

**UNDERSTANDING LUXURY FASHION PRODUCTS CONSUMPTION IN
RETAIL OUTLETS: A PERSPECTIVE OF PORTUGUESE WOMEN**

Carolina Pires Lucas

Dissertation as partial requirement for the conferral of
Master in Management

Supervisor:

Prof. Miguel Jorge da Cruz Lage, ISCTE Business School, Department of Marketing,
Operations and Management

October 2019

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Acknowledgments

The accomplishment of this master thesis is very rewarding to me, as it is the representation of my work, perseverance and resilience, and the acknowledgment of the people that were there for me in every step of the way, to whom I feel deeply grateful. This dissertation was one of my great achievements in life, that certainly will give me strength, confidence and motivation to always pursue my personal and professional objectives. It signifies the end of a chapter and the beginning of another one.

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Abstract

The consumption of luxury fashion products has been undertaking a very powerful position in the consumers' purchasing behaviours, as luxury products establish emotional connections with consumers, mostly with women, that goes beyond the utilitarian benefits. Furthermore, the presence of luxury fashion brands in retail outlets bring new insights towards the luxury fashion world, which have an impact in the consumers' perceptions of brands.

Accordingly, it is necessary to create an understanding of luxury fashion products consumption in retail outlets, through a female perspective, in order to generate valuable inputs that mean to comprehend consumers and support luxury brands. Therefore, the objectives of this dissertation are divided into three different courses. Firstly, it aims to understand the motivations behind the ideal luxury fashion purchase, as well as the motivations behind the real luxury fashion purchase in outlets stores. Secondly, it means to define the ideal luxury store environment, to analyse the real luxury outlet store environment, and finally, to recognize the importance of the atmosphere in luxury outlet stores. Lastly, it intends to investigate how luxury outlet stores influence the positioning of luxury brands.

To accomplish the objectives defined, an exploratory qualitative research was conducted, in which were only interviewed Portuguese female consumers of luxury fashion products.

The results proved that the motivations behind the consumption of luxury fashion products in retail outlets are primarily functional, and that the real store atmosphere of a luxury outlet store does not correspond with the ideal luxury store atmosphere, and that the consumers' perceptions on the presence of luxury brands in outlets were inconsistent, and thus, benefits and disadvantages were retained.

Key-words: Luxury, Fashion, Outlets, Motivations, Store Atmosphere

JEL Classification System:

M10 – Business Administration: General

M30 – Marketing and Advertising: General

Resumo

O consumo de produtos de marcas de luxo, na indústria da moda, tem vindo a assumir uma posição bastante importante no comportamento dos consumidores. Os produtos de luxo estabelecem conexões emocionais com os consumidores, que são maioritariamente mulheres, que se estendem para além dos seus benefícios utilitários. Além disso, a presença de marcas de luxo em retalhistas de outlet trazem novas perspetivas em relação ao mundo das marcas de luxo de moda, que afetam as perceções dos consumidores em relação às mesmas.

Deste modo, é necessário criar um entendimento relativo ao consumo de marcas de luxo em outlets, através de uma perspetiva feminina, com o propósito de melhor compreender os consumidores e o desenvolvimento das marcas de luxo. Assim, os objetivos desta dissertação estão divididos em três partes. Primeiramente, tem por objetivo compreender as motivações dos consumidores em relação à compra ideal de produtos de luxo, e à compra real de produtos de luxo em outlet. De seguida, pretende definir o ambiente ideal das lojas de luxo, analisar o ambiente real das lojas de luxo em outlet, e de reconhecer a importância da atmosfera em lojas de luxo em outlet. Por fim, examina a forma como as lojas de luxo em outlet influenciam o posicionamento das respetivas marcas.

De forma a poder cumprir com os objetivos propostos, foi efetuada uma análise exploratória qualitativa, na qual foram entrevistados apenas consumidores de marcas de luxo do género feminino e de nacionalidade Portuguesa.

Os resultados do estudo provaram que as motivações dos consumidores para a compra de produtos de luxo em outlet são principalmente funcionais, que a atmosfera real de uma loja de luxo em outlet não corresponde à atmosfera ideal, e que as perceções dos consumidores relativamente à presença de marcas de luxo em outlets são inconsistentes, apresentando benefícios e desvantagens.

Palavras-chave: Luxo, Moda, Outlets, Motivações, Atmosfera de Loja

JEL Classification System:

M10 – Business Administration: General

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1. Introduction

Through the years, the luxury market has been experiencing a significant growth regarding the consumers' perceived value of luxury and its impact on the consumers' purchasing behaviour. According with the study's results of Deloitte Global Powers of Luxury Goods (2019), the world's top 100 luxury goods companies earned luxury goods revenues of 247 billion of US dollars in 2017, which revealed to be a significant increase of 10,8% from the previous year.

Nowadays, luxury brands are considered a privilege and a pleasure, which are capable of influence the way that individuals feel, emotionally and psychologically, (Sreejesh *et al.*, 2016) and the way that they are seen by others (Vigneron and Johnson, 1999). Therefore, consumers' aspire and feel the urge and need to fit in a society that describes and shapes the luxury market as a way to empower themselves and to be successful.

On the other hand, retail outlets are recognized as one of the best ways to shop, for all types of products and needs, at the best price (Whyatt, 2008). For a long time, outlets were seen as a good fit to buy instant necessities. The items were available at low prices and for a reasonable product quality, regarding the need, the paid price and the easy possibility of replacement. Meanwhile, the observed value has changed. Currently, outlet stores are acknowledged as a possibility to buy good quality products, from all kinds, sometimes from previous collections, at discounted prices, while comparing with the original shops. Hence, appeared the concept of premium outlets, which combine some of the best luxury brands at significant lower prices.

Additionally, a research conducted by Trembley (2005) showed that men and women have different patterns regarding their purchasing behaviours (Sun and Yazdanifard, 2015). The study stated that men are more likely to be interested in technology and sport's products, while woman in fashion goods, such as shoes, bags, clothes and jewellery. Accordingly, it concluded that women have a high propensity to purchase those fashion products during attractive promotions and sales seasons.

In literature, there is no information concerning the conception between the consumers' luxury consumption behaviour and retail outlets. Considering the fact that these topics are emerging and contributing substantially to the economy, it is important to generate an understanding regarding the consumption of luxury fashion brands in outlet retailers, among the audience that most appreciates fashion brands, women. Allied to these motivations, is my interest in searching and studying the luxury fashion market in order to be able to recognize the power of luxury brands and its effect on consumers, especially in retail outlets.

For the reasons mentioned, this dissertation aims to generate important insights of the consumption of luxury fashion products in retail outlets, through the assessment of the contrast between the ideal luxury fashion purchase and the real luxury fashion purchase in outlets. Thus, this research includes the ideal motivations behind the purchase of luxury fashion goods and the real motivations behind the purchase of luxury fashion products in outlets. Furthermore, it means to establish a comparison between the ideal atmosphere of a luxury fashion store and the real atmosphere of a luxury fashion store in retail outlets, and consequently, to perceive the importance of the environment in luxury outlet stores. Lastly, the study intends to comprehend the way that the presence of luxury fashion brands in outlets affect the consumers' perception of brands. In order to limit the extent of the study, to provide more relevant and valuable information, and to avoid cultural differences, this thesis is focused on Portuguese women and in Portuguese retail outlets. Besides, it is expected that this dissertation enables marketers and managers to understand the consumption of luxury brands in outlets as a whole, and to strengthen and improve the decision making in the luxury sector in Portugal.

Regarding the structure of this thesis, it will be divided into four different segments. First of all, a literature review will be conducted, which means to offer a theoretical and empirical background of the topics that this dissertation addresses. Secondly, the methodology of the study will be chosen according with the objectives defined and it will be explained in detail. Therefore, the collected data will be properly organized and described, and compared with the literature review, whenever there is literature to support the results. Lastly, in conformity with the results obtained, it will be presented the final conclusions, which include the discussion of the findings, the managerial and marketing implications, and the limitations and further research.

2. Literature review

2.1. Luxury consumption

According to Chevalier and Gutsatz (2012) and quoted by Cervellon and Coudriet (2013), Jean-Louis Dumas, former chairman of Hermès, once said that *“A luxury brand must respect three conditions: it should stamp beautiful objects; it should select its customers and promote them as individual promotion agents; it should be able to decide freely and without any constraints what it wants to do”*. Through this quote, the former chairman of Hermès reveals the enormous

power that luxury brands have by being able to control their customers' selection, influence their behaviours and act with no constraints.

Over the years, luxury brands have been recognising their power by establishing emotional connections with customers, making them highly involved with the brands (Sreejesh *et al.*, 2016; Malär *et al.*, 2011; Fournier, 1998), and so, expecting for luxury brand aspirations to be an “*antecedent of attitudinal and behavioural brand commitment*” (Sreejesh *et al.*, 2016) which Bergkvist and Bech-Larsen (2010) empirically showed by saying that “*brand identity is an antecedent of brand loyalty*” (Sreejesh *et al.*, 2016).

Consumers' emotional connections with brands tend to become relationships, and so, consumers acknowledge brands as partners (Loureiro, 2014). In the luxury segment, the brand value goes beyond the products' functional benefits (Loureiro, 2014), their perceived utilities and attributes (Sheth *et al.*, 1991). The luxury products have a symbolic meaning and provide social and cultural standing (Loureiro, 2014).

In this chapter it will be developed a broader notion of the motivations behind luxury consumptions. First, we will try to understand what are the brand aspirations and the brand positioning in the luxury segment. Then we will deconstruct the consumer self-concept and analyse its impact on luxury consumption. And, lastly, we will state the purchase drivers for luxury consumption by focusing on the impulsive shopping, materialism and conspicuous consumption.

2.1.1. Brand aspirations and brand positioning in the luxury segment

The importance of understanding what aspires consumers to purchase luxury objects and how luxury brands are perceived in the consumers' minds are related with the research of the purchase incentives and inspirations that lead consumers. It is necessary to comprehend what are the individuals' intrinsic and extrinsic aspirations and, consequently, the luxury brand aspirations. The luxury brand positioning means to support the aspirations about luxury brands and to reflect on the brands' image the consumers' thoughts regarding them.

Vigneron and Johnson (1999) defined that the primary motivation of luxury brands consumption is the display of social status, allied to the notion of extreme level of prestige. Therefore, the luxury consumption is characterized as an act driven by consumers' increasing aspirational orientations and by the value perceptions of luxury brands, that are capable of impact the consumers' buying behaviours and actions (Sreejesh *et al.*, 2016; Tynan *et al.*, 2010; Wiedmann *et al.*, 2007). Sreejesh *et al.* (2016) believe that it is important for luxury brands to

preserve their consumers' aspirational orientations in order to maintain their commitment, motivation and predisposition towards premium prices.

The key input of aspirations are the future performance expectations, which are critical in defining strategic behaviours (Sreejesh, 2015). To accomplish that, it is required to understand the notions behind aspirations, especially the extrinsic elements that form the luxury brand aspirations (Sreejesh *et al.*, 2016; Truong *et al.*, 2010).

Aspirations collect both intrinsic and extrinsic elements (Sreejesh *et al.*, 2016; Kasser, 2002). The intrinsic aspirations refer to the "*pursuit of goals that satisfy inner psychological needs*" (Sreejesh *et al.*, 2016), such as personal growth and intimacy, and the extrinsic aspirations refer to the external objectives that may not be intrinsically rewarding but are expected to be perceived as a positive gain, such as status and popularity (Sreejesh *et al.*, 2016).

Some marketing researchers (e.g., Truong *et al.*, 2010; Amaldoss and Jain, 2005; Solomon and Englis, 2004) suggest that consumers can create aspirations towards luxury brands and objects because of the symbolic meaning attached to them, like prestige and success (Sreejesh, 2015). These aspirations are considered extrinsic (Sreejesh *et al.*, 2016), and demonstrate the emotional connection that consumers can establish with luxury brands, which are focused on the concept of the ideal future self (Sreejesh, 2015).

Brand aspirations result from brands that integrate, and combine several features that influence individual's behavioural intentions, and commitment. These features represent identity, self-esteem, social recognition, and achievement orientation, which intent to satisfy the individual psychological needs of human beings (Sreejesh, 2015). Thus, improvements in the consumer brand aspiration must be investigated in order to lead to a stronger consumer identification with brands (Sreejesh, 2015).

Concerning the authors thoughts, the brand aspirations towards luxury are mainly related with the way that those brands empower consumers' emotions and feelings, and transmit social appreciation by others. It is related with how individuals want to stand in life and how they want to be perceived by the society.

The paradigm of luxury consumption is frequently associated with brand aspiration towards luxury brands, but they differ from each other (Sreejesh, 2015). A consumer with a status desire of luxury brands' consumption, might be willing to replace a certain brand for another one equally or more status orientated (Sreejesh, 2015). Contrary to this, a strong luxury aspiration

regarding a brand implies that the brand is not easily replaced, which shows individual's brand attachment, commitment and focused goal orientation towards a luxury brand (Sreejesh, 2015).

Overall, luxury aspirations reveal the strong connections that brands establish with consumers, which disclose their loyalty to specific brands. Those luxury brands are not just lust, fashion trends or status. They represent more than that, they add value to their aspirational consumers, not only personally but also socially.

The positioning of luxury brands should be exclusive, it should create desire, awe and adoration in customers (Kapferer and Valette-Florence, 2016). In order to sustain their desirability, Kapferer and Valette-Florence (2016) argue that luxury brands must: select their clientele, once that the *"customer "reflected image" is a key dimension of brand choice for conspicuous behaviors"*, promise to deliver feelings of uniqueness, originality, high taste, and be acknowledge as a designer of fashion trends.

Luxury brands are present in the consumers' minds as privileges which are unattainable for a large group of people in the society, they are limited, fashionable and a symbol of status. Consequently, luxury represents a creative identity, bold enough to make the statement: *"this is what I want"* (Kapferer and Bastien, 2009). This statement represents power, passion and taste, which is exactly how luxury brands position themselves in the luxury segment and how luxury brands intent to make their consumers think and feel about the brands and their own while wearing luxury items.

2.1.2. Consumer self-concept and impact on luxury consumption

As it was mentioned before, brand aspirations disclose the connections that brands create with customers. And, sometimes, those connections are so strong that make consumers incorporate the brands into their self-concept. This segment explains how individuals can include a brand into their own self and how it impacts the consumers' consumption of luxury brands. These pieces of information will also help us to define the drivers of luxury consumption.

The self-congruity theory suggests that the consumers' positive impact on brand attitude, loyalty and engagement is associated with the similarities between the brand image and the users' standards (Sandhu *et al.*, 2018; Malär *et al.*, 2011). Therefore, Sandhu *et al.* (2018) stated that the consumers' compatibility with the brand is identified by the way that the brand allows the users to fulfil their needs for private and social self-satisfaction.

That compatibility is defined as self-connection, which is an expression used to define the correlation between brands and consumers. In other words, this concept represents “*the extent to which individuals have incorporated a brand into their self-concept*” (Loureiro, 2014). Furthermore, the self-concept is defined as the purpose of self-manifestation through the consumption of brands, which frequently influences and manipulates the consumer’s behaviour while shopping (Sandhu *et al.*, 2018).

Credibility, positive image and reputation are brand characteristics that reinforce and justify the relationship established between brands and consumers. This correlation can also be associated with the consumers’ personal identification with celebrities, groups of reference, and other groups that approve and recommend the brand (Loureiro, 2014).

Social scientists have showed that the self is characterized by several “*different but related self-perceptions*” (Perez *et al.*, 2010), acknowledging a multiplicity of identities. Particularly, the self-concept is composed by several self-images, which motivate individuals to love brands whose images are similar to their own (Perez *et al.*, 2010). Thereby, brands have a significant influence in the consumers self-concept because they own characteristics that consumers can relate with. This influence impacts how consumers recognize those brands, make decisions and choose products and brands (Giovannini *et al.*, 2015; Sirgy *et al.*, 2006; Sirgy, 1982).

