

Global Marketing Strategies for the Promotion of Luxury Goods

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A volume in the Advances in Marketing, Customer
Relationship Management, and E-Services
(AMCRMES) Book Series



An Imprint of IGI Global

Published in the United States of America by
Business Science Reference (an imprint of IGI Global)
701 E. Chocolate Avenue
Hershey PA, USA 17033
Tel: 717-533-8845
Fax: 717-533-8661
E-mail: cust@igi-global.com
Web site: <http://www.igi-global.com>

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Library of Congress Cataloging-in-Publication Data

Names: Mosca, Fabrizio, editor. | Gallo, Rosalia, editor.

Title: Global marketing strategies for the promotion of luxury goods /
Fabrizio Mosca and Rosalia Gallo, editors.

Description: Hershey, PA : Business Science Reference, [2016] | Includes
bibliographical references and index.

Identifiers: LCCN 2015050696 | ISBN 9781466699588 (hardcover : alk. paper) |
ISBN 9781466699595 (ebook : alk. paper)

Subjects: LCSH: Luxury goods industry. | Luxuries--Marketing. | Wealthy
consumers.

Classification: LCC HD9999.L852 G596 2016 | DDC 658.8/02--dc23 LC record available at <http://lccn.loc.gov/2015050696>

This book is published in the IGI Global book series Advances in Marketing, Customer Relationship Management, and E-Services (AMCRMES) (ISSN: 2327-5502; eISSN: 2327-5529)

British Cataloguing in Publication Data

A Cataloguing in Publication record for this book is available from the British Library.

All work contributed to this book is new, previously-unpublished material. The views expressed in this book are those of the authors, but not necessarily of the publisher.

For electronic access to this publication, please contact: eresources@igi-global.com.

Chapter 5

Managing Integrated Brand Communication Strategies in the Online Era: New Marketing Frontiers for Luxury Goods

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ABSTRACT

Since the spread of digital environments has certainly helped to broaden the spectrum of possibilities for managing channels, while opening new areas of competitive confrontation, is to assume that new technologies have contributed to the definition of a hybrid environment in which pre- and post-digital-revolution habits coexist. The aim of the present chapter is to show how this kind of hybrid channels, want to meet the two requirements to communicate and sell - through the use of media platforms that appeal to each other, meet and complement each other – is nowadays managed and how it can be used in the future to reach business and awareness goals in luxury markets. The analysis has been based on ways through which global luxury goods firms integrate their communication and selling tools each other, by focusing the attention on web and social strategies.

INTRODUCTION

Spaces and environments are places of consumption, but they also provide communication opportunities to the final consumer who, in turn, uses consumption as a communication system that is expressed through a variety of languages (Mosca et al., 2013). The more layers there are in a society, which brings many different linguistic expressions, the more complex it is to analyze consumption dynamics. This is particularly true for luxury goods (Chevalier & Mazzalovo, 2012) that are sold and communicated in markets that are difficult to define, but in which it is possible to find various layers of media attitudes.

DOI: 10.4018/978-1-4666-9958-8.ch005

In fact, it is possible to say that the traditional consideration whereby businesses serve as the exclusive source of communication messages and brand-related content, designed to influence the behavior of consumers and create brand equity, is overtaken. This is due to the fact that marketing and communication strategies, together with the instruments and actors involved in their planning processes, need to take into account the evolution of technology, the transformation of consumer behavior and media attitudes, the fact that stakeholders constantly communicate each others and this kind of communication is difficult to manage by firms. The communication works in attracting people's interest toward a certain brand, but, at the same time, it works as shield for the corporate reputation and a springboard for spreading corporate values.

As a topic that is largely discussed in various areas of interest, it is important to underline that in the last 10 years, technological evolution has been leading mass media to a decline in their ability to attract people's (audiences') attention. Of course, this is due, above all, to changes in the attitudes of generation Y toward the media, together with the growing interest in new media content generated by people (mostly young individuals) – the so-called user-generated content (UGC), such as blogging, podcasting, online videos (eg: YouTube, Vimeo), and social networking (Facebook, Twitter, Pinterest, Google Plus). So, even when we talk about luxury players, it is fundamental to understand that the Internet is now the real “backbone of the media system” (CENSIS, 2013).

