The Role of Immersive consumption experience in the Design and Development of Brand Experience in the Luxury Retail Environment

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Abstract

This article explores the role of immersive consumption experience in the design and development of brand experience in the luxury retail environment. Three research objectives seek firstly, to gain an understanding of the meaning of immersive consumption experience in luxury retailing and identify the role, purpose and value to luxury retailers; secondly, to explore the different ways in which immersive consumption experience manifests itself in the luxury retail environment by examining sole brand and multi brand luxury retailers, and lastly, to identify how immersive consumption experience is brought to life through the curatorial roles within luxury retailers. In light of increasing global competitive pressures and fast-paced technology advances associated with mobile devices, the rise of Omni channel retailing has led luxury brands to be ubiquitous, with the resulting challenge for luxury retailers to develop seamless and experiential Omni channel brand experiences in order to continue to differentiate and grow. However, there is a paucity of literature regarding the design and development of luxury brand experiences, suggesting a gap in the literature. The research was an investigative, qualitative and thematic analysis-based study. The data collection focused on face-to-face semi-structured interviews with 17 senior professionals from the luxury retail.

Keywords: Role, experience, Design, Development, Brand, Luxury, Environment, Immersive and consumption

1. Introduction

A Summary of Key Concepts from Extant Literature

➢ **Brand**

The definition of a brand has been greatly researched with various interpretations existing (e.g. Aaker, 1994; Aaker, 1997; Alexander, 2009; Kapferer, 2008; Simoes and Dibb, 2001; Holt, 2004; Keller, 2003; de Chernatony et al, 2010). A brand is referenced in the literature as more than a visual identity but as a psychological construct held in the minds of all those aware of the brand and used by consumers to express and validate their own self-identity (e.g. Berger and Heath, 2007; Kylander and Stone, 2012; Vigneron and Johnson, 1999).

➢ **Brand Experience**

Brand experience is referred to in the literature as a series of touchpoints a consumer may have with a brand through a variety of multi-sensory channels that aim to result in a positive emotional connection with the brand (e.g. Kim et al, 2007; Morrison and Crane, 2007; Sullivan and Heitmeyer, 2008; Atwal and Williams, 2009; Brakus et al, 2009; Pine and Gilmore, 1998) For further reference of the various definitions

➢ **Consumption experience**

Consumers focus on feelings of consumption experience rather than goods ^{[2]}. The consumer experience refers to the perception and emotional reactions that occur in consumption situation provided by enterprise where consumers interact with the enterprise's products, services, etc

➢ **Luxury Brands**

It is recognised in the literature that various definitions of a luxury brand exist (e.g. Heine et al, 2014; Tynan et al, 2010; Seo and Buchanan-Oliver, 2015; Roper et al, 2011; Kapferer and Bastien, 2009). A luxury brand is referenced in the literature as an image in the mind of the consumer that comprises of associations about a high level of price, quality, aesthetics, rarity and a high degree of non-functional associations and therefore also communicates the status of the consumer (e.g. Seo and Buchanan-Oliver, 2015; Tynan et al, 2010; Heine et al, 2014) Please see Chapter 2.2.2 for further reference.

➢ **Luxury Brand Retailers**

Luxury brand retailers in this Article are defined by two types, a sole brand luxury retailer (thereafter referred to as "SBLR") and a multi brand luxury retailer (thereafter referred to as "MBLR"). Regarding a SBLR, it is referred to as an organisation that designs, manufactures and

sells luxury goods under a sole brand (e.g. Nobbs et al, 2012; Kapferer, 2015). Regarding a MBLR, it is referred to as an organisation that sells a selection of multiple luxury brands, such as a luxury department store, a specialist luxury brand store or online luxury retailers (Chevalier and Gutsatz, 2012).

