INTRODUCTION

"In the year 2020, it is widely accepted that 40 per cent of all purchases will be made online. Women in the UK spend about 90 minutes online on every day average". (Sarah Curran from Mywardrobe.com)

We are living a time of techno-savvy consumers that are connected 24 hours, 7 days a week, for whom all information is a click away; and so is competition.

Therefore, online shopping has been experiencing constantly increased importance in the trade market. The luxury industry is an exceptional case because it is following behind in the e-commerce era when benchmarking with different sectors.

Marketers are facing a challenging task when designing strategies for the luxury online sales channel because it is not appealing for their target customers. In this sense, it is suggested that luxury consumer needs to be understood, and, the online shopping experience must offer elements that motivates consumption by incrementally offering benefits that would enhance its value.

The current study was intended to understand all points of parity necessary within their category, in order to fully address luxury consumer’s expectations, and therefore, deliver consumer satisfaction in on line shopping. It is expected that the findings of this study will provide useful information that online retailers can utilize in the development and operation of more successful shopping sites.

The methodology followed for this study was first to analyze consumer behavior theory, and secondly, the study of luxury consumer behavior and online shopping, in order to
develop our hypothesis about what is perceived to be the necessary applications in luxury e-tailer’s websites.

Afterwards, different luxury retailers were analyzed in order to verify and test proposed hypothesis.

UNDERSTANDING CONSUMER BEHAVIOR

The American Marketing Association defines consumer behavior as “the dynamic interaction of affect and cognition, behavior, and the environment by which human beings conduct the exchange aspects of their lives”.

In addition, Belch and Belch\(^1\) define consumer behavior as “the process and activities people engage in when searching for, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires”. There are 3 basic domains defining purchasing behavior that are reflected in the The Wheel of Consumer Analysis. The wheel must be used as a marketing strategies’ tool to better assess the target customer.

![The wheel of consumer behaviour](image)

Consumer affect and cognition

Affect: Refers to customer’s feelings or emotions. People can have different types of affective responses which are outlined in the following exhibit.\(^2\)

<table>
<thead>
<tr>
<th>Type of effective response</th>
<th>Level of physiological arousal</th>
<th>Intensity of strength or feeling</th>
<th>Examples of Positive and negative Affect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotions</td>
<td>Higher and activation</td>
<td>Stronger</td>
<td>Joy, love</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fear, guilt, anger</td>
</tr>
<tr>
<td>Specific</td>
<td></td>
<td></td>
<td>Warmth, satisfaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Disgust, sadness,</td>
</tr>
<tr>
<td>Moods</td>
<td></td>
<td></td>
<td>Allert, relaxed, calm</td>
</tr>
<tr>
<td>Evaluations</td>
<td>Lower and activation</td>
<td>Weaker</td>
<td>Like, good, favourable</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Dislike, bad, unfavourable</td>
</tr>
</tbody>
</table>

Types of affective responses

Emotions tend to be described as a process that involves an interaction between cognition and physiology. While emotions tend to have a clear focus, moods and attitudes are more unfocused.

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\(^2\) Consumer Behaviour and Marketing Strategy, 8th edition, J. Paul Peter, Jerry C. Olson
Cognition: Generally refers to thinking. Deeper cognitive system is the mental process of understanding, evaluating, planning, deciding and thinking. Even though several scientists regard affective and cognitive systems as independent (as they are responsible for different parts of the brain), they are interconnected and drive consumer behavior.

Consumer behavior

Also known as Overt Behavior refers to the physical actions of consumers that can be directly observed and measured. Often, affects and cognition lead to Overt Behaviour, but this is not always true. Traditional model of purchase process regards it as a series of cognitive events followed by a single Overt Behaviour.

```
<table>
<thead>
<tr>
<th>Awareness</th>
<th>Awareness</th>
<th>Attention</th>
<th>Awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehension</td>
<td>Knowledge</td>
<td>Interest</td>
<td>Interest</td>
</tr>
<tr>
<td>Conviction</td>
<td>Liking</td>
<td>Desire</td>
<td>Evaluation</td>
</tr>
<tr>
<td>Action</td>
<td>Preference</td>
<td>Action</td>
<td>Trial</td>
</tr>
<tr>
<td></td>
<td>Conviction</td>
<td></td>
<td>Adoption</td>
</tr>
<tr>
<td></td>
<td>Purchase</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
```

“Traditional model of the adoption/Purchase process”

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Although the previous model can help understand the purchase process, it can also be analyzed as a sequence of behavior shown in the following exhibit.

