Abstract

As more and more brands or services started to utilize the internet as a kind of medium to sell their products, online store seems already became the most popular and convenient option for people to purchase anything they want. Some fashion experts considered that there was no significant relationships between online shopping option and high-end brands before since they thought high-end brands always tried to avoid selling their products through internet. However, more and more luxury brands claimed that they start to offer online shopping option for customers. By introducing online stores, those high-end brands thought they can offer the more convenient method to customers for purchasing and the sales volume of their products can be greatly improved.

But if someday you found that the brands, which you think are luxurious and unusual can be chosen and purchased by customers through the websites, do you still wish to have those brands’ products? In other words, do you think the online shopping option will influence a luxury brand’s value and customer loyalty?

Introduction

With the rapid development of online shopping, more and more people would like to use this option to help them save time and make their lives more convenient. Only 20 years ago most of us did not familiar with the online shopping and we did not know how does it operate. Tesco and Asda dabbled with home shopping services try to introduce the online stores to us , but until after the widespread of the invention of the World Wide Web by Tim Berners-Lee, the internet became more popular and online shopping changed most of our shopping behaviors ( Ellis-Chadwick, Fiona, 2013). Indeed, online shopping can help us get something we need in a faster way than going to the physical stores. However, do you ever think about to purchase a luxury goods online? When you decided to buy a high-end designer product, which shopping option you will choose? Shopping online or shopping in stores? Do you think online shopping option will influence a high-end brand’s value and its customer loyalty?

For solving these questions, I designed a survey with 8 simple but relative questions. I believe through my survey, we will get know more about wether online stores plays an important role for a brand’s value and its customers loyalty. Besides, I interviewed my 2 Chinese friends who are interested in shopping and fashion. By interviewing them, I will get to know their shopping behaviors and opinions about whether the online shopping option will influence a luxury brand’s value and loyalty. I believe they will offer me some unique and helpful perceptions. By collecting and analyzing their feedbacks and opinions, I may receive some useful and valuable information. This information is beneficial for me to make the conclusion about my topic.

Methodology

Data

The data for my survey was collected from the commercial district of SOHO, Manhattan. There are numerous high-end brand stores located here, such as Louis Vuitton, Prada, Chanel and so on. The reason I chose this place as my sampling is that I think the people who are concern and interest about the articles of luxury may come here for shopping or strolling. For my survey, the universe is the people who show solicitude for high-end brands and purchase and use their products. The population is the people who do some shopping in SOHO, Manhattan. Before I came to United States, I even heard how popular SOHO is as the most famous shopping center. That’s why SOHO came to my mind when I was starting to think where my survey can be conducted. I randomly dispensed my survey to 35 people who I think pay close attention to fashion and high-end brands, and finally I got 20 feedbacks. So the sample for my survey is these 20 people who responded my survey.

In my survey, I thought out and listed 8 questions. In these questions, there are 6 questions about the attitude and tendency of people for considering whether the online shopping option is influential in the value of a high-end brand. The question 3 asked: How many times a year do you shop online in high-end brands’ stores. And the question 4 asked: How many times a year do you shop the high-end brands’ products in stores. I listed there 2 questions because we may find the disparity between shopping online and shopping in stores by comparing the number of times of purchasing. If the number of times of shopping in stores exceeded obviously the number of times of shopping online, it may support my argument, which I think shopping online will decrease a high-end bran’s value and customer loyalty. The question 5 asked: When you plan to buy a high-end brand’s product, you will. There are two options; one is purchasing online, and another is purchasing in stores. By asking this question, we can clearly see the tendency of people when they plan to buy the articles of luxury. It is a distinct question for me to get the data to support my thesis. The question 6 asked about the degree of people’s satisfaction when they heard a high-end brand was only sold its products in stores before, starts to introduce online shopping. Through this question, we can easily find the people’s attitude toward online shopping.

For doing the interviews, I chose 2 of my friends. They are Rongrong Yang and Yijie Xiong. The reason why I chose them to help me to finish my interviews is that they are all interested in fashion very much, especially for the fashion from luxury brands. Due to the inconvenience of distance, I have to interview them by making phone calls, instead of talking with them face to face. However, I think it would not affect the processes and results of my interviews. By asking them 1 touring question and 3 follow-up questions about my topic, I will understand their perspectives about an online store’s influences for a high-end brand’s value and loyalty. Each interview will last around 20 minutes. And I will also record our conversations of interviews on tape. After the interviews, I will analyze and summarize their feedbacks.The questions, which I will ask them are:

1. How many times a year do you shop at the high-end brands’ stores, such as Louis Vuitton,

Chanel, Prada and so on?

