

CEMS – The Global Alliance in Management Education

Nova School of Business and Economics

Nuno Gama: Developing a Concept Store Marketing and Communication Strategy

Work Project based on the Business Project “Nuno Gama: New Concept Store Development”

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Business Project Overview

The Nuno Gama brand

Nuno Gama is a Lisbon-based Portuguese fashion house owned and managed by the eponymous designer (see Appendix A). Established in 1993, it remains of the most recognised and well-established Portuguese fashion houses, as well as one of the most international: Nuno Gama's Fall/Winter 2014 collection was presented in Lisbon (Moda Lisboa), Prague (Rock&Pop For Fashion), and Fortaleza (Dragão Fashion Brasil). Under the Nuno Gama brand, the creator designs and sells premium male clothing, shoes, bags, accessories, and jewellery, among others (see Appendix B). All of Nuno Gama's products are manufactured in Portugal: the brand benefits from close ties to the textile industry in the country's Northern regions, where the vast majority of Nuno Gama's collections are produced; a few small series and handcrafted pieces are created in the Nuno Gama atelier in Lisbon or made by selected local producers.

At the height of the brand's expansion in 1996, Nuno Gama's collections were sold in over 50 stores in Portugal and abroad, including 9 fully-owned stores located in Lisbon, Porto, Coimbra, Braga, and Vilamoura. After a fire burned down the Nuno Gama atelier in Porto in 1998, the designer halted the brand's commercial activities, which were only resumed in 2006. Between 1998 and 2006, Nuno Gama took direction of the male fashion line of Maconde, a well-known Portuguese clothing producer based in Vila do Conde. In 2012, the designer moved his work base from Porto to Lisbon, opening his flagship store in the Príncipe Real neighbourhood.

Nuno Gama occupies a particular position in Portugal's fashion panorama, as it is one of the few Portuguese brands focusing exclusively on menswear. As a designer label, Nuno Gama sells at premium prices across most of its collections, though some products such as t-shirts and accessories are made available at a more accessible price range. Nuno Gama is often regarded as offering clothing of exceptional quality for its price level. The brand's most distinguishable differentiating factors include a strong connection to Portuguese culture, imagery (e.g. galo de Barcelos), and traditional crafts (such as *azulejos* and *lenços dos namorados*), together with high design and material quality expressed in an easily identifiable fit (see Appendix C).

The high-end fashion market

Because of its inherently subjective nature, which is conditional on the appreciation of individuals and societies (Da Silveira, 2014a), it is difficult to define luxury. Euromonitor (Deloitte, 2014), for example, describes luxury goods as showing all or part of the following characteristics: (1) having high price points, (2) being distributed through selective channels, (3) carrying a designer brand name, and (4) being produced from rare or superior quality

materials and (5) presented in premium packaging. The worldwide luxury (and premium) goods and services sector represents, by the broadest estimates, a €1.8 trillion market that is growing at a considerable pace (Abtan et al., 2014). Between 2010 and 2012, the traditional luxury goods market (e.g. apparel and accessories) alone grew at a CAGR of 11% (see Appendix D).

Although Nuno Gama has deliberately opted-out of a strict luxury characterisation in favour of a more premium standing (see Appendix E), a move motivated by the conditions of the Portuguese market and the low visibility that national creators have within the international fashion scene, the brand is still subject to many of the conditions that apply to luxury brands. In particular, the success of the brand requires Nuno Gama to deliver substance and status (Da Silveira, 2014b) to its clients and to find an often-precarious balance between desirability and accessibility. Moreover, given the brand's specific identity – particularly its strong connection to Portuguese culture – and small commercial footprint, Nuno Gama operates as a niche brand.

Nuno Gama: New concept store development

In March 2014, shortly before the presentation of the brand's Fall/Winter 2014 collection at Moda Lisboa, the flagship store of Nuno Gama in Príncipe Real was permanently closed. The reason behind this move was the designer's decision to establish a *concept store* (see Appendix F) – a new model of retailing that is gaining momentum across the globe – in Lisbon. The new store is expected to be open for business in May 2014 also in Príncipe Real, but in a larger and more visible building (see Appendix G). In addition to fashion retailing and personal tailoring services, the initial plan of the concept store includes a barbershop and a restaurant/bar with a wide dining area. The goal of this concept store is to attract more customers through a diversified product and service offering and to increase the satisfaction of Nuno Gama clients.

The core goal of the business project concerned the creation of a concept store development strategy (see Appendix H). Recommendations were built upon an in-depth analysis of the Nuno Gama brand, which focused on assessing challenges and opportunities, and on a broad investigation of notable concept store cases and benchmarks, from which key success factors were extracted. After two different scenarios were established (scenario A concerned focusing on the current loyal consumers and scenario B suggested expanding the brand's customer base) (see Appendix I), various suggestions on store positioning, marketing and communication programs, and product portfolio were developed. The Nuno Gama concept store is understood to be an important vehicle for improving the brand's performance, but it must be complemented by an effort to expand the brand's commercial footprint through a more diversified product offering and to grow the customer base by broadening the application of the brand's identity.