<table>
<thead>
<tr>
<th>Type of Behavior</th>
<th>Pre purchase</th>
<th>Information Contact</th>
<th>Funds Access</th>
<th>Store Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption Stage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post purchase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**A common behavior sequence**

**Consumer environment**
Consumer Environment refers to everything external to consumers that influence the affective/cognitive response and behavior. It includes physical objects (products and stores), spatial relationships (locations of stores and products in stores) and social behavior of other people (who is around you and what they are doing) that can change consumers thoughts, feelings and actions.

Social environment includes all interactions among families, reference groups, media, and organization. It is very important to understand what aspects of environment influence consumer’s affect, cognition and behavior.

**LUXURY CONSUMER BEHAVIOR**

Luxury
(from Latin, luxus and its derivative luxuria, excess, indulgence)
1. The habitual enjoyment of or indulgence in the best and most costly things.
2. An inessential and desirable item that is expensive or difficult to obtain.

1 Great comfort, especially as provided by expensive and beautiful things
2 Something expensive which is pleasant to have but is not necessary
3 Something which gives you a lot of pleasure but which you cannot often do

**Research Purpose**
The multiple definitions of luxury found were argued to be consequence of different luxury consumer’s behavior. In this sense, according to the consumer behavior theory, as early presented, luxury consumer’s motivation and value perception need to be understood.

**Research Process**
Exploratory Research by Primary Data Collection
Assumption:
In an attempt to understand luxury consumers, first, the assumptions that luxury consumer would fall into two groups: “approval seekers” and “inner motivational seekers” was developed as follows:

Approval seekers: this group would consume luxury as a way of interacting with their social context. In this sense, when buying luxury, these consumers would do so as a need to “stand out” in their environment. And the value perception would be related to different benefits as follows:

✓ Functional benefit: not evoke
✓ Emotional benefit: special as able to afford exclusive products
✓ Self-expression benefit: status

Inner-motivation seekers: this group would consume luxury as a way of self-satisfying their own personal pleasures. And the value perception would be related to different benefits as follows:

✓ Functional benefit: quality and excellence
✓ Emotional benefit: self-perception satisfaction
✓ Self-expression benefit: self-driven

Sampling
The first primary data collection process was made out of a sample of 12 IE MM students. The criteria used to select interviewees were to be self-considered as a regular luxury consumer. The second primary data collection process also applied the same sample selection criteria.

Research Design
The sample was asked to try to describe their reasons for consuming luxury apparel products by finding information that would illustrate their thoughts and feelings involved in the process. Interviewees would state that luxury consumption motivation would be the appreciation of the products’ attributes but at the same time, they stated that differentiation would be a motivator. It was concluded that luxury consumption could be driven primarily by one motivation or the other, but not both simultaneously. However this information did not appear from this research method.

When considering the second set of interviews, as acknowledged from the consumer behavior theory, the importance of the conscious and unconscious forces that dynamically trigger consumption by configuring motivation and values, was incorporated in the data collection design process. Thus, to develop more in-depth insights about luxury consumers, a methodology that provides unbiased information about these consumers was selected. In this sense, the Metaphor Elicitation Technique3 was used, which is based on the following premises:

✓ Thoughts and meanings are in image form not words, and most thought, emotion, and learning occurs unconsciously, without awareness.

✓ Metaphoric thinking is a basic mental process common across all cultures, and it is argued that, generally, people use nearly 6 metaphors per minute of speech; therefore metaphors are critical to understand meaning, emotion and behavior.

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3 Inspired in the ZMET technique patented by Professor Zaltman from Harvard business School, author of the book “How Customers think”
Research Process
First, consumers were asked to interpret their own luxury consumption experience by finding pictures that represented their thoughts and feelings about the topic.

The second step was a non-directive one-on-one interview where the interviewee was asked to reveal his/her interpretations of the images chosen and how they relate to the topic. The intention of this step is to discover the metaphors that these consumers use when describing their images. This gives an indication of the unconscious mental content that would reveal the real motivations for buying luxury. In this sense, interviewers probed participants’ deep ideas, archetypes, themes, and emotions about luxury consumption by exploring individual visual metaphors. During interviews, image related questions were asked as follows:

- How do these images translate your thoughts and feelings towards luxury?
- What do we like/ don’t like about it?
- What links do we want to reinforce or weaken
- What do we want to own?
- What constructs and links are missing that we wish were present?

Data analysis
Afterwards, the third step consisted of gathering the key findings from the interviews and plotting them in an individual conceptual map, which represents a “mental terrain” of luxury consumer’s experience. These maps classified the data into four criteria that were based on the wheel of consumer behaviour:

- Social interaction: the relation between consumers and consumers; and shop assistance and consumers.
- Feelings: the emotions that the experience of luxury consumptions triggers in consumers
- Object Properties: the cognition of the product’s layers
- Environment: the perception and attributes related to the in-store shopping experience

Conclusion
The fourth step was the clustering process by the application of the SPSS software, from which based in the assumptions previously described, we would already have two different segments, but we decided to use three segments found in the cluster analysis, to add information to our customer research and these three segments are as follows:

1. Approval seekers pursue luxury consumption for its value of social contextualization, (75%)
2. Inner motivational seekers pursue luxury consumption for its value of self-indulgence (cvx16.67%) and the need for quality
3. Quality seekers pursue luxury consumption for its excellence and quality (8.32%).

