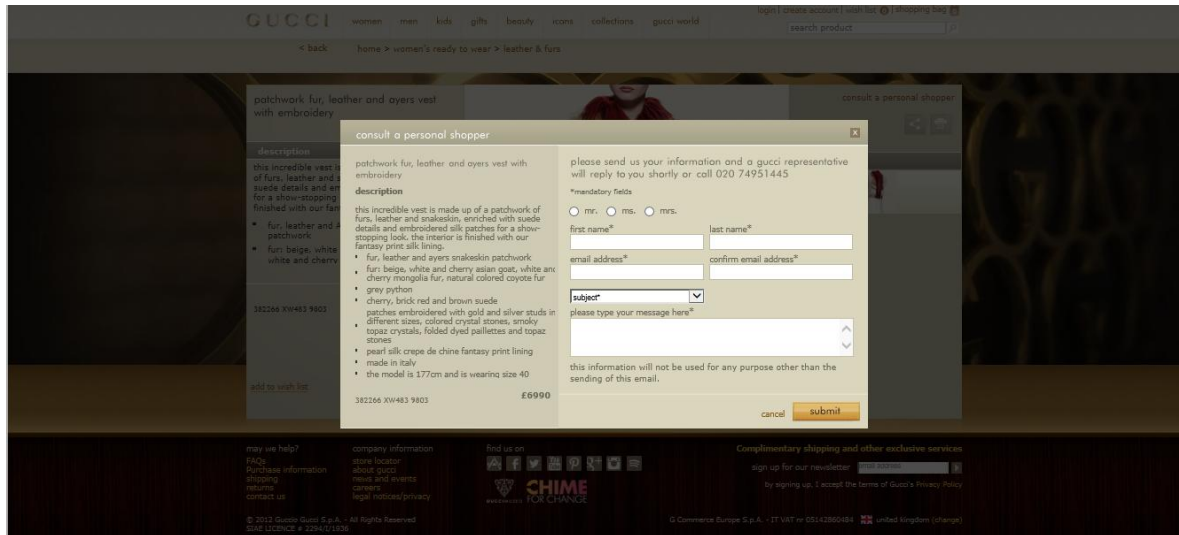


Figure 45: Gucci website, personalized luxury, source Gucci.com

It is possible to deduce that the personalization of products and a personalized experience of the brand are key features on Gucci business model.

To conclude it could be also considered a sort of customer service also the list of the trends on the page concerning the collections. In effect, the company gives to possibility to scroll all the products which are part of specific trend, on consequence users could easily find their items of interest searching on their preferred fresh style.

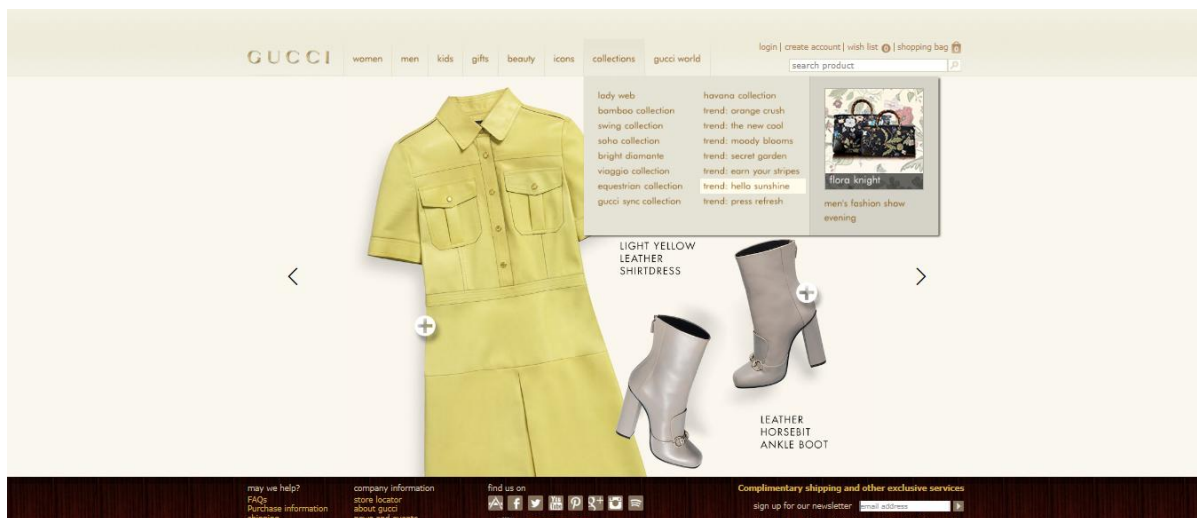


Figure 46: Gucci website, trend, source Gucci.com

7.6. Findings

According to the discussion of the cases, it is quite difficult divide the sense of exclusivity from the emotion which could be provoked by a brand. This is due to the fact that brand's values and personality are able to spread both brand exclusivity and emotion. These two themes are strictly related especially because the factors which are able to influence one theme could play a part in determining the other.

