ISCTE Business School
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THE LUXURY INDUSTRY AND THE E- BUSINESS: "WHENEVER AND WHEREVER".

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AN INVESTIGATION INTO THE FRENCH PERCEPTION REGARDING THE ONLINE SALE OF LUXURY GOODS.

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ABSTRATO

A internet é indiscutivelmente uma alavanca para o crescimento empresarial, daí todas as marcas têm hoje uma conta no Facebook, na Instagram e até mesmo uma página própria no sítio da internet. Por isso, apesar do sentimento de controlo ser muito forte, as marcas do mundo do luxo têm estado a adaptar-se a este novo modo de communicação e distribuição. Ainda assin, a adoção do canal internet no mundo de produtos de luxo sofre de um paradoxo: o luxo é emocional e exclusivo enquanto que a internet é virutal e democrático. Questiona-se, pois, se o uso de internet como canal de distribuição (e-commerce) consegue transmitir a imagem elitista como também o prestígio e a raridade dos seus produtos. Este estudo foca o comércio electrónico das marcas de topo e mais precisamente, investiga as atitudes e as percepções dos franceses na compra de produtos de luxo via internet. A metodologia adoptada é quantitativa e os dados foram recolhidos com base num questionário colocado na internet durante um período de duas semanas. Os resultados encontrados foram muito consistentes: dos 100 respondentes, todos compraram algo via internet. O resultado mais importante ainda é que a compra on-line representa uma enorme poupança de tempo como também permitir confrontar maior variedade de escolha do que nas lojas. O ponto mais fraco indicado pelo estudo é a impossibilidade de ver, tocar e experimentar o produto na compra on-line como também o próprio prazer de comprar nas lojas.

Palavras-chave: E-business, indústria de luxo, pessoas francesas, percepção.

JEL Classificativos: C13, M31, O33.

ABSTRACT

As the Internet represents an essential lever for growth, most of the brands have today, a Facebook account, an Instagram, or even a full website dedicated to them. Therefore, despite their strong need of control, brands belonging to the luxury sector need to adapt to this new communication and distribution tool. Nevertheless, the adoption of the Internet by luxury brands raises a paradox: the luxury is sensory and exclusive while the Internet is virtual and democratic. Indeed, it is advisable to wonder if the use of the digital as a distribution channel (e-commerce) still make high-end brands able to put forward an elitist image as well as the prestige and the rarity of their products. Consequently, this study focuses on the e-business of top of the range brands and more precisely investigates the attitudes and the perceptions of the French people regarding the sales of luxury products on the Internet. The research methodology is based on a quantitative method: data were collected by using a self-administered questionnaire in an online survey during a two weeks period. The findings revealed that the whole sample was very connected: out of 100 people, 100 have already bought something online. Also, the results of this investigation showed that the most important benefits of the e-shopping of high-end products are the time-saving and the greater choice than in stores whereas the most cited drawbacks are the impossibility to see, touch or try the products and the pleasure to buy in stores.

Keywords: E-business, luxury industry, French people, perception.

JEL Classifications: C13, M31, O33.

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INDEX

1. LIST OF FIGURES

Figure 1 – Worldwide luxury market, 2016 (Bain & Company, 2016)

Figure 2 – The key forces shaping the global luxury market (Deloitte, 2016)

Figure 3 – The characteristics of luxury products (Heine, 2012)

Figure 4 – Conceptual framework (Kim & al, 2012)

Figure 5 – Online purchase driver (DigitasLBi, 2016)

Figure 6 – The online luxury market (Bain, 2016)

Figure 7 – Gender

Figure 8 – Age

Figure 9 – Profession

Figure 10 – Monthly Revenues

Figure 11 – Online purchase

Figure 12 – Frequency of online purchase

Figure 13 – Image of online purchase

Figure 14 – Willingness to buy luxury products online

2. LIST OF TABLES

Table 1 – Possession of technological appliances

Table 2 – Ranks: What image do you have about the online purchase

Table 3 – Cross Tabulation Table: Relationship between the age and the image of the online purchase

Table 4 – Correlations matrix of the image about the online purchase with explanatory variables

Table 5 – Do you agree with the online sale of luxury products

Table 6 – Ranks: Have you already bought luxury products online

Table 7 – Cross Tabulation Table: What the consumers like with the e-business of luxury products

Table 8 – Cross Tabulation Table: What the consumers dislike with the e-business of luxury products

Table 9 – Cross Tabulation Table: Criteria to consider when buying luxury products online

Table 10 – Cross Tabulation Table: Advices to consider when buying luxury products online

Table 11 – Cross Tabulation Table: Recommendations for loved ones

Table 12 – Cross Tabulation Table: The online coveted luxury products

3. LIST OF PICTURES

Picture 1 – The Burberry Regent Street Store

Picture 2 – The Burberry website (Burberry.com, 2016)

Picture 3 – The Boucheron website (Boucheron.com, 2016)

TABLE OF CONTENTS

CHAPTER 1: STRUCTURE 9

CHAPTER 2: BACKGROUND INFORMATION 10

CHAPTER 3: AIMS AND OBJECTIVES 11

CHAPTER 4: LITERATURE REVIEW 12

1. THE LUXURY INDUSTRY 12

1.1. THE LUXURY MARKET 12

1.2. LUXURY BRANDS 15

1.3. THE AFFORDABLE LUXURY 18

2. THE INTERNET 19

2.1. THE ONLINE MARKET 19

2.2. A MULTI-CHANNEL SYSTEM 20

2.3. NEW PURCHASING BEHAVIORS OF THE CONSUMERS 22

2.4. THE EXAMPLE OF BURBERRY 23

3. THE LUXURY INDUSTRY AND THE E-BUSINESS 26

3.1. THE ONLINE LUXURY PRESENCE: A PARADOX 26

3.2. THE E-COMMERCE OF LUXURY GOODS 27

3.3. THE EXAMPLE OF BOUCHERON 30

CHAPTER 5: RESEARCH METHODOLOGY 32

1. RESEARCH STRATEGY 32

2. DATA COLLECTION 32

3. DATA ANALYSIS 33

3.1. RELIABILITY 34

3.2. VALIDITY 34

4. HYPOTHESES 34

CHAPTER 6: DATA ANALYSIS AND RESULTS 35

1. PROFILES OF THE RESPONDENTS 35

1.1. SOCIO DEMOGRAPHIC PROFILE 35

2. ATTITUDES TOWARDS THE ONLINE PURCHASE 37
2.1. ONLINE PROFILE 37
2.2. DOES THE GENDER IMPACT THE IMAGE ABOUT THE ONLINE PURCHASE? 39
2.3. IS THERE IS A RELATIONSHIP BETWEEN THE AGE AND THE IMAGE ABOUT THE ONLINE PURCHASE? .. 40
2.4. IMAGE ABOUT THE ONLINE PURCHASE WITH EXPLANATORY VARIABLES 41
3. ATTITUDES TOWARDS THE ONLINE PURCHASE OF LUXURY PRODUCTS 43
3.1. DO THE MONTHLY REVENUES IMPACT THE WILLINGNESS TO BUY LUXURY PRODUCTS ONLINE? 44
3.2. WHAT THE CONSUMERS LIKE WITH THE E-BUSINESS OF LUXURY PRODUCTS? 45
3.3. WHAT THE CONSUMERS DISLIKE WITH THE E-BUSINESS OF LUXURY PRODUCTS? 46
3.4. CRITERIA TO CONSIDER WHEN BUYING LUXURY PRODUCTS ONLINE 47
3.5. ADVICES TO CONSIDER WHEN BUYING LUXURY PRODUCTS ONLINE 48
3.6. RECOMMENDATIONS FOR LOVED ONES 49
3.7. THE ONLINE COVETED LUXURY PRODUCTS 50

CHAPTER 7: DISCUSSION 52

1. CONCLUSION 52
2. MANAGERIAL IMPLICATIONS 54
3. LIMITATIONS 55

CHAPTER 8: BIBLIOGRAPHY 56

1. BOOKS 56
2. ARTICLES 57
3. WEBSITES 60
4. OTHERS 61

CHAPTER 9: ANNEXES 62

1. SURVEY 62
1.1. THE QUESTIONNAIRE 62
1.2. THE RESULTS OF THE QUESTIONNAIRE 67
2. DATA ANALYSIS TABLES 74
2.1. MANN-WHITNEY TEST TO THE EQUALITY OF TWO DISTRIBUTIONS 74
2.2. PEARSON CHI-SQUARE TEST TO THE INDEPENDENCE OF TWO CATEGORICAL VARIABLES 74
2.3. KRUSKAL-WALLIS TEST TO THE EQUALITY OF THREE OR MORE DISTRIBUTION 76

CHAPTER 1: STRUCTURE

In chapter 2, the dissertation starts with background information allowing to introduce the subject of this master thesis.

In chapter 3, the aims and the objectives are clearly exposed. The main purpose of this study is to investigate the perceptions and the attitudes of a sample of French people regarding the e-commerce of luxury products.

In chapter 4, a review of the different researches that have already been done on the topic helps to better understand the integration of the luxury industry within the digital environment and more precisely the phenomena of the e-shopping.

In chapter 5, the used method to investigate the perceptions and the attitudes of the sample is explained.

In chapter 6, and after the literature review where the theoretical framework is explained, the report attempts to investigate and to analyze the perceptions and the attitudes of a sample of French people regarding the e-commerce of high-end goods by analyzing the data collected through an online questionnaire.

In chapter 7, the investigation ends with a discussion dealing with a conclusion, the managerial implications as well as the limitations of the research.

CHAPTER 2: BACKGROUND INFORMATION

Over the past years, the luxury sector has considerably increased. Even if the world has been through a financial crisis, the luxury industry has been prospered anyhow. In France for instance, luxury brands such as LVMH or Hermès have thrived. One of the main reason of this success is the growth of the luxury goods consumption in the emerging countries (China, Russia, Brazil, India) even though the mature countries remain the dominant luxury markets because of their high purchasing power (USA, Japan, Europe) (Kapferer & al, 2016). However, the desire to spend money on life experiences such as traveling around the world instead of buying luxury goods makes the luxury market loses consumers.

As we can see, the luxury goods market constantly evolves due to the constant changes occurring in the consumer behaviour. Nowadays, customers are not only focused on the product itself anymore: they are seeking for brands that will offer them a specific and a unique experience. In this respect, creating an unforgettable shopping and consumption moment, beyond and above the needs and the expectations of the consumers is the new challenge of the marketers. Therefore, just like all other brands, top of the range brands try to constantly develop and look for new growth levers in order to evolve. Because of its anchorage in the everyday life of individuals, the Internet represents an opportunity for both development and dynamism (Keller, 2009).

However, when the Internet appeared, luxury brands were extremely cautious about its use as they feared a loss of control and a dilution of their values of exclusivity. Indeed, high-end brands have long been skeptical about the creation of their own website in which they could inform, communicate or even sell. As a matter of fact, if some brands find an advantage by increasingly developing their online presence, they also run the risk of becoming standardized in the eyes of everyone. Indeed, it seems like the two concepts “luxury” and “Internet” are contradicting each other: the luxury is characterized by “*an image of rarity and selectivity whereas the Internet is based on the principle of diffusion and accessibility* (Laudon & al, 2012)”.

Therefore, it is logical to explore the paradox between the luxury industry and the Internet and more precisely to wonder how brands belonging to the luxury sector can deal with the e-business, a mass market selling tool.

CHAPTER 3: AIMS AND OBJECTIVES

It has been observed that a real acceleration of the acceptance of the Internet has made the luxury industry moving gradually towards the implementation of the e-commerce (Geerts & al, 2014). This is the reason why this study focuses on the online luxury market and more precisely on the e-business one. The main purpose of this master thesis is to give an insight into how French consumers perceive the use of the e-shopping by the luxury industry. Indeed, there were not many researches regarding the attitudes of the consumers towards the online luxury shopping, which are a very important driving factor in their buying comportment. Therefore, this dissertation aims to add value by investigating and analyzing the perceptions and the attitudes of a sample of French people regarding the e-commerce of high-end products through online questionnaires. Indeed, the final objectives is to refresh data in order to suggest frameworks regarding the distribution of luxury goods from a French perspective and to attempt to define the ideal online sale strategy.