Appendix 1
Appendix 2
Appendix 3
Luxury Consumer Behavior Academic Research
After primary data collection, luxury consumer behavior theory was researched in an attempt to support our findings. From academic papers about consumer behavior, we found that, the luxury value is created dynamically by consumers based upon every element from the Wheel of Consumer Analysis. For luxury consumers, these elements are triggered either by interactions with people (e.g. aspired and/or peer reference group), hedonic values (e.g. sensory beauty), object properties (e.g., best quality), and also as a consequence from retailers and social environment interaction. It is proposed by Vigneron et al. (1999) that self-conscious individuals\textsuperscript{7} manifest the relation of values and motivation towards luxury consumption as follows:

<table>
<thead>
<tr>
<th>VALUES</th>
<th>MOTIVATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conspicuous</td>
<td>Veblenian</td>
</tr>
<tr>
<td>Unique</td>
<td>Snob</td>
</tr>
<tr>
<td>Social</td>
<td>Bandwagon</td>
</tr>
<tr>
<td>Emotional</td>
<td>Hedonist</td>
</tr>
<tr>
<td>Quality</td>
<td>Perfectionist</td>
</tr>
</tbody>
</table>

The value perceived drives specific attitudes towards luxury consumption, and defines certain attributes, or points of parity for luxury category, but furthermore, it also calls for points of differentiation that must be aligned with the entire brand culture.

Values and Motivation in a Purchase Effect Analysis:

1) The Veblenian Effect: Perceived Conspicuous Value
For this type of luxury consumer, the consumption of luxury brands is viewed as a signal of status and wealth, and the expensive prices of the products enhance the value of such a signal (perceived conspicuous value). According to Mason (1981 and 1992) and Bearden and Etzel (1982), the conspicuousness of a product is positively related to its susceptibility to reference-group influence, and concluded that publicly consumed luxury products were more likely to be conspicuous products than privately consumed luxury products.

2) The Snob Effect: Perceived Unique Value
The snob effect may occur during two circumstances: (1) when a new prestige product is launched - the snob will adopt the product first to take advantage of the limited number - and (2) "snob effect is in evidence when status sensitive consumers come to reject a particular product when it is seen to be consumed by a general mass of people" (Mason 1981, 128)

3) The Bandwagon Effect: Perceived Social Value
The role-playing aspects and the social value of purchasing luxury brands are important players in the decision-to-buy process (perceived social value). "Even though trend-setters and followers buy luxury products for apparently opposite reasons, their basic motivation is really the same; whether through differentiation or group affiliation, they want to enhance their self-concept" (Dubois and Duquesne 1993b).

\textsuperscript{7} The concept of self-consciousness as the consistent tendency of persons to direct attention inward or outward (Fenigstein, Scheier and Buss 1975) is used to represent consumers' responses to social influence (Brinberg and Plimpton 1986). Thus, we refer to two types of self-conscious people. (a) publicly self-conscious persons are particularly concerned about how they appear to others, and (b) privately self-conscious persons who are more focused on their inner thoughts and feelings.
4) The Hedonist Effect: Perceived Emotional Value
The Hedonic Effect is triggered by an emotional value; therefore brand selection is clearly determined by subjective and intangible issues (perceived hedonic value). According to Dichter (1960), consumer choice may be driven by uncognitive and unconscious motives, and certain goods and services have been known to possess emotional value in excess of their functional utility (Hirschman and Holbrook 1982; Sheth, Newman, and Gross 1991).

Research discussing the semiotics of luxury has repeatedly identified the emotional responses as sensory pleasure, aesthetic beauty, or excitement (Alleres 1990; Benarros-Dahan 1991; Fauchois and Krieg 1991; Roux and Floch 1996).

5) The Perfectionism Effect: Perceived Quality Value
Luxury brands are perceived as superior quality (perceived quality value). Studies exploring issues related to luxury consumption often underline the specific function of quality. "Excellent quality is a sine qua non and it is important that the premium marketer maintains and develops leadership in quality" (Quelch 1987, 39).

CONCLUSIONS REGARDING LUXURY CONSUMER TYPOLOGY AND MOTIVATION

The research presented that luxury has different consumer profiles, for whom the luxury value is associated with all the product levels, from core product, passing through actual, until augmented product. In this sense, emotional and self-expression benefits are important motivators for consumption, therefore, the decisive driver is the overall consumption experience.

