



Contents lists available at ScienceDirect

## Journal of Business Research



# Luxury brand strategies and customer experiences: Contributions to theory and practice

Eunju Ko <sup>a,\*</sup>, Ian Phau <sup>b</sup>, Gaetano Aiello <sup>c</sup>

<sup>a</sup> Yonsei University, Department of Clothing and Textiles, College of Human Ecology, 262 Seongsanno, Seodaemun-gu, Samsung Hall 318, Seoul 120-749, Republic of Korea

<sup>b</sup> Curtin University, School of Marketing, Kent St, Bentley, WA 6102, Australia

<sup>c</sup> University of Florence, Department of Sciences for Economics and Business, Via the Pandects, 32 50127 Florence, Italy

## ARTICLE INFO

## Article history:

Received 1 March 2016

Received in revised form 1 April 2016

Accepted 1 April 2016

Available online xxxxx

## Keywords:

Luxury brand strategies

Luxury customer experience

Social media and digital marketing

Value co-creation

Ingredient branding

Luxury retailing

## ABSTRACT

This special issue on luxury brand strategies and customer experiences includes eleven research papers which are valuable for marketers and researchers. Articles are grouped by topic- social media and digital marketing, ingredient branding and value creation, luxury retailing, and luxury consumer experience. The introductory article in this special issue places each article in one of four categories even though some of articles include information relevant to at least one other topic and briefly introduces unique and interesting about each article. This selection of papers written by 34 authors representing ten countries serves to extend the luxury brand research area in need of new developments, theories, and practices in light of the trends toward global luxury industries.

© 2016 Published by Elsevier Inc.

## 1. Introduction

This JBR special issue on Luxury Brand Strategies and Customer Experiences selected papers from research papers presented at 2015 Global Fashion Marketing Conference (GFMC) in University of Florence, Italy. GFMC is an international conference organized by the Global Alliance of Marketing and Management Associations. The objective of this special issue is to bring together international scholars from different disciplines and different countries to advance knowledge on luxury branding strategies and customer experiences. The authors of this special issue are from Australia, Finland, France, Germany, India, Italy, Republic of Korea, United Kingdom, and the United States.

The luxury branding industry is a vast, complex and highly competitive space that has flourished in the last decade. However, advances in technology and digital communications, coupled with a changing global economy – there is a notable shift in luxury consumption habits (Kim & Ko, 2010, 2012a, 2012b), and the rise of the BRIC economies have shifted the emphasis for luxury brands from West to East, has significant impact on consumer perceptions and experiences with luxury brands (Dhaoui, 2014; Ng, 2014; Park,

Ko, & Kim, 2010). New trends in social media make brand lifecycles much shorter; and the growth of young luxury consumers means that luxury brands steeped in tradition now face the daunting task of developing innovative and forward-looking strategies to stay relevant to this increasingly volatile industry (Chu, Kamal, & Kim, 2013; Kim & Ko, 2010; Ko & Woodside, 2013).

Recently the research interest on luxury brand strategies has been dramatically increased with the growth of the global luxury market. The first special issue on luxury brand marketing has been published in Journal of Business Research (Ko & Megehee, 2012). This special issue with 16 papers has fueled an increased level of interest in the topic from practitioners and academic researchers. Four main topics of luxury brand were introduced as luxury value, luxury consumer behavior, luxury brand management, and luxury brand counterfeiting (e.g., Kim & Ko, 2012a, 2012b). The role of this special issue was to provide the new issues and trends in fashion marketing of luxury brands. Also another special issue on social media marketing and luxury brand was published in Journal of Global Fashion Marketing (Phan & Park, 2014) including interesting topics such as digital luxury brand (Heine & Berghaus, 2014), e-semiotics of luxury (Larraufie & Kourdoughlihe, 2014), and strategic value of social media (Kontu & Vecchi, 2014). To that end, this selection of papers in this special issue serves to extend the luxury brand research area in need of new developments, theories, and practices in light of the trends toward global luxury industries. Eleven papers are categorized into four topics areas: social media

\* Corresponding author.