CHAPTER 4: LITERATURE REVIEW

The literature review represents an exploration phase that explores documents from different sources in relation to a research problem. The objective of this part is to scan concepts and point of views from several authors in order to back up a knowledge regarding a specific topic. This stage of the dissertation is divided into four phases:

1- The search for information
2- The assimilation of the theory
3- The analysis of the concepts
4- The writing of the main ideas

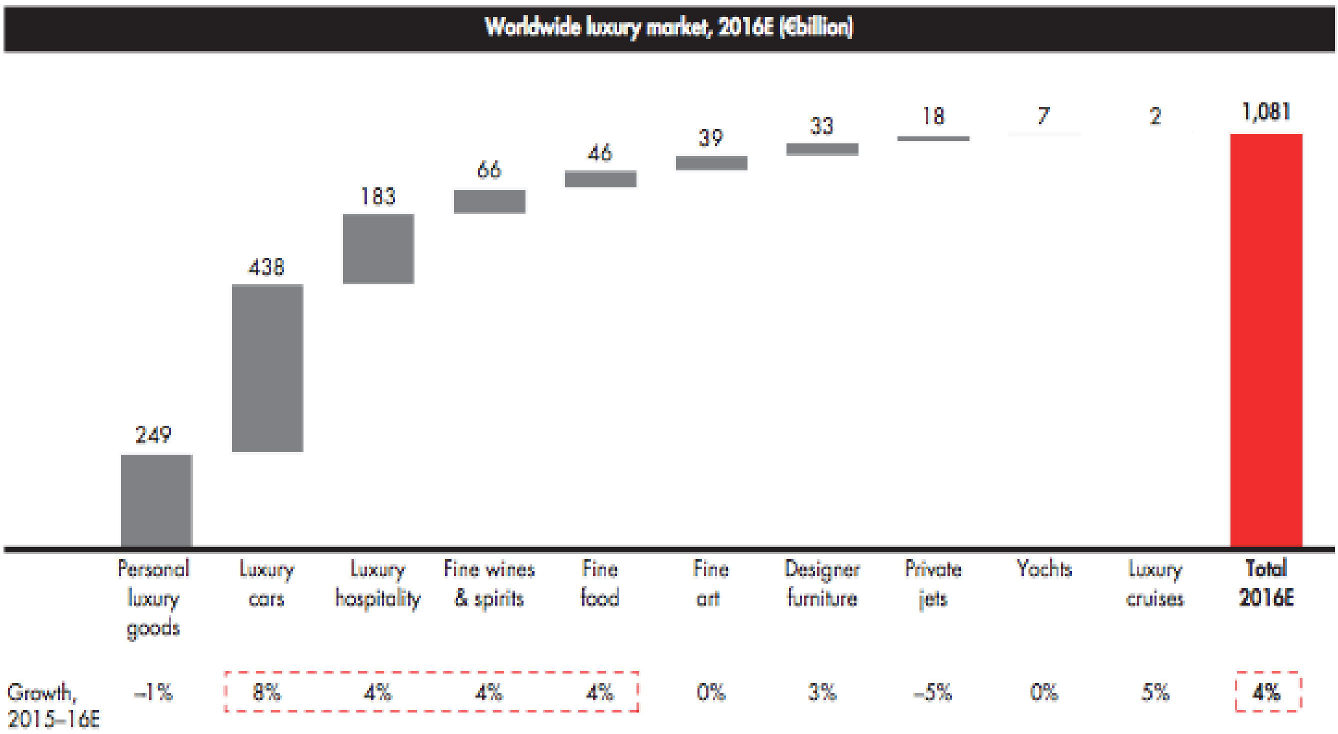
This literature review deals with the integration of the luxury brands within the digital environment and more precisely about the online sales of luxury items.

1. THE LUXURY INDUSTRY

1.1. The luxury market

It is particularly difficult to establish a definition of luxury because the concept has a subjective nature. "According to Okonkwo (2009), "*luxury is neither a product, an object, a service nor is it a concept or a lifestyle. It is an identity, a philosophy and a culture*"". Within the luxury world, the part of immaterial is immense (Bechtold, 1991). Accurately, the luxury is plural (Nyeck & al, 2003): it can be linked to traditional values with strong social motivations such as the need to appear in the eyes of the society (eternal and interpersonal luxury) or to personal values such as the search for pleasure, emotions and aesthetics (emotional luxury) (Lipovetsky & al, 2003). Furthermore, it exists diverse categories of luxury which suppose different strategies (Allérès, 1991). First, the inaccessible luxury which is characterized by a very small production: it implies a very restricted distribution and a very discreet communication. Then, the intermediate luxury which is characterized by highly selective products, distribution and communication. Finally, the accessible luxury which is characterized by a very wide distribution and communication: it implies goods of lower quality compared to the two previous categories. In such a context, the brands play a fundamental role as they are "*the ones who tell the stories, who are the vector of the values of uniqueness, rarity and selectivity and who maintain their inaccessible image* (Nyeck, 2004)".

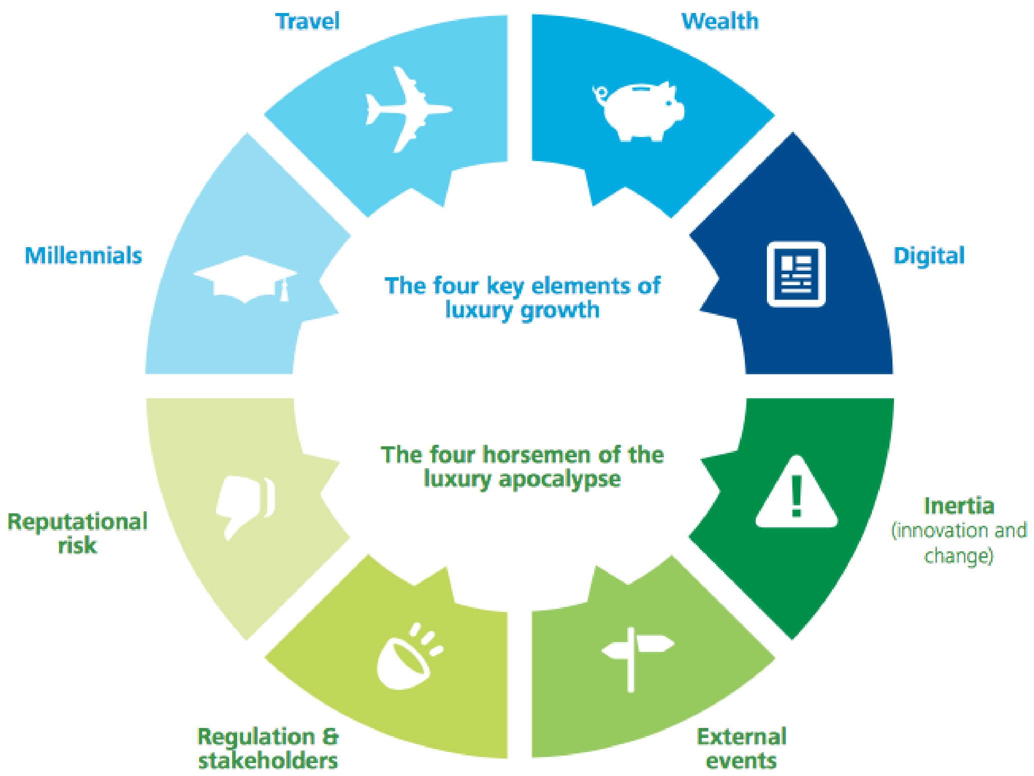
Since the 1990s, the luxury market has been booming, "*it has become one of the fastest-growing industries in the world with an annual market growth rate between 10% and 15%* (Matthiesen & al, 2005)". Accurately, Bain & Company (2016) highlights that luxury consumers are redirecting their spending towards more personal and top of the range experiences such as luxury travels, gastronomy, wine and fine arts.



<u>Figure 1</u> – Worldwide luxury market, 2016 (Bain & Company, 2016)

Two main reasons can explain the incredible growth of the luxury market. First, economic factors including "*the rise of disposable incomes, the lower unemployment rates, the lower production costs, the emergence of the wealthy class in developing countries, and the augmentation of the buying power among working women* (McMahon-Beattie, 2005)". Second, socio-cultural factors including "*the willingness of the lower classes to buy more luxury goods today than before and the increasing attention of the media to the luxury brands* (Truong & al, 2009)". Nevertheless, it is paramount to remember that several factors such as the Brexit, the American presidential election as well as the terrorism in Europe have damaged the confidence of the customers, leading to a negative impact on tourist flows and thus to a bad effect on the consumption of luxury goods. In this respect, in 2016, by frightening of the tourists, the terrorism has caused a slowdown of the luxury market in France and Germany.

French luxury has been known throughout the whole world for centuries: it represents the glamor, the authenticity and the know-how. Actually, France is by far the world capital of luxury and French brands belonging to the luxury sector have a common point: the French crafts. For example, Chanel has revolutionized fashion by making the modern woman and Louis Vuitton has created trunks and suitcases all over the world. Indeed, France has the largest luxury goods companies which feature in the top 10 groups of businesses worldwide: LVMH, Kering and L'Oréal. Despite a slight drop in 2016, experts plan an increase of the growth of the luxury market in 2017. Indeed, luxury products are especially popular on the e-commerce platforms: a shopping experience that particularly seduces the Millennials. In this respect, the online sale of luxury goods has grown by 26% in the past three years and should continue to grow (Journal du Luxe, 2016).



<u>Figure 2</u> – The key forces shaping the global luxury market (Deloitte, 2016)

1.2. Luxury brands

1.1.1. Luxury products

All luxury brands need to offer luxury products. A luxury good is defined by the limited production, the craftsmanship and its high price. As a matter of fact, this is the rarity of the product itself that determines its luxury level. For example, because of their restricted accessibility, handbags made of exotic leather such as crocodile and python or jewelry made of precious gems such as diamonds are considered as luxury goods. Generally, customers identify luxury products as tools to create a certain image and a status within a group (Eastman et al, 1999). Actually, luxury obeys to an emotional dimension where consumers are not driven by the functionality of the product itself. For that matter, the purchase decision of high-end products is not generated by a specific need nor a rational motivation - such acquisitions are mostly impulsive and based on emotional appeal.

Also, the expectations of the customers are much higher for luxury goods rather than for conventional goods. Effectively, the needs of a consumer who is purchasing luxury goods are totally different from the needs of a traditional consumer. This is the reason why, people working for luxury brands "*should not use the conventional tools but instead, they have to use the exactly opposite ones* (Chevalier & al, 2008)". "Dubois (1998) has found the following principles to understand the luxury goods marketing paradox: "*high price, high cost, craftsmanship, limited distribution, low promotional activity, advertising with no sophisticated copy strategy*"". In this respect, the attractiveness of the buyers for top of the range goods is based on the perceived superior quality, a direct identifiable style and a social status (Berthon & al, 2009). Indeed, a same luxury good can have different buying purpose to different people. For instance, wealthy consumers can purchase a pair of luxury shoes to show their financial supremacy and social status; less wealthy consumers can buy the same shoes to express their social and economic aspirations; and young consumers who are pursuing for their identity can buy the exact same pair to feel part of a specific group by possessing a luxury good (Piacentini & al, 2004). Actually, two types of luxury goods have been distinguished: the traditional luxury goods and the new luxury goods (Silverstein and Fiske, 2003). On the one hand, the traditional luxury goods represent products that are sold in premium, specialty retailers and targeting the wealthiest consumers worldwide. On the other hand, the new luxury goods target the middle class and are sold by mass retailers such as department stores. To put in a nutshell, high-end items are made for a niche, and marketing and communication strategies have to be approached that way.

According to this figure, the characteristics of the luxury products are ranked in order of relevance (Heine & al 2011). They are also categorized into manufacturing, concrete and abstract characteristics.