Developing a Concept Store Marketing and Communication Strategy

Marketing and Communication Tenets in Luxury Brands

As previously addressed, a luxury brand¹ must be able to deliver *substance* and *status* to its consumers and also find a tight balance between desirability and accessibility. While substance and accessibility rest on more tangible forms of management and organisation – substance inherently rests on a brand’s capacity to design and produce high-quality products that are unique and differentiated, and accessibility (or inaccessibility, which deepens the exclusivity factor necessary to keep a luxury brand alive) can be administered through a tightly-controlled distribution network –, status and desirability tend to be more complicated to achieve. They are intrinsically related to the brand’s ability to build legitimacy not only within its target customer group, but also across a wider audience that, while generally not being able to access the brand, perpetually feed its dream through the force of their aspirations. This connects to Kapferer and Bastien’s (2009) notion that luxury goods serve a *social function* of stratification, not by being a measure of a social group’s wealth, but by being indicators of higher-level features of social distinction (e.g. taste, education, upbringing). The authors further indicate that the status of a luxury item as an expression of social stratification is a *qualitative* (e.g. artistic merit) rather than *quantitative* (e.g. price) notion.

It is this need for building *status* that justifies the importance of a well-defined and expertly implemented marketing and communication strategy in supporting the performance of a luxury brand. It should be understood, however, that in luxury, marketing and communication programs are not vehicles for a brand to attract customers or position itself against its competitors; in fact, luxury brands follow marketing tenets that are radically different from the ones that apply to common products and services (Kapferer & Bastien, 2009): (1) in order to be true to their own vision and story, luxury brands should not suggest possible means of comparison with other brands, and instead focus exclusively on asserting their uniqueness and distinctiveness on emotional levels and by showcasing their heritage and *raison d’être*; (2) luxury brands do not aspire to achieving technical perfection and delivering the best possible value to consumers, but assume and even flaunt their flaws and shortcomings as strands of

¹ While it is understood that there exist significant differences between managing the marketing and communication programs of premium and luxury brands, these differences are not explored in this report. This decision is substantiated on the basis that, while technically falling under the definition of a premium brand, Nuno Gama does show many characteristics found in luxury brands, such as a very selective distribution network and a product offering strongly defined by the creator’s vision. Insights and recommendations are drawn following the notion that the Nuno Gama brand is moving closer to the luxury end of the market.

personality that cement their charm and individuality; (3) instead of grounding their operations on the traditional notion of satisfying customer needs and wavering to their demands, luxury brands remain true to their ideals of themselves and are driven by the singular vision of their creators; (4) luxury brands do not seek to stand on equal grounds as the owners of their products, but instead dominate them in a move to preserve their status as symbols of meritocracy and to keep on fulfilling their roles of advisors and educators on what is culture and taste; (5) to illustrate the ideal that luxury must be earned, luxury brands must maintain a sense of exclusivity and inaccessibility, which can be achieved by raising obstacles and artificial barriers to purchasing such as waiting lists and limited production; (6) luxury brands do not pressure consumers into purchasing their products or invest in media visibility, which generally erodes the desirability of their products, but communicate with the objective of building and recreating the dream of the brand and strengthening their aspirational value; (7) instead of seeking efficiency in communication programs by solely targeting potential consumers, luxury brands engage in conversations with audiences that obviously do not have the means to acquire the brand's products in order to guarantee the function of luxury goods as social markers, which can only be secured if non-owners recognise the luxury goods and make positive judgements of their users' based on this; and (8) luxury brands can follow a strategy of increasing prices in order to drive demand, as higher prices typically make the brand more desirable to a class of wealthy individuals that otherwise would not even consider acquiring its products due to the ever-growing desire for social distinction and inaccessibility.

The differences between common goods and services and luxury products also expand to the foundations upon which marketing and communication strategies are built. While it is generally accepted that the heart of marketing goods and services is the exercise of *positioning* a brand against its competitors in order to showcase its differentiating factors and generate consumer preference, Kapferer and Bastien (2009) suggest that *positioning* is an irrelevant exercise for luxury brands, as the sheer notion of comparing a brand to other established players is deprived of meaning in the world of luxury. As such, luxury brands should instead lay emphasis on communicating with consumers by expressing a particular taste, creative identity, or deep passion that moves the creators behind them. It is by building a mythical and engaging story that effectively represents their vision and appeal that luxury brands create an emotional involvement with consumers and gain their admiration and preference. When it comes to building marketing and communication strategies in the context of luxury, *identity* takes precedence over *positioning*.

