Retaining the allure of luxury brands during an economic downturn.


Purpose – Despite the changing conditions worldwide, some global luxury brands have attained strong performance levels, and perhaps it is their globalness that keeps them resilient. Since the global luxury market is comprised of customer segments with relatively homogeneous needs, wants and motivations, achieving a global luxury brand positioning will help mitigate the negative consequences of economic crises, regardless of the market in which a luxury brand operates. The paper aims to discuss these issues. Design/methodology/approach – A survey instrument was administered to a sample of 200 professionals located in a European country where none of the global brands cited in the paper are originating. The country was also selected on the basis of its propensity to have local luxury brands in competition with the global brands in each of the categories tested. The survey was conducted during the peak of economic crisis in Europe. Findings – This study provides evidence that brand globalness may be a major value creating factor, and thus a source of competitive advantage for luxury brands competing in the global marketplace. Another question addressed by this study is should the luxury brand modulate the message projected in the media away from luxury and closer to quality or other stimuli less associated with luxury in order to avoid luxury shame. All these are questions addressed by this imperial study to investigate how the brand globalness influences consumer perceptions in global recessionary times. Originality/value – The proposed research formulates an empirical study of the underlining effects of what is referred to as “glocalization” in the literature on the luxury positioning. This study provides evidence that brand globalness may be a major value creating factor, and thus a source of competitive advantage for a luxury company competing in the global marketplace. [ABSTRACT FROM AUTHOR]

DOI: 10.1108/JFMM-03-2015-0030. (AN: 109359098)

Subjects: BRAND name products; LUXURIES; INTERNATIONAL markets; FINANCIAL crises; COMPETITION (Economics)
Brand luxury index: a reconsideration and revision.


Purpose – The purpose of this paper is to improve the original Brand Luxury Index (BLI) developed by Vigneron and Johnson to provide a practical tool for assessing consumer's perception of the luxurious of a brand. Design/methodology/approach – The original BLI was revised through three stages: an initial scale-item generation employing a qualitative method (i.e. focus group interviews), scale purification process using statistical techniques (i.e. exploratory factor analysis and confirmatory factor analysis (CFA)), and scale verification process using CFA. Data (249 for scale purification, 253 for scale validation) were collected with the help of E-rewards, a marketing research company. Findings – The modified BLI contains five dimensions (i.e. quality, extended-self, hedonism, accessibility, and tradition). The number of the dimensions remained the same as the original conceptualization (i.e. conspicuousness, uniqueness, quality, hedonism, extended-self), however, the contents of those dimensions differed. Practical implications – The modified BLI can be used to monitor and manage a prestige brand in the market place. Not only can marketers of prestige brands use the index to assess consumers' perception of the luxuriousness of their brands but also to position their brand along the desired dimension of luxuriousness. Originality/value – The modified BLI can be used to measure marketing performance of luxury brands. [ABSTRACT FROM AUTHOR]

DOI: 10.1108/JFMM-05-2015-0043. (AN: 109359099)

Subjects: BRANDING (Marketing); LUXURIES; CONSUMERS -- Attitudes; MARKETING research; Marketing Research and Public Opinion Polling; EXPLORATORY factor analysis

The role of functional and symbolic brand associations on brand loyalty.


Purpose – The purpose of this paper is to examine the effects of functional (perceived quality) and symbolic (personality congruence, user imagery congruence, brand prestige and brand tribalism) brand associations in attitude and brand loyalty of Generation Y’s consumers towards two categories of luxury fashion brands. Design/methodology/approach – A structural equation modeling method is employed in this research based on data collected from 450 individuals born between 1977 and 1994 in Iran. Watches and sunglasses are two luxury product categories chosen in this study. Findings – The findings of the study reveal that perceived quality is the better predictor of brand attitude and brand loyalty. Personality congruence (mediated by perceived brand quality), brand prestige (mediated by perceived brand quality and brand attitude) and brand tribalism (mediated by brand attitude) have an indirect positive effect on brand loyalty. Research limitations/implications – Due to the historical delay in the entrance and publicity of modern information and communication technologies in Iran compared with the western societies, the studied generation in this paper might not be completely conformed to the mentioned characteristics of Generation Y in terms of using media. Originality/value – This study combines consumer-based and community approaches of creation and management of brand to examine loyalty towards luxury fashion brands in Generation Y’s consumers as an attractive segment for luxury brands. [ABSTRACT FROM AUTHOR]

DOI: 10.1108/JFMM-02-2015-0011. (AN: 109359096)

Subjects: BRAND loyalty; LUXURIES; CONSUMER behavior; FASHION; STRUCTURAL equation modeling


Branding decisions are critical for the success of new products. Prior research on branding and brand extension has primarily focused on how branding influences consumers’ perceptions of product quality. However, consumers of conspicuous goods care not only about product quality but also about the profile of its users. For example, high-end consumers prefer an exclusive brand. On the other hand, low-end consumers may find a brand more attractive if high-end consumers use it. In this paper, we analyze how social effects and market structure can influence the branding of conspicuous goods. Consistent with intuition, our theoretical analysis shows that a monopolist would prefer not to use umbrella branding when consumers’ desire for uniqueness is high. By contrast, in a competitive market, umbrella branding is more profitable than individual branding when consumers have a high level of desire for uniqueness. We also identify conditions in which it is optimal for marketers of conspicuous goods to adopt either an individual branding strategy or asymmetric branding strategies. Furthermore, competing firms may offer umbrella branding even when both firms may be better off if they could commit to using individual branding. Finally, we extend the model to consider a market where consumers’ product preference is not related to social status. Again, if consumers are sufficiently snobbish, competing firms earn more profits by adopting an umbrella branding strategy instead of an individual branding strategy. [ABSTRACT FROM AUTHOR]

DOI: 10.1287/mnsc.2014.2078. (AN: 109514471)

Subjects: BRANDING (Marketing); SOCIAL impact; INDUSTRIAL organization (Economic theory); MONOPOLIES; CONSUMER behavior

Antecedents and outcomes of brand prominence on willingness to buy luxury brands.

