Best Practices in Omnichannel Customer Experience Design for Luxury Retail Consumers

by

Grace Drettmann

Thesis Advisor: Dr. Burcu Tasoluk
Thesis Mentor: Mr. Fan Zhou

ABSTRACT
This thesis will investigate how luxury brands create a unique shopping experience through omnichannel integration. With continuous improvements in technology, consumers have a variety of ways to view products and complete transactions. These omnichannel offerings provide shoppers with a seamless retail experience. However, tension arises when luxury brands try to implement omnichannel strategies. This is because omnichannel typically increases brand availability, or the perception of it (Kapferer et. al. 2012). The focus of this thesis will be on three brands: Burberry, Hermès, and Chanel and how they utilize omnichannel integration to enhance the shopping experience all while trying to maintain a certain level of exclusivity. A unique framework is utilized to analyze their strategies, investigating whether their omnichannel initiatives enhance the dream factor or facilitate sales.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>pg 1</td>
</tr>
<tr>
<td>Statement of the Problem</td>
<td>pg 3</td>
</tr>
<tr>
<td>Justification of the Research</td>
<td>pg 4</td>
</tr>
<tr>
<td>Literature Review</td>
<td>pg 6</td>
</tr>
<tr>
<td>Theoretical Framework</td>
<td>pg 9</td>
</tr>
<tr>
<td>Method</td>
<td>pg 12</td>
</tr>
<tr>
<td>Findings</td>
<td>pg 12</td>
</tr>
<tr>
<td><em>Burberry</em></td>
<td>pg 12</td>
</tr>
<tr>
<td><em>Hermès</em></td>
<td>pg 20</td>
</tr>
<tr>
<td><em>Chanel</em></td>
<td>pg 28</td>
</tr>
<tr>
<td>Discussion</td>
<td>pg 35</td>
</tr>
<tr>
<td>Limitations</td>
<td>pg 37</td>
</tr>
<tr>
<td>Future Research</td>
<td>pg 38</td>
</tr>
<tr>
<td>Appendices</td>
<td>pg 39</td>
</tr>
<tr>
<td>References</td>
<td>pg 69</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 1: Framework ........................................ pg 11
Table 2: Findings Comparison .......................... pg 35

LIST OF FIGURES

Different Channels ........................................ pg 39
Multichannel to Omnichannel .......................... pg 40
Fast Fashion Copies Luxury Brands ....................... pg 41
Brakus et. al.’s Four-Factor Model of Brand Experience pg 41
Juaneda-Ayensa et. al.’s Multichannel vs. Omnichannel Table pg 42
Combined Framework ...................................... pg 43
My Burberry .................................................. pg 44
Text Message with Burberry Representative .............. pg 44
Burberry on Instagram .................................... pg 45
Burberry Embraces Personalized Pinterest Marketing pg 46
Burberry and Snapchat ................................... pg 46
Art of the Trench ........................................... pg 47
Apple Music and Burberry ................................ pg 48
Uber and Burberry ......................................... pg 49
RFID Technology ........................................... pg 49
Burberry Bespoke ........................................... pg 50
Home Page of Burberry ................................... pg 50
Burberry Regent Store .................................... pg 51
INTRODUCTION

The global luxury industry is growing and it is not expected to slow anytime soon (D’Arpizio 2019). Luxury retail continuously outperforms other generic retail sectors, demonstrating the value of the industry and the potential for continued innovation (“Global Luxury Retail in the Digital Era” 2019). The growth of the luxury industry is driven by two generations: Millennials and Generation Z. The use of technology amongst Millennials and Generation Z has pushed retailers to implement omnichannel offerings, providing shoppers with multiple touchpoints and an incredibly easy yet personalized shopping experience. Turning shopping into an experience is the focus of many large companies. This initiative helps keep consumers engaged and interested.

Generational Focus

As stated, Millennials and Generation Z consumers are the primary focus of the luxury brands. They are expected to represent about 55% of the market in 2025 (D’Arpizio 2019). These generations are believed to be the ones changing the way brands interact with consumers as their desire for experiential retail, instant gratification, and personalization rises to high standards (“Global Luxury Retail in the Digital Era” 2019). Because of these expectations and the large market, luxury retailers are shifting their traditional business models to appeal to the likes of their core audience (“Global Luxury Retail in the Digital Era” 2019).

Multichannel versus Omnichannel

Multichannel and omnichannel are similar in that they both involve the design, deployment, coordination, and evaluation of different channels to enhance customer value through effective customer acquisition, retention, and deployment (Neslin 2006). With the majority of luxury consumers being Millennials or Generation Z, brands have started to invest significantly in technology that caters to providing a multitude of channels (“Global Luxury Retail in the Digital Era” 2019). This has resulted in numerous acquisitions and partnerships with ecommerce companies. However, multichannel and omnichannel differ in how they are delivered to the consumer (Appendix 1). Multichannel enables consumers to interact with brands through mediums, or channels, such as in-store, online, apps, etc. Each of these mediums are siloed with no cross connection. Omnichannel, on the other hand, provides these same offerings but they are greatly connected. Omnichannel “[puts] more emphasis on the interplay between channels and brands” (Neslin 2014). For example, consumers can enter a storefront, see and interact with the items, and then purchase online while they are in the store using an iPad. This is just one of the many ways that the omnichannel experience is created (Appendix 2).

By 2023, the use of smartphones to conduct transactions is expected to rise to 40.8% (D’Arpizio 2019). The growth in omnichannel usage and ecommerce purchases largely comes from the retailers’ investments in these operations, rather than simply customer behavior (“Global Luxury Retail in the Digital Era” 2019). Increased investment in omnichannel technologies has also shifted the marketing landscape. With customer reviews available at the click of a button, shoppers are more highly persuaded by influencers and personal story-telling. The focus on technology has not only changed the way in which consumers view products, it has also shifted the entire industry (“Global Luxury Retail in the Digital Era” 2019).
The Retail Experience
Although there is a push towards digital transaction spaces, in-store experiences continue to drive demand and promote customer loyalty. The heightening consumer expectations have resulted in shoppers expecting a personalized and premium in-store experience ("Global Luxury Retail in the Digital Era" 2019). In order to achieve these high standards, luxury goods companies are merging and collaborating with experiential luxury services in order add value to the experience. By creating appointment-only store entrances and one-on-one service experiences, retailers create a sense of luxury and personalization, not only encouraging consumers to come in, but also adding to the perceived value of the product.
STATEMENT OF THE PROBLEM

The purpose of this research is to investigate the digital, mobile, and retail store strategies that are implemented by key luxury retail brands to gain insights into the best omnichannel practices in the industry. The world of luxury retailing has changed drastically with the investment in new technology that enhances consumer experiences with brands. The investment has led to a significant increase in the amount of online purchases today. However, in-store transactions still play a pivotal part in the relationship between consumers and the brands they are shopping for. Providing a digital, mobile, and extraordinary in-store experience for consumers is extremely important for both brand performance and customer loyalty.

This research aims to provide a cross-comparison case study of 3 major brands in luxury retail: Burberry, Hermès, and Chanel. The case study will entail in-depth investigation of omnichannel practices and whether these brands are using the channels to further communicate their brand image and attempt to remain exclusive or promote sales through becoming more available. A detailed framework will be utilized to investigate each brand’s practices.
JUSTIFICATION OF RESEARCH

Why Luxury Brands and Omnichannel?
It is critical to explain why luxury brands and omnichannel are the focus. Luxury brands are considered pioneers in the fashion industry (Lewtan 2017). These companies set trends that quickly run rampant through the industry. This is demonstrated by fast fashion companies recreating lower quality runway designs (Pike 2016) (Appendix 3). Luxury brands have a standard of prestige and exclusivity (Lewtan 2017). They continuously innovate, trying to make themselves more selective through providing superb customer experience and unique product offerings. However, luxury brands are late in terms of implementing digital technology (Ozuem 2018).

Initially seen as a way to make the brand more accessible, digital marketing was being avoided by luxury brands who wanted to remain selective and exclusive (Ozuem 2018). When these brands soon realized that digital marketing was here to stay, it became imperative to start implementing new tech practices into their strategy. There is tension for luxury brands between using omnichannel to further communicate their brand story or to facilitate sales, the latter making the brand less exclusive and more available (Kapferer et. al. 2012). Since luxury brands are learning to perfect their digital practices, an exploratory research approach is more appropriate than a descriptive or causal research approach. Lastly, luxury brands often aim to tell a story through their image. Omnichannel experiences make it more difficult to monitor the story told through their ecommerce sites and other platforms, but it also provides opportunity. All of these factors make investigating the omnichannel practices in luxury retail extremely interesting and necessary.

Growth of the Industry
The luxury retail market is continuously growing and is not expected to slow down (D’Arpizio 2019). Determining how to provide the most value through experiential retail while also providing omnichannel options is pivotal to performance improvement. Although some claim that ecommerce will take over in-store retail, shopping preference surveys have proven otherwise, denoting that brick-and-mortar retailers still hold 95% of retail sales and 2/3rds of online purchasers go in the store before and after purchasing their goods (“Omnichannel Strategy for Retailers” 2019). This demonstrates that it is important to still be investigating in-store retail practices and how to best keep the consumer engaged through both online and offline platforms.

Luxury brands that start online open brick-and-mortar stores as well. With an effort to bring the online shopping experience to life with the brand’s content and image, this type of experience can only be executed in person (“Global Luxury Retail in the Digital Era” 2019). This topic is important to research because it can be used as a tool to determine the value of both omnichannel digital platforms and retail atmosphere features, especially in a fast-growing industry.

Brand Justification
After conducting research and collecting insights as demonstrated above, the three brands chosen include Burberry, Hermès, and Chanel. These three brands prove ripe for investigation. Their recent omnichannel initiatives and available data will allow for an in-depth case study on each brand to be conducted. The brands chosen were based on 3 key variables: industry leaders,
evidence of technology, and omnichannel investment. Investigating brands that are industry leaders is of interest because they are considered pioneers (Lewtan 2017), have a wide consumer base, and a plethora of information available. It is critical that each brand has made an effort to include advanced technology and invest in omnichannel offerings due to the fact that omnichannel practices are the main focus of the research.

*Burberry* - Burberry is one of the top global luxury brands. Ranking number 8 in terms of luxury companies and 96 in terms of global brands, Burberry is promising (Interbrand 2019). The company has a $5.205 billion brand valuation with 4% growth (Interbrand 2019). The brand has implemented RFID technology and made significant investments in providing an omnichannel experience for its customers such as launching an app and virtual fashion shows (Trotter 2018).

*Hermès* – Hermès is also a leading brand. It is considered the 3rd most valuable luxury brand and the 28th most valuable brand globally, proving it ripe for investigation (Interbrand 2019). Hermès has a $17.92 billion brand valuation and 9% growth (Interbrand 2019). The brand has been able to utilize technology in order to incorporate themselves into the customers’ everyday lives. For example, Hermès has developed several apps teaching consumers how to properly wear their clothing, offering them product suggestions, and providing them with current company news (Roll 2018). In 2016, Hermès invested in a SAP-based omnichannel software for their retailing practice. This software provides “fashion, and home and living customers access to the same international, full-service options that Hermès previously only made available to large online retailers” (“Hermès Unveils” 2016). This demonstrates Hermès’s early implementation of its omnichannel platform and the brand’s commitment to its growth.