Further Insights on Concept Store Marketing and Communication

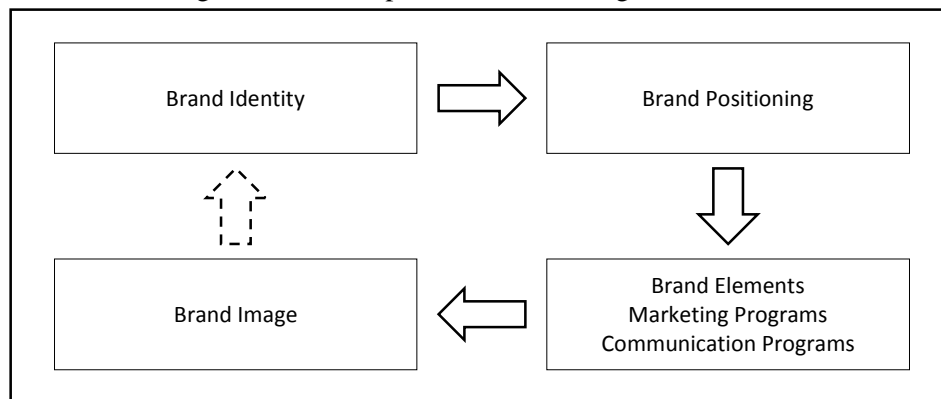
Following the insights on the general challenges and principles regarding the marketing of luxury brands provided above, further notions concerning the current state of affairs with regards to brand communication at the luxury end of the market will be explored in the following section. It should be noted, however, that the objective of this overview is not as much to explore concrete recommendations for the Nuno Gama concept store as it is to offer an informed view on notions and trends that the designer should take into consideration when determining his brand's marketing and communication strategy for the new retail space.

The global brand communication environment is nowadays a complex setting in which not only consumers are faced with an increasingly diverse range of communication platforms where to interact with brands, but also in which companies themselves tend to employ progressively sophisticated marketing and communication strategies (Greenstreet & Protheroe, 2009). Changes related to the digitalisation of media have had a deep impact in the way companies think about marketing, as in recent years we have witnessed a shift from an environment characterised predominantly by paid media to one where earned and owned channels are increasingly considered within companies' marketing and communication plans (Cox et al., 2011). Related to this comes the wave of development in social media platforms, where advancements in niche networks indicate that brands are able to target specific groups of consumers more accurately and communicate with them at a deeper and more precise level (Whiteside, 2013), thus assuring marketing managers that their brands' exclusivity is secured while they are still able to engage in conversations with wider groups of consumers on a more frequent basis. Finally, the fast pace at which communication happens, and the intensification of interconnectivity between platforms and communication efforts that were previously thought to be standalone elements has increased the need for brands to manage their marketing communications in an integrated way (Greenstreet & Protheroe, 2009). In particular, the success of the efforts of luxury brands in being present across many different communication channels is strong based on their ability to recreate a *seamless consumer journey* across all the media in which they are active, thus being able to deliver a consist experience that strengthens the emotional appeal of the brand (Samuel-Camps & Haldan-Jones 2013).

Original Approach and Limitations

The original approach followed in the Business Project to develop a marketing and communication strategy for the Nuno Gama concept store for each of the presented scenarios is based upon the traditional model of brand management, articulated in the following scheme:

Figure 1. The Simplified Brand Management Model



Adapted from: Kapferer (2012)

This approach suggests that brand strategy and development starts with clarifying the brand identity – a stable, aspirational, and unique description of the way in which a brand desires itself to be perceived by the general public –, which in turn determines the brand’s positioning and is further expressed in the brand elements and marketing and communication programs. These programs are expected to shape the consumers’ brand image – the way the target audience perceives the brand, embodied in a set of associations and attitudes that are not only formed through the efforts of the brand but also through uncontrolled factors such as competitors’ actions, and potential feedback from friends and family, among others. Finally, this model assumes that the ultimate goal of the brand strategy is to tighten the gap between the brand’s identity and its image, as this will improve the brand’s performance; because of this, while the identity is generally a stable conception, it should be re-interpreted in the cases where the gap between identity and image has grown too wide to be narrowed down effectively.

Though this model provides a generally powerful tool to conceptualise the process of managing a brand, it does not take into consideration many of the specificities of luxury brands that have been addressed in the previous section. As such, it can be argued that it provided a poor basis for the concept store marketing and communication strategies and plans originally developed in the Business Project. The inappropriateness of the traditional brand management model as a foundation for the work we pursued for the Nuno Gama concept store is evident in a number of aspects. First, by affirming the goal of tightening the gap between brand identity and image, the model puts an emphasis on the role of the consumer in developing the brand platform. The part of the consumer in establishing the marketing and communication strategy of the Nuno Gama concept store was also made evident in the way the different scenarios, themselves constructed upon the discrepancies that arose from having to serve different consumer groups, determined many of the objectives and recommendations pursued in the Business Project. As discussed