No reference from the first collected sample declared that they bought luxury online, therefore further data collection and academic research was added to process in order to fill this information gap.

ONLINE CONSUMER BEHAVIOR

Online shopping has created a new type of consumer that demands different ways of interacting with the companies that serve him/her. The decision-making process of buying online is divided in three phases: the input phase, the process phase and the output phase where the purchase takes place.  

8 The Input Phase
Influenced by two major factors:

Website marketing efforts: These have to do with all the efforts companies do to attract consumers to buy the different products or services they offer. It includes promotions, advertisements, discounts, etc. These announcements inform the consumer about the products, where to find them, how to buy them, etc.

Socio-cultural influences: Friends or relatives that buy online and may want to start purchasing this way as well might influence people. Also, people with higher incomes or social status are more likely to own a computer, therefore will have more of an incentive to shop online. Age is also a key element, where we may find that older people tend to relate less to this kind of purchasing, due to the fact that they are not as used to the technology.

8 From the study Strategic online customer decision making: leveraging the Transformational power of the Internet by Alan D. Smith and William T. Rupp (includes both Kanuk and Schiffman’s(2000) and Mowen’s (Sujan, 2001) theories).
The Process Phase
Centered in explaining how consumers make decisions. In this sense, all the psychological factors present in every individual, such as motivation, emotions or personality, affect how the consumer is going to react to all the external factors received during the input stage and how he is going to recognize the different needs as well as how he is going to manage the pre-purchase search for information and the subsequent evaluation of alternatives that will end in decision. The following exhibit shows an explanation on what consumers ask themselves when they buy online and what are the psychological factors involved in the process phase.

The Output Phase
This phase consists of two activities: the purchase behavior and the post-purchase evaluation. The purchase behavior consists normally of a trial purchase. If the consumer is satisfied during this trial, the purchase may be repeated. During the purchase behavior, what the consumer is doing is assessing how the buying process has worked out and if he/she is satisfied with it. The experience during this assessment is going to influence the post-purchase evaluation as well.

Up until now we may have seen that the buying decision-process over the internet might not differ that much from the traditional process. However, differences do exist in what internet offers the consumer that traditional shopping does not.

The motivators of online shopping
The most common incentive when buying online is the convenience factor. Being able to shop easily from one’s home or office is one of the major assets that shopping online brought to consumers world-wide.

When buying online, consumers don’t have to deal with the hassle of crowds, crowded parking lots, “rude” shop attendants, and in general, feeling their time is being wasted. On the contrary, shopping online provides a whole new set of advantages in relation to time and convenience that facilitates the consumer’s life in general. Advantages such as knowing if a product is available or not, having their own account in a web site where they can keep track of how much they have spent, what items they have purchased, etc.

According to Alan D. Smith and William T. Rupp, retailers’ strategies towards the online consumer must take into account their online habits, and not only focus on pure economic theories. In this sense, what happens often when buying online is that consumers, when they find an e-retailer that works for them, will remain loyal - unless they have a bad experience. This loyalty will happen even if a “few clicks away” they may find a more inexpensive web retailer offering the same choices.

Questions consumers ask themselves when buying online

<table>
<thead>
<tr>
<th>Motivation</th>
<th>Should I look around for a better price?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>If online shopping saves me time, should I shop online more often?</td>
</tr>
<tr>
<td>Perception</td>
<td>How much do I really need this product?</td>
</tr>
<tr>
<td></td>
<td>I feel that this site seems pretty secure. It seems that the site has a good product but how can I be sure?</td>
</tr>
<tr>
<td>Personality</td>
<td>What types of Web sites are best suited to me for my personal buying preferences?</td>
</tr>
<tr>
<td>Attitude</td>
<td>I am pretty unsure about extra costs, should I really be buying items off the Internet?</td>
</tr>
<tr>
<td></td>
<td>If I do not buy the item online, how else can I get it?</td>
</tr>
<tr>
<td>Emotions</td>
<td>The last time I ordered from the Internet I had a really bad experience. Should I try buying online again?</td>
</tr>
<tr>
<td></td>
<td>What is the future of buying online? If Web sites get better should I invest more time in buying online?</td>
</tr>
</tbody>
</table>

9 Idem 1
However, when shopping online, some experts (Fry, J. (2001), “Why shoppers' loyalty to familiar Web sites isn’t so crazy after all”) argue that price isn’t a factor anymore, and that factors like convenience and time are far more relevant when choosing this method of purchase. When a customer first accesses a web site he must learn how to use it in order to make a certain purchase. If all goes well, the next time he enters that same web retailer, the process of buying will be far easier, making the e-retailer more attractive to the customer. This effect is known as “cognitive lock-in”, in which the first online experiences the consumer has with a certain brand or company are crucial to have him “locked-in” forever to them. This happens especially with experiences that are new and require some learning at first (online purchasing, computers, etc).