Major Characteristics	Manufacturing Characteristics	Concrete Product Characteristics	Abstract Product Characteristics
Price		Price	
Quality	Expertise of manufacturer	Material & Components	Durability & Value
	Manufacturing complexity	Construction & Function principle	Comfortability & Usability
		Workmanship	Functionality & Performance
		Features	Safety
		Product size	
		Service	
Aesthetics			Aesthetics
Rarity		Rarity	
Extraordinariness			Extraordinariness
Symbolism			Symbolism

Figure 3 – The characteristics of luxury products (Heine, 2012)

1.1.2. Brand image

"According to Aaker (2000), a brand corresponds to "*a name, a term, a sign or a symbol that could be easily and rapidly recognize through a logo, a symbol or a packaging*"". Within the luxury industry, it is usually the name of the original creator which permit to directly distinguish a product from the ones of the competitors. However, it is much more than a simple name: it serves to represent the company and is sometimes known throughout the world. Besides, the brand image is defined as "*a set of beliefs, ideas and impressions that a person has to a brand* (Kotler, 2000)". As a matter of fact, companies belonging to the luxury sector seek to create associations of ideas in the minds of the potential consumers: the perception of an object or the evocation of a name must resonate with a set of estimated and appreciated images and words. In 1993, Keller proposed to classify the associations to a brand into three categories: attributes, benefits and attitudes. First, the attributes are the characteristics of the product or the service; they describe what the consumers think. The attributes may be linked to the product (necessary ingredients to the performance) or not be linked to the product (price, packaging and so on). Then, the benefits are the personal values that the customers attach to the attributes of the product or the service; they describe what the consumers think the product or service can do for them. At last, the attitudes to the brand are defined as the overall brand evaluations. The brand attitudes are important as they have a strong impact on the consumers: they guide their thoughts, they influence their feelings and they affect their behavior. Actually, the attitude and the actions of the customers towards a brand is the result of the brand image. Therefore, having a good brand image is indispensable for a powerful brand. In any cases, *"most of the traditional luxury brands obtained this brand image over time and rather unconsciously* (Dereumaux, 2007)".

1.1.3. Price

Most of the time, the luxury goods pricing seems to be irrational to mass consumers. In fact, "*a reasonable price is a price that appeals to reason, and therefore to comparison, except that price of luxury goods is not comparative, but superlative* (Kapferer & al, 2009)". In this respect, luxury brands using superlative pricing strategies are less reachable to people and induce a theory of exclusivity. Therefore, they are using a premium price strategy as a tool to increase the symbolic value of their products and services. In fact, the more the price of luxury goods increase, the more the demand tends to grow. First, within the luxury industry, the price is considered as one of the main indicator of quality and of prestige. This is the reason why a luxury brand is certainly not using discounts as a strategy because of the risk that it could impact on the brand image (Keller, 2009). Indeed, "*a price diminution would increase the demand in the short-term and on the contrary, decrease the sales in the long-term* (Dubois, 1992)". Hence, marketers should increase the prices constantly in order to observe a growth of the demand. Actually, "*the higher the price is and the better it is for the wealthy consumers to show to the others their social status and their financial power*" (Vigneron & al, 1999). Then, within the luxury industry, most of the luxury goods see their value increase over time which ensure the value of the good itself and make the consumer think about his/her purchase as an investment: this is the case for high jewelry or watches for example. To put in a nutshell, luxury brands tend to give an exclusive image to their products to justify the expensive price. In this respect, scholars indicate that luxury brands are "*overpricing their products in order to suggest respect and make consumers think that they offer a higher quality than their competitors* (Aaker, 2002)". In most cases, the revenues generated by luxury brands come from less expensive products such as perfume or accessories (Kapferer & al, 2009). Nevertheless, some limitations to such a superlative pricing strategy do exist: a high price increasing continuously could make the product become inaccessible to almost every consumer.

1.3. The affordable luxury

From being limited to small elites of people, luxury has changed over time and is now becoming more and more accessible to the middleclass. This is the reason why scholars have increasingly focused their researches regarding the growth of the “affordable luxury”. However, “affordable” and “luxury” are two contradictory terms. “*While the concept of luxury has been traditionally associated with high-priced, difficult to find, and exclusive products, academics seem to suggest that many goods such as spas, phone cases and other commodities can be considered as affordable luxury products* (Huddleston & al, 2017)”. Thanks to the reduction of the production costs, luxury brands have intentionally developed reasonably priced premium products in order to attract as much as possible middle-class customers who are willing to follow the lifestyles of richer classes (Atwal & al, 2009). As a matter of fact, many luxury brands have expanded their products lines by offering more affordable versions of their products to reach a wider range of customers. This is the case of Luis Vuitton which has proposed a large variety of entry-level goods such as phone cases or pens, making its products accessible for all. In addition to this example, some famous luxury fashion designers have formed partnerships with popular brands – this is the case of the collaboration between Balmain and H&M. This phenomenon gives rise to the "democratization" of the luxury: “*people willing to shop for cheaper goods in one category in order to free up resources for higher spending behavior in luxury goods* (Kapferer & al, 2009)”. As a matter of fact, the consumption of luxury items has evolved as they are now accessible for a wider clientele and more precisely for the millennials. The millennials, also called the Generation Y, include all the people born between 1977 and 1994 – “*they have the tendency to be highly fashion conscious and to spend money rather than save it* (Morton, 2002)”. The combination of their willingness to demonstrate their fashion consciousness and a certain status with their high propensity to spend money makes the millennials very attractive consumers for the luxury market. Therefore, as they are the first generation to always be connected through the Internet and as it represents the “*backbone of their lives*” (Pitta, 2012), luxury brands focus their effort especially on the establishment of a strong web presence (social networks, e-shopping…).

2. THE INTERNET

2.1. The online market

The emergence of the Internet in the economic field in the late 1990s has led to a real upheaval in the conduct of businesses in many industrial sectors. More accurately, its real development from the middle of the 2000s have generated a profound interest amongst millions of people around the world such as academics, managers and so on (Doherty & al, 2006): "*the Internet is the place in which consumers interact, communicate and mutually influenced* (Scott, 2013)". Since 2003, the digital sphere is in a new phase of growth and evolution; this is what we called the "Web 2.0.". The latter refers to all the community and collaborative functionalities (blogs, consumer opinions ...). After a phase of euphoria and the explosion of the Internet bubble, companies have gradually invested this network in order to develop their activities (Isaac & al, 2008). Today, it is nearly impossible to open a newspaper, to watch the news or to click on a website without observing some developments within the digital. This is the reason why "*a good marketer has to always be aware of this important change in the online environment* (Adamson, 2008)". Indeed, it is thanks to its quick access, its easy maintenance, its speed, as well as its ability to communicate large amounts of information to many people that the potential of the Internet appeared obvious - it became a must for all businesses (Houde & al, 1996). In short, the Internet has profoundly transformed the marketing landscape and forced companies into new ways of competing in terms of communication and distribution. As a matter of fact, when introduced to the general public, the Internet has sparked many debates regarding its role in the distribution. For some people, the Internet was a revolutionary way to replace in-store sales and for others it was only an another means of remote sales. "According to Chaffey & al (2003), "*it is necessary for a customer willing to buy online to have access to the Internet, to be able to reach the website of the company and to be favorably influenced by the site*"". Nowadays, the e-commerce market is a very rapidly growing market with a growth curve which reminds the one of the hypermarkets at their start.

According to the managers, the Internet represents and economic tool as the costs are lower than the ones of other channels such as the organization of events or the diffusion of advertisements through the television. Also, they believe that the Internet permits to provide a maximum of information simultaneously to many people. Actually, the Internet offers the possibility to broadcast messages accessible to all: "*it constitutes an almost "unlimited" support* *where it is possible to show consumers what the brand is, through photos, videos and product presentations* (Okonkwo, 2010)". Nevertheless, managers see the Internet as a risky communication tool because consumers can take control of it (Okonkwo, 2009). As regards to the consumers, the Internet represents a dynamic and an innovative tool (Nyeck & al, 1997). Indeed, they can obtain information at any time of the day and the night without even moving around. Furthermore, the customers perceived the Internet as a complementary tool to other media. In this respect, compared to a traditional brochure or a TV ad, the Internet allows to build a more personal and intimate relationship between the brands and the consumers. Thus, consumers can more easily identify with brands and this leads to brand loyalty (Upshaw 1995). In this new context, luxury brands are closer to the consumers with whom they can have a privileged relationship. However, customers perceive the Internet as an interface that can be impersonal and complex (Nyeck & al, 1997). More precisely, "*they may regret the lack of consideration in front of a tool where everyone seems to be treated the same way* (Okonkwo, 2009)".

2.2. A multi-channel system

The Internet has revolutionized the daily lives of both the consumers and the businesses. The constant development of the Internet has caused changes in the expectations of the clients as well as in the communication and in the distribution policies of the companies. In the era of the digitalization, tools to facilitate the access to the information and to the purchase are more and more present and successful. This is the reason why each organization had to adapt to these new technologies and to all they induced. Indeed, marketers have now reached a point, where "*luxury brands also have to treat their online channel as a seamless part of their overall channel strategy* (Bain & Company, 2013)".

First, websites and social networks (Facebook, Twitter, blogs…) have become the essential communication channel for most firms. As regards to the websites, they are today unavoidable as they represent a showcase for both the brands and the products. Concerning the social networks, they provide significant opportunities to reach the consumers and to build more personal relationships with them (Kelly & al, 2010). In this respect, the challenge for a company is to develop its reputation by involving its customers and its future customers and to make use of the word of mouth. Actually, they are extremely effective as never the opinions of the consumers express via social networks has been as decisive in the act of purchase as today. As a matter of fact, "*the customers may easily and heavily be influenced by the comments on social media which make them suddenly purchase more or less* (Choi & al, 2017)". "According to Kim & Ko (2012), brands belonging to the luxury sector focus their efforts on five dimensions: "*entertainment, interaction, trendiness, customization, and word of mouth*"".

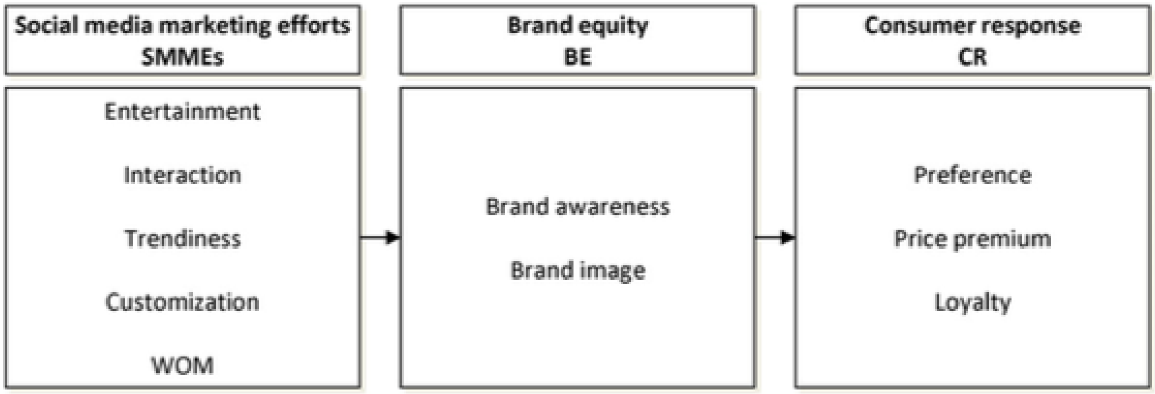
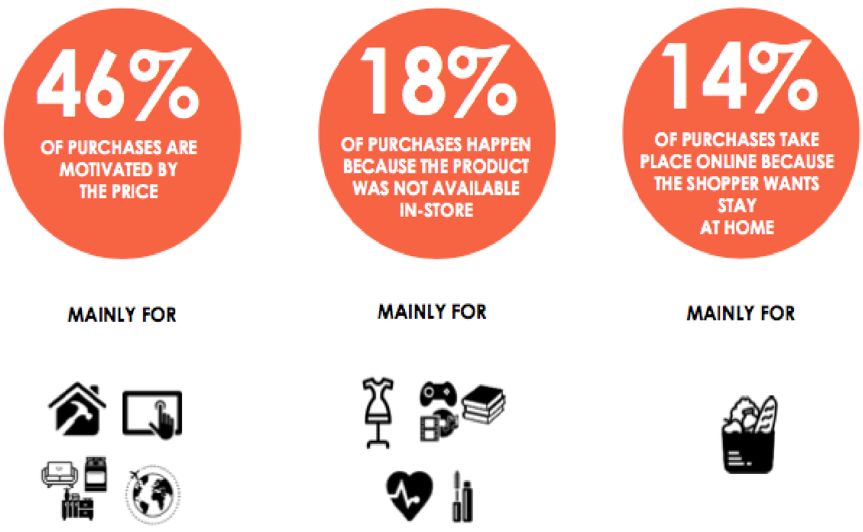