In order to respond to the aforementioned trends, organizations are generally dealing with developing a communication plan that can integrate all those tools with which they intend to interface with their stakeholders (Schultz, Tannenbaum & Lauterborn, 1993; Romano, 1988; Krugman et al., 1994; Collesei, 2002; Duncan & Mulhern, 2004; Aiello & Donvito, 2005; Collesei & Ravà, 2008; Belch & Belch, 1998, 2009). Moreover, in order to reach their target audience, the concept of integrated communication becomes inseparable from common value sharing with stakeholders; people are more worried about values and how responsible a given firm is. This is supposed to assume an attitude of protection toward the environment (geographical, economic, and social), upon which a firm should intend to develop its strategic action. Globalization, the fast development of communication technologies, the continuous research of information by people, and the economic and financial global crisis that started in 2008 represent some of the primary factors that have contributed to the increase in stakeholders' expectations and their awareness toward goods and services. Customers, above all, feel more involved in purchases; they pay attention to the product process, when they can, and they want to be notified about everything concerning the firm through which they are buying products. As a consequence, companies have to rethink their offers, as well as their social and environmental impacts, and build a new system of values that respond to the reference community and to society at large. According to the 2013 Consumer Trend Report (2), nowadays, products are being asked to give back a specific set of expected and shared values. Porter and Kramer refer to the fact that firms and stakeholders can co-create value (2011); they regard the sharing of values between the business community and the organization as the main key to holding a competitive advantage.

Turning to the changes made in technology, as well as taking into account the macro-environment factors considered above, we discover that stakeholders (from the luxury goods and players' perspectives) are willing to share values; they want to participate in the content generation of every firm's story. They aim to be a part of an exclusive group; this sentiment has been stronger in the last few years, especially since these individuals have lived in a period of crisis. This is increasingly felt as we talk about the

digital age. It is the digital age that is pushing these aforementioned trends; for luxury products, their success can come only when two conditions are fulfilled: personalized identification and provision of a multi-sensory experience. The response to these conditions has led luxury companies to take to online strategies, without forgetting that the concept of a traditional store always plays a major role in the experience of buying luxury goods.

Since the spread of digital environments has certainly helped to broaden the spectrum of possibilities to managing channels, while offering new areas for competitive confrontation, it is possible to assume that new technologies have contributed to define a hybrid environment in which pre- and post-digital revolution habits coexist. The first research question that this chapter seeks to answer is the following: Can we talk about a certain type of “reverse multichannel marketing”? The aim, indeed, is to show how this kind of hybrid distribution and communication channel – which wants to meet the two requirements of communicating and selling through the use of media platforms that appeal to one another, while complementing each other – is currently managed, and how it can be used in the future to reach business and awareness goals in luxury markets.

Considering the particular sector that the present chapter wishes to analyze, the concept of multichannel marketing has been translated in physical and digital channel integration, with the aim of enhancing consumer and audience engagement. Is multichannel marketing just a fad that follows contemporary media attitudes, or does it represent a new strategy? This is the other research question the present chapter seeks to answer through a case analysis. If this is a novel strategy, it means that the logic underlying the development of the digital channel for luxury players is therefore one of integration with the physical channel; it is not to be viewed as a standalone distribution channel, but as one that completes the physical one.

Moreover, this chapter wants to emphasize the importance of the concept of consistency, since in every marketing book, authors say that luxury market players follow different rules than their competitors in terms of consumer goods. We talk about communicative coherence and the ability of companies to decline providing such consistency across all those channels at their disposal to reach their intended audience, considering that, for luxury goods above all, the selling point has always been the first way to communicate the brand’s identity and its real essence. Is this consistency reached even if luxury players are mixing their classical channels with those channels that are always exploited by players in every kind of market?

COMMUNICATION AND DISTRIBUTION INTEGRATION AS A LOGICAL MULTICHANNEL LAST STEP

The real challenges for every firm relate to new communication trends on the one hand, and changing buyers’ attitudes on the other. Nowadays, one of the most important marketing paradigms refers to the fact that the more consumers perceive that the firm’s values are closely aligned with what they think, trust in, and feel, the more they are likely to buy. In particular, this has been brought about by constant communication; stakeholders steadily talk to each other. They are more informed and they want to know everything about the organizations in which they are involved. This is particularly true in highly symbolic value goods markets; information technology increases development (Rifkin, 2000), while the continuous compression of the product life cycle reinforces new consumption mechanisms that will be

focused not only on the possession of the product, but on the sharing of wealth and consumption experiences. Moreover, in recent years, researchers and managers have found that various consumption forms exist together, especially when we talk about luxury markets, which range from more traditional buying behaviors (well described in the Conspicuous Consumption Veblen Model) to the birth of connoisseurs (Corbellini & Saviolo, 2007). This is due to the ongoing changes related to purchasing schemes used by customers, who are defined as smart, well informed, and always looking for brand new experiences and relationships (Okonkwo, 2010).