By: Cheah, Isaac; Phau, Ian; Chong, Calvin; Shimul, Anwar Sadat. Journal of Fashion Marketing & Management. 2015, Vol. 19 Issue 4, p402-415. 14p. Abstract: Purpose – The purpose of this paper is to investigate the influence of brand prominence on willingness to buy luxury brands. It also aims to investigate the direct and moderating roles of luxury brand values, social influence and vanity on willingness to buy luxury brands. Design/methodology/approach – A convenience sampling method was employed. Survey questionnaires were distributed by mall intercept to quasi-random samples in downtown Perth, Western Australia for completion and return. The return yielded 779 usable questionnaires, the data from which were analysed using SPSS 22. Findings – The findings support the influence of brand prominence on purchase intention for luxury brands. It has also been found that social influence has a significant influence on physical vanity and willingness to buy luxury brands. However, some relationships with and isolations from the earlier studies have been identified. Practical implications – This study provides some meaningful insights for marketing managers regarding brands prominence that they can use in better understanding the consumers’ intention to buy luxury products. A luxury goods manufacturer may want to be cautious to not over popularize its trademark for short-term gains. There must be a delicate balance between the uses of prominent and subtle signals in luxury branding in order to maintain value as a prestigious label. Originality/value – Previous studies have mainly focused on the antecedents of willingness to buy luxury brands, whereas this paper incorporates the construct of brand prominence, adding new insights into the construct. [ABSTRACT FROM AUTHOR]

DOI: 10.1108/JFMM-03-2015-0028. (AN: 109359097)

Subjects: CONSUMER behavior; BRAND equity; LUXURIES; PURCHASING; SOCIAL influence
A luxury brand management framework built from historical review and case study analysis.


Purpose – The purpose of this paper is to develop a luxury brand management (LBM) framework that accounts for the changing luxury environment (i.e. heterogeneous consumer populations, operations within markets of varying maturity, need for seamless customer experiences, and Omni-channel retailing). Framework set within this new luxury business environment and environmental phenomena unique to the fashion industry (i.e. fashion adoption, zeitgeist). Design/methodology/approach – Case study of leading luxury conglomerate, Louis Vuitton Möet Hennessy (LVMH), combined with in-depth historical review of luxury industry. Primary and secondary data sources yielded thick descriptions of brands in LVMH portfolio and larger luxury industry, in which conglomerate is the predominant organizational structure. Content analysis of data-tracked relationships and emergent patterns. Recontextualization techniques were employed to identify key dimensions of brand management operations for sample company and further explicated indicators, sub-variables, and measurements. Macro and micro dimensions were combined for the final framework. Findings – Findings revealed a LBM framework with specific dimensions at the micro or company level that are combined with variables and indicators in the macro-business environment. Strategic management response was also identified as a tool companies can use to synthesize brand management strategies throughout company and remain adaptive to environment. Originality/value – Contributes to company-based luxury research. Holistic findings; framework was constructed from the micro-company level within a macro-environmental context, increasing its relevancy for firms. Potential to be employed in strategic brand management decisions of luxury companies, regardless of their corporate structure, size, or age. [ABSTRACT FROM AUTHOR]

DOI: 10.1108/IJRDM-07-2014-0103. (AN: 110372191)

Subjects: STRATEGIC planning; RETAIL industry; PRODUCT management; All Other Miscellaneous Store Retailers (except Tobacco Stores); All other miscellaneous store retailers (except beer and wine-making supplies stores); All other miscellaneous general merchandise stores; LUXURY; CASE study (Research)

Consumer behavior and psychology

Luxury purchasing among older consumers: exploring inferences about cognitive Age, status, and style motivations.

By: Amatulli, Cesare; Guido, Gianluigi; Nataraajan, Rajan. Journal of Business Research. Sep2015, Vol. 68 Issue 9, p1945-1952. 8p. Abstract: This research deals with the possibility that luxury purchasing among older consumers is related to their cognitive age (i.e., the age they feel) and, accordingly, the study reported herein assesses the effects of the underlying luxury motives on cognitive age. Results show that older consumers who relate luxury goods purchasing mainly to status reasons tend to feel younger than those who consider luxury goods purchasing primarily as a means to express their individual style. Furthermore, the study finds that, in order to meet their needs and wants, older consumers with a lower cognitive age rely more on brands than specific products; so their luxury goods purchasing intention is influenced more by brand images than product characteristics. These findings have marketing implications in the context of planning ad hoc advertising strategies aimed at luxury selling to older consumers. [ABSTRACT FROM AUTHOR]

DOI: 10.1016/j.jbusres.2015.01.004. (AN: 103238110)

Subjects: LUXURIES; CONSUMERS; BRAND image; ECONOMIC impact; MOTIVATION (Psychology) -- Economic aspects
Self-referencing narratives to predict consumers’ preferences in the luxury industry: A longitudinal study.


Accurate predictions of consumers’ spontaneous in-store preferences for new products remain limited, especially for luxury products, for which purchase choices involve subjective and symbolic elements. This paper shows that narratives that are spontaneously associated to products in the store are good predictors of consumers’ actual both in-store and after-usage preferences. A longitudinal study of the haut de gamme perfume industry demonstrates that consumers who spontaneously narrate personal stories when testing products in the store are more likely to prefer products in the store and after usage at home. In addition, the present research shows that this effect is stronger for perfume brands that convey a strong heritage. This paper demonstrates that marketers should analyze consumers’ narratives at points of purchase to anticipate their long-term behaviors towards luxury products.