*Chanel* – Chanel is a leading brand in the world of luxury high-fashion. According to Interbrand, Chanel is ranked number #2 in luxury brands and is the 22nd most valuable brand in the world (2019). The company has a $22.134 billion valuation with 11% growth (Interbrand 2019). Chanel created pop-up shops utilizing technology that allows customers to interact with several channels simultaneously (Danziger 2019). The brand has also made significant efforts to improve its omnichannel offerings. In 2018, the company partnered with Farfetch to make its in-store experience digitally integrated. Chanel’s products, however, are not sold online, making it an interesting company to evaluate especially in terms of balancing exclusivity and availability (Diderich 2018).
LITERATURE REVIEW

In the early 2000s, very few luxury brands even considered offering their products anywhere but in-store. Fearing that the element of exclusivity would be lost, these luxury brands veered away from where the rest of the general industry was heading, leaving them far behind in offering a variety of integrated channels for their customers to access anywhere and at any time (Ozuem 2018). As of today, the majority of luxury brands have started offering such integrated channels, but they are still far behind in perfecting these initiatives due to their late entry (Ozuem 2018). With these factors in mind, an exploratory case study is much more suitable for this investigation. This review will discuss the term brand experience and what it entails. It will also reveal the power of the in-store experience and how it is crucial for luxury brands to maintain a physical presence. However, the importance of digital and mobile offerings will not be overlooked, and the review will further investigate the effects of omnichannel, how willing customers are to accept it, and external environmental factors.

Brand experience is “subjective, internal consumer responses (sensations, feelings, and cognitions) and behavioral responses evoked by brand-related stimuli that are part of a brand’s design and identity, packaging, communications, and environments” (Brakus et al. 2009). Kumar et. al. combines various previously developed frameworks to create an all-encompassing view of a brand and how consumers associate with it (2018) (Appendix 4). The three combined frameworks within Kumar et. al.’s larger framework will be referred to as “structures” for simplicity. The three structures combined help characterize brand experience, consumer-brand relationship, and brand identification.

Brakus et al.’s structure can be seen on the left and it measures brand experience (Appendix 4). This structure has four dimensions: sensory, affective, behavioral, and intellectual. Sensory qualities are consistent with moods and emotions prompted when interacting with the brand (Richins 1997). The affective section of the structure aligns with customer delight, arousal, and having positive effects (Oliver, Rust, and Varki 1997). Behavioral qualities are characterized by responses that are stimulated by the brand’s design, identity, packaging, communications, and environments (Brakus et al. 2009). Lastly, the intellectual component is based on knowledge, or classifying, analyzing, and reasoning things about the brand (Brakus et al. 2009). The second part of the framework evaluates the right structure: consumer-brand relationship. The consumer-brand relationship structure was developed by Veloutsou (2007). Veloutsou’s structure considers communication an integral part of the consumer-brand relationship (2007). Two-way communication refers to the willingness for both the consumer and brand to interact with each other and share information (Kumar et al. 2018). Emotional exchange, on the other hand, is the connection the consumer and brand have to each other (Kumar et al. 2018). The final structure in the framework is brand identification. Brand identification is “conceptualized as consumer’s perceived state of oneness with a brand (Stokburger-Sauer, Ratneshwar, & Sen, 2012) that helps in identity-fulfilling meaning through brands (Bergami & Bagozzi, 2000).” Overall, consumers connect to brands on a variety of different levels. They develop feelings and emotional bonds towards the brands they identify and communicate with (Kumar et al. 2018). This helps demonstrate why brand experience is so incredibly important both in-store and online.
Experiencing a brand’s identity is most easily achieved in person when it comes to luxury. According to John Galantin, President and Chief Operating Officer of Chanel, “True luxury is telling a seductive and irresistible story which has to happen in a human way” (Forster 2018). It becomes difficult for the quality of the in-store experience to be re-created online (Forster 2018). In most cases, luxury purchases are often “hedonic.” These “hedonic experiences are more likely to be leisure-oriented than task-oriented.” Although this is not the hypothesis that will be tested, Jahn’s research discovers that “a flagship store retail experience strongly increases store purchase through brand experience if consumers have a recreational motivation” (Jahn 2018). Not only do luxury consumers typically have recreational motivations, the brand experience increase their likely hood of purchasing. This brand experience is most easily achieved through in-store experiences, making brick and mortar very powerful (Wertz 2019). One of the many ways retailers enhance the in-store experience is through museological store design.

One of the reasons in-store experiences are so powerful is due to merchandising displays (Archilla 2019). These displays enhance brand experience. This is referred to as museological store design, or the organizing and designing of a retail space so that it resembles a museum (Joy 2014). It was found that museological displays outperformed non-museological display settings and the consumers reported that they have higher purchasing intentions (Joy 2014). Joy uses a principal called the extended art infusion effect (Hagtvedt 2008) to further elaborate on museological store design. The extended art infusion effect investigates display features and fixtures such as frames, podiums, or pedestals to determine whether perceived luxury of the product increases. This infusion effect creates a “perceptual spillover from the latter to the former…. [the] artistic essence is transferred to the merchandise bestowing upon it an image of luxury and exclusivity relative to when no artwork is present” (Collins 1975). Overall, Joy was able to determine “that merchandise displayed using a museological format is perceived as more luxurious, less risky, and more purchasable when compared to an identical product displayed in a conventional manner” (2014). These conclusions are important because they shed light on effective merchandising and retailing strategies as well as demonstrate the importance and benefits of the in-store experience.

Omnichannel is unique in that it considers customer-brand-retail channel interactions (Neslin 2014). As a result, a study arose pertaining to how each touchpoint that consumers encounter affects the performance of both the brand and the retailer. Pauwels and Neslin investigate this potential performance impact by studying the effect of opening a retail storefront and analyzing its performance along with the online and catalog channels.

In order to be able to further analyze the impact of channels on revenues across customer acquisition, frequency of orders, returns, and exchanges, Pauwels and Neslin used time series data and a vector auto-regression model. Results showed that the presence of a nearby store creates an “availability effect” (Verhoef 2015), making it much easier for consumers to conduct returns and exchanges. They found that this, however, increases overall revenues by producing an overall increase in purchase frequency across the multiple channel options. This study is important because it provides context and background to the cross effects of omnichannel retail on revenue, as well as touches on a secondary topic: multichannel retail. It demonstrates how revenues are affected by the integration of varying channels for customers (Verhoef 2015).
integration is not something that is found in a multichannel strategy. In all, additional integrated channels increase overall revenue for traditional brands.

The consumer-level characteristics that influence the use of technology further influence one’s omnichannel acceptance. These characteristics demonstrate that not all omnichannel implementations are perceived well. With that in mind, these companies need to ensure that they have a strategy when attempting to move from multi to omnichannel. From a luxury perspective, this strategy has to balance between being exclusive, creating the dream factor, and offering a more integrated, holistic experience that is still useful and enjoyable (Kapferer et. al. 2012).

Understanding the attitudes towards omnichannel technology and its integration into the retail world is a key component to evaluate when studying customer retail experience. The study “Omnichannel Customer Behavior: Key Drivers of Technology Acceptance and Use and Their Effects on Purchase Intention” investigates the motivations behind the use of different channels during the shopping experience by investigating the company Zara (Juaneda-Ayensa et. al. 2016). Utilizing the Unified Theory of Acceptance and Use of Technology model (UTAUT2) (Salisbury 2001), Juaneda-Ayensa et. al. proposed an updated model - the UTAUT2 model - which includes two new factors: personal innovativeness, or the degree to which a user is early in adopting new ideas, and perceived security. These factors are concluded to be “important for the adoption of new technologies in the literature on consumer behavior” (Salisbury, 2001).

The UTAUT2 model examines the consumer acceptance and utilization of technology during transactions. This model investigates seven factors to determine shopper acceptance and utilization of omnichannel offerings. These seven factors include performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivations, price value, and habit. Performance expectancy is the degree to which the user believes the technology will help them achieve something. Effort expectancy refers to the amount of effort the user expects to have to put in to utilize the technology. Social influence relates to the social pressure the user feels to use the technology. Facilitating conditions is the degree to which the user believes that there is enough infrastructure to support the technology. Hedonic motivations are the motivations a user has to use the system because they enjoy it. Price value is whether the user believes that any sort of cost associated with using the technology is worth the price. Lastly, habit is simply the tendency the user has to use the technology. Juaneda-Ayensa et. al. found that purchasing intentions are influenced by personal innovativeness, effort expectancy, and performance expectancy. On the other hand, habit, hedonic motivation, social influence, and perceived security do not affect purchasing intentions (Juaneda-Ayensa et. al. 2016). In addition to the updated UTAUT2 model that Juaneda-Ayensa et. al. tested, a questionnaire was included in order to gather information regarding shopping motives and sociodemographic information. It also provides a table for comparing multichannel and omnichannel offerings. This table is useful in helping categorize and measure individual brand channel integration (Appendix 5).
THEORETICAL FRAMEWORK

For this research project, longitudinal case studies of luxury retail brands have been conducted. Having identified the brands that will be investigated, the combination of two frameworks are utilized to conduct a thorough analysis of each brand. These frameworks include Juaneda-Ayensa et. al.’s Multichannel vs. Omnichannel table (Appendix 5) (2016) and Brakus et. al.’s Four-Factor Model of brand experience (Appendix 4) (2009).

For this particular study, select parts of each framework are used in order to obtain mutually exclusive yet collectively exhaustive results. Juaneda-Ayensa et. al.’s table is used to determine whether the channels that the brand has in place represent a multi or omnichannel strategy. After, Brakus et. al.’s model investigates whether this strategy is actually benefitting the company through improving customers’ brand experience. Finally, the channel initiatives by brands will be interpreted as being either financially focused or imagery focus. This is an important tension to consider for luxury brands who are trying to implement an omnichannel strategy. It reveals whether the brands have been successful in maintaining exclusivity or whether they have become too openly available (Kapferer et. al. 2012). Being too available takes away from the dream factor of luxury brands (Kapferer et. al. 2012).

Seeing as three different brands are evaluated, it was critical to find frameworks that were relevant across different companies. These frameworks are reliable due to the background analysis and research that was done in their creation. As stated, “the researchers gathered company data from multiple trade publications as well as information from the company’s parent web site and articles from national newspaper publications. [Additional validity comes from] peer debriefing, member checks, prolonged engagement, and engagement in discussion with a community of practice” (Rossman et al., 2003).
METHOD

Each brand is initially introduced with a brief background and history description. This information is important because it gives an overview of the brand’s heritage, image, and prestige.

Juaneda-Ayensa et. al.’s table (Appendix 5) will direct the majority of the case study research. Each of the three brands will be investigated across 8 of the 9 categories. These include, concept, channel scope, degree of integration, customer relationship, objectives, channel management, customers, and sales people. The definitions of these categories are embedded within each brand investigation to serve as a reminder throughout the study. The concept and degree of integration category are combined because they both evaluate the level at which a brand’s channels are integrated. The channel scope section will be presented before the concept-degree of integration section in order to present all channel offerings before going into how integrated they are. Secondly, the retailer category will not be included due to lack of information across all brands. This category investigates whether retailers have the possibility to control integration of channels. After conducting in-depth research and contacting brand employees, it was discovered that this type of information is not available to the public. Overall, this framework requires specific examples from each brand in order to demonstrate an omnichannel strategy exist in some way. This will serve as the bulk of the evidence for the case study research.