In a study conducted by Vohra (2016) it was testified that the possession of luxury goods are important and meaningful for its consumers. Possessions constitute a vital part on people’s identity, they “*allow the manifestation of people’s extended self, contribute in the construction of personal identity and facilitate the creation of a particular culture of consumption*” (Perez *et al.*, 2010).

The self-concept effect on luxury consumption is supported by two main traits: self-esteem and self-consistency (Giovannini *et al.*, 2015). The luxury consumption related to self-esteem is directly connected with the enhancement of self-confidence, display of prominent achievements and acceptance of the society. It is associated with the desire of social prestige and, thus, conspicuous or status consumption (Giovannini *et al.*, 2015; O’Cass and Frost, 2002). The self-consistency motivation refers to the consumption of luxury brands that are consistent with their self-image and that can express and enhance the consumers’ own self (Giovannini *et al.*, 2015; Sirgy *et al.*, 2006).

Accordingly, the luxury consumption of fashion is considered a symbolic consumption, supported by consumers' status, group membership, and self-image. The consumption is characterized as high quality, exclusive, high price and social standing.

Overall, luxury consumption is highly involved with the notion of self-concept. The self-concept includes several important traits that individuals seek, such as self-esteem and self-consistency, and that brands make them possible to achieve. Therefore, the consumption of luxury brands is extremely impacted by consumers that mostly look for confidence, prestige, status and social recognition.

2.1.3. Drivers for luxury consumptions

In this segment, we will address the motivations and the dimensions for luxury consumptions that uncover the drivers for those consumptions. There is also an approach of three different behavioural traits that concerns the consumptions of luxury objects. This research aims to find the consumers' motivations and drivers for luxury consumptions, that furthermore will help us to understand the reasons why ideally individuals purchase luxury products, and particularly in retail outlets.

2.1.3.1. Motivations for luxury consumption

Vigneron and Johnson (1999) stated that a prestige seeking behaviour was the result of several motivations based on interactions with people, necessity for self-expression, hedonic values and object characteristics. Thus, they defined five relevant motivations for the consumption of luxury brands, which are:

- **Veblenian:** Motivations allied to perceived conspicuous values, that are associated with the expression of power and social status (Vigneron and Johnson, 1999). The main objectives of consumers with veblenian motivations are to impress others and to display wealth and power (Vigneron and Johnson, 1999).
- **Snob:** These motivations refer to perceived unique values (Vigneron and Johnson, 1999), which are connected with the avoidance of an unwanted reference to a group membership (Ghosh and Varshney, 2013). It is related with the desire for exclusive and rare items and the expression of the consumers' self-image and social image (Vigneron and Johnson, 2004).
- **Bandwagon:** They are associated with perceived extended self-values, that aim to enhance their own self-concept (Vigneron and Johnson, 1999). Consumers with bandwagon

motivations acknowledge possessions as part of their identity and as a symbolic indicator of group membership (Vigneron and Johnson, 2004).

- **Hedonist:** Hedonist motivations are connected with perceived emotional values, which link the purchase experience with self-fulfilment and personal rewarded feelings (Vigneron and Johnson, 2004). Hedonic consumers are concerned with the pleasure of the consumption experience (Ghosh and Varshney, 2013) and the feelings that the possession of luxury items brings to them (Vigneron and Johnson, 1999).
- **Perfectionist:** Motivations that relate with the perceived quality and functional values, which are correlated with the consumers' assumption of a long term commitment and reassurance of quality (Vigneron and Johnson, 2004). Perfectionists expect that the luxury prices are evidence of greater levels of quality from luxury brands (Vigneron and Johnson, 1999).

Although these motivations reflect five different prestige seeking profiles, Vigneron and Johnson (1999) agreed that some individuals might be luxury motivated for more than one feature, meaning that "*certain consumers may belong to more than one category*" (Vigneron and Johnson, 1999).

2.1.3.2. The dimensions of luxury consumption

The expert of world's consultancy on luxury, Bain, defines luxury brands as "*premium products sold in premium stores at a premium price*" (Kapferer *et al.*, 2014). In the luxury market, prices do not have to be justified or rational, the premium price must be seen as a prestige and a history provided by the brand (Kapferer *et al.*, 2014).

Hence, Dubois *et al.* (2001) categorized six dimensions of luxury:

- **Excellent quality:** A very qualitative experience, associated with high standard levels of quality that guarantees the products' durability (Kapferer *et al.*, 2014).
- **Very high price:** A price that overdoes the functional value (Kapferer *et al.*, 2014), meaning that a high price is a consequence of a good quality luxury item (Dubois *et al.*, 2001).
- **Ancestral heritage and personal history:** Connection with heritage, know-how and culture (Kapferer *et al.*, 2014), that refers to the tradition and history that luxury objects must have to be considered luxurious (Dubois *et al.*, 2001).

- **Scarcity and uniqueness:** Availability in restricted and controlled distribution (Kapferer *et al.*, 2014), which relates with the perceived uniqueness of luxury goods connected with the supposed outstanding quality and prices (Dubois *et al.*, 2001).
- **Aesthetics and polysensuality:** A highly personalized service, that appeals to the consumers' emotions and enables them to feel pleasure while shopping (Dubois *et al.*, 2001).
- **Superfluosness:** Associated with the social status and the sense of privilege that luxury empowers to its customers (Kapferer *et al.*, 2014).

These criteria capture two aspects of luxury, the reward and fulfilment for oneself, and the social recognition and sign of power for others (Kapferer *et al.*, 2014).

The six dimensions of luxury define what consumers expect and value on luxury brands, which are allied with the reasons and motivations that lead them to have the urge to purchase those brands. Consumers look for a pleasure sicking experience delivered by a highly qualitative personalized service and limited availability, that allows them to feel special, unique and socially appreciated (Kapferer *et al.*, 2014).

2.1.3.3. Impulsive shopping, materialism and conspicuous consumption

Allied with the previous segment, and according to several authors, the luxury consumption is stimulated and influenced by several behavioural traits, such as impulsive shopping, materialism and conspicuous consumption (Vohra, 2016).

Impulsive shopping is described as an act that involves an immediate purchase without any previous objective and/or reflexion (Vohra, 2016; Beatty and Ferrell, 1998). It is associated with pleasure, desire and amusement, and accordingly, the authors Donovan and Rossiter (1982) perceived that those feelings are linked with extravagance, overspending and luxury (Prashar *et al.*, 2015). Sun and Yazdanifard (2015) also recognized that impulsive and overspending shopping are often related with stress. Consumers acknowledge shopping as a therapy, that makes them feel relaxed in daily stressful situations.

Materialism is explained as the importance given to worldly possessions (Vohra, 2016; Belk, 1985) and as a lifestyle, characterized by high level material consumption oriented (Vohra, 2016; Roberts, 2000). Materialists believe that the possession of specific objects helps them achieve happiness (Sun *et al.*, 2017; Burroughs and Rindfleisch, 2002). Hence, materialism is identified as an important life value (Sun *et al.*, 2017; Kasser and Ahuvia, 2002), that “*improves subjective well-being through luxury consumption*” (Sun *et al.*, 2017).

Conspicuous consumption consists in the purchase of goods with the intention of “*identify oneself to others as having superior wealth and social standing*” (Vohra, 2016; Thorsten Veblen, 1899). Consumers self-motivated to conspicuous consumption are expected to have certain consumption behaviours, such as high level of purchase intention and loyalty towards luxury fashion brands, which validates the statement that luxury fashion brands are linked to prestige and status (Giovannini *et al.*, 2015).

Impulsive shopping, materialism and conspicuous consumption are different concepts but they possess similar characteristics regarding luxury consumption. In all the three behavioural traits, the consumption drivers are mainly associated with extravagance, prestige and status, which are allied to the power that luxury brands have in the consumers emotions, behaviours, and actions while shopping.

Besides the emotional influence in consumption, it has been proved that pleasant retail experiences are considered very important regarding the purchase decision, particularly when consumers feel the need and desire to buy something instantly without a previous intention (Prashar *et al.*, 2015). In the same study, has been also mentioned that the consumers’ purchase intention is related with “*the importance of store environments, crowd in store, past customer experiences and sales personnel*” (Prashar *et al.*, 2015). According to Cobb and Hoyer (1986), and Rook (1987), customers feel “*uplifted and energized*” (Prashar *et al.*, 2015) while having a shop experience.

Over the years, luxury brands have been progressively focusing more on the consumer experience, authenticity and personal transformation, by providing a service where “*the purchase becomes a ritual-filled experience in itself, with the craftsmanship of the brand at the centre*” (Yeoman *et al.*, 2018; Foresight Factory, 2017). It is alleged that consumers are not only interested in the brand itself and in the status it brings, but also in the experience that it offers, of time, space, authenticity, community individuality and well-being (Yeoman *et al.*, 2018).

In essence, luxury consumptions can be influenced by several different reasons, either emotional or sensorial. As it was stated, impulsive shopping, materialism and conspicuous consumption are behavioural traits, highly involved with the consumers emotions and feelings, that represent a significant effect on the purchase outcome of luxury brands. Consumption is also influenced by sensory drivers, the experience offered by brands has demonstrated a lot of

appreciation from consumers, and it includes brand culture, store environment and a personalized service.

2.2. Retail shopping experience

The emotions provided by shopping experiences have an enormous impact in the consumer brand expectations, decision making and purchase behaviour (Bagdare, 2016). Thus, through the years, marketers have been more conscious about the customer shop experience in retail stores, putting the main focus on providing satisfying, pleasurable and memorable service experiences (Bagdare, 2016).

Ailawadi *et al.* (1995) highlighted the importance of creating great in-store experiences that impact the consumers' perceptions regarding the brand image and the store positioning (Shergill and Chen, 2008). And so, these days, the main objective of retail stores is to develop and create a variety of customer value techniques and actions with the purpose of arouse customers' emotions, engagement and brand awareness (Sachdeva and Goel, 2015).

Thus, retailers have the power to design their own retail shopping experience based on targeted customers while avoiding other consumers that are not identified as intended brand target (Sachdeva and Goel, 2015).

In this chapter it will be exploited the influence that retail shopping experiences have in the consumers' purchase behaviours, with a special attention on retail outlet experiences. The purpose of this chapter is to understand the value of retail shopping experiences in the consumer journey of luxury brands, and so, which importance do retail characteristics and environments have in outlet stores, and how retail outlets impact the positioning of luxury brands. Primarily, we will analyse what are the drivers of consumption in retail outlets and the consumers' perceptions of outlets. Then, we will try to understand how store atmosphere impacts the customers' consumption while shopping, examine how sensory branding works in luxury retail stores, and state what are the environmental stimuli that influence the consumers' purchasing behaviours. Finally, we will study how sales points might impact the brands' positioning, particularly focusing on luxury brands.

2.2.1. Retail outlets: Drivers of consumption in retail outlets and consumers' perception of retail outlets

According to Kapferer and Bastien (2012), "*a luxury strategy does not mean being the most expensive of the market*" (Kapferer *et al.*, 2014), it means being able to enact at different price levels, including accessible lines, promotions and retail outlets.

Retail outlets are characterized as retail stores that offer “*brand name goods at discounted prices, which are often located near major highway junctions or tourist sites*” (Whyatt, 2008; Reynolds *et al.*, 2002; LaBay and Comm, 1991). The main objectives of brands regarding these retail stores are: clear the end of season and excess stock, brand building and test new lines (Whyatt, 2008).

Tremblay (2005) claimed that men and women have different patterns regarding their purchasing behaviours (Kapferer *et al.*, 2014). The research stated that men tend to buy more technology and sport’s products, while woman to buy fashion goods, such as shoes, bags, clothes and jewellery. Furthermore, it concluded that women are more likely to purchase those fashion products during attractive promotions and sales seasons (Sun and Yazdanifard, 2015), which relates with the fact that unexpected low prices makes shoppers feel that they are spending less than they had planned (Prashar *et al.*, 2015; Stern, 1962). In other words, low prices in fashion retail stores represent an excellent opportunity for consumers to purchase and, simultaneously, save money, which significantly impacts the consumers’ behaviour while shopping. Therefore, it is possible to recognize that the price factor has a huge impact in the consumers’ consumption, and that, according to Sun and Yazdanifard (2015), women are highly influenced by price reductions in fashion stores, which can be associated with the prices established in retail outlets.

Additionally, a study conducted in the United Kingdom revealed that retail outlets have three important attributes that attract consumers to visit them, a high quality portfolio of products on sale, the discounts available and a wide range of products and low prices (Whyatt, 2008). These attributes are representative for consumers, and disclose the consumers’ preferences regarding retail outlet shopping.

Whyatt (2008) study also provided information about the key characteristics that consumers value in retail outlets, and the most relevant ones consists on the existence of favourite brand names, wide range of shops, and a good choice of clothing shops.

In fact, and although retail outlet collections are usually past brand collections, that does not seem to be a negative aspect for consumers (Kapferer *et al.*, 2014). As a matter of fact, Ralph Lauren witnessed that many consumers, while buying products from the Polo line, characterized as an accessible line, were feeling distinctive despite of the fact that the items were tagged as promotion or outlet prices (Parsons, 2011). Those feelings lead to a representation of brand love and good taste clothes, as Whyatt (2008) mention in his research

about the importance that consumers perceive in retail outlets, which does not mention the past brand collections as a problem for consumers.

2.2.2. The impact of store atmosphere in consumption

Researchers defend that shopping is not always a rational experience, and that customers are influenced by several factors, such as the atmosphere and emotional response to stimuli experiences in-store, that consequently, impact their purchasing behaviours (Sachdeva and Goel, 2015; Morrell, 2012).

The interest in developing studies concerning the impact of store atmosphere in consumption emerged since Kotler (1974), Baker (1986), and Bitner (1992) brought the concepts of olfactory, aural, tactile, and visual dimensions, that affect the customers' emotions and behaviours while experiencing a planned and structured environment in-store (Ghosh *et al.*, 2010).

In this case, it is necessary to understand how the store atmosphere influences the consumers' predisposition to buy and their consumption, in order to be able to extract conclusions regarding the value of environment characteristics in retail outlet stores.

Store atmosphere attributes, such as colour, lightning, sales personnel and music, represent *"the overall context within which shoppers make decisions of store selection and patronage"* (Ghosh *et al.*, 2010), which refer to the fundamental components of a store image dimension. The concept of store image defines the factors that consumers expect to find in retail stores, that can be tangible and intangible, and refer to the combination of both functional and psychological characteristics (Ghosh *et al.*, 2010).

The consumers' purchase decision making in retail outlets has become a more complex process, as the product and the service seem to be inseparable while consumers are shopping (Ghosh *et al.*, 2010).

A study conducted by Hedrick *et al.* (2005) discovered that store environment and store atmospherics impact the customers' expectations regarding the retail salesperson, which revealed that the *"customer's perceptions of a salesperson's attributes and relationship building behaviors' were important drivers of customer satisfaction"* (Ghosh *et al.*, 2010).

Kaul (2005) made a research on the impact of store attributes on in-store satisfaction and purchase intentions, and she concluded that *"consumers satisfied with service quality are most likely to become and remain loyal"* (Ghosh *et al.*, 2010). Kaul (2005) also testified that the

store environment, like modern equipment and good facilities, could increase the consumers' satisfaction and patronage intentions (Ghosh *et al.*, 2010).

Leung and Oppewal (1999) studied the roles of stores and the brand's names in the consumers' purchase decision in retail outlets, and they concluded that high quality stores and high quality brands were the main characteristics that attract customers into a retail store (Chang *et al.*, 2015).

According to Parsons (2011), the creation of store atmosphere in the fashion retail, that includes the store layout and environment, represents a crucial role for success and it is a determinant factor of patronage (Parsons, 2011; Newman and Patel, 2004).

