

Luxury & E-commerce. Engaging millennials

Cristina Sánchez-Blanco

University of Navarra

csblanco@unav.es

Marta Torregrosa

University of Navarra

mtorreg@unav.es

Maria Fraile

University of Navarra

maria_fpm@hotmail.com

Abstract

There are annual conferences all around the globe, monthly reviews in important trend hunting magazines as PSFK, JWT or Contagious which are heading towards a substantial growth within the e-commerce channel that will have a decisive impact on brands from all sectors. Contrary to the general acquis that understood the luxury industry must remain inaccessible in order to maintain the exclusivity, luxury and e-commerce enter into a very close relationship. This will drift the way they engage their consumers. In relation to this, the luxury industry has received a new generation of consumers, millennials. Knowing that these consumers are essentially technological and they buy, communicate and move by Internet, e-commerce is presented as one of the most competitive tool that luxury industry has to incorporate in order to engage them.

The purpose of this study is to investigate the relation between luxury fashion brands and the e-commerce business. E-commerce current innovations in which millennials coevolve will serve to answer the main research question, how are the fashion luxury brands applying the e-commerce now.

The methodology consists in a vast investigation research followed by a field research. A qualitative investigation was launched in order to obtain proved results in the professional field. Following data from the literature review, an observation sheet was developed. It was used to review a sample of 9 luxury fashion brands contended within the Interbrand 2015 ranking.

The findings prove that e-commerce business is an efficient way to connect luxury fashion brands with the new millennial consumer. However, the reality shows that despite being a growing enterprise, most of luxury fashion brands are not taking advantage of this opportunity.

After reviewing the literature and collecting the field investigation findings the overall conclusions are: First, the evolution of luxury talks about two types of consumers: the traditional consumer and the Millennial generation. Second, the Millennial values' system connect seamlessly with luxury industry values excepting the use of technology. Thus, the Millennial is essentially technological and luxury must adapt to it. Regarding to e-commerce, the millennial coexists with all its applications: (1) high quality images and moving videos, (2) new technologies, (3) mobile commerce, (4) distributed commerce, (5) conversational commerce and (6) new payment systems.

All in all, it is necessary to continue studying in the professional reality what e-commerce innovations are applying the luxury fashion brands in order to understand whether they connect with Millennials or not.

Keywords

Fashion luxury brands, luxury consumer, millennials, e-commerce, e-commerce innovations