The aforementioned findings highlight that a lot of the traditional marketing logic has changed in these last few years. Even if the concept of “multichannel marketing” is not new, here we can find roots of another trend: the integration of distribution and communication platforms. This is due to the increase in the penetration of digital environments, which feed customers’ associations of new activities when compared to the more traditional rituals of consumption. It is common practice to look for information about a product through blogs, social networking pages, and online groups before making a buying decision; people want to understand from other people how good a certain brand is, where to buy a certain product, and how long lasting the materials or textiles of a certain good are. As a result, it is also possible to observe that the same person buys a product by using more than one channel, depending on the product and its availability, price, time, and service (Venkatesan et al., 2007).

When we talk about multichannel marketing, we refer to a strategy concerning the use of more than just one channel for placing information and products/services on the market – even in the aftermarket – and the result is a major public commitment and a higher degree of customer engagement (Rangaswamy & Van Bruggen, 2005). Customers, in particular, perceive that they have the chance to interact with brands; they can generate content, and they can ultimately affect the future of a certain brand (Osmonbekov et al., 2009).

Managers can exploit the advantages stemming from multichannel marketing strategies; they can increase the customer perception of brand equity through concrete actions associated with client retention. A firm that uses multichannel marketing is able to segment and manage the increasing variety of demand; in this way, it is aided by digital innovation. Market management can be easier, and there is a major opportunity to augment the awareness of a corporate brand (Mosca, 2014). Specifically, there are no geographical barriers when we talk about online strategies and, at the same time, the integration of communication and distribution channels (online and offline) is possible.

Moreover, by leveraging the digital environment, it is possible to collect data surrounding consumers’ habits and fads, both new and uncommon, and this can offer the ability to make a decisive contribution to the acquisition of other geographical markets. Since one of the so-called “lost opportunities” (Kotler et al., 2009) is represented by the impossibility of finding a product in a local market, online distribution provides companies with a chance to exploit brand communication to sell more products and at a lower cost (Osmonbekov et al., 2009). At the same time, firms can benefit from the results coming from customer relationship management (CRM) when they carefully handle channels; it is possible to collect new and infrequent information on what customers prefer, when they decide to make a purchase, and what the behavior leading the purchase itself is (Ricotta, 2009). Of course, the customer will be incentivized to maintain a relationship with that brand, generating an increase of value for him/her that stems from the available variety, the customization of channels, and the rise in adaptations following personal predilections (Ricotta, 2009).

Managing Integrated Brand Communication Strategies in the Online Era

The arrival of online and social platforms has created another profound change: the upside-down use of communication and distribution strategies. More precisely, when considering the term “social media” – which gained popularity in 2005 – it has been used to describe different types of digital content that have been developed for interactive advertising; this offers audience members the possibility to generate content around a specific brand. Here, we talk about *user-generated contents* (UGC), as argued by Kaplan and Haenlein in 2010. Consumers become leading actors, and firms can develop measures of engagement and take advantage of word of mouth referrals with a proactive and dynamic approach. This dynamic approach indicates that another trend is becoming important: online selling through mobile channels. Luxury players, above all, can benefit from this growing trend in other markets (KPMG, 2013). Given that authors have previously talked about the integration of channels, we must now point out that the instruments have traditionally been used for distribution, they are now being used and designed to achieve the objectives of establishing competence, which has previously been assigned to communication functions. Vice versa, web and mobile, designed to spread the communication at the beginning, are now becoming the main distribution channels.

Considering what was described above, managers have to approach new strategies through the understanding of how customers use different platforms, after having analyzed them through a new demand segmentation model, as represented in Table 1. This table provides an output of previous researches (Mosca *et al.*, 2013, 2014). The considered dimensions (empathy, expression, and enhancement, which originated from the study of people’s attitudes toward online and offline media) are valid for every kind of market, but the interesting thing is that they are also valid for luxury goods (in mature markets). By matching these dimensions with new customer/audience attitudes toward media, it is possible to outline new profiles. Table 1 illustrates a scheme that can be helpful when determining the best method through which to integrate distribution and communication channels; it provides a complete overview of customer behaviors. It is possible to highlight three types of profiles: the Traditionalist, the Multimedia lover and the Eager about social media. Every profile presents, as it is possible to see in the table, a different tendency in using the web and the other screens and a specific reason driving his/her interaction with brands.