Figure 4 – Conceptual framework (Kim & al, 2012)

In addition, luxury products manufacturers used to intend to limit the accessibility of their goods. Actually, an over-distribution reduces the attractiveness of a luxury brand; "*maintaining scarcity represents a critical success factor to luxury brands* (Brun & al, 2013)". However, the emergence of the Interned engendered important adjustments regarding the distribution channel as it is certainly the most often cited as the one experiencing the greatest upheavals. Indeed, in addition to physical channels, there are virtual ones where the consumers have the possibility to purchase a product or a service via different digital media such as the computer, the tablet or the smartphone. In this respect, "*customers value the possibility to shop from every place at any time as well as the availability and the greater variety of goods* (Liu & al, 2013)". In contrast, the e-shopping does not permit to the consumers to touch, feel, smell the products and to interact with the sales personnel. Also, clients are concerned about the payment and the delivery of such precious merchandise. In a matter of fact, the two main changes of the distribution are the disappearance of one or more distribution intermediaries (wholesalers, retailers…) and the appearance of new intermediaries performing new functions and creating new added value (home delivery, remote product reservation…). Indeed, all the players of the distribution channels are affected by the development of the internet: producers and importers, wholesalers, retailers, consumers and so on. As a matter of fact, using the Internet to sell products and services directly to the consumers has become an option that many companies have adopted in order to meet the expectations of their clients. In this respect, "*the use of the Internet as a* *distribution channel can create a competitive advantage for businesses by enabling them to save money* (Chevalier & al, 2012)". However, this use is not only valuable as it can lead to losses and conflicts with the usually used distribution channels. Therefore, it is paramount for the companies to properly measure the impact and to carefully question the relevance of this distribution channel. Actually, they have to consider and evaluate what can make products and services suitable to be sold over the internet from those to which this distribution channel is not appropriate.

2.3. New purchasing behaviors of the consumers

New technologies have modified the behaviors of the consumers: cybernauts have considerably changed the way they consume. Indeed, the incredible development of the Internet allows them a greater freedom and the possibility to do many things 24 hours a day and 7 days a week (Hetet & al, 2011). In this respect, the consumer has grown from a simple consumer to a "*consum-actor*" (Poncier, 2009). Firstly, with the social networks, the customers are able to interact with the brands: they can speak, answer, react and express a positive or a negative opinion (Adamy, 2012). Indeed, they do not any more hesitate to express what they think about the brand. In most cases, because of the credibility and the reality of their contents, the opinion of the Internet users represents a decisive factor in the online buying process of the consumers. However, this participatory aspect generates a strong exposure of brands to rumors and negative criticisms. Secondly, with the e-commerce, the customers have gone from a physical point of sale to an online point of sale - a multi-channel system. Such a system gives them the possibility to make choices among items by having access to a considerable amount of information and to select the best value for money by making easier comparisons between different prices. As a matter of fact, the Internet users spend their time in researching, comparing and inquiring before buying (= research online, purchase offline). Actually, the clients want everything immediately with a very high level of quality and lower costs: they are more sophisticated and demanding. This is the reason why companies have to cope with national and especially international competition, which offers lower prices. In addition, the e-business is very comfortable: while it saves time, it is an easy accessible shop without opening hours with a constantly updated offer where the customer is not under pressure as he is able to decide by himself what he is going to purchase. According to the following figure, the price is the main online purchase driver in all product categories ahead of choice and comfort.



<u>Figure 5</u> – Online purchase driver (DigitasLBi, 2016)

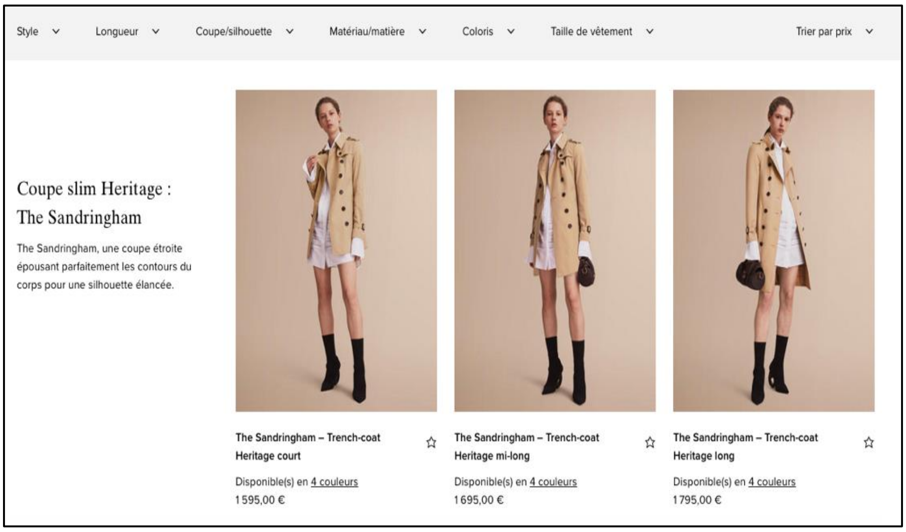
Nevertheless, it is becoming increasingly difficult for the organizations to legitimize the communication of their brands. Indeed, the online mass information constitutes a brake to target typical consumers or to put forward a message among all the information emanating from other organizations or Internet users. For that matter, the latter are "*less attentive to the traditional communication and tend to favor the opinions of other consumers* (Bright & al, 2010)". Therefore, to adapt to the new purchasing behaviors of the consumers, companies gradually use social networks, websites and mobile applications to promote their brands. Accurately, they focus on the community management which consists in the supervision of the presence of their brand on the social networks and other community spaces. In this respect, to avoid any controversy, enterprises try to be transparent and to create a relationship based on trust with their clients (Duboquoy, 2011). To do so, they have recourse to online opinion leaders also called e-influencers who represent an important communication lever. Actually, they legitimize the information they convey and allow an increase of the visibility of the messages addressed to the consumers while making them persuasive.

2.4.The example of Burberry

The success of Burberry is "*a good example of the possibilities of digital technology in a luxury business* (Thomson, 2012)". In 2011, Burberry has spared no expense to design its emblematic store located at 121 Regent Street in London: it has redesigned its decoration and its installations in luxurious and intimate tones making it the most innovative digital store in the world. Actually, this top of the range brand is one of the first companies belonging to the fashion luxury sector to invest so much in digital at the point of sale. As matter of fact, beyond the pure immersion in the brand universe, the development of this digital device aims to offer to the customers a real experience. Indeed, the consumer no longer enters into the store only to buy: he goes there to live an experience, to attend a show and to feel transported and seduced by the identity of the brand. In this respect, it is now possible to discover a gigantic screen with video animation presenting fashion shows, interactive mirrors capable of turning into screens detecting the product worn by a microchip allowing it to be tested and previewed on the podium, sellers with tablets to consult the history of the purchases and the preferences of a customer, more than 500 speakers and 100 screens which respond differently to the passage of the customers and so on… Besides, this magic store also provides virtual rain showers to immerse the customers in an atmosphere that will surely give them the desire to buy one of the famous trench coats of the famous British brand.

Picture 1 – The Burberry Regent Street Store

From its part, the Burberry website is clearly a retail website. The ten social networks on which the brand is present throw the customers a line to the experience of the online shopping. If the prices of the clothes are not indicated in the physical stores, they are on Burberry.com. As a result, the online sales exceeded those of the stores.



Picture 2 – The Burberry website (Burberry.com, 2016)

On the lookout for the latest technological advances, the brand has also multiplied digital experiences such as the Tweetwalk, the Runway Made to Order program, the Art of the Trench action or the Burberry Kisses operation. For example, the Tweetwalk offers to millions of followers the live and the backstage of the Burberry fashion show and the Runway Made to Order program gives the spectators the opportunity of live buying clothing whose references appear in real time. Then, the purchaser will have to wait nine weeks before getting its item. However, he will be delivered before the commercialization the product in stores (Harscoët, 2014). The CEO, Christopher Bailey argues that "*through a sharp strategic focus and prioritization of investment early on, we have established a leading position in digital in our industry. Part of our strength here is the digital skills and mindset that we've now embedded within our company. With over 40 million followers on social media globally today, we have got a competitive advantage in terms of reach, awareness and engagement* (Lauchlan, 2016)". To put in a nutshell, Burberry has really become a media in its own right and is resolutely in tune with the times.

3. THE LUXURY INDUSTRY AND THE E-BUSINESS

3.1. The online luxury presence: a paradox

With the development of the Internet, the management of luxury brands knows many contradictions and paradoxes that other brands ignore (Nuemo & al 1998). Indeed, the digital environment has become an essential part of the communication and distribution strategies of organizations, ranging from fast moving to luxury goods (Dall'Olmo Riley, 2003).

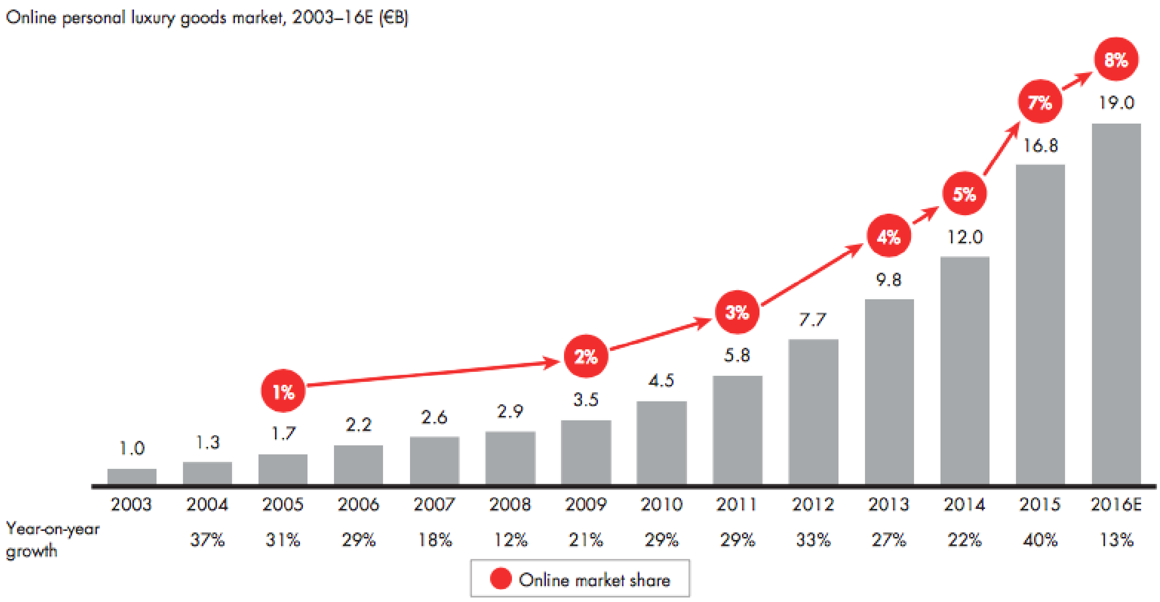
"*The paradox of the communication policy of luxury brands is probably the most important and the most difficult to manage* (Bechtold, 1991)". Despite a strong need for control, brands belonging to the luxury sector must, as well as the others, try to develop constantly in order to increase their notoriety and to show that they are present and strong. But at the same time, luxury brands must be very careful regarding the protection of their image of rarity: they must highlight an elitist image protecting their selectivity and enabling them to remain discreet. In addition, with the emergence of the e-commerce, the paradox of the distribution policy is also very difficult to handle. Indeed, the presence of online sales increases the openness to a greater number of individuals and get closer to the codes and strategies of the mass market which is in totally contradiction with the values of the luxury industry as this latter has to control a certain level of sales. As luxury brands must maintain a fragile equilibrium between high exposure and awareness, the integration of a mass media like Internet makes the communication and the distribution very challenging. Nevertheless, with a constantly growing rate of ownership of personal computers and Internet connections, luxury brands cannot ignore these new technologies (Seringhaus, 2005).

