Investigation of Luxury Fashion Brand Extension in Catering Services in China – A Case Study of Vivienne Westwood and Gucci in Shanghai

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Abstract

Purpose

This study investigates the factors that influence the success of luxury fashion brand extension into catering services in China. Five factors are measured through hypotheses, and the incentives for launching brand extension strategies, especially extension from products to services, is investigated.

Research methodology

In-depth interview with three professionals and an online survey comprising 203 valid responses.

Findings

Higher price, strong symbolic atmosphere, superior staff performances, applicable adaptation and interdependent self-construal all have a positive impact on luxury brand extension for catering services in China.

Future study

A larger-scale study on luxury brand extension beyond catering services could be undertaken, or a comparative study examining other cultural contexts.

Keywords

Brand extension, luxury brand, catering services, China.

1. Introduction

Brand extension strategy has been adopted by many luxury brands to scale business growth and introduce new products (Aaker and Keller, 1990; Batra, Lenk and Wedel, 2010; Volckner and Sattler, 2006). Extension strategy offers a number of advantages. First, it reduces the risk in launching new products by using existing associations and awareness of the parent brand, plus, a mature and successful brand image can also be leveraged to achieve brand stretch (Batra, Lenk and Wedel, 2010). Moreover, brand extension also helps the brand to expand its business reach by avoiding "internal organic growth" (Stankeviciute and Hoffmann, 2011). As leaders in the brand extension approach, luxury brands display extraordinary performance in a variety of fields. For instance, Louis Vuitton, Gucci, Yves Saint Laurent and Chanel have extended their brands into many categories including clothing, bags, watches, beauty products, accessories and even stationery (Kapferer, 2008; Reddy, Terblanche, Pitt and Parent, 2009). The reason for building up a luxury empire is to generate greater profit. According to Bellaiche, Mei-Pochtler and Hanisch, (2010) traditional luxury products represent €230 billion in market potential. However, the whole luxury field represents almost €1 trillion. When servitization is accelerating industrial transformation, luxury brands are also extending their businesses into services. Both Versace and Bulgari have performed exceptionally well in the hospitality industry (Bulgari, 2016; Versace, 2016). However, the most active performer is Armani, which has extended its business fields from fashion to include restaurants, bars, bookstores and even chocolates (Armani, 2015). According to Bellaiche, Mei-Pochtler and Hanisch (2010), these new luxury brand businesses account for €480 billion in revenue.

This study investigates the different factors that influence the success of luxury fashion brand extension into catering services in Shanghai, China. Behind the US and Japan, China is the third largest luxury market in the world, accounting for almost 30% of consumption (Zhang and He, 2012). As the most prosperous emerging market, many luxury brands have chosen to implement extension strategies in China. In 2015, two luxury brands launched catering services in Shanghai: Vivienne Westwood opened its first café and Gucci opened its first restaurant, 1921 Gucci Restaurant (Mao, 2015; Stern, 2015). Hence, this project chooses these two examples as case studies.

Several interviews are conducted with experts in fashion marketing and fashion branding to

collect the qualitative data required. Furthermore, an online survey is carried out to gather data from a customer perspective. The significance of this research is relates to its three aims. First, this research intends to discover how luxury brands leverage their brand image to achieve catering extensions; second, the paper examines how nonadjacent extensions can be realised in the new market given that cultural issues and different customer behaviours are very challenging; and finally, when transforming from products to services, this study investigates what kind of "luxuriousness" is expected from luxury brands.

2. Literature Review

The specific luxury brand exentension examined in this study is catering services. Therefore, understanding the critical success factors of catering services is crucial. In addition, it is necessary to identify the important considerations for luxury brand extensions especially when stretching into a nonadjacent field.   Five hypotheses are thus proposed relating to the two diferent sets of literature (i.e. literature examining catering services extension for luxury brands and that investigating critical success factors of catering services). Pricing strategy, symbolic value and indoor atmosphere, services quality and cultural attributes are separately reviewed.

2.1 Pricing Strategy of Luxury Brands

Pricing is the most basic concern for any market innovation and retail situations. In the transformation from products to services this issue is even more worthy of discussion. However, academic and practitioners have focused on heritage, craftsmanship, timelessness and exclusivity and have largely ignored the issue of pricing (Kapferer, Klippert and Leproux, 2014). In other words, luxury is priceless. The aforementioned factors are the major contributorss of the intangible value that most luxury brands utilise to make emotional connections with customers (Kapferer, 2012). Nonetheless, a lot of literature addresses pricing strategy in relation to generic brands, illustrating that customers positively perceive the relationship between price and quality, namely, that higher price equals better quality (Rao and Monroe, 1989; Davcik and Sharma, 2015). Similarly, it is demonstrated by Priti and Kumar (2014) that customers with certain experiences of similar products usually regard price

as an external cue to assess and differentiate quality among these products. Furthermore, Allsopp (2005) explains that higher price is not only an indicator of supreme quality but is also a sign of self-worth, indicating success and social class. This phenomenon is proved by the fact that lowering prices causes brand dilution and has a negative impact on brand image (Kwak, Puzakova and Rocereto, 2015). Therefore, it is vital to understand the relationship between luxury brands and price and also how to maintain luxuriousness in extension activities. In Vigneron and Johnson's research (1999, 2004), the Brand Luxury Index is proposed as the framework to recognise "prestige-seeking consumer behaviour". Using the BLI framework, a number have studies have acknowledged the existence of five dimensions in the perception of luxury (Hassan, Husic-Mehmedovic and Duverger, 2015; Chung, Youn and Lee, 2014). Perceived quality, perceived uniqueness and perceived conspicuousness are three of these dimensions and can be interpreted as composing part of the exclusivity of ownership and the sign of wealth and status. Vigneron and Johnson (2004) classify these three dimensions as "non-personal-oriented perceptions which are price-driven". This indicates that luxuriousness can be reflected through customer satisfaction and price. In particular, the literature discussed above shows that price plays a role as an external percieved guarantee of quality and also of exclusivity, with costly items used by customers to make themselves conspicuous and differentiate themselves from others. In sum, a high price may have a positive impact on the sense of luxuriousness especially when it comes to uniqueness and conspicuousness, which also improves customers' desire for luxury consumption.

Nevertheless, studies also reveal that when luxury brands implement downscale extensions, price reductions will likely occur, which may have drawbacks in terms of brand image (Aaker, 1997; Aaker and Keller, 1990, Batra, Lenk and Wedel, 2010). In the context of this study, it is difficult to determine whether the extension into catering services should be seen as a downscale extension given that brands are making the transition from one field, products, to a different one, services. However, t can be assumed that pricing strategy can also be applied in brand extensions into services in terms of the assessment of service quality, the satisfaction of service offerings and service enjoyment. Therefore, the first hypothesis is:

H1: Higher prices for catering services are necessary for a luxury brand restaurant/café to maintain brand exclusivity.

2.2 Symbolic Value and Indoor Environment

It is vital for symbolic value to be embodied by indoor environments in order for a brand image to be successfully ingrained in service offerings, particularly in immersive environments. Symbolic value has been examined by many scholars (Veblen, 1899; Aaker, 1992; Dholakia and Talukdar, 2004). Symbolic consumption usually functions as a sign of social connection that enables individuals to use status goods to communicate with their reference groups (Veblen, 1899). Additionally, Han, Nunes and Dreze (2010) introduce the new construct of "brand prominence", defining it as "the extent to which a product has visible markings that help ensure observers recognise the brand". That is, the symbolic features of a brand have positive effect on brand awareness. Coincidently, the study carried out by Wilcox, Kim and Sen (2009) argues that products without logos or specific patterns diminish the social function of customer self-expression and self-presentation. In other words, the implied messages typically transmitted by luxury brands are not expressed.