Table 1. Online users’ profiles (mature markets) (Mosca *et al.*, 2013)

	Traditionalist	Multimedia Lover	Eager about Social Media
	He/she lives the brand communication primarily through its above the line (ATL) media effectiveness. He/she prefers printed paper and specialized magazines as tools through which to enjoy communication and to find information on products and luxury brands.	The ATL advertisement triggers a mechanism that sees this individual interacting with the brand and its products through the use of multiple screens. He/she spontaneously remembers integrated communication campaigns, becoming – in some cases – a means of communication him/herself by sharing content (institutional or not) such as videos, photos, and articles.	Actively contributes to the promotion of messages and information, often becoming an active user not only in the process of diffusion, but also in the process of content creation through the use of comments, links to external sites, or providing additional information through blogs, etc. These individuals are major users of exclusive content made available by companies.
Empathy	✓	✓	✓
Expression	✗	✓	✓
Enhancement	✗	✗	✓

The research questions that were posited in the present chapter now have their first answers. We are talking about the definition of a strategy that concerns the integrated use of communication and distribution channels, which is the answer that players are giving to markets changes. We are not talking about a “fad” or a quick trend; rather, we are talking about a strategy that gains the confidence of the target audience. This phenomenon had its birth in 1994, and it has become viral in recent years, thanks to the increased sales in mobile devices. The first example of such “reverse multichannel marketing” comes from the mass market. In fact, it is possible to analyze a particular case study: Made.com. In early 2015, the UK furniture selling Web site opened its fourth showroom in Soho. The aim of this strategy was to enable people to have hands-on experiences. As is already known, the biggest bug in online selling revolves around the impossibility of trying or touching goods prior to purchase. Made.com can avoid this problem by offering physical places in which nothing is for sale, but where people can test a product, see its real colors, view textiles, and assess their dimensions. As such, we are talking about a space that is not a shop – no cash is exchanged on the way out; rather, this space offers a sort of physical complement to the online purchasing experience. The outfit features 1:1 goods projections to show how possible combinations can be realized when requested by customers. Visitors are equipped with a tablet to gather information on specific products. They can also project their place’s spaces, create wish lists, and buy desired products.

This case illustrates how some important elements are fundamental when effectively integrating distribution and communication channels:

- People are encouraged to constantly use screens; they want to optimize the free time they have through screen technology;
- People are willing to make purchases, but only when they know the materials, textiles, and dimensions of the goods they want to try;
- Since technology can help managers in this way, the interaction between communication and distribution channels can bring about positive results, but it is possible to sell only when people perceive that a certain degree of consistency exists among the various channels used;
- A customer may decide to make an online purchase via a physical point of sale if the technology experienced in the physical place can lend value to the purchase itself;
- The audience and possible customers never “go to sleep”; this refers to the idea that the Web and the marketing strategy must consider that this platform does not have geographical barriers; and
- The integration of virtual and physical channels has been reinvented with upside-down logic: the online channel is not additional or an accessory to the physical one; rather, both channels are part of the same process. The physical place is the communication channel and the online space is the selling one.

The above case shows that the spread of digital environments has helped broaden the spectrum of channel possibilities, and this can serve as a new area of competition. If we think that technology and its new horizons have redefined something, it is possible to refer to this as a hybrid exchange environment in which managers can study the coexistence of well-established and growing habits. Moreover, the increasing synchrony between distribution and communication channels can enhance the reassurance felt by customers and, as a consequence, it can further bolster client loyalty (Berger, 2006). When a firm is able to surround its target market, the result will be engagement and long-range profit.

ONLINE AND OFFLINE INTEGRATION ENHANCEMENT: HOW LUXURY FIRMS EXPLOIT THE CONCEPT OF MULTICHANNEL MARKETING

The luxury market's competitive landscape in recent years has been changing, primarily due to the rise in user-generated content. Firms have to revise their strategies to implement a "hold" concept: multichannel marketing is increasing in importance, as international media trends are operated by an ever-more demanding and informed audience.