[ABSTRACT FROM AUTHOR]

DOI: 10.1016/j.jbusres.2015.02.017. (AN: 103238090)

Subjects: ECONOMIC forecasting; CONSUMERS’ preferences; NEW product development; BRAND name products; Marketing Consulting Services; LONGITUDINAL method

The tango of two deadly sins: The social-functional relation of envy and pride.

Lange, Jens; Crusius, Jan; Journal of Personality and Social Psychology, Vol 109(3), Sep, 2015 pp. 453-472. Publisher: American Psychological Association; [Journal Article] Abstract: Envy stems from a social comparison with a superior standard. Its 2 distinct forms are directed at changing this situation in different ways, either by becoming as successful as the envied person (in benign envy) or by lowering the envied person’s advantage (in malicious envy). In essence, envy is thus a social phenomenon. Nevertheless, most previous research has focused on its underlying intrapersonal processes, overlooking envy’s interpersonal core. In contrast, we show in 6 studies (N = 1,513) that envy and pride are intertwined in a social-functional relationship. Envy and pride often co-occur (Study 1) and pride displays enhance envious feelings (Studies 2 and 3). Specifically, authentic (success attributed to effort) and hubristic pride (success attributed to talent) modulate envious intentions and behavior toward their benign and malicious form (Study 2 to 6). This effect is mediated via liking, perceived prestige, and perceived dominance (Study 4). In accordance with a social-functional approach, the effects emerge only when authentic and hubristic pride are expressed by the superior person and not when the respective information about the superior person’s feelings is simply available in the environment (Study 5). These effects are present when participants recall envy situations (Study 1), when they imagine being in a competitive situation (Studies 3, 4, and 5), or when envy is elicited in situ (Studies 2 and 6). Our findings show the value of studying envy as a social phenomenon and open up numerous avenues for research on envy at the interpersonal and intergroup level. (PsycINFO Database Record (c) 2015 APA, all rights reserved), Database: PsycARTICLES

Subjects: Competition; Interpersonal Influences; Jealousy; Pride; Social Comparison; Adulthood (18 yrs & older); Male; Female


Recently, many luxury brands have begun to launch limited edition (LE) products. When this happens, advertisers implement two typical types of scarcity messages for LE products: limited-time scarcity (LTS) versus limited-quantity scarcity (LQS) messages (Cialdini, 2008). Prior research offered empirical evidence that these scarcity messages make consumers feel that LE products are more special, unique, and valuable, and thus, positively influence their evaluation of the product (Aggarwal, Jun, & Huh, 2011). The current study examined the differential effects of LTS and LQS messages on different types of LE products by focusing on consumers’ need for uniqueness. [ABSTRACT FROM AUTHOR]

DOI: 10.1002/mar.20836. (AN: 109309882)

Subjects: SCARCITY; CONSUMPTION (Economics); RESEARCH; ADVERTISING -- Psychological aspects; CONSUMER behavior; LUXURIES; CONSUMERS -- Psychology; PSYCHOLOGICAL aspects; SALES & prices; EVALUATION -- Psychological aspects; INFLUENCE (Psychology)

The complexity of value in the luxury industry.

By: Hennigs, Nadine; Wiedmann, Klaus-Peter; Klarmann, Christiane; Behrens, Stefan. International Journal of Retail & Distribution Management. 2015, Vol. 43 Issue 10/11, p922-939. 18p.

Purpose – In an attempt to satisfy the rising demand for luxury in the era of the “democratisation of luxury” or the “luxurification of society” without threatening the uniqueness and exclusivity of luxury brands, a profound understanding of the luxury concept and its deeper values is essential. As the complexity of luxury value and the assessment of effects on individual luxury value perception and related behavioral outcomes are still poorly understood and widely unexplored, the purpose of this paper is to fill this research gap. Design/methodology/approach – In the exploratory study context of examining the antecedents and outcomes of individual luxury value perception, PLS path modeling was used for the empirical tests of the hypotheses. Findings – The results support the assumption that the desire for luxury brands involves several dimensions of luxury value including financial, functional, individual and social consumer perceptions. Besides, the individual luxury value perception is significantly related to the consumption of luxury goods in terms of purchase intention, recommendation behavior and the willingness to pay a premium price. Originality/value – The incremental value of the present study is to present and empirically verify a concept that embraces the complexity of luxury value and its causal effects on different aspects of luxury consumption. The results have important implications for luxury brand management and future research in the domain of luxury goods. By addressing the specific value aspects that are highly relevant for consumer loyalty to the brand, a luxury company can stimulate purchase behavior with appropriate marketing campaigns that create and preserve the most important value aspects throughout the supply chain from production to distribution. [ABSTRACT FROM AUTHOR]

DOI: 10.1108/IJRDM-07-2014-0087. (AN: 110372185)

Subjects: VALUE analysis (Cost control); PRODUCT management; LOYALTY; BEHAVIORAL assessment; LUXURY
Taxation

Social Status, Conspicuous Consumption Levies, and Distortionary Taxation.