2. When you plan to buy a high-end brand’s product, you will purchase Online or purchase in

stores?

3. When a high-end brand was only sold its products in stores before, starts to introduce online

shopping, will you still love it or lost your interest?

4. Do you think the online shopping option will influence a brand’s value and customer loyalty?And as the supplement, the question 7 asked people’s likes and dislikes directly. It may ulteriorly support my thesis if most of the participants did not interested in this brand and tried to avoid purchasing its products after it introduced online shopping option. The last question is the most direct one to ask people whether they think the online shopping option will influence a brand’s value and customer loyalty. By counting the data, I will know whether most of people hold the same viewpoint with me.

Results

In the participants who took my survey, there is only one male, and others are all female. The reason why female participants exceeded male participant greatly is that women are more interest about fashion and luxury goods than men. During my survey, I tried to survey some men when I realized almost all participants for my survey are women. Some of them rejected my survey directly, and some of them told me that they did not interest about high-end brands too much and they did not pay close attention to it. On the contrary, most of the female who I invited to participate in my survey were willing to take it. For the age of participants, 70% of the respondents’ age range from 26 to 33, and 20% of the respondents’ age range from 18 to 25, and 10% of the respondents’s age range from 34 to 41. From these data, we can know that most of the participants who keep a watchful eye on luxury products are 26 to 33 years old. Those people should graduated from school and entered their jobs recently. During my survey, I also tried to invited some middle aged and elderly people to take my survey, but I was refused by most of them. They gave me the same reason why they did not want to take the survey with the men did-they said they did not interest about articles of luxury too much, so they did not how to take my survey. From this, I concluded that young people are more willing to pay close attention to high-end brands’ products than elders.

When they were asked about which option they would like to buy the high-end brands’ products, 80% of the respondents said they would rather pick and purchase articles of luxury in boutiques or department stores than purchasing online. This result forcefully supported my viewpoint. When I asked those people the reason why they prefer to buy high-end brands’ products in stores, some of them said it is unsafe and unsecured to buy the articles of luxury online since there are too many counterfeit articles can found online. They said if you want to buy an expensive handbag or a pair of shoes, you had better buy it in physical stores rather than online stores. It indicated an aspect why I think online stores may decrease a high-end brand’s value and customer loyalty. In my opinion, the frequent online shopping may bring an opportunity that can be exploited to those dishonest traders’ advantage to sell the fakes. If someone bought a counterfeit article by deceived means with the same amount of money, which can buy the genuine one, he or she not only got angry, also may felt disappointed and unsatisfied with this brand and its products. It is a kind of ways that a high-end brands will lose their customers. Some of them also mentioned that they reason why they prefer to spend so much money to buy the luxury products, which also can considered unworthy by some people is that when they buy the expensive products, they will not only buy the physical products, also buy the top-ranking services and exclusive attitudes towards customers. They emphasized that when they decided to buy a Louis Vuitton’s handbag, they knew they will buy the specific bag with the excellent services together. If they plan to use online shopping as the purchasing option, how can they feel and experience the distinctive services? “Once I decided to buy a Chanel’s 2.55 classic handbag, even though I know it will costs me 5000 dollars, but I still want to buy it. Because it is not a necessities of life, and it cannot afforded by most of people. I am willing to buy it, but I must go to Chanel’s boutique to buy it.” A respondent said.

When they were asked the degree of satisfaction when they heard a high-end brand was only sold its products in stores before, starts to introduce online shopping, I was surprised by their answers. 95% of the respondents chose from Satisfied to Very Satisfied. In my mind, if they agreed with me that online shopping option will influence a high-end brand’s value, they will choose the option of Unsatisfied. However, their explanations solved my doubt. They explained the reason why they felt very satisfied about the online stores is that they can go to the online stores of high-end brands to browse their latest products and get to know what products they may want to buy. Once made the choice, they still would like to go to physical stores to buy the products. They just regarded the online stores as a platform to view and find the prices and information of high-end products.