As a matter of fact, these changes in the means of communication and distribution affect the luxury sector, whose main challenge is to combine selectivity and diffusion, rarity and enlargement, elitism and high notoriety (Chevalier et al, 2008). In this respect, even if the integration within the digital environment represent an important growth perspective, it can also engender risks which can damage the brand. Therefore, more than any other brand categories, high-end brands have "*a great deal to gain but also a great deal to fear from the Internet* (Kapferer, 2000)". This is the reason why most of the luxury brands have hesitated for a long time before establishing a web presence. Actually, this uncertainty was linked to the risks associated with the Internet such as the dilution of their prestigious image or also the commoditization of their rare products.

To put in a nutshell, one of the great characteristics of the online luxury market is the so paradoxical alliance of the Internet vector of modernity and zapping with the luxury industry vector of exclusivity and rarity - it is the marriage of a privileged world with a mass media tool. Twenty years later, there have been rapid and numerous developments in this market. Actually, brands belonging to the luxury sector want to catch up and have made the digital environment a top priority. In this respect, they all have their own website. And beyond the traditional sites, some luxury homes are embarking on e-commerce.

3.2. The e-commerce of luxury goods

Over the past decade, the placement of a luxury brand in an Internet context where the consumer has power evoked nothing positive to the players in this sector. This sense of apprehension and anxiety has undoubtedly contributed to "*slowing down the presence of important top of the range brands on the web* (Okonkwo, 2009)". In this respect, "*luxury goods manufacturers have long been hesitant to adopt the Internet as a channel of distribution* (Kluge & al, 2015)". Nevertheless, after an undecided start, the luxury industry has rushed to the opportunity represented by the e-commerce. "According to Gupta (2014), the e-commerce pertains in "*any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact*"". The term "electronic commerce" has been supplemented by additional terms such as e- business, e-retailing or e-selling. For that matter, the late arrival in this market allowed the luxury players to master these established technologies and to learn from the mistakes of the pioneers. Actually, while it was considered less important ten years ago, the possibility to shop online is today, the second most important feature of a luxury brand website (Riley & al, 2003). Indeed, if the creation of e-commerce websites for luxury brands has taken time, "*it is now an indispensable complementary distribution channel adopted by all* (Okonkwo, 2005)". For example, some brands have peaked by creating a separate entity from the official website of the brand. This is the case of Hermès with the creation of the "Maison des carrés" - a website selling only the famous square. Today, "*online sales continued to grow rapidly, reaching an 8% share of the global industry in 2016* (Bain & Company, 2016)". Actually, with a turnover of 19 billion euros, the e-commerce becomes the third world market of luxury after the United States and the Japan (Rousseau, 2016). Over the next several years, digital will continue to take market share from physical stores.



<u>Figure 6</u> – The online luxury market (Bain, 2016)

However, the challenge of brands belonging to the luxury sector is enormous: "*it consists in reflecting the characteristics of intangibility and inaccessibility on the web* (Chevalier & al, 2012)". Indeed, e-stores seek to achieve more than basic requirements; they are willing to provide a pleasant shopping experience. To sum up, the digital is a democratic power in the global luxury market. Indeed, the barriers to entry that were very high were eliminated, allowing emerging brands to compete directly with established players.

It is important to notice that managers do not have the same point of views regarding the e-commerce of luxury items. According to Nyeck and Roux (1997), three groups of managers are identified: the conservative, the skeptical and the open. The conservatives believe that the use of the Internet and the e-commerce are risky. Skeptics consider that the Internet is an element of the future but their fears push them to pursue their current elitism policy. Finally, the open world sees the Internet as a real opportunity, permitting a dynamic and innovative image of luxury brands. Actually, they believe that the use of the e-commerce is possible, allowing some customers to facilitate their purchases and add comfort in their consumption process.

3.2.1. Benefits

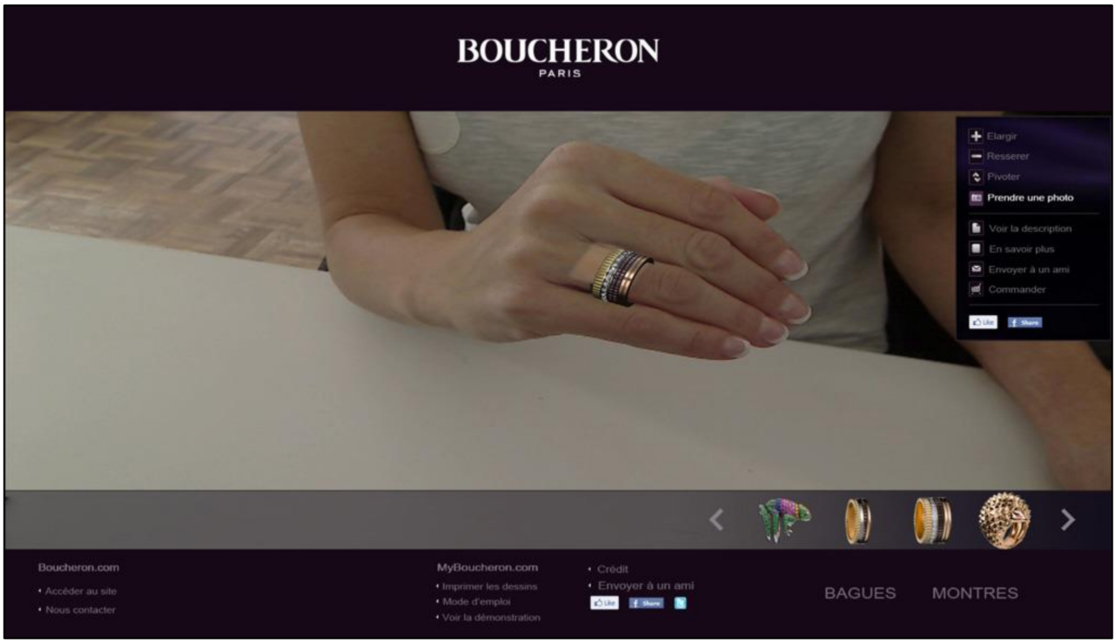
Many advantages work in favor of the e-commerce. First, while luxury brands generally develop selective networks of physical shops, the e-business allows to reach new targets (Seringhaus, 2010): the consumers who do not have the time or who do not want to spend time to go to a point of sale, who do not have close access to luxury stores, who are willing to consult the coveted products away from prying eyes and who feel intimidated by entering luxury stores. Moreover, the e-commerce of top of the range brands allows buyers to compare prices between many websites and thus to have the time to reflect before buying something. Actually, from one site to another, the price of the same product can vary considerably. Furthermore, when buying online, a customer creates an account and enters its contacts (name, address, telephone number and so on). While the process can seem intrusive in a luxury boutique, the consumer will find totally natural to entrust these precious information on a website. As a matter of fact, this account makes the online website able to send him newsletters or to reward his loyalty. Besides, the e-commerce provides many services to the consumers such as the customization of the products, a wide range of payment facilities (possibility to pay by card and through payment websites such as PayPal, opportunity to pay in several times without extra fees) as well as a variety of delivery methods (in a pick-up point, in store or at home) (Larbanet & al, 2010). In addition, virtual shops provide information in a new way with photos and videos helping to compensate the lack of contact it can cause (De Chernatony, 2001). Also, the Internet permits to decrease the operation and the procurement costs for the retailer. Accurately, the e-business makes every brand belonging to the luxury sector able to reach a global clientele with a rather modest level of investment. For that matter, it allows the small niche high-end brands to be equally in front of their biggest competitors. Thanks to these several assets, the worldwide demand for online sales of luxury goods is growing (Okonkwo, 2010). However, high-end brands must be careful to maintain their essence and remain consistent with their identity (Veg-Sala & al, 2011).

3.2.2. Drawbacks

Many disadvantages do not work in favor of the e-commerce. The lack of experience appears as a fundamental constraint regarding the use of the e-commerce. Yet paramount for brands belonging to the luxury sector, online sales do not allow to convey emotions and sensations: lack of human relationships combined with the impossibility to touch the product neither try it of feel it. This is the reason why consumers may prefer in-store experience (Dall'Olmo Riley & al, 2003). Furthermore, the e-business increases the risk of conflict between physical and digital channels and amplifies the problems of control over the distribution. The worst scenario for a luxury brand are the wholesalers who sell their products on the Internet at lower prices than in their own stores (Solca, 2016). To go further, it is one thing to have wholesalers with physical shops that practice small discounts but it is another one when the same behavior is amplified by the Internet: suddenly, anyone, anywhere in the world can have access to a "shop" – causing negative consequences on the turnover and on the brand. Actually, this leads to the danger of the banalization of luxury products. At first, the e-commerce seemed to be a good solution for destocking end-of-season merchandise: it is easier, more efficient and it generates a higher turnover than the usual flow circuits. However, this was true at the time when the online presence of the luxury items was still a niche. Today, the online sale of luxury goods has become mainstream and consumers can much more easily compare prices: a simply click to look for any discounts available before buying any product at full price. In this respect, the online sale forces high-end brands to reveal their prices, giving consumers the opportunity to make comparisons more easily with their competitors (Larbanet & al, 2010). This is the reason why luxury brand managers fear the loss of spontaneous buying on the Internet. In addition, as the Internet represents a major distribution channel, top of the range brands exposed to it are likely to face an important risk of spreading counterfeits (Bastien & al, 2008). Also, the risk of insecurity of online payment perceived by certain consumers reinforces the mistrust of the brands by the adoption of e-commerce.

3.3. The example of Boucheron

Several luxury brands have already entered the e-commerce and operated online stores successfully; this is the case of Boucheron: the first brand of high jewelry to have settled on the Place Vendôme. In 2007, Boucheron was the first jeweler to go into the online sales. The famous high-end brand did not want to be a precursor, but rather to break a taboo and to affirm that it is possible to be a traditional brand, with history and know-how, and to live with its time (Baërd, 2011). Actually, what was surprising is that quickly the e-shop increased the traffic in store. Moreover, it was observed that the e-boutique generated a dynamic on the website: customers return much more regularly to a site with an e-shop, even without buying. It is therefore an additional opportunity to give more visibility to the brand. As a matter of fact, the jewelers of the Place Vendôme, whose reputation is not anymore to be proved, are focused on refining every detail able to make the online shopping as satisfying as possible: the experience must be as rich, inspiring and professional as it is in the store. To do so, the website of Boucheron offers a tailor-made space where everyone can realize their own creation. The jewels become chameleons, changing according to the personality of the buyers. By clicking on the "start" link, the user is directed to a window where he must choose a ring aesthetic, its material (white gold, yellow gold, pink gold or platinum). Then, the consumer has to set its ring with diamonds, emeralds, rubies or blue sapphires according to his choice. Finally, to know its size of finger, the site proposes a simple and audacious tool: a link permits to access to a virtual ringsetter to print where circles corresponding to the different sizes of rings are drawn. Once this step is completed, the transaction continues simply. At the time of the finalization of the purchase, Boucheron asks for a telephone number and an e-mail address in order to provide all necessary service in case of additional questions (Fuxa, 2007). After the success of its online store, Boucheron decided to go even further. In 2010, it launches its new interactive application for iPhone “My Boucheron”. In addition to give the addresses of the nearest boutiques, the jeweler invites its customers to discover its collections in a very original way. Indeed, for the first time in the history of an iPhone application of a luxury brand, Boucheron innovates and proposes an incredible technology which allows, thanks to a webcam and a piece of paper, to try virtually at any time of the day and the night all the jewels of the collections.



Picture 3 – The Boucheron website (Boucheron.com, 2016)

CHAPTER 5: RESEARCH METHODOLOGY

1. RESEARCH STRATEGY

The research purpose of this thesis is to gather data and gain information from a sample of French consumers regarding their behavior and their perceptions of top of the range brands selling luxury items online. First, secondary research in form of a literature review was conducted in order to obtain a concrete overview regarding the topic of interest. As I know, there is no literature available on the behavior and the perceptions of French people regarding the e-commerce of luxury brands. Then, to investigate the attitudes of the French customers about the e-business of high-end brands, primary research in form of a survey was implemented. In this respect, the dilemma was to choose between a qualitative and a quantitative method. Indeed, the qualitative research is the analysis of narrative information whereas he quantitative research is the analysis of numerical data using techniques that includes a simple description of the phenomenon of interest or a research for significant differences between groups among variables. As a matter of fact, qualitative researches are often too subjective; "*findings rely too much on the views of the researchers and are difficult to replicate because they are unstructured and they regularly follow the predilections of the investigators* (Bryman, 2012)". As the quantitative approach seemed to be the better option to get the most precise and useful data from the respondents, the research methodology of this report focuses on a quantitative research method. This method is defined as "*the techniques associated with the gathering, analysis, interpretation and presentation of numerical information* (Tashakkori, 2009)". Accurately, it consists in the analysis of numerical data using techniques that includes a simple description of the phenomenon of interest or a research for significant differences between groups among variables. To put in a nutshell, luxury companies could benefit from this study by having a new insight on the behavior of their consumers. And so, the marketers would be able to reposition their strategies in order to be even more relevant with their business goals.