Each brand category is then held against Brakus et. al.’s framework, investigating the type of brand experience the provided omnichannel evidence creates (Appendix 4). Brakus et. al. states four types of qualities that are associated with a positive brand experience: sensory, affective, behavioral, and intellectual. Under sensory, the brand’s omnichannel offerings stimulate the senses whether that be through site, touch, smell, taste, or sound. As for affective, the omnichannel strategy has to produce feelings, sentiments, or an emotional connection to the brand. Behaviorally, consumers are prompted to engaged in physical activity or bodily experiences. Lastly, when an omnichannel strategy pushes consumers to think and sparks their curiosity, they are stimulated intellectually. A brand experience can be improved or strengthened if the omnichannel strategy falls under one or more of these dimensions.

Finally, the brand’s efforts will be categorized as either being financially focused or imagery focused. An initiative with a financial focus will likely provide opportunities for customers to purchase items. On the other hand, an initiative with an imagery focus will concentrate on communicating the brand’s identity through promotional marketing and content that does not necessarily provide direct ways to purchase products.
These models combine to provide the following framework:

**Table 1: Framework**

<table>
<thead>
<tr>
<th>Concept – Degree of Integration</th>
<th>Channel Scope</th>
<th>Customer Relationship</th>
<th>Objectives</th>
<th>Channel Management</th>
<th>Customers</th>
<th>Sales People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Focus, Imagery Focus</td>
<td>Financial Focus, Imagery Focus</td>
<td>Financial Focus, Imagery Focus</td>
<td>Financial Focus, Imagery Focus</td>
<td>Financial Focus, Imagery Focus</td>
<td>Financial Focus, Imagery Focus</td>
<td>Financial Focus, Imagery Focus</td>
</tr>
</tbody>
</table>

Seeing as these frameworks are adaptations of previous research conducted, I will be utilizing similar sources of information to best fit into the study. These sources include trade publications, brand websites and marketing materials, national newspaper publications, and previous studies on the individual brands chosen.

Conclusions of case studies are often opinion based (Swanborn, 2010). With that in mind, the aim of this report is to provide a view on the best practices in omnichannel customer experience design based on changes/developments in technology and the luxury consumer environment.
FINDINGS

BURBERRY

History:
Established by Thomas Burberry in 1856, the brand was created “on the principle that clothing should be designed to protect people from the British weather” (“Our History” 2020). The invention of gabardine by Thomas helped put Burberry on the map and revolutionized rainwear. The brand’s infamous coats were worn in World War I by British soldiers. The brand became such a staple of Britain that it became the official supplier to the royal family (Ahrendts 2013). The brand moved into suits, trousers, sportswear, shirts, and accessories for men, women, and children in the 1970s and 1980s (“Our History” 2020). By the early 2000s, Burberry lost sight of its core product, the iconic trench, with stores worldwide designing and offering differing products with 23 different licensees around the world. In order to get the brand back on track, Angela Ahrendts was hired in 2006 to refocus the brand and centralize the design (Ahrendts 2013).

Burberry centralized the design by hiring Christopher Bailey. The brand also hired functional expertise and re-trained their sales staff to properly equip them on how to sell the iconic trench coat (Ahrendts 2013). After 2006, the brand started focusing on what they considered the customer of the future - millennials (Ahrendts 2013). This inspired Burberry to focus on technological initiatives. The brand turned 60% of their business to apparel, with the majority being outerwear. As the brand continues to generate top earnings in the field, it also continues to push the boundaries of luxury, implementing futuristic offerings to its customers.

Channel Scope:
Burberry has a variety of different channels that it utilizes to engage customers. These channels include telephone, e-mail, social networking (Facebook, Instagram, Twitter, etc), an app, an online website, and of course, retail stores. How to best utilize these channels is through proper integration. As described, without proper integration, a brand demotes from having an omnichannel strategy to a multichannel strategy. Due to Burberry’s commitment to technology, innovation, and the younger generations, the brand has been able to successfully integrate all of its channels into a seamless customer experience.

Burberry is present across 20 different social platforms. Together these platforms create a following of 50 million people (Trotter 2018). The wide channel scope enhances the brand experience in a behavioral and affective sense. Consumers are able to follow and interact with the brand through physical engagement (both online and offline). Having a variety of channels constantly connects consumers to the brand. Regular exposure of the brand will help it become top-of-mind to consumers (Jallad 2019).

Each of these channels plays an integral role in the customer experience. Having a wide variety of channels falls under the brand’s effort to improve their financials and stay relevant on all platforms as they compete with others in the industry.
**Concept - Degree of Integration:**
Throughout this thesis, brands will be ranked as having either a partial or total degree of integration. As stated, this partial degree of integration is known as a multichannel strategy. Having total integration demonstrates one of the many factors necessary for a successful omnichannel strategy. With Burberry, the brand’s channels are totally integrated, further proving success of its omnichannel strategy.

Burberry ensures that the customer experience is consistent through all channels with “My Burberry” (Omnichannel Customer Experience” 2012) (Appendix 7). For example, whether online or on the app, the user simply has to login to their account and all their favorites, recent purchases, and much more are at their fingertips no matter what channel they are using. This account is integrated throughout all of Burberry’s channels, as customers can quickly provide their information in-store as well as for sales associates to pull up.

The Burberry app enables customers to quickly and conveniently access Burberry wherever and whenever. In order to make the online app experience seem more like an in-store experience, customers are able to text Burberry service representatives from their phones through the click of a button (Appendix 8). If customers do not wish to text a representative, they are also provided with the brand’s telephone number and an email address for other forms of contact. This makes the experience of shopping online extremely feasible. While scrolling through the app, I favorited a few items. I developed a list of questions regarding fit and style. With Burberry’s capabilities, I was able to simply scroll and chat via text message with a Burberry representative and received the following message:

> “Welcome! We’re excited to offer you messaging, allowing you to reply to us in your own time. A consultant should reply within 2 hours. Please note we only offer messaging service in English language.”

After asking whether they could provide me with insight into their omnichannel experience, I received the following response about 25 minutes later:

> “Welcome to Burberry, my name is Wendy. Do you have any specific questions about the omnichannel? I will be happy to assist in directing you to the appropriate department.”

As expected, the company revealed little information about their omnichannel initiatives. However, customers are able to simply ask any questions that come to their mind. From a sales perspective, the process of seeing an item and being able to immediately ask a question to an expert resembles the in-store experience and demonstrates successful integration. The only setback was the potential 2 hour wait in between. Although my question was answered in 25 minutes, a true in-store experience would typically have sales associates on stand-by. Overall, this easy messaging system creates a highly integrated experience.

Social media channels, particularly Instagram, have found a way to make the shopping experience closely connected to the online website experience. When looking at Burberry’s Instagram page, one can see several images with a shopping bag icon associated with them.
By clicking on this icon, customers are directly sent to a page that lists the description, return policy, and products that are similar to that item. Once you proceed with your checkout, you are immediately sent to a page that already has your phone number, email, and address typed in (thanks to Instagram), and all you have to do is enter your payment information and proceed with the purchase. This whole process is conducted through the social media app, yet achieves the same capabilities as the online website.

The products customers see and review online are also translated on social media through cookies. The result of one’s website search being advertised on their social media feed demonstrates integration of both channels. After researching the product, an advertisement for the brand often appears on customers’ social media pages soon after (“Cookie Policy” 2020).

To promote its runway shows, Burberry launched a chatbot in 2016 (Trotter 2018). This chatbot was utilized through Facebook messenger and customers could receive updates and content. The use of this chatbot has grown and now customers are able to use it to see current collections and get information on pricing recommendations. In addition to Facebook, Burberry was one of the first brands to start experimenting with a personalized experience on Pinterest to promote its makeup (Appendix 10). The brand also was the first to use a Snapchat Snapcode to promote Burberry’s fragrances (Appendix 11). These different social media channels easily connect to the brand’s official website and attempt to mimic the in-store experience with easy access to sales associates and customer service lines.

An extremely successful social media campaign that Burberry launched was the “artofthetrench.com” (Ahrendts 2013). According to Katie Tobias from Business Today, Burberry was able to “capitalize on the new medium - without eroding the exclusive, aspirational qualities that are core to the world of luxury” (2013). The Art of the Trench campaign allowed existing Burberry customers to create content for the brand. Burberry figured that these customers personify the brand well and will be able to create content that they find appealing (Tobias 2013). Customers could post images of them in their Burberry trenches (Appendix 12). This campaign was tricky due to the fact that it had to appeal both to the high-end customers and future customers who were young and potentially not able to purchase yet. In order to control every aspect of the campaign, Burberry launched it as a “standalone social media platform, instead hosting it on an existing platform [such as Facebook]” (Tobias 2013). Users could not only post images of them in their trench, but also sort the photos by the trench type, color, weather, etc. Burberry was able to integrate this campaign through several different channels by utilizing unique marketing tactics. These tactics included word of mouth and users being able to post on their own social media platforms. According to Tobias, “this tactic allowed the Art of the Trench to have an exclusive ‘in-the-know’ feel that appealed to the luxury consumer” (2013). Burberry also hosted events for the Art of the Trench, bringing the online platform to life. This campaign was more than successful. Tobias stated that “in the year following the launch of the Art of the Trench in November 2009, Burberry’s Facebook fan base grew more than one million, the largest fan count in the luxury sector at the time. E-commerce sales grew 50 percent year-over-year, an increase partially attributed to higher web traffic from the Art of the Trench site and Facebook” (2013).
In addition to these social media platforms, the brand also promotes itself through Apple Music and a partnership with Uber. Burberry has its own Apple Music channel (Appendix 13). The channel shares its runway music with its followers and keeps its brand image consistent through its brown, beige, white, and orange color scheme. Lastly, the brand has even connected to Uber, helping customers find the quickest ride to the nearest retail storefront (Appendix 14) (Trotter 2018).

In order to bring the online experience in-store, Burberry introduced radio-frequency identification technology into its stores, or RFID. The brand was one of the first retailers to implement RFID in 2012 (Trotter 2016). Items within the store have RFID tags. Customers are able to utilize their smartphones and scan the tags. The scan then provides shoppers with a plethora of information such as how the item was made, product details, and style recommendations (Trotter 2016) (Appendix 15). Burberry also moved forward into launching Burberry Bespoke, a customization page on the brand’s website offering about 12 million styles (Appendix 16). In order to ensure that this option was integrated throughout all of its channels, customization has become an option in-store as well (Ahrendts 2013).

This high degree of integration creates a fantastic brand experience from a sensory and behavioral point of view. From the sensory side, Burberry utilizes different in-person and online experiences where they are able to visualize products, hear runway sounds, and much more. Behaviorally, the brand pushes customers to engage in physical actions such as customization, ordering Ubers to store locations, and posting on their personal accounts.

This degree of integration demonstrates a mix between the brand’s focus on its financials and its imagery. Each channel immediately connects consumers to purchasing options online and in-store, no matter the product. From an imagery perspective, however, the consistency of the channel designs and the fact that the brand has shared things such as its runway playlist demonstrates an effort to better communicate its image.

**Customer Relationship:**
Under customer relationship, a multichannel strategy is one that is purely channel focused, whereas a omnichannel strategy focuses on communicating the brand. For Burberry, the brand story is consistent throughout every platform with the goal of focusing on the trench coat and immersing the consumer in the Burberry lifestyle and story, not just making a sale. “Burberry embraced social media, live streaming of fashion shows and digital engagement with consumers. The content that was generated energized rebranding efforts by showing Burberry in an aspirational context. Burberry even redesigned its Regent Street store to reflect the burberry.com website, providing a seamless experience from digital to retail” (Hope 2019). The brand did not just simply put this technology in place. Instead, they ensured that the rebranding efforts and image were consistent and obvious through these channels. The message and story was the same across all platforms.