previously, successful luxury brands distinguish themselves from common brands by shifting their attention from satisfying customers' needs and demands and into pursuing a marketing and communication agenda that puts the spotlight on the brand's self-defined story and vision. This notion should have been taken into consideration during the course of the Business Project. Second, the traditional brand management model establishes a clear distinction between *identity* and *positioning*, and while it suggests that a brand's positioning derives from its identity, it nevertheless assumes the brand should follow the traditional exercise of positioning itself in comparison to its competitors in order to occupy a particular space within the consumers' minds. In the Business Project, we adopted a simplified version of Kotler and Keller's (2006) model of brand positioning, which requires answering the following questions: (1) Who is the target consumer? (2) Who are the relevant benchmarks? (3) How should our brand be different from those benchmarks? (4) How should our brand be similar to them? Again, this traditional notion comes in direct contrast with the luxury model by putting an emphasis on a positioning based upon terms of comparison with potential competitors, while it has been suggested that successful luxury brands should not only avoid comparative statements in favour of a superlative standing, but also derive their communication efforts directly from the identity they assumed for themselves. Third, the model used during the Business Project did not take into consideration the need to address consumers outside of the brand's target segment, something which luxury literature suggests as essential in order to legitimise a luxury brand as a symbol of social distinction. Nevertheless, this limitation in the original strategy development method is seen as less problematic than the already-exposed shortcomings, particularly because the Nuno Gama brand benefits from high levels levels of awareness (see Appendix J) and a positive image in Portugal, as assessed during the Business Project. Finally, the approach followed during the Business Project was also not entirely successful due to the team's inability to incorporate all proposed marketing and communication programs within an overall framework that integrated all suggestion under a single creative idea that not only justified the existence of the new store as a legitimate retail model but also served to locate the concept store within the overall Nuno Gama universe. In hindsight, falling into the pitfalls of micromanagement constituted a gross error the team committed many times across the duration of the project.

Reflection on Learning

Reflecting on almost four months of work is a difficult exercise, especially considering how the experience was not stable in terms of workload, learning outcomes, and overall satisfaction across its duration. While working on the Business Project, there were times when I felt

extremely satisfied with the results we were achieving, but I also faced moments of absolute frustration. The sheer nature of the Business Project and the current state of the company we were collaborating with gave rise to a particular set of challenges which were many times at the root of those frustrations: on the one hand, as the goals we were pursuing were very intangible, it was particularly difficult to assess the degree of completion of our work and to evaluate the quality of our results, making us sometimes doubt the value of deliverables which ended up being praised or be proud of work which ultimately had to be redone; on the other, the fact that it was exceptionally difficult to establish contact with our corporate advisor and engage in an effective and value-adding conversation with him through most of the project's length became an issue during times when his input was necessary for us to proceed. Nevertheless, I evaluate the whole Business Project experience on positive terms, as I believe I was able to achieve two of the main goals I individually committed myself to: (1) deliver a final output that generates value for the client and (2) develop my management skills while doing so.

In general terms, the CEMS Business Project was a valuable journey as it allowed me to put into practice some of the knowledge I acquired through the course of my studies, test my ability to face challenging goals while working with a team, and gain exposure to managing relationships with clients. Additionally, I particularly enjoyed the opportunity to develop work in a field of management I had not extensively explored before, as this enabled me to diversify my knowledge base and build business acumen. Being predominantly focused on human resources management and organisational studies, I have had few chances to develop in-depth work in other disciplines. In particular, before this semester I had accumulated very little experience in marketing and brand management, and concurrently lacked the necessary knowledge and skills to develop the work required for the Business Project by the start of the process. The tutoring of our academic advisor, while being registered in relevant courses at Nova School of Business and Economics and pursuing my own research work, enabled me to gain the expertise that I needed to successfully accomplish the project. Moreover, I was able to discover a new deep interest in brand management, and came to the realisation that it is something I would like to pursue in a professional setting.

However, as hinted at before, the Business Project experience was not without its shortcomings. First, I tend to doubt the value of the project as an approximation to real business and working life: due to a number of constraints which restricted us in immersing ourselves in the company we were collaborating with and to the overall lack of accessible and credible information on the topic we were exploring, much of our work was built on hypothetical terms. In the end, this

somewhat limited the scope of the project and damaged the value of our contributions to the client. Second, the previously mentioned problems were exacerbated by the lack of support we received from the client and his company. Though it is understandable, if yet unfortunate, that the client's availability to work with us on a regular basis was affected by the fact that he is engaged in a number of important projects at the time, the team felt that this lack of availability was coupled with a lack of interest in the outcomes of the project we were pursuing. This not only affected our motivation but also made it more complicated or even impossible for us to gain access to information that would have helped us in developing better recommendations. Finally, my enjoyment of the Business Project was negatively affected by several issues concerning the internal organisation of the team and the individual contributions of some of its members, which resulted in an unbalanced distribution of work and having to dedicate additional efforts to coordination, quality control, and conflict management.