For a luxury brand, symbolic value plays a hugely significant role in social communications and self-expression. Grossman and Shapiro (1988) explain that, apart from their utility, luxury goods provide their owners with emotional gratification by endowing them with the symbols of prestige. Therefore, status goods such as luxury products often emphasise uniqueness and distinctiveness through visible logos or patterns, for example, the iconic logos of Chanel, Gucci, Louis Vuitton and Burberry. On the other hand, the symbolic meaning of a luxury brand also enables the owner to be classified as a particular type of person and to stand out from the crowd. Meanwhile, Kapferer (1997) reveals that symbolic value provides considerable extraneous pleasure and psychological fulfilment to customers and are the major distinguishing factors that set luxury goods apart from other products. Developing on Kapferer's (1997) findings, Hagtvedt and Patrick (2009) highlight that psychological enjoyment and sensory gratification are hedonic drivers that are inherent in luxury brands and empower them to extend into nonadjacent business fields. Furthermore, Reddy and Terblanche (2005) show that symbolic value is the perceived core value of luxury brands that facilitates them to stretch beyond core product categories. Consequently, many luxury brands, such as Bulgari and Versace, have launched hospitality services under their brand names (Bulgari, 2016; Versace, 2016). Armani is the most active brand when it comes to catering

services, offering bars, cafés, hotels, books and chocolates under the Armani brand name (Armani, 2015).

The case studies examined in this study are catering services provided by Vivienne Westwood and Gucci. Vivienne Westwood launched its first café worldwide in Shanghai in April 2015, and in the same year Gucci also launched its first-ever restaurant in the city (Mao, 2015; Stern, 2015). Both brands have managed to imbue their catering services with key symbolic featuries and the luxury "gene". However, as the indoor environment of luxury brand catering venues also has a direct impact on customer satisfaction, it affects the premium of brands and the brand image of parent brands. Baker, Levy and Grewal (1992) thus identify two key factors that have a significant effect on indoor environment: surrounding factors and social factors.Surrounding factors include music, fragrance and lighting and stimulate customers' senses, while social factors refer to servers' performance. Research also reveals that there is an expectation that upscale catering venues will feature high-quality decorations and aesthetics elements (Ryu and Jang, 2008). Clearly, the symbolic features of luxury brands can penetrate into catering services, and those features have two key values. First, the symbolic style of catering venues will enhance customer satisfaction as the immersive atmosphere will improve brand appreciation and brand awareness. Second, high-quality service performance from offerings and servers help to maintain the image of luxury. Thus, the second hypothesis is:

H2: An indoor environment that features a distinct symbolic style associated with a luxury brand has a positive influence on customer satisfaction.

2.3 Service Quality

Service quality and reputation are closely linked. It is necessary to master how services are delivered and how perceived quality affects customer satisfaction and brand loyalty. The concept of service quality has been identified and examined by many scholars (Zeithaml and Berry, 1998; Du Plessis and Rousseau, 2003; Payne-Palacio and Theis, 2001; Powers and Barrows, 2003). The mostly widely applied model of service quality is Parasuraman et al.'s (1985) SERVQUAL. However, some argue that this model is not appropriate for specific services such as those in the catering and hospitality fields, and service quality in the catering

industry should be measured by different aspects such as food quality, server performance and physical facilities (Brady and Cronin, 2001; Elliott and Meng, 2008). Thus, a general understanding of service quality in restaurants has been proposed from two perspectives: definable quality and elastic quality (Gronroos, 1982). A definable quality is an entirely objective assessment of the level of service performance including food quality, indoor environment, sanitary conditions and tableware. In contrast, an elastic quality represents subjective assessments from customers that take place during the dining process, such as the interactions between servers and customers. Kivela et al. (1999; 2009) state that service quality such as ambience and servers have an even greater impact on dining experience than food quality.

The existing literature views the indoor environment of luxury brand catering venues as representing the symbolic value of these brands. Hence, the emphasis is server performance. Server performance is an essential intangible or elastic quality because it affects customers' real sense and assessment of the explicit nature of the services offered (Zikmund and D'Amico, 2002). Customers' experience of service absence and presence is also affected by their interactions with and the communication skills of restaurant employees (Hennig-Thurau, 2004). Consequently, a comprehensive study of luxury restaurant servers will help to understand customers' brand appreciation and brand loyalty from a communicative aspect.

A four-dimension framework regarding restaurant employee performance evaluation has been propose by Henning-Thurau (2004) and involves "technical skills, social skills, motivation and staff' self-perceived decision-making authority". Technical skills relate to servers' professional skills such as basic knowledge, expertise and capability to satisfy customer requests during the dining experience. In their research, and applying SERVQUAL, Parasuraman et al. (1998) show that an employee's professional knowledge and civility is also a reflection of their perceived trustworthiness and attitude. Social skills contribute to patrons' confidence when they are unsure of service offerings in a new or particular restaurant (Zeithamal and Bitner, 2003). Social skills stress an employee's ability to understand and handle customers' requirements, expressions, thoughts and feelings (Henning-Thurau, 2004). Importantly, employee motivation impacts employees' willingness to work towards customer satisfaction. Schneider et al. (1980) identifies a positive relationship between employee

satisfaction and customer satisfaction. Bernhardt et al. (2009) also suggest that high motivation among employees has a positive effect on customer satisfaction. In this context, self-perceived decision-making authority refers to employee empowerment, in particular, it indicates to what extent employees are authorised to make independent decisions relating to customer requests. Job satisfaction, and thus customer satisfaction, has been shown to improve when employees are given more rights to serve customers in the way they see fit (Henning-Thurau, 2004). In the Chinese catering market, there is one restaurant chain in particular that has successfully testified to the importance of servers: HaiDiLao Hotpot. This brand, established in 1994, boasts extraordinary employee performance that prompts thousands and thousands of patrons to visit every day (Karim, 2012). When customers are waiting for a table they are offered free nail painting and shoeshine services as well as free internet access, board games and snacks, meaning that customers are willing to wait lengthy periods to be seated (Karim, 2012). This domestic chain is now present in 50 cities throughout China, and its global expansion has also been successfully achieved in South Korea, Singapore and America (Marquis, 2014). The remarkable server management strategy employed by HaiDiLao, which is defined as as involving customer-centric employee empowerment and loyalty-enhancing employee incentives, has defeated many competitors in China, with commentators claiming that "It is a business model that every restaurant should pursue" (Wong, 2016). Thus, the third hypothesis of this study is:

H3: Superior services provided by restaurant servers will improve the cachet of luxury brand extensions.

4. Cultural Attributes

This study focuses on the emerging market of China where the majority of luxury brands have only launched their businesses in the past 20 years (Zhan and He, 2012). China's rapid economic development has led to considerable growth in the middle-class, which is the major consumer of luxury brands (Zhan and He, 2012). However, when luxury brands implement extension strategies in China, the perceived value is different, meaning that Chinese consumers differ in their brand recognition of foreign luxury brands when compared with Westerners or consumers from the brand's origin nation. This issue has been explored by

scholars from time to time (Kapferer, 2014; Li, Li and Kambele, 2012, Zhang and He, 2012).

Luxury brands are making full use of their brand power in global expansion, but with the increasing demands from emerging markets and their complexity, it is critical to adapt to local market needs. According to Westjohn, Singh and Magusson (2012), effective brand communication requires that luxury brands pay sufficient attention to local cultural congruity and cultural value by understanding local customer preferences regarding colour, patterns, symbols and so on. However, this study uses Vivienne Westwood Café and Gucci's 1921 Gucci Restaurant as case studies to illustrate the success of catering services extensions by luxury brands and both catering offerings in serve ethnic food. Therefore, as a first step it is vital to understand the cultural factors affecting ethnic catering extensions. Mak et al. (2012) suggests that there are five factors that may affect the introduction of ethnic catering in other countries: culture, religion, demographics, personal lifestyle and previous catering experiences. Among these factors, Constable (2013) emphasises culture as the key element that determines people's acceptance of ethnic cuisine. To successfully transport cultural attributes into local markets, Sunata (2005) and Cook and Crang (2001) propose three adaptation methods; innovation (e.g. KFC offering the Peking Duck Wrap and rice dishes in China); hybridisation (e.g. British-Chinese food which is made to cater to local customers' tastes); and fusion (e.g. service offerings that fit in with local culture). Therefore, the fourth hypothesis is:

H4: Food and beverage offerings should be more localised in terms of the eating habits and food culture in a cross-cultural context.

