

Learning from US online luxury brands: the case of Loewe

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Abstract

According to McKinsey's Luxury report (2015), by 2018, global digital sales in women's luxury fashion are expected to grow from a current 3 percent of the total market to 17 percent, reaching a total market size of \$12 billion. It is important for luxury brands to take this trend into account as the luxury industry will be facing both challenges and opportunities on the internet. These are not obvious at first glance, as their identification requires a strategic and systematic approach as well as a profound understanding of the phenomena. However, the online adaptation of luxury brands is still very much in its infancy and it is clear that the mainstream luxury market can no longer ignore an omnichannel marketing approach. In this context, we want to explore how luxury brands are introducing this new strategy as they try to preserve their particular values, many of them intangibles, at the same time.

US brands have a competitive advantage in the WorldWideWeb as the American online market is almost mature. Consumers of luxury brands prefer to shop on a multi-brand platform and this behavior is expected to drive growth of luxury ecommerce through 2019, according to "Global Luxury Retailing Market 2015-2019." In this context, the non-american luxury brands selling in the US, have a challenge as they continue to adapt to the online channel. This information is generating a relevant knowledge for these brands on how to move in the digital environment.

Our research objective consists in exploring how the knowledge is being transferred from one country to another when facing their online strategy. Is this useful for the companies in their worldwide activity or each "online" country-market have different patterns according to the particularities of each country? Can we speak about an "americanization" of luxury brands when they adopt the online "modus operandi" developed on the American Market?

In this paper, we analyze the case of a Spanish luxury Brand, Loewe, which is learning how to move in the online market from its American subsidiary. We want to explore the consequences for the spanish brand in terms of the preservation of their original values and efficiency.

Keywords

Online, luxury, strategy, fashion