Tai and Fung (1997) discovered that the pleasure experienced in-store is associated with the positive effect that store attributes have in customers (Kim *et al.*, 2016). The plan and design of a store environment is seen as an instrument that it is used to enable the influence in the consumers' shopping behaviour and their affection for the store (Parsons, 2011). Also, positive retail experiences are associated with longer duration of stay in-store, spending more money on products, re-visit the store and recommend to other customers (Bagdare, 2016).

2.2.3. Sensory branding in retail stores: Environmental stimuli

Following the previous segment, in this section we will investigate how sensory branding influences consumers behaviours in retail stores. This segment aims to provide a notion of how environmental stimuli impacts the consumers' shopping journey in luxury branded stores.

In 1974, Mehrabian and Russel developed a Stimulus-Organism-Response (S-O-R) framework, associated with environmental psychology, that defends that environmental stimuli (S) creates emotional reactions in consumers (O), which impacts their behavioural response (R) while shopping (Okonkwo, 2007).

Accordingly, Bagdare (2016) stated that retail shopping experiences were mainly emotional and sensational, that experiences should captivate the customers through all five senses, and that the right stimuli could "*calm, relax, de-stress, energise, improve mood, influence decision-making and the propensity to spend*" (Bagdare, 2016; Soars, 2009). Thus, the notion of store atmosphere represents the combination of emotions and sensory communications that consumers experience in "*a store interpreted through their senses*" (Cervellon and Coudriet, 2013), which leads them to a certain behavioural reaction (Kim *et al.*, 2016).

The ultimate retail shopping experience goal is to use cognitive stimuli elements such as music, lights, colours, and fragrances, create *“a unique shopping experience for each customer”* (Sachdeva and Goel, 2015), and make the interaction become a feature of the brand identity (Hultén, 2011). The process involves the design of the store shopping environment, the service personnel and the customers’ feelings while shopping (Sachdeva and Goel, 2015; Schmitt, 2003).

Therefore, the multi-sensory brand experience is defined as individuals’ reactions to the involvement of all five human senses when brands interact with them (Hultén, 2012). It aims to support consumers in their purchasing and consumption processes, which impacts the brand as an image, the experience while shopping, and creates customer value. In fact, academic research has proved that consumers behaviours and perceptions of goods and services are linked with the impact that different sensory impressions have in them (Hultén, 2011), and so, *“experience designs are primarily concerned with the affective or emotional nature of customer reactions to the service design and encounter”* (Bagdare, 2016).

In the luxury retailing, it is expected that consumers have a complete sensory experience, that outlines their feelings and, consequently, their perceptions, through visual and other sensory elements (Okonkwo, 2007).

The visual element of a store concerns the environments’ colour and lightning, its size and shapes, and the products’ packaging, and it aims to generate brand awareness and store image (Clarke *et al.*, 2012). In luxury stores, the sense of sight focuses in defining a store mood that arouses customers (Okonkwo, 2007).

The main purpose of the sense of sound is also associated with the definition of the store mood and ambience, and should be a feature that portrays the brand personality, through music, volume, jingles, and noise distractions (Okonkwo, 2007). It helps to diminish clients uncertainty and to select products while shopping, through its influence in the consumers’ disposition and propensity to purchase (Parker *et al.*, 2003). Luxury brands usually play slow music and avoid noise distractions in order to encourage consumers to stay longer in-store with no irrelevant and disturbing distractions (Okonkwo, 2007).

The sense of touch is connected with the emotional and intimate response that brands establish with customers, that comprises the physical contact with the skin and enables customers to obtain information about the products’ features (Hultén, 2012). It represents a highly important

role in luxury branded stores as luxury consumers have a strong urge to touch and feel the products before purchase (Okonkwo, 2007).

The olfactory sense is also an important aspect in the luxury fashion atmosphere because many luxury fashion brands have expanded their range of products to include fragrances and cosmetics, which accentuates the value of the brand sense of smell in-store (Okonkwo, 2007). Other than that, luxury stores should smell fresh, clean and distinct (Okonkwo, 2007), as pleasant scents produce pleasant consumer responses (Hultén, 2012).

The sensory element of taste is progressively gaining some relevance in the luxury fashion industry due to the decision of some luxury brands in spreading their offerings to include sweets, chocolates, wine and champagne in the consumers' store experience (Okonkwo, 2007). Even though the increasingly importance of the sense of taste, it continues to be the least applicable of the senses in the luxury retail (Okonkwo, 2007).

Okonkwo (2007) also highlights the existence of the additional sense of emotion as a crucial sensory element in the luxury fashion retail. This emotion characterizes the feelings experienced through the combination of all the senses previously described that are present in the store atmosphere (Okonkwo, 2007), that is closely allied with the customers' attitudes towards luxury brands (Kim *et al.*, 2016). It aims to create desire and adoration, so the consumers stay longer in-store and keep the luxury experience in mind (Okonkwo, 2007).

2.2.4. The impact of retail stores in brand positioning

Now that we have seen how sensory branding works in the luxury fashion retail and how it impacts customers, it is time to understand how retail outlets are capable of influence the brands' positioning in the consumers' minds.

Parker *et al.* (2003) stated that store image is a crucial factor in the consumers' perception of brands, as well as the distribution centres, which means that these are relevant aspects in defining a good marketing strategy. Accordingly, Jacoby and Mazursky (1984) declared that positive store images were related with strong and positive images of brands, and that "*a good product brand image would be damaged if it was associated with a store with a poor image*" (Shergill and Chen, 2008).

Hence, consumers with good brand images tend to be more loyal to those brands, either in department stores or outlet stores (Shergill and Chen, 2008). Consumers usually see more quality and value in the products sold in branded department stores than in outlet stores

(Kothari, 2004). However, consumers that look for “*the best value for their money*” (Okonkwo, 2007), recognize retail outlets has excellent opportunities to purchase fashion products (Okonkwo, 2007).

For many years, outlet shopping centres were meant to mass market retailers, but today, the concept of these areas has been expanded to include luxury fashion retailers that want to sell their end of season stock at reduced prices (Okonkwo, 2007).

In order to keep the brand attributes that individuals value, such as uniqueness and status, outlet luxury brands do not promote themselves as luxury owned spaces and do not include location information of their outlet stores in their advertisements (Okonkwo, 2007). Nevertheless, it is necessary to understand how the presence of luxury brands in discount outlets, affects the brands’ image and its positioning.

According to Okonkwo (2007), the existence of luxury branded stores in retail outlets affects the exclusivity benefit that is connected with the concept of luxury, as the luxury brands become accessible to a larger group of individuals due to the discount prices practiced. However, the author defends that the presence of luxury brands in outlets it is not a brand killer, as long as brands define and manage a good strategy that guarantees that the long term benefits compensate the losses in terms of brand equity (Okonkwo, 2007).

Following the same thought, Okonkwo (2007) distinguished a few terms that luxury brands should incorporate into their retail outlet positioning strategy, and they are:

- Only sell end of season products in discount shopping centres. This makes consumers know that they are only able to buy previous collection items at lower prices, because they are no longer available in the original stores, and not because the brand is an outlet brand.
- Offer a specialized in-store customer service. This way, clients still feel special and have the perception of a personalized service, although they are in a discount store.
- Provide a good store experience. An appealing environment in-store enhances the atmosphere, making it more sophisticated.
- Keep the brand image and personality. Outlet luxury stores and original luxury stores should present themselves with an identical aura.

A study conducted by Parker *et al.* (2003) declared that luxury brands that sustain the consumers perceptions of luxury and quality in retail outlets, should not be at risk of harm the brand image of their products.

Overall, the brand positioning of a luxury brand is highly influenced by the characteristics that retail stores demonstrate to their clients, in this case related to outlets, which reflect the brand image and its projection (Okonkwo, 2007). The existence of such brands in retail outlets permits that a larger group of customers have access to premium goods. Thus, luxury brands should be constantly evaluating the retail needs so they can create new tactics to continue to be seen as exclusive and prestigious, generate meaningful connections with the consumers and enhance the brands' value (Okonkwo, 2007).

3. Methodology

This chapter refers to the methodology of the study. First we stated and explained the research questions that this master thesis addresses, then we designed and described the research method adopted, followed by authors, concerning the objectives previously defined, and finished with the data collection method.

3.1. Research questions

This thesis aims to study and clarify the luxury consumption in retail outlets regarding the fashion industry through a perspective of Portuguese women. It means to compare the ideal luxury purchase and the luxury purchase in retail outlets. First, we understood the motivations behind the consumption of luxury goods and defined the ideal luxury store environment and service. Then, we analysed the additional motivations behind the consumption of luxury products in outlets and acknowledged the importance that store atmosphere has in outlets. Finally, we examined the influence that the presence of luxury brands in outlets have in the brands' positioning. This way, the research questions (RQ) of this dissertation are:

- **RQ 1:** What are the purchase drivers of luxury fashion consumptions in retail outlets?
- **RQ 2:** What is the ideal store atmosphere in luxury fashion stores?
- **RQ 3:** What is the real store atmosphere of luxury fashion stores in retail outlets?
- **RQ 4:** Is the store atmosphere of luxury fashion outlet stores important for consumers?
- **RQ 5:** How do retail outlets allow luxury fashion brands to change their positioning?

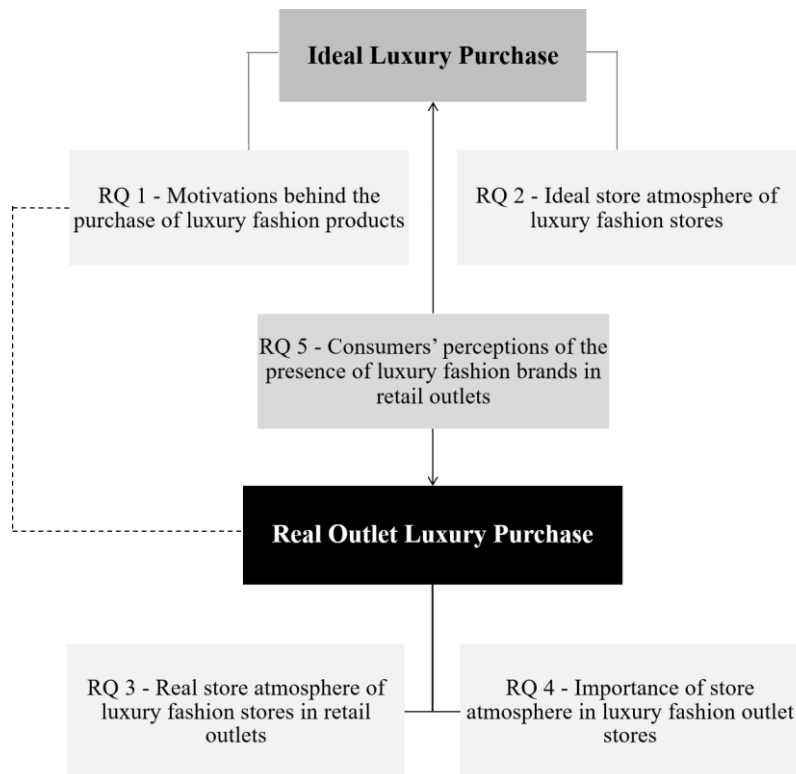


Figure 1 - Research Conceptual Framework

Source: Own elaboration

3.2. Research design

Since this dissertation addresses the luxury consumption of fashion products in retail outlets, which includes the reasons behind the purchase of luxury goods, the consumers' perspective of the ideal luxury store atmosphere and of the real luxury store atmosphere in retail outlets, the relevance of store environment and service in retail outlets, and the impact of outlets in the brands' positioning, an exploratory research design was the most appropriate to be used.

According to Kothari (2004), an exploratory research allows studies to be specific and flexible, which, in this case, enabled the opportunity to consider and examine different aspects of the topic under study. The main purpose of an exploratory research is to construct a problem for a more detailed investigation, to find new concepts (Saunders *et al.*, 2009), and to clarify the comprehension of a problem (Park and Park, 2016). Hence, this thesis formulated an understanding that concerns the luxury consumption in retail outlets, that aimed to generate valuable insights of the research questions under study that are mentioned above, in order to establish a comparison between the ideal luxury purchase and the real luxury purchase in outlets.

In this dissertation were used both secondary and primary data. Secondary data represents a compilation of data collection work composed by someone else (Kothari, 2004), that, in this

particular case, was used to support and amplify the concepts of luxury consumption, store atmosphere and brand positioning, by the examination of several documents and articles written by researchers on these matters. Contrary to this, primary data represents the information collected for the first time, that is original in character (Kothari, 2004).

The primary data can be either quantitative, focused on the measure of quantity and analyse of statistics, or qualitative, focused on investigating a particular qualitative problem, such as the reasons for human behaviour (Kothari, 2004). In order to address this thesis, it was conducted a qualitative research, based on the characteristics of the approach and the objectives of the study in understanding the consumers' behaviour regarding the purchase of luxury items in retail outlets.

A qualitative research approach was chosen because it allowed to discover the fundamental motives and desires behind the purchase of luxury fashion products, the consumers' true opinions regarding the act of shop luxury items in outlet stores and how outlet sales points influence the consumers' point of view of luxury brands.

This qualitative method was the most suitable because it aims to understand, contextualize and explore the consumers' behaviours towards luxury products in discount outlets. It provided insights into the problem, and discovered thoughts and opinions of the different topics, through the observation and interpretation in the natural context of situations (Malhotra and Birks, 2007). Also, a qualitative research design allowed the participants to express their true motivations, attitudes and values behind the consumption of luxury fashion products, once that this is a subject that enters in their own privacy. It was necessary to create a good connection and empathy with the respondents, and a good social environment that would make them feel comfortable in sharing their thoughts. Otherwise, the interviews' results could lead to the omission or incapability of getting relevant answers.

In this thesis, it was used semi-structured interviews, that were applied to a group of selected consumers that typify luxury shopping, including outlets, which are described and explained in the next section of the methodology. The qualitative character of this study did not allow the findings to be a generalization of the population of interest, although enabled the development of an understanding of the consumption of luxury brands in retail outlets, that serves for further decision making (Park and Park, 2016).

3.3. Data collection method

The chosen method for the data collection of this thesis was qualitative in-depth interviews. This procedure consists in direct and personal interviews, which mean “*to uncover underlying motivations, beliefs, attitudes and feelings on a topic*” (Malhotra and Birks, 2007). The respondents of this qualitative method were aware of the subject that the interview covered, so beforehand they already had in mind the objectives of the study, which permitted the deconstruction of the research questions.

The direct characteristic of the method allowed respondents to focus on their true motivations to purchase luxury brands, their opinions concerning the atmosphere and service of luxury fashion retail stores and its importance in the consumer journey in discount outlets, and their perceptions of the presence of luxury brands in outlets. Moreover, because of the sensitivity of the themes approached, the interviews were led in a favourable individual environment with no possible social constraints.

A laddering technique on this method was used, which is considered a practice that intends to attach elements that represent a connection between products and the consumers’ perception process (Saunders *et al.*, 2009). In this case, this technique focused on generating insights regarding the reasons behind the consumptions of luxury fashion products, aimed to make respondents to reflect on their shopping buying behaviours in outlets and regular luxury stores and aided to study the impact of those behaviours in the positioning of luxury brands.

An in-depth interview methodology follows a non-standardised typology (Saunders *et al.*, 2009), and so, in this dissertation, semi-structured interviews were conducted. A semi-structured form allows the interviews to be informal and flexible, but with a “*list of themes and questions to be covered, although these may vary from interview to interview*” (Saunders *et al.*, 2009). Therefore, concerning this study, a semi-structured typology was adopted because of its adaptability in permitting interviews to pursue different directions. Thus, enabling the study to explore the objectives defined in a more deep way, but still following a set of categories that address the main research questions, which was also very important due to the inexperience of the interviewer.