1.2 Research Objectives

The research aim of this Article is to explore the role of the curator in the design and development of brand experience in the luxury retail environment and, by doing so, address the identified gaps in the existing literature to date, make a contribution to the literature and identify the implications for management practice. To meet this aim, this Article is focused on three research objectives, which are highlighted below:

1. To explore the meaning of immersive consumption experience in luxury retail, in order to understand and highlight the role, purpose and value of immersive consumption experience for luxury brand retailers

2. To explore and identify the ways in which immersive consumption experience manifests itself in the luxury retail environment, in order to gain an understanding of how curatorial activities contribute and add value to the delivery of a luxury brand experience

3. To explore the nature in which immersive consumption experience is brought to life through curatorial roles within luxury retail organisations

1.3 The Research Question

The research question is outlined below:

What is the role of immersive consumption experience in the design and development of brand experience in the luxury retail environment?"

2. Literature Review

The literature review is structured in two sections. The first section focuses on an introduction to the luxury retail environment, types of luxury brand retailers and the definition of a brand, a luxury brand and brand experience. The literature review also highlights what constitutes brand experience and how it manifests itself in the luxury retail environment. The second section investigates the definition of immersive consumption experience and the role of the curator. Acknowledging that the role of the curator has its origins in cultural institutions, in order to gain an understanding of the term immersive consumption experience the role of the curator was first examined in the cultural environment

2.1 Luxury Retail Market Background

The luxury goods market is small in terms of the number of organisations trading, but significant from an economic perspective (Kapferer, 2015). Deloitte (2014) state that the world's top 10 largest luxury goods companies contributed to sales of $94 billion In addition, the world's top

75 largest luxury goods companies generated luxury good sales of $171.8 billion in 2012, resulting in an average company size of $2.3 billion. With regards to the categorisation of the luxury goods market, Bain & Company (2014) estimated the value of the luxury business as Euro 800 billion, with Euro 319 billion spent on cars, Euro 138 billion spent on hotels and Euro 217 billion spent on personal luxury items, for example, clothing, watches, jewellery, fragrances and leather goods. However, despite a weakened economy in 2012-2013, the demand for luxury goods remains vibrant Deloitte (2014). Similarly, Bain & Company (2014) claims the luxury market is acclimatising to sustainable, long-term growth due to a stronger US luxury market, an increase in global touristic spending and global online retailing. Bain & Company (2014) also propose that due to the extent of the cross-pollination of luxury spending, it is necessary to consider consumers and global brand propositions and experiences, rather than geographies. The literature regarding both online luxury retailing and luxury Omni channel retailing is acknowledged to be limited and at an early stage (Liu et al, 2013). Kapferer and Bastien (2012) argue that luxury brands should communicate online but limit sales online to only entry products as digital is the anti-Article of luxury in multiple ways and corrodes key elements associated with luxury e.g. exclusivity and personalised service.

2. 2. Types of Luxury Retailers

Since the late 1990s, the luxury market has transformed from "a constellation of small, artisan, family-owned businesses into a consolidated economic sector" (Seo and Buchanan- Oliver, 2015). Nobbs et al (2012) propose that the luxury retail sector differs from mass market retailing as it is based on exclusivity, premium pricing and a prestigious retail environment. With regards to the type of retailers, Nobbs et al (2012: p.920) claim that within the luxury sector most luxury retailers design, manufacture and sell the luxury goods themselves under a sole brand, suggesting that this "means what they sell and how they sell it is inextricably linked.

2.3. Sole Brand Luxury Retailers (SBLRs)

Over the past twenty years, individual luxury brands, with their focus being primarily fashion, have developed into luxury retailers through product extension (Moore and Doyle, 2010). Moore and Doyle (2010) claim that the luxury brand has emerged as a pre-eminent strategic communications device to signal the values, positioning and identity of the retailer and its products. The authors state that a key commonality amongst the sole luxury brand retailers is that they have all assumed brand creation, development and distribution roles.