The analysis started with the discussion of websites metrics, which could be resumed on the following table.

Website metrics			
Company	Bounce rate	Daily pageviews per visitor	Daily time on site
Burberry	28,80%	4,89	03:29
Gucci	27%	4,21	03:43

Table 6: Burberry and Gucci sites metrics, adapted from Alexa (2015)

The three metrics are used in order to deduce empirically the ability of brands to raise users' experience and, according to the results Gucci reaches better performance. In particular, Gucci has a lower bounce rate and a higher daily time on site which suggests very positive results because they mean that the site is attractive and users are willing to spend time on navigation. It is interesting to note that even if Gucci has not a site map which could facilitate the navigation, it is able to reach better performance anyway. However, the results of Burberry seem quite good but they suggest a problem in terms of usability and functionality of the website: even if there is a site map, which could make easier the navigation, the metrics show that the daily pageviews per visitor are more than those of Gucci but the daily time on site is less. Looking into more details the analysis of usability and functionality both websites appear well structured, nonetheless, the comparison of sites metrics suggest that Burberry provides less users' experience than Gucci.

Moreover, as it is possible to understand from the previous discussion, usability and functionality of websites are strictly connected with their ability to arouse positive emotions and to spread brand's exclusivity. To this end it is equally important that brands are able to show and highlight their main values and heritage. In effect, it appears that Burberry and

Gucci put a lot of attention on the pages of the websites regarding brand's history, icons and values using videos, texts and storytelling. In particular, Gucci with its page "Gucci Museum" seems to be more able to arouse emotions and sense of exclusivity because it illustrates not only the history but also the icons of the company with their description, moreover during the navigation of those pages it is really possible to immerse yourself on brand universe. On the other hand Burberry has dedicate to its "art of trench" a lot of pages, however, it does not put in evident all its values and personality like Gucci.

In matters of branding and webmosphere, which allows spreading brands' specificities, it is possible to notice that both companies developed websites which are first of all coherent with their brand and also able to spread their image and sense of exclusivity. In effect, the websites seem to be able to transmit the so called "luxemosphere", especially thanks to their usability and functionality which are coherent with brand's values and personality.

It is interesting to highlight that Burberry and Gucci have a similar approach looking at the interaction with users. The interaction is related with users' brand experiences and, in these cases it could be seen in terms of personalization where both brands give the possibility to customize their products according to customers' need and expectations. Indeed the websites contains more pages dedicated to the services "made to order" and "made to measure". In particular Burberry has specific web pages in order to give the possibility to design and create own trench and tailor-made clothes, while Gucci offers a lot of services in terms of personalization which go beyond brands' icons.

Moreover, it could be considered the most important feature of both website the will to fill up the lack of service which a website implies. On luxury industry the service is a key issue of each shopping experience, for these reasons brands offer not only the possibility to get in touch with them but also the opportunity to make an online shopping experience with brands' consultants and personal shoppers. In this way, companies are able to increase the perceptions of websites' familiarity ("the website understands me!") and internalization ("the website is part of me!") which are fundamental steps in order to reach the level of the evangelism ("I love to share the contents of this website!") (Okonkwo U. , *Luxury Fashion Branding: Trends, Tactics, Techniques*, 2007).

Burberry with the “Art of Trench” gives to consumers the change to participate actively at brand’s heritage and to be part of the story; probably this could be considered the best way to engage them, making them part of brand’s exclusivity. Nonetheless, Gucci shows a greater talent on boosting customers’ emotions and engagement through the huge amount of videos and the accurate descriptions of both company and products.

Basically, taking into account all the previous considerations it is possible to build a map in order to put in evidence the position of the brands in terms of exclusivity and emotion in the digital environment.