This paper explores the optimal tax structure in the presence of status effect. When the consumption of certain goods affects one's social status, this creates an externality, which results in two opposite effects in a society. Seeking higher status through 'positional goods' gives individuals much incentive to supply labor but still allocates income for less 'nonpositional goods' as well. In this case, differentiated taxes on positional goods work as corrective instruments to internalize the social cost stemming from status seeking. Furthermore, the differentiated taxes generate revenue that can be used to alleviate preexisting income tax distortion. We develop a game-theoretic model in which each individual with different labor productivity unknown to the others engages in a status-seeking game, where government has a revenue requirement. Then we show that under a condition in which utility is separable between positional goods and leisure, a revenue-neutral shift in the tax mix away from nonlinear income taxes toward positional-good taxes enhances welfare. Hence, the differentiated taxes on positional goods are necessary together with the nonlinear income taxes for an optimal tax structure. Moreover, the differentiated taxes on positional goods could reduce the progressivity of the nonlinear income taxes, which is the case that can easily apply to practical use. [ABSTRACT FROM AUTHOR]

DOI: 10.1515/bejeap-2014-0046. (AN: 110120086)

Subjects: RESEARCH; POWER (Social sciences); TAXATION; PUBLIC finance; FISCAL policy; Public Finance Activities; SOCIAL status

Online marketing and sales

Online behaviour of luxury fashion brand advocates.


Purpose – Over the past few years online fashion communities have proliferated becoming an increasingly powerful forum for user-generated content, and consequently, the fashion industry has shown great interest in such communities. The purpose of this paper is to review and analyse brand advocacy behaviour within luxury brand accessory forums: to analyse the role these communities play in influencing purchase intention; assessing their contribution to fashion brand love.

Design/methodology/approach – The study adopted a netnographic approach to the phenomenon of online luxury accessory communities. The research reports observational data including blog texts and audience comments for four popular forums: The Purse Forum, The Fashion Spot, The Bag Forum (TBF) and Shoe Forum (SF). Although the forums are open to all and are designed to be internationally relevant; the observations were conducted from a base in the UK. Findings – Findings indicate that informants display some unifying characteristics clustered around engagement, involvement, self-concept and self-connection, brand love and hedonic values. Informants however, display some discernible differences as they “rally” to two distinctive totems: first, active luxury brand advocates and second, passive brand advocates. Although subtle, these differences suggest significant possibilities for fashion brand owners. Research limitations/implications – Further research could include the measurement of brand advocacy to distinguish more clearly between high and low levels of advocacy and the resulting consumer behaviour intentions. One sub-group that would be interesting to explore is that of brand evangelists and their relationship with fashion brands: what are the reasons for treating brands as religious artefacts and can this extreme level of advocacy be
developed by marketing? The study focused on observing online posts by self-selected brand advocates. A worthwhile comparison could be made with fashion communities where brand marketers are active participants and how this influences the discourse and actions of brand advocates. Practical implications – The findings indicate that all forum members are incredibly attached to their brands, but will still consider purchasing several brands as their “evoked set”. Additionally, even when demonstrating involvement, they can operate as passive observers in the online community. Originality/value – Social media, especially online forums, play an important role in contemporary luxury fashion branding. This study addresses the role these forums play in supporting brand love and the contribution they make to luxury brand advocacy. Membership and influence dynamics are reported; which have resonance to both practitioners and researchers. [ABSTRACT FROM AUTHOR] DOI: 10.1108/JFMM-09-2014-0069. (AN: 109359102)

Subjects: LUXURIES; BRAND name products; CONSUMER behavior; ONLINE shopping; Mail-Order Houses; Electronic shopping and mail-order houses; Electronic Shopping; Internet Publishing and Broadcasting and Web Search Portals; FASHION; VIRTUAL communities

Web atmospheric qualities in luxury fashion brand web sites.

By: Kim, Hyeonsoo; Choi, Yun Jung; Lee, Yuri. Journal of Fashion Marketing & Management. 2015, Vol. 19 Issue 4, p384-401. 18p. Abstract: Purpose – The purpose of this paper is to explore the relationship between atmospheric qualities with different levels of task relevance in luxury fashion brand web sites and their impact on consumer attitude toward the site and brand, which is essential to build valid strategies for e-retailing. Design/methodology/approach – An empirical study was conducted and quantitative analyses of 292 respondents’ shopping experiences yielded findings that confirm the impact of atmospherics upon the shopper’s views of the web site and the brand. Structural equation modeling was used to test the research hypotheses. Findings – Both low task-relevant atmospherics (web site design, responsive customer service) and high task-relevant atmospherics (product information, convenience) affect the consumers’ revisit intentions toward the web site, while web site design directly affected brand attitude. The study also illustrates the mediating roles of product information and convenience to the relationships between web site design and responsive customer service and the consumers’ revisit intentions toward the site. Practical implications – This study provides insights for luxury e-tailing. Luxury e-tailers should understand the different effects depending upon the types of web atmospheric qualities and use them strategically. Originality/value – The main contribution of the study is to highlight the unique aspects of luxury online shopping in the Korean context. This study also contributes to e-commerce research by providing an expanded understanding of the interrelationship between types of web atmospheric qualities. [ABSTRACT FROM AUTHOR] DOI: 10.1108/JFMM-09-2013-0103. (AN: 109359101)

Subjects: LUXURIES; WEBSITES; BRAND name products; CONSUMERS -- Attitudes; Internet Publishing and Broadcasting and Web Search Portals; FASHION

Selling luxury goods online: effects of online accessibility and price display.


Purpose – Luxury goods manufacturers have long been hesitant to adopt the internet as a channel of distribution. A luxury brand’s concept of exclusiveness is seemingly incompatible with the ubiquitous accessibility provided by the mass medium internet. The purpose of this paper is to address the apparent contradiction by examining consumer responses to the online accessibility and price display
Design/methodology/approach – Three studies are presented: first, a qualitative pre-
study with luxury industry experts is conducted to identify the current managerial discussion on the
online distribution of luxury goods. Second, an experiment with 183 high-income individuals is
conducted to test the effects of online accessibility on consumer perceived scarcity and desirability.
Third, a second experiment with 142 qualified luxury insiders is conducted to test consumer responses
to the online accessibility and price display of luxury goods. Findings – Results indicate that the online
accessibility of luxury goods does not affect consumer perceived scarcity and, hence, does not dilute
brand desirability. This “no-dilution” finding applies to both high- and low-involvement goods and
persists independently of whether or not retail prices are explicitly displayed. Originality/value –
Whether or not to sell luxury goods online has been controversially discussed among both marketing
scholars and executives. To the authors’ knowledge, the present paper is the first to empirically
examine consumer responses to the online accessibility and price display of luxury goods.