For Burberry, “The channels are designed to speak to that millennial consumer through emotive brand content: music, movies, heritage, storytelling…Now every major new initiative has the trench coat front and center” (Ahrendts 2013). The design of Burberry stores aims to emulate the image of the classic trench coat and tartan pattern (Appendix 19). The wall colors of a Burberry
The retail store are typically neutral. The furniture and decor bring in darker accents. By focusing on the trench coat, the brand is putting an emphasis on its heritage (Trotter 2016).

Ensuring the consistency of imagery from channel to channel has an affective effect on consumers. This is because they are regularly communicating the brand story which helps further build an emotional bond between the consumer and the brand. This also demonstrates a focus on the brand’s imagery.

**Objectives:**
Determining the brand’s objectives for having multiple channels helps define whether the channel strategy is multi or omni. When the focus of the strategy is determining how many sales there are per channel or the type of experience each channel provides, then the brand is utilizing a multichannel strategy that silos each platform and evaluates them individually. When the focus of the channels is to have all of them work together to offer a holistic customer experience, then the brand has successfully implemented another necessary aspect of an omnichannel strategy.

The objective of the channels under an omnichannel strategy should not be to provide as many individual platforms as possible in order to generate revenue. Instead, it should be used to create a seamless experience so that customers are constantly connected to the brand. Burberry achieves this holistic, seamless experience by providing the same products in-store and online. As demonstrated above, the channels work together to replicate the in-store luxury experience while also making it easy and convenient to access anywhere and at any time.

The objectives of this strategy create a heavily sensory, affective, and behavioral experience. From a sensory perspective, customers are able to see all products both online and offline. Affectively, customers are exposed to a consistent brand story, making them feel attached to the brand. They also have the ability to engage in the physical action of purchasing goods on a variety of channels since the brand does not attempt to restrict certain products from being bought online.

The objective of an omnichannel strategy is to ensure that all channels work together. The channels work best together when there is one story, one brand image that is communicated across the platforms, and all products are offered despite being on a different channel. The story, images, and products that are shared help demonstrate a focus on the brand’s imagery. However, what’s most significant is the fact that all products are offered in-store and online. This demonstrates a stronger focus on the brand’s financials, as this takes away from the dream factor and makes this luxury brand seem more accessible.

**Channel Management:**
Under a multichannel strategy, channel management is when the channels and customer touchpoints are geared toward optimizing the experience with each individual one. When the channel management is directed under an omnichannel strategy, there is synergetic management of the channels and customer touchpoints are geared towards optimizing a holistic experience (Juaneda-Ayensa et. al. 2016).

When Ahredents became CEO and shifted the vision to focus on millennials, the brand also had to shift its marketing strategy and become more digital. Originally, Burberry had separate
websites for each region. The brand consolidated the websites into one, redesigning the platform and providing a consistent brand story across the globe while still “showcasing every face of the brand” (Ahrendts 2013). According to Ahrendts, “it has become the hub of all our marketing and branding, and a trench coat is always one of the first things you see when you go online (Appendix 17). Ahrendts embraced the idea of integrating the channels to create a holistic experience. This demonstrates proper channel management of an omni strategy.

In addition, the brand’s in-person channels also differed significantly. “We had great people, but we were organized like a department store. We had a person over each men’s category and a person over each women’s category. They made decisions that worked for their departments but might not make sense for the whole business. We needed to change, to focus on the big picture: the brand. In addition to putting Christopher in charge of all design, we had to hire functional expertise - a head of corporate resources, a head of planning, and a chief supply chain officer” (Ahrendts 2013). During the remodeling of Burberry’s brand image, Ahrendts enforced this shift in corporate structure in order to manage the channels more direct and concretely.

The way in which Burberry manages its channels is now much more consolidated. Having one hub for all of their marketing and branding helps present a consistent image, allowing consumers to focus on the brand itself rather than the differences in channel offerings and design. This has an affective effect on the brand experience as consumers have a better chance of emotionally connecting to the brand due to its consistent image. This further demonstrates a focus on the brand’s imagery.

Customers:
When considering customers, a multichannel strategy is demonstrated when the shoppers use the channels in parallel. With a multichannel strategy, there is no possibility of triggering interaction between another channel. With an omnichannel strategy, shoppers are able to use and fully interact with the different channels simultaneously.

As outlined, Burberry has done an incredible job with finding ways for customers to experience and interact with both channels at once. A prime example is the brand’s Regent Street store (Appendix 18). This store opened in 2012 - long before luxury retailers started considering technology implementations - with the aim of combining online and in-store shopping (Danao 2020). In other words, their goal was to seamlessly combine two user channels, triggering full interaction. Burberry’s CEO during that time, Angela Ahrendts, stated the following “Burberry’s Regent Street brings our digital world to life in a physical space for the first time, where customers can experience every facet of the brand through immersive multimedia content exactly as they do online. [...] Walking through the doors is just like walking into our website. It is Burberry World Live” (Danao 2020).

Using their “My Burberry” account, customers are able to visit the physical store and be reminded of their favorite items from their online scrolling. With live catwalk shows, large screens, and various mirror images featuring “as seen in” products, customers can interact with the brand online while also being in the physical store (Danao 2020). Along with the RFID tags mentioned above, the store is equipped for sales associates to complete purchases anywhere throughout the store using iPads (Trotter 2016).
The act of promoting interaction between channels demonstrates how Burberry is achieving in creating a behavioral brand experience. Customers are triggered to engage in physical connection between channels, resulting in an action-oriented behavior. In addition, the triggering of interactions relates to the brand’s focus on its financials. Not only is the brand attempting to maintain consistent communication throughout the channels through triggering interactions, it is also improving its competitiveness in the sense that customers will consistently be able to purchase from Burberry in a seamless manner through multiple channels and platforms.

**Sales People:**
A brand is considered to use a multichannel strategy when its sales people do not adapt their selling behavior. When the sales people do adapt their selling behavior depending on the customer's needs and knowledge, then the brand is considered to use an omnichannel strategy. Burberry strives to put their customers first (“Our Culture” 2020). In order to ensure that the brand delivers on that value, Burberry has a company-wide service model. This model not only holds sales associates and other members to high standards of service, it also protects customer relationships, aiming to build long-term ones (“Our Culture” 2020).

Due to Burberry’s focus on technology, the company has been able to gather mass amounts of data that have been proven useful in providing customer insights and preferences. A key aspect of a luxury company is to create a personalized experience (Arnold 2018). The company is able to use its database to help sales associates understand returning customers’ preferences. These sales associates have access to a customers’ purchase history and social media activity. With this valuable information, customers are given a much more personalized experience. This data can give a broader view to Burberry about the types of customers they have. This helps inform not just sales associates, but also designers and marketers on ways they can tweak and customize their approach to the customer.

Since Burberry’s revamp, the sales associates are trained to focus on outerwear. “Trench coats are amongst the most expensive items we sell, but the staff [was once] least equipped to sell them” (Ahrendts 2013). The sales associates have learned to articulate the importance of the trench coat and why it is a valuable purchase to its customers. The company has invested in “sales and service programs to put product education front and center. [They have] created videos to demonstrate Burberry craftsmanship: All the collars are hand-rolled and hand stitched. [They have also] equipped [their] sales associates with iPads and [their] stores with audiovisual technology to show these videos to best effect (Appendix 20). [They] knew the beautiful, compelling content would connect customers to the brand and [their] iconic trench” (Ahrendts 2013). This demonstrates the brand’s focus on having the sales associates tell one, consistent story, all while equipping with the necessary technology to bring up shopper’s online profiles, purchase history, and much more.

The way in which salespeople are trained to tell a consistent story that shares the values of the brand demonstrates that Burberry is attempting to create an affective brand experience. By sharing the stories behind the brand and the craftsmanship behind the goods, consumers feel closer to the product and how it is made. An emotional bond starts to form. In addition, a behavioral response is also evoked as consumers are more likely to go through with the act of
purchasing. This demonstrates Burberry’s focus on its financials, as it aims to provide quality customer service to boost sales and create loyal customers.
**HERMÈS**

**History:**
Hermès was founded in 1837 by Thierry Hermès. Hermès originally made harnesses for horses. The company later diversified, offering a wide range of products to satisfy a larger client base of wealthy individuals. Hermès is a brand that is known for its craftsmanship and exclusivity. According to Martin Roll from Business & Brand Leadership, “The Hermès brand philosophy can possibly be summarized by a single sentence quote from former CEO Jean-Louis Dumas - ‘We don’t have a policy of image, we gave a policy of product’” (Roll 2018). This demonstrates the brands’ commitment to their craft and delivering the best work possible.

Hermès also seeks to achieve a sense of humanity and realness, although it is considered an exclusive luxury brand. Peirre-Alexis Dumas, Creative Director of Hermès, stated “I think Hermès objects are desirable because they reconnect people to their humanity...Our customer feels the presence of the person who crafted the object, while at the same time the object brings him back to his own sensitivity, because it gives him pleasure through his sense” (Roll 2018). With an aim to exemplify the heritage, craftsmanship, and style, the brand’s infamous window displays are considered to be an “homage to its craftsmen” (Roll 2018). There have been times where elaborate displays were created out of items that were not for sale, emphasizing the exclusivity of the products and the dedication to communicating a story rather than pushing a sale. According to roll, “the windows are also considered to be the original progenitors of the art of communication developed within the company, a ‘small theatre where each role must be played well’” (2018).

Hermès started offering some of their products online in 2001. The brand, however, lagged behind in their digital innovations and waited until 2017 to launch its “digital make-over” (Lerévérend 2018). The brand first tested the launch in Canada before sharing it with the USA. The launch of the new website was successful and the brand saw an increase in conversion rates, leading them to launch the updated ecommerce channel across the globe. Hermès refers to their updated website as a “digital flagship” (Lerévérend 2018). The brand defines its digital flagship as a “fluid, easily navigated website with a twin dimension: e-store, now made more consistent with e-shoppers’ expectations, and a strong, unique editorial platform - as was the previous website, which openly invited browsing but tended to lose its visitors' attention” (Lerévérend 2018). After the launch of its revamped website, Hermès showed an impressive increase in performance. According to Lerévérend, these results were “record-breaking” (2018).

The brand is focused not on sales, but on innovation, changing a third of its SKUs every six months (Nma 2015). The purpose of this is to maintain interest. “Brand communication and marketing strategies of Hermès always remain consistent with the principles of “heritage” and exclusivity” of the company (Roll 2018). However, Hermès’ omnichannel strategy stems from a desire to attract the younger generation who will eventually become loyal buyers with a higher spending budget (Chavez 2018).
Channel Scope:
Hermès utilizes a limited distribution strategy that amplifies the exclusivity of its products. The brand has over 300 brick and mortar boutiques. Their strategy of limited distribution has worked in their favor, however, it does limit the brand’s channel scope. Robert Chavez, CEO and President of Hermès USA, stated “Once something becomes saturated, then the luxury customer does not really want it anymore” (2018). Customers will not find Hermès shops inside other department stores. Hermès made a strategic decision 15 years ago that they did not want to be in that business. It has worked in their favor. For example, when the economy crashed in 2008, many luxury brands in department stores were discounted heavily. Hermès was spared from the mega discount sales due to their department store decision and the brand’s products were kept exclusive (Chavez 2018).