For the question 6, 80% of the respondents chose still love it if their favorite high-end brands introduced the online stores. They said if they really love that brand, they did not mind whether it offers the online stores or not. It means the online stores option won’t influence their loyalty if they do love this brand.

For doing my interviews, I firstly interviewed Rongrong Yang. Through the interview, she said she usually purchases the products of fashion 2 to 3 times monthly. When she plans to buy a coat or pair pf shoes, she prefer to go to the online store of a brand first to take a look at the collection of the latest season, and then she will head for the retail store if she found something she interested in. In some degree, online shopping is a kind of option for her to browse the fashion products. When she found something she need or she like, she will go to the physical stores of that brand. Her favorite fashion brand of high-end is Chanel. She thought the design style of Chanel is laconic but delicate. When I asked her about which way she will use when she plans to buy an article of luxury, she gave me the answer unhesitatingly. She said she definitely will go to the retail stores to buy a product of high-end brand. But she also mentioned that before she head to the retail store, she will go to that brand’s online store first to take a look at the details of the product, which she plans to buy. She wants to know the relevant information about the product, such as the price, the materials, the size and so on. After she got to know each of the information and satisfied with the product, which she want to buy, she will go to the retail store to check the product out. The reason why she choose the retail store as purchasing option is that she want to experience the excellent service from the retail stores of high-end brand. Here She also mentioned a phrase-Buying Experience. She explained that when she plans to buy an expensive product, she think her buying process should be whole and enjoyable. Buying Experience is a part of the whole buying process. She told me that she do not want to buy an article of luxury online and she thought the online shopping option escaped the part of Buying Experience. “The reason why the articles of luxury are so expensive is that those products’ qualities are so wonderful and the service from these high-end brands are so outstanding and favorable.” Rongrong Yang said. “If I could not experience their excellent services, Why I spend so much money to buy their products? I mean I want to receive the professional suggestions and considerate treatments from the salesperson of the luxury stores if I will spend my money to buy their products.” Then I asked her whether she will lose her interest about a high-end brand if that brand starts to introduce online shopping. She said she would not lose the interest for that brand totally, but she definitely has not the same favor for that brand than before. She does not want to wear something, which can be see everywhere. When she plans to buy an article of luxury, she wants that product always be unique and exclusive. Finally, I asked her opinion about whether she think the online shopping option will influence a brand’s value and customer loyalty. She told me her opinion, “I think the online stores will influence a high-end brand’s value and loyalty more or less. As the saying goes, a thing is valued in proportion to its rarity. When you have an expensive but unique designer bag, you will have a strong sense of satisfaction. But if one day you can see this bag everywhere, do you still satisfy with this bag? For me, I will lost my satisfaction totally. So I believe the online store option will definitely influence a brand’s value and loyalty.”

Then, I interviewed Yijie Xiong. Yijie Xiong’s major is Communication and Media, and she interested in fashion very much. So I think she will give me some pertinent and valuable opinions. Firstly, I asked her how many times does she shop at the high-end brand’s stores yearly. She replied that in general case, she will purchase the article of luxury once to twice a year. Then I asked which option she would like to choose to buy the luxury goods, online or in stores. She immediately answered me that she will choose the retail store as the purchasing option. When I asked her about the reason, which led her to decided to buy luxury products in stores, she said that she could not try those products personally if she only go to the online stores and browse the products from the screens of computers or cellphones. She said, “I do not know whether a product is fit for me or not if I can only look at it online. I never buy something when I am not sure whether this product will fit me well or not. I would rather to go to the retail store to try it than just look it on the website of its online store. I want to try on it and take a look at how fit when I wear it. If I found it really fit me very well, I will buy it in stores.” Then I asked her about wether she will agree that the online stores option will influence a high-end brand’s value and loyalty. She said she totally agree with this viewpoint. She said, “I think the online stores option will influence a brand’s value and its loyalty. But I also think this influence should not be too influential for a brand’s value.” She thought online store option will benefit people to make purchases. “Online shopping can help us to buy something without going outside; it makes our lives more convenient. However, it also can lead to the overexposure of a brand or a product. It may decrease a person’s interest for that brand, I think.” She explained. Finally, I asked her about whether she may still like a brand if that brand starts to introduce the online shopping option. She said she will still like that brand, but she may reduce her interest for that brand anyway. She even gave me the similar reply with Rongrong Yang. “I will still love this brand, but I have to consider that whether I will wear the stuff, which is very common to see if I bought this product. I do not want to wear a product, which a lot of people may also wear it. I want something that only belongs to me.” She smiled.