Accordingly, an interview script was prepared with four sets of questions (appendix 1) to cover during the interviews with the respondents. The first set of questions is composed by ice breaking questions (1) to enact a connection with the respondents, make them feel comfortable and uncover their initial insights regarding luxury brands and their familiarization with retail

outlets. The following groups are linked with the research objectives of this study, the motivations behind luxury consumptions (2), the ideal luxury store atmosphere, the real outlet store atmosphere and the relevance of store atmosphere and service in retail outlets (3), and the influence of outlet sales points in the positioning of luxury brands (4). Before conducting the interviews, a pre-test was made to verify the effectiveness of the script and to confirm that the objectives of the study were being covered. Thus, no changes were needed in the script, the pre-test approached the five research questions proposed and allowed to develop a comprehension of the themes, as it was supposed to do so.

In addition, probing questions were used to reduce the bias in the participants' answers and to explore responses that did not disclose the reasons involved (Saunders *et al.*, 2009). Probing intended to encourage the development of the point made through the usage of open questions that followed a particular course (Flick *et al.*, 2004).

Therefore, for the purpose of this dissertation, eighteen semi-structured interviews were undertaken with Portuguese female consumers of luxury products, from different age ranges and different luxury perceptions (appendix 3), within the months of August and September 2019. All respondents owned at least one item that they considered to be luxurious, and twelve of them had already bought one or more luxury items in retail outlets. The eight participants that never bought luxury items in retail outlets also contributed to the comprehension of the reasons behind that choice, which were also relevant insights that enhanced the quality and variety of the results.

In order to have a more accurate understanding of the consumers' luxury consumption, different luxury segments were defined and taken into account, according to the respondents' perception of luxury. Based on a McKinsey&Company report of 2017 about the view of the fashion industry, three different fashion market segments were used to define each woman's relationship with luxury, and they are, from the highest to the lowest price segment: luxury, affordable luxury and premium. McKinsey&Company established those segments based on a basket example of men's jeans and attributed different brands examples according to the different price levels (appendix 2). In this dissertation, the brand examples that McKinsey&Company assembled as luxury, affordable luxury and premium served to compare other luxury brands that were stated as luxury by the participants and fit them into a segment, through the assessment of similar standard prices of a women's bag of the brand examples and the brands mentioned.

The interviews were conducted in Portuguese and the location varied according with the participants' availability. The average length of an interview was approximately 20 minutes, with the shortest interview taking 11 minutes and the longest 39 minutes. The eighteen interviews were audio recorded and transcribed into text, which result in a total of around 30000 words obtained. The quotes presented in this thesis were translated from Portuguese to English.

As a result of the study, the interviews were transcribed and examined in detail with the assistance of a qualitative content analysis technique that simplified the understanding of the interviews' content through a systematic examination of the material (Bengtsson, 2016).

The content analysis method facilitated the interpretation of the interviews through the organization of the information collected, that was identified and grouped into categories. Therefore, a latent analysis was made because of its adaptability in identifying hidden meanings/categories in the text to a deeper understanding of the subjects (Bengtsson, 2016). For each category defined, suitable meaning units were chosen, translated from Portuguese to English, and grouped in tables in order to get a structured overview of the results and to easily extract conclusions (Davies, 2011). For each research question a table was designed, thus, each table included the categories identified for each study theme, and the appropriate quotations and some other relevant pieces of information, such as the participants' age, their luxury segment fit and their relationship with outlets, for each category.

Subsequently, five mind maps were created in order to connect and relate concepts visually. The mind maps helped to explore the associations between ideas (Mento *et al.*, 1999), through a visual demonstration of the concepts that improved and enhanced the understanding of the themes (Mento *et al.*, 1999). The first mind map concerns the consumers' motivations behind the ideal purchase of luxury fashion goods and the real purchase of luxury fashion goods in outlet stores (figure 2). Then, the second mind map is focused on the ideal store environment and service in a luxury fashion store (figure 3), the third one on the actual luxury store environment and service of luxury outlet stores (figure 4) and the fourth one regarding the importance of store atmosphere in luxury outlet stores (figure 5). Finally, the last mind map intends to show the consumers' opinion of the presence of luxury brands in outlets (figure 6).

4. Results

The data collected discovered several important traits concerning the consumption of luxury goods in retail outlets, and it exposed the relevant aspects of the ideal luxury purchase and the real luxury purchase in outlets, so a comparison could be made. Therefore, the results are divided into five sections, each section corresponds to a research question.

The first one concerns the drivers of luxury consumption in retail outlets which includes the ideal motivations behind the purchase of luxury goods, the real motivations behind the purchase of luxury goods in outlets and the reasons behind the avoidance of the purchase of luxury goods in outlets (RQ 1). Furthermore, the second, third and fourth section are related with the store atmosphere in luxury fashion stores. It links the ideal store atmosphere of a luxury fashion store (RQ 2) with the real store atmosphere in a luxury fashion store in outlets (RQ 3), and it finishes with the importance attributed to store atmosphere and service in outlets (RQ 4). Lastly, the fifth section reveals the consumers' perception, both benefits and disadvantages, of the presence of luxury fashion brands in retail outlets (RQ 5).

The results were obtained through qualitative in-depth interviews to female consumers of luxury items. The method permitted to extract conclusions from women with different age ranges, different luxury perceptions, such as luxury, affordable luxury and/or premium, and different relationships with retail outlets.

4.1. Motivations behind the purchase of luxury fashion products in retail outlets

As mentioned before, this section portrays the motivations behind luxury consumptions that focus on the motivations behind the purchase of luxury fashion products (ideal luxury purchase) and the motivations behind the purchase of luxury fashion products in Portuguese retail outlets (real outlet luxury purchase). Additionally, this section also includes the reasons why consumers do not buy luxury fashion products in retail outlets.

- **Mind map: Motivations behind the purchase of luxury fashion products in retail outlets**

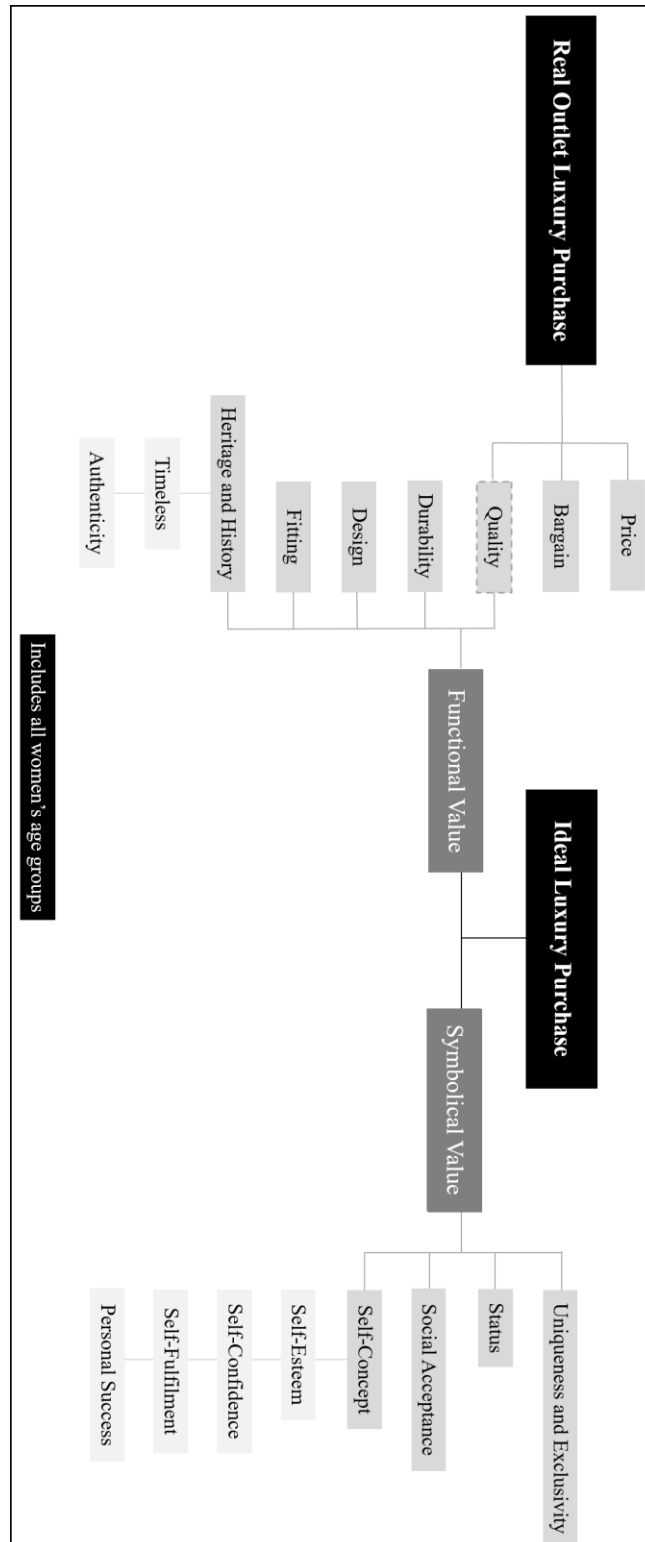


Figure 2 - Mind map RQ 1: Motivations Behind the Purchase of Luxury Fashion Products in Retail Outlets

Source: Own elaboration

4.1.1. Motivations behind the ideal purchase of luxury fashion products

The motivations behind the ideal luxury purchase of luxury fashion products are categorized in functional and symbolical values, as the participants of this study revealed that both values contributed for the purchase of luxury products.

- Functional value

The functional value of a product is associated with its capacity for functional or utilitarian performance, which is measured on a profile of choice attributes (Sheth *et al.*, 1991). Thus, regarding the motivations behind the ideal luxury purchase, the majority of the respondents justify their luxury purchases with the products' utilitarian benefits, that includes the products' and brands' characteristics.

Quality

The product quality was one of the most common answers that respondents had to justify their purchases of luxury items. The participants really seem to value the quality of the material used in the production of the luxurious items, and they revealed that they prefer quality over quantity. Consumers also perceive the quality of the items as an investment that it is worth their money because of the product characteristics, that are expected to last and to not change with time. These facts are consistent with the literature, as quality was identified as a perfectionist motivation for luxury consumption by Vigneron and Johnson (1999), and as one of the six dimensions of luxury consumption by Dubois *et al.* (2001). Quality is associated with a long term commitment and reassurance of product excellence (Vigneron and Johnson, 2004).

“One thing that I absolutely hate is to throw money away. I hate to buy a pair of jeans that loses its colour on the first wash... Even with jeans that only cost 20€, I already think that it is money thrown away. So, I don't mind to invest a little bit more and have less pieces of clothing, in order to have a superior quality. I prefer to invest in a superior quality that I know that it will last longer, than to be constantly buying jeans that cost 20€ or 30€. I value a lot quality and durability.” (Female, age 23, segments: affordable luxury and luxury, buys luxury in outlets)

“I think that the quality is essential because in the long term the products reveal to be long lasting. It is absolutely worth the financial investment. I think that the purchase of a luxury item, either a bag, shoes or jewellery, has to be seen as an investment in terms of quality.” (Female, age 46, segments: affordable luxury and luxury, buys luxury in outlets)

Durability

Regarding the product durability, consumers also find very important that the luxury products last longer than other branded products. The durability is also related with the product quality and price. Consumers prefer to financially invest in luxury items that offer a good product quality, and consequently, that will last an eternity. According to literature, the high standard levels of quality and the premium prices of luxury guarantees the product durability (Kapferer *et al.*, 2014), which is a characteristic that fits into the excellent quality dimension of luxury consumption defined by Dubois *et al.* (2001).

“From my perspective, or it is something for life, or it is not worth the investment. I don’t mind to spend a lot of money in something that I know that I will use a lot. A bag, that I use every day... a long coat, that I use a lot in the winter... I have long coats with twenty years old that are well preserved. The ones in my wardrobe that I still use are not from Zara...” (Female, age 53, segment: luxury, buys luxury in outlets)

“I value the durability. I have bags from Louis Vuitton with twenty years old... Once I bought a bag from Guess and it only lasted one summer because the material peeled off. I prefer to have a bag with quality that it lasts. It’s my opinion... because there are people that prefer to buy many cheap bags, of every colours, with different shapes... I don’t.” (Female, age 42, segments: affordable luxury and luxury, buys luxury in outlets)

Design

Consumers mentioned that the design was one of the reasons that lead them to purchase luxury items because of the distinctiveness that luxury brands usually have in their collections. The respondents on this matter exposed that luxury brands put a lot of attention into the details of their pieces, and that luxury brands have specific and characteristic designs that reflect their own brand image, and that no other brands have. Somehow the colours, the fabrics, the models, and the details of the products are seen as different, special, and exquisite.

“I usually find things a little out of the box in luxury stores. For instance, in Carolina Herrera, there is a green store display, a yellow one... In Zara you can also find a yellow store display, but I don’t think it’s the same yellow. The objects in Carolina Herrera are more distinct. (...) When I’m looking for a distinct blazer, with a special touch, I prefer to shop in those luxury stores. I think they pay more attention to the details... Sometimes, they just change the colour of the last button of a shirt... The lines have different colours... I think that those details make

all the difference.” (Female, age 23, segments: affordable luxury and luxury, buys luxury in outlets)

“Luxury brands have those different designs that it isn’t possible to find in other brands... The brands have characteristic models... For instance, Michael Kors have that specific type of bags... Or Bimba Y Lola that have those bags with wide handles... Or Furla that have those tiny little purses... They are designs and characteristic models.” (Female, age 23, segments: premium and affordable luxury, buys in outlets)

Fitting

The way that clothes fit seems to impact the consumers choice in purchasing luxury items. Consumers declared that luxury brand pieces have the right fit into their bodies, which is associated with the quality of the fabrics and the special cut. This functional driver is also related with the distinctive design and appearance of the items.

“Of course that the objects are more expensive, but I think it is worth to invest a little bit more, and have a good quality piece that looks good, and that it is always different from other ones... for the quality of the fabric, for the piece cut, for the way that fits the body... for the design, in the case of bags. There is always something that is different.” (Female, age 58, segments: affordable luxury and luxury, buys luxury in outlets)

“Luxury branded pieces always fit you right! You don’t feel the need to fix something... On the other hand, if I purchase something from a random, cheaper brand, I get home and I have to fix it... It doesn’t fit right. But if I purchase a luxury item, fits perfectly.” (Female, age 52, segments: affordable luxury and luxury, buys luxury in outlets)

Heritage and history: timeless and authenticity

One of the six dimensions of luxury is ancestral heritage and personal history (Dubois *et al.*, 2001), that in literature, refers to the tradition and the story that luxury brands tell that reflect the brands know-how and culture (Kapferer *et al.*, 2014). The history part of a brand is associated with the traditions of several years, which in luxury is translated into the prestige that those brands represent in terms of time and authenticity. Consumers acknowledge luxury items as timeless and authentic for all the culture that the brands built years ago, which delivers feelings of prestige and security that are expected to last for an eternity.

“I have a scarf from Chanel and another one from Hermès. They are iconic pieces that I know that I will use in the next ten, twenty years... just like black bags, brown bags, classic basic shoes... Those things are always worth because never goes out of fashion.” (Female, age 23, segment: affordable luxury; does not buy luxury in outlets)

“I value who designed the pieces... Luxury brands are brands with great traditions, with many years, and their own personal identity. (...) Their products are like pieces of jewellery... because they are extremely valuable. I rather have bags than jewellery... They are like master pieces.” (Female, age 51, segment: affordable luxury and luxury, buys luxury in outlets)

- Symbolical value

The symbolical value of a product is related with the emotional connection that luxury products establish with consumers, which can be focused on the consumers' social referencing (Vigneron and Johnson, 2004) and/or in their self-concept and identity (Sreejesh, 2015). Hence, the respondents mentioned that the products' symbolism represents different drivers for the purchase of luxury products, that is linked with the consumers' emotions and feelings.