E-mail addresses: [ejko@yonsei.ac.kr](mailto:ejko@yonsei.ac.kr) (E. Ko), [Ian.Phau@cbs.curtin.edu.au](mailto:Ian.Phau@cbs.curtin.edu.au) (I. Phau), [Gaetano.aiello@unifi.it](mailto:Gaetano.aiello@unifi.it) (G. Aiello).

and digital marketing, value co-creation and ingredient branding, luxury retailing, and luxury customer experience.

## 2. Social media and digital marketing

### 2.1. Influence of YouTube vloggers on luxury brand management

Moving onto the digital space, Lee and Walkins (in this issue) present a paper on YouTube, examining how social media, specifically video blogs (vlogs) and vlogging influence consumer perceptions of luxury brands. Social media is an increasingly relevant communications channel for brands, and luxury brands are beginning to step into this space as well. Unlike common brands, luxury brands are known for establishing special and long-term relationships with the consumer, and so require tact in employing social media communications. Applying parasocial interaction (PSI) and social comparison theory, they evaluate consumer responses to luxury fashion apparel reviews conducted by eight YouTube vloggers. Conducting three studies, they find support for PSI as a brand management tool, and YouTube as an effective social media tool for enhancing luxury brand perceptions.

### 2.2. Social media marketing efforts of luxury brands: influence on brand equity and consumer behavior

Continuing with social media, is a paper by Godey et al. (in this issue). They address a gap in understanding of how social media marketing efforts influence brand equity creation and consumer behavior toward luxury brands. Surveying luxury brand consumers across China, France, India and Italy, they develop a research model to examine the impact of social media branding on consumer perceptions of five luxury brands prominent in using social media marketing tools. Their study suggests that luxury brand investments in social media marketing efforts would have significant positive effects on consumer brand loyalty, preferences and resistance to price premiums. Therefore, this highlights the use of social media marketing as an important and cost-effective marketing tool for luxury brands.

### 2.3. The effects of e-mass customization of luxury brands: perceived value, satisfaction, and loyalty

Yoo and Park (in this issue) then examine the prevalence of online mass customization programs by luxury brands, and the value it brings to consumers. It addresses a gap in knowledge on the effectiveness of e-mass customization in the luxury context. Conducted through an online survey of female consumers in Korea, they provide theoretical insight on the types of value that e-mass customization of luxury brands brings to consumers. Further, it confirms the validity of customization, despite the potential disadvantages espoused by some researchers. Through this research, Yoo and Park also develop managerial implications for luxury brands that offer these e-mass customization programs. Specifically, variety of customization options are key to successful implementation of this program, something that is currently lacking in the brands used in this research.

## 3. Value co-creation and ingredient branding

### 3.1. An empirical study of luxury fashion brand value co-creation encounters

Choi, Ko, and Kim (in this issue), investigate value co-creation in luxury branding. From the foundational understanding that luxury fashion brands often leverage value co-creation business to consumer interactions to enhance the consumption experience, they employ a mixed-method approach to evaluate the effects of digital and art marketing activities in creating value for consumers and enhancing purchase intentions of luxury brands. Surveying respondents in Seoul

through online and offline means, they find support for the notion that digital and art marketing activities help improve the value co-creation process. Further they ascertain that luxury fashion brands in Seoul should develop clear strategies to develop the consumer value creation experience by emphasizing the emotional elements of the encounter.

### 3.2. Ingredient branding for a luxury brand: the role of brand and product fit

Moon and Sprott (in this issue), next examine ingredient branding as a strategic tool for successful brand partnerships between non-luxury and luxury brands. Applying real-world brand partnerships (Tag Heuer, Google and Intel), and surveying an online sample of respondents, this research examines consumer responses towards brand and product fit between the partner brands. They determine that both brand and product fit are integral to positively influencing consumer purchase intentions of these products. When consumers perceive a good fit between the host (luxury) brand and the ingredient (Google and Intel) brand, the apparent disparity between the image of the two brands can be overlooked by consumers. The findings help identify potential benefits of ingredient branding in the luxury space; and suggests that luxury brand managers need to carefully examine their brand image, and product offerings, to ensure that there is congruency in consumers' perceived fit of the ingredient brand with the host brand.