Numerous scholars have asserted that national image is the single-most important factor when it comes to customers obtaining initial information about foreign food or catering services (Dwyer, Mesak, and Hsu, 2005; Triandis, 2006; Van den Blute and Stremersch, 2004; Orth and Firbasova, 2003; Verlegh et al., 2005). A rather stereotypical example for the US is the hamburger joint, while the UK has teatime, France the croissant and China the dim sum. Pilcher's (2008) research also argues that customers may evaluate ethnic food or catering services based on their perceived image of the relevant countries. Based on the literature review, when a luxury brand implements an extension strategy in regards to catering service, customers' evaluation of this service could initially be shaped by their perception of the

brand's pre-existing image. However, Chinese customers perceive luxury brands in a different way to Westerners. In fact, China has a longer history of luxury product consumption than many Western countries, as can be easily seen in the bronzes, silks, ceramics and fine arts displayed in many museums around the world (Degen, 2010).

In China in feudal times, only those at the top of the social hierarchy had the power and wealth to consumer luxury goods. Their lifestyle was worshipped and adored by the masses and, as a consequence, luxury consumption came to symbolise wealth and social status. Contemporary China pursues communism. When luxury products can be attained by everyone the collective mechanism stimulates them to buy luxury brands to "fit in" (Li, Li and Kambele, 2012). As luxury brands in China attract affluent customers, that is, the well-educated elites and the super-rich, the consumption of luxury brands classifies people in a social group that represents success and opulence (Li, Li and Kambele, 2012). Thus, in China, luxury brands are perceived as expensive, prestigious and delicate (Zhan and He, 2012). Using luxury products can bring Chinese customers' a great sense of fulfilment for belonging to a seemingly upscale group. Therefore, brand reputation and brand awareness are paramount. As luxury brands have great social meaning in China, they use this hedonic potential to provide more emotional value, and it is easier to realise brand extensions (Hagtvedt and Patrick, 2009). Studies by Ahluwalia (2008) and Aaker and Sengupta (2000) reveal that customers who score highly for interdependence, for example, those from Eastern countries, have a more tolerant attitude to nonadjacent extensions than those who score highly for independence, for example, those from Western countries. Therefore, the fifth hypothesis is:

H5: Chinese customers are more comfortable accepting nonadjacent extensions of luxury brands.

Each of the five hypotheses presented above represents a factor that could potentially influence the success of luxury brand extension into catering services. Wu, Yeh and Wu (2015) propose a research model to examine the influential factors of a branded restaurant. In this study, the researcher constructs a similar model capable of illustrating the investigation rationale.
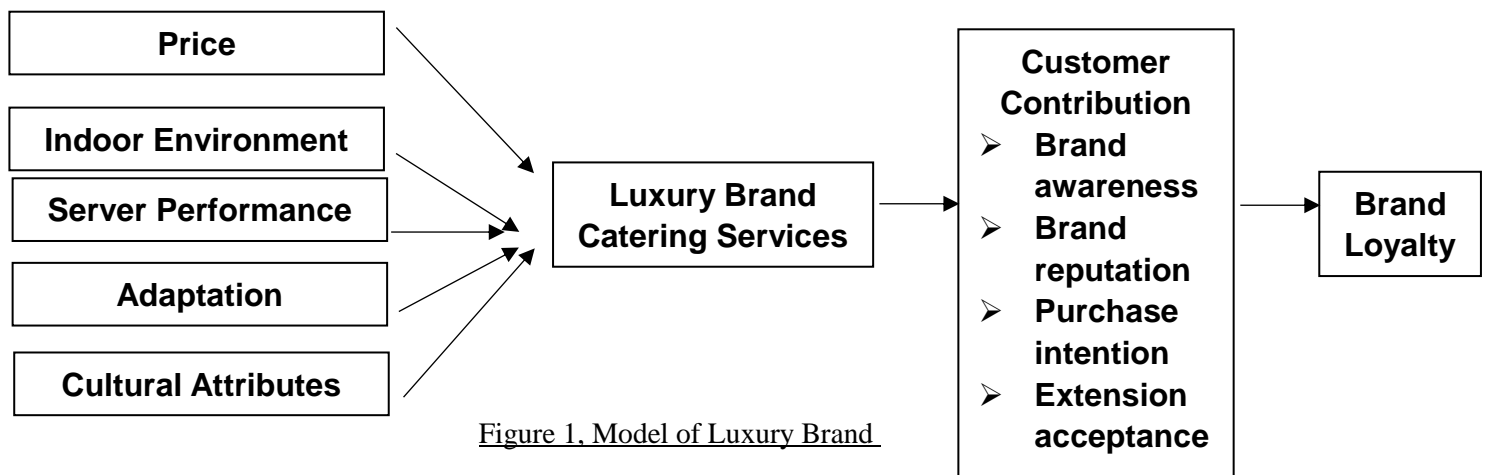
Price

Indoor Environment

Server Performance

Adaptation

Cultural Attributes

Luxury Brand Catering Services

Customer Contribution
- ➢ **Brand awareness**
- ➢ **Brand reputation**
- ➢ **Purchase intention**
- ➢ **Extension acceptance**

Brand Loyalty

Figure 1, Model of Luxury Brand

Extension into Catering Services

3. Methodology

3.1 Data collection Procedure and Sample

This research employs a mixed-methods research design that uses both qualitative and quantitive methodologies, specifically in-depth interviews and an online survey respectively. The in-depth interview was conducted as a face-to-face conversation. Three interviewees were involved, each with a different professional background in fashion, allowing the researcher to collect a more comprehensive set of data. The online survey was carried out using the platform iSurvey facilitated by the University of Southampton. In total, 203 complete surveys were collected. The reason for choosing a mixed research method is due to the following considerations.

First, most mixed-methodology research design begins with a qualitative approach as this offers the researcher the opportunity to provide the subtler details that outline a problem (Powell, 1999). Then, a quantitative approach, such as a survey, is used to validate or invalidate the qualitative results (Bryman and Bell, 2015). In this research, interviews were employed firstly to examine all the hypotheses from the perspective of practitioners and marketers who have experience in brand extensions. The questionnaire is designed based on the results of the interviews and is used to test the general validity and reliability of the hypotheses. Second, a mixed-methods approach provides a broader perspective to compensate for the shortages of a single-approach design (Bryman and Bell, 2015). Interviews provide nuances that can't be captured in the questionnaire, however, quantitative methods clarify

ambiguous problems or even anomalies that could emerge through the interviews. Finally, the quantitative approach is inherently searching for a single answer. When conducting experiments, the goal is to find the one consistent truth throughout the experiment. Qualitative research, however, is intrinsically focused on multiple answers as interviews reveal a variety of information that may be different yet true at the same time (Cooper and Schindler, 2011). The researcher is well aware that this could lead to various problems at the quantitative and qualitative data analysis phases of the study and accounts for that possibility.

In the qualitative phase, three professionals were selected to participate in the in-depth interviews. Interviewee A is a Chinese woman who holds is Senior Marketing and Communications Executive at Vivienne Westwood in Shanghai. Interviewee A is responsible for marketing including marketing the Vivienne Westwood Café.Interviewee B is originally from Italy. She has more than 20 years of marketing experience in various industries and rich knowledge and practical experience in cross-cultural contexts. In particular, Interviewee B has been working for a luxury furniture brand for nine years, before which she was the marketing activation manager for a world-famous beverage company in Italy. She also held the position of marketing manager at an Italian restaurant group in Hong Kong and took over the catering services of seven brands. Interviewee C is an Italian freelance designer based in London. He is a senior lecturer in fashion design at one of the most famous fashion institutions in the UK. In addition, interviewee C also operates his own global fashion brand specialising in shirts. He also has six years of experience working at Versace. The reason for choosing him as an interviewee is because the researcher wanted to discover opinions on brand extensions from a designer and brand owner's perspective to see how it differs from the opinions of professional marketers.