Uniqueness and exclusivity

Snob motivations are linked with the values of uniqueness (Vigneron and Johnson, 1999) that luxury brands are often associated with, and that perceive luxury as rare and exclusive. According to some participants of this study, the exclusiveness factor plays an important role in the reasons why to purchase luxury items. Consumers want to feel that they look different from everybody else, that they are unique human beings. The uniqueness trait revealed to be a desire for some consumers, that enables them to express their own self and social images (Vigneron and Johnson, 2004), not only in special life events, but also on daily life.

“Essentially, I buy luxury items because they are different and because there isn't a lot of people having them. The objects are distinct and unique... For instance, if I'm going to work and see someone else wearing the same thing as me, I'm most likely to never wear it again.” (Female, age 53, segment: luxury, buys luxury in outlets)

“I like to feel different from everybody else... I like to wear different clothes... If I'm going to a more exclusive event, where I need to be more dressed up, I will wear pieces that will distinguish me. If I'm going to a wedding, I will look for stores that people don't go that often.” (Female, age 23, segments: affordable luxury and luxury, buys luxury in outlets)

Status

In literature, status is considered to be the main motivation behind the consumption of luxury items from luxury fashion brands (Vigneron and Johnson, 1999), which offers a sense of privilege and empowerment to its consumers. It leads to conspicuous consumptions that are focused on the consumers extrinsic aspirations that are expected to be assembled as a personal positive gain. Consumers declared that the ownership of luxury items permits to show a certain prestigious lifestyle and a distinct appearance to others, which aims to demonstrate a superior luxurious social standing. The luxury consumption for status is attached with veblenian motivations, that mean to express power and to impress others through the possession of luxury items (Vigneron and Johnson, 1999).

“It is very important to feel that we are doing an upgrade to our lifestyle. Overall, everybody dreams about having a certain lifestyle, and having things with quality... and to show to others a little bit of that in what they wear.” (Female, age 52, segments: affordable luxury and luxury, buys luxury in outlets)

“I feel beautiful when I’m wearing luxury items... I think in certain environments it is crucial to wear them... because somehow it is an escape from vulgarity. I like to feel that I’m not equal to others. When I wear luxury items, I feel like there is something different that distinguishes me from everybody else.” (Female, age 58, segments: affordable luxury and luxury, buys luxury in outlets)

Social acceptance

In literature, social acceptance is associated with the desire to fit in the society, which, consequently, is linked with the need to improve self-esteem and self-confidence (Giovannini *et al.*, 2015). Consumers admitted to feel socially pressured regarding luxury brands because of the need to keep up with the trends that the society follows. It was also mentioned the pressured felt in professional environments and the importance in transmitting self-confidence to others, bringing the concept of social acceptance as a symbol of achievement.

“For example, I bought my Bimba Y Lola bag because I was feeling a lot of pressure... because I used to see all the girls carrying one. This doesn’t relate with the unique point of view, but I saw a lot of girls on the streets with the bag, and I felt pressured in having one too. On the one hand, it is unique in the sense that it is not so easy to find, but on the other hand, when we find

it, it is something that we want too... at least in my case, I wanted to have it and I wanted to join the trend.” (Female, age 22, segment: premium, does not buy luxury in outlets)

“- How do you feel when you’re wearing your luxury items?

- Overall, I think that people should wear objects that they like, because this way they feel more self-confident, and they transmit that to others too... for example, in the way they behave in front of other people. Nowadays, everything is measured... the impact with the exterior, mainly in our professional life... and in the personal one too. Everything is measured. Nowadays, there is a big pressure around brands and luxury... And it starts right in the adolescence with the social pressure around brands.” (Female, age 48, segments: affordable luxury and luxury, buys luxury in outlets)

Self-concept: Self-esteem and self-confidence

Intrinsic aspirations mean to satisfy individual psychological needs like personal growth, success and intimacy, and thus, to pursuit self-esteem (Sreejesh *et al.*, 2016). Allied to these aspirations is the notion of self-concept that, regarding the consumption of luxury items, assembles the relationships that brands are capable of establishing with consumers by enhancing their self-confidence. According to the results of the study, consumers assumed that they experience feelings of happiness and comfort when they are wearing and shopping luxury. The consumers’ emotional response to luxury items can be related with self-fulfilment goals, release of stress, comfort, and social self-satisfaction, that are connected with hedonist motivations for luxury consumptions, which link the purchase of luxury items to personal rewarding feelings (Vigneron and Johnson, 2004).

“In an initial stage, when the purchase is something brand new, I feel that my self-esteem is right up there. I get really happy... because I purchased exactly what I wanted. The goal that I had was attained.” (Female, age 46, segment: affordable luxury and luxury, buys luxury in outlets)

“Not being conscious, I think I feel much better when I’m wearing my luxury bag. I think I feel more confident with the bag... Contrary to this, if I was wearing a bag from a cheaper brand, that I wouldn’t see a lot of people wearing it, I think I wouldn’t feel so comfortable with the bag.” (Female, age 22, segment: premium, does not buy in outlets)

Self-concept: Self-fulfilment and personal success

In concordance with the previous motivations towards luxury, consumers also declared that the possession of luxury items makes them feel more special and rewarded. These feelings are associated with the accomplishment of the goals established and with the effort behind the purchase of such expensive articles. Consumers perceive the purchase of luxury items as a result of what they have achieved in life, personally and professionally, that somehow is connected with personal growth and success.

“When I’m wearing luxury objects, I feel more special... I don’t need that other people know that my scarf is from Hermès or that my bag is from Michael Kors... For me, knowing that I’m wearing them, makes me feel special. For instance, I wanted a bag from Michael Kors for a really long time, so when I finally purchased it, it was like an achievement for me. It was an accomplishment... So yes, the items make me feel special and fulfilled.” (Female, age 23, segment: affordable luxury, does not buy luxury in outlets)

“It’s really good for our ego to achieve that goal. It is a reward from our work... because to invest in a luxury object, we have to work really hard and sometimes we have to abdicate from other things to get it. It is the reward from the things that we had to give up to achieve our goal.” (Female, age 46, segments: affordable luxury and luxury, buys luxury in outlets)

4.1.2. Motivations behind the real purchase of luxury fashion products in retail outlets

Regarding the motivations behind the real purchase of luxury fashion products in retail outlets, the respondents mentioned that their primary motivations were related with the functional value of the products. Thus, these motivations are only categorized in functional value, despite of the fact that the consumers declared that they still expected to find the same ideal luxury purchase motivations, that includes both functional and symbolical values, in the real luxury purchase in retail outlets.

- Functional value

The functional value of the motivations behind the purchase of luxury products in outlets relates not only with the products’ characteristics, but also with the products’ acquisition. In fact, the participants’ main motivations to purchase in luxury outlet stores are associated with the functional value of the products’ acquisition.

Price

The discounted prices that retail outlets offer, particularly in luxury fashion stores, appears to be, according to this study, the main reason that Portuguese women shop luxury items in outlets. In a study conducted by Sun and Yazdanifard (2015) is mentioned that women are more likely to purchase fashion items during promotion seasons, because of the unpredicted low prices that make them feel that they are spending less money than what they had planned. Consumers really seem to value the economic advantage that the presence of luxury brands in outlets brings to them, mostly because of the substantial differences between the products' full prices and the products' discounted prices.

“I bought in the outlet because it was way cheaper. The big advantage is in economic terms... It has to do with the discount applied and with the monetary part. I can still see a product with quality, that lasts... but that has a significant lower price. (...) It feels great to go home and say: “I bought something amazing for a great deal price!” (Female, age 58, affordable luxury and luxury, buys luxury in outlets)

Bargain

In literature, the low prices in outlet stores are perceived to be excellent opportunities to purchase products and to economize money, which consequently, affects the consumers' behaviour while shopping (Prashar *et al.*, 2015). Consumers are willing to travel extra kilometres just to find a good bargain in retail outlets (Okonkwo, 2007). According to the respondents answers, the literature seems to be in concordance with the data collected related with luxury outlet stores.

Consumers revealed that outlets represent great opportunities to purchase luxury products in order to save some money. It was mentioned that the visit to retail outlets was premeditated and expected to happen in order to find good quality products, that were needed, at smaller prices. Thus, this motivation links the great price opportunity with the great product opportunity, that was intentional and planned.

“Every four months my family says: “We could go to Freeport!”, and we go all together and look for things that are missing in our closets... because it is really good to save some money.” (Female, age 23, segments: affordable luxury and luxury, buys luxury in outlets)

Additionally, consumers stated that the lower prices in outlets, in specific situations, made them to purchase luxury items that in any other circumstance, they would not because it was too

expensive to purchase it. This means that consumers are influenced by price reductions to purchase products that they do not need.

“I paid less than 70% of the full price in that store... I wouldn't have bought the product in a regular store. I only bought it because it was in the outlet. It's from a good brand, and it was expensive... very expensive... and I only bought because it was there.” (Female, age 42, segments: affordable luxury and luxury, buys luxury in outlets)

Quality

As it was mentioned before, the product quality is something that consumers really value in a luxury fashion item, mainly because of its durability. Thus, regarding the purchase of luxury in outlets, consumers still referred the product quality, that it is seen as the same compared to regular luxury stores, as one of the reasons why they choose to buy those items in outlets. This is in congruence with literature, as a research conducted by Whyatt (2008) showed that one of the main characteristics that attract consumers to purchase luxury products in outlets is the high quality portfolio of products.

“- What advantages did you see in purchasing that product in a retail outlet?”

- It was significantly cheaper, and the quality was exactly the same comparing with a regular store.” (Female, age 37, segments: premium, affordable luxury and luxury, buys luxury in outlets)

4.1.3. Reasons why consumers do not buy luxury fashion products in retail outlets

The study's results showed that the reasons why participants never purchased luxury fashion products in outlets were strictly functional. The data collected on this matter contributed to the comprehension of the reasons behind that choice, although it was not the main purpose of this research.

- Functional value

Concerning the functional value of the reasons behind the avoidance of the purchase of luxury products, these relate with some struggles of the products' acquisition, which includes the outlets' location, and the products' portfolio, availability and price.

Accessibility and convenience

The fact that retail outlets are often situated in *“major highway junctions or tourist sites”* (Whyatt, 2008), it constitutes one of the reasons that consumers do not purchase in those

shopping areas. The distance between the city centre and the outlets represents a problem for consumers in terms of accessibility and convenience, that in some cases exceeds the presence of “*brand name goods at discounted prices*” (Whyatt, 2008) in outlets.

“I actually have a lot of interest in going to a retail outlet... but the main reason that I haven’t done it is the accessibility. The outlets are really far away...” (Female, age 22, segment: premium, does not buy luxury in outlets)

“I never bought in a retail outlet because it never happened... The luxury products that I have were either a gift from someone else or bought on sale seasons... and to me sales and outlets are exactly the same thing. The discount of sales and the discount of outlets are very similar. And I’ve been always buying the products on sales because it’s more convenient... and not because I don’t like outlets.” (Female, age 23, segment: affordable luxury, does not buy luxury in outlets)

Opportunity

The opportunity reason to do not buy luxury fashion products in retail outlets has to do with the fact that consumers never found something that they really loved and that it was worth the investment, even at lower prices. Consumers also said that they valued the time to think about the purchase of luxury items and that the discounted prices were not an attraction if they were not sure about the purchase.

“Just because never happened... I’ve never have found the right piece... I really like to take time to think about the products... and to research a little bit about the products. I don’t like to buy something just because the price is more appealing.” (Female, age 26, segment: luxury, does not buy luxury in outlets)

Personal taste

Consumers alleged that luxury fashion stores in retail outlets have restricted end of season collections, meaning that the items that luxury outlet stores sell are not for everybody’s taste. It was stated that the luxury stores in outlets sell collections that usually individuals do not like for their unusual design and colours.

“I like classic style pieces and those products never go to luxury outlet stores. The things that go to outlets are more specific and a little out of the regular standard... in those colours that

nobody looks for... I don't like that.” (Female, age 42, segments: affordable luxury and luxury, does not buy luxury in outlets)

Financial shortage

Despite of the fact that all participants owned at least one luxury item, it appears that the economic situation constitutes a problem for the purchase of luxury fashion products at lower prices in retail outlets. Although consumers expressed their interest in purchasing those items in outlets when in the future they feel financially secure.

“The last time that I went to Freeport, I went to Burberry and I loved one of their classic trench coats... I didn't buy it because I didn't have the money to do it... Maybe it will be one of my next achievements...” (Female, age 23, segment: affordable luxury, does not buy luxury in outlets)

“At the moment I wouldn't like to do that kind of financial investment, but I do believe that I will in the future. (...) Outlets are an excellent option to buy good quality products at lower prices.” (Female, age 25, segment: luxury, does not buy luxury in outlets)

4.2. Ideal store atmosphere of luxury fashion stores

This section concerns the second research question that focus on the consumers' ideal of a luxury store atmosphere, which includes service, visual stimuli, sense of sound and sense of smell, and environment temperature. These categories were defined in concordance with the data collected from the interviews, and revealed to be the most appreciated in terms of store atmosphere in luxury fashion stores.

- **Mind map: Ideal store atmosphere of luxury fashion stores**

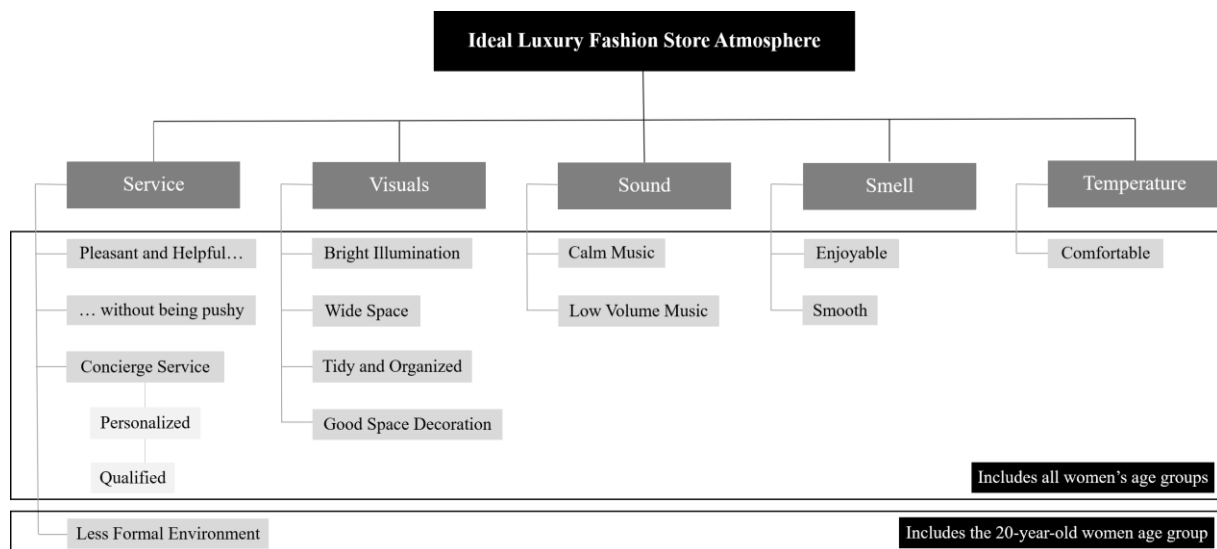


Figure 3 - Mind map RQ 2: Ideal Store Atmosphere of Luxury Fashion Stores

Source: Own elaboration

- Service

Pleasant and helpful without being pushy

Consumers shown the importance of a good customer service, but most of them revealed that they did not enjoy to be constantly bothered by the staff. They assumed that they appreciated pleasant and helpful employees, that are capable of answering their questions and helping them every time they need. They like to feel that someone is taking care of them, but that they are able to explore the store freely with no constraints.

