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Is Offline The New Luxury? The "Absence Strategy" Of Bottega Veneta

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CONTENTS

INTRODUCTION

Nowadays, the establishment and the spreading of social media, aside from being considered a fundamental contribution to the digital revolution, have transformed the firms' strategical assets and the overall value chain (production, distribution, commercialization, etc.).

Currently, modern communication technologies, together with the web, allow companies to create forms of virtual ubiquity, building the conditions for the transition from the *marketplace* to the *marketspace,* eliminating physical distances and making it possible to access products and services on a global scale. Therefore, the most recent trend seems to be the management of the omnichannel strategy, through the simultaneous use of multiple distribution channels for the access to the same markets.

Regardless of where the transactions take place, online or in-store, what is certain is that the ultimate purchase decision by consumers is determined by a mixture of physical and virtual elements: the dividing line between the two spaces is increasingly tending to intersect and overlap.

These assumptions, in today's society, apply also to the luxury industry, which has been particularly slow in the adoption of the digitalization, given its traditional requisites of rarity and exclusivity. Despite the impetuous e-commerce revolution, the conventional retail appeared as an undeniable sales channel for luxury brands, considering the struggle of virtually replicating the entirety of the emotional features inherent in the craftsmanship of these prestigious goods and services.

Nevertheless, if until a while ago the digitalization of luxury was considered a gamble against the image of exclusivity, the situation today sounds different. Indeed, the luxury business has shown a considerable dynamism in recent years.

In an evolving competitive environment, the most effective strategies for settling and communicating the uniqueness of the supply have become one of the main phenomena to be analyzed, while, for the players of the industry, a phenomenon to be managed. Actually, for these people, understanding which are the drivers that encourage the luxury consumer to buy, online or offline, is the first step for the determination of the best channel strategy.

This thesis project, organized and divided into three chapters, focuses exactly on the strategical approach issue and, in particular, on the initiative adopted by the luxury brand Bottega Veneta, aiming at capturing the perceptions customers had in relation to the matter.

The initial section of the first chapter of the work examines the main features of the luxury industry, offering a wide background about the available literature. After having provided a definition of the concept of luxury, the development that this concept has had over time up to these days is presented, showing how it has changed in parallel with the various historical eras. The subsequent sub-paragraphs analyze the luxury market, exploring more into details the luxury brands' values and management, the ideal target and the customer relationship management for luxury enterprises. Thereafter, the luxury retail together with the customer experience have been examined and, in the end, there is a brief overview on the new luxury, focused mainly on the advancement the industry went and is still going through, until present days.

Afterwards, in the second section of the first chapter, starting from the pros and cons of the general online commerce, the specific nature of digital luxury has been investigated and discussed, analyzing its evolutional path, since the creation and the first experiments. Moreover, a deserving matter belonging to this section is to be found in the final sub-paragraph, which explores the impact of digital luxury on consumers; always keeping in mind that luxury items are not needed, but preferred.

Finally, the first chapter ends with the section in which the Bottega Veneta specific case is covered. The strategy adopted by the Kering-owned brand has been deepened in order to understand the reasons that stand behind the decision and the achieved results, meaning the gathered feedbacks related to the social media blackout.

Moving on to the second chapter, the core part of the thesis begins. Firstly, a general introduction on the research targets and purposes; then, an in-depth illustration of the chosen methodological approach adopted for the creation and submission of the survey.

The third and last chapter, instead, deals with the concrete experimental research. The pure statistical analysis is to be found in the former sub-paragraph of the chapter: findings are reported through images from the SPSS software. Immediately below, there is a vast discussion and personal interpretation of data, with the purpose of seeking to provide some valuable hints and insights. Ultimately, in the final sub-paragraph, further implications and limits are examined and commented.

What the thesis tries to find out is if there exists a positive correlation between the absence on social media and the luxury industry, taking inspiration from the case of Bottega Veneta. In this regard, there are two significant aspects, that will be examined in depth in the following lines. The former refers to the fact that the strategy of a luxury brand has to be always in balance between exclusivity, that drives the image, and accessibility, that drives the awareness. The latter, instead, relies on the balance luxury firms should preserve between innovation and tradition. Therefore, the turbulence luxury brands face in maintaining a stable position among these dimensions, may lead to wrong decisions and eventual mistakes. The goal of this thesis project is to understand if the exit from social media could have represented a failure for Bottega Veneta, which actually did not abide by the "balance rules". Apparently, the choice of disappearing from all the social channels might be intended as a clear inclination to exclusivity and, why not, modernity and innovation, since no social media is the new social media, according to the brand's point of view. In the end the question is: could this offline perspective represent a new luxury strategy?

CHAPTER 1

1.1 A GENERAL OVERVIEW ON LUXURY AND ITS MANAGEMENT

1.1.1 The concept of luxury

Defining what luxury is in a timely manner is definitely not an easy thing to do. From what we already know, luxury has a strong personal and hedonistic component, otherwise it is no longer classifiable as luxury, but simple snobbery. Undoubtedly, there is a huge heterogeneity about the world of luxury, that hinders the possibility to give a universal definition of it: luxury has a polyvalent nature, which is hardly attributable to a single and well-defined concept.

Generally, people tend to show an ambivalent attitude when dealing with luxury. The term itself comes from the Latin word “luxus”, which means light, magnificence, but also display of wealth and abundance. This ambivalence leads to two different connotations, the first positive and the second quite negative. For what concerns the positive one, luxury is something associated with beauty, prestige and power; in the negative sense, instead, it refers to viciousness, lavishness and recklessness.

Some economists had located the concept of luxury within the comparison between necessary goods and superfluities. For instance, Sombart[1] identifies luxury as *“any expenditure that goes beyond the necessary”*, something that exceeds the real need in a given socio-cultural context. Therefore, in this light, luxury is associated exclusively with the unnecessary. But this is not the only valid interpretation, given also the fact that consumers have evolved and, together with them, their needs as well.

Each historical epoch offers numerous factors that push the growth of luxury: ambition, ostentation, power, the desire to prove ourselves, and what Veblen[2] defines as *“wanting something more than others”*.

Luxury does not lie in the richness of goods, but in the ostentation that stands behind them. As a matter of fact, a part from multimillionaires and those who can dispose of luxury goods without

[1] Werner Sombart was a German economist and sociologist, the head of the "Youngest Historical School" and one of the leading Continental European social scientists during the first quarter of the 20th century. The term late capitalism is accredited to him.

[2] Thorstein Bunde Veblen was an American economist and sociologist, who during his lifetime emerged as a well-known critic of capitalism. In his best-known book, The Theory of the Leisure Class (1899), Veblen coined the concept of conspicuous consumption and conspicuous leisure. Historians of economics regard Veblen as the founding father of the institutional economics school.

exposing themselves to financial difficulties, the purchase of a luxury item becomes a goal, a milestone, for those who are in the lookout for a social-status.

This transition is closely related to the concept of need. According to Maslow's theory[3], humans' needs are depicted as hierarchical levels within an ideal pyramid. From the bottom of the hierarchy upwards, the needs are: physiological, safety, love and belonging needs, esteem and self-actualization.

Figure 1.1: Maslow's Hierarchy of Needs

Specifically, growth and self-fulfillment needs are generated by the desire to imitate "the élite", in order to seek a distinction, a process that pushes the same élite to a continuous renewal, with the aim of maintaining a differential with respect to other social classes.

In accordance to Maslow's hierarchy, no matter which historical period we live in, luxury market will always be characterized, more than any other sector, by intangibility. It represents the business of creating and satisfying desires, is something that most people wish and aspire to buy, is about history, authenticity and depth and, most of all, is a state of mind.

1.1.2 The luxury market

For what concerns the development of the luxury market, we should start from the assumption that luxury is something that has been created in the 1990s. Until 1995, most of the companies had

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[3] Abraham Harold Maslow was an American psychologist who was best known for creating Maslow's hierarchy of needs, a theory of psychological health predicated on fulfilling innate human needs in priority, culminating in self-actualization.

little presence in the world. It was only in 1996 that we observed a first development, a period we refer to as “Sortie du temple”.
Then, from 2000 to 2007 we had a “Democratization” phase, characterized by an incredible brand extension.
After that, between 2008 and 2009, the entire world faced the financial “Crisis” and it was during this period that, among the western societies, the middle-class started losing power.
In the meantime, China came out (“Chinese Bulimia”) and thanks to this there has been an explosion of the luxury segment.[4] (Japanese, instead, were early-adopters of luxury). In the end, from 2015 to 2016, we had two years of flat business (“Reboot”), because many facts happened on the Chinese market.
Instead, from 2017, luxury is facing a “New normal” phase[5], until nowadays that, with the advent of social media and e-commerce, it seems to have lost its exclusivity values.
After having illustrated the historical background and development, is crucial to understand what we are referring to when talking about “the luxury market”.
Defining rigorously the luxury market and the wide range of goods related to it, is not so easy. However, we can identify the luxury good market as the sum of all those markets that commercialize high-qualitative and expensive goods and services, definitely not necessary but bought for pleasure, that communicate an elegant, qualitative and exclusive way of living. Consequently, the category of luxury goods and services includes purchases with a high unit value (usually translated in the commercial sense through a premium price), where components such as emotionality, experientiality and exclusivity are strong.
On the supply side, companies that operate in the luxury market are several and belong to different sectors. The most common ones are clothing, footwear, cosmetics, jewelry, eye-wear, leather and perfumery. Then, there are also other “niches” belonging to the luxury market: cars, gourmet food, homeware and design, yachts and hotels. A more outlined representation comes from Klaus Heine[6], who declines the different categories of luxury goods and services on the basis of an economic and scientific analysis.

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[4] Chinese consumers today represent the 15% of luxury consumers, due to their price advantage.
[5] Claudia D’Arpizio, *Altagamma, Worldwide luxury market monitor*, October 25, 2017.
[6] Klaus Heine is a lecturer in luxury marketing, luxury brand management, brand personality and brand identity at the Technical University of Berlin and works as an independent consultant specializing in luxury brand management.

Figure 1.2: Categorization of luxury goods and services (Klaus Heine, 2010)

Products	
Fashion Products	Delicacies
1. Clothing	17. Foods
2. Shoes	18. Beverages
3. Bags & Luggage	Publications
4. Fashion Accessories (e.g. belts)	Interior Decoration
5. Cosmetics & Perfume	19. Furniture
Body Decoration	20. Kitchen Equipment
6. Jewelry	21. Table decoration
7. Watches	22. Bathroom Equipment
8. Stationary (e.g. pens)	23. Lamps
9. Personal Accessories (e.g. pipes)	24. Interior Electronics/ Audio/ Video
Mobile Electronics	25. Musical instruments
10. Communication Devices	26. Household Fabrics & Carpets
11. Laptops	27. Interior Accessories
12. Cameras	28. Garden Furnishing
Means of Transportation	
13. Bikes	
14. Automobiles & Motorcycles	
15. Boats/ Yachts	
16. Aircraft	
Sport & Leisure Equipment	
Services	
Retailing	Healthcare & Beauty
Experiences	Education
29. Restaurants	Financial Services
30. Hotels	Consultancy (e.g. Architects, Interior designers)
31. Traveling	Personal Services
32. Entertainment	
33. Clubs & Communities	

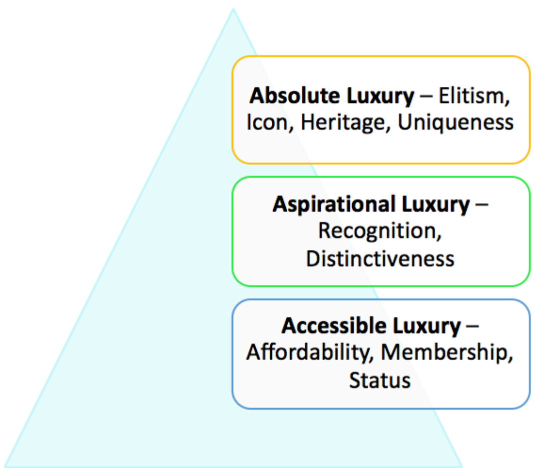
To be even more specific, luxury market could be represented by three clusters: luxury goods, personal luxury and luxury lifestyle. Luxury goods are divided into patrimony ones (home, furniture, art, collections, etc.) and consumption ones, that instead refer to food, beverages, hotels, etc. Then, there is the personal luxury that includes both care (cosmetics, perfumes, fitness, etc.) and culture (school, university, theatre, etc.). Last but not least, the luxury lifestyle, in which we can distinguish free time activities (holidays, relax, trips, etc.) and relations (business, family, friends, etc.).

A graphic representation of the luxury business is provided by the luxury pyramid. The highest segment is depicted as the absolutism, positioned among elitism, icons, heritage and uniqueness. The absolute luxury, also known as inaccessible or extra-luxury, is the type of luxury that appears to be uncompromising. What characterizes this level are the sumptuous features realized thanks to the high-quality craftmanship, presented by a strong human and stylistic contribution, capable of conferring a sense of elitism and uniqueness. Brands placed in this area are typically recognized by the heritage that stands behind the items. All these traits are applied also at the distribution level: retailing is limited, products are poorly accessible and most of the time provided in few quantities.

In the middle of the pyramid there is the aspirational frame, marked by almost the same features of the absolute luxury (the high quality, the premium price and the selective distribution) but with one notable difference: production on a larger scale that leaves out the custom-made peculiarity. The aspirational luxury is generally represented by the prêt-à-porter. Products are targeted on customers who are highly aware of the brand but, given the fact they cannot afford extra-high budgets, they try to fit in purchasing a luxury item, entailing a financial burden.

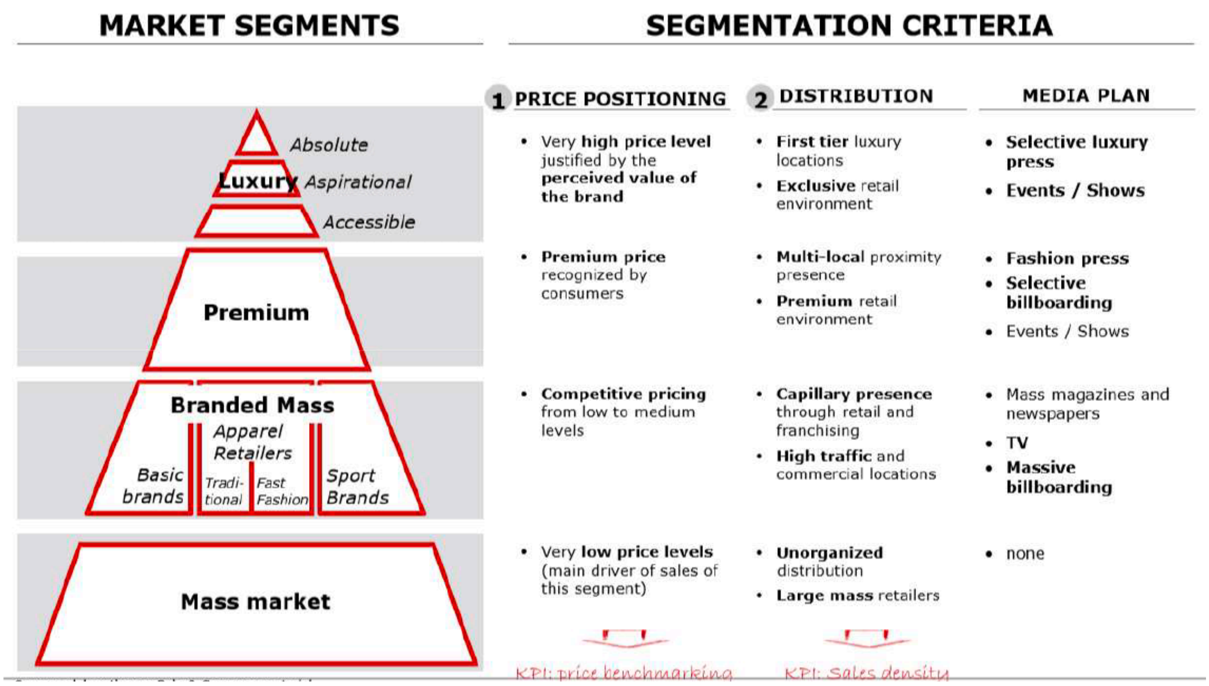
At the bottom of the pyramid, at the lowest level, there is the so-called "accessible luxury". This segment includes goods and services distributed on a large scale within the mass market. The key word is affordability, that allows customers to purchase stylistic items, but at a lower price range. These items represent a clear inclination to luxury even if the unitary price appears to be accessible to the average customer.[7]

Figure 1.3: The Luxury Pyramid (Danielle Alléres)



[7] The expansion of the production and the enlargement of the range of products has contributed to the so-called "massige products", which are positioned between the highest level of the mass market and the lowest level of luxury products.