[ABSTRACT FROM AUTHOR]

DOI: 10.1108/IJRDM-07-2014-0097. (AN: 110372189)

Subjects: INTERNET; LUXURIES; PRICING; Internet Publishing and Broadcasting and Web Search
Portals; Wired Telecommunications Carriers; SOCIAL classes; UPPER class

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**Historical perspective**

‘Come and Dine’: The Dangers of Conspicuous Consumption in French Revolutionary Politics,
1789–95.

23p. Historical Period: 1789 to 1795.

The consumption of food and drink was suffused with political meaning in the new culture of
revolution. This article explores tensions arising from the dining culture of revolutionary politicians at a
time when the activity of politics had become subject to public scrutiny. A deputy’s approach to food,
and especially to the social activity of dining, was used to judge his authenticity. Conspicuous
consumption by deputies became a source of conflict between a hungry populace and its elected
representatives. Cafés and restaurants, together with private dinner parties (‘behind closed doors’),
were locations where the tactical business of politics could be conducted, yet such venues were seen
as redolent of Old Regime practices and against the culture of transparency. Deputies who were seen
to engage in excessive consumption and attend select dinner parties, especially with ‘suspect’
characters, were vulnerable to the charge that they were engaging in a conspiracy against the
Republic. [ABSTRACT FROM AUTHOR]

DOI: 10.1177/0265691415595959. (AN: 110478898)

Subjects: FRANCE -- History -- Revolution, 1789-1799; JACOBINS; FOOD consumption; FRANCE --
Politics & government; CONSTITUTIONAL history

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Chart, 5 Graphs. Historical Period: 1960 to 2010. Abstract: This article tackles the transformation of
the European luxury business since the 1960s, through the examples of the French fashion industry
and the Swiss watch business. It argues that emerging Asian markets, that is, Japan between the
1960s and the 1990s and subsequently China since 2000, have played a key role in this process as
the major outlets. It examines the strategies adopted to access East Asia markets and how they were
affected by the emergence of luxury multinational enterprises (MNEs) in the 1980s. While department
stores were a gateway to Japanese market since the 1960s, they gradually lost their bargaining power when French and Swiss MNEs began to internalise distribution and to implement a global brand management strategy. This feature is also a major characteristic of the distribution of luxury goods in China, where MNEs are directly involved. [ABSTRACT FROM PUBLISHER]

DOI: 10.1080/00076791.2014.982104. (AN: 109172377)

Subjects: LOUIS Vuitton Malletier SA; SWATCH Group Ltd.; LUXURY goods industry -- History; INTERNATIONAL business enterprises -- Europe; BUSINESS enterprises -- Europe -- History; EMERGING markets; JAPAN -- Economic conditions -- 1945-; CHINA -- Economic conditions -- 1949-

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**Operations management**

**Exploring replenishment in the luxury fashion Italian firms: evidence from case studies.**

By: d’Avolio, Elisa; Bandinelli, Romeo; Pero, Margherita; Rinaldi, Rinaldo. International Journal of Retail & Distribution Management. 2015, Vol. 43 Issue 10/11, p967-987. 21p.

**Purpose** – The purpose of this paper is to investigate how luxury Italian fashion companies manage the replenishment process, and how they leverage supply chain (SC) to be able to match supply and demand of fashion products. Design/methodology/approach – Literature review was the first step performed; then, a case study research has been conducted in order to have a comprehensive view of the real context of luxury Italian fashion companies concerning merchandise planning and replenishment processes. After the sample was individuated, a questionnaire has guided the interviews and then data have been collected. Analysing data has concerned a primary case analysis and then cross-case patterns have been searched. Finally, several variables coherent to the aim of the study have been pinpointed and a framework has been designed. Findings – The paper provides a characterization of the luxury Italian fashion industry concerning merchandise planning constraints and the replenishment processes. To guarantee the flexibility required to match supply and demand when there is a high percentage of seasonal products in the collection, companies leverage on both downstream and upstream SC alignment. Originality/value – The enhancement of performance within the fashion SC is a topic not too much examined in depth, in particular referring to the luxury fashion companies and to the Italian context. Aligning upstream and downstream activities, information sharing between vendor and retailer and securing strategic alliances with the suppliers constitute important steps to reach flexibility and reactivity and to be in step with the market needs. The paper provides valuable insights to companies that are trying to decrease their lost sales and to increase their sell-out and customer service through a review of their SC processes. [ABSTRACT FROM AUTHOR]

DOI: 10.1108/IJRDM-07-2014-0098. (AN: 110372190)

Subjects: STRATEGIC alliances (Business); BUSINESS development; ITALY; LUXURY; GROUNDWATER recharge

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**Luxury consumption moves East.**


**Purpose** – The literature contains relatively little prescriptive guidance for establishing supply chain strategies in the luxury fashion marketplace. The focus has been on fashion rather than luxury fashion and the purpose of this paper is to identify and explore the critical supply chain success factors to
consider when entering the Chinese luxury fashion marketplace. Design/methodology/approach –
Given the lack of research in this area an exploratory and in-depth case study was conducted with a
niche UK textile manufacturer. Findings – Findings from the case study suggest there are four critical
success factors to consider when developing a business strategy to enter the Chinese luxury fashion
marketplace. Practical implications – The findings could guide managers that are developing a
business case for entering the Chinese luxury fashion marketplace. Originality/value – This case study
provides novel insights to transformations in global supply chain strategy as luxury consumption is
moving towards the east, which creates new challenges and demands for European manufacturers to
respond, to sustaining a competitive advantage. [ABSTRACT FROM AUTHOR]

DOI: 10.1108/JFMM-10-2014-0076. (AN: 109359104)

Subjects: CONSUMPTION (Economics); LUXURIES; FASHION merchandising; SUPPLY chains;
BUSINESS planning; Other Clothing Stores; All other clothing stores; Family Clothing Stores; Clothing
and clothing accessories merchant wholesalers; CASE studies

Lean thinking in the luxury-fashion market.