International research initiatives (KPMG, 2013, for instance) have probed into the situation that luxury firms are facing with a high degree of success: a phenomenon that is known as the "digital challenge". These firms try to integrate both online and offline communication tools and, as a result, they recourse to a plurality of channels that are used to sell, but that are also primarily implemented to tell a story, to enhance the perception of product quality. This is interesting if we think that brands like Burberry, Chanel, Bottega Veneta, Gucci, and Ferrari are using the same channels (digital ones) that mass market firms are using. However, digital channels are a necessity even for luxury goods, since the most frequently used exchange platforms are currently online. Again, is this just a passing trend or a real competitive strategy?

The integration of different platforms in contemporary times revolves around the Web. The age of 2.0 has led the luxury goods players, as will be discussed below, to adopt the same strategies and tactics taken by the actors in mass markets; this has been a revolution, especially if you think that traditional marketing has always considered luxury and mass markets as two competitive environments with totally different mixed marketing strategies. Yet, the Web is able to bridge these two worlds without upsetting them and without having the various players fail their promise of consistency. Data relating to social media serve as examples of what was said earlier: in the middle of 2013, social media was compared (Mosca et al., 2013) between a number of brands (like Chanel) and more famous brands to the consumer (such as Benetton). It turned out that the number of likes and shares for the luxury fashion player was twice that of those in the mass market. This finding is as relevant as ever, as it indicates the short amount of time it took for brands like Chanel to develop their own social presence online.

Considering the necessity of using digital platforms to reach and engage people as a standpoint, it is useful to underline that digital channels are a way better method through which to interact with the audience. Consequently, digital platforms take on a double connotation: a digital channel is a tool through which to inform and persuade individuals, like other older media; at the same time, it represents a way through which to sell a product, using both physical and virtual contact modes. According to this idea, it is possible to say that the benefits coming from online and offline integration strategies interest both luxury firms, as well as their audience members. First of all, the public's attention can be easily captured through the interactions caused by the nature of Web 2.0 (Ricotta, 2009); this pertains to UGC, which was previously discussed, and its power to enhance people's engagement. Moreover, pushing the simultaneous use of different screens – which is called "interactive multimedia" (Casalegno, Li, 2012) – provides luxury firms with some advantages, including the following: long-lasting customer loyalty, especially since the audience is surrounded by a certain message from the firm; the pulse of customer's experience as the result of the interaction; sales increase given that the more a customer has confidence in a brand, the more he or she is going to buy it; and employee retention, since the first customer of a firm is the employee him/herself. On the other side, even customers can benefit from a multichannel strategy; they can customize the product they want by providing feedback to firms, they save time when

comparing products and during the purchase process, they feel involved in the exchange process, and they can receive the product in a shorter amount of time through online purchasing.

According to this perspective, even the development of a digital channel for luxury players has to consider integration with the traditional distribution channel; it is not to be viewed as a standalone distribution channel, but as one that complements the physical channel, as will be argued below, and as various examples in the text can show.

Traditional and physical stores always play a major role in the experience of buying luxury goods, but the huge success of the digital channel turns it into an inescapable variable for players in the market for highly symbolic value goods. Nowadays, a Web strategy is essential for a luxury brand (Mosca et al., 2013, 2014). In order to provide a clearer idea of how powerful the method of selling online is becoming, one must consider the Digital Luxury Experience (DLE) 3rd edition. The results of this research project – jointly developed by the Fondazione Altagamma and McKinsey in 2012 – confirm that the online sales of luxury products reached €7.5 billion, accounting for 4% of the total selling. For 2017, the study forecasts an increased incidence of 6% with an increase in sales of €17 billion. Another interesting result concerns the highest growth shown in multi-brand sites when compared with market products at full price. This shows that Web channels today can no longer be regarded as virtual spaces in which consumers hunt for bargain purchases. Luxury customers are involved in services and the breadth of offering, as they are when they buy products in a physical place. Another important finding is that there is confirmation of the increasing role of Smartphones and tablets; in fact, 50% of luxury consumers conduct online searches from a mobile device, and there is also an increasingly strong correlation between the increase in sales and the number of Web pages visited. For companies with a page per visit above the panel average, the sales increase is 16%. Another study published by KPMG indicates that 70% of Chinese customers make purchases online at least once a month (KPMG, 2013).