Figure 1.4: Market segments and segmentation criteria (Bain & Company)



In order to better understand the analysis we are going to introduce and explain, it is important to emphasize the differences between luxury and fashion industries. The distinction is essential due to the fact that they are two separate realities, even if somehow interconnected (and this shows also how they can, and actually should, act differently when dealing with social media).

Luxury market is characterized by high entry barriers due to know how, to experience, culture, investments and cash flows; companies generally have a high brand value. The real market awareness for luxury brands is achieved over time, the key points are represented entirely by quality, that has to be in line with what customers want. Then, luxury companies are generally small to medium size enterprises, but with very strong awareness among consumers. They are mostly international and they apply high prices to their products and services. In addition, an important point that needs to be stressed is the fact that for luxury the core is the product development: the time from creation to delivery is long (it can take months), the production means are few, the main skill is to improve the product standard and the product life is long, it can last even years.

On the other side, in the fashion industry there are low entry barriers, many small competitors and high turnover in and out of business. For fashion, the real market awareness is achieved with strong communication (interesting aspect for social media strategies), the principal key point is the compliance to trends and companies are mostly local with low prices (in particular when referring

to fast fashion[8]). Moreover, for the fashion market the core is the speed: the time from creation to delivery is fast (it can take only few weeks), the production means are all over, the main skill is to be flexible and able to turn from a product to another, and the product life is quite short.
Once highlighted the main discrepancies between the two realities, we can further investigate what makes the luxury market so different from others and therefore not so homologated.

1.1.3 Luxury brands' values and management

The brand is the voice of the product, it creates around the product a net of meanings that makes the product unique. The research conducted by Dubois, Laurent and Czellar[9] reveals the presence of nine systematic and necessary elements of signature of a luxury brand, that must be respected in every declination of the market, online or offline: the figure of the brand's creator, who made the brand a work and not a production; the logotypes, generally short and very visual; a visual symbol that accompanies the logo-typed signature; a repeated visual motif, typical of all brands; a brand color; a favorite material; the cult of detail; the constant hymns to the manual work and to excellence of the artisans; and a way of doing things that is typical of the brand.
No luxury brand can rely exclusively on clients who are only interested in symbols and not in substance, because the ones could drift from a symbol to another, without caring about the values and the features that identify the different players of the industry.
According to the paradox of luxury, the strategy of a luxury brand has to be always in balance between exclusivity, that drives the image, and accessibility, that drives the awareness. More specifically, on one hand exclusivity allows premium prices, typical of luxury brands, and defines the brand style in an uncommon manner. On the other hand, accessibility enables luxury companies to support the P&L (profits and losses), enlarge the customer base and optimize productivity.
Another significant luxury paradox relies on the balance between innovation (modernity) and tradition (heritage). But the innovation lever should not be misunderstood; it refers to modern ways of maintaining the values that have always characterized the luxury industry, therefore not necessarily align to everything, rejecting homologation.

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[8] Fast fashion is a term used to describe a highly profitable business model based on replicating catwalk trends and high-fashion designs, and mass-producing them at low cost. The fast fashion business model was made possible during the late 20th century as manufacturing of cloth became cheaper and easier, through new materials like polyester and nylon, efficient supply chains and low-labor protection bulk clothing manufacturing industries in South, South East and East Asia. Fast fashion applies an extreme version of planned obsolescence to clothing. This decrease in quality, increase in purchasing, and speed of replacement creates a large amount of clothing waste.
[9] Dubois B., Laurent G., Czellar S., *"Consumer rapport to luxury: analyzing complex and ambivalent attitudes",* HEC School of management, Jouy-en.-Josas, France, 2001.

To pursue a successful luxury brand marketing, companies should take into consideration the 8 Ps; these represent the ingredients for a desirable luxury brand: performance, pedigree, paucity, persona, public figures, placement, PR (public relations), and price.

The principal purpose of luxury, that should not be forgotten, is the creation of a well-controlled scarcity. This means to maintain high prices, an incredible craftsmanship, limited distribution and a selected promotional activity. Luxury products are not comparative, they may not follow customers' basic needs. Having too many customers is not the objective of a luxury product, and this is what the thesis is about: with the enormous spread of digital channels, whether we like it or not, the audience grows and the absolutism is lost. Satisfying all the product demand for luxury enterprises could be dangerous and this is the reason why purchasing or accessing luxury products should not be too steady, with the aim of protecting big and loyal customers from small and occasional ones. Furthermore, when communicating about luxury is essential to never talk about pricing, because the role of advertising in luxury is not selling, but making it a dream.

Luxury brands must have a clear and well-defined brand identity. Delivering a distinctive brand identity and providing the consumer with distinctive and recognizable tangible signs will result in growing brand awareness for luxury firms.

To successfully manage a luxury brand is key to maintain a premium image, to create many intangible brand associations and an aspirational image, as well as ensure quality products and pleasurable purchase and consumption experiences. Brand elements can be important drivers of brand equity[10] for luxury brands. Luxury brands must carefully control distribution via a selective channel strategy and they must employ a premium pricing strategy with strong quality cues and few discounts and markdowns.

In contrast to mass-market products, a price reduction of luxury products in the long-run usually leads to a decrease in the demand, and otherwise a price increase to a growing demand. The objective of a luxury brand, then, is to constantly increase the average price. This can be achieved by increasing the unitary price of best sellers well above inflation, by introducing new products with higher price point or also by increasing the product perceived value.

Luxury brands have a distinctive personality that needs to be communicated to the public. Communication does not require "every possible channel to deliver a message", but to carefully choose the right effective channels. For instance, they can exploit their identity through monumental flagship stores, corporate brand communication, museums and exhibitions and also company social responsibility (CSR).

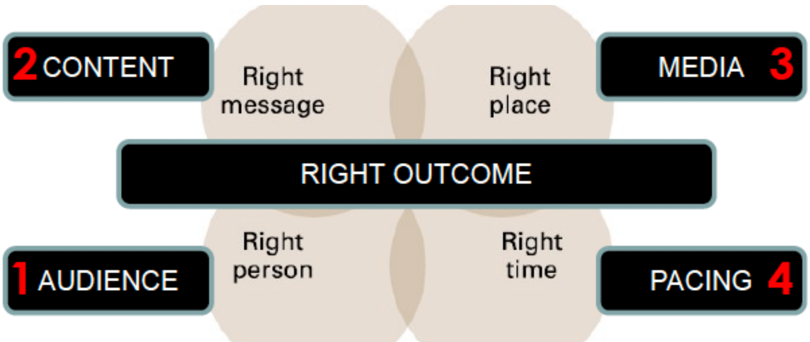
[10] Brand equity describes the level of sway a brand name has in the minds of consumers, and the value of having a brand that is identifiable and well thought of. Organizations establish brand equity by creating positive experiences that entice consumers to continue purchasing from them over competitors who provide similar products.

The key ambitions of communication in luxury are to create a dream, to recharge the brand value and to not talk about money, but about value. To do this, is crucial to make the brand part of conversations, touch emotions or feelings, generating emotional engagement, gain the interest of consumers and drive usage.

When communicating, of course, there are also some challenges. Basically, it is possible to define two classes of them: the business challenge and the context challenge. The business challenge arises due to the need to find a balance between the recruitment of the next generation of consumers and the securement of loyalty of existing customers. On the other hand, the context challenge is taken up by the crowded and complex market, by the evolving sentiments, moods and behaviors and by the fact that all brands appear to be communicating in the same ways, on the same channels and with the same initiatives.

In general, the overall communication challenge points out four steps. The first one is the audience, that means to choose the right person to communicate with. Companies can leverage the audience profiling thanks to the use of "personas"[11]. This allows them to enrich data, segment the market, study the client and activate him or her. After, there is the content; this means to choose the right message to be delivered. Then, the media, so the right place on which to deliver the message. And, finally, the pacing, that is the right time of communication. When all of these steps are conducted correctly, the right outcome is accomplished and achieved.

Figure 1.5: The Communication Strategy



When luxury enterprises choose to implement a communication strategy, they must define the objective they want to reach. The right outcome is not the same for every player in the market. Different companies aspire to different outcomes. Depending on the objective, there are several types of campaigns.

[11] A "persona" is a fictional character that communicates the primary characteristics of a group of users, identified and selected as a key target through use of segmentation data, across the company in a usable and effective manner. This ultimately enables the company to design the best user experience for its customers at all touchpoints, which is a key success factor in today's business environment.

If the goal is to make consumers know the brand, it is highly recommended to put greater emphasis on awareness, through a fame campaign. When, instead, the aim is to make the customer loves the brand, the consideration should be levered up, with the help of an emotional campaign. When companies wish their customers to choose them, the right campaign is a persuasive one, which increases preference over others. Last but not least, when the intention is purely to increase sales, making customers buy and purchase goods or services, choice has to be strengthened up, with an information campaign.
Once all the steps have been observed, and the final outcome has been defined consistently, companies can move to the next level, which is the measurement framework. Goals can concern business, brand or media. Business goals refer to sales and retail, brand goals are related to awareness and consideration, while media goals measure the reach, the frequency, the engagement and the clicks.
Within the organizational structure, a fair percentage (about 10%/20%) of the total sales turnover of a luxury brand is dedicated to support the marketing initiatives. These can be divided into two areas: "ATL" (Above The Line) and "BTL" (Below The Line). ATL is mostly about advertising, and it represents all the communication activities which imply the usage of traditional paid media; BTL, instead, is more about promotion and it refers to all the non-media communication activities. Today's best brands are in touch with their own humanity and the humanity of others. They gather inputs and use them to drive innovation, and they also realized that there is a lot to be learned from the wisdom of crowds. The challenge for brands is to respond quickly and with sincerity, otherwise they risk to compromise the relationship and the credibility they boast. The markets in which brands operate these days are increasingly transparent and fast-moving, with greater public visibility and robust platforms for public reactions. Nowadays, the relationship between companies and their target audiences is mainly about engagement and participation. A major tool for enhancing these two dimensions is represented by the storytelling. Stories fascinate people and are often easier to remember than facts. Consumers who are exposed to stories describe the brand in much more positive terms and are willing to pay more for the product.

1.1.4 The luxury target and the customer relationship management

To be a potential luxury client, two distinctive elements are required: the attitude and need, and the economic capability. Normally, luxury consumers pass through different stages. The first one is the subjugation: the deprivation that builds hunger, desire and dream. Secondly, there is the start of money, when people have money for the first time. Immediately after there is the show-off, that occurs when people need to announce the fact that they have the budget. Then, the fit in, when people try to enter the luxury market, and finally the way of life, when people get used to the fine quality of luxury.

Thanks to literature, different socio-economical groups have been identified. There are the aspirational mass-market households, as known as “trendy metropolitans”, that can be assimilated to excursionists: they are not big spenders, but as a group they are significant. They tend to have average jobs and backgrounds but, in order to achieve an above-average lifestyle, they purchase status goods. Right after there are the rising middle-class households, known also as “stylish career masters”. They are proud business men and women, they come from a middle-class background and have well-payed jobs. Another category is represented by the new-money households, the “lavish self-made individuals”. They consist of HNWIs[12] (High Net Worth Individuals) that have earned their wealth fast and by themselves. Because they can afford it, because of their need to show their self-achievements and because of their cultural openness and modernity, they are the most important category for luxury consumption. Then, the group of the old-money households (“luxurious spendthrifts”): they consist of HNWIs as well, but, conversely from members of previous category, they inherited rather than generated their wealth (usually related to aristocracy or to family-owned businesses). They are likely to purchase luxury goods not only because of their value, but also because they match their lifestyle.

The last category is composed by the beyond-money households, the “elitist dandies”. They avoid ostentatious display of wealth, but this disdain for conspicuous brands is nothing more than an affirmation of their status. They are “the snob” per excellence.

Generally, luxury customers appear to be slightly different from customers of other market segments; they tend to have increasingly high expectations, not only related to the product itself, but also to the treatment they receive from firms. To please what customers expect, luxury companies implement several strategies, many of which concern the “customer relationship management”[13]. This approach means to change the way company processes are managed, by focusing always on the client.

Sophisticated customer relationship management is vital to the prosperity and continuous growth of luxury retailers. Luxury retailing is not about high volumes of customers; instead, it relies on affluent customers who spend a lot, and will return to purchase even more if they feel they have been treated uniquely.

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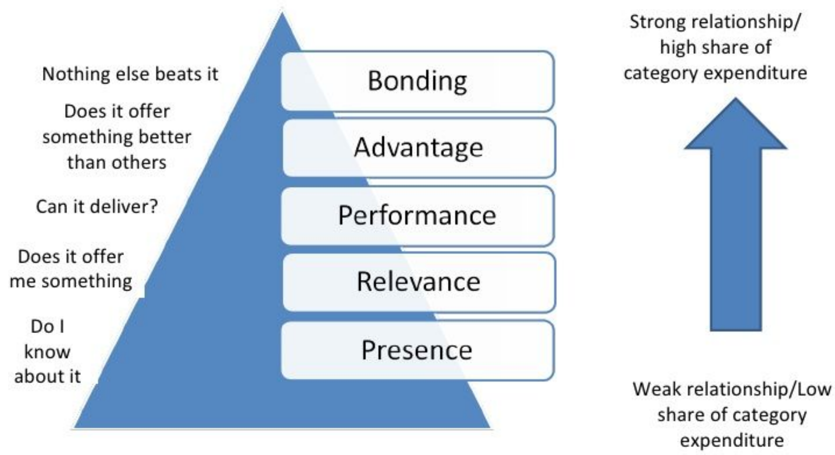
[12] High-net-worth individual (HNWI) is a term used by some segments of the financial services industry to designate people whose investible wealth (assets such as stocks and bonds) exceed a given amount. Typically, these individuals are defined as holding financial assets (excluding their primary residence) with a value greater than US$1 million.

[13] Customer relationship management involves the principles, practices and guidelines a company follows when interacting with customers.

A successful Clienteling plan[14] rests on a good knowledge of the client and a close relationship, creativity and a good balance of commercial and non-commercial actions. Commercial touchpoints are all the actions done to propose a new creation or to invite clients to discover the collections. Relational touchpoints, instead, are all those moments, not related to collections, that companies can leverage to reinforce the connection with clients, offering them a personalized attention and making them feel special.

Therefore, in order to stand out even more and differentiate from other competitors, luxury brands must concentrate on building loyalty. A valuable tool that illustrates this concept is the Brand Dynamics Pyramid[15], which sets out the five key stages that customers go through as they become loyal to a brand, a product or a firm: bonding, advantage, performance, relevance, presence. The pyramid shows the number of consumers who have reached each level. The bonding is a rational and emotional attachment to the brand, to the exclusion of most other brands. The advantage occurs when the brand is felt to have an emotional or rational advantage over other brands in the category. The performance level is for brands that are felt to deliver an acceptable product performance. The relevance is a relationship according to which the brand is relevant to most of the consumers' needs, is in the right price range or in the right consideration set. Finally, the presence is just an active familiarity based on past trial, saliency or knowledge of the brand promise.

Figure: 1.6: The Brand Dynamics Pyramid (BRANDZ Model)



[14] The most widely accepted "clienteling" definition refers specifically to the processes or tools used to promote customer satisfaction through the personalization of the shopping experience. To accomplish this, clienteling tools rely on data, such as purchase history and personal information. The end goal is to increase the customer lifetime value.

[15] There are several different versions of the Brand Pyramid, but most are based on the model originally created by Millward Brown, a global marketing research and consulting firm, in the mid-1990s.

In addition, there are two elements that grow proportionally as we move up through the pyramid. The first one is the purchasing loyalty, which increases at higher levels of the pyramid – consumers at the level of bonding are likely to be active advocates of the brand. The second one is the share of wallet, – the proportion of consumer expenditure within the category on that brand – which grows as we ascend the pyramid.

The goal for luxury companies is to build as large a group as possible of truly loyal consumers, by sustaining a suitable relationship and increasing their loyalty to the brand. In sustaining a relationship with the consumer and increasing loyalty, a brand will succeed in converting more individuals up in the pyramid.

1.1.5 Luxury retail and the customer experience

The concept of customer relationship management is strictly connected to the concept of customer experience, which represents the impressions, perceptions, emotions, actions and reactions a customer has while interacting with a company through any touch-point. Customer experience management means to create the right customer experience able to communicate, emphasize, transfer the brand values, maintain the brand promise and build advocacy exceeding customer expectations.

Figure 1.7: The Customer Experience Framework

For luxury, physical stores play a fundamental role in the creation of the customer experience journey. In the past, the store was seen merely as a place where companies could sell their goods, while nowadays it is considered as a real temple for the company, a space where to communicate values and provide brand experiences. Today the store is not only the place where the product is sold, but a brand declination where the consumer meets “the dream”. It is quite relevant, as it represents the final place of the purchasing phase. When people enter a luxury store, it is not because they need a new product, but because they want a new experience. They expect a luxury branded experience.