Chavez stated that one of their many successes as a company was segwaying into e-commerce in the early 2000s. This is when their digital site came to life. Hermès was one of the few luxury brands to offer this at that time (Chavez 2018). The brand’s website was introduced in 2002. Chavez stated that the goal behind offering online was two-pronged. The first was to make Hermès more accessible and approachable, which is somewhat surprising for a major luxury brand. Chavez stated that they did this because, according to customers, there was a “big intimidation factor” when coming into the store for the first time. Chavez recalls a constant pattern of customers coming into the store during the holidays and quietly asking for the price of the scarves to the sales associates (Chavez 2018). Consumers were unaware of simple product information, making product exploration a great deal of effort on their part. Chavez stated that offering this website served as a great way to communicate the price to clients. In order to make it more accessible and approachable, the brand simply had to offer a source where customers could gather information about the products. The only authorized site for Hermès products is hermes.com (Chavez 2018). Chavez stated that yes, you are able to find their products all over the internet but are they real? Are they used? Consumers will never know and Hermès will not verify. This enhances the idea of limited distribution (Chavez 2018). Chavez stated that online is one of the brand’s fastest-growing “stores.” Customers show no hesitation or difference in spending amounts online versus in person (Cheng 2019). Online is a successful recruitment tool for Hermès, with many customers seeing products online and then coming into the store to touch and feel them.

Additionally, Hermès wanted to introduce itself as a “whimsical” brand (Chavez 2018) when going online. It wanted to demonstrate to customers that it does not take itself too seriously. The brand achieved this online by including small drawings and caricatures (Appendix 21). According to Chavez, the public was surprised as they never expected to see this side of Hermès. The brand still continues with this strategy even today. In their product designs and campaigns, the brand strives to make itself friendly. Chavez stated that this approach has been successful and today their internet business is one of the most successful (2018). Once the brand went mobile, online usage skyrocketed (Chavez 2018).

Overall, Hermès utilizes a variety of channels to advertise and engage with its customers. These channels include print, online video, online visuals, etc. These mediums are used to promote different collections. Hermès also takes part in targeted advertising to communicate to affluent shoppers through their mobile devices (Roll 2018). Hermès even has its own menswear website -
Le MANifeste d’Hermès, helping men style themselves. According to GQ magazine, this website has the ability to revolutionize e-commerce (Roll 2018).

Similar to Burberry, the wide channel scope affects the brand experience both behaviorally and affectively. The behavioral portion is connected to the physicality that comes with interacting with the variety of channels. As mentioned above, the brand becomes more top-of-mind the more channels it is on because consumers are exposed more often (Jallad 2019). The vast scope of channels demonstrates a focus on the brand’s financials as consumers have more ways to connect to the brand and to try and find ways to purchase products. In addition, providing more channels puts the brand ahead of its competitors in the industry (Naughton 2019). However, since their distribution is limited, it also demonstrates that the brand uses it as a way to further communicate its story.

**Concept - Degree of Integration:**

The degree of integration essentially determines whether Hermès has successfully implemented an omnichannel strategy. Hermès focused on implementing an omnichannel strategy in 2016 when it made Smartful available to its customers. This new technology enabled Hermès to provide the “full-service options” to a vastly larger number of U.S. based companies, no longer just large online retailers (“Hermes Debuts” 2016). Smartful connects to Hermès’ IT structure, providing warehousing, omnichannel fulfillments, and returns management. The technology also provides integration with “leading e-commerce and order management platforms” (“Hermes Debuts” 2016). “Other modules offer value-added services such as refurbishment and reconditioning, gift wrapping, multi-carrier solutions with leading local carriers, call-center services and secure payment systems” (“Hermes Debuts” 2016). With this new implementation, Dieter Urbanks, CEO of Hermès Fulfillment stated “Our objective is to provide optimal e-commerce and omnichannel support to companies that want to expand internationally with flexible components to ensure that they can focus on core tasks like product and brand development” (“Hermes Debuts” 2016). Overall, the brand has been able to provide omnichannel capabilities for its internal operations.

On the customer front, Hermès has been able to combine its handcrafted goods with technology, helping the brand stay relevant and encouraging customers to further use their devices. Hermès has partnered with Apple to produce its own Apple Watch Hermès. The original model was announced in 2015, and it was the first partnership for the Apple Watch. The technology is essentially the same. However, the face and band are designed by Hermès (Appendix 22). Accordingly, “the Hermès face isn’t about being informationally dense. It’s about being Hermès” (Ritchie 2018).

According to Roll, Hermès “has been using content marketing and social media platforms in a highly engaging manner in all of its marketing and communication campaigns” (2018). In a Forbes list of Most Innovative Companies, Hermès reached number 13 in 2016 (Roll 2018). Although it has dropped since, the company has been able to integrate its channels and engage customers (Roll 2018). An extremely strong example of Hermès’ ability to integrate channels aligns with its Carré Club pop-up exhibition. The creation of the Carré Club, a New York pop-up in the Meatpacking district created an experience that was both in-store and online all while focusing on the younger generation (Appendix 23). This pop-up was designed to help the brand
stay relevant and serve as a testing ground for how well a boutique would do in that area. Thanks to the pop-up, Hermès opened a storefront. “Appealing to the next crop of customers is crucial for Hermès and its luxury labels” (Cheng 2019). Chavez stated “the difference [with this location] is we’ll attract the next generation of Hermès clients. We’ll attract a lot of first-time buyers - people who are discovering Hermès for the first time...It’s another opportunity for Hermès to portray itself in a more modern and updated way” (Cheng 2019).

Along with the in-store experience, the brand partnered with AKQA to create lamaisondescarres.com which provided consumers with a virtual version of the pop-up experience (Cheng 2019). Similar to the Carré Club, the website focused on the brand’s scarves, shawls, twills, and much more. Covered in characters, colors, and creatures the website also highly resembled the inside of the pop-up, allowing visitors to explore “rooms” of the virtual house where customers can explore different products and purchase them (Roll 2018) (Appendix 23). The Carré Club also offers backdrops and opportunities for the perfect social media post. Visitors of the store post and share images, essentially acting as free promoters and linking the in-store experience to an online social media channel. By searching online you can easily find articles titled “You’re Going to Want to Instagram the Hermès Carré Club” (Tsui 2018). It is obvious that the brand is looking to attract a younger audience. Chavez stated that “the new [Meatpacking District] store really portrays Hermès in a whole different light to reach the next generation of customers” (Cheng 2019). The brand is looking for opportunities to interact with this generation, and they know they can achieve that with an omnichannel solution.

Hermès has also achieved in bringing the in-store expertise to consumers’ homes through one of its social media apps. Silk Knots is an app that teaches users how to tie their branded scarves in 24 different ways (Roll 2018) (Appendix 24). This app also provides users with a direct link to the website to start shopping and discovering new patterns and products. It also shares Hermès news in order to keep the customers informed about the brand and its story. Lastly, the app offers a “try it on your shirt” option, where customers can hold new tie patterns up to their clothing at home before purchasing online.

All of these factors demonstrate Hermès’ highly integrated channels, however, the brand does attempt to remain exclusive with some of its higher end products. Hermès limits their distribution in several ways as described above. One of these ways is by only offering certain products online. For example, customers cannot buy the Birkin bag online. According to Chavez, this “gives people a reason to keep coming into the store” (2018). By offering only certain items online and only certain items in-store, this takes away from Hermès being considered fully omnichannel. There is less fluidity and consistency between online and in-store. However, this does enhance the brand’s exclusivity which is part of its strategy.

Hermès’ degree of integration across channels enhances the brand experience from a sensory, behavioral, and intellectual perspective. The brand is able to visualize the products both online and offline. This is particularly apparent with the Silk Knots app and customer’s ability to visualize new patterns against their current shirt options at home. From a behavioral perspective, the brand pushes customers to engage in physical actions such as posting online from the pop-up shop. From an intellectual perspective, having high-end items only be offered in-stores can cause
consumers to question the product and the brand’s offerings. They start to associate it with being more exclusive and have to find new ways to access the product.

The degree of integration demonstrates the brand’s use of different channels to communicate its imagery. The limited distribution and inability to access certain goods online helps keep the brand exclusive.

**Customer Relationships:**
Although each branch head has creative freedom with the merchandising and purchasing of their stores, Hermès has still been able to achieve an indescribable level of consistency when communicating its brand story. The live, bright images throughout their social media website and demonstrated through their online product pictures exemplifies a certain level of humanity and playfulness. This aligns with the pop-up and stores (like the one in the Meatpacking District) that aim to bring in a younger audience. However, the brand is strategic in that all of its video content focuses on its core values: innovation and craftsmanship. It has not forgotten its core product: equestrian equipment. The fact that the brand continues to emphasize this product category demonstrates its commitment to its heritage. In addition, the background of their website and type face is neutral and sophisticated. This aligns with the brand’s more traditional store fronts and older clientele. According to Paola de Cordue from Poole College of Management, “Hermès’ social media makes it THE brand for many different customers such as dreamers, traditionalists, elegant people and horse lovers” (Cordoue 2015) (Appendix 25).

Hermès has ensured that its brand identity stays relevant and consistent through the channels it uses, especially the online platform. As craftsmanship is one of the main qualities of Hermès products, the website includes a documentary directed by Frédéric Laffont. This documentary demonstrates the brand’s expertise with the goal of “boosting Hermès e-tail results in Europe” (Lerévérend 2018). According to Lerévérend, “[the site] is rich in editorial content, for example featuring video demos by sales consultants from some of the label’s key flagship stores, and it showcases the entire product line. Navigation is intuitive, taking users across all of Hermès lines, from ready-to-wear to handbags, silk scarves, watches, horse-riding apparel and equipment, and fragrances” (2018).

Overall, the customer relationship objectives have enhanced the brand experience in an affective manner. Customers are able to learn about the history and craftsmanship behind Hermès, creating an emotional bond to the products they are interested in now that they know the stories and hard work behind them. The stories told and visuals shared throughout the channels demonstrate a focus on the brand’s imagery.

**Objectives:**
Hermès has always maintained close control over its ecosystem. The brand maintains its exclusivity by limiting production of certain goods and focusing on higher profit margins from a lower volume of sales. Hermès intentionally limits distribution and offerings as a way to maintain exclusivity. This strategic decision has helped the brand remain competitive and consistently have demand from consumers.
Hermès does not fully create a holistic customer experience across channels. The product offerings greatly remove the experience from being fully integrated. The offerings also aim to attract certain audiences to certain channels. Bali Barret, the artistic director of the women’s universe at Hermès stated that “the scarf represents the fantasy and humour of Hermès; it’s an affordable object compared to most of the things we’re doing and that makes it younger. There’s a lot of freedom in it. Sometimes, the image can feel conservative, so we have to keep updating, telling again and again that it's still creative, contemporary” (2018). This demonstrates the brand’s desire to also attract a younger generation. Noticeably, items like scarves, perfumes, and clothing are offered online. However, according to Sherman, “Category segregation is critical to the company’s strategy. Hermès confined iconic, core-category products like bags to high-end price ranges, while offering other categories, like scarves, at lower price points to aspirational consumers. But so is brand storytelling” (2018). These high-end price range items are typically not found on the Hermès website.