“The staff should be nice... They don’t need to be constantly behind me... No, the opposite! I like to walk by in the store without having someone behind me... forcing me to buy something. I rather be on my own and every time that I need help, I ask for it.” (Female, age 52, segments: affordable luxury and luxury, buys luxury in outlets)

“I think it’s very important that these luxury stores give some time to the customer to walk by and to explore the store... I don’t think they usually do. For instance, when we enter in Prada in Avenida da Liberdade, a very nice lady comes automatically to us and asks multiple questions... I like to explore the store and to ask for help when necessary.” (Female, age 53, segment: luxury, buys luxury in outlets)

“I enjoy a good customer service... but the employees don’t need to be constantly following me. I like to feel that someone is paying attention to me while I’m in-store... but they don’t

need to be in the changing room with me... pressuring me. They also ask a lot if I want a coffee or something else... and that's nice." (Female, age 23, segments: affordable luxury and luxury, buys luxury in outlets)

Concierge service

According to the participants' answers, when they are shopping for luxury items they want to feel that they will have employees in-store that will be able to understand their needs and to help and advise them to find the right product. Some authors, alleged that the experience offered by luxury brands of authenticity, community individuality and well-being results in a personalized service and a specific store environment (Yeoman *et al.*, 2018). Thus, consumers assumed to value additional services offered that somehow contribute to a memorable retail experience that it is highly focused on the consumers' interests and wishes.

"The service has to be personalized... we are not only paying for an expensive item, we are also paying for a personalized service. It's very important to let the employees know what we like, what we don't like... how we feel... Overall, to have someone that will get me and my taste, and that will help me to find what I need and what looks good on me. A personalized service is a must have in a luxury store." (Female, age 52, segments: affordable luxury and luxury, buys luxury in outlets)

"I think the ideal atmosphere is very similar to what already happens in regular luxury stores... The service has to be personalized, with a lot of attention to the customer... you cannot find this type of service in any other branded stores. In luxury stores the service starts right at the entrance... when they ask you for your car keys to park your car... when they ask if you want to have something to drink... It's a completely different customer service comparing with other brands." (Female, age 46, segments: affordable luxury and luxury, buys luxury in outlets)

Some respondents also mentioned the relevance of a qualified service and well instructed employees in a luxury fashion store. Consumers stated that it was very important that employees were trained to correspond to their expectations, in terms of product characteristics knowledge and advisory. In literature, it is referred the huge impact of the consumers' expectations in the consumers' satisfaction, thus, implying that the staff should have certain attributes and should be able to create good connections with the consumers (Ghosh *et al.*, 2010). In luxury stores, consumers expect to be recommended by employees that are talented to understand their needs and desires, and to properly guide them.

“The ideal service has to have well instructed employees that really know about the products... They should be available to help you and give you advices when you need... without being pushy by forcing you to buy something. They should have enough knowledge to be able to advise you properly and to help you... with honesty and no second intentions.” (Female, age 24, segment: affordable luxury and luxury, does not buy luxury in outlets)

Less formal environment

According to the study, younger consumers, in the age group of twenties, feel like the environment of regular luxury stores is too formal and that the employees are too strict, which makes them to feel uncomfortable. They stated that the formality of the regular service is connected with the perceived level of the consumers' wealthiness and social standing, and that they do not want to feel that kind of tension while shopping. Ideally, consumers think that the service should be more relaxed and the environment less formal.

“I think luxury stores should be way more informal... Nowadays, doesn't make a lot of sense of such formal service and environment. Maybe older people enjoy it... But I think the employees are super formal when approaching you... The ideal environment would be more relaxed, where every people would feel good... and not just the ones that are extremely wealthy. It would be good if the environment was more relaxed, in which employees would approach you in a calm and peaceful way.” (Female, age 25, segment: luxury, does not buy luxury in outlets)

- Visuals

According to literature, the visual element of a luxury store constitutes the opportunity to define a store mood that means to attract consumers, generate brand awareness and brand image (Okonkwo, 2007). The following characteristics represent the most valued preferences of the women that participated in this study.

Bright illumination

Consumers confirmed that they enjoyed clean and light stores, which apparently appears to be an appreciated feature to define the store mood, unless, in some cases, the brand image is associated with something darker.

“For me, it has to be very clean, basic lines... and a lot light! Nothing dark... Unless I identify the darkness with the brand image like Carolina Herrera.” (Female, age 23, segment: affordable luxury, does not buy luxury in outlets)

Wide space

The preference for a bright illumination is also related with the desire for wide space stores, because consumers associate these characteristics with a better store display that allows them to see everything in a more organized way.

“A wide big space is great... A wide space allows you to see everything... I also enjoy white spaces, it makes me feel really good. A wide space, with white clean walls... everything brighter!” (Female, age 25, segment: luxury, does not buy luxury in outlets)

Tidy and organized

The participants also reinforce the idea that tidy and organized luxury stores allowed them to see everything better, which supported and simplified their purchases and consumption processes.

“I enjoy simple and tidy stores... I think it’s very important, as a consumer, to enter in a very tidy and organized store... because enables consumers to see everything.” (Female, age 37, segments: premium, affordable luxury and luxury, buys luxury in outlets)

Good space decoration

The space decoration should reflect the brand image that consumers associate with the brand name, it should be beautiful and cosy. According to the participants, a good space decoration is capable of influencing their mood and predisposition. In literature, Bagdare (2016) stated that the right stimuli could positively affect the consumers’ behaviours and attitudes, and impact their decision making and propensity to spend.

“In my opinion, the store decoration has to be pleasant... because it has a lot of influence in the consumers’ mood and perceptions. The space has to be cosy... and the decoration has to be beautiful.” (Female, age 52, segments: affordable luxury and luxury, buys luxury in outlets)

“It’s very important to walk in a store and feel that you are inside the store that belongs to that specific brand. You should be able to enter in a store and recognize the brand right after...” (Female, age 23, segments: affordable luxury and luxury, buys luxury in outlets)

- Sound

In literature, the purpose of the element of sound in a store atmosphere is associated with the objective of diminish the clients' uncertainty and influence their disposition to buy (Clarke *et al.*, 2012). The data collected is in concordance with this, as consumers acknowledge the importance of the sense of sound in their shopping process.

Calm and low volume music

Consumers exposed their preferences towards calm and slow music in the environment of luxury stores, because they assumed to associate the shopping process of luxury items with a process that needs to be deliberated. Consumers also declared that low volume music affected their mood by putting them relaxed and comfortable to think and reflect about their purchases. According to Okonkwo (2007), which is congruence with the information collected, slow and low volume music allows consumers to focus on their purchases, and encourages them to stay longer in-store with no possible noise distractions.

“In terms of music, I enjoy calm and relaxed music... because the purchase process in a luxury store has to be calm...” (Female, age 23, segments: affordable luxury and luxury, buys luxury in outlets)

“The music has to be in a low volume level that allows consumers to think... The music has to put you in a calm and relaxed mood. It has to be really smooth, so you can feel psychologically happy.” (Female, age 42, segments: affordable luxury and luxury, buys luxury in outlets)

- Smell

The participants referred that the smell of luxury stores should be pleasant and warming, but very smooth. In literature, it is mentioned that luxury stores should smell fresh and clean (Okonkwo, 2007), as pleasing scents produce good consumer responses (Hultén, 2012), which is confirmed in the respondents quotes bellow.

Enjoyable

“The smell should be cosy... It's always nice to enter in a store with a very pleasant smell.” (Female, age 52, segments: affordable luxury and luxury, buys luxury in outlets)

“The smell is extremely important in a luxury store... If it has a good perfume, it's just great! I love it.” (Female, age 58, segments: affordable luxury and luxury, buys luxury in outlets)

Smooth

“The smell can’t be intense... Now it’s very trendy to put extreme intense smells in-stores... It’s horrible. It has to smell nice but not extremely.” (Female, age 25, segments: affordable luxury and luxury, does not buy luxury in outlets)

- Temperature

Comfortable

Some respondents mentioned that they valued a good temperature in-store that would make them to feel comfortable in staying in-store for a certain period of time.

“An ideal temperature... that makes us wanting to stay in-store for a while...” (Female, age 46, segments: affordable luxury and luxury, buys luxury in outlets)

4.3. Real store atmosphere of luxury fashion stores in retail outlets

Following the previous research question, that addresses the ideal store atmosphere in a luxury store, this section refers to the third RQ that consists in the real store atmosphere in luxury outlet stores in Portugal. According with the collected data, the environmental categories that consumers outline to define the real store atmosphere in luxury stores were service, visuals and sound.

- **Mind map: Real store atmosphere of luxury fashion stores in retail outlets**



Figure 4 - Mind map RQ 3: Real Store Atmosphere of Luxury Fashion Stores in Retail Outlets

Source: Own elaboration

- Service

In literature, Okonkwo (2007) defends that luxury brands should offer a specialized customer service in retail outlets, in order to guarantee the brands’ benefits long term, and according with the information collected, the service in Portuguese outlets is exactly the opposite.

The consumers defined the service in retail outlet stores as normal and banal, which is not consistent with the literature regarding the customer service in regular luxury stores. The service in outlets is characterized as independent, as consumers feel that they are on their own, and have no assistance in-store. Consumers also mentioned that the service was fast, and that the level of service of a luxury store in an outlet was the same as the level of service of a random outlet store. In outlets, the service is considered to be impersonal, autonomous and fast, and consumers justify those facts with the larger amount of people that visit those stores.

Impersonal

“There’s a lot of people in the stores... The service isn’t personalized... In Portugal, the customer service is completely banal... Too many people... and a pretty normal service without any attention to the client.” (Female, age 46, segments: affordable luxury and luxury, buys luxury in outlets)

Autonomous

“In outlets I’m completely on my own... I see something, I have to look for my size, I have to take it to the changing room... If my size isn’t there, it takes ages until someone helps me to find it... There is no attention to the customer service.” (Female, age 52, segments: affordable luxury and luxury, buys luxury in outlets)

Fast

“In a luxury outlet store, the staff will not pay as much attention to you as they would in a luxury regular store... The service has to be very quick... because the service has to be for the masses. There is no attention to the details... But, when I go to outlets, I’m already mentalized that the service will be same as any other random store.” (Female, age 58, segments: affordable luxury and luxury, buys luxury in outlets)

- Visuals

Regarding the visual element of a luxury store atmosphere in a retail outlet, the data collected disclosed opposite responses within the sample, but it was not possible to find a specific consumer pattern for both outcomes.

For some women, luxury outlet stores are confusing spaces to shop because of its disorganization and messiness, in terms of product display and store presentation. Some consumers also showed their dissatisfaction with the amount of people that visits these stores.

The participants mentioned that outlet luxury stores were very crowded spaces, which did not allow them to feel relaxed and calm while shopping. In fact, they stated that the messiness and the huge amount of people inside the stores were characteristics that impacted their purchasing behaviours in these outlet stores, which is in congruence with the literature, as Prashar *et al.* (2015) said that the store environment and the crowd in-store were decisive for the consumers' purchase intentions.

Disorganized and messy

“The store display is very confusing... I hate it when things are disorganized... pieces of clothing on top of other pieces of clothing. I don't like outlets because it's too messy... Maybe I didn't go to the right outlet yet.” (Female, age 26, segment: luxury, does not buy luxury in outlets)

“Everything is messier... and sometimes there are things that are not in the right place... or they are somewhere else and the employees are concerned about keeping them there.” (Female, age 58, segments: affordable luxury and luxury, buys luxury in outlets)

Crowded

“I don't love to purchase in retail outlets because I enter in a store and it's crowded... That doesn't work for me, I'm an extremely stressed person. The stores are crowded... I can't see things in the way that I would like to... carefully, relaxed... If I feel stressed, I don't want it anymore! I rather don't have the items.” (Female, age 52, segments: affordable luxury and luxury, buys luxury in outlets)

Contrary to this, for other women, luxury outlet stores have a lot of similarities with regular luxury stores, despite of the fact that the outlet stores were not that sophisticated like the regular ones. Consumers declared that the stores were well presented in terms of organization and product display, and that they had a clean and good appearance. In terms of store decoration, the respondents revealed that the decoration was reasonable and that the brand image was always present in the atmosphere.

Tidy and organized

“Those luxury stores are well organized... They look very clean, the products are well displayed, the sellers well presented... I don't see a lot of differences between outlet stores and

regular stores.” (Female, age 48, segments: affordable luxury and luxury, buys luxury in outlets)

“I don’t feel like outlet stores are very different from regular ones... I think everything is equally tidy and organized... Maybe it’s not so refined... Maybe it’s not that perfect and fantastic... but the differences aren’t scandalous.” (Female, age 23, segment: affordable luxury, does not buy luxury in outlets)

Good space decoration

“The décor is nice and pleasant... It’s not like a high luxury store, but it’s enough for a luxury store in a retail outlet.” (Female, age 52, segments: affordable luxury and luxury, buys luxury in outlets)

“I think luxury outlet stores always reflect the same typical image attached to the regular stores. For instance, in Carolina Herrera you can still see wood structures... in Burberry you can still see mirrored lines... You can still find that in outlets... You can still see the brands’ characteristic features that consumers identify the brand with. That’s great!” (Female, age 23, segments: affordable luxury and luxury, buys luxury in outlets)

Sound

In terms of sound, consumers declared that the luxury stores were very noisy in retail outlets, which is associated with the perception that luxury stores in outlets are visited for more people than the regular ones.

Noisy

“It’s very noisy... I guess it has to do with the amount of people that gets in the stores.” (Female, age 58, segments: affordable luxury and luxury, buys luxury in outlets)

4.4. Importance of store atmosphere in luxury fashion outlet stores

After the analysis of the ideal store atmosphere of luxury fashion brands and the consumers’ opinions of the real store atmosphere of luxury fashion brands in outlets, this section addresses the importance attributed to the store atmosphere of luxury fashion stores in outlets, which is the fourth research question.

The results discovered a disparity in the respondents’ answers, in which some of them think that the store atmosphere in outlets is very important, and others that the store atmosphere in outlets is secondary. Thus, this research question was divided into two segments, consumers

who value the store atmosphere in outlets and consumers who do not value the store atmosphere in outlets, and then into categories that justified both levels of relevance.

- **Mind map: Importance of store atmosphere in luxury fashion outlet stores**



Figure 5 - Mind map RQ 4: Importance of Store Atmosphere in Luxury Fashion Outlet Stores

Source: Own elaboration

- Consumers who value the store atmosphere in outlets

According with the study's results, the consumers that considered the store atmosphere very important in retail outlets, mentioned two aspects that they thought to be relevant for luxury brands to perform in outlet stores, which are the brand image and the consumer experience. Contrary to the next category, it was not possible to find a consumer pattern for this category because of the different consumer backgrounds and age ranges of the responses.

Brand image

Some consumers declared that the store atmosphere and the service in luxury outlet stores should be very similar to the regular ones, in order to keep the prestige patterns that they are usually used to. Thus, according to Okonkwo (2007), luxury brands in outlets should present their stores with an identical environmental aura comparing with regular luxury stores, in order to preserve the brand image and personality, and the consumers' expectations (Shergill and Chen, 2008).

Despite of the fact that the prices are lower in outlet stores, consumers stated that the prices were still very expensive and that the outlet stores should still reflect that in the environment, so the brand can keep their image and the consumers motivation to purchase in luxury outlet stores. In literature, there is also a reference that concludes that high quality brands should have high quality stores to attract customers and to influence their patronage intentions (Ghosh *et al.*, 2010), which is in agreement with the study information collected.