Having delivered the Business Project and the final presentation to the client, it is possible to point areas of improvement in the whole process, with the most evident being the internal organisation of the team. Given that some of the problems we kept facing during the semester (namely some members' notable lack of commitment to the project objectives, repeated breaching of internal deadlines, and our overall failure to work as a group) were first noticed early in the project, I believe it would have made a significant difference to have faced these issues head-on; instead, most of the times we circumvented exposing them in order to avoid clashing at the personal level. If we had come to clarify our individual expectations for the project and established a common vision as a group, it would have been much easier to determine a goal and a direction that everyone worked towards, manage each member's individual position within the overall frame of the Business Project, and improve our own effectiveness and efficiency in the process. Additionally, I believe it also would have been beneficial to have engaged in a more open and honest conversation with our client in the beginning in order to better understand his expectations for the project, clarify how we would be able to create value for his business, and make clear that we would need his support through the project in order to reach the desired outcomes.

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Appendixes

Appendix A. Nuno Gama and the Nuno Gama Logo



Figure A. The designer Nuno Gama

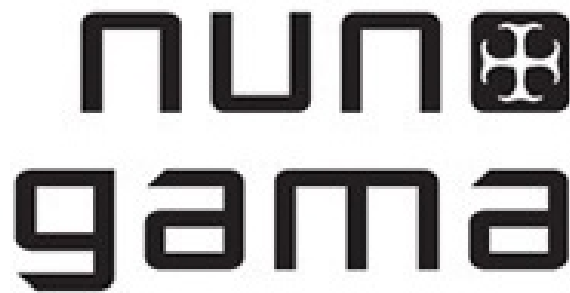


Figure B. The Nuno Gama brand logo

Appendix B. Notable Examples of Nuno Gama Products



Figure A. Nuno Gama embroidered *lenços dos namorados* shirt

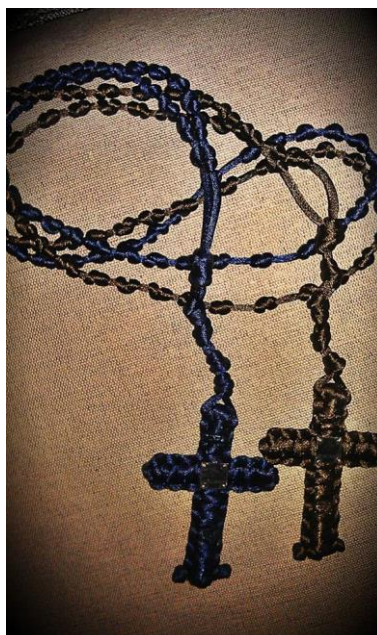


Figure B. Nuno Gama hand-made macramé cross necklaces



Figure C. Nuno Gama hand-painted oxford shoes in *azulejos* style

Appendix C. The Identity of the Nuno Gama Brand

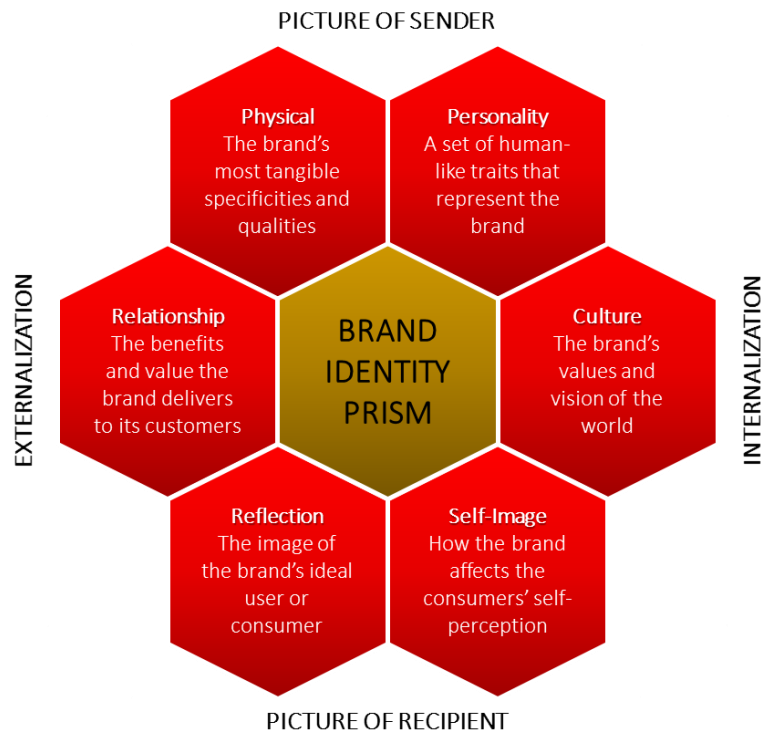


Figure A. Kapferer's Brand Identity Prism Model

Adapted from: Kapferer (2012)