2. DATA COLLECTION

Before the effective data collection, the questionnaire was pre-tested to guarantee correct and valid results: it permitted to outline some misunderstandings and some issues with the survey. Thanks to this pre-test, the questionnaire was improved for the final outline. As a matter of fact, data were collected by using a self-administered questionnaire in an online survey (Google tools) during a two weeks period. In this respect, a survey provides objective descriptions of "*trends, attitudes or opinions of a population by studying a sample of that population* (Creswell, 2013)". Indeed, the target group was addressed online in order to reach more easily a broader spectrum of customers and thus to obtain the most revealing and accurate information on the topic in a given time and without any cost. More precisely, the survey was administered in an online environment, where only the respondents, who were willing to answer, would do so. At first the participants read a short introduction about the topic reminding them that the survey is anonymous and that the results will remain confidential. Then, the respondents answer to several questions and more accurately to close questions with specific answers enabling to obtain clear and precise answers. The entire survey is written in French because of the nationality of the respondents and some of them might not understand English (Appendix 1). The survey was structured into three sections permitting to evaluate: the online purchase, the online purchase of luxury products and the profile of the interviewees. Theses sections were composed by questions that could be responded with one answer, with a multiple choice or with a Likert scale statement such as 1 = Not important at all, 2 = Not important, 3 = Slightly important, 4 = Very important, 5 = Extremely likely. For that matter, the Likert scale permits to manage a qualitative data by assigning a quantitative value, which makes the results more useful for the statistical analysis. The survey is regrouping 15 questions that aim to understand the sensitive of French consumers regarding the e-shopping of top of the range items and 5 questions on profile of the respondents (gender, age, profession…). For the analysis, only completed questionnaires were counted.

3. DATA ANALYSIS

To conduct the investigation part, I have decided to use the SPSS Statistics software provided by IBM with which I have already worked with. Indeed, this data analysis tool permits to generate a precise overview of the results as well as a large variety of different types of analysis (cross tabulation, correlation, etc.). Last but not least, this program makes it possible to create charts, tables, statistic tests and so on.

3.1. Reliability

"According to Saunders & al (2007), reliability refers to "*the degree to which the method of data collection and analysis will lead to consistent findings*"". Indeed, for an experiment to be reliable, the results should be consistent after repeating the measurement. It exists several methods to prove the reliability of a study, such as test-retest reliability: redo the test with the same group of people over a certain period of time and see if there is a correlation in results from the first and the second test.

3.2. Validity

The validity of an experiment involves the overall experimental concept and states if the results meet the requirements of the research method. First, internal validity is fundamental to determine the cause of the effects. Indeed, it permits to measure what is intended to be measured and whether it represents the reality of what it is measuring. For instance, the mood of the respondent at the time of the survey could influence his/her answers and impacts the overall results. Therefore, to avoid biases in the results, the questions should be simple and easy to understand and take up one topic at a time. Also, the purpose of the study should be disguised and the questions. Finally, the external validity should be taking into consideration. Indeed, to avoid biases due to differences of culture or education that could influence the results, the participants are only French people. As matter of fact, the findings should not be generalized because of some other external factors such as education or income.

4. HYPOTHESES

After having searched and analyzed many articles that have enabled me to improve my knowledge on the subject, here are the hypotheses I have determined:

- **Hypothesis 1**: French people positively perceive the e-business of luxury products.
- **Hypothesis 2**: The age impacts the online sale of luxury products.

CHAPTER 6: DATA ANALYSIS AND RESULTS

1. PROFILES OF THE RESPONDENTS

1.1. Socio demographic profile

1.1.1. Gender

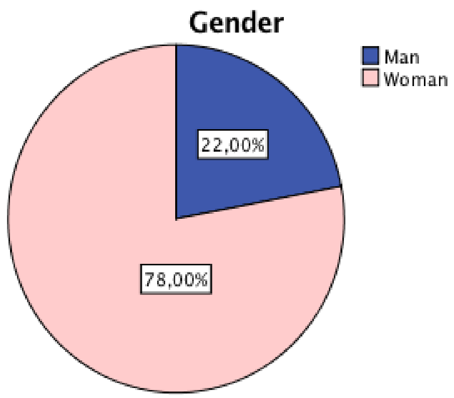


Figure 7 – Gender

100 respondents answered to the survey. Out of these 100 individuals, 78 (78%) are female and 22 (22%) are male. Accurately, more than three quarter of the interviewees are women.

1.1.2. Age

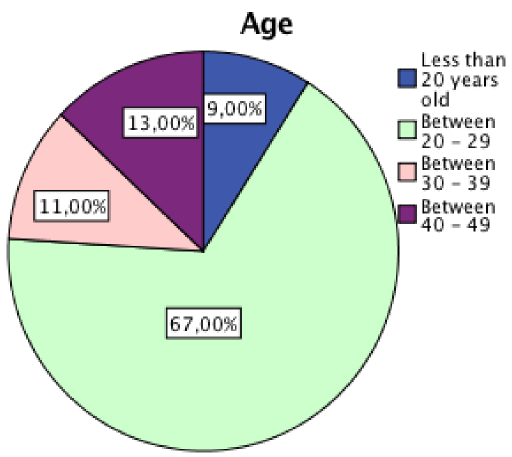
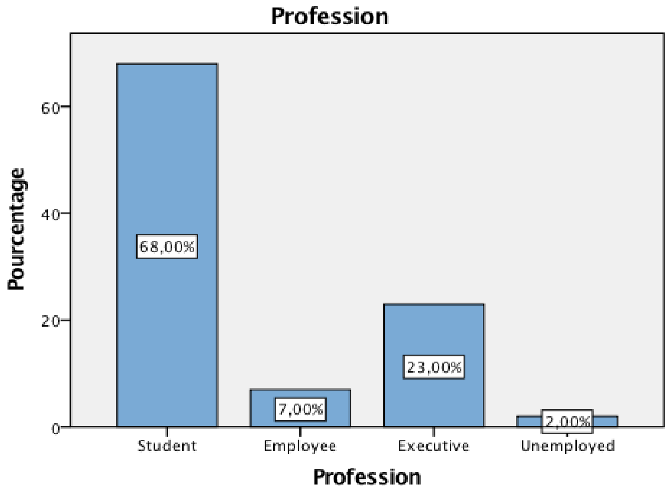


Figure 8 – Age

The age of the sample varies from "less than 20 years old" to "between 40 - 49 years old". In this respect, most of the respondents are between 20 - 29 years old (67%) and almost one quarter of the sample has between 30 - 49 years old (24%). Also, none of the interviewees is over 50 years old (between 50 – 59, More than 60 years old).

1.1.3. Profession



Regarding the employment status:

-68 respondents are students (68%)

-7 respondents are employees (7%)

-23 respondents are executive (23%)

-2 respondents are unemployed (2%)

Figure 9 – Profession

1.1.4. Revenues

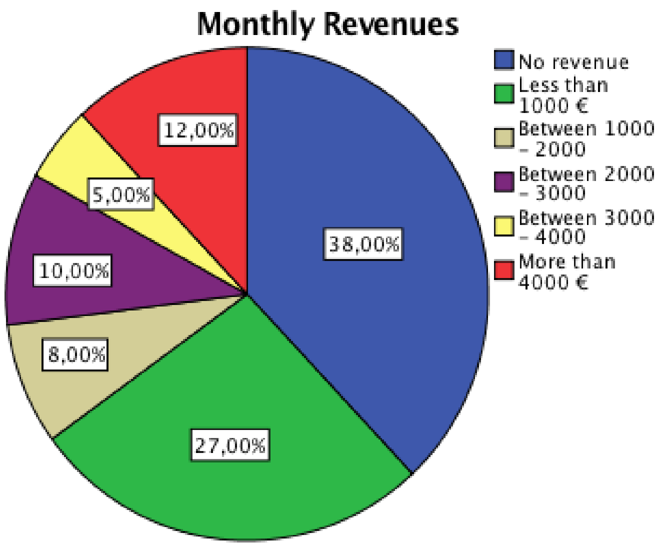


Figure 10 – Monthly Revenues

Concerning the monthly revenues, more than the half of the respondents (65%) do not have monthly individual income or earn less than 1000€ per month. Too, the minority of the respondents earns between 3000 and 4000€ per month (5%). As a matter of fact, most of the people who answered the questionnaire are quite young and do not yet have their financial independence (students).

1.1.5. Possession of technological appliances

$Equipment fréquences

		Réponses N
$Equipment[a]	A computer	99
	A tablet	50
	A smartphone	100

a. Groupe de dichotomies mis en tableau à la valeur 1.

Table 1 – Possession of technological appliances

Out of these 100 interviewees:

- 99 have a computer
- 50 have a tablet
- 100 have a smartphone

These figures indicate that all the respondents possess at least one equipment enabling them to purchase online. Indeed, constantly connected, the customer uses all the tools available to him: computer, tablet, smartphone... With these devices, he is able to obtain all the information thank to a simple click. Indeed, like in physical stores, the consumer navigates between the shelves, while comparing prices on his mobile. The boundaries between the e-commerce and the physical point of sale are fading more and more, fueled by the explosion of the mobile.

2. ATTITUDES TOWARDS THE ONLINE PURCHASE

2.1. Online profile

2.1.1. Online purchase

Figure 11 – Online purchase

This question aimed to obtain an overview of the number of French people who have already bought something online and those who did not. According to this pie chart, out of the 100 interviewees, 100 have already purchased a product on the Internet. In this respect, it is advisable to say that the whole sample was very online affine.

2.1.2. Frequency of online purchase

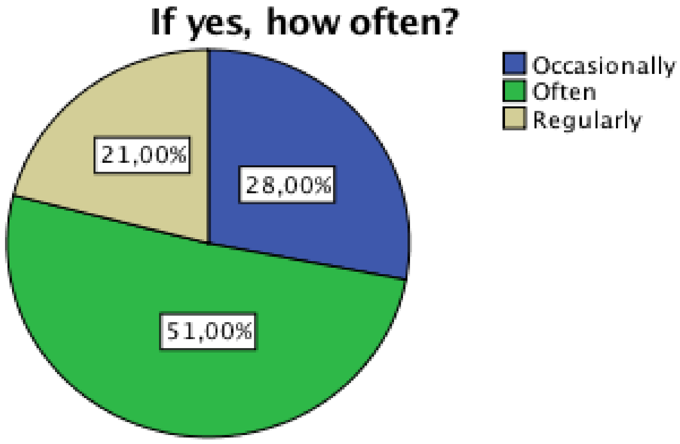


Figure 12 – Frequency of online purchase

Regarding the intensity of their online buying behavior, 51 (51%) do buy online often, 28 (28%) do buy online occasionally and 21 (21%) do regularly buy online. It is important to highlight that none of the participants never bought something online; they at least shop on the Internet occasionally, often and regularly.

2.1.3. Image of the online purchase

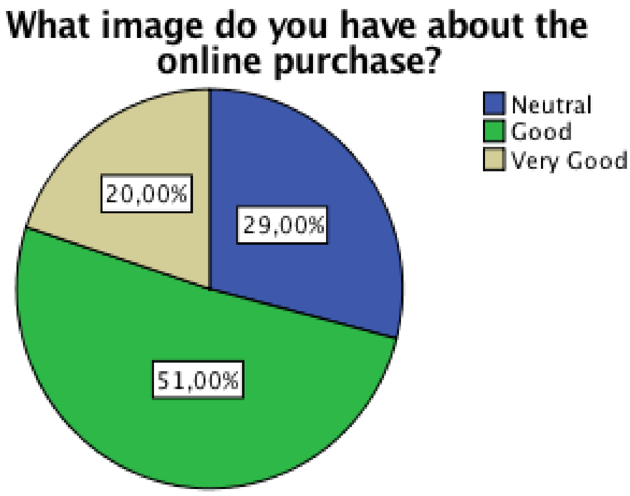


Figure 13 – Image of online purchase

Out of the 100 respondents, almost 75% had a good or a very good image about the online purchase. It is paramount to notice that none of the interviewees had a negative image of the online shopping.