“Yes, it’s important... because it’s the brand’s name that is at stake. For instance, in the experience that I had in Michael Kors in Vila do Conde... It’s a known brand, and it would be only good for the brand if they have had a more similar environment comparing with the regular stores. (...) The brand image can be damaged... and I think that would be very pleasant for the customer if the store patterns of service and atmosphere were similar to a regular store... despite of the fact that the prices are lower.” (Female, age 46, segments: affordable luxury and luxury, buys luxury in outlets)

“I think the atmosphere in a luxury outlet store is very important... because if the service wasn’t professional or caring, it would be terrible for the brand image... It’s very important to walk in a luxury store and feel that we are in a luxury store, either in a regular store or outlet one... Despite of the fact that luxury brands have discounted prices in outlets, they still are prestigious brands, they still have expensive prices, and they still have a superior product quality comparing with the store next door... and the environment and the service should still reflect all those things. (...) It’s very important for the consumer to walk in a luxury outlet store and still identify that store with the store in Avenida da Liberdade, or the store in El Corte Inglés...” (Female, age 23, segments: affordable luxury and luxury, buys luxury in outlets)

Consumer experience

In literature, Okonkwo (2007) mentioned that luxury brands in retail outlets should incorporate in their positioning strategy, a good store experience, in terms of time, space, authenticity, community individuality and well-being (Yeoman and McMahon-Beattie, 2018), and a specialized customer service, to enable consumers to get all the feelings that they would in a regular luxury store. The information collected is consistent with the literature, once that consumers declared that a good consumer experience was very important in luxury outlet stores because besides of the fact that the stores are present in outlets, they still are luxury branded stores. Consumers assumed that if their expectations in terms of store experience were not fulfilled, they would probably not be willing to purchase luxury products in outlet stores.

“Despite of the fact that we are purchasing a luxury item from a previous collection, we are still purchasing a luxury item... and part of the consumer journey is having all the right feelings when entering the store... It is important that employees take good care of their clients... The store has to be pretty... The employees have to carry your bags to the store exit... That is the experience that I want to have... even in outlets. (...) If I would walk into Burberry in the outlet and didn’t feel that kind of experience, I think I wouldn’t be willing to spend 600€ on a trench

coat, for example.” (Female, age 23, segment: affordable luxury, does not buy luxury in outlets)

- Consumers who do not value the store atmosphere in outlets

Contrary to the previous category, some other consumers assumed that the store atmosphere of luxury brands in retail outlets was not that relevant. The devaluation of the store atmosphere in outlets relates with two different aspects, the discounted prices applied and the different target that luxury brands have in outlets. It was possible to find a consumer pattern in this category, the consumers that do not value the store atmosphere in luxury outlet stores are consumers that mostly or only buy luxury products in retail outlets.

Discounted prices

The consumers that stated that the store atmosphere of a luxury outlet store was not that important, revealed that their main motivation to purchase in luxury outlet stores was good quality products at discounted prices. Thus, consumers assumed that they did not value the store atmosphere in luxury outlet stores and that they did not expect to have the same patterns of a regular luxury store in terms of environment and service in luxury outlet stores, in return of luxury items at lower prices.

“I think it’s not that important... because in outlets people are looking for great price deals. People look for good quality products at a lower price... and I don’t think that people care about the store atmosphere. (...) People that visit retail outlets don’t value that kind of service that we can find in a regular luxury store. I don’t value either.” (Female, age 32, segment: affordable luxury, buys luxury in outlets)

Larger target

The respondents considered that the presence of luxury brands in outlets allowed brands to reach an expanded target, that these brands would not in regular terms. The presence of these brands in outlets permits more people to have access to luxury items at significant lower prices. Thus, consumers assumed to accept the access to luxury brands at discounted prices in exchange of a prestigious store atmosphere and service.

“I think people don’t care about it. I think outlets are for a less distinct audience... that only wants to find cheaper products. (...) I think it would be good for the brand if they had the same standards, but I also understand that outlets are not for “unique” people... I accept that

doesn't happen in outlets. I think it's important for luxury brands to differentiate regular and outlet stores... because in outlets you have a larger group of people interested in luxury brands." (Female, age 58, segments: affordable luxury and luxury, buys luxury in outlets)

4.5. Consumers' perceptions of the presence of luxury fashion brands in retail outlets

This last segment means to get an overview of the topics previously studied, such as the consumers' motivations behind the purchase of luxury products in outlets, the consumers' thoughts regarding the store atmosphere in luxury outlet stores and its importance in the customer journey, and to evaluate the consumers' perceptions of luxury fashion brands regarding their presence in retail outlets. Once again, the participants' answers were inconsistent and so, divided into two segments: positive perceptions (benefits) and negative perceptions (disadvantages).

- **Mind map: Consumers' perceptions of the presence of luxury fashion brands in retail outlets**

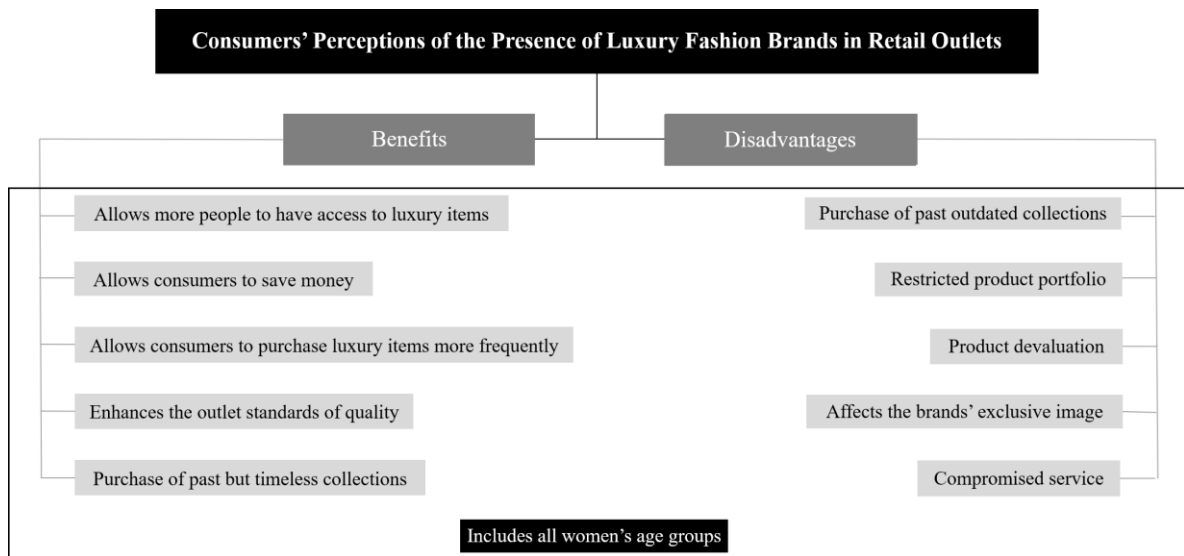


Figure 6 - Mind map RQ 5: Consumers' Perceptions of the Presence of Luxury Fashion Brands in Retail Outlets

Source: Own elaboration

- **Benefits**

Allows more people to have access to luxury items

The presence of luxury brands in retail outlets, as it was mentioned before, permits that more consumers have access to luxury items due to the discounted prices practiced, which expands the amount of consumers buying luxury. Some respondents stated that luxury outlet stores allowed them to have luxury items that in regular terms it would be financially more difficult

to get. It was stated that luxury should not be for the extremely wealthy consumers, but also for an upper middle class that also desires to own luxury items.

“Brands cannot leave from extreme wealth... There is an upper middle class that wants to upgrade their lifestyle, but that doesn't have thousands of euros to spend in one single purchase. Being realistic, I think luxury brands have to be able to reach more people.” (Female, age 52, segments: affordable luxury and luxury, buys luxury in outlets)

“The presence of luxury brands in retail outlets is a way to engage more people into luxury... but people that still can pay those expensive prices... because even in outlet luxury stores the prices are higher than a regular fashion store.” (Female, age 51, segments: affordable luxury and luxury, buys luxury in outlets)

Allows consumers to save money

The participants declared that luxury outlet stores allowed them to save money because of the significant differences between the regular and the discounted prices. Therefore, luxury outlet stores enable the consumers' money to have more value, which, according to Okonkwo (2007), is in agreement with the literature.

“I can have access to the clothes that I love at more appealing prices... I always prefer to buy luxury brands in outlets or on sales! Otherwise, is a waste of money.” (Female, age 23, segments: affordable luxury and luxury, buys luxury in outlets)

Allows consumers to purchase luxury items more frequently

The participants said that luxury outlet stores permitted them to purchase luxury products more frequently, which is justified by the extreme expensive prices that luxury brands practice in their regular stores. Additionally, consumers assumed that outlets simplify the access to luxury items that regular luxury stores do not.

“- What do you think of the purchase of luxury items in outlets?”

- I think it's great, I love it! Mostly because of the price... The luxury products are very expensive, and are increasingly getting more expensive... and the shopping regularity becomes less frequent. Outlets make the purchase way easier.” (Female, age 51, segments: affordable luxury and luxury, buys luxury in outlets)

Enhances the outlet standards of quality

The study's results confirmed that for some consumers the presence of luxury stores in outlets enhances the quality of outlets, which relates with the high standards that are attached to luxury brands. Hence, luxury brands allow retail outlets to be seen as great quality places to shop, that have a distinctive and prestigious character.

“- Do you think that the presence of luxury brands in outlets damages the brands' image?

- No, not at all... the brands still have a lot of prestige. I actually think that makes the outlet a more distinct and exquisite place to go shopping.” (Female, age 58, segments: affordable luxury and luxury, buys luxury in outlets)

Purchase of past but timeless collections

Some consumers associate luxury products with timeless brands. Thus, the purchase of past collections in outlets is not seen as a constraint, instead is seen as a purchase of classic and distinctive items (Whyatt, 2008). The products that are sold in luxury outlet stores are still great quality products, that will last an eternity and that will still continue to be fashionable.

“When I am in Carolina Herrera's outlet store, I don't see a difference between what is this year's collection and what is last year's collection. (...) I don't mind that the items are from past collections... I don't mind purchasing items from collections with two, three years... because I'm still buying something with great quality. A yellow shirt will always be a yellow shirt... A black blazer will always be a black blazer... I expect to wear these classic items for a really long time... So I don't mind if it's from a past collection...” (Female, age 23, segments: affordable luxury and luxury, buys luxury in outlets)

Disadvantages

Purchase of past outdated collections

Contrary to the previous benefit regarding the purchase of past but timeless collections, there were some other participants that did not agree with that. They assumed that from their point of view, luxury outlet stores only sold past outdated collections, that somehow made them feel really disappointed about purchasing luxury brands in outlets. Consumers also mentioned that the collections in outlets were completely different with the ones in regular luxury stores, which seemed to affect the consumers' purchase decision because consumers did not associate the past collections in outlets with the current brand image. In literature, Kothari (2004) stated that

consumers used to see more quality and value in the products bought in regular stores than in outlet stores, which is in concordance with this piece of information.

“The disadvantages of the presence of luxury brands in outlets is that the collections are really different from the ones that are in the regular stores... what it turns to be very disappointing. In outlets we can find absolutely outdated pieces...” (Female, age 46, segments: affordable luxury and luxury, buys luxury in outlets)

Restricted product portfolio

According to the respondents' answers, luxury outlet stores offer a very restricted portfolio, in terms of product, colours and sizes availability, which limits the purchase of luxury items in outlets. Some consumers also mentioned that if they wanted to buy something in specific, they would rather prefer to go to a regular luxury store instead of luxury outlet store, based on the notion that outlet stores do not have a lot of products variety.

“For instance, in the outlet Burberry only has the sizes xs or xxl... The other sizes don't exist in-store. Then, they have several pieces from the same colour that no one is going to purchase. It doesn't get me any excited!” (Female, age 42, segments: affordable luxury and luxury, does not buy luxury in outlets)

“If I need to buy something very specific I won't go to the outlet... I'm going to a regular store instead because I think: “Maybe I will find more things in a regular store.”.” (Female, age 23, segments: affordable luxury and luxury, buys luxury in outlets)

Product devaluation

The study's results showed that for some consumers the luxury items purchased in outlet stores were less valuable than the luxury items purchased in regular luxury stores, which is related with the fact that luxury products in outlets are perceived as products that did not succeed in regular stores and that are not considered timeless pieces.

“- Why do you think that it is more likely for you to purchase luxury in regular stores?”

- Because I want the piece to increase its value... All the items that I purchased in regular stores worth more today than the money that I paid for them. Contrary to this, the items that I purchased in outlets for a lower price, stabilized... In outlets, the items devalue... because the items in outlets are not classic and timeless... they are items that didn't sell in regular stores.” (Female, age 51, segments: affordable luxury and luxury, buys luxury in outlets)

Affects the brands' exclusive image

This disadvantage is associated with the fact that outlets facilitate and extend the purchase of luxury items to more people. Thus, as luxury brands are considered unique and high class brands, the simplification of the acquisition affects the brand image of exclusivity because it enables more consumers to own luxury, which is consistent with the literature according to Okonkwo (2007).

“I think brands become more vulgar... In my opinion, luxury brands have exclusive products... and I think outlets make them for the masses... which makes the brands to lose a little bit of their glamour.” (Female, age 42, segments: affordable luxury and luxury, does not buy luxury in outlets)

Compromised service

Some consumers revealed that the service in luxury outlet stores was very different of what usually happens in regular luxury stores. They assumed that they would rather prefer to purchase in a regular store because this way, they would get a more personalized service, in which employees are able to understand their profile and to properly advise and help them.

“- Do you think you can give me one example in which you would rather purchase in a retail outlet?”

- No, I think I wouldn't prefer to buy in a retail outlet. I prefer regular stores... because I like to go and see everything, and having people to advise me... The service in a regular store is so good that allows you to get recommendations and ask for advice. It's important to hear the sellers' opinions... the sellers usually get the customer profile and give very interesting suggestions... In the experience that I had in the outlet, that didn't happen.” (Female, age 46, segments: affordable luxury and luxury, buys luxury in outlets)

“It's more likely for me to buy in a regular luxury store... because I have more trust in the service... to buy the perfect product for my needs. I think we only buy luxury items a couple of times in our life, and I prefer to have all the glamour and service of a regular store than just a smaller price in a retail outlet.” (Female, age 42, segments: affordable luxury and luxury, does not buy luxury in outlets)

5. Conclusions

This chapter refers to the conclusions of the study, which comprises the discussion of the findings, the managerial and marketing implications, and finally, the limitations and further research.

5.1. Discussion of the findings

Based on the findings previously described in the fourth chapter, several conclusions were disclosed regarding the understanding of luxury fashion products consumption in retail outlets, which include the consumers' motivations to purchase in retail outlets, the consumers' perspective on store atmosphere in retail outlets, and the consumers' perception of luxury brands that are in retail outlets.

First of all, it was clear to realize that the consumers' purchase of luxury fashion products is associated with both functional and symbolical values, that combined form the conception of the ideal luxury purchase. The functional values are mostly related with the high quality, high durability, exquisite design and fitting, and with the brands' heritage and history, that the luxury products bring to their lives. The symbolical values are more focused on the consumers' desire for unique and exclusive products, need to fit in a demanding society, upgrade their social status and lifestyle, and wish to feel self-confident and self-fulfilled, which can be associated with the perceived quality, design, fitting and brand timeless feature and authenticity. Thus, the ideal luxury fashion purchase is only complete if there is the presence of both functional and symbolical traits, because of their interconnection regarding the consumers' expectations, thoughts and feelings towards luxury brands.

Furthermore, concerning the consumers' motivations to purchase luxury fashion products in retail outlets (RQ 1), it was easy to understand that consumers still expect to find in luxury outlet stores the same ideal luxury purchase motivations, but that they mainly look for high quality and other functional values, such as bargains and smaller prices. Overall, consumers admitted that retail outlets allowed them to own more luxury fashion items because of the price, which, consequently, makes them meet the other functional values mentioned. The lower prices permits them to find good product opportunities and good bargains, with the exact same quality that can be find in regular luxury fashion stores. On the other hand, this study also included consumers that never bought luxury fashion products in outlets, and the reasons that justify that pattern are mainly linked with the difficult accessibility and lack of convenience of the outlets location, the fact that consumers never found the right opportunity for their needs or that

respects their personal taste, and that, within the younger participants, the economical factor that, even in luxury outlet stores, constitutes a problem in the purchase of luxury products. Such reason is justified with the fact that the respondents in their twenties had just started their professional careers, and thus, do not have the financial capability to purchase luxury fashion items with their newly employed wages.