2.4. Multi Brand Luxury Retailers (MBLRs)

It is acknowledged in the literature what whilst many of the SBLR branding principles apply to MBLRs; they have largely been neglected in the literature and differ in application (e.g. Ailawadi and Keller, 2004; Burt and Davies, 2010). Burt and Davies (2010) state that the view

of a retailer brand being a wider concept than a sole product brand, and one that possesses different characteristics, is an emerging view.12 Ailawadi and Keller (2004) state there are three key differences to SBLRs. Firstly, MBLRs are more multi-sensory, rely on rich consumer experiences and create their brand position differently by attaching unique associations and narratives to the service, brand and product assortment and merchandising. Secondly, the image and equity of the MBLR brand, and the store, depends on the equity of the luxury brands that they sell in store as the edited collection. The selection and edit of the luxury brands stocked and sold is critical as the luxury brands are ingredients and act as informational clues about the retailer brand (Monroe and Krishnan, 1985). Baker et al (1994) states that the merchandise quality of the brands carried directly influences customer brand perception. Porter and Claycomb (1997) concur and argue that the most favourable perceptions refer to when the luxury retailer carries both an anchor brand and a large number of credible and desirable brands.

2.5. An Examination of 'Brand', 'Luxury Brand' and 'Brand Experience'

> ### Definition of a 'Brand'

A first step in being able to understand brand experience is being able to define what a "brand" is. The definition of a brand has been greatly researched (e.g. Aaker, 1994; Aaker, 1997; Alexander, 2009; Kapferer, 2008; Simoes and Dibb, 2001; Holt, 2002; Schmitt, 1999; Keller, 2003; de Chernatony et al, 2010)

> ### Definition of a 'Luxury Brand'

It is worth noting that despite the size of the market, Reyneke et al (2011: p. 259) argue that the branding literature exhibits "surprisingly little attention has been given in the marketing literature to luxury brands. Joy et al (2014) states that the paucity of the literature is regrettable. Whilst Seo and Buchanan-Oliver (2015: p. 82) argue that luxury is as old as humanity", they state that "the idea of luxury brands as a special form of branding and a cultural force behind fashion and an affluent consumption lifestyle, is a relatively new concept."

> ### Design and Development of Experience

The design of an experience as a means of influencing consumer behavior is acknowledged in the literature as being hugely influential (e.g. Martineau, 1958; Kotler, 1974; Moore and Lochhead, 1998; Baker et al, 2002; Lin, 2004; Joy et al, 2014, Pine and Gilmore, 1999). It is observed that in order to achieve an integrated brand experience, all elements must fit and support the brand (Schulz, 1997), which depends on the retailer investing in the integration of image, identity, working practices and communications (Kitchen and Proctor, 2015). Moore and Lochhead (1998) acknowledge three areas of research in the literature regarding the design of a retail store and experience, as firstly, the elements of store image (Kunkel and Berry, 1968); secondly, the interrelationships that exist between the store image and brand identity (Mazursky

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and Jacoby,1986), and thirdly, the effect of the store identity upon consumer purchase behaviour, customer loyalty and competitive advantage (Zimmer and Golden, 1988).

➤ **Brand Experience in the Luxury Retail Environment**

Seo and Buchanan-Oliver (2015) claim that in some of the most recent studies regarding conceptualisation of luxury brands, the literature has begun to identify the importance of experiences specifically related to the luxury retail environment. The authors refer to Atwal and Williams' (2009) development of a typology of consumer experiences associated with luxury brands, Tynan et al's (2010) proposition that luxury brand experiences enhance the value of luxury brands and Gistri et al's (2009) claim that hedonic nature of luxury brands enables consumers to enjoy a level of sensory gratification that is otherwise unobtainable from non-luxury brands.

➤ **Brand Experience in Store**

Within the luxury store environment, it is claimed that an emotionally-focused brand experience may be defined as a concept built around the idea of partnerships (Holt, 2004). This concept relates to consumers being offered the opportunity to interact with a product that will provide them the ability to form ideas, thoughts and emotions about it in the confines of a warm and welcoming, low-risk environment (Fulberg, 2003). In his comparison of axioms across four branding models, Holt (2004) argues that emotional/experiential branding is the most appropriate strategy for retailers