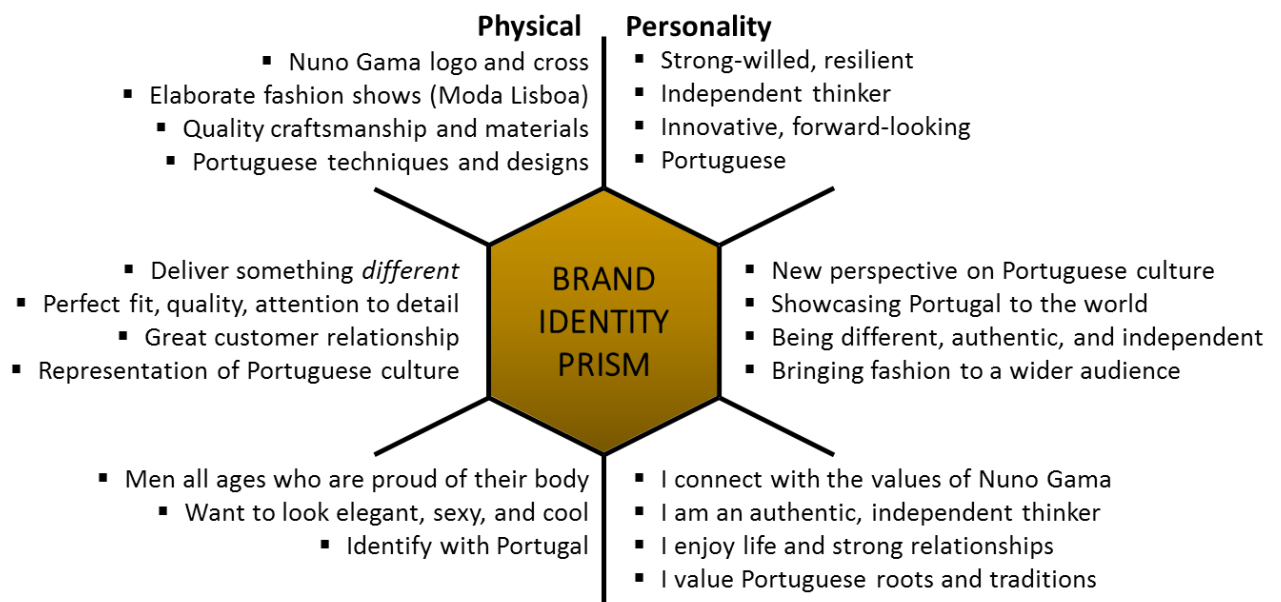
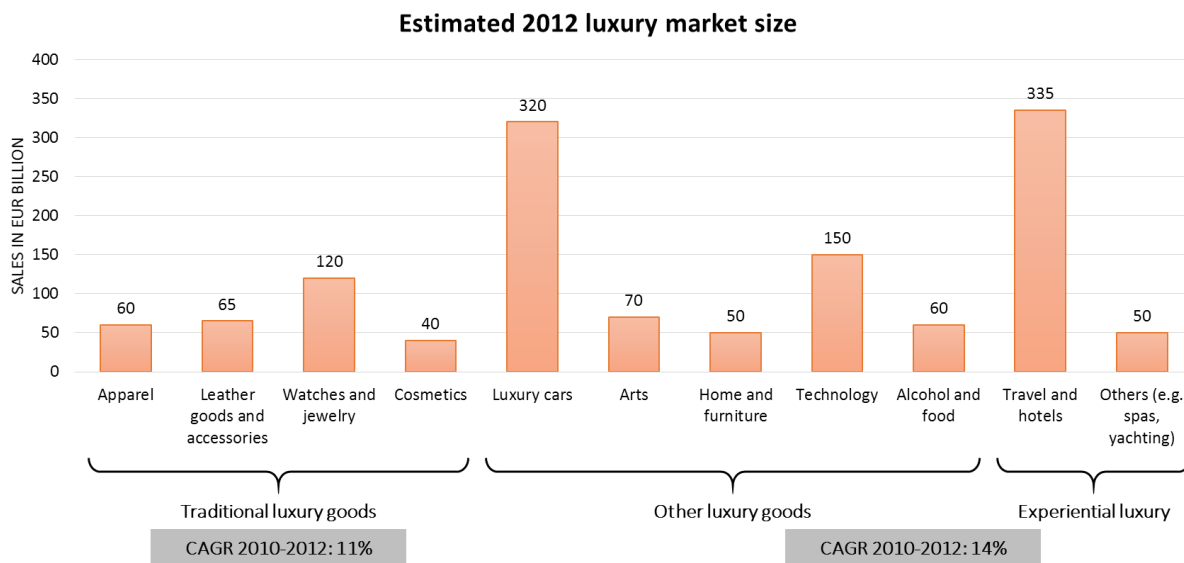


Figure B. Nuno Gama's Brand Identity Prism

Adapted from: Business Project "Nuno Gama: New Concept Store Development"

Appendix D. The Luxury Market Worldwide



Source: Business Project “Nuno Gama: New Concept Store Development”

Appendix E. Comparison of Premium and Luxury Brands

Premium Brands	Luxury Brands
Business model rests on the willingness to create the objectively best product of the category. Premium brands build their frame through comparison with other brands	Luxury refuses any comparison. Luxury is superlative
Product or service features are developed according to consumers’ needs	Product or service features are defined by the creator
Products are tested and checked, to be appreciated and therefore purchased by the target	Luxury goods are not tested. They shape the future tastes
Brand cannot ask for any price (price level is topped)	Brand can ask for any price
International cases: Lacoste, Hugo Boss, Calvin Klein, Ralph Lauren, Armani Jeans	International cases: Hermès, Burberry, Louis Vuitton, Prada, Gucci

Adapted from: Business Project “Nuno Gama: New Concept Store Development”

Appendix F. Concept Store Definition

Concept Store: A concept store is a one-of-a-kind retail model organised around a unique, everchanging, and multicategory assortment of products and/or services that, together, evoke a particular and deeper philosophical meaning and provide the consumer with a full emotional and sensorial experience.