With the advent of social media, almost every luxury brand decided to go digital; however, it has been showed that even if customers do their researches online, they still prefer to acquire products in stores (ROPO “Research Online, Purchase Offline”), in order to enjoy the final purchasing experience. Therefore, even though shoppers have so many paths to purchase these days, many still want to “kick the tires” before buying.

To obtain a memorable customer experience, the purchase process has to be unforgettable. For instance, the store itself and the way it is managed can improve the reinforcement of brand perception and brand identity. Sales techniques can help increasing conversion and average customer spending. The so-called “selling ceremony”, through the welcoming, level of care, support and greetings, contributes to confer to luxury stores a certain aura of magic.

When designing the CX (Customer Experience), companies should focus on the touch points mostly related to the brand values, the points of difference and the promise. Emotional areas are the strongest places where a customer experience could be provided, that means: human relations; emotional experiences; five senses involvement; physical involvement, touchpoints; surprising emotions/relation with a reference, product or even place. Experiences are strictly related to the person’s expectations and should exceed them to be remembered.

All customer experiences are based on customer expectations and competitive benchmark perception.

Companies successful in creating both functional and emotional bonding have higher retention ratios and cross-selling ratios, compared to those that don’t.

To get wisely from the past to the future, a new approach to the present is needed. For an effective customer experience, the basic elements are awareness, knowledge and innovation.

Clients pass through several phases before deciding to make a purchase (especially with luxury goods and services). There are the pre-purchase experience touchpoints, such as ADV, web, social media, influencers, etc.; the purchase experience physical touchpoints, that are experiences provided by the sales team and the merchandising, together with the purchase experience emotional touchpoints, that refer to the interior design, the atmosphere, the entertainment, etc.; and the post-purchase experience touchpoints (warranties, reminders, surveys, etc.).

Performing a purchase in a luxury store is a real extraordinary experience that deserves to be lived, enjoying all its peculiar aspects. The welcoming, the first visual communication, the atmosphere created by the surrounding feeling that will affect the customer journey, the connection ("Lovemark feeling"), the surprising aptitude and the entertainment.

1.1.6 The new luxury

It is needless to say that we are living in changing times. Starting from the 21st century, the presence of the middle-class within the luxury market is increasingly more evident. Such phenomenon has to be intended on the basis of the several socio-economic changes that impacted deeply on our society, as well as the continuous strategies implemented by the big players of the industry, in response of the various challenges they had to face.
It would not be conceivable to ban the possibility of a new luxury, given the developments and the progresses the society achieved over time, and it could not even be possible because we evidently experienced a shift from "a noun" to "a verb".
Due to the transition to the "post-modern", the approach to the consumption has evolved enormously. In the past, the attention was focused on social aspects and relations. The reasons behind the purchase of luxury goods were related to the comparison to others, the seeking to differentiate, the affirmation of a status. This type of behavior can be associated with the three forms of consumption identified by Leibenstein[16] in 1950: the Bandwagon effect, the Snob effect and the Veblen effect.[17]
In contrast, now, consumption is associated more to experiences and emotions, with particular concern on the personal pleasure.
Today, luxury is not anymore defined by an external perspective, based on the product's attributes, qualities and features; rather, it is defined from an internal perspective, built on the consumer's experience. We moved from a narcissistic satisfaction from the show off (the importance of "to have") to the enjoyment of sharing and conviviality (the importance of "to be"). All that matters now is how the brand delivers the luxury feeling or luxury experience promised to the customer. It is key for companies to transcend the ordinary and create an extraordinary experience in and through products; to link products and brands with emotional values related to hopes, wishes and dreams.
Traditionally, luxury denotes something that is enjoyed by certain people and not by others: it speaks of the privilege and exclusivity enjoyed by an élite and unattainable few.

[16] Leibenstein, *"The theory of consumers' demand",* Quarterly Journal of Economics, n.64, 1950.
[17] The Bandwagon effect occurs when consumers buy more products because others do it; the Snob effect takes place whenever a consumer buys less products because others do it; and the Veblen effect happens when the demand grows after an increase in the pricing.

Nowadays, there is a new approach to the idea of luxury. It is not that consumers no longer want iconic goods and services – instead, they are beginning to realize that the existing definition of luxury is maybe too basic. They seem to be shifting their sights from acquiring things to acquiring experiences. They feel the need to see things, to understand art and to drink deeply of the incredible beauty that exists outside of their home sphere. Not only are customers exponentially more aware of the value of quality, craftsmanship and culture, but they also have more access to these things than ever before. Luxury, in its new context, is the enjoyment of the best in life: the experience of beauty, knowledge and humanity at their deepest and most inspiring. The challenge is to translate this experience into the digital reality, or even not translating it at all. It is properly a challenge because digital and luxury values seem to appear strongly different. Online channels are accessible, automated, enable good deals and transparency, allow crowdsourcing and horizontal relationships, involve a permanent change and, definitely, are scientific. Luxury values, instead, are exclusive, based on human links, heritage timelessness, confidentiality, full prices, and require vertical relationships with a controlled distribution.

Currently, brands are always more developing internationally, there are highly diversified means of communication, the economy is unpredictable and, above all, consumers are facing an abundance of supply; therefore, they are becoming less loyal. Accordingly, luxury brands must know how to reinvent themselves and be opportunist, manage a long-term horizon and provoke a short-term reactivity to help creativity emerge: *"The genius is to grasp the opportunities. After we can claim it was strategy".*

Hence, luxury changed from "ordinary consumption by extraordinary people" to "extraordinary consumption by ordinary people". The "new rich" is the title that describes, more than any other, the modern luxury buyer. These people just want to boast their success; they follow the trends, buying only in important shops and are highly affected by communication. Also, they basically emulate others, resulting in a high-spending type of client.

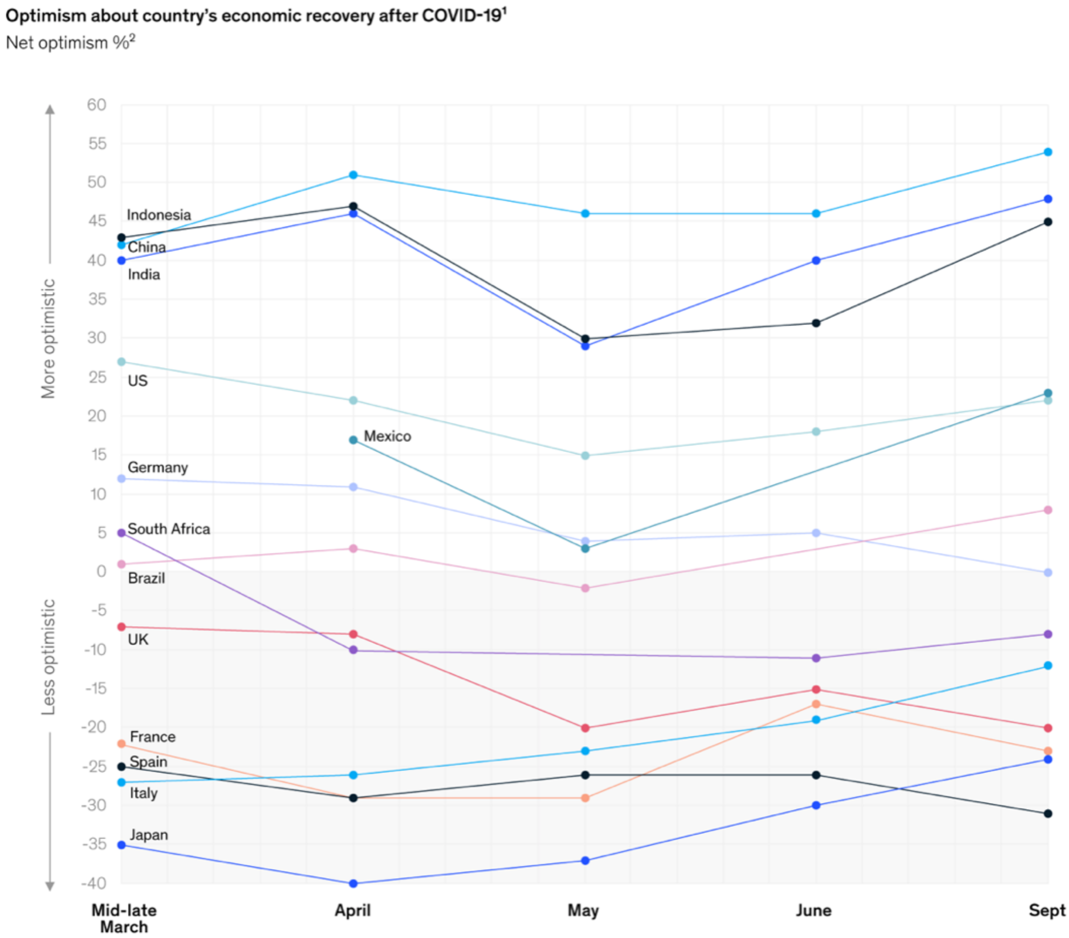
According to the study "Lens on the Worldwide Luxury Consumer", conducted by Bain & Company[18], on a global scale, the number of luxury customers has tripled in the last twenty years. The research shows that each year this number is destined to grow approximately of 10 millions, reaching 500 millions customers within 2030.

Unfortunately, 2020 has, in some ways, drastically inverted the route. The advent of the Corona virus challenged the worldwide economic progress. During COVID-19 times, we assisted to substantial changes that impacted considerably on the economy in general, but also on the consumption behavior. Luxury enterprises had to adapt and obey to some trends that emerged.

[18] Bain & Company, *"Lens on the worldwide luxury consume. Relevant segments, behaviors and consumption patterns. Nationalities and generations compared",* 2014.

First of all, the recovery rate of various markets. For instance, there are abyssal differences between the eastern and the western hemispheres: China has started to grow again. In contrast, Europe and the US are still suffering from the drop in tourists and perhaps from a different purchasing behavior to be further investigated.

Figure 1.8: Consumer sentiment across countries impacted by COVID-19 (McKinsey & Company, 2020)



Another interesting aspect is the new product presentation flow: the rhythm and methods of presenting new products are destined to change. From many sides, a return to the natural seasons and a lower rate of introduction of new collections are requested, to extend their average life and reduce the risk of markdown. The modalities of presentation (fashion shows and fairs) have been deeply rethought and the high associated costs, reduced.

Probably, the most curious trend reflects the e-commerce consolidation. COVID-19 "forced" all brands to expand and enhance the efficiency of their e-commerce systems, allowing e-commerce to accelerate that growth rate we had already seen in recent years.

1.2 THE SITUATION TODAY: THE MODERN LUXURY BUYER AND THE ONLINE SHOPPING EXPERIENCE

1.2.1 The digital channel: advantages and incompatibilities

To provide a complete overview, it could be valuable to start from the main aspects that define our digital era. It is worth to identify the principal advantages that derive from the use of the digital channels, in order to better evaluate the extent to which these can be replicated within the luxury market.

Social media, and the Internet in general, offer multiple pros that could be divided in two categories, depending on who benefits from them.

On the supply side, e-commerce allows enterprises to enlarge markets, develop bidirectional communication in real time, gain precious information on customers and also to reduce temporal constraints. Instead, for what concerns the demand side, the digital channel has contributed to the evolution of wider opportunities to access different markets and the possibility to cross-check prices and offerings as well.

All these positive aspects are particularly suitable for almost every segment of the market, except for the luxury one. The main reasons behind this incompatibility are: the lack of emotionality during the purchase process, the lack of the experience related to the in-store shopping, the mismatching relationship with the seller and, last but not least, the poor activation of trust and loyalty. Other peculiar aspects are to be found in the transactions' reliability that, especially for luxury goods is particularly warning, being them highly priced. Moreover, the risk related to counterfeiting, that instills uncertainty in customers.

Anyway, due to the continuous evolvement of the "online society", even if luxury brands do not fit perfectly in this environment, they had to adapt their values as well as their strategies in order to take part of the modern context.

1.2.2. A focus on the online luxury

Luxury brands have always been industry leaders, with admirable aesthetic value and innovative yet traditional business management.[19]

[19] Angella Jiyoung Kim and Enju Ko, "*Impacts of Luxury Fashion Brand's Social Media Marketing on Customer Relationship and Purchase Intention",* December 12, 2012.

Over the past 20 years, the business of luxury has transformed dramatically, expanding the luxury goods customer base far further than expected. In 2019, the market for personal luxury goods was worth €281 billion (about $310 billion at current exchange), according to Bain & Company, up from €116 billion (about $128 billion) in 2000.[20]

Before the crisis turned the world upside down, luxury goods purveyors had won over a generation of consumers obsessed with newness, exclusivity and glamour. Success came from high-touch retail experiences and endless streams of novel products that ranged in price from prohibitively expensive for most to downright affordable for many. But that love affair has also been kindled by the digital age, which has allowed shoppers to engage with their favorite brands whenever and wherever they want.

It all began with the launch of the online luxury retailer Net-a-Porter in London in June 2000. Part magazine, part virtual store, Net-a-Porter was just the first of many multi-brand online players that would enter the category. The same year in Milan, Yoox, an online outlet store, opened its doors, selling second-season designer clothes to a group of consumers who had never been able to access them before.

By 2019, consumers were buying €33.3 billion (about $37 billion) worth of personal luxury goods online globally each year. However, where at the start of the decade Net-a-Porter appeared poised to become the online luxury market's Amazon, the sector had become more fragmented and chaotic than ever.

A second wave of competitors emerged, including other multi-brand retailers such as MatchesFashion and Moda Operandi, as well as rental platforms, second-hand sellers, marketplaces and peer-to-peer services. Each of these upstarts had its own spin on the luxury e-commerce model. But, while they began to dislodge Net-a-Porter as the dominant player, they also faced their own troubles. As a matter of fact, none emerged as the market leader.

Today, the online luxury establishment is running out of time to develop winning strategies, just as the coronavirus crisis pushed the economy into a deep recession, accelerating drastic changes in consumer behavior that were already underway. This is not a gradual evolution, but an inflection point for the online luxury market, where further consolidation, contraction and more store closures are predicted.[21]

However, among the several luxury e-commerce players, one in particular has been demonstrating to be cutting-edge: Farfetch, the marketplace founded and led by José Neves[22], which had made a name for itself by short-circuiting luxury brands who were slow to enter e-commerce.

[20] Lauren Sherman, "*The Next Wave of Luxury E-commerce",* Business of Fashion, April 1, 2020.
[21] Lauren Sherman, "*The Next Wave of Luxury E-commerce",* Business of Fashion, April 1, 2020.
[22] Born in June 1974, he founded Farfetch in 2008.

Despite the pandemic, Farfetch enjoyed the most dramatic turnaround; its market capitalization grew by a whopping 475 percent in 2020. Neves has said the company reported a positive EBITDA for the first time ever in the fourth quarter of 2020.
Investors are now betting that Farfetch will not only become profitable, but that it can fulfil its mission to become the world's go-to marketplace for high-end fashion, "connecting creators, curators and consumers." In short, they're betting it can be the so-called Amazon of luxury.[23]

1.2.3 The impact of digital luxury on consumers

Nowadays, more than ever, consumers are looking for spiritual meaning from the products they buy.[24]
Luxury spending is shifting from stuff to experiences to personal transformations, where a "better you" becomes the product. The idea of staging a transformative experience, not only as marketing but as a product to be sold, is linked to the wider rise of the "Transformation Economy"[25] as foreseen by B. Joseph Pine II and James H. Gilmore, who have long described product innovation in consumer markets as a multi-staged "progression of economic value" from commodities to goods to services to experiences to personal transformations.[26] In some ways, luxury and fashion goods have always been transformative in their own right: they can certainly make someone more attractive and communicate social status.
Pre-pandemic, brands had already understood that fostering a community of loyal believers, who lived and breathed their products, could have been beneficial not only for short-term hype but, rather, long-term success. From Nike to Levi's to Hermès, brand devotion is widespread. In recent years, however, devotion has been increasingly earned not only from selling meaningful products but by what these products say about the person buying it. Yet, few luxury and fashion brands have come close to offering consumers a full-blown spiritual experience. When meaning enters the realm of dogma, when the community becomes a cult, not only is a brand exposing itself to scrutiny from outsiders, but it also becomes vulnerable to criticisms from its loyal followers. And

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[23] Robert Williams and Tamison O'Connor, "*Inside Farfetch's Bid to Dominate Luxury E-commerce",* Business of Fashion, January 13, 2021.
[24] Lauren Sherman, "*The Age of The Enlightened Consumer",* Business of Fashion, January 25, 2021.
[25] In the Transformation Economy, consumers are seeking more than mere experience. They crave something authentic and meaningful – some call it the "soul of the business" – to which they can connect on the most personal level, and, in doing so, undergo an actual sense of transformation.
[26] Lauren Sherman, "*Is The New Luxury A Better You?",* Business of Fashion, May 5, 2016.

clearly, an over-exposition on social media gives everyone the right to declare and share personal opinions. Therefore, luxury brands should choose their message wisely.