Each interviewee hails from a different background. Therefore, the questions asked during the interview process are slightly different for each interview participant. For interviewee A, all the questions directly relate to the business performance and brand extension issues of Vivienne Westwood Café. In order to obtain more detailed results, a semi-structure interview format was adopted. Comprehensive questions are designed for both interviewee B and C as seen in table 1.

Interview Questions	Follow-up Questions in Interview Process
(Semi-Structured) for Interviewee A	1. Do you think younger generations are a major consumer group for VW Café?
1. What do you think are the obvious advantages to bearing a luxury fashion brand name (Vivienne Westwood) when entering catering services?	2. Do customers shop at the VW boutique first or do they go directly to the Café.
2. Do you think that the Vivienne Westwood brand image has permeated the brand extension and how is this manifested?	3. Do you think VW's brand personality can also be realised in catering services?
3. What makes the Café different from others by the use of a luxury brand name, in particular, how do you realise luxurious services?	4. How are young Chinese customers familiar with VW?
4. Do you think a higher price for catering services is necessary for a luxury brand café to maintain brand exclusivity?	5. Are the Cafés suppliers from the international market or local market?
5. Do you think indoor environment with a distinct symbolic brand style has a positive influence on customer satisfaction?	6. Who makes the decisions on menu changes?
6. How do you feel about the role of the servers/staff in the Café, in other words, how are they important for the cachet of the Vivienne Westwood brand when offering services to customers?	7. How do you make the business sustainable and more innovative in the domestic market?
7. Do you think localisation is vital when launching beverage and food services in cross-national contexts in consideration of religion, eating habits and food culture?	8. Do you think quality is still crucial in catering offerings?
8. According to your observations and experiences, and also the business performance of the Café, do	

you think that customers in an emerging market such as China accept nonadjacent extensions for a luxury fashion brand? 9. How do you select suppliers for your catering offerings? Does the process involve any specific set of criteria? 10. What do you think is the best way to keep the business sustainable, any innovations in operations and marketing communications? 11. Have you found any different or unique customer behaviours or features in your Café compared with traditional coffee shops such as Starbucks and Costa? 12. Why choose Shanghai (China) as the location to launch the business? 13. Will the company make the Café into a chain, why or why not?	9. Why did you choose to open the Café right next to the VW boutique? 10. How important is eWOM on social media for the Café's marketing communications?
Interview Questions (Structured) for Interviewee B 1. According to your background, what do you think are the core success factors when launching a restaurant in a foreign country? 2. What do you say are the obvious advantages to bearing a luxury fashion brand name, such as Gucci, when carrying out catering services? 3. How do you think brand image can be injected into the extension and	Interview Questions (Semi-Structured) for Interviewee C 1. When talking about the fashion industry, do you think a strong brand is important, for example, a prestigious luxury fashion brand name? 2. What are the creative factors that designers need to establish a brand? What's the process like? Is a symbolic logo necessary for a (luxury) fashion brand, why?

how can brand personality be embodied for customers?

4. What do you think makes a restaurant with a luxury brand name different from others, in particular, how do you define luxurious services?

5. Do you think a higher price for catering services is necessary for a luxury brand restaurant to maintain brand exclusivity? If not, what could be?

6. Do you think indoor environment with a distinct symbolic brand style has a positive influence on customer satisfaction?

7. How do you feel about the role of the servers/staff in a restaurant, in other words, how are they important for the cachet of the luxury brand when offering services to customers?

8. Do you think localisation is vital when launching beverage and food services in cross-national contexts in consideration of religion, eating habits and food culture?

9. According to your observations and experiences, do you think that customers in an emerging market such as China are likely to accept nonadjacent extensions for a luxury fashion brand?

10. What do you think is the best way for a luxury brand restaurant to select

3. To what extent do you think a luxury fashion brand name can be used for services, such as catering services?

4. From the perspective of a fashion designer, do you want to extend your brand from fashion items to a lifestyle mode? (Daily life fashion.)

5. When catering services carry a strong fashion brand name, such as a luxury fashion brand name, do you think the price of services should be higher than for traditional services (e.g. should Starbucks and Vivienne Westwood Café services be priced similarly or not)?

6. As a designer for a brand, how do you evaluate the display and atmosphere of the boutique? (Question 1.) Do you think the same idea can be used for a luxury fashion brand café or restaurant, why or why not?

7. Do you think staff are critical for brand image? What do you expect of them? How about the staff in a café/restaurant?

8. Considering the specifics of design in different countries, do you think adaptions and localisations are essential for a successful brand launch in catering services?

9. Are you thinking about launching your brand in an emerging market, why

suppliers? What do you expect most from the process?

11. What do you think is necessary to keep the luxury brand catering business sustainable, any innovations in operations and marketing communications?

12. According to your observations in China, have you noticed any different or unique customer behaviours or features in a luxury restaurant as compared with a normal restaurant?

13. Why do you think Gucci chose Shanghai (China) to launch the world's first 1921 Gucci Restaurant?

14. Do you think the Gucci luxury brand restaurant will be transformed in a chain of catering services, why and why not?

15. Considering the traditional luxury industry's emphasis on quality, craftsmanship, design, exclusivity and timelessness, do you think we can redefine "luxury" to apply to catering services?

or why not? Do you think China is a good place for fashion businesses now and will it be in future? According to your observations, have you noticed any unique or unusual behaviours in Chinese customers?

10. How do you understand many luxury brands are extending their business into services (cafés, restaurants, hotels, mobile phones etc.)?

11. What's the biggest worry for these extensions from the perspective of a fashion designer?

12. Do you think nowadays the way people think about fashion is moving away from clothes, accessories, shoes, etc. to lifestyle?

Table 1. Interview Questions for Different Interviewees

Given that the context of this investigation is China, the online survey was targeted at Chinese respondents only. In total, 203 valid responses were collected. To begin, each respondent was asked to identify their gender and age. Moreover, two specific questions were posed to determine the respondents' monthly spend on catering services and what types of catering services respondents spend the most on (multiple-choice). All the details are displayed in table 2.

	Respondents	Percentages
Sample Size (n=) 203		
Gender		
Male	86	42%
Female	117	57.6%
Age Group		
18~21	74	36.6%
22~25	57	28.2%
26~31	56	27.7%
32~36	5	2.5%
36~40	5	2.5%
40+	5	2.5%
Catering Services Spending		
Restaurants	179	57.6%
Fast Food	28	9%
Snack Bar	26	8.4%
Beverage Services	49	15.8%
Public Canteen	29	9.3%
Monthly Catering Service Expenses		
(Chinese Yuan, £1=¥8.6)		
0-500	15	6.9%
500-1000	61	30%
1000-1500	51	25.1%

1500-2000	32	15.8%	
2000-2500	17	8.4%	
2500-3000	9	4.4%	
3000+	18	8.9%	

Table 2: Detailed Socio-demographic Characteristics and Catering Spending

The questionnaire was presented in both English and Chinese to ensure the respondents could understand the questions. The questionnaire was transmitted through China's most popular social platform Wechat. There are more than 700 million active users on WeChat, of which more than 600 million are Chinese and 93% of these live in Tier 1 Chinese cities, i.e. Beijing, Shanghai, Guangzhou and Shenzhen and cities with high luxury brand consumption (Business Insider, 2016). The researcher is originally from Shanghai, hence, the researcher grouped respondents according to their geographic locations and specifically targeted those who live in Shanghai. A more marked brand awareness was expected among residents of Shanghai given that both 1921 Gucci Restaurant and Vivienne Westwood Café are located in the city. The questionnaire was designed to examine the customer perspective on luxury brand catering services. The five hypotheses were assigned as separated sections with each section involving several statements. In the study model seen in figure 1, five potentially influential factors for luxury brand catering services are proposed: price, indoor environment, server performance, adaptation and cultural attributes. In order to measure each factor objectively and reliably, most of the questions were confirmed with reference to previous literature and the findings of the qualitative study. Table 3 lists the foundation of each of the statements.