By: Carmignani, Gionata; Zammori, Francesco. International Journal of Retail & Distribution

Purpose – The capability to overcome tradeoffs among costs, quality and time has become a must in
high-margin businesses too. Lean thinking may be a solution, but applications in the luxury-fashion
market are still rare. In order to shed light on this apparent contradiction, the purpose of this paper is to
identify the key features of the luxury-fashion market that may act as barriers for the adoption of lean
principles. Next, based on the results of this preliminary analysis, the paper tries to verify, if and how,
lean principles can be properly reinterpreted, so as to properly fit the requirements of this market.
Design/methodology/approach – Due to the operating nature of lean, an empiric approach was
followed. From the evidences gathered during a lean project of a world-wide company, critical
elements of the luxury-fashion market were identified and used as criteria to select, among lean tools,
the most appropriate ones. Lastly, selected tools were integrated in a structured framework (for lean
implementation) that was used to analyze and to improve many logistics and manufacturing
processes. Findings – Developed solutions were implemented as pilot projects, with outstanding
preliminary result. Results are case specific and trying to infer general considerations may be
hazardous. Nonetheless, due to the relevant dimension of the project, they can be considered more
than a clue concerning the robustness of the framework and, most of all, concerning the real
potentialities of lean in the luxury-fashion market. Practical implications – The framework is extremely
operational and, together with the proposed industrial cases, can be used as a guideline to support
practitioners during the implementation of similar projects. Originality/value – Lean thinking is relatively
new in the luxury-fashion market, where the focus on operational costs has been traditionally
considered as a marginal issue. Thus, the application of lean principles in this market is the innovative
element of the paper. [ABSTRACT FROM AUTHOR]

DOI: 10.1108/IJRDM-07-2014-0093. (AN: 110372187)

Subjects: FASHION merchandising; PILOT projects; LEAN management; All other clothing stores;
Family Clothing Stores; Other Clothing Stores; Clothing and clothing accessories merchant
wholesalers; LUXURY; ADOPTION of ideas
Supply chain strategy for companies in the luxury-fashion market.

By: Castelli, Cecilia Maria; Sianesi, Andrea. International Journal of Retail & Distribution Management. 2015, Vol. 43 Issue 10/11, p940-966. 27p.

Purpose – The purpose of this paper is to show how it is possible to take into account the objectives that fashion-luxury companies pursue on the final market (i.e. critical success factors (CSF) – of luxury) and propagate them in the upstream steps of the supply chain (SC) in order to understand how the latter can be aligned to the market. Design/methodology/approach – An extensive literature review allowed the identification of SC objectives. Case studies were used in order to asses choices and practices applied along the SC of luxury companies were assessed through in depth case studies; hence, the relationship between choices/practices, SC objectives and luxury CSF was explored. Findings – The paper documents that success in the luxury market not only depends on branding and marketing but also on the choices made along the SC, to the point that it is possible to identify some SC choices and practices that support the achievement of luxury CSF. Research limitations/implications – The results presented represent a useful guideline and offer some methodological suggestions; however, the precise set of SC objectives have to be tailored on each specific brand, according to the uniqueness that characterizes luxury companies. Practical implications – The paper suggests which areas of the SC should be mostly targeted in order to achieve success in the luxury market, also indicating some possible concrete choices. Originality/value – The main value of this paper consists in shaping a first explicit connection among the world of luxury as it is perceived by the consumers and the world of the SC. [ABSTRACT FROM AUTHOR]

DOI: 10.1108/IJRDM-07-2014-0106. (AN: 110372192)

Subjects: FASHION merchandising; SUPPLY chain management; SUPPLY chains; COST & standard of living; Clothing and clothing accessories merchant wholesalers; All other clothing stores; Family Clothing Stores; Other Clothing Stores; LUXURY

Counterfeiting

Hip to be cool: A Gen Y view of counterfeit luxury products.

By: Francis, Julie E; Burgess, Lois; Lu, Mingyuan. Journal of Brand Management. Sep2015, Vol. 22 Issue 7, p588-602. 15p. Abstract: Mainstream literature shows that demand for counterfeit luxury brand products is primarily driven by consumers who want the status and image of luxury brands without the price tag. However, emerging evidence suggests that the interest of some consumers may be somewhat independent of the replicated brand. To date, the literature does not necessarily offer an alternate, or complementary, theory for these anomalous results. The current study proposes that the theory of 'cool consumption' by Generation Y helps to explain atypical demand for counterfeits. The cool consumption ideals of fun, rebellion and being a bit bad appear to fit with emerging evidence that some consumers see using counterfeits as fun and a way to go against the mainstream. A survey of 251 Gen Y young adults examines whether their consumption relates more closely to counterfeit-oriented attitudes, norms and beliefs than attitudes towards the genuine brand and price considerations. The research also compares counterfeit owners and non-owners in terms of genuine brand evaluations and loyalty to counterfeits in general. Overall, the findings show that for this segment, consuming counterfeit luxury products is more about the counterfeit aspects than brands or price, and the theory of cool consumption provides a plausible explanation for the results. [ABSTRACT FROM AUTHOR]

DOI: 10.1057/bm.2015.31. (AN: 110602085)

Subjects: PRODUCT counterfeiting; LUXURIES; RESEARCH; GENERATION Y consumers; BRAND evaluation; BRAND equity; CONSUMPTION (Economics); ATTITUDES
Emerging markets

They are not all same: variations in Asian consumers’ value perceptions of luxury brands.