In fact, especially in this particular competitive environment, consumers are looking for a deep and intimate relationship with brands that emphasize recognition, respect, dialogue, and collaboration with their costumers (Mosca et al., 2013). On the other hand, costumers tend to reject those brands that do not regard their involvement, nor that provide the attention they require. So, they tend to abandon those firms that are not able to convey their experiences, values, and excellent product concepts in a way that is consistent between the real world and the online environment. From this perspective, integrated communication has gained importance in the management of luxury brands. These brands have already exploited their online potential in communication, and they are beginning to approach the Web as a means through which to sell products by leveraging their unique values. Table 2 summarizes the shared content belonging to the most major luxury firms in the past year (2014).

Table 2. Online/social shared luxury firms' contents (analysis conducted by the authors)

	Heritage	Storytelling	Events & Celebrities	Entertainment
Automotive	25%	35%	20%	20%
Fashion	15%	30%	40%	15%
Wine and spirits	40%	10%	15%	35%
Jewelry and watchmaking	35%	20%	30%	15%
Perfumery and cosmetics	35%	15%	15%	35%

Focusing attention on the third research question, it is necessary to consider the ways in which luxury players can maintain consistency in their brand's identity, the new communication and distribution channels that are adopted, and the efforts to reach a certain brand positioning. In this scenario, which is dominated by a stronger relationship between people and technology, communication, and the Web, the marketing of luxury goods requires a new communication model based on the 7Es (4Es + 3Es): Experience, Exclusivity, Engagement, and Emotion, in addition to the other 3Es that have arisen from the opportunities that the Web affords. In particular, the 3Es that have emerged from the social Web have brought the following to communication: Expression, Enhancement, and Empathy. This strategy is described below.

THE "7ES" STRATEGY FOR A MAJOR BRAND'S CONSISTENCY: OUTFITS AND RESULTS

The 7Es strategy was already considered in previous researches (Mosca et al, 2013, 2014), but the interesting thing is that these seven elements are still being considered, and the channels through which luxury players market their products has been based on this model in the last four years to enhance their positioning and the consistency of their brand's identity. As has already been argued, it is very uncommon for luxury players to employ marketing and communication strategies using the same communication and distribution channels already used by mass market firms. One must examine what it is about the "sense of elite" that comes from the unique experiences of a customer, and how this could be received from a selling point. What about the services given by shops and showroom employees? What about the rules that were already studied and applied by managers until a few years ago? Consistency, "sense of elite", and brand engagement can be enhanced through Web communication and online selling if luxury firm managers consider the following elements.

Experience. During the recession and post-recession, and unlike in other markets, the traditional luxury goods customer has not significantly limited his or her consumption. As a result, luxury goods markets have not been heavily affected by the crisis; rather, it can be highlighted that purchasing trends have shown the opposite pattern. While the luxury market and spending on luxury goods has grown, on the other side, luxury consumers have become more selective, informed, and a little bit more cynical. Today, the luxury consumers' purchasing decisions revolve around the question, "Is it worth it?" In this scenario, luxury companies have to provide unique and engaging experiences. Some authors have observed how the next decade will be characterized by the centrality of the experience. Attention is no longer paid to what you buy, but how you buy. This stems from the fact that the selling point has become the focus of a luxury brand's marketing strategies, and it now constitutes a central element in the process of integrated communication, which is capable of influencing, through its tangible and intangible elements, the brand's image. It also ensures that the consumer is provided with a unique and engaging experience.

Burberry

This fashion luxury player – with an allocation of 60% of available resources for digital marketing – opened its flagship store on September 14, 2012 in the heart of London. The flagship store, thanks to the technology developed by the brand, is designed to increase customer engagement and purchasing through a

digital and tactile experience in store, which shows the historical and artistic heritage of the brand. The 44,000 square-foot store on Regent Street was developed as the physical expression of Burberry.com; in fact, the rooms in the flagship store follow the sections of the Website that are available online, allowing customers to dive into a combined digital and physical experience. This experience is enhanced by features such as the presence of 100 screens, the installation of the largest indoor advertising screen in the world (22 ft), and 500 speakers that support the playing of movies and exclusive videos of this luxury maison in Britain. Regarding merchandising and inventory, Burberry's flagship store features completely innovative technology. Alongside the RDIF chips sewn into the clothing and accessories, which provide a range of multimedia content related to the products, employees of the British luxury maison – thanks to a series of iPad applications designed for the sales staff – are able to access information about a customer's purchase history and their preferences, thus providing customers with a personal and customized shopping experience. In conclusion, the strategy put in place by Burberry not only allows a customer to increase his or her perceived value of the brand, thus improving his/her shopping experience, but it also enables the brand to increase its permanence in terms of the amount of time spent in the store, creating the customer's desire to return and repeat the experience.