Statements	Related factor	Contribution	Source
1. Spending money on luxury experiential consumption is preferred to fashion items (high-class restaurant, 5-star hotel, first class flights, spas, etc.).	price	purchase intention/extension acceptance	Hedonic potential can be a powerful driver in customers' experiential enjoyment (Hagtvedt and Patrick, 2009).
2. Luxury fashion brand cafés/restaurants should be more expensive than traditional ones.	price	purchase intention/brand reputation	The perceived value of luxury products and services by customers can be stimulated by higher prices (Rao and Monroe, 1989; Vigneron and Johnson, 2004).
3. Consumption in luxury fashion brand cafés/restaurants should be less costly than in fashion boutiques.	price	purchase intention	Evidence from interviewee A.
4. The aesthetics of a luxury brand's style are vital to luxury brand cafés/restaurants (e.g. logos, patterns).	indoor environment	brand awareness/extension acceptance	Symbolic value has to permeate brand extensions, and Chinese customers are passionate about branded items (Dholakia and Talukdar, 2004; Li, Li and Kambel; 2012).
5. The indoor environment of a luxury fashion brand café/restaurant should be more sophisticated than	indoor environment	brand reputation	

	others (music, lighting and views from windows).			The importance of maintaining luxuriousness in experiential consumption (Reddy et al., 2009), also evidenced by interviewee C.
6.	Luxury brand cafés or restaurants should have higher-quality food and drink offerings in terms of flavour and freshness.	indoor environment	brand reputation/purchase intention	
				Evidence from Interviewee A, B and C. Quality is the priority for all luxury brands (Hagtvedt and Patrick, 2009; Aaker and Keller, 1990; Albrecht et al., 2013).
7.	Servers in luxury fashion brand cafés/restaurants should have higher professional skills (e.g. manners, foreign language skills) than others.	server performance	brand reputation/ brand awareness/brand reputation	
8.	Servers in luxury brand cafés/restaurants should be highly knowledgeable about the brand.	server performance	brand reputation/purchase intention	Assurance assessment using the SERVQUAL model (Parasuraman et al., 1985).
9.	Servers play the most important role in luxury brand catering services, a greater role even than food quality and indoor environment.	server performance	purchase intention/extension acceptance	Assurance assessment using the SERVQUAL model (Parasuraman et al., 1985).
10.	Offering some food or drinks with local flavours is preferred in a luxury fashion brand café/restaurant.	adaptation		Evidence from interviewee B, example borrowed from HaiDiLao business model, interaction importance in dining process (Henning-Thurau, 2004; Kim, 2009).

Statement	Category	Outcome	Reference
11. Including some indoor decorations in luxury fashion cafés/restaurants that reflect local culture is preferred.	adaptation	extension acceptance	Hybridisation concept in catering services adaptation (Sunata, 2005; Cook and Crang, 2001).
		purchase intention/extension acceptance	Incorporating regional culture pleases local customers (Westjohn, Singh and Magusson, 2012).
12. Offering some special food or drink offerings that represent local festive culture in a luxury fashion brand café/restaurant are preferred (e.g. mooncakes, rice dumplings).	adaptation	acceptance	
	cultural attributes	purchase intention/extension acceptance	Evidence from Interviewee A, also based on marketing innovations in catering services adaptation (Sunata, 2005; Cook and Crang, 2001).
13. A visit to a café/restaurant with a strong brand name is preferred.	cultural attributes	extension acceptance	Chinese customers consider brand as the most important element in purchasing decisions (Li, Li and Kambel; 2012).
14. Luxury fashion brand cafés/restaurants are becoming more welcome over time.	cultural attributes	extension acceptance	Hedonic potential and symbolic value wield a lot of power in luxury brand extensions (Hagtvedt and
15. Services provided by luxury fashion brands will be			

more welcomed (e.g. restaurants, cafés, hotels, bookstores, bars, etc.).	Patrick, 2009). Interdependent self-construal explanation (Ahluwalia, 2008).

Table 3. The Demonstration and Design of Online Survey

Respondents were asked to illustrate the importance of each element to evaluate the hypotheses using a seven-point Likert scale: 1=strongly disagree, 2=mostly disagree, 3=somewhat disagree, 4=neither disagree nor agree, 5=somewhat agree, 6=mostly agree, 7=strongly agree (Prescott, Young, O'Neill, Yau and Stevens, 2012).

3.2 Data analysis

3.2.1 Interviews: Content Analysis

The interviews were carried out by the author. Three participants with extensive experience in and understanding of catering services, luxury brand management and luxury fashion theory were interviewed. Nonetheless, to examine all of the concerns highlighted in this study, the interviewees all hail from different professional backgrounds. The author transcribed the interviews, and a quick overview revealed similar concepts and comments in the transcripts. Later, a more detailed reading aimed at labelling relevant information including words, phrases and sections identified in the research model. The labels are also associated with actions, concepts, differences, suggestions, process and activities (Hsieh and Shannon, 2005). In this research, relevant content was identified in the following ways: 1. content that is repeated, indicating that content reflects key thinking; 2. surprising information, practical experiences from marketers that deliver unexpected findings (the validity of these results was tested through an online survey); 3. statements identified in previous literature; 4. academic theories and concepts.

The coding process is vital in content analysis because it organises information into specific categories (Hsieh and Shannon, 2005). In this study, the coding process is based on related factors that influence the success of luxury brand catering services. Therefore, the coding categories are: *customers' monetary concerns and buying power*; *brand image embodiment*; *staff training and expectation*; *marketing innovations in the local market* and *Chinese customer behaviour.* The five categories are fundamentally linked and interaction is achieved through internal forces, as depicted in figure 2.
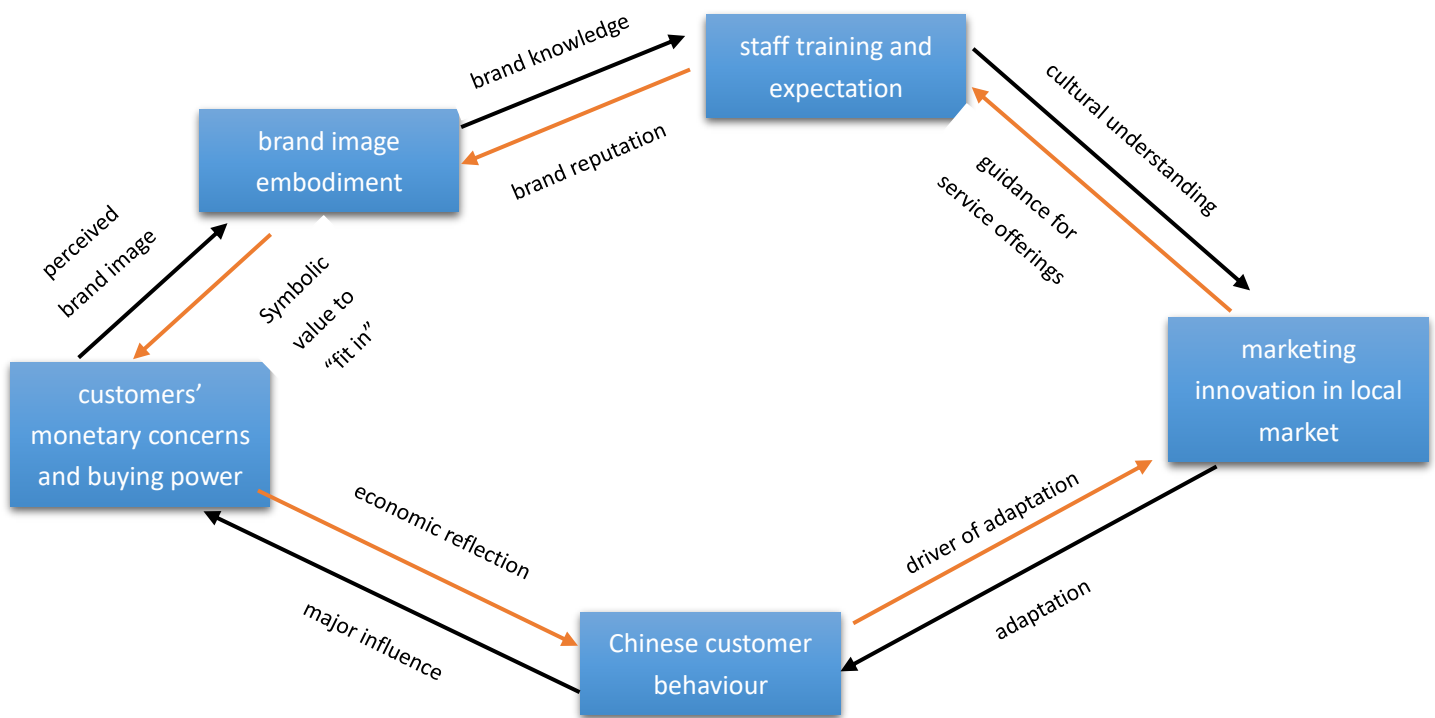
Figure 2. Internal Power of Content Categories