The demotivators of online shopping
There are some disadvantages to online shopping that up until now retailers have not been able to change or adapt to. One of them is the immediacy factor. The inability to obtain the purchased items immediately is a problem or inconvenience for many. In this sense, many e-tailers are making great efforts in trying to adapt and be as “immediate” as possible in their deliveries but still, the instant gratification the consumer experiences when shopping at a physical store by being able to take the items home at that same moment is something the internet has not been able to provide yet.

On the other hand, the lack of “physical contact” with the items the consumer buys. In this sense, it is impossible to actually try on the garments we buy at an online store, as well as it is impossible to feel or smell them, actions that are of great importance for many consumers and items.

Another issue e-tailers have to confront in relation to consumers is the security issues. Even though shopping online has become more and more common and people tend to feel more comfortable and secure about it than before, it is still very important to maintain a level of trust and security that will make the customer feel safe and trustful of the company he/she is interacting with.

CONCLUSIONS OF ONLINE SHOPPING REGARDING LUXURY CONSUMERS

After analyzing luxury consumers and researching online consumers, we are able to conclude that luxury consumers will not regard the “motivators” of shopping online previously stated, as relevant factors for buying luxury online.

In this sense, luxury consumers do not regard the convenience of online shopping, or the other attributes of online shopping - like the possibility of saving time and being able to shop from home- as the factors that motivate these consumers to shop luxury on the web.

Further on, the de-motivators previously explained that create an “inconvenience” when shopping online are, in fact, multiplied when we talk about these consumers. The fact that there is no possibility of trying the products nor touching and feeling them, as well as not being able to enjoy the products immediately, might create a sense of poor experience for these types of consumers, who, as we stated earlier, would be buying luxury for the sole purpose of the experience they are able to feel when doing so.

We concluded that we needed to investigate more thoroughly what website applications would be the ideal ones in order to motivate luxury consumers, as well as to provide them with an enriching experience, when buying luxury through this channel.
SECONDARY DATA COLLECTION

Research Purpose:
To understand the attributes related to online shopping experience that could be elaborated to motivate online luxury consumer satisfaction in order to provide the benefits that would increase the value of this channel for these consumers.

Research Design
The selected methodology to collect secondary data was academic paper research.

Secondary Data Analysis
According to Eun Young Kim and Youn-Kyung Kim’s (2002) research about “Predicting online purchase intentions for clothing products”, there are important online shopping applications perceived as risk-reducers and motivators, and they are as follows:

1. Incentive programs to online membership, visit point and give-aways increase Internet usage (Breitenbach and Van Doren, 1998; Ray, 2001). It encourages revisiting and repurchasing for loyal customers rather than motivating novice or general consumers.

2. Design for virtual experiences (Then and Delong, 1999), including three-dimensional simulation, trained and licensed raters, virtual tours, word-of-mouth endorsement. These attributes can be utilized so that the consumer may become interested in entering and having a pleasant experience while navigating the Web site, which can create an experience similar to an in-store experience (Menon and Kahn, 2002; Szymanski and Hise, 2000; Delong, 1999).

3. Interactivity between buyer and seller (Breitenbach and Van Doren, 1998; Ghose and Dou, 1998), including the ability to examine merchandise; the ability to inspect and updated information; it is proposed that expanded interaction between retailers and their customers can increase customer loyalty (Reichheld et al., 2000; Srinivasan et al., 2002).

Park and Stoel also present interesting findings as described in their paper “Effect of brand familiarity, experience and information on online apparel purchase”, which argue that providing plenty of product information and customer service may decrease the security and risk perceptions and increase purchase intentions. Hence, they propose that there are seven dimensions of online customer service: ease in searching, availability of FAQs; availability of in-stock status information; ease of comparison shopping; availability of additional service availability of personalized shopping; and availability of product updates (Kim and Stoel).

Another valuable academic paper was from Riley and Lacroix (2003). These authors stated that luxury consumer satisfaction is related to edgy design application directly related to coherent aesthetics to the web, and customized interactive features.

Secondary Data Conclusion
Riley and Lacroix also present collected information about expected online features for luxury brands as follows:
HYPOTHESIS FOR ONLINE LUXURY SHOPPING SATISFACTION

When cross matching the apparel luxury online and offline consumer behavior findings, the following hypothesis was formulated:

The online customer satisfaction is related to the Luxury Companies’ ability to provide incremental value to the augmented level of the luxury product through the mentioned channel. In this sense, it is suggested that the application of the Game Mechanism would have to be the chosen strategy for luxury e-tailers configuration.

A game mechanic is a construct of rules, setting and offers, intended to produce an enjoyable game play, and the effort is to come up with mechanics that allow people to have a fun and engaging virtual experience. The conjunction with the game’s environment and resources determines the game balance, by controlling the parameters with which the player – consumers- interact with each other, with the product, and with the brand environment.