Asian markets are steadily becoming key growth regions for luxury brands. However, despite the growth, many luxury brand firms are unable to obtain the desired economic returns through their marketing strategies in Asia. Often these firms treat consumers across Asian markets as homogenous groups, which could lead to inaccurate luxury brand management strategy. Additionally, there is limited understanding of consumer value perceptions toward luxury brands across the Asian markets. Employing impression management theory and the horizontal/vertical collectivistic cultural distinctions, this study examines differences and similarities in constituent luxury value perceptions across three prominent Asian markets, namely China, India, and Indonesia. The results of a quantitative survey conducted with 626 real luxury consumers in these three countries identify variations in perceptions of symbolic, experiential, and functional value of luxury brands. The study contributes to knowledge on constituent luxury value perceptions, along with providing theoretical explanations for the differences between consumers across Asian markets. With the emerging novel insights on Asian consumers, luxury brand firms can align their marketing strategies to respective markets by leveraging the similarities and differences in consumer value perceptions. This approach, informed by empirical evidence, will enhance luxury brands’ competitiveness and profit opportunities in the high-growth Asian markets. The study identifies a number of future research directions. [ABSTRACT FROM AUTHOR]

DOI: 10.1007/s11002-015-9358-x. (AN: 108541570)

Conspicuous consumption and income inequality in an emerging economy: evidence from India.


Abstract: The impact of income inequality on conspicuous consumption has been a topic of much discussion, but little empirical examination in the emerging market context. In this paper, using data from the India Human Development Survey (2004-2005) and employing simple regression framework, we examine the effect of income inequality on conspicuous consumption in Indian households. We also empirically examine whether the relationship between inequality and conspicuous consumption changes with a household’s relative wealth status. Drawing on existing literature, we hypothesize that low-income and rural groups are likely to engage in higher conspicuous consumption due to the reduced attractiveness of alternate mechanisms to signal status (like professional titles and educational qualifications) as well as the absence of well-functioning financial institutions that might inhibit ‘status seeking’ savings. Consistent with this hypothesis, our results suggest that increased income inequality is associated with an increased spending on conspicuous consumption as a share of total spending, with the associated response being higher for relatively low-income households and those living in rural settings. Our findings have significant policy and marketing implications in emerging markets like India. [ABSTRACT FROM AUTHOR]

DOI: 10.1007/s11002-015-9350-5. (AN: 108541578)
Psychology

When status is grabbed and when status is granted: Getting ahead in dominance and prestige hierarchies.

By: Waal-Andrews, Wendy; Gregg, Aiden P.; Lammers, Joris. British Journal of Social Psychology. Sep 2015, Vol. 54 Issue 3, p445-464. 20p. 1 Chart, 2 Graphs. Abstract: What type of behaviour affords status, agentic, or communal? Research to date has yielded inconsistent answers. In particular, the conflict view holds that agentic behaviour permits the imperious to grab status through overt force, whereas the functional view holds that communal behaviour permits the talented to earn status through popular appeal. Here, we synthesize both views by taking into account the moderating role played by group hierarchy. Group hierarchy can range from being dominance based (where status is grabbed) to prestige based (where status is granted). In a field study (Study 1), and a laboratory experiment (Study 2), we demonstrate that in different groups, status can be achieved in different ways. Specifically, agentic behaviour promotes status regardless of hierarchy type, whereas the effect of communal behaviour on status is moderated by hierarchy type: it augments it in more prestige-based hierarchies but diminishes it in more dominance-based hierarchies. [ABSTRACT FROM AUTHOR]

DOI: 10.1111/bjso.12093. (AN: 109323697)

Specific sectors

Conspicuous production: Wine, capital and status.


The recent expansion of the global wine industry, especially in developing countries, has brought to light the apparent phenomenon of conspicuous production. This form of economic activity is characterised by investment decisions that seek status and reputation alongside or, in many cases, ahead of profits. This paper examines the wine industry and uncovers examples of conspicuous production occurring at different scales, from celebrities and individual investors through to national strategies. Although the empirical evidence is somewhat scattered, we argue this is a source of capital of significance in the wine industry, and possibly in other sectors of the economy. [ABSTRACT FROM AUTHOR]

DOI: 10.1177/0309816815607022. (AN: 110561685)
New life luxury: upcycled Scottish heritage textiles.


Purpose – The term luxury and sustainability, within the fashion and textile industries are seldom seen as natural bedfellows. Recently however, the perception of luxury has begun to include a definition left behind in the twentieth century; beautifully hand crafted artefacts valued for the time, skill and design invested in them. It is possible though, for the concept of luxury textiles to embrace this definition and that of the sustainable credentials of a “Cradle to Cradle” (McDonough and Braungart, 2002) mindset (that of a life beyond original creation) and be fashionable. The paper aims to discuss these issues.