As it concerns Gen Z,[27] social commerce may have a special appeal. "Social media allow brands to use a slightly more youthful voice".[28] The question is: do luxury brands sell to younger consumers? Probably not, especially because, a part from exceptions, they cannot afford those budgets. Luxury target is characterized by two formal elements: attitude and economic capability; and Gen Z seems not to match these two requisites.

Luxury labels, if present on social media, must accept that they could potentially appear in the same feed as less-aspirational rivals. For instance, Burberry uses Instagram to sell products from its "B Series", which are available for 24 hours through the brand's social media accounts. The brand said for B Series, "the ephemeral nature of Instagram stories (24h) is perfectly aligned with our proposition: limited product, limited time, limited distribution." B Series is also sold through WeChat, Kakao and LINE, three social networks that are most popular in Asia, where social commerce is better-established.

Across global markets, the pandemic has proven a boon for leading e-commerce marketplaces and a fatal blow for many offline-reliant department stores. In China, the monthly GDP data confirmed that the economy is on track to remain the world's only major growth engine for 2021. Sales-wise, many designers and industry leaders are reporting business as usual in major cities like Shanghai. While it's true that Japan and Hong Kong are facing a significantly slower recovery than Mainland China, WHO data[29] paints a much bleaker picture in Europe and the US, where experts are expecting a return to pre-crisis growth to take at least a year, even with news of an effective vaccine.[30]

We can definitely state that the coronavirus pandemic has driven a luxury e-commerce boom. Accordingly, all luxury brands have been "forced" to go digital, and probably it has been this forcing that caused the chaos. Inexperience has been showed.

Providing the same services, luxury e-commerce platforms are largely undifferentiated, often selling the same products at the same price, while offering similar customer experiences. This leads to high marketing costs, frequent promotions and difficulties reaching the necessary scale to pay off significant investments in technology, logistics, rapid shipping and other white-glove services.

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[27] Generation Z (or simply Gen Z), colloquially known as Zoomers, is the demographic cohort succeeding Millennials and preceding Generation Alpha. Researchers use the mid-to-late 1990s as starting birth years and the early 2010s as ending birth years.

[28] Tracey Lomrantz Lester, a brand/digital marketing and e-commerce consultant.

[29] WHO, the World Health Organization which manages and maintains a wide range of data collections related to global health and well-being.

[30] Zoe Suen, "*Where People Are Shopping Again*", Business of Fashion, November 20, 2020.

These “cons” do not show up when dealing with offline-shopping-experience. Each store has its own identity, personality and way of selling products that is deeply different from other competitors; and customers feel like they are being treated uniquely. This special treatment can never be imaginable for e-commerce. It would not be possible to establish a direct link with the client, providing him the most inspiring five senses involvement.

No doubts the online market appears like a huge possibility in terms of increased sales and advanced technology, but luxury brands are not to be confused and compared to mass-market brands; for instance, the typical features and points of differences of the luxury-in-store purchase cannot be ever replicated.

Apart from the traditional shopping online on verified websites, to survive the unforeseen challenges, luxury brands have turned toward marketing communication using social media through their personal accounts. Differently from fast-fashion brands, who can definitely sell their products online in an efficient and rapid way, just proposing and posting some photos about the item including the price (typically low), luxury brands should not aim to sell through Instagram or other social platforms; rather, the principal goal should be focusing on entertainment and creating desire (that is actually what customers expect from them). Luxury brands should heavily supply these aspects of social media contents and activities. Every activity enabled by use of the media, such as creating relationships with other users, providing customized service and free entertainment contents, and obtaining genuine information on personal interest, should all be entertaining. By concentrating on providing such features, customer relationships and purchase intention will be enhanced. Consequently, trust is also strengthened. Customers’ trust is reinforced and intensified via interaction with other users as well as brands on social media sites. Trust gained while enjoying entertainment and communication provided on the sites seems to contribute greatly toward a luxury brand’s profit.[31]

The best luxury brands on social media have a deep understanding of digital advertising media; they do not deluge their audience with products.[32] Today, people are more overwhelmed with information than ever before; it is crucial to avoid making a presentation stylistic to the point of confusion. Instead, is recommended to select products and services’ details that are eye-catching. The impact of social networks on a luxury brand’s visibility is extremely valuable for its reputation. Consumers gravitate towards brands whose social values align with their own. This means luxury companies stand for their exclusivity and sophistication customers expect, as well as maintain prestige and trust.

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[31] Angella Jiyoung Kim and Enju Ko, “*Impacts of Luxury Fashion Brand’s Social Media Marketing on Customer Relationship and Purchase Intention”,* December 12, 2012.
[32] Morgan Stuive, “*How Luxury Brands Are Embracing Social Media”,* That Agency, December 30, 2020.

Furthermore, even if it looks paradoxical, social media for luxury brands means service at a personal level. That may seem very difficult given the numbers social media attracts. For high-end luxury items, providing a real person on communication and follow-up duties can be invaluable. The goal is: personal attention appropriate to the scale of the audience. Also, brand ambassadors are key to reinforce awareness and consideration of luxury products. Through such collaborations, luxury brands can reassure their purchasers that everything they see is worthwhile. The aim of communication in luxury is telling, not selling; luxury items are not needed, they are preferred.

1.3 THE BOTTEGA VENETA STRATEGY AND ITS "SOCIAL MEDIA BLACKOUT"

2020 has definitely been a chaotic year. "Phygital" has been unquestionably the representative fashion word for it, used to signify runway events that included both IRL and URL components.[33] Yet, suddenly surprisingly, at the beginning of the year, specifically on Tuesday 5th of January, Bottega Veneta inexplicably deleted all of its social media accounts. The official Instagram page of the brand, with over 2.5 million followers, has vaporized into nothingness along with the rest of the other social networks. This disappearance did not take place on the Asian market. As a matter of fact, Bottega Veneta still maintains its profiles on Asian social networks. This is because in China, the WeChat network is indispensable for the digital channel. According to studies by Bain & Company, Chinese people (both at home and abroad) now purchase between 37% and 40% of the world's luxury goods. In 2025, this figure should reach 50%. "Not cutting off its presence in China means that this is where the clients are and indeed their priority market," explains Benjamin Simmenauer[34], professor at the IFM. "Bottega Veneta is not just an artisanal brand, it is one of the flagships of the Kering group, their turnover exceeds 330 million dollars. Leaving the Western social networks, keeping those in Asia, is obviously a strategic decision, not a whim of an artistic director".[35] In China, if a brand deletes its social media accounts, it does not exist anymore for Chinese consumers.

For the Western market, instead, things occurred differently. The Italian luxury brand, currently helmed by creative director Daniel Lee, has not made a statement about the reasons and the duration of its "social media blackout", but perhaps it has already laid the groundwork for a more low-key approach. Bottega Veneta is an ultra-exclusive luxury brand. The tremendous online presence of the brand was harming the exclusive image the brand built and wanted to continue building.[36] Actually, it has never showed thirst for re-shares and likes, it is definitely not flashy with its logos; it does not run to celebrities to front its campaigns. It is a luxury label for people that want luxury, and want it in the "vintage" sense of it. "It's traditional in many senses and manages to be so without being stuffy. That allows genuine freedom and constantly lures industry attention".[37]

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[33] Stef Yotka, "*In An Increasingly Digital World, Bottega Veneta Signs Off From Social Media",* Vogue, January 5, 2021.

[34] Simmenauer dedicates its studies to fashion theory, which includes all the philosophical, sociological or anthropological approaches, aiming at understanding the meaning of the fashion phenomenon. More particularly, he seeks to characterize clothing and fashion as semantic as well as particular aesthetic productions.

[35] "*Can Luxury Do Without Social Networks?",* Luxus +, January 7, 2021.

[36] *"Bottega Veneta Shut Down Its Social Media…Except in China",* Fashion China Agency, February 9, 2021.

[37] Heather Snowden, *"Why Bottega Veneta's Social Axe is More Than Just a PR Stunt",* Highsnobiety, January 10, 2021.

Nonetheless, the move to entirely erase social media is quite new.[38] A move that at first seems absolutely crazy, but that could actually represent a new and more decisive level of that "absence strategy"[39] that Daniel Lee had put in place with the closed-door presentation of the SS21 collection, kept in the strictest secret for months before being brought to the public, as no phones were allowed at the presentation to avoid any risk of images leaking. A way to merge experiential luxury with all the charm of a secret society[40] (definitely in direct contrast with the approach of other luxury brands, most of whom broadcasted shows directly on social media in 2020 as a way to combat COVID-19 restrictions).

Protagonists of the luxury scenario are still asking themselves if Bottega Veneta shutting down its social media accounts might signal a new trend. The idea of a billion-dollar brand existing without social media is titillatingly original.[41] Or is 2021's new social media strategy going totally off the grid?

"I think it's refreshing and something that's long overdue," says Tony King.[42] "I think what they are trying to do is bring back some of the mystery that used to exist around these brands. I think it's gotten so uncool. Every single aspect of everything is shown to everyone all the time."

Ana Andjelic, a luxury consultant and author of The Business of Aspiration, argues that Lee has made enough noise with his products, his branding and his fans, that the reverb is such that BV can afford to go quiet on social. Being out of sight, doesn't necessarily mean being out of mind. It can mean the opposite.

"When you think about cultural savvy and cultural aspiration, and when you see celebrities like George Clooney, Angelina Jolie, and those that capture people's imagination, none of them are all social media," says Andjelic. "Bottega Veneta is recreating the luxury strategy that is about being culturally relevant, but not readily accessible. This comes with an asterisk. This is not a traditional luxury strategy. It only means that Daniel Lee is so confident in the quality and design of its products and the aesthetic vision for this brand, that he trusts the brand community to do the brand's job for it."[43]

For Eric Briones, author of the book Luxury & Resilience, leaving social networks is a choice consistent with current ecological ambitions: "We cannot aspire to breathe, slow down and

[38] *"Bottega Veneta Has Left Social Media, Deleting Instagram, Twitter and Facebook",* Hypebeast, January 5, 2021.

[39] There are three key pillars for an effective absence strategy: a strong corporate policy, an effective reporting system and an excellent management intervention.

[40] Lorenzo Salamone, *"Why Did Bottega Veneta Disappear From All Social Media?",* NSS Magazine, January 5, 2021.

[41] Rachel Tashjian, *"Why Did Bottega Veneta Delete Its Social Media Accounts?",* GQ, January 5, 2021.

[42] CEO and creative head of King&Partners, a luxury branding and digital agency. Tony King launched e-commerce flagships for Gucci, Alexander McQueen, Stella McCartney, Yves Saint Laurent and Bottega Veneta.

[43] Jessica Iredale, *"Why Bottega Veneta Will Eventually Return To Social Media",* Town&Country, January 11, 2021.

disconnect and continue to feed the beast, want less waste and reduce its carbon footprint by closing our eyes to digital pollution".

Opinions are several, there are supporters and also refuters. The hustle seems to be happening because the decision was taken without warning and without any explanation; its abrupt halt to social media promotion has left the luxury and fashion world stunned.

Business of Fashion (BoF) rightly notes luxury's growing reliance on social media as a marketing tool and direct line of communication with customers, especially in the midst of the COVID-19 pandemic. Over the past year, many luxury brands have adapted and expanded their social media strategies to suit the "new normal," even embracing burgeoning platforms like TikTok.[44]

The question arises spontaneously: e-commerce has doubled its share of the personal luxury goods market in 2020 (from 12% in 2019 to 23%) and its share is expected to reach 30% by 2025[45], then why did the Kering-owned Bottega Veneta close all its accounts?

The general consensus seems to be that the move is just a marketing stunt, a strategic shift to get all eyes looking in its direction.[46] Some specialists argue that even without a social media feed, the brand, together with its creative director Lee, cultivates a cult among people who associate themselves with Bottega Veneta entirely because of its discreetness. The choice of the brand is rather in line with the artistic approach of Daniel Lee. The creative director has never had his own IG account. He's notoriously private, he rarely does interviews or gives extra content to his collections. Since he first took the reins of BV in 2018, the brand has banged out hit after hit. It has become so omnipresent that it risked becoming over-exposed. Therefore, deleting social could be a smart and strategic move to pull back from that risk completely.

However, this seems to be confusing as the company was looking for a new global social media manager in October 2019. The announcement was published on the Kering website. It stated that they wanted to "develop an overarching global social strategy from a communications-only tool to a full funnel marketing capability".[47] Anyway, right after it had been removed.

After an analysis conducted through some surveys among 500 executives working in or supporting the luxury industry, the results showed that social media is grossly underperforming luxury companies' expectations.[48] Apparently, social media over-promises but under-delivers. It has been demonstrated that Instagram is the best performing social media channel for luxury goods and

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44 *"Bottega Veneta Has Left Social Media, Deleting Instagram, Twitter and Facebook",* Hypebeast, January 5, 2021.

45 Pamela N. Danzieger, *"Bottega Veneta Shutting Down Its Social Media Accounts Might Signal A Trend",* Forbes, January 7, 2021.

46 Heather Snowden, *"Why Bottega Veneta's Social Axe is More Than Just a PR Stunt",* Highsnobiety, January 10, 2021.

47 Kering website: https://www.kering.com/en/

48 Pamela N. Danzieger, *"Bottega Veneta Shutting Down Its Social Media Accounts Might Signal A Trend",* Forbes, January 7, 2021.

services companies, but "best" is a relative term. Only 30% of luxury companies using Instagram asserted it is effective; social media channels have had consistently low ratings over the last three years.

"We have not found any marketing tool that produces leads qualified for our luxury products and services," was among the comments in that survey. And then, "So far nothing is working. Social media is seeing no actual move to act."

According to a Forbes' survey, luxury companies are seeing little success when it comes to translating social media followings into actual sales. This leaves brands with the choice of quantity versus quality – do they want to put resources towards building social media followings for a presence and relevancy in the digital space, or would they rather go offline and put capital into fostering relationships with clients with spending power?[49] Enterprises argue that, with all the money, resources and effort spent for social media, they would expect a better performance. In contrast, the advertising and marketing executives seem to be satisfied with the achievements. These widely variant views of social media channels' performance point to how differently each group measures effectiveness. For agencies, it is represented by several tools, such as traffic, likes and shares. For luxury companies, instead, it basically reflects sales that are generated from social media. And this is why Bottega Veneta's decision, under creative director Daniel Lee, to exit social media may be a bellwether for an emerging trend. Apparently, a social media strategy, according to the Italian brand, does not work to attract the right people to a luxury brand.

Dubbed the "Quiet Radical" by British Vogue, Lee has been vocal about his disdain for all the noise on the Internet. "I don't think much of the digital presentations," he said in an interview with Cultured Magazine. "They felt empty and took so much effort in such emotionally turbulent times, yet in the end, the concepts lacked depth. What's worse, it hinders rather than aids the creative process. Everyone seeing the same things is not healthy or productive. It does not breed individuality."[50]

In a world that is over-saturated with content, taking presence out of the equation (and being noticed and missed for it) allows the brand to control the narrative.[51] In the opinion of Daniel Lee, creativity is fundamental to luxury. In the luxury universe, "the constant challenge is to transform creativity into profitability"[52]. And creativity is the underlying value for all Kering brands: "By placing creativity at the heart of its strategy, Kering enables its Houses to set new limits in terms

[49] Sophie Shaw, *"The Bottega Veneta Experiment: What Happens When Fashion Goes Offline?",* L'Officiel, January 21, 2021.
[50] Pamela N. Danzieger, *"Bottega Veneta Shutting Down Its Social Media Accounts Might Signal A Trend",* Forbes, January 7, 2021.
[51] Sophie Shaw, *"The Bottega Veneta Experiment: What Happens When Fashion Goes Offline?",* L'Officiel, January 21, 2021.
[52] Prof. Maria Eugenia Girón, Luxury Brand Management executive program at IE Business School in Madrid.

of their creative expression while crafting tomorrow's luxury in a sustainable and responsible way," the company says.[53]

Suspects are all concentrated and focused on Lee's ability to imagine a new, more effective way to use social media and other digital tools to achieve much greater things for Bottega Veneta than it ever has before. Perhaps the Bottega deletion is the ultimate act of "stealth luxury"[54] – it will now be a brand that travels strictly by word of mouth. If only the fans of a brand are posting about it, it will move like a secret throughout the industry, with It-items popping up organically, by dint of consumer taste, instead of beaming down like a mandate from the corporate account. "You have to make the difference between having an Instagram account and being on Instagram," explains Benjamin Simmenauer. Not having an official page does not mean that Bottega Veneta will no longer be present. The brand will stop producing social networking content, but the community, the fans, the clients will continue to post, there will still be unofficial accounts, hashtags".[55]

That is exactly what the independent @newbottega Instagram account does, under the editorial direction of Laura Nycole[56].