Elements of the game mechanism to be strategically applied in the e-tailers website:

- **Environment Design**: The inductive scenario design in which the brand and the season concept have their story telling process.
- **Community**: Social community, status, friends, product club
- **Points**: Earned by shopping, and it is expected that it would keep the channel’s interest alive because points drive loyalty.
- **Product Feedback and Assistance**
- **Customization**: interface, music, color, product
- **Character customization**: Electronic Picture dressing

LUXURY E-TAILERS’ ANALYSIS

Once the different necessary attributes and applications that would properly address luxury consumer satisfaction online were found, a research on five luxury brand websites was
conducted in order to assess which-if any-of these features were being applied by these companies in their websites, in accordance to our hypotheses.

1) Gucci  
Website address: www.gucci.com  
Products offered: garments, accessories…  
Gucci.com emphasizes on the transmission of the Gucci’s brand identity atmosphere regarding colors and graphics. There is little interactivity or movement within the site. However, there is the possibility of watching videos of past runways, present campaigns, etc. Visitors have the option of registering as members in order to receive information concerning the brand, new collections and newsletter. When trying to purchase, the option to “ask a personal shopper” is offered, in which the site gives the possibility of sending and email to an assistant that will answer questions regarding the products on sale.

2) Louis Vuitton  
Website address: www.louisvuitton.com  
Products offered: garments, accessories…  
When entering the Louis Vuitton website consumers find a very functional site. It offers the option of registering in order to receive updated information and to be able to create a “wish list” of the customer’s most preferred items. An option for customization ordering of products is also given in which customers may ask for certain personalized items (initials, different colors). The site gives a lot of importance to the “craftsmanship” of the whole production process. In this sense it offers multiple videos and pictures showing the artisans that produce the different items. However, a sense of luxury is not well transmitted, the site is accessible, easy to use and transparent, but it is not giving out the “feeling” of a luxurious environment. The brand therefore, is somewhat diluted.

3) Van Cleef & Arpels  
Website address: www.vancleef-arpels.com  
Products offered: jewelry  
This website offers a more evocative design and inspiring aesthetics. The site tries to transmit the brand’s values through an elaborate interface that “plays” with the consumer. Fairy tale backgrounds and evocative sounds bring out the different items on display. It is not possible to purchase through this website – at the moment- but it is a good example of the transmission of brand experience.

4) Dior  
Website address: www.dior.com  
Products offered: garments, accessories…  
The Dior website offers a simple outline, few graphics and colors. The usability of the site when purchasing a product is functional and straightforward. However, due to the simplicity and functionality, there is not a clear transmission of luxury or exclusivity and therefore there is no transmission of the value of the brand.

5) Hermès  
Website address: www.hermes.com  
Products offered: accessories  
The design of the Hermès website is clearly innovative. It is trying to go beyond the usual perception consumers may have of the brand by giving it a more “naïve” look that transmits playfulness, fun and creativity. The products are displayed in a fun way with drawings and diverse colors. Also, the site offers services such as the “corporate gift” service in which the customer can select an item, buy it and have it shipped directly to the person to whom it is meant for (clients, employees, etc). Different customer service numbers and emails are available to make inquiries about the products.
HYPOTHESES TESTING

In locus research result is that luxury consumer satisfaction is better addressed in sites such as:

**Van Cleef & Arpels** or **Hermès**, is where a clear sense of differentiation and exclusivity is being offered. The fact that these sites show more effort in bringing attributes that differentiate them from other sites promotes a more unique environment experience.

**Gucci.com, Dior or Louis Vuitton** websites try to bring out each product’s characteristics and information in a reachable way, which is something that is not a motivator factor for these consumers. In the Louis Vuitton case, the way the site focuses on the quality of the craftsmanship and elaboration of products is a motivator for perfectionists.

Moreover, companies are trying to address consumers more closely through the option of the “personal shopper” by the online registration and other services, however, this is done in a very vague manner and it could be taken care of more thoroughly.

However, all analyzed websites are lacking the application of the elements from the Game Mechanism that could generate motivators and the incremental value for the luxury consumer.

CONCLUSION

"The next evolution for the web is vertical social networks that have a purpose. We believe that peer-to-peer recommendation is already essential in e-commerce because shopping is a social and emotionally driven experience."

(Dawn Bebe CEO of Osoyou.com's)

Supported by the e-tailers research and the statistic data collected, shown below, by Riley and Lacroix (2003), it is concluded that luxury apparel companies are still to explore to the maximum the interactive potential of the internet and, therefore, possibility to provide satisfaction to every luxury consumer segment.