Each category is firmly linked to and affected by another, and there is no hierarchy. Each is equally important and represents a different concept.

3.2.2 Statistical Analysis

The literature review presents five hypotheses for investigation. Each hypothesis addresses a factor considered to influence the success of luxury brand extensions into catering services.

➢ *H1: Higher prices for catering services are necessary for a luxury brand restaurant/café to maintain brand exclusivity.*

➢ *H2: An indoor environment that features a distinct symbolic style associated with a luxury brand has a positive influence on customers satisfaction.*

➢ *H3: Superior services provided by restaurant servers will improve the cachet of luxury brand extensions.*

➢ *H4: Food and beverage offerings should be more localised in terms of eating habits and food culture in a cross-cultural context.*

➢ *H5: Chinese customers are more comfortable accepting nonadjacent extensions of luxury brands.*

A statistical method was used to test hypotheses H1, H4 and H5. The reason for choosing this approach is to interpret central tendency, and the reason for examining central tendency is to find out the mean value of data, which reflects to what extent the majority of respondents positively agree with the hypothesis (Johnson and Wichern, 2002). Therefore, each statement presented in respect of H1, H4 and H5 was separately analysed. The results are shown in table 4, table 5 and table 6.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Spending money on luxury experiential consumption is preferred to fashion items (high-class restaurants, 5-star hotels, first class flights, spas, etc.)	180	1.00	7.00	4.11	1.47
Luxury fashion brand cafés/restaurants should be more expensive than traditional ones.	180	1.00	7.00	4.89	1.51
Consumption in a luxury fashion brand café/ restaurant should be less costly than in a fashion boutique.	180	1.00	7.00	5.09	1.56

Table 4. Descriptive Statistics for Pricing Issue

Table 4 illustrates that the mean value for the first statement is 4.11±1.47, 4.89±1.51 for the second statement and 4.89±1.51 for the third statement. In investigating the pricing issue, all the means are higher than 4; indicating that higher pricing is necessary for luxury fashion brand catering services to maintain the brand's exclusivity.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Offering some food or drinks with local flavours is preferred in a luxury fashion brand café/restaurant.	163	1.00	7.00	4.70	1.56
Including indoor decorations in luxury fashion cafés/restaurants that reflect local culture is preferred.	164	1.00	7.00	4.66	1.50
Offering some special food or drink offerings that represent local festive culture in a luxury fashion brand café/restaurant is preferred (e.g. mooncakes, rice dumplings).	164	1.00	7.00	4.79	1.64

Table 5. Descriptive Statistics for Local Cultural Adaptation

Table 5 shows to what extent the respondents are pleased by local cultural adaptation. The examination was divided into flavour, cultural attributes and special offerings. The mean values for statements 1, 2 and 3 are 4.70±1.56, 4.66±1.50 and 4.79±1.64 respectively. As all are higher than 4.5, this indicates that localisation in catering service extensions is necessary for luxury brands.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
A visit to a café/restaurant with a strong brand name is preferred.	161	1.00	7.00	4.58	1.48
Luxury fashion brand cafés/restaurants are becoming more welcome over time.	160	2.00	7.00	4.56	1.14
Services provided by luxury fashion brand will be more welcomed (restaurants, cafes, hotels, bookstore, bars, etc.).	160	1.00	7.00	4.89	1.15

Table 6. Descriptive Statistics for Cultural Attributes

This analysis confirms that Chinese consumers are indeed more likely than Western consumers to accept brand extensions in nonadjacent fields (Ahluwalia, 2008; Aaker and Sengupta, 2000). Thus, Chinese customers are more likely to visit cafés and restaurants with strong brand names (mean value of 4.58±1.48). Furthermore, most Chinese customers have

confidence in luxury brand extensions into the services economy as evidenced by the mean values of statement 2 and statement 3 (4.56±1.14 and 4.89±1.15 respectively). As all the mean values are above 4, it can be concluded that Chinese consumers feel comfortable with luxury brand extensions into services.

For H2 and H3, the statistical analysis employed is linear regression so as to prove the relationship between independent and dependent variables (Johnson and Wichern, 2002). In this instance, the researcher successfully shows that symbolic value and excellent server performance has a positive effect on the success of luxury brand extensions into catering services, specifically, it positively impacts acceptance.

Coefficients

Model		B	Std. Error	Beta	t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
1	(Constant)	2.953	.473		6.238	.000
	Environment	.279	.076	.282	3.671	.000
	Adjusted R-squared			0.074		
	Sig.			0.000		

a. Dependent variable: acceptance

Table 7. Statistical Analysis for Symbolic Value

According to table 7, sig.=0.000 indicates that the regression model is significant. The adjusted R-square is 0.007 and reveals 7.4% of total variation. The regression coefficient B relating to environment (symbolic features) is 0.279, p=0.000, showing that environment has obvious significance for acceptance. That is to say, the symbolic value of luxury brands provides support for catering services extensions.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.348	.549		6.095	.000
	Staff	.227	.094	.211	2.417	.017
	Adjusted R-squared			0.037		
	Sig.			0.017		

a. Dependent variable: acceptance

Table 8. Statistical Analysis for Server Performance

Table 8 reveals the relationship between server performance and luxury brand extension success (acceptance). According to the results, i.e. sig.=0.017<0.05, the regression model is significant. In this analysis, the adjusted R-squared is 0.037, indicating 7.4% of total variation. The regression coefficient B for server performance (symbolic features) is 0.227, p=0.017, showing that staff is a significant factor for acceptance.

4. Findings and Discussion

Drawing on the literature review, this study proposes five hypotheses. Each of the hypotheses represents a different perspective on the success of luxury brand extensions into catering services in the context of China. The first three hypotheses are as follows: H1: Higher prices for catering services are necessary for a luxury brand restaurant/café to maintain brand exclusivity; H2: An indoor environment that features a distinct symbolic style associated with a luxury brand has a positive influence on customer satisfaction; and H3: superior services provided by restaurant servers will improve the cachet of luxury brand extensions. These hypotheses principally relate to general beliefs about luxury brand extension success (Chung, Youn and Lee, 2014). However, H4: food and beverage offerings should be more localised in terms of eating habits and food culture in a cross-cultural context and H5: Chinese customers are more comfortable accepting nonadjacent extensions of luxury brands, relate specifically to

particular context of this research: China. Cultural elements and different customer behaviour are also explored given that these factors have an even stronger influence on brand extension success. Moreover, the case studies adopted in this research are Vivienne Westwood Café and 1921 Gucci Restaurant, both of which exist only in the Chinese city of Shanghai. Therefore, it is necessary to understand if emerging markets are likely to accept luxury services.