1. **What it symbolises:** the concept store is built around a core inspiration that allows the consumer to derive philosophical meaning from the experience. The concept store can represent an idea, a feeling, a thought, a lifestyle, a culture, etc.
2. **What it delivers:** the concept store offers a multicategory, multibrand offer of products and/or services. The assortment is unique, special, and infused with creativity. To keep the dream alive, concept stores frequently change the assortment of products they carry and opt to provide exclusive items with a limited shelf life.
3. **How it delivers:** The shopping experience goes beyond the traditional retailing model, aiming to surprise the client. The experience is completed by the organization of events and exhibitions on the premises, thus providing the consumer with a full-on emotional experience that's multisensorial and thoroughly enjoyable.

Source: Business Project "Nuno Gama: New Concept Store Development"

Appendix G. The Nuno Gama Stores in Lisbon

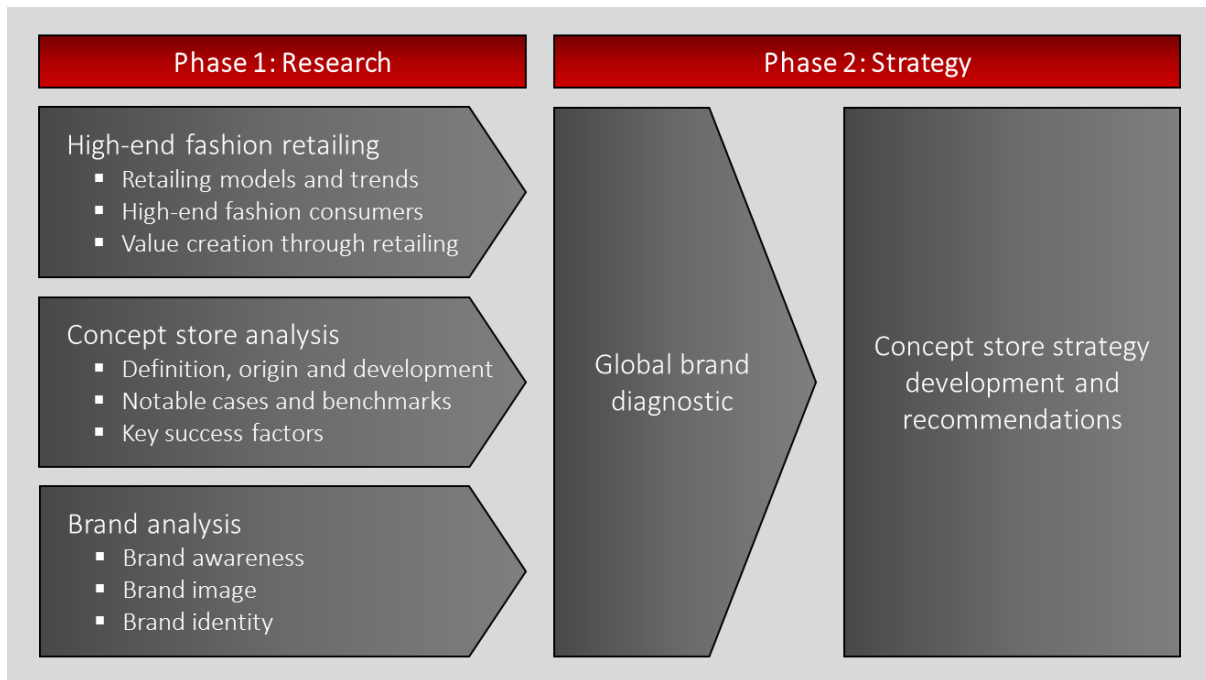


Figure A. The now-defunct Nuno Gama flagship store in Rua da Escola Politécnica 43, Príncipe Real