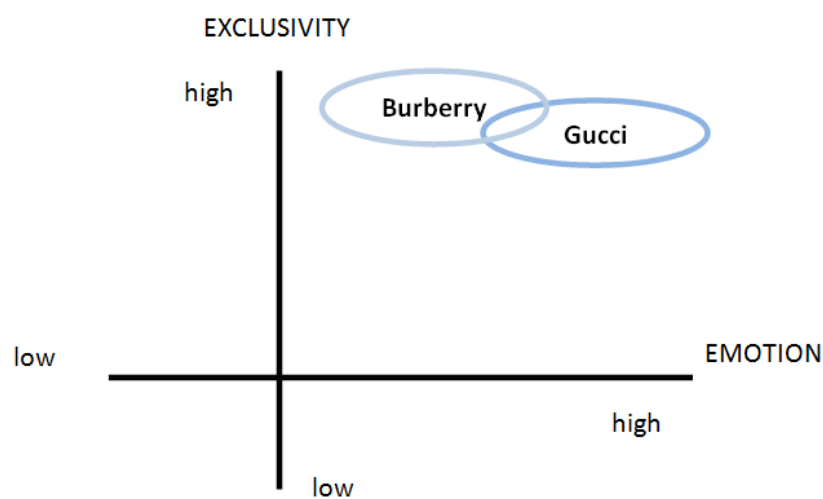


Figure 47: Burberry and Gucci, map exclusivity - emotion

As it is possible to observe from Figure 47 both Burberry and Gucci are well positioned in terms of exclusivity and emotion in the digital world, however on one hand Burberry reaches higher level of exclusivity thanks to its capabilities to spread brand’s sense of luxury and, on the other hand Gucci achieves higher level of emotion because of its way to communicate brand’s specificities and to involve users on brand universe.

Moreover, it could be interesting translate the previous map in terms of co-creation and interactivity, using the model of Pine and Gilmore⁴¹. This model is particularly useful because of its focus on two variables of co-creation and interactivity which are intensity and involvement.

⁴¹For further details of Pine and Gilmore’s model see the paragraph 4.2. “The interactions between brands and consumers”, page 36.

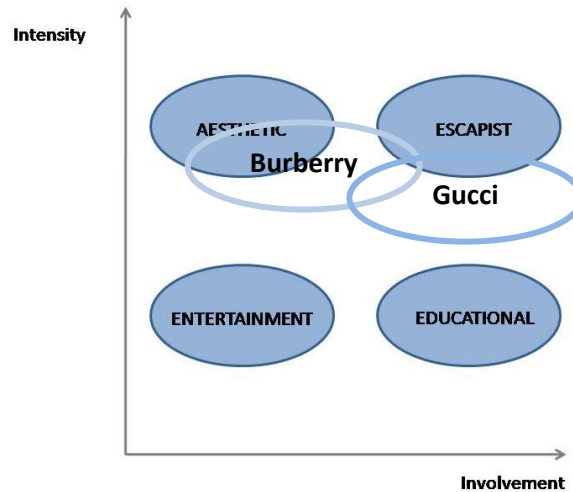


Figure 48: Exclusivity – emotion and co-creation – interactivity

Looking into more detail Figure 48 it is possible to see that Burberry shows higher level of aesthetic dimension because it allows users to delve into an experience maintain a sort of distance due to the lower level of involvement. On the contrary, Gucci reaches higher level of involvement maintaining also a good position on the other dimension; on consequence it is well positioned close to the escapist dimension.

To conclude, it is possible to recap the findings modifying the co-creation model of Prahalad and Ramaswamy⁴² in order to put together the main key points of the cases.

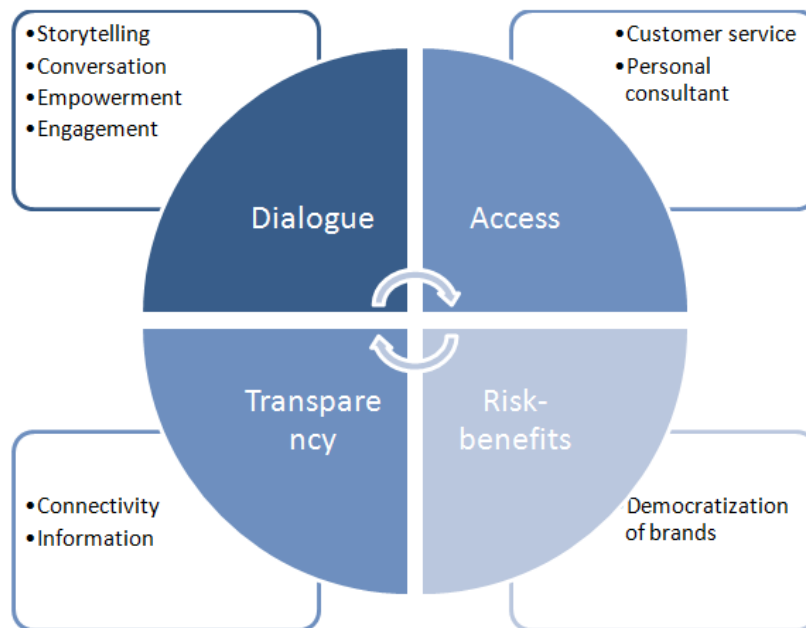


Figure 49: Recap of the findings, adapting from Prahalad and Ramaswamy's model (2004)

⁴² For further details of Prahalad and Ramaswamy's model see the paragraph 4.2. "The interactions between brands and consumers", page 38.

7.7. Recommendations

As it is possible to deduce from the discussion of the cases and the findings, there are some elements which each luxury brand has to take into consideration in order to spread its sense of exclusivity and to raise the emotions during online shopping experiences.