What the following thesis is going to deal with is whether word of mouth is enough for what luxury brands want in order to deliver their qualified items. Social media is such a hodgepodge of divergent messages: where does luxury fit into this world? Probably it does not. Social media is mass, not "class".

In addition, people who can actually afford luxury brands like Bottega Veneta are not likely to pay much attention to the brands' social media posts. They tend to have an above-average lifestyle; therefore, they are too busy living their lives and they are over-marketed too as well. They expect luxury brands they do business with to understand them, to be respectful and to personalize every interaction. Bombarding them with irrelevant propaganda on social media is not how to do it. Moreover, the social presence allows everyone to take part of the luxury elitist reality, it is no longer just for an elitist restricted group. And, in the long-run, this could result in a tremendous chaos, given the fact that not everyone is able to assess the quality of luxury items and understand their messages correctly.

In this sense, it is possible to expect Bottega Veneta to be the first of many luxury brands that will seriously re-examine their social media presence. It may well mean, like Bottega, they take a hiatus from it, too. Possibly, it could result in a return to print media. Reading a copy of Vogue, Harper's Bazaar or other fashion books communicates something about the individual that being glued to a

[53] Kering website: https://www.kering.com/en/
[54] Rachel Tashjian, an author of GQ.
[55] "*Can Luxury Do Without Social Networks?",* Luxus +, January 7, 2021.
[56] Laura Nycole is the art director of the account @newbottega

mobile phone certainly does not. And whether one agrees with Anne Wintour, Samira Nasr or the other editors' tastes, they all earned the right to present it, unlike what is found on social media.
Everyone in the fashion industry has been stressing the need for more curation in response to the industry's woes, exacerbated but not caused by the pandemic. By pulling out of social media, Bottega Veneta is simply curating its marketing messages in a way consistent with luxury branding. It may have been the first luxury brand to sign off, but it probably won't be the last[57]; it is likely that other brands will follow its lead.
Needless to underline, breaking up with social media is hard to do: social media algorithms reward power users and ads are more of a sure thing. At the beginning of the pandemic, the cost of advertising on social media had decreased, as brands quickly pulled their ad spend. In the near-year since, prices have rebounded to their bloated pre-pandemic rates, making it more difficult for brands to prove their return on seeking new customers and driving sales through paid social ads. Some direct-to-consumer brands that focused their growth strategy around finding customers via Instagram have struggled to convince investors they will be able to sustain that kind of growth and be profitable.[58]
Moreover, younger customers have definitely grown up with social media. These platforms, for them, are more than just an online space to share posts; probably they represent the first thing to check when searching for something. Gen Z and Millennial social network users have their fashion decisions made for them by social media. They are drawn into a product simply because a certain celebrity or influencer owns it, rather than appreciating the product for its design and the ethos of the brand.
Perhaps, Lee's exit from social media was a strategic move to preserve the exclusivity of Bottega. After all, it raises the important question of whether luxury brands can perform without social media. It could be a payback strategy to reconnect with the distant luxury image (except for Asia, where social media represent the quintessence of e-commerce).[59]
"Such a bold statement from the brand can only be perceived as an effort to bring back a much-needed sense of individuality to the fashion community, where many of whom are slowly adopting a herd mentality as the influence social media has over our own sense of style continues to grow".[60]
Bottega Veneta's move may be the beginning of an era against the "dictatorship" of social networks, which will probably be joined by other fashion houses, or a "checkmate" in strategic

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[57] Sophie Shaw, *"The Bottega Veneta Experiment: What Happens When Fashion Goes Offline?",* L'Officiel, January 21, 2021.
[58] Alexandra Mondalek, *"Should Fashion Break Up With Big Tech?",* Business of Fashion, January 19, 2021.
[59] *"Bottega Veneta Shut Down Its Social Media…Except in China",* Fashion China Agency, February 9, 2021.
[60] Evan Burrowes, Marketing Assisant at accessFASHION.

marketing by brand communication. The Kering-owned brand emphasizes to be more discreet, more distant, and accentuate the values of “true luxury”. It is kind of a “back to roots” strategy.[61]
Brands and marketers should still be looking for ways to connect directly with customer. A return to basics is a first step: email marketing, texting and loyalty programs — those that engage the consumer rather than simply alerting them to discounts — do not require running through a tech giant’s advertising platform. Luxury used to be luxury and through social media, both the experience of getting to know a luxury brand and falling in love with a product that could be meaningful and long-lasting had been watered down into an “of the moment” and “for the ‘gram” purchase. It is key to return customers a reason to invest in a luxury item. To recall them the craftsmanship, the brand story or its sheer beauty. A process that needs to be brought back not through an influencer.
“Once you have a direct relationship with the customer, the better off you are,” said Andrew Gluck.[62] “If you can tighten [your relationship with customers] up, especially when other brands are still trying to figure out what’s going on, then it’s definitely an advantage.”

[61] *“Bottega Veneta Shut Down Its Social Media…Except in China”,* Fashion China Agency, February 9, 2021.
[62] Andrew Gluck is the founder of irrvntVC, a VC firm focused on seed and early-stage companies.

CHAPTER 2

2.1 RESEARCH TARGETS

Over the past ten years, Internet played a significant role in our daily lives, changing them in several respects. Accordingly, the online purchase has been widely accepted by the majority of enterprises as a method of buying goods and services, becoming one of the most popular and powerful commercial vehicles worldwide.

Conversely, the luxury industry has been undoubtedly slow in the adoption of digital technologies, given its traditional requisites of rarity and exclusivity. Today, many customers still feel a huge discomfort when it comes to purchase luxury goods and services online. For instance, the perceived risk seems to be the principal reason that prevents customers from buying through digital channels.

Generally, luxury buyers tend to show a silent reluctance because they need to examine products closely, they prefer to touch items to satisfy their curiosity and to have an emotional connection with the shopping experience. Consequently, such choices and preferences may result in a negative influence on customers' decision about purchasing online.

However, luxury companies, accustomed to operate in controlled atmospheres since ever, had to develop a sort of awareness related to the e-commerce, being its value immeasurable. They dealt with a relevant changeover, not only referred to online platforms like the traditional websites, but also to the modern commerce through social media.

As pointed out by Chiang et al.[63], for companies, understanding the determinants that influence customers in the choice of a channel is the first step to assess the best strategy to commercialize and sell products successfully.

Broadly speaking, despite the numerous marketing studies, the research on the online purchase of luxury goods is still on a rudimental condition. There is a need for luxury business models to be redesigned in order to make use of social media correctly and satisfy consumers. Being present on platforms like Instagram, posting and sharing photos of luxury items, may not be enough; an up-to-date analysis of a successful and digitally aware industry is required. The myth that social media is the only route for modern customer engagement and acquisition needs to be examined case by case.

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[63] Chiang, W.k., Chhajed, D. and Hess, J.D., "Direct marketing, indirect profits: a strategic analysis of dual-channel supply chain design", Management Sciences, Vol. 49 n. 1, 2003, pp. 1-20.

For instance, when most brands keep publishing similar content and rely on the same brand ambassadors, Bottega Veneta seems to take back control of its communication strategy. The aim could be to differentiate themselves better for their customers, who prefer exclusivity and understated luxury, through less conventional and more effective approaches. The operational concern addresses the relevancy and reliability of the metrics commonly used to measure social media campaigns' success: do clicks and likes truly translate in increased sales? Most of the time, the huge number of interactions are nice to show on marketing presentations, but are often irrelevant in terms of income.

The Kering-owned Bottega Veneta has certainly made an impact in today's globalized markets. Probably, no social media is the new social media, according to the brand's point of view.

Due to the massive quantity of people discussing about the Bottega Veneta's social media blackout and consequently its absence strategy, this thesis aims to try to figure out if the strategy implemented has been winning or not.

The research targets evidenced data and information about:

- the sample of luxury customers and their tendency to purchase luxury goods and services (online and offline);
- their concern about the presence of luxury brands on social media;
- their opinion about the last gambit of Bottega Veneta.

More specifically, after having provided a theoretical and conceptual background of the luxury industry, this research seeks to develop a new "forma mentis" when dealing with the luxury approach to social media, demonstrating that, presumably, offline is the new luxury.

2.2 THE METHODOLOGICAL APPROACH

In order to reach the formerly listed targets, a research journey, structured into two steps, has been drawn up. The first step was intended to collect and analyze the relevant knowledge and information available in literature, in the interests of defining the field of investigation and the sensitive points to insist upon.

After an extensive examination, the elements that characterize the luxury industry in all its declinations have been deepened. Specifically, it has been noticed that the advent of digital channels and social media impacted significantly on the idea of "new luxury": on one side there are supporters of the digital luxury, while on the other side we can find several opponents, who still believe in the ancient and traditional definition of luxury, as something that pertains only to a selected élite and therefore should not be readily accessible.

For what concerns the second step, the focus moves to a more quantitative approach. It starts from the design of a survey with closed responses, that has been forwarded and submitted to a considerable sample of potential customers; in the end, the survey reached 328 respondents.

The selected sampling technique has been the non-probability snowball one[64]. The non-probability aspect refers to sampling techniques that do not use chance selection procedures; rather, they rely on the personal judgement of the researcher. This peculiarity means that the probability of any particular member for being chosen for the sample is unknown. Instead, the snowball effect is caused by the fact that the researcher sent the survey to an initial group of respondents randomly; then, the initial group forwarded the survey to subsequent respondents and so on, obtaining referrals from referrals.

The sample has not been limited to particular conditions or requirements, being the research exploratory. The primary objective of exploratory researches is to provide insights into a problem. This type of investigation is largely used to study unknown phenomena or to gain additional hints before an approach can be developed. Therefore, opinions and contributions from everyone have been welcomed, without limits.

The recruitment of people willing to fill in the questionnaire was accomplished exclusively through digital collaboration, due to the restrictions imposed by the current situation of COVID-19 pandemic. However, the administration of the online survey made it possible to obtain several advantages in terms of speed of access, compilation and sending of data. Through the spreading

[64] Malhotra N. K., *"Marketing Research – An applied orientation",* sixth edition, 2010.

of the URL address where to find the questionnaire, it was possible to recruit participants with different socio-demographic and cultural traits.
The adopted tool for the drafting of the survey was Google Forms, being it a free software for carrying out researches, trying to respect the technical rules of simplicity of language and exhaustiveness of the questions. Particularly, there were:

- dichotomous questions;
- multiple choice questions.

Then, through specific statistical techniques and the use of appropriate software, responses have been collected and examined, aiming at analyze people perceptions about the proposed topic. In particular, the survey has been exported first to Excel and after the chosen software has been the IBM SPSS Statistics, which happens to be valuable for interactive statistical analysis.
To deepen the sense of the research and further investigate its ultimate purpose, it is possible to spot some subsections of the survey. The first one is represented by the demographics, which allow us to better understand the sample we are going to deal with. For instance, the information detected enabled to highlight data about gender, age and qualifications. The second subsection, instead, evaluates the tendency to purchase luxury goods and services, either online or offline, and the related frequency. Afterwards, the opinions and thoughts about the digitalization of luxury; for example, the number of luxury brands' accounts followed and the importance of being present on social media. Finally, the last subsection, which mainly refers to the "absence strategy" adopted by Bottega Veneta; questions were demanded with the aim of capturing potential customers' feelings and feedbacks, both positive and negative.
Ultimately, starting from the Bottega Veneta case with its disappearance from social media, an event that undoubtedly blown everyone away, the principal purpose of this thesis is to test customers' insights on the digitalization of luxury. The final goal relates to the possibility to assess if the strategy adopted by the Kering-owned brand has to be considered meaningful or not, eventually contemplating that other luxury players will follow the lead or will opt for a divergent approach.

CHAPTER 3

3.1 FINDINGS: STATISTICAL ANALYSIS OF THE RESULTS

The findings that will be shown in this chapter do not aim to provide a final outcome about the investigated topic; instead, the purpose is to offer a modern perspective, taking advantage of the gathered responses, in order to eventually consider a new starting point for digital luxury and its management to be further examined.

As mentioned before, this is an exploratory research, suitable for any initial study of a new phenomenon. Being the Bottega Veneta case a single example, the exploratory road was the only one to be pursued, excluding the possibility of a conclusive research, which otherwise would have requested formal defined information, specific hypothesis, larger samples and a variety of similar cases.

The survey that has been submitted, which is reported in the Appendix of the thesis, is characterized exclusively by non-numerical variables. The choice of using solely categorical variables has been a conscious decision since the final aim is to draw a general overview, being the research exploratory, trying to avoid to come to an early and hasty conclusion that will have certainly not been reliable. Therefore, the survey, together with the research, have been conducted leveraging on a different category of quantitative data.

Moreover, in this specific circumstance, it would have not been possible to formulate definite hypothesis, given the absence of additional cases in this area; undoubtedly, Bottega Veneta has been the pioneer of the revolutionary movement.

Once exported the file to SPSS, it has been noticed that there was a case of inability error[65]: a respondent didn't answer to all the questions. Accordingly, being his/her data analysis incomplete in terms of measurements, he/she has been eliminated and this is the reason why the missing responses are equal to zero for every operation performed.

The initial step of the whole statistical analysis consists in the identification of the respondents. This task has been acted upon thanks to the calculation of the various frequencies; a type of analysis that pertains to the domain of descriptive statistics, used to describe the basic features of data in a given study. Descriptive statistics are commonly measured for details concerning

[65] An inability error results from the respondent's inability to provide accurate answers. Respondents may provide inaccurate answers because of unfamiliarity, fatigue, boredom, faulty recall, question format, question content or other factors.

general information, such as master data. In the following images, frequencies regarding gender, age and education are reported.

Figure 3.1: The Frequency Tables for Gender, Age and Education

Frequency Table

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Femmina	215	65.7	65.7	65.7
	Maschio	112	34.3	34.3	100.0
	Total	327	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 18	1	.3	.3	.3
	> 45	43	13.1	13.1	13.5
	18-25	124	37.9	37.9	51.4
	25-35	122	37.3	37.3	88.7
	35-45	37	11.3	11.3	100.0
	Total	327	100.0	100.0	

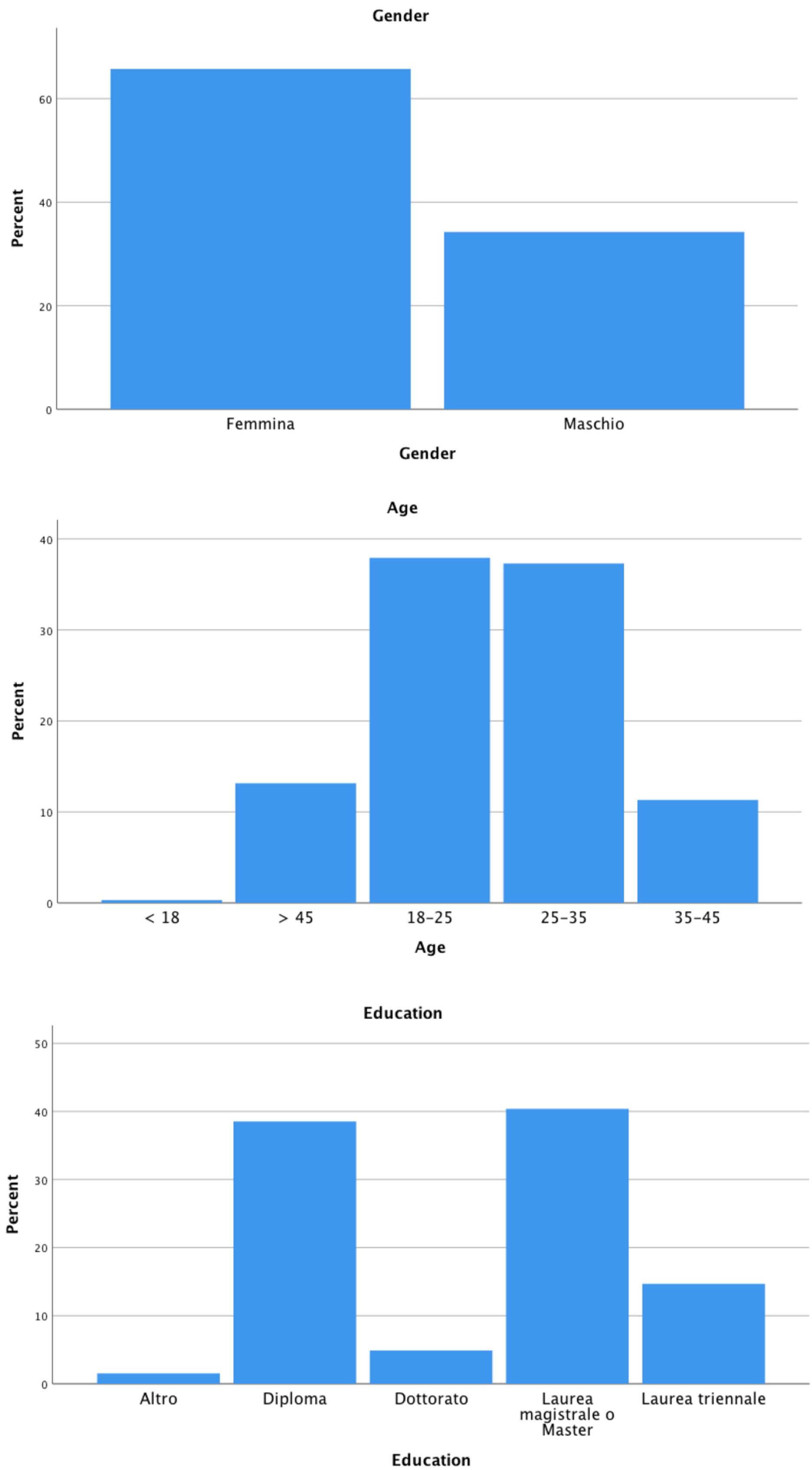
Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Altro	5	1.5	1.5	1.5
	Diploma	126	38.5	38.5	40.1
	Dottorato	16	4.9	4.9	45.0
	Laurea magistrale o Master	132	40.4	40.4	85.3
	Laurea triennale	48	14.7	14.7	100.0
	Total	327	100.0	100.0	

From the data obtained, it is clear that most of the responses came from women. In addition, the biggest segment of respondents is represented by people whose age is between 18 and 35 years old. For what concerns the educational background, the majority of people declared to be at least graduated.