3. Research Methodology and Method

The research aim of this Article is to explore the meaning of immersive consumption experience in the luxury retail environment and its role in the design and development of the brand experience in the luxury retail environment. From the beginning of the DBA study, the critical literature review identified a paucity of attention in the literature regarding both the design and development of luxury brand experience in stores and immersive consumption experience in the luxury retail environment. For that reason, the critical literature review took the form of an extensive research into multiple disciplines, including from the realms of immersive consumption experience in cultural institutions, and a pilot study was undertaken to explore the context of designing and developing brand experience. Following a pilot study, involving 4 face-to-face 1-2 hour interviews with senior professionals in luxury retail, two key findings were observed. Firstly, luxury retailers, such as SBLRs and MBLRs, are developing and curating concepts to continually design and deliver innovative brand experiences. Secondly, that as a consequence, curatorial practices, associated with the development and immersive consumption experience of the retail concepts, have a significant and growing influence on the design

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and development of brand experience in the luxury retail environment.

3.1 Research Approach

The research focus and philosophical approach was guided by an interpretive epistemological position, founded on the understanding that the immersive consumption experience of the design and development of brand experience in luxury retail and museum retail environments is:

➢ Subjective: reality consists of people's subjective experiences of the external world (e.g. Reeves and Hedberg, 2003)

➢ Access to the individual's perceived brand experience of the curated luxury retail or museum retail environment reality is through social constructions

➢ Underpinned by observation and interpretation, drawing on influences and making sense as the situation emerges (e.g. Kaplan and Maxwell, 1994)

3.2 Development of the Study Population

The study population refers to the entire group of elements that this research would like to study (Guest et al, 2013). In light of the unit of sampling being an individual who is a senior professional or practitioner responsible for, or who contributes to, the design and development of experience in the luxury retail environment and cultural institutions, the study population was considered to relate to all individuals working in luxury brand retail organisations and cultural institutions that are responsible for, or contribute to, the design and delivery of an experience.

The study population may include multiple populations, as outlined by the four identified below:

1. Curators in cultural institutions who are responsible for designing, developing and delivering the curated exhibition, installation, collection or experience

2. Professionals in cultural institutions who are responsible for working with curators to deliver the visitor experience

3. Senior professionals in luxury retail responsible for the design and development of the curated exhibition, display, collection, installation or experience

4. Exhibition professionals, e.g. consultants, responsible for designing and developing an exhibition or installation for the desired brand, customer or visitor experience

3.4 Development of the Study Sampling Frame

The sample frame is defined as a list of all the elements in a study population and defined by the study population (Guest et al, 2013). It is, however, associated with deductive, quantitative studies and therefore for the purpose of this qualitative study, refers to the list

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of sources used to identify and select the organisations and individuals in the study population and research sample. The sources included an online search of luxury retail and cultural institution organisation websites and the identification of the senior management team professionals and practitioners within luxury retail and cultural institution organisations, drawn from secondary sources such as company reports, press releases, reviews and interviews.

Existing professional networks and work connections were also used as a source.

3.5 Development of the Study Sample

Drawing on the sources highlighted in 3.2.2.1 and utilizing the eligibility criteria outlined in Table 3.1, 17 senior professionals and practitioners working in the fields of both luxury retail and cultural environments for established organizations, who were responsible for, or contribute to, the design and development of experience at the time of the interview process, were selected.[1]

4. Data Collection and Analysis

4.1. Data Collection

As outlined in Chapter 3.2.3.1, the data collection focused on five key semi-structured questions, which were discussed with the 17 interview participants over a period of 1-2 hours. Initial contact was made by email, which outlined the nature of the project and the contribution towards the research that was felt the individual could make. The email also made it clear that the interview would be recorded and the material gathered would be confidential. All interviewee participants expressed their interest and pleasure in contributing as they found the subject matter fascinating. Interviews were held at the interview participants respective places of work, or locations close to their places of work.

In accordance with the University of Manchester Ethical guidelines, all interviewees read the information sheets provided and completed the official consent forms that acknowledges the information provided would be recorded for the purpose of the research.

The interviews were recorded by an iPad and then uploaded and sent to Stirling Transcription Services for transcription. Within three weeks all of the interview transcripts were emailed in Word format as well as individual audio files.