First of all to achieve a sense of exclusivity online the layout of the website has to be in line with brand image, in this sense, it could be useful create a sort of private space where customers could live a personal experience and feel part of brand universe. To reach this goal brands have to focus on customer engagement (e.g. Burberry in the “Art of Trench”) and personal experience. In this sense, customers’ online services such as brands’ consultants and personal shopper could help them to increase the level of involvement on buying process.

Moreover, luxury customers need to feel part of a brand universe and, in particular, to feel connected with its values and heritage in order to satisfy and exceed their needs. To this end personalized luxury items could help to engage customers, nonetheless, it has to take into account that the co-creation of a luxury good could create a negative brand perception due to the increase of luxury democratization.

In order to avoid negative repercussions companies should take into account that they have to transmit the exclusivity of their brands even through products which could be personalized. To reach this aim brand exclusivity has to be well present on the website which must be able to arouse emotions.

The fact is that customers want to feel unique, for this reason it has to be exploited the possibility to manage one-to-one relationship in the digital environment and looking at Burberry and Gucci’s cases the best options seem to be customer service, in order to fill up the online lack of service, and products’ personalization.

Furthermore, brands could use digital tools like videos and images in order to create their storytelling. As it is possible to see from the cases, both the companies developed specific web pages to share the more recent videos about fashion shows, events, products and whatever they considered important in order to engage users on brand world.

Another thing to take into account is the content of the website. Looking at these two examples it is possible to note that it is crucial the message behind, in this sense, Gucci seems to be more able to arouse emotions because of its ability to better manage these issues. In effect, Gucci puts more and more attention on the diffusion of its brand values, especially the “made in Italy”, than Burberry’s “British heritage”.

To conclude exclusivity and emotion determined the success of a brand both offline and online. The digital environment seems to be more complicated to manage, however as it is possible to see from this discussion, some companies have already found good strategies in order to be able to deal with this new challenges and opportunities.

This thesis shows only few guidelines which could be applied on digital universe, nonetheless, other considerations could be equally important.

8. Conclusion

The way to manage luxury brands and to arouse emotion in the digital environment becomes more and more a source of competitive advantage for companies that want to achieve and maintain leader positions. The digital environment has changed both markets and consumers, on consequence new approaches and strategies have to be applied to boost own brand and consumers' experiences.

In order to investigate some guidelines which could be useful to reach these aims, the thesis has illustrated theories related to luxury's definition, branding, consumers' buying behaviour and emotion. All these arguments are deeply analysed in order to deduce some criteria to investigate how Burberry and Gucci, that are two luxury brands considered pioneers on digital environment, manage these issues. The criteria concern website metrics, brand consistency, brand specificities, website usability and functionality and interactivity, in particular they are applied in order to analyse the performances of these brands on their websites, with the final goal to deduce general guidelines.

The analysis of the cases leads to findings that seem to give a quite exhaustive answer to the research question. In particular the results show that the sense of exclusivity is first of all related to website usability and functionality because of its layout, content and specificities that are able to raise customers engagement and personal experience. In this sense the role of customer services, such as brands' consultant and personal shopper, appears crucial to better involve users and to fill up the lack of service, which is a weakness of the online channel. Moreover, the findings highlight the importance to be able to spread brands' specificities and to co-create value with users in order to arouse users' emotion. Looking at the websites it is clear that both Burberry and Gucci direct attention to customer services to reach high levels of customers' experience, the aim seem to be the creation of one-to-one relationships. Furthermore, storytelling and the ability to involve users on brand universe appear essential to arouse emotions.

To conclude the analysis of the cases puts in evidence interesting guidelines which could be useful for luxury brands in order to manage own website, nonetheless it is clear that this is only one way to investigate the highlighted relationship between luxury brands, digital environment and emotion.

9. Limitations and future researches

The main limit of this thesis is the use of observational technique that is a qualitative method which allows obtaining different results according to the identity of the researcher. Basically the analysis is influenced by the perceptions of the researcher, thus another research on the same theme with the same technique could illustrate different specificities and conclusions. In order to become more objective future researches should be focus also on quantitative methods, such as questionnaires and personal interviews.

Moreover, the analysis has used only three website metrics in order to measure users' experience; obviously they are not enough because they are only three of the metrics which could be used to evaluate a website. Furthermore, it is not sure that this metrics are the most appropriate to judge users' experience, in effect these are used because of their definitions which were considered appropriate to solve the investigation. Future researches should try to find more significant website metrics in order to deduce users' experience and their involvement in the website.

To conclude, in order to better analyse users' website experiences and their involvement it could be interesting organize focus group and personal interviews in order to deep comprehend what is people's reaction towards a brand's website and how they perceive brand's exclusivity and emotions of online shopping experiences.

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Affidavit

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