In addition, most of the respondents mainly buy clothes and leisure goods such as plane or concert tickets on the Internet. Actually, the interviewees do not tend so much to purchase food, domestic electrical appliances as well as hi-tech products online. In this respect, it has been recently observed that people are willing to spend money on life experiences such as traveling around the world. Then, regarding the question whether brands should sell all their product online or not, the sample is evenly distributed. In this respect, 28 (28%) do not have an opinion, 35 (35%) do think that all types of products cannot be sold online and 37 (37%) do believe that all types of products can be sold online. To put in a nutshell, it is advisable to observe that most of the participants are involved in the e-commerce: they all possess at least one equipment enabling them to shop on the Internet, they all have already bought something online and most of them have a positive image regarding the e-commerce.

2.2. Does the gender impact the image about the online purchase?

I have chosen to test the image of the online purchase according to the gender of the respondents. In this respect, I want to know if the gender impacts the image of the online purchase.

Rangs

	Gender	N	Rang moyen :	Somme des rangs
What image do you have about the online purchase?	Man	22	47,32	1041,00
	Woman	78	51,40	4009,00
	Total	100		

Table 2 – Ranks: What image do you have about the online purchase

This table shows the mean ranks of the variable image about the online purchase for the two groups. According to this table, the higher mean rank is woman (51,40). Hence, this means that they have a better image about the e-commerce than the other group. Therefore, I conduct a **Mann-Whitney test** (non-parametric test), to test the equality of two distributions. The table related to the Mann-Whitney test, the hypotheses and the decision are presented in the Appendix. Thanks to this test, I can conclude that the distribution of the image about the online purchase is the same for the two populations defined by the gender. If I look at the sample mean ranks, I conclude there is evidence from the sample that the image about the online purchase is quite similar for the two groups. To sum up, it is advisable to admit that the gender does not change the image about the online purchase.

2.3. Is there is a relationship between the age and the image about the online purchase?

Tableau croisé What image do you have about the online purchase? * Age

			Age				
			Less than 20 years old	Between 20 – 29	Between 30 – 39	Between 40 – 49	Total
What image do you have about the online purchase?	Neutral	Effectif	5	20	1	3	29
		% dans What image do you have about the online purchase?	17,2%	69,0%	3,4%	10,3%	100,0%
		% dans Age	55,6%	29,9%	9,1%	23,1%	29,0%
	Good	Effectif	2	35	4	10	51
		% dans What image do you have about the online purchase?	3,9%	68,6%	7,8%	19,6%	100,0%
		% dans Age	22,2%	52,2%	36,4%	76,9%	51,0%
	Very Good	Effectif	2	12	6	0	20
		% dans What image do you have about the online purchase?	10,0%	60,0%	30,0%	0,0%	100,0%
		% dans Age	22,2%	17,9%	54,5%	0,0%	20,0%
Total		Effectif	9	67	11	13	100
		% dans What image do you have about the online purchase?	9,0%	67,0%	11,0%	13,0%	100,0%
		% dans Age	100,0%	100,0%	100,0%	100,0%	100,0%

Table 3 – Cross Tabulation Table: Relationship between the age and the image of the online purchase

- **Profile of the people who have a good image about the online purchase:**
- Out of 51 people who have a good image about the online purchase, 68,6% are between 20 and 29 years old.
- Out of 67 respondents who are between 20 and 29 years old, 52,2% have a good image about the online purchase.

Compared to the respondents who have less than 20 years old, who are between 30 and 39 years old and who are between 40 and 49 years old, the respondents between 20 and 29 years old are the ones who have the best image about the online purchase. This is the reason why I would like to see if there is a relationship between the age and the image about the online purchase. Therefore, I conduct a **Pearson Chi-Square test** (non-parametric test), to assess the independence of these two categorical variables. The table related to the Pearson Chi-Square test, the hypotheses and the conditions required to apply this test to the independence of two categorical variables as well as the decision are presented in the Appendix. Thanks to this test, I can conclude that there is a significance relationship between the age and the image about the online purchase; the age affects the image about the e-shopping. In short, the two variables are related in the population. In this respect, within this sample, the younger respondents have a better image about the online purchase rather than the older respondents. As a matter of fact, this test confirms what has been previously observed. Indeed, the millennials are the most connected people and thus the most likely to practice the e-commerce.

2.4. Image about the online purchase with explanatory variables

Corrélations

		What image do you have about the online purchase?	Age	Gender	Profession	Monthly Revenues	In your opinion, is the sale of luxury products on the Internet inappropriate?	More generally, would you advise your loved ones to buy luxury products online?
What image do you have about the online purchase?	Corrélation de Pearson	1	,081	,070	,097	,149	,230	,386
	Sig. (bilatérale)		,421	,487	,339	,139	,021	,000
	N	100	100	100	100	100	100	100
Age	Corrélation de Pearson	,081	1	-,116	,811	,677	,189	,136
	Sig. (bilatérale)	,421		,252	,000	,000	,059	,176
	N	100	100	100	100	100	100	100
Gender	Corrélation de Pearson	,070	-,116	1	-,214	-,047	-,049	,099
	Sig. (bilatérale)	,487	,252		,033	,643	,629	,328
	N	100	100	100	100	100	100	100
Profession	Corrélation de Pearson	,097	,811	-,214	1	,659	,215	,131
	Sig. (bilatérale)	,339	,000	,033		,000	,032	,195
	N	100	100	100	100	100	100	100
Monthly Revenues	Corrélation de Pearson	,149	,677	-,047	,659	1	,202	,151
	Sig. (bilatérale)	,139	,000	,643	,000		,043	,135
	N	100	100	100	100	100	100	100
In your opinion, is the sale of luxury products on the Internet inappropriate?	Corrélation de Pearson	,230	,189	-,049	,215	,202	1	,655
	Sig. (bilatérale)	,021	,059	,629	,032	,043		,000
	N	100	100	100	100	100	100	100
More generally, would you advise your loved ones to buy luxury products online?	Corrélation de Pearson	,386	,136	,099	,131	,151	,655	1
	Sig. (bilatérale)	,000	,176	,328	,195	,135	,000	
	N	100	100	100	100	100	100	100

Table 4 – Correlations matrix of the image about the online purchase with explanatory variables

I have chosen to analyze if there is a relationship between the dependent variable: image about the online purchase and the explanatory variables: age, gender, profession, monthly revenues, the opinion of the interviewees regarding the sale of luxury products on the Internet and the recommendation of the respondents to their loved ones to buy luxury products on the Internet. Actually, I am interested to know if there is a link between the image about the online purchase with these six variables.

- The age (0,081), the gender (0,070), the profession (0,097), the monthly revenues (0,149), the opinion regarding the sale of luxury products on the Internet (0,230) and the recommendation of the respondents to their loved ones to buy luxury products on the Internet (0,386) seem to be correlated with the dependent variable as their levels of correlation are close to 1.

- Therefore, this table permits to understand the degree of correlation between two variables. In this respect, it is advisable to notice that the age, the gender, the profession, the monthly revenues, the opinion of the interviewees regarding the sale of luxury products on the Internet and the recommendation of the respondents to their loved ones to buy luxury products on the Internet are correlated to the image about the online purchase are mainly related. Actually, there are moderate correlations between most of the variables.

  For example, there is a high level of correlation between:

- the profession and the age is 0,811
- the monthly revenues and the age is 0,677
- the monthly revenues and the profession is 0,659
- the opinion regarding the sale of luxury products on the Internet and the recommendation of the respondents to their loved ones to buy luxury products on the Internet is 0,655

- However, even if the gender seems to be correlated with the dependent variable (0,70), it does not seem to be correlated with four of the explanatory variables as its level of correlation is negative (age, profession, monthly revenues and the opinion regarding the sale of luxury products on the Internet).

3. ATTITUDES TOWARDS THE ONLINE PURCHASE OF LUXURY PRODUCTS

First, it is important to highlight that one third of the interviewees (34%) agree with luxury brands that sell their products on the Internet. Whereas 25% of the sample rather have a negative opinion regarding the online sale of top of the range goods, 50% have a positive one. At last, one quarter of the individuals do not have an opinion about the e-business of high-end brands. In short, even if 50% of the respondents rather agree, half of the sample rather disagree or neither agree or disagree with the choice of the luxury brands to sell online; which is an important figure meaning that there are divided opinions.

Do you agree with the choice of the luxury brands to sell their products on the Internet?

		Fréquence	Pourcentage	Pourcentage cumulé
Valide	Not agree at all	6	6,0	6,0
	Rather disagree	19	19,0	25,0
	Neither agree or disagree	25	25,0	50,0
	Rather agree	34	34,0	84,0
	Totally agree	16	16,0	100,0
	Total	100	100,0	

Table 5 – Do you agree with the online sale of luxury products

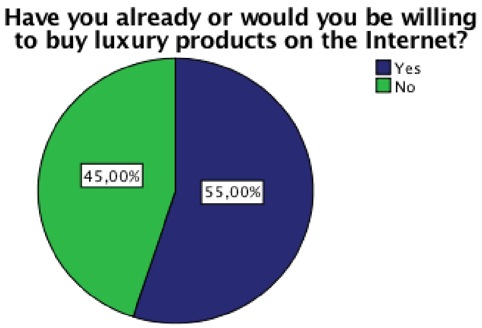


Figure 14 – Willingness to buy luxury products

Then, regarding the attitude towards the online purchase of luxury products, the sample was evenly distributed. While 55 (55%) of the respondents have already or would be willing to buy luxury products on the Internet, 45 (45%) have not or would not be willing to buy luxury products on the Internet. Similarly, the opinions are divided.

In addition, it has been observable that the respondents would be more willing to buy luxury products directly on the websites of the brands (Louis Vuitton, Dior…) rather than on discount websites (Vente Privée, Showroom Privé…), multi-brand websites (Amazon…) and second-hand websites (Vestiaire Collective, Vide Dressing…). Actually, people acquiring luxury products on the Internet prefer spending a larger amount of money to live the incredible experience that luxury brands offer: receive the product quickly, discover a beautiful wrapping.

3.1. Do the monthly revenues impact the willingness to buy luxury products online?

Rangs

	Monthly Revenues	N	Rang moyen :
Have you already or would you be willing to buy luxury products on the Internet?	No revenue	38	50,37
	Less than 1000 €	27	53,93
	Between 1000 - 2000	8	59,25
	Between 2000 - 3000	10	48,00
	Between 3000 - 4000	5	58,00
	More than 4000 €	12	36,33
	Total	100	

Table 6 – Ranks: Have you already bought luxury products online

This table shows the mean ranks of the variable “willingness to buy luxury products online” for six groups (monthly revenues). According to this table, the higher mean rank is between 1 000 and 2 000 € (59,25). Hence, this means that respondents who earn between 1 000 and 2 000 € are more willing to buy luxury products online than the five other groups. In comparison, the lower mean rank is more than 4 000 € (36,33). Thus, this means that respondents who earn more than 4 000 € are less willing to buy luxury products online than the five other groups. As a matter of fact, as they can afford it, it is logical to think that people who earn more money would be even more willing to buy luxury products online rather than people who earn less money. However, the survey does not give results in this way. This is the reason why I would like to see if the mean number regarding the willingness to buy luxury products online is the same for more than two groups. As they are more than two groups, I conduct a **Kruskal-Wallis test** (non-parametric test) to test to the equality of three or more distribution. The table related to the Kruskal-Wallis test, the hypotheses as well as the decision are presented in the Appendix. In this respect, I want to test six groups: no revenue, less than 1 000 €, between 1 000 and 2 000 €, between 2 000 and 3 000 €, between 3 000 and 4 000 € and more than 4 000 €. Thanks to this test, I can conclude that the distribution of the willingness to buy luxury products online is the same for the six populations defined by the monthly revenues. Actually, the mean of the willingness to buy luxury products online is almost the same for the six groups. Therefore, according to this sample of individuals, it is advisable to say that the monthly revenues do not influence the willingness to buy luxury products online. In this respect, it is important to highlight that most of the respondents of this survey are between 20 - 29 years old; they are millennials. Therefore, the obtained figures are not surprising as it has been observed that this generation do not matter to spend a lot of money to demonstrate their high-end brand consciousness as well a certain status.