### 3.3. Conceptualizing 'country-of-ingredient-authenticity' of luxury brands

Taking a different perspective on ingredient branding, Cheah, Phau, and Zainol (in this issue) conceptualize 'country-of-ingredient-authenticity' in the context of luxury branding. Adding to the literature on country-of-origin (COO) effects, this paper amalgamates authenticity with (COO) ingredient branding, and examines its effects on consumers' attitudes and willingness to purchase the luxury brand product. Conducted in Perth, Western Australia, the study conceptualizes country-of-ingredient-authenticity into three authenticity dimensions - raw materials, artisan skills and sustainable/ethical considerations. Examining luxury fashion apparel, their research first highlights the importance of country-of-ingredient-authenticity as a primer for positive product judgements and purchase intentions. Luxury brands should not be too concerned with the COO image, but rather, should emphasize the authenticity of the ingredients employed in their products.

## 4. Luxury retailing

### 4.1. Linking pop up brand stores to brand experience and word of mouth: the case of luxury retail

Luxury brand retail research is a well-researched arena. However, in the ever-changing global economy, there is still much to learn. Klein, Falk, Esch, and Goluknovtsev (in this issue) lead into this topic with a paper on pop up stores used by luxury brands to add novelty to consumer experiences with the brand. Conducted in the United States (US) and United Kingdom (UK), they use two identical pop up stores of a luxury car brand, as the research context. Their findings ascertain pop up stores as an effective experiential marketing tool for luxury brands. Additionally, they determine that luxury brand pop up stores are effective with both existing and new target market groups; which alleviates the potential issue of marketing programs alienating existing customers. Finally, they ascertain that luxury brand pop up stores need not conform to the traditional design strategies of retail stores.

#### 4.2. The effects of loyalty program benefits on high-and low-end fashion retailer

Shifting over to the loyalty aspect of fashion retail, Stathopoulou and Balabaris (in this issue) assess the differential effects of loyalty program benefits on consumer brand satisfaction and trust, across luxury and non-luxury fashion retailers. Surveying online consumers in the US, they establish the effectiveness of loyalty programs across luxury and non-luxury fashion retail brands. They also identify that as hypothesized, luxury consumers tend to value the hedonic benefits of the luxury brand loyalty program, whilst non-luxury consumers tend to value the utilitarian benefits. This emphasizes the necessity for managers to align the loyalty program benefits with appropriate target consumer's consumption goals and needs. Finally, in the wake of data privacy issues, they determine that retailers need to take the necessary steps to invest in their loyalty program users and build trust in the brand's program.

#### 4.3. Customer emotions and their triggers in luxury retail: an attempt to understand the effects of customer emotions before and after entering a luxury shop

Kim, Park, Lee, and Choi (in this issue) next look at the pre and post retail shopping experiences of luxury fashion consumers. They examine the impact of specific customer emotions on their evaluation of service quality and subsequent attitudes toward the brand, before and after shopping at a luxury retail store. Surveying respondents in Korea, they find that the emotions experience by consumers vary on the level of brand familiarity at the shopping motive that the consumer has prior to and after entering the store. This provides great insight for luxury brands to better anticipate consumers' behavior throughout their shopping experience at the store; and take steps to improve the store and service experience for consumers.

