

Chapter 2

Omnichannel Shopping Experiences for Fast Fashion and Luxury Brands: An Exploratory Study

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ABSTRACT

This chapter explores how luxury and fast fashion brands have been affected by omnichannel strategies, which refer to the opportunity to integrate online and offline channels to create a seamless shopping experience aimed at engaging customers. Through a quali-quantitative research approach, the study examines the potential effects of the implementation of omnichannel activities on the perception of luxury and fast fashion brands. Interestingly, consumers perceive omnichannel strategies as something projected for luxury brands, thus as a way for them to improve the luxury shopping experience. Consequently, when applied to fast fashion brands, omnichannel strategies may lead consumers to perceive such brand as more prestigious, activating a sort of “luxurization.” For a luxury company, omnichannel strategies may represent an opportunity because they can increase the perceived luxuriousness of the brand, but also a threat because they may help fast fashion brands to be perceived as luxurious, thus “imitating” luxury companies.

DOI: 10.4018/978-1-7998-5882-9.ch002

INTRODUCTION

Fashion and luxury brands are currently facing new challenges. Walking through the most popular shopping streets, from London's Knightsbridge up to Old Bond Street, from Rome's Via Condotti up to Via del Corso, from Paris' Champs Elysées up to Galeries Lafayette, the shop windows of Burberry, Hermès, Louis Vuitton, and Gucci show their latest creations of refined quality materials and unique craftsmanship. Continuing across near streets, pretty much the same designs at the trendy showcases of H&M, Zara, Top Shop, and Forever 21 could be discovered, although at significantly lower prices and quality: just figure out Via del Corso in Rome, as the main street from which Via Condotti begin. Today, these store perfectly integrate some digital tools (interactive or touch-screen displays, totems, Wi-fi connectivity in the entire store), then extended their traditional presence on online channels (Okonkwo, 2009) (e-commerce, social media, blogs, websites), creating a disruptive digital and technological universe. Luxury brands evoke rarity, heritage of craftsmanship, exclusivity, premium pricing, and superior quality (Amatulli & Guido, 2011; Chevalier & Mazzalovo, 2008). By contrast, fast fashion ensures permanent assortment rotation, low prices, and accessible variety, but with a great aesthetic content, which derives from those brands' ability to imitate the latest luxury fashion brand catwalk offerings (Gabielli et al., 2013). The evolution of a mass class of wealthy people and the rapid growth of the Internet have allowed consumers to "trade upwards" and purchase luxury items, mixing these luxury products with fast fashion ones, in a way that seems to lead to the so called "democratisation of luxury" (Okonkwo, 2009). The new digital tools, and thus the digitalization, the new tastes of the youngest generations of consumers transformed the dynamics of the luxury goods markets (Batat, 2019; Rios, 2016). Digitalization is a buzzword today: the integration between digital and physical channels, thus between on-line and off-line digital channels, become strictly required to survive and maintain competitiveness (Chaffey et al., 2019). The new marketing strategies enabled by the digital tools are not only limited to e-commerce and social media communication strategies: Digitalization means to rethink the traditional business model to integrate digital processes along the entire value chain (Chaffey & Smith, 2017). The new fast fashion brands have become competitors of luxury brands through the introduction of limited-edition products, celebrity endorsement, high advertisement expenditure, and store openings in prestige retail locations. Additionally, online fashion specialists, through their online e-commerce platforms (e.g. Amazon, Asos, Net-a-porter) easily propose both fast fashion products and luxury products (Brownlie et al., 2013). Differentiating themselves is becoming extremely important for luxury companies, as they have witnessed great changes from their consumers. Indeed, luxury companies are now considering mass brands as a threat. Thus, from a consumer's perspective, in the current scenario, the omnichannel opportunities could contribute to make fast fashion brands perceived as more prestigious, activating a sort of "luxuriation" of such brands. Co-branding strategies have been investigated as a way to bringing together luxury and fast fashion (Amatulli et al., 2016): indeed, luxury brands seem to be near to fast-fashion strategies. Digitalization could additionally make hazy these borders.

For an overview, fashion market revenue is expected to show an annual growth rate (CAGR 2020–2024) of 7.0%, resulting in a market volume of US\$149,308m by 2024 (SDMO, 2020), despite the growth will slow to 3 to 4 percent in 2020, slightly below the predicted rate due to the Covid-19 pandemic (McKinsey, 2020). The fashion influence has been propelled by the rise of new designer brands and chains such as Vivienne Westwood, Paul Smith, Stella McCartney, Alexander McQueen, and Alice Temperley and the re-emergence of old luxury brands like Burberry and Mulberry in the UK Market and the historic presence of Gucci, Prada, Dolce & Gabbana, Armani, Versace in the Italian Market (Interbrand, 2020).

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