These types of generalities are shown also in the graphs below.

Figure 3.2: The Bar Charts for Gender, Age and Education



After the deeper insights on the respondents' generalities, the subsequent task performed focused on a different type of descriptive statistics: the cross-tabulation analysis, also known as cross-tab or contingency table.

For reference, a cross-tabulation is a two (or more) dimensional table that records the number of respondents that have specific characteristics described in the cells of the table. In particular, it provides a wealth of information about the relationship between the variables.[66]

Moreover, as stated before, being this study exploratory with non-numerical data, the cross-tabulation seems to be the most suited tool as it fits perfectly the purpose. To be more specific, cross-tabs are applied when data is categorical; such data involves values that are mutually exclusive to each other.

Contingency tables are structured in rows and columns. Then, a variable is assigned to each row and each column.

For this analysis, every single cross-tab operation has its own aim. The examination of the various relationships within the data starts from the combination of the variable gender with all the other respective variables, except for the age and the education. In order to simplify the process, variables have been renamed with shorter titles; for instance:

- "GoodsPurchase" stands for "Have you ever purchased luxury goods or services?";
- "GoodsPurchaseOnline" stands for "Have you ever purchased luxury goods or services online?";
- "PurchaseFrequency" stands for "How frequently have you purchased these items in the last two years?";
- "AccountsFollowed" stands for "How many luxury brands' accounts do you follow on social media?";
- "SocialBrandPresence" stands for "In your opinion, is luxury brands' presence on social channels essential for the customer?";
- "DigitalAccessibility" stands for "Do you think luxury brands should be always accessible to everyone on digital channels?";
- "SocialUpdates" stands for "Do you keep up with the latest trends and collections displayed by luxury brands' accounts on their social media?";
- "BottegaVenetaAcknowledge" stands for "Have you noticed that Bottega Veneta is not present on social media anymore?";

[66] *"Cross tabulation analysis for researchers",* Experience Management, Qualtrics.com.

- "SocialMediaAbsence" stands for "Do you reckon that the absence from social media could be considered as a new luxury strategy?";
- "BottegaVenetaExample" stands for "Do you believe that the strategy adopted by Bottega Veneta could represent a role model for other luxury brands?".

Once clarified the meaning of each variable, the cross-tabulation analysis can begin.

Figure 3.3.1: Cross-tabulation Analysis – Gender * GoodsPurchase
(Have you ever purchased luxury goods or services?)

Crosstabs

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * GoodsPurchase	327	100.0%	0	0.0%	327	100.0%

Gender * GoodsPurchase Crosstabulation

Count

		GoodsPurchase		
		No	Si	Total
Gender	Femmina	48	167	215
	Maschio	35	77	112
Total		83	244	327

Figure 3.3.2: Cross-tabulation Analysis – Gender * GoodsPurchaseOnline
(Have you ever purchased luxury goods or services online?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * GoodsPurchaseOnline	327	100.0%	0	0.0%	327	100.0%

Gender * GoodsPurchaseOnline Crosstabulation

Count

		GoodsPurchaseOnline		
		No	Si	Total
Gender	Femmina	140	75	215
	Maschio	67	45	112
Total		207	120	327

The first cross-tab (Figure 3.3.1) highlights the inclination, for both male and female individuals, to purchase luxury goods and services, with a majority of women that actually carry out the buying process. In the second cross-tab (Figure 3.3.2), it is possible to notice that, unexpectedly, neither of the two genders appears to be notably comfortable with the purchase of luxury goods and services online.

Figure 3.4: Cross-tabulation Analysis – Gender * PurchaseFrequency

(How frequently have you purchased these items in the last two years?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * PurchaseFrequency	327	100.0%	0	0.0%	327	100.0%

Gender * PurchaseFrequency Crosstabulation

Count

		PurchaseFrequency					
		2-3 volte	4-5 volte	Mai	Più di 5 volte	Una sola volta	Total
Gender	Femmina	74	18	65	15	43	215
	Maschio	36	10	38	9	19	112
Total		110	28	103	24	62	327

From the combination between the variable gender and the variable that measures the frequency of purchasing luxury goods and services, it is evident that people who filled out the questionnaire have bought these exclusive items at least twice in the last two years.

The analysis continues for the rest of the variables previously listed.

Figure 3.5: Cross-tabulation Analysis – Gender * AccountsFollowed

(How many luxury brands' accounts do you follow on social media?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * AccountsFollowed	327	100.0%	0	0.0%	327	100.0%

Gender * AccountsFollowed Crosstabulation

Count

		AccountsFollowed			Total
		Molti (più di 5)	Nessuno	Pochi (da 1 a 5)	
Gender	Femmina	57	63	95	215
	Maschio	12	51	49	112
Total		69	114	144	327

The data collected through this specific question spots kind of compelling answers in terms of gender. In general, there are definitely more women following luxury brands' accounts rather than men. However, the highest value, for both males and females, is represented by the column "Few (from 1 to 5)", while the lowest is the column "Many (more than 5)"; therefore, neither men or women declared to be particularly keen on following luxury brands' contents shared on their social media accounts.

Figure 3.6: Cross-tabulation Analysis – Gender * SocialBrandPresence

(In your opinion, is luxury brands' presence on social channels essential for the customer?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * SocialBrandPresence	327	100.0%	0	0.0%	327	100.0%

Gender * SocialBrandPresence Crosstabulation

Count

		SocialBrandPresence		
		No	Si	Total
Gender	Femmina	96	119	215
	Maschio	60	52	112
Total		156	171	327

This contingency table points out the different opinion between males and females about the importance of being present on social media for luxury brands. Apparently, women' position is in favor of it (with 119 votes for yes, versus the 96 no), which is the opposite with respect to men' belief (with 52 votes for yes and 60 for no).

Connected to the prominence of social brand presence, there is the matter related to the digital accessibility. It goes without saying that it is no longer possible to imagine a "disconnected world", but the aim of the analysis is to verify if this whole digital reality fits for the luxury business and its players. As a matter of fact, in the following cross-tab, this topic is covered.

Figure 3.7: Cross-tabulation Analysis – Gender * DigitalAccessibility
(Do you think luxury brands should be always accessible to everyone on digital channels?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * DigitalAccessibility	327	100.0%	0	0.0%	327	100.0%

Gender * DigitalAccessibility Crosstabulation

Count

		DigitalAccessibility			
		Disaccordo	Parzialmente d'accordo	Si, d'accordo	Total
Gender	Femmina	30	104	81	215
	Maschio	24	50	38	112
Total		54	154	119	327

The divergence of opinions between the two genders in this table does not apply. The majority of both males and females declared to partially agree when answering to the question "Do you think luxury brands should be always accessible to everyone on digital channels?".

Figure 3.8: Cross-tabulation Analysis – Gender * SocialUpdates

(Do you keep up with the latest trends and collections displayed by luxury brands' accounts on their social media?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * SocialUpdates	327	100.0%	0	0.0%	327	100.0%

Gender * SocialUpdates Crosstabulation

Count

		SocialUpdates			
		No, nessuna	Si, alcune	Si, tutte	Total
Gender	Femmina	89	117	9	215
	Maschio	68	41	3	112
Total		157	158	12	327

The Figure 3.8 proves that almost no one keeps really updated on every drop launched by luxury brands' accounts. Instead, for what concerns the other two alternatives, women reported a higher consensus, even if it relates to just some of the updates on the latest trends, not every single one (the answer was "Yes, few of them"); while men' row shows a greater number for the column "No, none".

The last section of the survey has been more focused on the Bottega Veneta case, and the related analysis allows us to capture people' perception and thoughts about it.

Figure 3.9: Cross-tabulation Analysis – Gender * BottegaVenetaAcknowledge
(Have you noticed that Bottega Veneta is not present on social media anymore?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * BottegaVenetaAcknowledge	327	100.0%	0	0.0%	327	100.0%

Gender * BottegaVenetaAcknowledge Crosstabulation

Count

		BottegaVenetaAcknowledge		Total
		No	Si	
Gender	Femmina	159	56	215
	Maschio	104	8	112
Total		263	64	327

The data obtained from this specific question has shown how many people did notice the absence of the Kering-owned brand Bottega Veneta from social media. It is possible to observe that there is a huge gap between the two columns, indistinctly from the gender. Almost none answered yes, especially males.

After having collected responses on the Bottega Veneta individual case, the subsequent question proposed had the intention to analyze the feasibility for this strategy to be applied and considered as the "new normal".

Figure 3.10: Cross-tabulation Analysis – Gender * SocialMediaAbsence

(Do you reckon that the absence from social media could be considered as a new luxury strategy?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * SocialMediaAbsence	327	100.0%	0	0.0%	327	100.0%

Gender * SocialMediaAbsence Crosstabulation

Count

		SocialMediaAbsence		
		No	Si	Total
Gender	Femmina	89	126	215
	Maschio	48	64	112
Total		137	190	327

Surprisingly, the majority of both males and females voted for yes. This means that there is a significant consensus, supportive of the absence from digital channels for luxury brands.

Figure 3.11: Cross-tabulation Analysis – Gender * BottegaVenetaExample
(Do you believe that the strategy adopted by Bottega Veneta could represent a role model for other luxury brands?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * BottegaVenetaExample	327	100.0%	0	0.0%	327	100.0%

Gender * BottegaVenetaExample Crosstabulation

Count

		BottegaVenetaExample		
		No	Si	Total
Gender	Femmina	129	86	215
	Maschio	60	52	112
Total		189	138	327

According to the data presented in the Figure 3.11, respondents who do not take into consideration the possibility for other luxury brands to adopt the Bottega Veneta strategy as a role model are more than the ones who believe that there is a concrete option for other luxury brands to head to the same direction.

The second step of the statistical research process has been the cross-tabulation analysis in reference to the various age ranges. Therefore, similarly to the previous task, the variable age has been combined with all the other respective variables, except for the gender and the education ones. The operation has been repeated with the purpose of understanding eventual links between the dimensions, considering possible mutual influences.

Figure 3.12.1: Cross-tabulation Analysis – Age * GoodsPurchase

(Have you ever purchased luxury goods or services?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * GoodsPurchase	327	100.0%	0	0.0%	327	100.0%

Age * GoodsPurchase Crosstabulation

Count

		GoodsPurchase		Total
		No	Si	
Age	< 18	1	0	1
	> 45	5	38	43
	18-25	29	95	124
	25-35	39	83	122
	35-45	9	28	37
Total		83	244	327

The evidence shows that who is more inclined to purchase luxury goods and services is people whose age is higher than 45, because out of 43, 38 answered positively.

Figure 3.12.2: Cross-tabulation Analysis – Age * GoodsPurchaseOnline

(Have you ever purchased luxury goods or services online?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * GoodsPurchaseOnline	327	100.0%	0	0.0%	327	100.0%

Age * GoodsPurchaseOnline Crosstabulation

Count

		GoodsPurchaseOnline		
		No	Si	Total
Age	< 18	1	0	1
	> 45	30	13	43
	18-25	69	55	124
	25-35	85	37	122
	35-45	22	15	37
Total		207	120	327

From the collected responses, who declared to have purchased online is the segment 18-25 but, except for this, independently from the age range, the majority of responses are collected at the end of the column “No”.

Figure 3.13: Cross-tabulation Analysis – Age * PurchaseFrequency

(How frequently have you purchased these items in the last two years?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * PurchaseFrequency	327	100.0%	0	0.0%	327	100.0%

Age * PurchaseFrequency Crosstabulation

Count

		PurchaseFrequency					Total
		2-3 volte	4-5 volte	Mai	Più di 5 volte	Una sola volta	
Age	< 18	0	0	1	0	0	1
	> 45	18	4	13	5	3	43
	18-25	39	15	31	7	32	124
	25-35	37	7	49	6	23	122
	35-45	16	2	9	6	4	37
Total		110	28	103	24	62	327

Apparently, there are few people, independently from the age range, who declared to purchase luxury goods and services from 4 to more than 5 times in the last two years. Instead, for the column "2-3 times" the segments who have been more likely to purchase are >45 and 35-45; while for those who declared to have bought only once in the past two years, highest values are reported in line to the groups 18-25 and 25-35.

Figure 3.14: Cross-tabulation Analysis – Age * AccountsFollowed

(How many luxury brands' accounts do you follow on social media?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * AccountsFollowed	327	100.0%	0	0.0%	327	100.0%

Age * AccountsFollowed Crosstabulation

Count

		AccountsFollowed			Total
		Molti (più di 5)	Nessuno	Pochi (da 1 a 5)	
Age	< 18	0	0	1	1
	> 45	2	23	18	43
	18-25	35	37	52	124
	25-35	22	43	57	122
	35-45	10	11	16	37
Total		69	114	144	327

Data evidences a slight tendency for following few accounts of luxury brands on social media. Who declared to follow more than 5 luxury brands' social media accounts are predominantly young customers, belonging to the segment 18-25. Instead, for the column "Few (from 1 to 5)", the highest values are associated to the groups 25-35 and 35-45. However, the result reported at the end of the column "None" is quite high, independently from the age.

Figure 3.15: Cross-tabulation Analysis – Age * SocialBrandPresence

(In your opinion, is luxury brands' presence on social channels essential for the customer?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * SocialBrandPresence	327	100.0%	0	0.0%	327	100.0%

Age * SocialBrandPresence Crosstabulation

Count

		SocialBrandPresence		
		No	Si	Total
Age	< 18	0	1	1
	> 45	21	22	43
	18-25	55	69	124
	25-35	64	58	122
	35-45	16	21	37
Total		156	171	327

In accordance to the collected responses, in general, being present on social media for luxury brands is essential for the customer (171 votes for "yes" versus 156 for "no"). Despite this, an interesting peculiarity needs to be highlighted: for almost every age-range, the column "Yes" reports higher numbers when confronted to the column "No", except for the group 25-35, which shows a greater value in the column "No" (64 vs 58).

Figure 3.16: Cross-tabulation Analysis – Age * DigitalAccessibility

(Do you think luxury brands should be always accessible to everyone on digital channels?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * DigitalAccessibility	327	100.0%	0	0.0%	327	100.0%

Age * DigitalAccessibility Crosstabulation

Count

		DigitalAccessibility			
		Disaccordo	Parzialmente d'accordo	Si, d'accordo	Total
Age	< 18	0	1	0	1
	> 45	7	14	22	43
	18-25	16	66	42	124
	25-35	27	61	34	122
	35-45	4	12	21	37
Total		54	154	119	327

This cross-tab points out that the majority of respondents (154 out of 327) partially agrees to the steadily digital accessibility of luxury brands on social media. In particular, who declared to completely agree and strongly trusts this "online side" are the segments 35-45 and >45.