Discussion

When I tried to design this survey of whether online stores may influence a high-end brand’s value and its customers loyalty, my first thought was whether people are used to shop the expensive products online. So I designed the questions of which option they prefer to use when then plan to buy the articles of luxury? Shopping online or shopping in physical stores? After finished the survey, by comparing the number of times of each option we will know which one is more popular. If the number of times of shopping online exceeded the number of times of shopping in stores, I can infer that the online stores may do not influence a high-end brand’s value and its customer loyalty since it was accepted and used by most of customers. But if the situation on the contrary, I may also ask them why they choose to purchase high-end brands’ products in stores rather than online. I think it will show me the attitudes and tendency of people when they face to purchase online or in stores.

By designing the questions about a high-end brand introduced online shopping option and asking people’s opinions and degrees of satisfaction, I will know whether they like or dislike the online shopping option. And the question 7 will directly ask the thoughts of people who take my survey about wether they still interest about a high-end brand if it introduced the online stores option. These questions related my topic closely. Since I will assign my survey to the people who would like to shop in SOHO, I may get some important and relevant data and feedbacks.

By doing these two interviews, I got some relevant and valuable feedbacks and opinions from two people who interests in fashion products of high-end. Since my topic is that whether online stores option will influence a luxury brand’s value and loyalty, I can draw some conclusions about my topic after the interviews. The questions, which I set up as the main part of my interview are very pertinent and effective to make the conclusions for this research paper.

Conclusion

Through my survey, we can see most of the respondents held the same viewpoint with me. The online shopping option will more or less influence a high-end brand’s value and its customers loyalty. With the speed developed of today’s world online stores, high-end companies shy away from offering the customers to buy their products through the internet directly from their websites (Brokaw, Stephen, 2004) Comparing with the online stores, people who pay close attention to articles of luxury are more willing to buy costly products in stores. They thought when they plan to buy a high-end brand’s product, they will not only buy the physical product, also want to experience the excellent services and distinctive service attitudes.

Moreover, Some of them mentioned that it is unsafe to purchase luxury goods online since there are too many counterfeit articles can found online. There are a great number of risks about purchase luxury goods via Internet, such as Financial transactions risk, Product deception risk, Price risk, Delivery risk, Pre and after-sale risk (Broillet, Alexandra, Dubosson, Magali and Varone, Sacha). They may bought the fake inadvertently if they cannot tell the differences between the fake and the genuine one. So they chose to buy the articles of luxury in stores rather than online stores. For the online stores, Most of time they just regarded as the platform by customers to view the latest products and search for the information of products, such as prices, sizes, materials and so on. In some ways, online stores could not be considered as the positive option to reserve a high-end brand’s value.

For the interviews, I realized that both of the interviewees acknowledged that online shopping option will influence a high-end brand’s value and loyalty more or less. They prefer to go the retail stores to purchase the article of luxury than purchasing online. The reason is that on the one hand, they want to try the products personally, instead of only taking a look at the website of the online store; on the other hand, they may want to experience the excellent customer services and unique Shopping Experience in stores. When a high-end brand was only sold its products in stores before, starts to introduce online shopping, they all expressed that they will still interested in this brand. However, the degree of their interests will get decreased by the introduced of online shopping option. So I concluded that even though online shopping option may increase a luxury brand’s income and benefits, it also will influence a high-end brand’s value and loyalty more or less. Moreover, people do not like something, which is very common to see around them. For them, they prefer something more unique and exclusive. If the brand companies want to increase its loyalty and influence, they need to avoid producing a heap of products, which have the same logos and shapes (Anthony Mike, 2013)

Finally, I think online stores will influence the value of the luxury brands, which their products will costs you a lot of money than the necessities of living. And I think most of people who interest about articles of luxury may purchase high-end brands’ product in stores than shopping online. Many high-end brands still considered the online shopping with caution, and they worried about online stores will break down their kingly brands bloodlines and the sense of exclusivity ( Sherman, Lauren, 2009)

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**Whether online shopping option will influence a luxury brand’s value and its loyalty**

Final research paper

Communication Research

Junlei Cai

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