<table>
<thead>
<tr>
<th>Luxury brands’ Web site general features</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>General features</td>
<td>70</td>
</tr>
<tr>
<td>Web site operational</td>
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</tr>
<tr>
<td>Product list buttons</td>
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<tr>
<td>Site map</td>
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<td>History</td>
<td>50</td>
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<tr>
<td>What's new</td>
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<tr>
<td>Data collection</td>
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<tr>
<td>Segmentation</td>
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<td>Special s/ware required?</td>
<td>46</td>
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<td>Search</td>
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<tr>
<td>Press releases</td>
<td>15</td>
</tr>
<tr>
<td>Media relations</td>
<td>6</td>
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</tbody>
</table>

The companies should address the current Internet interactive phase supported by features such as blogging, social networking, "wiki" sites, and application of the game mechanism; and must properly provide customized services to further promote the brand experience within their websites.

In an attempt to be relevant and competitive in the abundant context of internet today, further development must be done in the luxury e-commerce division.

Every part of the e-marketing strategy, including: e-Communications, e-Branding, e-Retailing, e-CRM, e-Logistics, e-Marketing, e-experience, needs to be revised, reconsidered and adapted to the target market and to the channel characteristics. This fit will assure customer satisfaction and loyalty on online, which is likely to be imperative in the long term run of consumer goods shopping behavior.
Appendix 1

Summary of interviews

Interview 1
“I like it because it makes me feel like a model, looking good, pretending I’m in the runway, having this catwalk feeling, you know... Luxury clothes are very stylish, it makes me more sexy. And it is such a big pleasure just to wear something luxury, it has very fashion look, so it means I’m wearing something trendy.”

“Luxury for me is very attractive and beautiful, and something special, it’s like when I’m in the runway, everybody looking at me and admiring, it’s just sometimes I feel more confident in the luxury, and have this flirting feeling...”

“It something that has such a nice appeal, I can touch and feel that it’s a luxury; and all luxury shops has selective assortment. And this wonderful sensation of wearing it that you can afford yourself and you can never stop, you want more and more.”

“All the luxury shops look for me very inviting, you know the design, such a nice music, only this makes me buy something, even if I haven’t planned. And I just like that in the shops I’m treated special like a family member, and it makes me loyal to some brands only for this.”

Interview 2
“Oh, it’s something that draws attention and I can feel so stylish. And also it’s eye-catching. Every time I wear luxury I feel good, it’s just inner satisfaction with myself.”

“I want to buy something special for a lifetime, it’s just like your feelings to somebody you love, it stays forever...”

“It’s refreshing and exciting, like this sunny day on the beach. I just feel good and happy. And all the ambience in the shops is very vibrant and I like personalized approach to me.”

“I adorn myself with this luxury things, it brings me satisfaction of myself.”

“Luxury clothes is seductive, once you try you want more. It’s just completely different kind of feeling with Dior bag...”

“When going to the luxury shops you are observing other people, how they look like, it’s me and them.”

Interview 3
“Wearing luxury is always out of ordinary, dazzling, something catching the attention, but it so pleasant to be observed. And it seems to me very constant, that doesn’t change through the years.”

“I like to buy luxury as it makes me part of the elite, like you are from the same exclusive group, kind of selected people...”

“And it’s cool to have things that not everybody can afford – inner differentiation.”

“The store experience is exceptional, there are all so classic and chic, and you can feel it even through these big windows when you passing by the street.”

“Luxury shopping is always very exceptional and sophisticated and because it’s something limited it makes me feel desired and beautiful.”

Interview 4
“Oh, luxury is just terrific; it gives me a distinction from others, luxury is just me....”

“Sometimes it can be odd, not everybody understands it, but it is exclusive and shows my peculiarity. “

“I like personalized shop assistance, when I’m treated specially, it’s very interactive and dynamic.”

“The overall shopping experience is amazing, everything is sparkling and dazzling, but on the hand it’s very controlled and guarded, you are constantly watched out.”

“Luxury is definitely expensive and it’s obviously stands out your attention.”
Interview 5
“Luxury is very costly, but I can afford it and it makes me feel on the top, probably it’s not nice to say, but to be honest it makes me feel good and happy.”
“For me luxury stands for something few, you know, kind of selective group that can afford it. Luxury is gold, and you must have the power to choose. And it stands how much I pay.”
“What I like in the luxury shops is personalized approach, I’m in the centre and shop assistance try to satisfy my needs, but it’s normal, I pay for this in the end, so I need to be treated properly. Also I like kind of social interaction while purchasing luxury, specially the advises.”
“But at the same time luxury apparel is very special with selective materials, some intangible attributes, the ones that requires no plastic limits”

Interview 6
“Luxury makes me feel in, as part of the selected group. You are like in your range, and if you are at the top-rank it makes me feel well-being in context.”
“The luxury shops are choosy, they are not for everybody, as you automatically be tested whether you belong to the group or not.”
“The luxury things distinguish you from others, it classifies you.”
“I like to be part of some luxurious group, as having the member-card, you can sign up and join the selective community”. 