4.2. Data Analysis

This research focus acknowledges Alvesson and Deetz's (2000, p.1.) suggestion that "Qualitative research has become associated with many different theoretical perspectives, but it is typically oriented to the inductive study of socially constructed reality, focusing on meanings, ideas and practices, taking the native's point of view seriously". Recognition of

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the diversity of perspectives is a distinct shift away from the adoption of a positivist paradigm, found commonly in quantitative research, where replicability and generalisabiity is deemed as critical (Sandberg, 2000). Attempts at the provision of alternative qualitative research criteria have been acknowledged in the literature (e.g. Lincoln and Guba, 1985; Yardley, 2000).This research has adopted the Thematic Analysis approach for the purpose of this research

5. Management Implications

In light of the original contributions discussed, several implications for luxury retail managers exist and are now presented. This chapter aims to highlight firstly, the different forms of value immersive consumption experience provides luxury retail management. Secondly, how the different frameworks derived and developed from the findings, Chapter 9.0, and in detail in Chapters 8.2, 8.3 and 8.4, can act as a strategic toolkit to support managers in their curatorial activities to design and develop a differentiated luxury brand experience, gain the competitive advantage and build a platform for future growth.

6. Limitations of the Research

A number of limitations were identified regarding the size of the sample researched the chosen research method and data collection process, all of which are now addressed.

This specific topic of research is observed to be a new one in the literature and therefore as an exploratory study, qualitative research has been identified as the most effective means to undercover new themes and learning (Myers, 2013). However, the small number of interviewees, whilst providing rich data, suggest it may be difficult to make broader generalisations from a sample of 17 to a wider population of luxury retailers who may vary in size, structure and strategic focus. This is acknowledged and it is suggested that there is an opportunity for future research focuses on other sub-sets of interviewees, e.g. SBLRs and multi brand luxury online retailers, in order to gain a further insight.

Firstly, whilst the research objective has been to identify and select a broad number of luxury retailers and cultural institution professionals, it is recognised that the type of the cultural institution professionals interviewed are predominantly creative and artistic in their background. It is suggested that these types of curators are a closer and more realistic fit with luxury retail than with curators who are curating scientific subject matter or other disciplines.

Secondly, it is also noted that the sequence of the interviews were mixed due to the time constraints of the interviewees themselves and it was not possible to interview first the cultural institution curators or professionals and then luxury retailers in order to gain an insight into immersive consumption experience and then tailor questions for the luxury

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retailers.

Thirdly, it is noted that the luxury retailers interviewed are those in senior management positions and given that sales associates were identified in sole luxury brand retailing environments as a key curatorial role, it may be suggested that future research may focus on this type of employee more closely in order to fully explore the curatorial nature of the role and gain deeper insight.

7. Conclusion

This Article has explored the role of immersive consumption experience in the design and development of brand experience in the luxury retail environment through an investigative, qualitative and thematic analysis-based study of 17 senior professionals in the luxury retail and cultural environments. The Article focused on three research objectives: firstly, to gain an understanding of the meaning of immersive consumption experience in luxury retail and identify the role, purpose and value to luxury retailers; secondly, to explore the different ways in which immersive consumption experience manifests itself in the luxury retail environment, and thirdly, to identify how immersive consumption experience is brought to life through curatorial roles within luxury retail organizations. In order to address these objectives, the Article was structured across 8 chapters, which are now summarized. The original contribution of this Article is also presented, regarding the research aim, objectives and the key contributions made. In light of the contributions made, the implications for management are reviewed, concluding with the limitations of the research and avenues for future research and identification of themes, as it is critical to apply a transparent method to present the data and the demonstrate the structure and foundations of the data analysis and interpretation (Attride-Stirling, 2001). Thematic Analysis is the most commonly used method of analysis in qualitative research (Braun and Clarke, 2006). It is a search for themes that emerge as being important to the description of the phenomenon, following a process of considered reading and re-reading of the data to recognize patterns (e.g. Daly et al, 1997; Rice and Ezzy, 1999; Fereday and Muir-Cochrane, 2006)

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