This strategy enhances the brand experience from an affective, behavioral, and intellectual perspective. The exclusivity of certain products evokes emotional responses of jealously, yearning, and desire. Customers become curious about the infamous Birkin bag. As they search for information, the bag becomes less accessible and more exclusive. The customers are prompted in a behavioral manner to go to the physical store to obtain high-end products. The inability to access high-end products shows that the brand isn’t necessarily utilizing their channels for large financial gain. Instead, they are being utilized to further communicate the brand’s imagery and enhance the dream factor.

**Channel Management:**

When channel management falls under an omnichannel strategy, it is synergetic and geared towards optimizing the holistic experience. The way in which the channels are managed at Hermès, however, demonstrates a more multichannel approach. This seems to be an intentional part of their strategy.

Hermès is unique due to the fact that it does not have a marketing department. “The two core drivers of the company’s business engine are intuition and creativity. It is claimed that everyone in Hermès is responsible for marketing” (Roll 2018). There is a communication team that handles the press and media buying. There is a separate team that manages their creative campaigns each season. Bali Barret is the artistic director of women’s universe at Hermès. He serves as the point of communication between the hundreds of scarf artists and the rest of the company (Sherman 2018).

The Hermès stores vary based on location and target audience. The brand story does not seem to be consistent from store to store, and the online platforms show a mixture of what the storefronts are trying to emulate. For example the store that is located in the Meatpacking district of New York City is much more “recruitment” focused (Cheng 2019). The products offered at this storefront vary significantly compared to a traditional Hermès boutique. Accordingly, “the product assortment also signals ‘young and active’ to match the vibe of the neighborhood: a skateboard bag, a bicycle, a snorkeling imprint design, sneakers and casual apparel are featured alongside the company’s signature silk scarves, ties, and women’s handbags” (Cheng 2019) (Appendix 26). Even the employees themselves in this store are dressed much more casually to
reduce the intimidation factor. Chavez stated that “part of it is to relate to the whole concept of the store, which is much more comfortable, much warmer, much more casual and very welcoming in this neighborhood” (Cheng 2019).

Hermès intentionally attempts to create a different experience in each store. According to Sherman, “the structure of the organization adds another layer of employee accountability” (2018). Hosting such projects and pop-ups is completely optional and up to the head of the region the storefront is in. Sherman states that this mirrors the way the brand does their merchandising. Product orders and store atmosphere are unique to each location. Florian Craen, Hermès’ Executive Vice President of Sales and Distribution, stated that by doing this “people [can] experience something different in every store” (Sherman 2018).

Hermès seems to encourage customers to take notice of the different channel designs and inconsistencies. Although this falls under a multichannel strategy, it allows the brand to cater to both a younger audience who want to interact with technology and buy introductory products, as well as an older audience who want their experience to feel exclusive and private. This effects consumers in an affective manner as different populations are able to develop emotional connections and feel catered by the same brand, enhancing the brand experience. The intentional inconsistencies and lack of marketing department demonstrate a focus on creativity and building the brand’s image in a unique way. Their channel management strategy is highly imagery focused.

Customers:
When considering customers, a multichannel strategy is demonstrated when the shoppers use the channels in parallel. With a multichannel strategy, there is no possibility of triggering interaction between another channel. With an omnichannel strategy, shoppers are able to use and fully interact with the different channels simultaneously.

Hermès has started implementing a unique “trigger” omnichannel strategy in some of its newer stores. For example, the New York Meatpacking location hosts a communal sitting area where customers are offered beverages as well as the opportunity to charge their phone (Cheng 2019). Turning back to the Carré Club, visitors are invited to create a membership card called the “Click and Check” offer upon entering. This card not only allows one to explore the rest of the popup, it also collects data so that newcomers are registered in Hermès’ system (Donoghue 2018). One of the main purposes of the Carré Club was to communicate their brand story (Sherman 2018). The Carré Club was open for four days. Six scarf designers were brought from Paris to do live demonstrations of scarf design illustrations. The Carré Club featured a small trendy cafe paired with a “carré-oke” booth where customers could be filmed wearing Hermès scarves, singing, and post to their social media (Chavez 2018). These examples demonstrate how the brand provided easy and accessible trigger opportunities for interaction between in-store and online.

These trigger strategies affect one’s brand experience on a sensory and behavioral level. Visitors are enticed to see, touch, hear, smell, and taste all while being encouraged to share their experiences online and physically connect to the different channels. The triggering of channel engagement falls under the brand’s strategy to stay competitive in the omnichannel field. This demonstrates a financial focus as the brand works to gather consumer data and connect with
them on every level. However, since the brand’s channels aim to tell a story and communicate its identity, it also demonstrates a focus on the brand’s imagery.

**Sales People:**
Hermès is a brand dedicated to educating and training their sales team. According to Chavez, “We spend a lot of time training our staff to make sure they are welcoming everybody and anybody who comes into the store” (Cheng 2019). In order to ensure that all employees are educated and connected to the brand’s roots, each new hire goes through a selective hiring process followed by an in-house training session titled “Inside the Orange Box.” This training session lasts three days, educating employees about the company’s founders, origin, and history of development of each of its product categories. According to Roll, “the objective of this training is to make every Hermès employee feel close, involved in and identify with the company’s culture, philosophy and values” (2018).

According to Chavez, training is about immersing the Hermès team into the culture of the company (2018). Once the sales people understand the culture of the company, they then take the time to understand the customer’s needs and knowledge about the product. The brand attempts to cater to the customer’s desires instead of trying to sell them on the latest product, one of the key aspects of an omnichannel strategy. According to Martin Roll from Business & Brand Leadership, “Twice a year, 1,000 store representatives from [Hermès’] global stores come to Paris for an event called ‘Podim.’ Each flagship is instructed to pick at least one item from each of the 11 product categories…this adds to the allure of the Hermès brand as not all products are available in each store and the online store only offers a selection of the company’s products” (2018). Although the brand does not launch region-specific collections, representatives are able to choose the products for their stores seeing as they are the ones who know their customer population the best (Roll 2018).

The sales associates’ understanding of not only the brand and the products but also the customer enhances the brand experience in a sensory, affective and behavioral way. The sales staff is encouraged to allow customers to touch, see, and smell products. Customers feel a greater emotional connection to the brand as they are constantly seeing goods that are popular in their region and understanding the artistry and craftsmanship behind each product. In addition, customers are encouraged to physically purchase the goods. Maintaining an impeccable sales team is key to any luxury brand’s strategy in order to stay competitive in the field and socially responsive to demands. This demonstrates a focus on the brand’s financials in order to push sales. However, it also demonstrates a focus on the brand’s imagery. Customers who want exclusive items must go in the store and have the face-to-face sales associate experience, enhancing the feelings of “luxury.”
**CHANEL**

**History:**
From the start, Chanel’s pieces have always been suited for customers’ increasingly fast paced lifestyle (Person 2010). According to Person, Chanel once stated, “I make fashion women can live in, breath in, feel comfortable in and look younger in” (2010). She turned women’s fashion into something that was more comfortable, using pieces from menswear and creating them for women. She broke the boundaries of fashion.

Born in 1882, Gabrielle “Coco” Chanel revolutionized women’s clothing. The first Chanel boutique opened in 1913 selling luxury casual clothing, followed by the introduction of her infamous fragrance, Chanel No. 5. After years of designing clothing for the wealthy, Chanel introduced handbags in 1955. After Chanel’s death, Karl Lagerfeld took over as Artistic Director, continuing the legacy of the brand and preserving the heritage of the company (“A history” 2014). The brand is known for moving away from opulent and over-designed women’s clothes from the very beginning. One of the brand’s many competitive advantages is that it is 111 years old (“A history” 2014). Along with its longstanding heritage, the brand is known for some of its most iconic pieces such as the tweed jacket, their infamous suits, and the little black dress (Krick 2004).

Currently, the privately held company is owned by Alain and Gérard Wertheimer. Karl Lagerfeld passed away in February 2019 after leading Chanel to success for three decades (Gebel 2019). Virginie Viard, who has worked closely with Lagerfeld at Chanel, took over as his successor in 2019 (Gonzales 2019). Chanel continues to remain successful, employing around 20,000 people and even brought in a total of $6.5 billion in sales as of May 2019 (Gebel 2019). Chanel’s classic and sleek brand identity symbolizes class yet modernity as it continues to set trends in the industry and break the boundaries of luxury shopping.

**Channel Scope:**
Chanel has a wide channel scope. Chanel’s channels include in-store, online, telephone, mobile app, social media, and print. The brand provides consumers with a wide variety of ways to connect, however, in order to maintain exclusivity, the brand has built in certain restrictions to accessing these channels. Further information on the degree of integration is outlined below.

Chanel has been focused on providing omnichannel opportunities for quite some time. According to President and Chief Operating Officer of Chanel Inc, John Galantic, “What the client is really interested in is omni-touch points, the more connected experience. When she engages with Chanel, it could be chanel.com, or an app, or a wish list, or a virtual closet, or making an appointment, or a live chat or a call center. Once she enters any touch point, she's entered all. Through her ‘My Account’ she’s now part of a Chanel connection. We’re working very much on this, and we plan to be ready for an omni-touch point connected world in 2019” (Forster 2018). This demonstrates Chanel’s dedication to providing an omnichannel experience for its customers. However, one of the most important aspects of providing an omnichannel experience is the integration of the channels. This integration will be further elaborated on below.
The brand’s channel scope enhances the brand experience in an affective and behavioral manner. Affectively, the channel depth keeps the consumer more connected and a part of their everyday lives. The behavioral portion is connected to the physicality that comes with interacting with the channels. This wide channel scope falls under the brand’s strategy to stay competitive in the field. This demonstrates a focus on the brand’s financials. However, similar to Hermès, not all products are offered on every channel. This demonstrates the use of the channels to communicate the brand’s image.

**Concept - Degree of Integration:**
Chanel offers a plethora of channels, some of them not being easily accessible to the public. This helps keep the brand exclusive. The brand has its standard Chanel Fashion app (Appendix 27). Users are first asked to sign up in order to be able to track their favorite items, keep up with breaking news, and much more. On the app, users can view the brand’s products, stay updated on recent Chanel news, watch fashion shows, listen to the Chanel podcast, and view “Chanel in Cinema”. The viewable products include ready-to-wear, bags, shoes, small leather goods, costume jewelry, camellias, scarves, belts, headwear, and eyewear. Each of these product categories provides the price and the materials used. In the top right corner, customers are able to quickly export the page and share it via text, email, and social media. Shoppers can also view Haute Couture products within the app. The majority of the products are not available for purchase online except for the smaller accessories and goods such as glasses and cosmetics. This creates a dream factor, making the items less accessible yet more recognized (Ozuem 2018). In order to integrate in-store customer service care into the app, Chanel provides a “connect” option. Users have access to 24/7 customer care at the click of a button. They are also able to chat with individual boutiques when open. The app also provides a store locator and product care information. There are certain apps, however, that remain exclusive for certain clientele. An example of this is the 19 Rue Cambon store in Paris, France (Appendix 28). This app can be accessed by invitation only.