Three research aims are identified at the beginning of the research. To achieve these aims, a mixed-methods approach is regarded as the best path. First, in terms of brand image maintenance in the transition from products to services (Aaker 1991, Yeung and Wyer, 2005), luxury brands should pay attention to quality. Regardless of how far the business move away from its core products, ensuring high quality across all product and service offerings is essential. As regards catering service quality, many different elements are involved. The supply chain and everything from food selection to tableware, from environment to servers, must satisfy certain quality standards. Second, in consideration of the culture issue, adaptation is critical in service offerings. Unlike products, most services relate to people's physical experience and lifestyle (Roberts et al., 2000). Therefore, cultural congruity is significant in brand extensions, especially in a new market. Finally, when defining luxuriousness in the context of services, it is necessary to acknowledge that luxury consumption is transforming from products to lifestyle, and time, service and well-being have already engaged with luxuriousness, even in fashion.

The research model identifies the five factors addressed in the hypotheses: price, indoor environment, server performance, adaptation and cultural attributes. Luxury brand catering services coalesce those five factors to improve brand awareness, brand reputation, strengthen purchasing intention and consolidate extension acceptance. Brand extension strategy enlarges the business's financial scale and realises business expansion. In this case, luxury brand extension into catering services increases brand loyalty in an emerging market.

The purpose of addressing the price issue is due to the 'servitization' phenomenon (Neely, 2007). Traditional luxury brands price highly across all items for their superior quality, excellent craftsmanship and brand heritage. However, determining the correct price for services is still a relatively new endeavour for luxury brands. This is largely because services involve elements that it is not easy to calculate the cost of. Furthermore, unlike products,

services cannot be inventoried and should be consumed at the point of production (Rubalcaba, 2015; Wu, 2015; Roggeveen et al., 2015). Last but not least, most luxury brands formulate a high pricing strategy to distinguish themselves from other, non-luxury brands. In this regard, one interviewee responds:

"It really depends on the target why we want to open this café, you know. For Vivienne, she just wants to open this café so that more people can reach this brand. Maybe the clothes and the jewellery is a little bit expensive for younger people, so she wants to express her design inspiration to consumers, so she didn't want to set a high price in here."

Representing the perspective of a designer, Interviewee C replies that:

"Yeah, of course it will be more expensive, you're using the brand name. The tablecloth may have been designed by the brand designers. It reminds me of when Versace opened its Palazzo Versace in Dubai and Australia; everything was designed by us. What's more, you are also expecting something better. Customers already know they will pay more money, to be honest, you wouldn't expect a cheap coffee like Starbucks at a Versace hotel…"

Two key points are highlighted by the interviews. First, luxury brand catering services should be less costly than traditional luxury brand products. It is necessary to make the brand more accessible so that brand awareness can be improved. In addition, in order to protect brand exclusivity, it is nonetheless vital to set a higher price relative to other catering offerings. According to the survey, 34.4% of respondents mostly agree that luxury brand cafés/restaurants should be more expensive than traditional ones, with 9.4% of respondents strongly agreeing with this point, and 22.8% somewhat agreeing. This finding supports that of Allsopp (2005) and of Sharma (2015) who show that consumers implicitly believe that price can represent the quality of catering offerings. Therefore, it is necessary for luxury brands to adopt a higher price in catering extensions. It is also supportive of customers' experiential consumption.

Indoor environmentalso represents how brand image is injected into catering services. Symbolic value doesn't only attract customers who love branded cafés/restaurant, it also develops brand awareness in the local market. According to interviewee A:

"Definitely, most people come here just for this logo; they want to see the logo everywhere, on the plate, the cup, and this is especially important for Chinese people because they are maybe

not familiar with Vivienne Westwood, they are just familiar with the logo…and most people

love to take pictures here and post them on WeChat moments or other social media platforms.

You know, word-of-mouth is also good for our marketing communication."

A slightly different perspective was offered by interviewee B:

"Yes, but maybe not everybody can like the brand especially if it is adamant, for example,

Dolce & Gabbana with the Sicily concept or Gold as in Milan."

Interviewee C stresses the importance of injecting symbolic value into brand extensions, stating:

"it is very important, you know, it's associated with visual merchandising like the display in a

boutique. The designer wants the customers to feel the image, each designer has a different

interpretation of how the brand should be perceived, for example, if Gucci or other brands

change the designers, all the shops have to be redone… for instance, if you go to a Gucci café

or restaurant, you would expect the same sort of decoration or something that reminds you of

the shop. Everything has to a part of that world."

The varying response of interviewees is yet further confirmation that brands mean different things to different consumers. Chinese consumers regard symbolic value as the most crucial value in luxury consumption, even in luxury catering services. The survey results confirm interviewee A's and interviewee C's statements, with 43.3% of respondents strongly agreeing that decorations featuring symbolic luxury brand style are paramount for a luxury fashion brand café/restaurant, and 31% of respondents saying that the mostly agree. In addition, 52% of respondents strongly agree that a sophisticated indoor environment is vital in luxury cafés/restaurants. The finding is consistent with Li, Li and Kambele's (2012) research that Chinese customers are likely to choose luxury brands with obvious symbols such as logos and graphic patterns, as visible cues help them to perceive themselves as belonging to certain social groups. The spread of social media means that eWOM provides a new means of communication and reach for brands (Miller, 2016). Content posted on social media will segregate people into different social identities. In this study, most respondents stated that they would prefer to be engaged with the luxury logo even in their experiential consumption activities, and share these conspicuous experiences on social media. In addition, the findings also confirm Albrecht et al.'s (2013) research showing that symbolic value has irreplaceable

capability in extensions. The symbols are deemed to identify the territory occupied by a luxury brand and can thus improve brand awareness and encourage brand loyalty by merging elements of lifestyle with luxury offerings.

Server performance was another factor to be tested due to the characteristics of services. Unlike products, service offerings are strongly associated with interactions between staff and customers (Schneider et al., 1980; Bernhardt et al., 2009). The most intangible values in services are based on the impressions customers have of how they are received and treated (Schneider et al., 1980; Bernhardt et al., 2009). Thus, for catering services, tangible value concerns food quality and facilitates. The expression of luxuriousness is relevant to the whole dining process, in which server performance can count for more than even food quality. Interviewee A states:

"We ask all the staff to provide 5-star hotel services to all customers. We just want our customers to come here and feel comfortable and enjoy the food…

We ask our staff to serve customers from the right side to show respect; we also let them know something about the brand history and also information about English afternoon tea, like why there are so many different sandwiches here…"

Interviewee B declares that:

"they [staff] are the most valuable asset of any restaurant."

Consumers also offer evidence to support the value of staff. The questionnaire shows that 59.3% of respondents strongly agree that servers in luxury brand cafés/restaurants should have high-level professional skills such as manners and foreign language skills. In addition, 54.5% of respondents strongly agree that servers in luxury brand cafés or restaurants should have rich knowledge of the brand. Also, 54% of respondents agree that servers are the most important element in luxury catering services.

A number of researchers have examined the importance of adaptation for brand launches in a new market (Chevalier and Lu, 2010; Singh and Magusson, 2012). In this study, adaptation is seen as critical given that both Vivienne Westwood and Gucci chose Shanghai to launch their first catering services offerings. According to Ansoff's (1957) theory, such extension belongs to the category of "diversification" in his matrix, which means it is the riskiest strategy seeing that both product (here services offerings) and market development is required. That is to say,

if the extension fails, the parent brand will also be damaged. In order to diminish the risk and also please Chinese customers, interviewee A tells the researcher that:

"You can see the menu here… actually, we changed a lot of tea here; now they are all Chinese teas. In the previous menu I think we just kept the English tea…; and we just tested it, you know. Chinese consumers are complicated. We change the menu time to time to find the best one…we even plan to offer mooncakes this year during the middle autumn festival to please Chinese customers."

Interviewee C, the fashion designer, expressed a similar opinion:

"absolutely, you have to know who your customers are…When I'm designing clothes I have to think about how to appeal to customers but also still be me… For example, when I design a piece that I really like but it doesn't sell, it is good for me but not good for the customer…It's very, very challenging."