Design/methodology/approach – Utilising a variety of methodologies including case studies, reflective practice and a practice-based approach; this paper examines the use of pre-consumer waste in the creation of new luxury textiles. Several projects are cited, offering examples of collaboration between textile mills and designers in the creation of new fabrics made from luxury by-products. This luxury waste is routinely shredded for automobile seat filling or landfill, however current sustainable thinking encourages a more creative solution to this circumstance. Designers have a crucial role to play in converting an unwanted by-product to one that is highly desirable. Findings – Traditional values of what constitutes a luxury item include the concept of time invested in making a unique handmade artefact. More recently, this premise has been overlooked in favour of branded goods. The slow fashion movement advocates the inherent value of craftsmanship coupled with the ethical use of sustainable and or local materials and processes. The traditional techniques of felting, weave and stitch are utilised to create beautiful, original textiles from discarded waste. By collaborating with local mills, designers provide solutions to something that could be perceived as a problem. Originality/value – The embedded narrative within these layered textiles provides an original quality and added value, building on their Scottish heritage. The resulting textiles reflect their provenance; the landscape they come from and the people who created them. As a result of purchase, the story continues with the new custodian, adding to the ongoing history of the textile. The design work and collaboration that this paper outlines embodies a transferable model for sustainable upcycled luxury textiles. [ABSTRACT FROM AUTHOR]

DOI: 10.1108/IJRDM-07-2014-0095. (AN: 110372188)

Subjects: TEXTILE industry; MANUFACTURES; LANDFILLS; Motor Vehicle Seating and Interior Trim Manufacturing; Solid Waste Landfill; Waste treatment and disposal; All other miscellaneous manufacturing; All Other Miscellaneous Manufacturing; Piece Goods, Notions, and Other Dry Goods Merchant Wholesalers; Piece goods, notions and other dry goods merchant wholesalers; Broadwoven Fabric Mills; EARTHWORK; SOIL mechanics; AUTOMOBILE seats

Understanding ethical luxury consumption through practice theories: A study of fine jewellery purchases.

Moraes, Caroline; Carrigan, Marylyn; Bosangit, Carmela; Ferreira, Carlos; McGrath, Michelle; Journal of Business Ethics Publisher: Springer;

This paper builds on existing research investigating CSR and ethical consumption within luxury contexts, and makes several contributions to the literature. First, it addresses existing knowledge gaps by exploring the ways in which consumers perform ethical luxury purchases of fine jewellery through interpretive research. Second, the paper is the first to examine such issues of consumer ethics by extending the application of theories of practice to a luxury product context, and by building on Magaudda’s (J Consum Cult 11(1):15–36, 2011) circuit of practice framework. This is significant in that, to date, consumer research using practice theories has focused mainly on routine and habitual practices. Our findings and discussion provide an analysis of intentional and less intentional ethical consumer performances within the interconnected nexus of activities of consumers’ fine jewellery
consumption practice, where meanings, understandings and intelligibility of social phenomena are worked through the various activities that shape such a practice. Finally, the paper concludes with significant managerial and policy-related implications, as our extended circuit of practice analysis conveys that if ethics and sustainability dimensions are to be embedded in fine jewellery consumption practice, they must first be made an intrinsic part of the nexus of the social and material environment of trading and consumption places. (PsycINFO Database Record (c) 2015 APA, all rights reserved).

Subjects: No terms assigned

**Consumer-brand relationships within the luxury cosmetic domain.**

By: Hodge, April Charlotte; Romo, Zahaira González; Medina, Irene García; Fionda-Douglas, Antoinette. Journal of Brand Management. Oct2015, Vol. 22 Issue 8, p631-657. 27p. Abstract: Relationship marketing and practice has undergone a paradigm shift in recent years, becoming globally recognized and adopted. Yet despite this, empirical work exists in developing relational phenomena between consumers and the brands they purchase from. An exception of this is a study by Fournier, which considered relationship phenomena in the context of consumer goods, although no research has proved to consider consumer-brand relationships within the luxury cosmetic sphere. This study aims to address this limitation by examining relationship typologies and brand personality, seeking to uncover their relevance within the luxury cosmetic domain. Specifically the study (i) identifies relationship typologies between consumers and their luxury cosmetic brands, proving that consumer-brand relationships exist within this domain; (ii) highlights the importance of brand personality to the relationship dyad; (iii) identifies key themes that prove significant to consumer-brand relationships within this context, which allowed for relationship typologies that prove most important to maintaining strong relationships to be identified within a luxury cosmetic context. Eight semi-structured interviews were conducted and analysed with consideration to Fournier's 15 types of brand relationships, which were used in order to classify relationships within the luxury cosmetic context. Further analysis illustrated the significance of brand personality, demonstrating that brand personality has the power to shape and define the relationships that consumers wish to form. In addition, key relationship typologies within this sphere were identified, using themes that were uncovered through thematic analysis, which proved a deeper insight into relational phenomena. The results can be interesting not only for academic purposes but also for the industry as the managers of luxury cosmetic brands need to know well their consumers in order to reinforce the relationship between the brands and the customers. [ABSTRACT FROM AUTHOR]

DOI: 10.1057/bm.2015.36. (AN: 111176024)

Subjects: CUSTOMER relations -- Management; COSMETICS industry; CUSTOMER services; BRAND personification; LUXURIES; MARKETING; BRAND image; CONSUMER behavior
Economic perspective

Keeping up with the Joneses: from conspicuous consumption to conspicuous leisure?


A number of empirical studies have investigated the influence of a desire to emulate the rich on individuals' allocation of time, most of which suggest that more work hours rather than leisure time are likely to be induced when relative status is the concern. However, the results in this article suggest that this is not true in Australia. We examine the effect of inequality on work hours in Australia over the period 1995-2011 and find that greater income inequality is associated with fewer work hours, indicating stronger concern for conspicuous leisure than conspicuous consumption. [ABSTRACT FROM AUTHOR]

DOI: 10.1093/oep/gpv021. (AN: 109483505)

Subjects: CONSUMPTION (Economics); INCOME distribution; WORKING hours; PART-time employment; INCOME; LEISURE; AUSTRALIA; VEBLEN, Thorstein, 1857-1929