Interview 7
“Apparel luxury products are only for a few. And it is not an open group. You have to be welcomed to join it; and if you do, you better keep to the points of parity.”
“The products you choose are your storytelling. It says a lot about your friends, your lifestyle.”
“It makes you feel like a celebrity, even just trough visual style assimilation, it makes you look cool.”
“I feel like I must have the product when I see the campaign, especially when they have my perfect celebrity endorsement. I also need this new style feeding so I can feel updated.”
“Going luxury shopping is amazing because you have all the assistance from the clerks; they help you to select the perfect garment combination to build the looks and the perfect wardrobe for the season, assuring that you have all the looks for night and day. It is like no mistaking taking, because you don’t want to look bad…”

Interview 8
“They are my must have dreams.”
“The product is symbolic for me, it is the assimilation of an icon, is identifying the brand identity with your own.”
“To get to the club, you must be one of them. There are some mandatory rigorous criteria to join and affiliate, and one of than is by visual coding.”
“The shop might look like closed door, intimidating, but somehow it is great, because you segregate those who are not from the club.”
“Shopping is like the club meeting, you meet your friends, you talk about the products, the trends, life, it is where you play the game, the social game; or at least the first stage, the cover…”
“I feel the precision of aiming, shooting, and collecting the benefits… Wellbeing and care, that is what I feel when go shop and wear my luxury apparel product…”
“The doors open for you.”

Interview 9
“Luxury products are expensive; therefore it is for some only. I might be the only one in my class that at least purchase once a month luxury apparel product.”
“The composition of the products is special products, rare, exclusive, and pleasant if you can get it.”
“I can pay with my credit card and it takes a minute.”
“When in a social group, somehow, there is an indirect completion of who is looking the best, and if you want be in the front, you must have it all.”
“I am rich, and I like to hang with my friends with same habits, it makes sense, we can say what we purchased, how much it cost, we create a reference, it feels good.”
“When I go to the shop, people see me there, and it tells a lot about myself, without me having to be doing the talking. You are the central of attention, because you can pay for that.”
“I feel at home when shopping luxury, I buy what I need to have the comfort that I want.”
“The shop is the manifestation of their specialization, if you are looking for the best, and you can afford it, you will get the ultimate in that, and only you, and some other few.”

**Interview 10**
“When purchasing luxury, I feel that I am acquiring a treasure. The entire process of that, either building the boat and having the guts to face the ocean, and discovering the treasure; as of having the creative ability the build and create a beautiful piece that has a generation value.”
“It is the feeling of using jewellery, when only some others are.”
“The shopping experience has a great value on the consumption process. It suggests who the clients are, and they ask for the price to pay for that, but you get it. It is richly designed that indicate the superiority of the product that is being offered, and some qualitative information about clients.”
“Because I know that I am part of a selective group, I feel sexy and desired. Luxury apparel product enhances appearance perception. And, hence, it also illustrates myself accomplishment as my ability to shop luxury, and it also makes me feel good.”

**Interview 11**
“Apparel luxury products are very expensive, the real good ones, the selective ones, it is not widely accessible; not even the shop.”
“Luxury products are parts the wealth, it is a transfer of capital, and you hold it, you keep, you look at it, and proudly share with friends.”
“It feels great to desire something and be able to acquire it, know that you have a the money to support your willingness and people can see you satisfaction.”
“We develop a great social group around apparel brands consumption. It is amusement, it is entertaining, and it gives a hint about your personality and lifestyle.”
“And we have the shopping assistants that are there to serve you, you know that you can ask for whatever you might want, and they will get it, because they are aware that the more then you are willing to pay, expend; because you can afford it, the best they perform, the better it goes.”
“Having people serving me in the best way, feels great, I feel evident in the middle of the ground. ”
“You can express your values; the shop provides me the perfect context, abundant assortment, power affluent, and it is stunning.”

**Interview 12**
“When purchasing luxury apparel product I know that it is an outcome of an excellence knowhow application. It is about handmade process or at least I get the feeling…”
“I feel that it fits perfectly, like if it was customized according to my preference, like if it was tailored made.”
“I feel secured about the quality of what I am buying, I don’t even need warranty, because that is what the brand stands for.”
“It expresses me. When shopping, we have the opportunity to socialize with interesting people and share product evaluation, and we can perceive some personality when choosing life longing products.”
“The environment also seems to be customized for me; everything is there, all assistance, all secure payment process... I can check the product in a cozy and welcoming environment."

“I feel smart and rewarded when purchasing luxury products, I know that it will be a possession for life intact, as I expected.”

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Madrid, 3rd April 2008