Exclusivity

In marketing, exclusivity is considered to arise from the second P of the marketing mix: price. Exclusivity, however, has always been the cornerstone of a luxury firm's strategies, and no concept has ever been more intensely protected. It is widely believed that the use of digital marketing in luxury marketing strategies could "put in jeopardy the exclusivity of the brand"; however, on the contrary, it could offer a real opportunity and an elegant way through which to control and develop such exclusivity, simultaneously increasing the visibility of a brand. As a result, the players of the luxury market have created exclusive platforms for consumers, as for instance the virtual community. This expedient has been used, for example, by Burberry for its "Art of Trench". In fact, each maison has a special icon that distinguishes one from the other – similar to, for instance, the Hermès Kelly. For Burberry, this icon is its trench coat. As its symbolic garment, Burberry's creative director, Christopher Bailey, has created a real fashion social network that collects photo shoots of characters, famous and not, who wear the company's icon. The British maison has developed a platform that combines high-quality content produced by the brand with those of its users by allowing users to communicate with the company and with one another. To launch the project, Christopher Bailey has hired Scott Schuman, the world-famous photographer, to take the first hundred pictures; later, users have responded to the initiative by uploading thousands of their own photos.

Engagement

In the realm of luxury goods, engagement is granted and often evoked by one thing: the story. Any video, online experience, or a simple post on Facebook, which is equipped with engaging content, constitutes a story that arouses emotions and involves the viewer in a unique experience. Today, in the luxury market, convincing the consumer to buy is not sufficient. Convincing them, however, to participate in an exclusive trip with and within the brand is the key to success, and that is what stories achieve. In addition, it is known that these stories "sell".

Tiffany

The jeweler reported a significant increase in sales after the public and the press enthusiastically greeted the microsite developed by the brand, What Makes Love True, and the mobile application, Engagement Ring Finder. These two elements of digital marketing conveyed the powerful and engaging history of the Tiffany brand in achieving true love. Tiffany has decided not to focus only on selling products, but on an entire way of life. In fact, the brand has invested heavily in the What Makes Love True campaign. What Makes Love True offers videos, stories, and content from Web users/customers that follow the stages of how the main characters of the stories met and fell in love in a mix that also involves film and romantic songs. What Tiffany did was create an environment that embodies the lifestyle of the brand. The site also offers sections where customers and fans of the brand can share their love stories and a map, thanks to a tracking system, all of which are in place in New York, where a major event has happened.

Emotion

The combination of the 3Es described above takes a fourth element of luxury marketing into account: emotion. Without the proper application of this key variable, the success of luxury brands is not sustainable in the long run. The reason is simple: luxury firms have consumers that can buy almost anything they want. In this context, the physical product acquires secondary importance in favor of what luxury consumers are really looking for: a more personal experience or an engaging story that will evoke in them a particular emotion.

With respect to these basic Es, which have been identified through a literature review (Luan, 2008; Corbellini & Saviolo, 2007; Okonkwo, 2010; Kapferer & Bastien, 2014), it is evident that in order to complete the model, it is necessary to add the 3Es that are linked to consumer empowerment (Mosca et al., 2013).

Enhancement

This is the enrichment of luxury content through the provision of exclusive content; this content could be shared, but it is used to increase the consumer's experience.

Expression

The Internet provides consumers with the opportunity to manage the amount of time they communicate. This has given way to a communication style that is more charming, elegant, and dream-like, and that is able to reach a specific target market which, until now, was not possible with only above the line media.

Cartier

The first luxury brand to use a social network in its marketing strategy was Cartier which, in 2008, created its first official page on MySpace to advertise one of its brands (Love) and its charity campaign. From 2008 onward, Cartier has leveraged the power of the Web, creating opportunities through which to

enhance the brand's expression. Nowadays, Cartier is present on Facebook, Pinterest, YouTube, Twitter, and LinkedIn. Moreover, the Web site features an online shopping page. To augment consumer engagement and provide a sense of membership, the various Web pages present the same picture (Cartier's symbol, the jaguar).

Empathy

UGC media are able to provide luxury firms with personal information about their customers, allowing companies to establish a more intimate relationship with their clients. This practice is in line with the inversion of the traditional communication scheme that has influenced the current scenario in almost all markets.