Similar to Hermès, Chanel utilizes pop-ups to attract a younger demographic in New York City. Chanel created the Atelier Beauté Chanel concept store, focusing on its beauty products that are considered much more accessible to the public and less exclusive. The goal of Chanel’s Atelier Beauté experience was to create “a place that shifts the focus in retail from selling products to creating an immersive branded experience” (Danziger 2019). The Atelier Beauté storefront is a fully stocked Chanel beauty studio where shoppers are encouraged to try as many products as they please. The store provided lockers for shoppers to put their belongings into, except for their cellphones which are then used to immediately set up an online account (Appendix 29). The Atelier Beauté account collects shopper’s information, helps them keep track of the products they explore, and allows them to vote on their favorites (Appendix 30). By setting up their online account, they are immediately connected to Chanel through the app, by telephone, and are in the store (Appendix 31). This is a prime example of an omnichannel strategy, as engagement with the online platform is done simultaneously with the in-person shopping experience. As customers test the different products, they order them in-store or online, book makeup appointments, and sign up to listen to guest speakers. Technology is highly integrated in this pop-up, and the brand also promotes shoppers to connect via social media. Chanel encourages visitors to take a photo in the “instagrammable atmosphere” (Reid 2019) (Appendix 32). This not only connects shoppers to another channel while in the store, it also serves as free advertising for
the brand. There are constant reminders throughout the pop-up to connect digitally. If a makeup artist is busy in-person, shoppers can turn to their nearest iPad to receive help and recommendations.

Lastly, technology is integrated throughout the Chanel boutiques. iPads are scattered throughout for customers to easily access at any moment (Appendix 33). In addition to the technology provided, one storefront has the opportunity for customers to connect using their own devices by downloading “invitation only” apps as mentioned above. The 19 Rue Cambon boutique is the only storefront that has its own unique app as of now. However, customers can still use the all-access general Chanel app in-store to show sales associates their favorite products and collections through their “My Account.” The 19 Rue Cambon app is more unique because it shows visitors the exact content in the boutique and the inspiration behind collections. The app also has a “snap and find” option where customers can take pictures of the items in store and find them online to learn more product information (Appendix 34).

Chanel’s efforts appeal to customers in a sensory, affective, and behavioral manner. Everything from the brands experimental pop-up to its digital fashion shows and collection reviews create a strong impression on all of the customer’s senses. They see the beauty and brand image through Chanel’s visual merchandising, they touch and smell the cosmetic products and perfumes, and they are able to hear stories about the brand’s history and the inspiration behind the collections through online videos. Affectively, the brand has been able to maintain a sense of exclusivity by having certain apps be “invitation only.” For customers who are invited to download the app, they feel a sense of pride and belonging, knowing that they have been selected to be a part of something so private. It creates an emotional bond to the brand for the consumer. From a behavioral perspective, customers are encouraged to physically interact with the brand. Whether through trying on products in the pop-up store or downloading apps and “favoriting” items, the brand pushes shoppers to engage in an action-oriented way that goes beyond simply browsing the products.

Integrating these channels is part of Chanel’s strategy to consistently communicate the brand’s image since not all products are offered throughout. However, the company also works to provide the highest degree of technology for their customers and compete with other top luxury brands.

**Customer Relationship:**
Chanel makes an effort to communicate its brand story to shoppers and develop the customer relationship level beyond completing a sale. One of the ways Chanel communicates its brand image and story is through their luxury video strategy (Aliferis 2018). The brand has acquired over 300 million views across different video postings between Youtube and Facebook. According to Aliferis, "Chanel’s content seems to be transforming more viewers into a faithful audience (2018). This is important to note because these videos are more than just promotional content that will lead to a sale. Instead, they are used to tell the story. The more and more content they post on the channels, the larger their subscriber base and following becomes (Aliferis 2018). The brand posts content in accordance with the platform it's on (Appendix 35). For example, one promotional video or image will not be posted across all channels. Instead, each piece of content is personalized depending on the channel it is being posted on (Aliferis 2018). Whether in-store
or online, “the fashion house always stays true to its core values and the personality of its historic founder, Gabriele (‘Coco’)...Brands can take a leaf from Chanel’s book and agree that consistent content and strong brand messaging go hand in hand in social success” (Aliferis 2018). This not only demonstrates the consistency in the message Chanel tries to portray, but also the dedication to its values and its efforts to utilize technology as a way to promote its identity, not just sales.

Overall, the brand has been successful in creating an image and designing their storefronts in a way that is consistent. Chanel utilizes its iconic yet simplistic black and white color scheme and carries it across all channels. The website, app, and social media channels all follow this scheme with geometric shapes and patterns throughout (Appendix 36). This imagery is carried throughout the in-store experience. It can be seen that the physical stores’ interior design utilizes the same color scheme and modern architecture (Appendix 37). The storefront itself is geometric and shares the same design elements (Appendix 38). Throughout each channel, the brand ensures that it pays tribute to Gabrielle Chanel. Whether that be through sharing her story online through a post or paying tribute to her in-store, the brand honors their founder as one of the key pillars of their brand identity (Appendix 39).

Chanel’s focus on enriching its customer relationship by communicating their story demonstrates the creation of a brand experience through an affective sense. The brand attempts to utilize a similar design scheme throughout its channels, sharing the brand story but making the content unique and specific to each channel. Customers are able to build strong emotions for the brand and the story that is being told. The fact that Chanel also shares different content for different channels also engages customers behaviorally, encouraging them to check out different channels to view fashion shows, video content, and much more. Communicating the brand story consistently through the various channels demonstrates Chanel’s focus on its imagery

**Objectives:**

The objective of this omnichannel strategy is to communicate the brand. However, in order to properly address Chanel’s omnichannel objectives, we must consider whether a holistic customer experience is offered. Chanel is similar to Hermès in that it attempts to limit access to certain products in order to maintain exclusivity. In fact, although Hermès allows customers to purchase the majority of their products online (ready-to-wear, handbags, etc), Chanel does not allow customers to do so. Only smaller goods such as glasses, fragrances, and beauty are available for online purchase. According to Galantic, “one of the things that’s special about Chanel and keeps us at the top of luxury is we favor and cultivate human contact so that there’s a human relationship with someone who knows you, with someone you make an appointment with...for high luxury, that needs to happen in a boutique and not on a screen” (Forster 2018). This sentiment has not changed, as none of the brand’s fashion items are available for purchase online.

The fact that the different channels do not provide a holistic customer experience shows that the objective of the channels is to promote the brand, its story, and elevate the dream factor (Ozuem 2018). This seems to be a part of the brand’s strategy and affects shoppers from an affective, behavioral, and intellectual perspective. Affectively, the brand produces sentiments and feelings of exclusivity, but it also increases the public’s desire and perception of the brand as it becomes more difficult to access. In addition, it affects consumers in a behavioral and intellectual manner.
because they must physically go into the store to obtain certain products. They become curious as to why they are unable to access certain products online. Making the products only available on certain channels demonstrates the brand’s use of these channels as a way to communicate its image and enhance the dream factor.

**Channel Management:**
Managing Chanel’s channels is a full-time job. The most crucial part about managing these channels is the content that goes into them in order to control the brand’s image (Nguyen 2010). In order for the management of the channels to be considered omni, it should be synergetic and help customers recognize their perceived interaction with the brand as a whole.

Chanel’s channel management is strategic for the reasons outlined under Customer Relationship. By looking at Appendix 35, Chanel creates individualized content for each channel. However, the content being promoted is uniform. Each channel promotes the same campaign, using the same color scheme, yet ensures the highest of quality by making the content appropriate for that channel (Aliferis 2018).

It is also incredibly important to recognize how Chanel attempts to secure and control the content it releases to the public. Philippe Baumlín, Global Digital IT Program Director at Chanel, stated that the brand’s assets are not simply images. Instead, they are large amounts of data, text, marketing material, and much more (Nguyen 2010). These assets appear on the brand’s platforms and channels, but also on platforms and channels that Chanel is unable to manage. According to Baumlín, “Everyone picks our information and tries to put it very quickly on all information sites, like Vogue” (2010). In order to try and maintain control over this information, Chanel utilizes a digital asset management system, a product information management system, and a translation service system. These systems help the brand protect its assets and make it easier to retrieve original ones (Nguyen 2010).

Although the company cannot manage exactly what viewers do once they release their content through different channels, they have been able to manage the release of this content to the public and the consistency of the marketing materials. This helps create a holistic experience where the customer can focus on the brand itself.

This channel management strategy improves brand experience in an affective manner. Filling the channels with consistent imagery released at the same time helps unify and reiterate the brand’s image and current campaign, allowing customers to connect with the brand, understand the story, and develop an emotional attachment. The way in which the channels are managed demonstrates a focus on the brand’s imagery. Also, the way in which the brand protects its information demonstrates a need to control the story that is told.

**Customers:**
As stated, this section considers whether the brand makes an effort to trigger the customers to interact with two or more channels simultaneously. Chanel has implemented a variety of tactics in order to achieve this trigger reaction. One of these tactics can be seen in its 19 Rue Cambon store. Customers first enter the store and start exploring, eventually realizing that there are several icons prompting them to interact with the digital channels. One particular icon is an
iPhone with three sound bars. There are plaques throughout the store with this icon encouraging visitors to download the exclusive 19 Rue Cambon app and tour the store with supplement audio explaining the store's history (Appendix 40). In addition, as mentioned above, the app allows customers to take pictures of products in store, immediately linking them to online details about the products and their inspiration. Unlike Burberry, the brand does not offer direct links and shopping options on different social media apps. However, it does offer store locator options on its website.

Secondly, Chanel provides iPads throughout its boutiques, allowing customers to connect digitally in-store. Chanel also has a “My Account” option where customer can save products and see their recent purchases, much like Burberry and Hermès (“The Art of Details” 2020). By providing iPads in store, customers can quickly login to their Chanel account and ask sales associates for help with finding and learning more about their favorited products (Appendix 33). From a brand experience perspective, this affects the customers in a behavioral manner. They are encouraged to physically connect to different channels simultaneously. The brand is able to connect with the customer on as many platforms as possible, ensuring that Chanel is a part of their everyday lives no matter where they are. Overall, the brand promotes the use of each of its channels to further communicate its image. These channels do not provide further opportunities to shop for exclusive products. With that in mind, this demonstrates a focus on the brand’s imagery.

**Sales People:**
Training the sales staff is an important part of a brand’s strategy to ensure that the services being provided are comparable if not better than their luxury competitors. In order for the sales staff to fall in line with an omnichannel strategy, they must align their selling behavioral with that of the individual needs of its customers.

Chanel equips its sales people with individual iPads as well. Not only does this allow them to quickly search information and provide help from anywhere in the store, it also allows them to pull up customer’s information through their “My Account,” as stated (“The Art of Details” 2020). The sales staff is then able to see the types of items they purchase, how frequently, and any products they may have favorited (Ahlborn 2015).

From a training perspective, Chanel’s staff is highly knowledgeable and the brand ensures that each employee understands the history and heritage. According to David Collins who wrote *Management Fads and Buzzwords: Critical-Practical Perspective* (2000), Chanel staff has long received the following guidelines:

- **Customer approach**
  - Use open questions to find out customer needs
  - Listen to their needs – introduce products and demonstrate
  - Tackle customer objections by reinforcing [Chanel]
  - Unite with customer to get commitment to buy
  - Remember to introduce complementary products
  - End sale.”