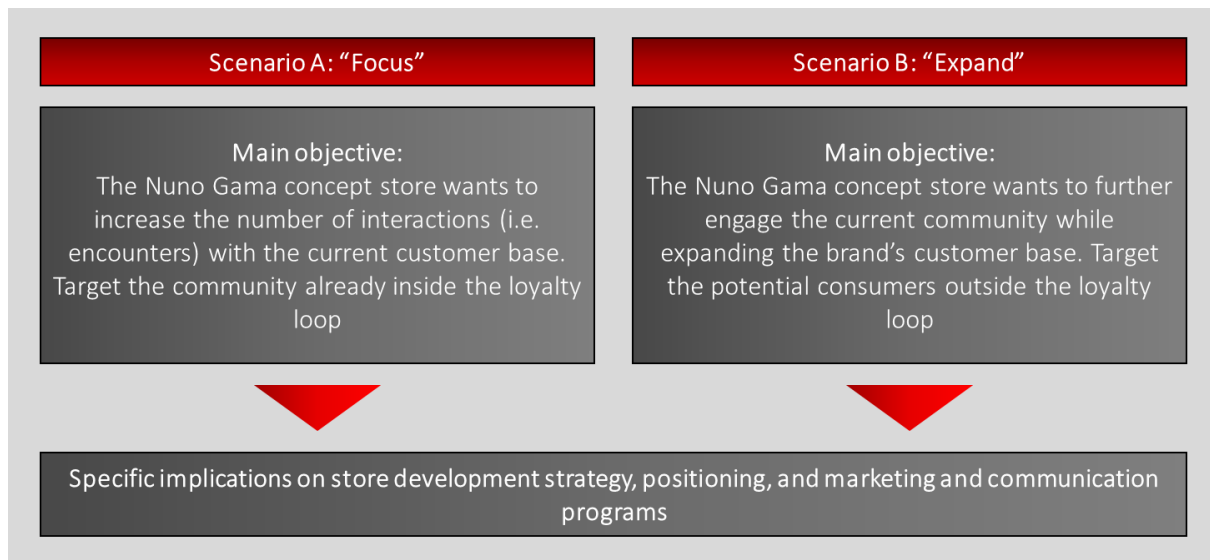
Figure B. The site of the new Nuno Gama concept store in Rua de O Século 171, Príncipe Real

Appendix H. Business Project Structure



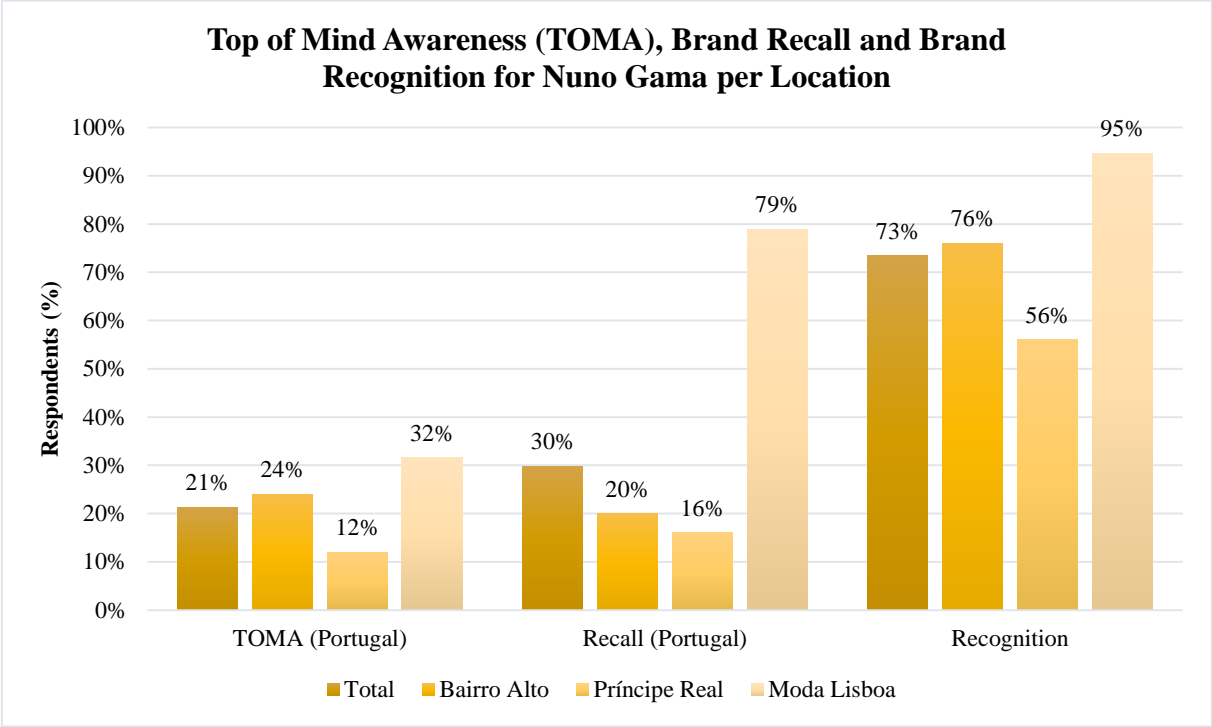
Source: Business Project “Nuno Gama: New Concept Store Development”

Appendix I. Concept Store Development Scenarios



Source: Business Project “Nuno Gama: New Concept Store Development”

Appendix J. Nuno Gama Brand Awareness Questionnaire Results



Source: Business Project “Nuno Gama: New Concept Store Development”