Figure 3.17: Cross-tabulation Analysis – Age * SocialUpdates

(Do you keep up with the latest trends and collections displayed by luxury brands' accounts on their social media?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * SocialUpdates	327	100.0%	0	0.0%	327	100.0%

Age * SocialUpdates Crosstabulation

Count

		SocialUpdates			
		No, nessuna	Si, alcune	Si, tutte	Total
Age	< 18	0	1	0	1
	> 45	26	16	1	43
	18-25	54	62	8	124
	25-35	65	55	2	122
	35-45	12	24	1	37
Total		157	158	12	327

Out of the total of 327 respondents, it is clear that only very few of them keep up with all the latest trends and collections displayed by luxury brands' accounts on their social media, regardless of the age range (12 over 315). Instead, there seems to be a balanced result for the other two columns ("No, none" and "Yes, few of them").

Figure 3.18: Cross-tabulation Analysis – Age * BottegaVenetaAcknowledge

(Have you noticed that Bottega Veneta is not present on social media anymore?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * BottegaVenetaAcknowledge	327	100.0%	0	0.0%	327	100.0%

Age * BottegaVenetaAcknowledge Crosstabulation

Count

		BottegaVenetaAcknowledge		
		No	Si	Total
Age	< 18	1	0	1
	> 45	41	2	43
	18-25	88	36	124
	25-35	106	16	122
	35-45	27	10	37
Total		263	64	327

According to the obtained results, there were only 64 respondents who noticed that Bottega Veneta left social media. The segments that declared to be less informed than others about this news were the >45 (41 out of 43) and the 25-35 (106 out of 122).

Figure 3.19: Cross-tabulation Analysis – Age * SocialMediaAbsence

(Do you reckon that the absence from social media could be considered as a new luxury strategy?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * SocialMediaAbsence	327	100.0%	0	0.0%	327	100.0%

Age * SocialMediaAbsence Crosstabulation

Count

		SocialMediaAbsence		
		No	Si	Total
Age	< 18	1	0	1
	> 45	18	25	43
	18-25	53	71	124
	25-35	49	73	122
	35-45	16	21	37
Total		137	190	327

Regardless of the age group, the majority of respondents declared to believe that the absence from social media could be considered as a new luxury strategy. For both columns it is possible to observe balanced opinions; in particular, the greatest supporters have demonstrated to be people belonging to the 25-35 range (73/122), while the strictest opponents turned out to be the 18-25 and 35-45 segments.

Figure 3.20: Cross-tabulation Analysis – Age * BottegaVenetaExample
(Do you believe that the strategy adopted by Bottega Veneta could represent a role model for other luxury brands?)

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * BottegaVenetaExample	327	100.0%	0	0.0%	327	100.0%

Age * BottegaVenetaExample Crosstabulation

Count

		BottegaVenetaExample		
		No	Si	Total
Age	< 18	0	1	1
	> 45	20	23	43
	18-25	77	47	124
	25-35	76	46	122
	35-45	16	21	37
Total		189	138	327

The variable BottegaVenetaExample was the last to be combined with the variable Age. The obtained data allows us to emphasize the difference between the column "No" and the column "Yes". Apparently, the majority (189 against 138) of people, belonging to different age groups, considers that the strategy adopted by Bottega Veneta could not represent a role model for other luxury brands.

After having combined all the variables with the Gender and Age ones, the analysis moved to the study of additional significant cross-tabs between specific variables, this time excluding master data.

The first blend investigated was the one referring to the peculiar case of Bottega Veneta, one of the most prominent topics of the thesis. The purpose was to understand if, for those who noticed the absence of the brand from social media, the strategy adopted was valuable and winning, to the point of considering it as a new role model to be adopted by other luxury players.

Figure 3.21: Cross-tabulation Analysis – BottegaVenetaAcknowledge * SocialMediaAbsence

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
BottegaVenetaAcknowledge * SocialMediaAbsence	327	100.0%	0	0.0%	327	100.0%

BottegaVenetaAcknowledge * SocialMediaAbsence Crosstabulation

Count

		SocialMediaAbsence		
		No	Si	Total
BottegaVenetaAcknowledge	No	122	141	263
	Si	15	49	64
Total		137	190	327

Figure 3.22: Cross-tabulation Analysis – BottegaVenetaAcknowledge * BottegaVenetaExample

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
BottegaVenetaAcknowledge * BottegaVenetaExample	327	100.0%	0	0.0%	327	100.0%

BottegaVenetaAcknowledge * BottegaVenetaExample Crosstabulation

Count

		BottegaVenetaExample		
		No	Si	Total
BottegaVenetaAcknowledge	No	158	105	263
	Si	31	33	64
Total		189	138	327

Data of the Figure 3.21 evidences that, without considering the ones who did not even notice that Bottega Veneta was not present on social media anymore (therefore abstractly eliminating the first row), for the ones who instead became aware of the absence, the strategy of disappearing from digital channels could represent a new luxury strategy.

Applying the same evaluation method to the Figure 3.22 (meaning that the first row should not be part of the analysis), the results show that there is a slightly major tendency (33 against 31 over the total of 64) to believe that Bottega Veneta could represent an example to be followed for other luxury brands.

However, always considering the informed people, while in the first cross-tab the gap between the "Yes" and "No" columns is quite enough (34), in the second one there is a minor divergence of opinions (3).

The following cross-tabulation analysis concerns the relationship between the variables SocialBrandPresence and PurchaseFrequency. The aim of this combination is to verify if there is a concrete link between the essentiality of being present on social media and the frequency of purchasing luxury goods and services online, with the intent of partially affirming or refuting what has been reported for this area in the first chapter, that is to say: luxury companies are seeing little success when it comes to translating social media followings into actual sales.

Figure 3.23: Cross-tabulation Analysis – SocialBrandPresence * PurchaseFrequency

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
SocialBrandPresence * PurchaseFrequency	327	100.0%	0	0.0%	327	100.0%

SocialBrandPresence * PurchaseFrequency Crosstabulation

Count

		PurchaseFrequency					
		2-3 volte	4-5 volte	Mai	Più di 5 volte	Una sola volta	Total
SocialBrandPresence	No	36	12	61	7	40	156
	Si	74	16	42	17	22	171
Total		110	28	103	24	62	327

From the results obtained, it is possible to state that, first of all, there is a majority of respondents who believe that social brand presence is essential for the customer (171 over 327). For these people, the highest purchase frequency is associated to the answer "2-3 times" (in the last two years).

The subsequent tab considers again the variable PurchaseFrequency, but this time with another variable: DigitalAccessibility. The purpose is still to verify the presence of eventual bonds between the two. To be more specific, this micro-research seeks to test if the constant accessibility of luxury brands on digital channels had a positive impact on the purchase process in the last two years.

Figure 3.24: Cross-tabulation Analysis – DigitalAccessibility * PurchaseFrequency

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
DigitalAccessibility * PurchaseFrequency	327	100.0%	0	0.0%	327	100.0%

DigitalAccessibility * PurchaseFrequency Crosstabulation

Count

		PurchaseFrequency					
		2-3 volte	4-5 volte	Mai	Più di 5 volte	Una sola volta	Total
DigitalAccessibility	Disaccordo	9	4	23	3	15	54
	Parzialmente d'accordo	52	12	47	11	32	154
	Si, d'accordo	49	12	33	10	15	119
Total		110	28	103	24	62	327

In order to capture potential bonds between the two variables, it would be helpful to consider only those respondents who endorsed the silver lining of digital luxury (therefore considering only the last two rows “Partially agree” and “Agree”). For those who declared themselves to totally agree, only 10 out of 119 had purchased more than five luxury goods or services in the last two years. Instead, for those who stated to partially agree, the results evidenced only 11 of them out of 154.

The two last interesting correlations to be examined are: SocialBrandPresence * AccountsFollowed and SocialBrandPresence * SocialUpdates. These relations could be helpful in terms of coherence, which means that the research’s goal is to assess if people who defined the presence on social media for luxury brands essential effectively follow luxury brands accounts and are updated on the latest news regarding the collections.

Figure 3.25: Cross-tabulation Analysis – SocialBrandPresence * AccountsFollowed

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
SocialBrandPresence * AccountsFollowed	327	100.0%	0	0.0%	327	100.0%

SocialBrandPresence * AccountsFollowed Crosstabulation

Count

		AccountsFollowed			
		Molti (più di 5)	Nessuno	Pochi (da 1 a 5)	Total
SocialBrandPresence	No	21	75	60	156
	Si	48	39	84	171
Total		69	114	144	327

In line with what have been declared when responding to the question about the importance of social brand presence, for those who do not agree, the highest value (75) is to be found in the column "None".

On the other hand, for those who strongly believe in the importance of social brand presence, the greatest value can be spot in the cell belonging to the column "Few, from 1 to 5" (84 out of 171). However, the number reported in the column "None" is significant (39 over 171); this means that a portion of those who agree on the importance of social brand presence declared to not follow any luxury brands' social media account.

Figure 3.26: Cross-tabulation Analysis – SocialBrandPresence * SocialUpdates

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
SocialBrandPresence * SocialUpdates	327	100.0%	0	0.0%	327	100.0%

SocialBrandPresence * SocialUpdates Crosstabulation

Count

		SocialUpdates			Total
		No, nessuna	Si, alcune	Si, tutte	
SocialBrandPresence	No	104	51	1	156
	Si	53	107	11	171
Total		157	158	12	327

According to the expectations, the vast majority (104 out of 156) of those who do not consider social brand presence essential for luxury companies declared to not follow any latest trend and collection displayed by luxury brands' accounts on their social media; although, some of them (51 out of 156), even if not approving social brand presence for luxury players, responded to be updated on few trends.

As regards the line of respondents who appreciate luxury social brand presence, there are 118 out of 171 who asserted to keep up to date, while the rest (53), even though supporting social brand presence for luxury players, declared to not get updated.

Once the cross-tabulation analysis ended, in the paragraph below it was possible to offer a general framework in terms of discussions and interpretations.

3.2 DISCUSSION OF DATA

Thanks to this pure descriptive statistical analysis, data reported some interesting findings. However, is important to re-emphasize that the intent of the research is purely exploratory, unpretentious of providing definitive conclusions. In this paragraph there will be an interpretation of the results, based on personal opinions and thoughts about the topic.

From the first two figures (Figure 3.1 and Figure 3.2), the collected data reported a majority of women who filled out the questionnaire compared to men (respectively 65,7% and 34,3%). In addition, in relation to the various age segments, it has been observed a greater number of younger respondents. The highest percentages were associated to the 18-25 (37,9%) and 25-35 (37,3%) age ranges. This is an important point to stress in terms of relevancy, as young customers are definitely more into the online world and everything connected to it. Consequently, due to the fact that this thesis deals with a digital topic, answers have been considered greatly reliable.
Another supportive fact of the reliability of the investigation is given from the tabs related to the first three questions of the survey:

1) Have you ever purchased luxury goods or services?
2) Have you ever purchased luxury goods or services online?
3) How frequently have you purchased these items in the last two years?

Starting from the first one, in the Figure 3.3.1 is possible to notice that the wide majority of respondents (75%), both males and females, asserted to have bought luxury goods and services.
These assumptions have been subsequently observed in depth through the combined analysis with the variable Age. In the Figure 3.12.1 is possible to notice that the greatest cluster of luxury buyers, compared to the respective number of respondents, is represented by people whose age is greater than 45; there is an overwhelming majority of 88% out of the 43 "seniors". The result appears quite predictable, given that older people have a higher spending power. However, also the percentages calculated for younger ranges deserve attention. For instance, 76% for the 18-25 age bracket and 68% for the 25-35 one.
This outcome is confirmed in the Figure 3.4, which shows the obtained results for the third question of the survey, related to the purchase frequency in the last two years. Only the 31% of respondents declared to have never bought a luxury item in the last two years; therefore, the remaining percentage of 69% did purchase exclusive goods or services in the same timeframe. The purchase frequency in relation to the variable Age has been reported in the Figure 3.13. Data points

out that almost each segment offers low percentages for the columns “4-5 times” and “More than 5”; while other columns get more numerous (34% “2-3 times” and 19% “Once”).
Then, turning to the online purchase matter, in the Figure 3.3.2 there is a clear preference for buying luxury goods and services offline (63% against 37%), independently from the gender.
With regard to the variable Age, through the results of the Figure 3.12.2, it has been found that the most adverse age groups are >45 and 25-35, with respective percentages of 70% and 69%.
Here the question arises naturally: regardless of the range people belong to, why don’t they purchase luxury online? A plausible explanation could be that, as already examined in the literature of the first chapter, customers still appreciate the in-store shopping experience and the vast array of feelings involved in it. A second reason may be the problem related to the economic amounts of the transactions. Being luxury goods and services quite expensive, people may feel a sense of discouragement with the online payment.
After a first general framework achieved thanks to the introductive questions, the survey moved to the social media topic, specifically asking several questions:

4) How many luxury brands’ accounts do you follow on social media?
5) In your opinion, is luxury brands’ presence on social channels essential for the customer?
6) Do you think luxury brands should be always accessible to everyone on digital channels?
7) Do you keep up with the latest trends and collections displayed by luxury brands’ accounts on their social media?

For what concerns the first question, in the tab illustrated in the Figure 3.5, it is possible to spot a difference between the two genders in relation to the column “Many (more than 5)”: 26% of females against 11% of males; therefore, in general, there is a higher propensity for women to follow luxury accounts on social media. However, the greatest percentages are related to the column “Few (from 1 to 5)”; this means that there is not a huge fanbase of luxury social media accounts among the respondents, independently from the gender.
If considering the variable Age, the Figure 3.14 shows that the findings are confirmed. The column “Few (from 1 to 5)” is the most voted by each of the different age groups, with a majority of respondents whose age ranges from 25 to 35 (47%). Obviously, taking a look at the column “None” the highest percentage belongs to the segment >45, but this was to be expected as digital channels are closer to younger people.
The fact that came out is that, independently from the age and the gender, the number of luxury accounts followed is not that high. Reasons could be several: for instance, luxury brands do not adopt the right communication strategies, or they may share content that is considered not appealing. Either way, an “implementation” could be beneficial.

Always related to the social media topic, the Figure 3.6 depicts the analysis about the essentiality of being present on social channels for luxury brands. Collected data reveal a subtle discrepancy: the 55% of women claimed that social presence has to be considered essential for luxury brands (and this position turns out to be in line with the previous numbers), while the 54% of men relies on the opposite. The obtained results proved that there is not unanimity when referring to social brand presence. However, the disagreement concerning this peculiar theme could be a newsworthy starting point for further studies, as it refers to something people discovered recently and are going through during these years.

In accordance to the analysis conducted on the different age ranges, in the Figure 3.15 there appears to be a general consensus about the essentiality of social presence for luxury brands. However, a remarkable aspect involves the segment 25-35: it was the only group who reported a slighter preference for the answer “No” (52% vs 48%).

Moving on to the following social issue, when it has been asked if luxury brands should be always accessible to everyone on digital channels, both genders declared to partially agree to the question (47% over 36% and 16%), as shown in the Figure 3.7.

The correspondent tab for the variable Age is depicted in the Figure 3.16. As evidenced before, there is a majority of respondents for the partial agreement on this question, with the highest percentage for the segment 18-25 (53%).

The interesting aspect of this digital accessibility analysis is that not being completely in favor of it, in some ways, leaves the door open for a possible return to the exclusive values of luxury, deeply different from the ones that characterize social media (as reported in the literature, digital values are defined mainly by accessibility and availability). Perhaps, luxury does not need to be readily accessible to everyone in every moment, otherwise its prestigious atmosphere may fade out in the enormous ocean of the web.

This concept is further evidenced by the next cross-tabulation analysis, reported in the Figure 3.8: only a few percentage (4%) over the totality of respondents, both males and females, declared to keep up with all the latest trends and collections displayed by luxury brands’ accounts on their social media pages.

In the Figure 3.17, instead, the results associated to the age groups can be observed: the lowest percentages are to be found in the column “All”; for the column “Few” the greatest value in percentage terms pertains to the segment 35-45 (65%), while for the column “None” the group that stands out more is that of people whose age is higher than 45 (60%).

From this perspective, the collection of responses could be highly valuable to understand eventual mistakes made by luxury brands. Presenting the latest trends on digital channels, somehow, wastes the efforts that stand behind the organization of a luxury collection launch. For instance, runaways are not open to everyone; they are held uniquely by invitation. In this sense, presentations online may lose that trait of exclusiveness, giving everyone the right to share thoughts, sometimes even with unfounded criticism. According to an interview given by Daniel Lee, in digital shows there is a lack of depth as they hinder rather than aid the creative process.

The ultimate section of the survey was focused on the Bottega Veneta specific case, with the intention of collecting responses and opinions through three targeted questions, in order to provide a final general outline:

8) Have you noticed that Bottega Veneta is not present on social media anymore?