### 5. Luxury customer experience

#### 5.1. Teen attitudes toward luxury fashion brands from a social identity perspective: a cross-cultural study of French and U.S. teenagers

Gentina, Shrum, and Lowrey (in this issue) next conduct a cross-cultural study, comparing teenager attitudes toward luxury fashion brands. Surveying French and US teenagers, they investigate the underlying individual and social mechanisms that determine attitudes towards luxury fashion brands. Specifically, they identify the cultural differences in teen consumers' need for uniqueness, susceptibility to normative and informative influence, fashion innovativeness, and attitude toward luxury fashion brands. Their research provides insight on how positive attitudes towards luxury fashion brands develop in teenagers, and takes steps to segment different types of fashion innovators in each culture. Given the apparent cultural differences identified, they also suggest strategies for retailers to better engage both French and U.S. teenager consumers.

#### 5.2. Factors affecting sportswear buying behavior: a comparative analysis of luxury sportswear

Finally, Lim, Kim, and Cheong (in this issue) shed light on the luxury sportswear space, with a paper that examines the factors affecting luxury sportswear purchase behavior. Examining four sportswear brands two luxury and two non-luxury, they identify the key utilitarian, hedonic and symbolic benefits that affect buying behavior. They find that in-line with the benefits provided by luxury brands, the symbolic benefits of luxury sportswear outweigh the utilitarian benefits affecting purchase intention. This is also observed when comparing luxury sportswear brand extensions against luxury co-branded sportswear. This study fills the gap on how a tripartite view of benefits can be

used to examine luxury consumption, and develops an understanding of the attributes that luxury and non-luxury sportswear brands could emphasize on in their marketing communications.

### 6. A note of appreciation to the contributors

In closing, the guest editors thank the participants at the 2015 GFMC conference and authors of this special issue for their contributions. The guest editors also thank the reviewers for their time and valuable feedback devoted to the review process. This selection of high quality papers would not have been possible without their contributions.

The reviewers are: Seigyoung Auh, Arizona State University; Lecat Benoit, California Polytechnic State University; Fred Chao, The University of Newcastle; Sunmee Choi, Yonsei University; Yung Kyun Choi, Dongguk University; Maria Colucci, University of Bologna; Raffaele Donvito, University of Florence; Tony Garrett, Korea University; Luciana A. Gil, Universidad Diego Portales; Sejin Ha, University of Tennessee Knoxville; Kim K. P. Johnson, University of Minnesota Twin Cities; Jiyoung Kim, University of North Texas; Angelina Jiyoung Kim, California State Polytechnic University Pomona; Kyung Hoon Kim, Changwon National University; Kyung-Nan Kwon, Ajou University; Sangwon Lee, Ball State University; Seung-Hee Lee, Sookmyung Women's University; Thomas Lee, Curtin University; Yang-Im Lee, University of Westminster; Guoxin Li, Harbin Institute of Technology; Carol Megehee, Coastal Carolina University; Hyunjoo Oh, University of Florida; Michel Phan, EMLYON Business School; Håkan Preiholt, Stockholm University; Serena Rovai, ESC La Rochelle; Yuri Seo, University of Auckland; Eric Shih, Sungkyunkwan University; Nancy Stanforth, Kent State University; Min Teah, Curtin University; Benjamin Voyer, ESCP Europe; Klaus-Peter Wiedmann, Leibniz Universität Hannover and Jeong-Ju Yoo, Baylor University.

Finally, we extend special thanks to Professor Arch G. Woodside, Editor in Chief of the *Journal of Business Research*, for the opportunity to collaborate on this special issue in luxury branding.