Chanel

Although Chanel has already been mentioned as being very active in social networks, this famous player has not offered sales channels online to date. The company's online presence has been developed to attract customers to its traditional stores. Why? Chanel says that if you do not try on clothes, you cannot buy them. The online catalogue is not used to sell products through the Web; rather, it serves as a tool through which to push its in-store sales. Finally, the company's online and social presence was established to create a sense of empathy, which was already explained. The brand aims to tell a story: the story of Madame Coco. That story can affect people, and this is an effective way through which to establish a more intimate relationship with the customer. In this instance, we are talking about a case of integrating online and offline channels, of course, but the two platforms, the distribution as well the communication one, are not changing their rules, at least so far.

FUTURE DIRECTIONS: BENEFITS AND RISKS FOR CONSUMERS

The potential impact of online stores on a customer's purchase behaviors represents an interesting area of discussion. Are people changing their habits and attitudes in such a way that pushes every luxury firm to consider online selling? So far, as has already been shown, some luxury players have not decided to sell online, but what about tomorrow? Managers can try to provide solutions to the aforementioned questions by considering that online selling features risks and benefits. On the one hand, an online shop can augment the 7Es, and the 7Es can be exploited to encourage people to buy online. It is also worth considering that in the future, generation Y will represent the luxury target market, and studies on their attitudes toward buying and media are showing a strong predilection for online tools (both for buying and for gathering information). Moreover, we have already considered that customers can benefit from online purchasing methods (they can customize their future purchases, they can experience the brand, and they can interact with and gather major information about the firm itself); in addition to these benefits, customers are also provided with the added convenience of receiving products directly to their door (Voyer, Tran, 2013), and customers are also able to monitor online product stocks (usually when a certain product is scarce, people know).

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On the other side, online sales feature risks. From a customer's perspective, the first risk is linked to the nature of the online environment: you cannot try to think, you cannot see the clothes or purses live, and the screen on your laptop/PC can provide you with a poor image resolution. Moreover, if the value of a luxury product is high given its selective distribution, how does the online environment change this – especially since Web pages have no barriers? Eventually, from the firms' perspective, the online environment can create conflict among distribution channels.

Finally, managers need to face the pros and cons of online strategies and, consequently, they have to consider if their target market is ready to accept online products. At the same time, they need to consider that people love, above all, to experience products in luxury markets.

CONCLUSION

Digital technology has brought about a radical change in the dynamics of marketing, and it is becoming increasingly important. The spread of social media and mobile media offers firms new business opportunities; these firms have the potential to create viral communication campaigns and to reach, thanks to the potential of new media, multiple market segments, providing the ability to customize messages. While the Web experience is based on exchange, sharing, and collaboration, consumers of luxury goods in mature markets are certainly not immune to this revolution. Hence, firms need to have an online presence, not only through Web sites, but they should also provide content and services to the expanding virtual community. All businesses, including those operating in the field of luxury goods, are conscious that in order to be on the Internet, “showcase Web sites” are being overtaken by the real leading players in the creation and exchange of information and experiences, offering dedicated spaces, content, and additional services to users and fans of the brand.

Luxury firms thus address their system of offerings to consumers with a view of producing any number of functional benefits. With this in mind, the physical quality of the goods, while important, is instrumental in the creation of the emotions that are sought and shared. This can enhance a new concept called “reverse multichannel marketing”. What has primarily been a communication platform thus far is now transforming into a selling place, while what has always been a selling platform is now becoming a “showcase” where people can gather information on and experiment with what they can buy online. This represents an interesting and fruitful area for future research for both academics and managers.

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KEY TERMS AND DEFINITIONS

Engagement: A promise, obligation, or other condition that binds. This is the aim of firms want to serve people for a long while.

Exclusivity: In marketing exclusivity is considered as arising from the second p of marketing mix: the price. The exclusivity, however, has always been the cornerstone of luxury's strategies and no appearance has never been more intensely protected.

Luxury Markets: Places in which it is possible to sell or buy a material object, service, etc., that brings physical comfort or rich living, but is not a necessity of life.

Mobile Sale: Smartphone, tablet or dedicated wireless device that performs the functions of a cash register or electronic point of sale terminal. It represent a possibility to buy things by using the device.

Multichannel Marketing: Is the ability to interact with stakeholders on various platforms. In this sense, a channel might be a print ad, a retail location, a website, a promotional event, a products package or even word of mouth.

Social Networks: Digital platforms in which it is possible to find network of social interactions and personal relationships.

Values: The abstract concepts of what is right, worthwhile, or desirable; principles or standards.