9) Do you reckon that the absence from social media could be considered as a new luxury strategy?

10) Do you believe that the strategy adopted by Bottega Veneta could represent a role model for other luxury brands?

The thoughts concerning the Bottega Veneta' s shocking storm-off have been collected and depicted in the Figure 3.9. Apparently, the majority of respondents (80%), with a prevalence of men, did not even know that the Kering-owned brand closed all of its social media accounts. However, a fact that should not be underestimated is that the survey has not been submitted to people who are strictly connected to the luxury industry, but instead to random people, and this could have influenced the obtained results.

The parallelism with the variable Age has been shown in the Figure 3.18. For those who answered positively to the question, the highest percentage is associated to the range 18-25 (29%); such result appears quite presumable as younger users spend more time on digital channels, where they could have heard the news. On the other hand, the most impactive group (95%) who did not notice the absence is the senior one, including respondents with an age greater than 45. A plausible explanation could be the exact opposite of the previous one: on average, older people tend to spend less time on social media.

Nevertheless, even if the Bottega Veneta disappearance from digital channels has not been noticed by the biggest portion of the sample, the bulk of respondents recognized the potential of the initiative, claiming that the absence from social media could evolve as a new luxury strategy. In the Figure 3.10, data reported a 58% of supporters against the 42% of opponents, without significant differences between the two genders.

For what concerns the gathered opinions in accordance to the age group (Figure 3.19), it seems that there are enough balanced percentages among the various ranges. As reported before, the majority of respondents asserted to be favorable to the absence strategy, with a particular preference declared by the 25-35 segment (60%). Instead, the greatest percentages belonging to the opponent side are to be found in line with the 18-25 and 35-45 (both 43%).

Once landed at the end of the survey, some contradictory results have been gathered for the last question.
The related answers, illustrated in the Figure 3.11, appeared confusing: the 58% of people replied negatively, while the 42% advocates this provocative gambit, taking into consideration the possibility for other luxury brands to act in the same way.
When focusing on the different ages, the strongest opponents have proven to be the 18-25 and 25-35 segments (mutually 62%), whereas the 35-45 range stands out to support the feasibility, with a consensus of 57% (as shown in the Figure 3.20).
The doubt arises spontaneously: if to the previous question there was a higher consensus for considering the strategy as winning, then why did the majority of respondents eliminate the possibility for other luxury players to behave like Bottega Veneta?
In the end, it is possible to state that maybe, the blurred outcome could have occurred due to the fact that, being the Bottega Veneta case a one-off, people might not have the right tools to provide a precise and complete answer.
As soon as the cross-tabulation analysis with the variables Gender and Age was done, the research has been furtherly pushed into the collection of additional details. The first step has been conducted with a precise purpose in mind: understand if, for those who noticed the absence of the brand Bottega Veneta from social media, the strategy adopted was valuable and winning, to the point of considering it as a new role model to be adopted by other competitors belonging to the luxury industry.
For those who were aware and informed, social media absence could actually be considered as a new luxury strategy: the 77% of respondents won over the 23% dissidents (as outlined in the Figure 3.21). Moreover, in the Figure 3.22, those same people declared to agree on the fact that the absence strategy could represent a role model for other luxury brands in the future (52%).
The decision taken by the Kering-owned brand deeps its roots in a wider framework: the conscious choice of going offline would have not damaged profits, otherwise it would have not been considered. As a matter of fact, in the Asian market Bottega Veneta decided to keep its accounts due to the fact that they contribute, and probably are essential, to the brand's revenues. Recalling the opinion shared by Benjamin Simmenauer, professor at the IFM (Institut Français de la Mode), "leaving the Western social networks, keeping those in Asia, is obviously a strategic decision, not a whim of an artistic director".
Given these assumptions, the analysis shifted to the test of eventual linkages, for the Western market, between the essentiality of social brand presence and the frequency of purchasing luxury online (in the last two years), clearly through a restricted sample of potential customers. Hence, this time, the aim was to capture the convenience, in terms of sales and incomes, of being present

on social media. Obtained data, reported in Figure 3.23, showed that, in line with the positive responses concerning the essentiality of social brand presence, the highest percentage for the purchase frequency is to be found in the column "2-3 times" (43%). Perhaps, imagining among the purchases of these people there are Bottega Veneta items, if the brand would have not exit social media, purchase frequency for the brand could have been higher. Thereby, through the opinions collected through the sample, apparently the two variables could be directly proportional. Always trying to seek if the purchase frequency of luxury goods and services in the last two years depended on the online presence, another cross-analysis occurred, but with another variable, the DigitalAccessibility. In the Figure 3.24 it can be observed that very few people did actually purchase luxury in the last two years (9% for the column "4-5 times" and 7% for the column "More than 5 times"). Therefore, for instance, concentrating on those who purchased at least once, the sentiment shared is at odds with the digital accessibility (28% disagreed). Instead, for people who bought luxury items 2 or 3 times during the last couple of years, there is a higher consensus about the digital side of luxury (41% for those who totally agreed and 34% for those who partially agreed).

Finally, the last additional investigations were focused particularly on the coherence of respondents. The relations examined have been SocialBrandPresence * AccountsFollowed and SocialBrandPresence * SocialUpdates. These two allowed to explore if people who believe social brand presence is essential, effectively follow luxury brands' accounts on social media and keep updated with the latest trends shared on digital channels. For the former combination, data has been collected in the Figure 3.25. Analyzing the tab, it is clear that responses are in line with the opinions of respondents: those who believe in the value of social brand presence reported to follow from 1 to 5 luxury accounts on social media (49%); while, for those who do not recognize the essentiality of being present on social media, the highest percentage (48%) is associated to the column "None". The column "More than 5", instead, did not obtain great success (21%), independently from the position regarding social brand presence. Consequently, it is possible to state that, by now, respondents demonstrated to be coherent with their beliefs, except for one data: 23% of people who support social brand presence declared to not follow any luxury account on social media.

At last, the latter combination has been examined in the Figure 3.26. In accordance to the previous case, it is possible to spot a reliable consistency: the vast majority (67%) of those who do not approve social brand presence asserted to not get updated on any of the latest trends and collections displayed by luxury brands' accounts on their social networks; even though some of them (33%), declared to monitor few trends. For what concerns respondents who appreciate luxury social brand presence, there is a 69% who declared to keep up to date, against a 31% that instead do not.

3.3 FURTHER IMPLICATIONS AND LIMITS

Brief summary of the core results

The accomplishments achieved through this project offer valuable inputs for the clarification of some aspects related to the digitalization of luxury, especially about the social media sphere. Actually, the Bottega Veneta case with its absence strategy has played a fundamental role for the initiation of the research. What pushed the analysis to begin has been the curiosity aroused around this peculiar theme.

Among the findings, there are several issues which are definitely worth mentioning. First of all, collected data evidenced that the majority of respondents have dealt, at least once in life, with luxury. In addition, despite the critical worldwide pandemic period, the biggest portion of the sample declared to have purchased luxury goods and services from two to three times in the last two years. This supports the assumption that the sample of respondents has to be considered greatly reliable, as people represent potential luxury customers who hold sufficient knowledge around the topic.

Further feedbacks have been gathered from the social network area of interest. Apparently, there is quite a blurred sentiment in relation to the topic. On one side, people asserted to follow some of the luxury social media accounts; thus, their belief appears to be in favor of the essentiality of social brand presence. However, on the other side, it is a shared thought that luxury should differentiate itself from the mass-brands. For instance, the majority of respondents expressed a partial agreement on the constant accessibility of luxury on digital channels. As afore mentioned, perhaps, luxury does not need to be readily accessible, otherwise its prestige may vanish. Furthermore, very few people reported to be updated on every launch promoted on social media by luxury companies.

In the end, the final section of the survey pointed out a mismatch of opinions. An overwhelming bulk of respondents asserted to be unaware of the Bottega Veneta exit from social channels. Nevertheless, these people declared to believe in the potential of the initiative, stating that it could pave the way toward the luxury social media absence. Instead, when it has been asked if the Bottega Veneta strategy could represent a role model for other players of the industry, respondents replied, for the vast majority, negatively. A plausible explanation to this may be that people do not own already confidence with the matter, being Bottega Veneta a one-off. Therefore, the mass approval will likely occur once there would be similar cases.

Limits

Although arisen results from the survey provide compelling and reflecting elements for the topic of the thesis, there are some limits, mainly concerning the methodological approach, that could have influenced the interpretation of data. Such limits affect:

- the administration of the survey;
- the sample's width;
- the sample's variety (not completely representative).

For what concerns the administration of the survey, as already highlighted, it has been exclusively online and the selected sampling technique has been the non-probability snowball one. The non-probability feature belongs to sampling techniques that do not use chance selection procedures, rather they rely on the personal judgement of the researcher. Instead, the snowball effect occurs when the researcher sends the survey to an initial group of respondents in a random way, then, the initial group forwards the survey to additional respondents and so on. The initial recruitment of respondents, the one begun by the researcher, was accomplished entirely through digital collaboration, due to the restrictions imposed by the current situation of COVID-19 pandemic. However, thanks to the diffusion via Internet, it was possible to gain several advantages in terms of speed, compilation and sending of data; and this allowed also to reach participants located in plenty of cities.

About the sample's width and variety, these may turn out to be not enough to provide conclusive solutions; but, being the research exploratory, the principal purpose was only to offer insights into the problem. As mentioned above (in the second chapter), this type of investigation is largely used to study unknown phenomena or to gain additional hints before an approach can be developed, and in this specific case, the Bottega Veneta example, fits perfectly. Moreover, in order to prevent further limits on the numerousness of the sample, particular conditions or requirements were not applied for the compilation of the survey.

To conclude, in spite of constraints, the survey reached 328 respondents, which represent a significant sample anyway, considering that it was just a starting point for eventual subsequent researches.

Legitimacy of findings

Regardless of the previously listed limits, the conducted research expands and enriches knowledge related to the covered topic. Besides, it offers remarkable insights to reflect upon for what concerns the luxury business and its modern approach to social media, providing extra potential hints for further analysis.

Further implications

The enhancement of knowledge associated to the luxury market could suggest successful strategies to be applied to the social channels' industry, particularly in the current scenario of struggle connected to the pandemic emergency. Findings achieved from the improvement of awareness and learning might contribute to the revival of the market and to triumph over this challenging historical period.
The research leaves room for further studies, able to identify the right course of action in a more detailed way.

CONCLUSIONS

So far, when dealing with selling and communication activities, firms tend to show a preference in managing the omnichannel strategy, that is the ability to mix the online and the offline sides together, generating an ideal combination. The tendency in adopting a simultaneous use of multiple distribution channels takes place due to the fact that, nowadays, in the current market, customers are highly used to Internet and its several declinations. For instance, they rely on web sources for cross-checking prices, for getting informed about the latest trends and, eventually, making a purchase.

Regrettably, for the luxury industry the situation seems more troubled: the vast majority of customers still prefers to purchase through the traditional in-store shopping because of the social interaction and the entirety of feelings involved in the buying process. In addition to these two elements, a greater risk aversion is strictly connected to luxury transactions; and this may result in a negative bias for online purchases. Moreover, for what concerns the specific field of social media, luxury brands do not hold a keen familiarity with it. Not only due to the profound differential of values, but also because it would not be possible to differentiate themselves from other players as it happens in the offline reality. However, the emergency caused by the COVID-19 pandemic, in some ways forced luxury brands to become more digital and gain greater knowledge on the issue. Obviously, the pressure imposed by unforeseen circumstances did not help in managing the social accounts properly and this led to a huge confusion, which took so much effort in such emotionally turbulent times, yet in the end, the concepts lacked depth and individuality.

Therefore, despite the fast growth and development of digital channels, the analysis related to the relationship between the luxury business and its presence on social media is still lagging behind, leaving the subject partly unexplored.

By now, the only brand who decided to dare against the social media homologation has been Bottega Veneta, who undoubtedly left the luxury players and customers stunned, having chosen to eliminate all its digital accounts.

The fact occurred at the beginning of the year, in the middle of the global pandemic. The decision taken by the creative director Daniel Lee has been broadly discussed and debated.

Apparently, thanks to the answers collected through the survey, there is still a great commotion on the matter, being the case a one-off. A portion of respondents declared to be in favor of the strategy implemented by the brand, while the other asserted to not consider it winning and valuable.

An important point to stress again is that this research analysis has been purely exploratory, consequently it would have not been possible to reach a definitive conclusion. In spite of this, the obtained findings delivered valuable hints for further studies. Furthermore, once having narrowly enriched knowledge on the issue, it could be possible to reflect upon the remarkable insights in order to boost the investigation on the luxury business approach to social media. This could suggest additional successful strategies to be applied, in line with the one adopted by Bottega Veneta or even in the opposite direction. What is certain is that this thesis work represents just a first step that gives way for ulterior detailed studies.

The last interesting passage to be mentioned is that when the research project begun, it was February and the Bottega Veneta social media blackout was a hot topic. Over the course of time, instead, there have been some intriguing implications that are definitely worth reporting.
First of all, an explanation for Bottega Veneta's disappearance from social media has finally come from Kering's highest office, CEO François-Henri Pinault:

«Regarding its digital communication strategy, it's not disappearing from social networks — it's merely using them differently. Bottega has decided, in line with its positioning, to lean much more on its ambassadors and fans by giving them the material they need to talk about the brand through various social networks, by letting them speak for the brand rather than doing it itself. […] In order to be very complementary, we don't want to replicate the same thing at every brand. Bottega has had a very specific positioning for years, which is now being reinforced».[67]

Afterwards, even if not reconsidering their position on the social media matter, Bottega Veneta directors started to explore alternative editorial ideas for interacting the audience. The first attempt was made with the lookbook of the SS21 collection, presented in the form of a book, while the second and most recent came in the form of a digital magazine – a new initiative entitled "Issue" that, for the first edition, had among its collaborators Tyrone Lebon, Missy Elliott and Barbara Hulanicki. The magazine has a quarterly cadence, with four editions a year, the publication of which coincides with the arrival of the new collections in the brand's boutiques, also reflecting their mood and aesthetics. The contents are various: photography, films, collages, CGI videos, design sketches and archive documentation, including specific creative projects.[68]

[67] Lorenzo Salamone, *"Bottega Veneta explained its disappearance from social media – Kering CEO François-Henri Pinault finally breaks silence",* Nssmag, 2021.
[68] Lorenzo Salamone, *"Bottega Veneta has replaced its Instagram page with a digital magazine"*, Nssmag, 2021.

According to Daniel Lee:

«It's about allowing people to immerse themselves into our world – by taking their time rather than scrolling past on a feed».

However, the idea of the digital magazine (which is free) is in open conflict with "the homogenization of culture" promoted by social media to which Daniel Lee has expressed a deep mistrust. Moreover, it is clear that the brand's choice to sign off of all social platforms was not just a simple PR stunt but a precursor to their new digital venture and a way to streamline their online platforms, allowing audiences to hone in on Issue.

Figure 4.1: The first cover of Issue

APPENDIX

THE SURVEY

Variable Name (SPSS)	Question
Variable: Gender	1. Gender: a) Male b) Female
Variable: Age	2. Age: a) < 18 b) 18 – 25 c) 25 – 35 d) 35 – 45 e) > 45
Variable: Education	3. Educational Qualification: a) High school diploma b) Bachelor degree c) Master degree d) PhD e) Other
Variable: GoodsPurchase	4. Have you ever purchased luxury goods or services? a) Yes b) No
Variable: GoodsPurchaseOnline	5. Have you ever purchased luxury goods or services online? a) Yes b) No
Variable: PurchaseFrequency	6. How frequently have you purchased these items in the last two years? a) Never b) Once c) 2 – 3 times

	d) 4 – 5 times e) More than 5 times
Variable: AccountsFollowed	7. How many luxury brands' accounts do you follow on social media? a) None b) Few (1 – 5) c) Many (> 5)
Variable: SocialBrandPresence	8. In your opinion, is luxury brands' presence on social channels essential for the customer? a) Yes b) No
Variable: DigitalAccessibility	9. Do you think luxury brands should be always accessible to everyone on digital channels? a) Agree b) Partially agree c) Disagree
Variable: SocialUpdates	10. Do you keep up with the latest trends and collections displayed by luxury brands' accounts on their social media? a) Yes, all of them b) Yes, few of them c) No, none
Variable: BottegaVenetaAcknowledge	11. Have you noticed that Bottega Veneta is not present on social media anymore? a) Yes b) No
Variable: SocialMediaAbsence	12. Do you reckon that the absence from social media could be considered as a new luxury strategy? a) Yes b) No

Variable: BottegaVenetaExample	13. Do you believe that the strategy adopted by Bottega Veneta could represent a role model for other luxury brands? a) Yes b) No

LIST OF FIGURES

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