These guidelines help direct sales staff when working with customers. It helps push them to understand customers’ needs, desires, and knowledge, all while reinforcing the brand and its
culture. In, all this greatly demonstrates an omnichannel strategy. This helps enhance customers’ brand experience in a sensory, affective, and behavioral manner. The sales staff is encouraged to allow customers to touch, see, and smell products. The knowledge that the sales staff shares with these customers helps create an emotional connection with the brand. Lastly, these elements further entice customers to purchase, which is them engaging in an action-oriented manner. This demonstrates a focus on the brand’s financials. The training and expertise helps push sales. However, it also demonstrates a focus on the brand imagery, similar to Hermès. Customers can only find exclusive products in-store. The in-store experience adds to the luxury of the brand, as customers are pampered and encouraged to learn all about the product and its history.
DISCUSSION

After having conducted the research on the three brands, Burberry is found to be the most integrated yet least exclusive, Hermès is found to be the least integrated and somewhat exclusive, and Chanel is found to be somewhat integrated and the most exclusive. One of the most important aspects of an omni strategy is that all channels are integrated. Although brands such as Hermès and Chanel may have the capabilities to further integrate (through offering more products online), they have chosen not to in order to enhance the dream factor and try and maintain a sense of exclusivity. Table 2 demonstrates that Burberry’s initiatives are more financially focused based on the evidence provided. Hermès and Chanel, on the other hand, demonstrate that they are more imagery focused, with financials mixed into some of the categories. This shows that Burberry is the least exclusive brand. The sensory, affective, and intellectual characteristics seem to be provoked more frequently for the brand’s that are using channels to communicate their brand image (Hermès and Chanel). The behavioral characteristic is almost always present when there is a financial focus.

Table 2: Finding Comparison

<table>
<thead>
<tr>
<th>Channel scope</th>
<th>Concept-DOI</th>
<th>Customer Relationship</th>
<th>Objectives</th>
<th>Channel Management</th>
<th>Customers</th>
<th>Sales People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burberry</td>
<td>Affective, Behavioral Financial Focus</td>
<td>Sensory, Behavioral Financial Focus, Imagery Focus</td>
<td>Affective Imagery Focus</td>
<td>Sensory, Affective, Behavioral Financial Focus</td>
<td>Affective Imagery Focus</td>
<td>Behavioral Financial Focus</td>
</tr>
<tr>
<td>Hermès</td>
<td>Affective, Behavioral Financial Focus, Imagery Focus</td>
<td>Sensory, Affective, Behavioral Imagery Focus</td>
<td>Affective Imagery Focus</td>
<td>Affective, Behavioral, Intellectual Imagery Focus</td>
<td>Affective Imagery Focus</td>
<td>Sensory, Behavioral Financial Focus, Imagery Focus</td>
</tr>
<tr>
<td>Chanel</td>
<td>Affective, Behavioral Financial Focus, Imagery Focus</td>
<td>Sensory, Affective, Behavioral Imagery Focus</td>
<td>Affective Imagery Focus</td>
<td>Affective, Behavioral, Intellectual Imagery Focus</td>
<td>Affective Imagery Focus</td>
<td>Behavioral Imagery Focus</td>
</tr>
</tbody>
</table>

Now that an overarching view has been given, it is important to address a few brand specifics. Burberry is the most integrated due to its availability of products across all channels as well as efforts such as their Regent store (with the purpose of literally bringing the digital world to life). Its social media is highly integrated and connects directly to the shopping experience. This is not seen across the other two brands, making its omnichannel strategy stronger. However, Burberry’s high degree of integration does take way from the level of exclusivity, as described.
Hermès is the least integrated due to its lack of in-store technology. As described, both Burberry and Chanel provide iPads for consumers to use in store. Their apps also promote in-store usage for their permanent stores, not just pop-ups. Hermès’s integration in-store is slacking in comparison to these two brands, but efforts are being made starting with the Carré Club.

Chanel is found to be the most exclusive due to its limited product availability online. Hermès customers can purchase a lot more online than Chanel customers. This includes ready-to-wear, select bags, and more. Chanel customers, on the other hand, are only able to purchase small accessories (such as glasses) and cosmetics online. This helps the brand maintain exclusivity across channels and further demonstrates its use of an omni strategy to simply communicate its identity. Chanel has also been extremely creative in finding ways to remain exclusive yet still cater to customers who want to use technology. This is exemplified through its invitation-only app, 19 Rue Cambon.

Words such as “most,” “least,” and “somewhat” are only used in comparison to the three brands investigated. Burberry, Hermès, and Chanel are leaders in the industry and have shown incredible strides in luxury attempting to provide omnichannel offerings to its customers. Overall, these brands have been able to communicate their brand identity across a variety of channels. It will be exciting to see how their offerings and strategies evolve in the future.
LIMITATIONS

Because luxury brands are new to the world of omnichannel, not all brands provided the same type of information to include under the categories. Finding consistent information across all brands was difficult but not unexpected as the brands aim to maintain exclusivity. Not being able to complete the “Retailers” category was also a limitation. This was because none of the brands selected provided information regarding retailers’ control over the brand’s channel systems. This would have been an interesting point of comparison, as it would have given more insight into the physical channel and its control over the omni system.

Little information is provided on the financial impacts of a successful omnichannel implementation. It would have been interesting to see exactly how much money brands have invested in omnichannel implementation, as well as how their sales/performance changed after such an implementation. Unfortunately, the lack of public information did not permit this to happen. Instead, this thesis serves as an in-depth view of omnichannel initiatives and how these initiatives enhanced brand experience and impacted exclusivity in some manner.
FUTURE RESEARCH

Further research on other leading luxury brands could be conducted using the melded framework. Other brands ripe for investigation include Gucci, Louis Vuitton, and Prada due to their performance and early omnichannel implementation as well. It would be interesting to compare these brands against the three already investigated and see how things differ. On a larger scale, omnichannel research could be done on luxury conglomerates such as LVMH, Kering, and Richemont. This type of research could investigate which conglomerate has the most brands that are considered successful in their omnichannel initiatives. Research could also be conducted on any resources or support these conglomerates provide to their individual brands in order to be successful in integrating an omnichannel solution. The framework utilized can be applied to any luxury brand or family for further research.
APPENDICES

Appendix 1: Different Channels

Omnichannel VS Multi-channel
Appendix 2: Multichannel to Omnichannel

Multichannel

Omnichannel
Appendix 3: Fast Fashion Copies Luxury Brands

*Mango copies Gucci, H&M copies Chloé

Appendix 4: Brakus et. al.’s Four-Factor Model of Brand Experience
## Appendix 5: Juaneda-Ayensa et. al.’s Multichannel vs. Omnichannel Table

<table>
<thead>
<tr>
<th></th>
<th><strong>Multichannel strategy</strong></th>
<th><strong>Omnichannel strategy</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Concept</strong></td>
<td>Division between the channels</td>
<td>Integration of all widespread channels</td>
</tr>
<tr>
<td><strong>Degree of integration</strong></td>
<td>Partial</td>
<td>Total</td>
</tr>
<tr>
<td><strong>Channel scope</strong></td>
<td>Retail channels: store, website, and mobile channel</td>
<td>Retail channels: store, website, mobile channel, social media, customer touchpoints</td>
</tr>
<tr>
<td><strong>Customer relationship focus: brand vs. channel</strong></td>
<td>Customer-retail channel focus</td>
<td>Customer-retail channel-brand focus</td>
</tr>
<tr>
<td><strong>Objectives</strong></td>
<td>Channel objectives (sales per channel, experience per channel)</td>
<td>All channels work together to offer a holistic customer experience</td>
</tr>
<tr>
<td><strong>Channel management</strong></td>
<td>Per channel</td>
<td>Cross-channel</td>
</tr>
<tr>
<td></td>
<td>Management of channels and customer touchpoints geared toward optimizing the experience with each one</td>
<td>Synergetic management of the channels and customer touchpoints geared toward optimizing the holistic experience</td>
</tr>
<tr>
<td></td>
<td>Perceived interaction with the channel</td>
<td>Perceived interaction with the brand</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>No possibility of triggering interaction</td>
<td>Can trigger full interaction</td>
</tr>
<tr>
<td></td>
<td>Use channels in parallel</td>
<td>Use channels simultaneously</td>
</tr>
<tr>
<td><strong>Retailers</strong></td>
<td>No possibility of controlling integration of all channels</td>
<td>Control full integration of all channels</td>
</tr>
<tr>
<td><strong>Sales people</strong></td>
<td>Do not adapt selling behavior</td>
<td>Adapt selling behavior using different arguments depending on each customer's needs and knowledge of the product</td>
</tr>
</tbody>
</table>
Appendix 6: Combined Framework

- **Concept – Degree of Integration**
  - Sensory, Affective, Behavioral, Intellectual
  - Financial Focus, Imagery Focus

- **Channel Scope**
  - Sensory, Affective, Behavioral, Intellectual
  - Financial Focus, Imagery Focus

- **Customer Relationship**
  - Sensory, Affective, Behavioral, Intellectual
  - Financial Focus, Imagery Focus

- **Objectives**
  - Sensory, Affective, Behavioral, Intellectual
  - Financial Focus, Imagery Focus

- **Channel Management**
  - Sensory, Affective, Behavioral, Intellectual
  - Financial Focus, Imagery Focus

- **Customers**
  - Sensory, Affective, Behavioral, Intellectual
  - Financial Focus, Imagery Focus

- **Sales People**
  - Sensory, Affective, Behavioral, Intellectual
  - Financial Focus, Imagery Focus
Appendix 7: **My Burberry**

Appendix 8: **Text Message with Burberry Representative**
Appendix 9: Burberry on Instagram
Appendix 10: Burberry Embraces Personalized Pinterest Marketing

Appendix 11: Burberry and Snapchat
Burberry Snapchat Filter

Appendix 12: Art of the Trench
Appendix 13: Apple Music and Burberry

Burberry Acoustic celebrates emerging and established British musicians with unique performances and collaborations.

Listen on Apple Music

Playlists

Burberry Runway Playlists

Midnight City
M83 — Hurry Up, We’re Dreaming

Grace Drettmann
Appendix 14: **Uber and Burberry**

Appendix 15: **RFID Technology**
Appendix 16: Burberry Bespoke

Appendix 17: Home Page of Burberry
Appendix 18: Burberry Regent Street

Appendix 19: Inside a Burberry Retail Store
Burberry Tartan Pattern on Storefront

Burberry Trench Coat
Appendix 20: Use of iPads in Burberry Store Locations

Art of the Trench Digital Customization being Offered In-Store
Appendix 21: 2002 Hermès Campaign

2019 Hermès Campaign
Appendix 22: Hermès x Apple Watch
Appendix 23: Carré Club
Appendix 24: **Silk Knots App**
Appendix 25: Hermès Equestrian Equipment

Appendix 26: Unique Products in Hermès Store
Appendix 27: **Chanel App**

Appendix 28: **19 Rue Cambon App**

---

Grace Drettmann
Appendix 29: Atelier Beauté Lockers

Appendix 30: Customer Favorites
Appendix 32: **Atelier Beauté “Instagrammable Atmosphere”**

Appendix 33: **IPads throughout Chanel Boutiques**
Appendix 34: **19 Rue Cambon App Features**

Appendix 35: **Chanel’s Content Based on Platform - Gabrielle Campaign**
Appendix 36: Chanel’s Online Design

Appendix 37: Chanel’s In-Store Design

Appendix 38: Chanel’s Storefront Design
Appendix 39: Gabrielle Chanel is a Pillar of the Brand Identity
Appendix 40: 19 Rue Cambon Listen-Along (see IPhone icon in top left corner of table inside boutique)
References


Ahrendts, A. (2013, January). Burberry’s CEO on Turning an Aging British Icon into a ... Retrieved from https://hbr.org/2013/01/burberrys-ceo-on-turning-an-aging-british-icon-into-a-global-luxury-brand


Swanborn, P. (2010). What data to collect?. In Swanborn, P. Case study research (pp. 73-96). 55 City Road, London: SAGE Publications, Inc. doi: 10.4135/9781526485168