### References

- Cheah, I., Phau, I., & Zainol, Z. (2016). Conceptualizing 'country-of-ingredient-authenticity' of luxury brands. *Journal of Business Research* (in this issue).
- Choi, E., Ko, E., & Kim, A. J. (2016). An empirical study of luxury fashion brand value co-creation encounters. *Journal of Business Research* (in this issue).
- Chu, S., Kamal, S., & Kim, Y. (2013). Understanding consumers' responses toward social media advertising and purchase intention toward luxury products. *Journal of Global Fashion Marketing*, 4(3), 158–174.
- Dhaoui, C. (2014). An empirical study of luxury brand marketing effectiveness and its impact on consumer engagement on Facebook. *Journal of Global Fashion Marketing*, 5(3), 209–223.
- Gentina, E., Shrum, L. J., & Lowrey, T. M. (2016). Teen attitudes toward luxury fashion brands from a social identity perspective: a cross-cultural study of French and U.S. teenagers. *Journal of Business Research* (in this issue).
- Godey, B., Manthiou, A., Pederzoli, D., Rokka, J., Aiello, G., Donvito, R., & Singh, R. (2016). Social media marketing efforts of luxury brands: influence on brand equity and consumer behavior. *Journal of Business Research* (in this issue).
- Heine, K., & Berghaus, B. (2014). Luxury goes digital: how to tackle the digital luxury brand–consumer touchpoints. *Journal of Global Fashion Marketing*, 5(3), 223–234.
- Kim, A. J., & Ko, E. (2010). Impacts of Luxury Fashion Brand's Social Media Marketing on Customer Relationship and Purchase Intention. *Journal of Global Fashion Marketing*, 1(3), 164–171.
- Kim, A. J., & Ko, E. (2012a). Impact of luxury fashion brand's social media marketing on customer relationship and purchase intention. *Journal of Global Fashion Marketing*, 1(3), 164–171.
- Kim, A. J., & Ko, E. (2012b). Do social media marketing activities enhance customer equity? An empirical study of luxury fashion brand. *Journal of Business Research*, 65(10), 1480–1486.
- Kim, S., Park, G., Lee, Y., & Choi, S. (2016). Customer emotions and their triggers in luxury retail: an attempt to understand the effects of customer emotions before and after entering a luxury shop. *Journal of Business Research* (in this issue).
- Klein, J. F., Falk, T., Esch, F.-R., & Goluknovtsev, A. (2016). Linking pop up brand stores to brand experience and word of mouth: the case of luxury retail. *Journal of Business Research* (in this issue).
- Ko, E., & Megehee, C. (2012). Fashion marketing of luxury brands: recent research issues and contributions. *Journal of Business Research*, 65, 1395–1398.
- Ko, E., & Woodside, A. G. (2013). *Luxury Fashion & Culture*. UK: Emerald.
- Kontu, H., & Vecchi, A. (2014). Why all that noise – assessing the strategic value of social media for fashion brands. *Journal of Global Fashion Marketing*, 5(3), 235–250.

- Larrauffie, A. M., & Kourdoughlihe, A. (2014). e-semiotics of luxury. *Journal of Global Fashion Marketing*, 5(3), 197–208.
- Lee, J. E., & Walkins, B. (2016). Influence of YouTube vloggers on luxury brand management. *Journal of Business Research* (in this issue).
- Lim, C. H., Kim, K., & Cheong, Y. (2016). Factors affecting sportswear buying behavior: a comparative analysis of luxury sportswear. *Journal of Business Research* (in this issue).
- H.Moon, H., & D.E.Sprott, D. E. (2016). Ingredient branding for a luxury brand: the role of brand and product fit. *Journal of Business Research* (in this issue).
- M.Ng, M. (2014). Social media and luxury fashion brands in China. *Journal of Global Fashion Marketing*, 5(3), 251–265.
- Park, J., Ko, E., & Kim, S. (2010). Consumer behavior in green marketing for luxury brand: a cross cultural study of US, Japan and Korea. *Journal of Global Academy of Marketing Science*, 20(4), 319–333.
- Phan, M., & Park, S. (2014). Introduction: Social media marketing and luxury brands. *Journal of Global Fashion Marketing*, 5(3), 195–196.
- Stathopoulou, A., & Balabaris, G. (2016). The effects of loyalty program benefits on high- and low-end fashion retailers. *Journal of Business Research* (in this issue).
- J.Yoo, J., & M.Park, M. (2016). The effects of e-mass customization of luxury brands: perceived value, satisfaction, and loyalty. *Journal of Business Research* (in this issue).