The survey also reveals the respondents concerns. More than 62.5% of respondents agree that serving some food or drinks with local flavours is preferred. More than half of those surveyed (53.7%) agree that including some indoor decorations in the luxury fashion café or restaurant that reflect local culture is also preferred. In addition, 59.7% of respondents show support the idea that offering special food or drinks that represent local festive culture in a luxury fashion brand café or restaurant is important. In all, the evidence shows that it is vital to consider local customer behaviours in catering services. Thus, adaptation and localisation will decrease extension risks and establish better marketing communication, as suggested in the research (Bartels and Reinfers, 2010; Cook and Crang, 2001).

Finally, the statistical analysis illustrates that most Chinese customers have a positive attitude towards luxury brand extension into nonadjacent services, supporting Ahluwalia's (2008) study showing that consumers displaying the features of interdependent self-construal are likely to accept nonadjacent extension. The statements from interviewees A, B and C also support this.

5. Conclusion and Recommendations

This research examines the characteristics of successful luxury brand extension into catering services in China. Previous studies identify several key influential factors that will affect

extension success. Thus, following the literature review, three general factors are confirmed as being significant: price, symbolic value and quality coherence. In addition, this study is based on a particular context, China, and correspondingly cultural adaptation and customer behaviour are identified as two further influential factors. Thus, a total of five hypotheses are proposed. The analysis reveals that Higher price, strong symbolic atmosphere, superior staff performance, applicable adaptation and interdependent self-construal all have a positive impact on luxury brand extension into catering services in China. The adoption of a mixed-methods research method contributes to the reliability and validity of the findings.

Paying a comparatively high price in luxury brand cafés/restaurants is accepted by most customers, yet more customers will have the chance to access the brand through experiential consumption (catering services) because it is still cheaper than luxury fashion items. Consequently, both extension acceptance and purchase intention are improved. For Chinese consumers, a heavily symbolic environment is vital as luxury consumption in China is imbued with a lot of social meaning. Symbols increase brand awareness in the local market and also stimulates customers' purchasing intention. Unlike physical products, services are mainly realised through human interaction, that is to say, staff are the ambassadors who connect customers and the brand. Superior services will inherently reflect how luxuriousness is maintained. Therefore, server performance is crucial for brand reputation, especially in services. Adaptation realises cultural congruity and local marketing communication, and thus has the ability to please local customers. Correspondingly, both extension acceptance and purchasing intention are increasing through successful adaptation. The research also confirms that luxury brand extension into services is welcomed by Chinese people.

This study focuses solely on luxury brand extension into catering services in China. This is a very narrow context and area of study. Future research could be carried out on a larger scale in the services economy from a cross-cultural perspective.

In sum, practitioners in luxury brand extensions should always prioritise quality and symbolic value.

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Appendix – Questionnaire

Investigation of Luxury Fashion Brand Extension in Catering Services in China – A Case Study of Vivienne Westwood and Gucci in Shanghai

Gender 性别	Female 女性 Male 男性
Age Group 年龄段	18-21 22-25 26-31 32-36 36-40 40+
What types of catering services do you spend money most (multiple choice)? 您在什么类型的餐饮服务中花费最多（多选）？	➢ Restaurants (Chinese Traditional Cuisine, Foreign Cuisine, Hotpot, Barbecue etc.) 餐厅（中式餐厅，西餐，火锅，烧烤等） ➢ Fast Food Restaurant (McDonalds, KFC, Subway, Ture Kungfu, etc.) 快餐店（麦当劳，肯德基，赛百味，蒸功夫等）

	➢ Snack Bar (Bakery, Fried Chicken Cutlet, Local Snacks, etc.) 小吃店（面包房，鸡排店，地方小吃等） ➢ Beverage Services (Bar, Pub, Starbucks, Bubble tea shops, Tea House, etc.) 饮品店（酒吧，夜店，星巴克，奶茶店，茶屋等） ➢ Public Canteen (Catering services provided by workplace or school) 公共食堂（公司或者学校所提供的公共餐饮服务）
How much money do you usually spend on catering services monthly (Mainly at Beverage Shops and Restaurant)? 您每月在餐饮服务上的花费有多少（主要是饮品店和餐厅项目）？	(Chinese Yuan) （人民币） ￥0-500 ￥500-1000 ￥1000-1500 ￥1500-2000 ￥2000-2500 ￥2500 -3000 ￥3000+

Please indicate your level of agreement with the following statements:

请对下列陈述给出您同意与否的程度：

Spending money on luxury experiential consumption is preferred than fashion items. (high-class restaurant, 5-star hotel, first class in flight, spa etc.) 和购买奢侈品单品比较，更情愿把钱花费在奢侈类的体验消费项目上。(例如高级餐厅，五星级饭店，飞机头等舱，按摩等)	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree

Luxury fashion brand café or restaurant should be more expensive than traditional ones 和传统的餐厅和咖啡店相比，奢侈品品牌的餐厅和咖啡店的价位应该更高。	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree
The single consumption in luxury fashion brand Café or Restaurant shall less costly than fashion boutique. 就单次消费而言，在奢侈品品牌餐厅或咖啡店的花费应少于在奢侈品精品店的花费。	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree

The decorations with symbolic luxury brand style are paramount in a luxury fashion brand café or restaurant (logos, patterns, etc.). 奢侈品品牌餐厅或咖啡店的装修应带有明显的品牌风格（标识，花纹等）。	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree
The Indoor atmosphere of a luxury fashion brand café or restaurant should be more sophisticated (music, lighting and window views). 奢侈品品牌餐厅或咖啡店的内部环境应该更加考究（音乐，灯光，窗景等）。	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree

Luxury brand cafés or restaurants should have higher-quality food and drink offerings in terms of flavour and freshness. 从味道和食材新鲜度而言，奢侈品品牌餐厅或咖啡店的供应品应有更高的质量保证。	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree

Servers of luxury fashion brand café or restaurant should have high professional skills such as manners and foreign language level. 奢侈品品牌餐厅或咖啡店	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree

的服务人员应有很高的专业素养，例如礼仪态度和外语能力。							
Servers in luxury brand café or restaurant should have rich knowledge on the brand. 奢侈品品牌餐厅或咖啡店的服务人员应非常熟悉该品牌的相关知识。	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree
Servers play the most important role in luxury cratering services, even more than food quality and indoor atmosphere. 在奢侈品品牌自餐饮服务中，服务员是最关键的部	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree

分，甚至比食物和内部环境还重要。							

Some food or drinks with local flavours are preferred in a luxury fashion brand café or restaurant. 在奢侈品品牌餐厅或咖啡店供应带有本地口味的食品和饮品会更受欢迎。	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree
Some indoor decorations in the luxury fashion café or restaurant with local culture are preferred. 在奢侈品品牌餐厅或咖啡店中带有本地文化特色的装饰品会更受欢迎。	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree

Some special food or drinks offering with local festival culture in a luxury fashion brand café or restaurant are preferred (e.g. mooncakes, rice dumplings). 奢侈品品牌餐厅或咖啡店中供应一些特别的节日食品会更受欢迎（例如月饼，粽子）。	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree

A visit to a restaurant or café with a strong brand name is preferred. 更愿意去一些品牌比较大的餐厅或咖啡店。	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree
Luxury fashion brand cafés	Strongly	Mostly	Somewhat	Neither	Somewhat	Mostly	Strongly

and restaurants are getting more welcomed with time. 奢侈品品牌餐厅和咖啡店会越来越受欢迎。	disagree	disagree	disagree	disagree or agree	agree	agree	agree
Services provided by Luxury fashion brand will be more welcomed. (restaurants, cafes, hotels, bookstore, bars etc) 奢侈品品牌餐厅或咖啡店所提供的服务类项目会越来越受欢迎（餐厅，咖啡店，酒店，书店，酒吧等）。	Strongly disagree	Mostly disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Mostly agree	Strongly agree