Regarding the real store atmosphere of a luxury fashion store in retail outlets (RQ 3), it was possible to deduce that, for most of the respondents, it was the complete opposite of what they defined as the ideal luxury fashion store atmosphere (RQ 2).

Ideally, the store atmosphere of a luxury fashion store should be focused on five different elements, which are service, visuals, sound, smell and temperature. In terms of service, the consumers declared that they would like to have a pleasant and helpful staff, without being pushy, that is able to understand the consumers' needs and personal tastes, and consequently, offer a concierge service with a personalized and qualified assistance in-store. Some participants within the age ranges of twenty two and twenty five, also revealed that they would like to experience a less formal environment in-store comparing to what happens in regular luxury stores. They stated that the employees approach was too strict and formal, which they mentioned to be characteristics appreciated for older consumers, but that did not please them. Instead, they claimed to prefer a less formal environment, which allowed them to feel relaxed, calm and in a good mood.

Visually, consumers showed a preference for bright wide spaces with tasteful space decoration, that allowed them to see everything in an organized and clean way.

In terms of sound, the respondents mentioned that they enjoyed calm and low volume music, that permits them to stay longer in-store and to think properly about their purchase intentions.

Lastly, consumers mentioned that the temperature in a luxury store should be ideal in order to make them feel comfortable and enjoy the experience in-store.

Contrary to this, the real store atmosphere of luxury fashion stores in retail outlets are perceived as very different from what consumers considered the ideal, and so, the definition of the atmosphere focused on three aspects, which are service, visuals and sound. Regarding the service, consumers affirmed that in luxury outlet stores it was very impersonal, autonomous and fast, which means that consumers feel that they do not have a personalized service with

the right customer service. Instead, the service is completely standardized and similar to the service of any other store.

Visually, the participants' opinions were inconsistent, as for some consumers the stores were disorganized and messy, which was associated with the frequently presence of a lot of people inside the store, and for others, tidy and organized, with a good space decoration. It was not possible to find a specific consumer pattern concerning each category as the responses came from different backgrounds and age ranges.

Finally, regarding the element of sound, consumers only mentioned that the stores were noisy, which was linked with the large amount of people that usually visits these stores.

The consumers thoughts on the importance of store atmosphere in luxury fashion outlet stores (RQ 4) were also inconsistent. Therefore, the relevance levels were separated into two segments, consumers who value the store atmosphere in outlets and consumers who do not value the store atmosphere in outlets, although the most frequent answer was that the store atmosphere was valuable and very important in luxury outlet stores. The participants that declared that it was very important to have a good store atmosphere in luxury outlet stores, justified their answers by stating that it was relevant for them and for brands to keep the same standards so the brand image would not be damaged. Additionally, they assumed that it was very important that luxury brands would provide a good consumer experience, despite of the fact that the products sold in outlets have lower prices and belong to past collections, because the products were still luxurious and more expensive than any other brands. Regarding this consumer point of view, it was not possible to identify a consumer pattern because of the different backgrounds and age ranges of the responses.

On the other hand, the consumers that declared that it was not that relevant to have a good store atmosphere in luxury outlet stores, affirmed that because of the fact that luxury outlets stores only sell products at discounted prices, consumers already expect that the service and store atmosphere will not be similar to what usually happens in regular outlet stores. Respondents also mentioned that the store atmosphere was not that important because of the larger amount of visitors that these stores receive, and their preference to own luxury products than to have a pleasant luxurious experience. In this category it was possible to find a consumer pattern, the consumers that do not find important for luxury outlet stores to have a good store atmosphere are consumers that mostly or only buy luxury products in retail outlets. As retail outlets seem

to be the easiest way for consumers to own luxury products, they do not care if the store atmosphere is good or not.

Lastly, concerning the consumers' perceptions of the presence of luxury fashion brands in outlets (RQ 5), the results revealed benefits and disadvantages. For some consumers the presence of these brands in outlets allows more people to have access to luxury products, to save money and to purchase luxury products more often. These facts are directly associated with the lower prices that luxury outlet stores practice, which, as it was mentioned before, constitutes the main motivation for consumers to purchase these products in outlets. Therefore, consumers also stated that the presence of luxury fashion brands enhance the outlet standards of quality, as the brands entail a prestigious and high quality image, through the retail of past but timeless collections.

Contrary to this, for other consumers the presence of luxury brands in outlets represent the purchase of past outdated collections in luxury stores that have a restricted product portfolio in terms of product variety, sizes and colours availability. Respondents also mentioned that luxury outlet stores may affect the products' value, the brands' exclusive image, and the perception of a compromised service, in which consumers may not trust. It was not possible to attach consumer patterns to the benefits and disadvantages as the results for each category demonstrated to be from different relationships with outlets, different luxury segments and different age ranges.

5.2. Managerial and marketing implications

Since the luxury market has been experiencing a significant growth regarding the consumers' purchasing behaviour in the consumption of luxury fashion products, and the presence of luxury brands in outlets has been increasing and becoming more popular, it is crucial for marketing managers to better understand the consumption patterns of luxury fashion products in outlets.

Therefore, it is important to understand the underlying motivations behind the purchase of luxury fashion products in outlets, to recognize what are the store atmosphere features that consumers most appreciate and the importance that store atmosphere has in luxury outlet stores, and to comprehend how the presence of such brands in outlet affect the consumers' perceptions towards brands, so that they can target their consumers and improve their communication and engagement towards them.

Primarily, this research showed that the main motivations to purchase luxury products in outlets are functional, and thus, price related. Consumers purchase luxury fashion products in outlets because of the products' discounted prices, bargains and perceived high quality. However, consumers showed that while purchasing in outlets for luxury items, they were still looking forward to achieve their ideal luxury motivations that incorporate both functional and symbolical values.

As consumers already associate luxury outlet stores with lower prices, which it seems to be the primary motivation for the consumption of luxury products in outlets, it is important that marketing managers of these brands incorporate the functional and symbolical values that consumers have regarding their ideal luxury purchases, which they mentioned that it was expected to be identical in the consumption of luxury products in outlets. Luxury outlet products should still deliver functional features, such as quality, durability, exquisite design and fitting, timelessness and authenticity, and feelings of uniqueness, social acceptance, status, self-esteem, self-confidence, self-fulfilment and success. Thus, it is important that marketing managers incorporate both functional and symbolical values in their strategic plan and communication in order to reach the consumers' expectations of the ideal luxury purchase in retail outlets.

It is also important for marketing managers to comprehend what are the consumers' store atmosphere expectations of the ideal luxury purchase and what consumers' describe as the real luxury outlet store atmosphere, in order to compare and to analyse what needs to be changed to meet their requirements.

According to the respondents, they define the luxury outlet store service as impersonal, autonomous and fast, which is not consistent with the ideal luxury service. They mentioned that the service should be pleasant and helpful, without being pushy, qualified and personalized.

Regarding the visuals in a luxury outlet store, some consumers revealed that their visual store atmosphere expectations were met, and others revealed the opposite. The consumers that declared they did not find similarities between the ideal luxury atmosphere and the real luxury outlet, mentioned that the real atmosphere was disorganized and messy, and that they would rather prefer to be in a tidy and organized store with a bright wide space, that would have product segmented areas and a pleasant space decoration that would make them to recognize the brand. Although it was not possible to find a specific consumer pattern for each point of

view, it is still important for marketing managers to take into account the different conceptions between the real and the ideal visuals of a luxury outlet store, in order to be able to meet the expectations of a larger group of consumers.

The element of sound was also a feature of the store atmosphere that consumers assumed as being different in the ideal store atmosphere and in the real outlet store atmosphere. Consumers stated that the real luxury outlet stores were really loud and noisy, and that they would rather prefer a calm atmosphere with smooth and low volume music. Thus, it is relevant for marketing managers to consider and improve the service, visual element and sound, in order to satisfy the consumers' needs and wishes in-store.

The majority of the consumers assumed to value a good store atmosphere in luxury fashion outlet stores because of two relevant aspects, the brand image expectations and the consumer experience. Therefore, it is very important for marketing managers to evaluate the store atmosphere characteristics that consumers most appreciate in luxury stores, to acknowledge what is currently happening in luxury outlet stores and to adapt the strategy, in order to be up to the consumers' expectations, to preserve the consumers' luxury brand image of prestige and the brand personality, and to deliver a good in-store experience that meets the consumers desires and needs. It was impossible to find a consumer pattern that values the store atmosphere of a luxury outlet store, although it was possible to conclude that the consumers that did not value the store atmosphere of a luxury outlet store do not usually buy luxury items in regular luxury stores.

Regarding the consumers' perceptions of the presence of luxury fashion brands in retail outlets, it is important for marketing managers to be aware of both benefits and disadvantages, but more specifically to focus on the disadvantages that the consumers considered that affect in a negative way their thoughts about luxury brands.

According with the results presented, the two most important disadvantages that marketing managers should pay attention are related with the fact that outlets affect the brands' exclusive image and that the service is somehow compromised and not trustful as was also mentioned before. Thus, marketing managers should promote the outlet luxury stores has stores that only sell end of season collections at discounted prices, because they are no longer available in the regular luxury stores and not because the brand is no longer exclusive. Also, marketing managers should be able to provide a good store atmosphere in luxury outlet stores, to enhance

the environment making it more sophisticated and offer a good store experience with a specialized customer service.

5.3. Limitations and further research

In conclusion of this dissertation, it is relevant to state the limitations of this study, and, consequently, the possibilities for further research.

The first limitation is associated with the fact that this study concerns a limited number of Portuguese female consumers, that live in the urban areas of Portugal, mainly in Lisbon, which make it impossible to generalize the results to consumers other than the interviewed ones. Furthermore, the results cannot be generalized to Portuguese male consumers, to consumers that live in non-urban areas or outside of Portugal and to consumers that shop in foreign outlets. Thus, it would be interesting to include in a future research the motivations and opinions of Portuguese male consumers, in order to establish a comparison between genders. Also, it would be interesting to develop an understanding regarding retail outlets outside of Portugal, once that many respondents mentioned that they had already shop luxury products in foreign outlets and that the experience was completely different from the Portuguese outlets.

Another possible limitation concerns the methodology used in the study. The use of an exploratory research design and qualitative semi-structured interviews, that includes a selected group of consumers, that is considered flexible and informal, and that comprises the respondents' insights, thoughts and opinions into the research questions, may have restricted the results because each participant's values and predispositions. Consequently, further research may contain quantitative methods, with a larger sample of participants, in order to enable the study to overcome the current limitations and to develop the generalizability and validity of the results.

Furthermore, analysing the data collected of the interviews, it was not possible, at times, to identify consumer patterns of some categories that reported opposite results, such as the visual element of luxury outlet stores, the very important level of relevance related with the importance of the store atmosphere in luxury outlet stores, and the pros and cons of the presence of luxury brands in outlets. Thus, in future research, should be investigated and analysed the consumers' patterns of each category in order to target and find the most appropriate measure to be taken into the luxury outlet brands' strategy.

Last but not least, this study involved three different segments of luxury, premium, affordable luxury and luxury, and thus, the conclusions were examined as a whole without any

differentiation. Moreover, it would be interesting to study the different segments apart, in order to provide more accurate information to each segment regarding the consumers' consumption of luxury products in outlets, and thus, improve the decision making.

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Appendix

1. In-depth interview's script

The aim of this interview script is to understand the consumers' consumption motivations to buy luxury fashion products, particularly in outlets, to get the consumers' perceptions regarding the ideal store atmosphere and the real store atmosphere in retail outlets, to examine the importance of in-store attributes in the consumers' journey and to determine the impact of retail outlets in the luxury brands' positioning.

1. Ice Breaking Questions - To make the respondent comfortable and to understand her connection with luxury fashion products and brands, and outlets.

- A. Do you own luxury fashion products? What kind?
- B. What kind of luxury brands do you purchase?
- C. Have you been to retail outlets? Are you familiar with them?

2. Research Question 1 - What are the purchase drivers of luxury fashion consumptions in retail outlets?

- A. What qualities/advantages do you associate by owning luxury fashion products? Why?
- B. How do you feel when you are wearing luxury products? Why?
- C. Have you ever buy luxury fashion products in retail outlets? Why? Why not?

If the respondent's answer is negative:

- C.1. Would you consider to buy fashion products in retail outlets? Why? Why not?

3. Research Question 2, 3 and 4

Research Question 2 - What is the ideal store atmosphere in luxury fashion stores?

- A. How do you describe an ideal atmosphere of a luxury retail store?

Research Question 3 - What is real store atmosphere of luxury fashion stores in retail outlets?

If the respondent has already been in a luxury outlet store:

- B. How do you describe the store atmosphere of a luxury brand in a retail outlet?

Research Question 4 - Is the store atmosphere of luxury fashion outlet stores important for consumers?

- C. Do you think that the store atmosphere in a retail outlet is important for customers? Why? Why not?
- D. Do you think that the service standards and store atmosphere of a regular luxury store are equally important in a luxury outlet store? Why? Why not?

4. Research Question 5 - How do retail outlets allow luxury fashion brands to change their positioning?

- A. What do you think about buying luxury fashion products in retail outlets?
- B. How often do you buy luxury products in a regular retail store? And in a retail outlet store?
- C. Are you more likely to buy luxury fashion products in a regular store or in a retail outlet store? Why?

If the respondent is **more likely to buy luxury products in regular stores**:

- C.1. Can you give me one example in which you would prefer to buy in a luxury outlet store instead of a regular luxury store?

If the respondent is **more likely to buy luxury products in retail outlet stores**:

- C.2. Let's imagine you bought a bag/shirt in a luxury outlet store. Would you have bought the same bag/shirt in a regular luxury store for its full price? Why?

2. Six fashion market segments

Price	Segments	Brand examples	Basket example Men's jeans ¹
High	Luxury	Tom Ford Chanel	>\$315
	Affordable luxury	Tory Burch Michael Kors	\$156-\$315
	Premium / Bridge	Nike Esprit	\$96-\$155
	Mid-market	Zara Topshop	\$41-\$95
	Value	TJ Maxx Boohoo.com	\$21-\$40
Low	Discount	Primark George at Asda	<\$20

Table 1 - Six fashion market segments

¹ Plain men's straight/slim cut jeans (no rips). Exemplary 1 out of 9 total items used in basket calculation

Source: McKinsey & The Business of Fashion team analysis, 2017

3. Profile of the study's participants

Nationality, gender and age	Segment	Buys luxury fashion products in outlets?
Portuguese, Female, age 22	Premium	No
Portuguese, Female, age 23	Premium and affordable luxury	Yes
Portuguese, Female, age 23	Affordable luxury and luxury	Yes
Portuguese, Female, age 23	Affordable luxury	No
Portuguese, Female, age 24	Affordable luxury and luxury	No
Portuguese, Female, age 25	Luxury	No
Portuguese, Female, age 26	Luxury	No
Portuguese, Female, age 32	Affordable luxury	Yes
Portuguese, Female, age 37	Premium, affordable luxury and luxury	Yes
Portuguese, Female, age 42	Affordable luxury and luxury	Yes
Portuguese, Female, age 42	Affordable luxury and luxury	No
Portuguese, Female, age 46	Affordable luxury and luxury	Yes
Portuguese, Female, age 48	Affordable luxury and luxury	Yes
Portuguese, Female, age 51	Affordable luxury and luxury	Yes
Portuguese, Female, age 52	Affordable luxury and luxury	Yes
Portuguese, Female, age 52	Affordable luxury and luxury	Yes
Portuguese, Female, age 53	Affordable luxury and luxury	Yes
Portuguese, Female, age 58	Luxury	Yes

Table 2 - Profile of the study's participants

Source: Own elaboration