3.2. What the consumers like with the e-business of luxury products?

	Not important at all	Not important	Slightly important	Very important	Extremely likely
Cheaper product	7	8	**34**	29	22
More choices than in store	5	8	27	**47**	13
24-hour availability	6	13	28	**34**	19
Time-saving	11	19	23	23	**24**
Quick delivery	9	21	19	**31**	20
Sense of freedom	21	**36**	18	15	10

Table 7 – Cross Tabulation Table: What the consumers like with the e-business of luxury products

This table indicates the degree of importance of several factors which have or might have incite the customers to buy luxury products online. According to the respondents of this survey, the most important factor which have or might have incite them is the time-saving. Indeed, people who are willing to purchase top of the range products on the Internet desire to acquire them whenever they want without going anywhere. For example, top executives might not have the time to go to the boutiques during the opening hours. Then, the larger choices online, the 24-hour availability as well as the quick delivery are three other important factors which have or might have incite the respondents to buy luxury products online. In this respect, the e-shopping makes it possible to have a larger choice on the Internet than in store and provides products available 24 hours a day with a rapid delivery. These three factors are paramount for the customers of the actual society as people want always more and immediately. Also, the less expensive cost of the high-end products online represents a slightly important factor which have or might have incite the interviewees to buy luxury products online. Nowadays, the more a product is expensive, the more the people go online to compare its price on different websites in order to obtain it at a cheaper price. Finally, the less important factor which have or might have incite the candidates to buy luxury products online is the sense of freedom; people do not pay really attention to it. To sum up, it is important to highlight that none of these factors have been categorized as not important at all. As a matter of fact, marketers have to be careful with these factors. They must consider them and make sure they are well implemented (competitive products, large choice, effective delivery…) on the websites of the brands to conclude online sales as many as possible.

3.3. What the consumers dislike with the e-business of luxury products?

Tableau croisé $Disadvantages*Q.1.3.2

			Age				
			Less than 20 years old	Between 20 - 29	Between 30 - 39	Between 40 - 49	Total
$Disadvantages[a]	Pleasure to buy in stores	Effectif	4	34	1	2	41
	Lack of advice from vendors	Effectif	1	17	0	3	21
	Impossibility to see, touch or try products	Effectif	4	42	3	5	54
	Delivery (delivery costs, possible deteriorations, deadlines)	Effectif	2	10	3	0	15
	Fear related to the counterfeits	Effectif	4	25	2	3	34
	Fears related to the online transactions (fraud, piracy)	Effectif	3	9	0	0	12
	Other	Effectif	0	1	0	0	1
Total		Effectif	5	47	3	5	60

Les pourcentages et les totaux sont établis à partir des répondants.

a. Groupe de dichotomies mis en tableau à la valeur 1.

Table 8 – Cross Tabulation Table: What the consumers dislike with the e-business of luxury products

This table makes it possible to understand what the consumers do not appreciate with the e-commerce depending on the age. According to the consumers who are between 20 – 29 years old, the most important disadvantages are the impossibility to see, touch or try the products (42 respondents) and the pleasure to buy in stores (34 respondents). Also, what customers who are between 20 – 29 years old do not really matter are issues related to the delivery such as the delivery costs, the possible deteriorations and the respect of the deadlines (10 respondents) and the fears related to the online transactions such as the fraud and the piracy (9 respondents). In addition, the fears related to the counterfeits as well as the lack of advice from vendors do not really matter to this sample of people. Indeed, millennials are used to buy online and they do not pay too much attention to these inconveniences. Actually, online purchases are part of their generation and they know how to overcome these drawbacks. In brief, it is advisable to admit that the most important brakes to the e-shopping are the impossibility to see, touch or try products and the pleasure to buy in stores: the shop experience. Therefore, high-end brands willing to sell on the Internet should implement tools making possible their consumers to involve all their senses and thus to feel like they are inside the stores.

3.4. Criteria to consider when buying luxury products online

	Not important at all	Not important	Slightly important	Very important	Extremely important
The quality of the website	0	1	10	32	57
The presentation of the products	0	2	18	43	37
The online ordering process	0	17	49	34	0
The speed of the delivery	2	5	28	47	18
The quality of the delivery (packaging, presentation)	1	5	13	43	38

Table 9 – Cross Tabulation Table: Criteria to consider when buying luxury products online

This table specifies the degree of importance of several criteria that French people take in consideration when buying luxury products online. According to the interviewees of this survey, the most important factor to consider when purchasing top of the range goods online is the quality of the website. Indeed, people pay a paramount attention to the design of the websites. Actually, an online shopping platform of a good quality may reinsure the consumers in the reliability and the seriousness of the brand. In this respect, with the risk of counterfeits and piracy, people need to feel confident. Then, the speed of the delivery, the presentation of the products and the quality of the delivery (packaging, presentation) are three other important considered factors when buying high end items on the Internet. As a matter of fact, it is logical to find very demanding people as they are spending a lot of money for such products – they want to have a perfect service from a to z. Finally, the online ordering process represents a slightly important considered factor when French people acquire online luxury products. In this respect, as long as they can rely on the websites, customers do not pay attention to the number of steps of the ordering process. To put in a nutshell, it is important to highlight that none of these factors have been categorized as not important and not important at all. This is the reason why marketing departments have to take into account these factors in order to attract a large scope of customers who will be willing to buy luxury products online and thus generate sales.

3.5. Advices to consider when buying luxury products online

Tableau croisé $Advices*Q.1.3.2

			Age				
			Less than 20 years old	Between 20 - 29	Between 30 - 39	Between 40 - 49	Total
$Advices[a]	Advices from loved ones (family, friends)	Effectif	5	39	4	3	51
		% dans $Advices	9,8%	76,5%	7,8%	5,9%	
		% dans Q.1.3.2	55,6%	59,1%	36,4%	23,1%	
		% du total	5,1%	39,4%	4,0%	3,0%	51,5%
	Advices from vendors	Effectif	3	25	3	7	38
		% dans $Advices	7,9%	65,8%	7,9%	18,4%	
		% dans Q.1.3.2	33,3%	37,9%	27,3%	53,8%	
		% du total	3,0%	25,3%	3,0%	7,1%	38,4%
	Consultation of the brands' websites	Effectif	6	47	10	12	75
		% dans $Advices	8,0%	62,7%	13,3%	16,0%	
		% dans Q.1.3.2	66,7%	71,2%	90,9%	92,3%	
		% du total	6,1%	47,5%	10,1%	12,1%	75,8%
	Consultations of the social networks and the blogs	Effectif	4	33	4	5	46
		% dans $Advices	8,7%	71,7%	8,7%	10,9%	
		% dans Q.1.3.2	44,4%	50,0%	36,4%	38,5%	
		% du total	4,0%	33,3%	4,0%	5,1%	46,5%
Total		Effectif	9	66	11	13	99
		% du total	9,1%	66,7%	11,1%	13,1%	100,0%

Les pourcentages et les totaux sont établis à partir des répondants.
a. Groupe de dichotomies mis en tableau à la valeur 1.

Table 10 – Cross Tabulation Table: Advices to consider when buying luxury products online

➢ **Profile of the people who consider the consultation of the brands' websites before buying a luxury product online:**

- Out of 75 people who consider the consultation of the brands' websites before buying a luxury product online, 62,7% are between 20 and 29 years old.
- Out of 66 respondents who are between 20 and 29 years old, 71,2% consider the consultation of the brands' websites before buying a luxury product online.

Regardless the age, this table gives a clear overview regarding the importance of advices considered by the respondents before buying luxury products online.
Indeed, the interviewees take in consideration the:

1. Consultation of the brand's websites (75,8%)
2. Advices from loved ones (family, friends) (51,5%)
3. Consultation of the social networks and the blogs (46,5%)
4. Advice from the vendors (38,4%)

According to this table, it is possible to notice that people do not pay so much attention to the advices from the vendors. As a matter of fact, the service expected from luxury brand is totally different from the service in mass markets. Actually, an excellent service is a requirement for high-end brands; it creates a salesperson-customer relationship, offer an exclusive shopping experience to the consumer that could not be find with a non-luxury brand and thus brands positively influences the purchase intention. In this respect, the components of a superior service are: personalized advices, storytelling, special treatments, after-sales follow up, long-term warranty. Luxury brands needs to prove that they value their customers far more significantly than the other brands. To put in a nutshell, the excellence of the service encounter offered by luxury brands is the foundation of the customer loyalty and relationship with the brand. In this case, most of the respondents are between 20 and 29 years, and this Generation Y devotes much more time to discuss with each other and to use the Internet to consult websites and blogs. This is the reason they do not considered that much the advices from the vendors.

3.6. Recommendations for loved ones

Tableau croisé More generally, would you advise your loved ones to buy luxury products online? * Age

			Age				
			Less than 20 years old	Between 20 – 29	Between 30 – 39	Between 40 – 49	Total
More generally, would you advise your loved ones to buy luxury products online?	I do not recommend at all	Effectif	0	7	1	0	8
		% dans More generally, would you advise your loved ones to buy luxury products online?	0,0%	87,5%	12,5%	0,0%	100,0%
		% dans Age	0,0%	10,4%	9,1%	0,0%	8,0%
	I do not recomment	Effectif	2	15	1	2	20
		% dans More generally, would you advise your loved ones to buy luxury products online?	10,0%	75,0%	5,0%	10,0%	100,0%
		% dans Age	22,2%	22,4%	9,1%	15,4%	20,0%
	Neutral	Effectif	4	32	3	6	45
		% dans More generally, would you advise your loved ones to buy luxury products online?	8,9%	71,1%	6,7%	13,3%	100,0%
		% dans Age	44,4%	47,8%	27,3%	46,2%	45,0%
	I do recomment	Effectif	2	12	4	5	23
		% dans More generally, would you advise your loved ones to buy luxury products online?	8,7%	52,2%	17,4%	21,7%	100,0%
		% dans Age	22,2%	17,9%	36,4%	38,5%	23,0%
	I highly recommend	Effectif	1	1	2	0	4
		% dans More generally, would you advise your loved ones to buy luxury products online?	25,0%	25,0%	50,0%	0,0%	100,0%
		% dans Age	11,1%	1,5%	18,2%	0,0%	4,0%
Total		Effectif	9	67	11	13	100
		% dans More generally, would you advise your loved ones to buy luxury products online?	9,0%	67,0%	11,0%	13,0%	100,0%
		% dans Age	100,0%	100,0%	100,0%	100,0%	100,0%

Table 11 – Cross Tabulation Table: Recommendations for loved ones

➢ **Profile of the people who do not know if they would advise their loved ones to buy luxury products online:**

- Out of 45 people who do not know if they would advise their loved ones to buy luxury products online, 71,1% are between 20 and 29 years old.
- Out of 67 respondents who are between 20 and 29 years old, 47,8% do not know if they would advise their loved ones to buy luxury products online.

This table permits to understand what the respondents would recommend to their family and friends. The sample was evenly distributed. In this respect, the two ends "I do not recommend at all" and "I highly recommend" respectively obtain only 8% and 4%. Actually, 45% of the whole sample do not know if they would advise their loved ones to buy luxury products online. This is due to the several factors that the consumers like / dislike about the e-business.

3.7. The online coveted luxury products

Tableau croisé $Products*Q.1.3.1

			Gender		Total
			Man	Woman	
$Products[a]	Handbags	Effectif	6	35	41
		% dans $Products	14,6%	85,4%	
		% dans Q.1.3.1	46,2%	74,5%	
		% du total	10,0%	58,3%	68,3%
	Ready-to-wear and Shoes	Effectif	10	27	37
		% dans $Products	27,0%	73,0%	
		% dans Q.1.3.1	76,9%	57,4%	
		% du total	16,7%	45,0%	61,7%
	Eyewear and Accessories	Effectif	8	33	41
		% dans $Products	19,5%	80,5%	
		% dans Q.1.3.1	61,5%	70,2%	
		% du total	13,3%	55,0%	68,3%
	Perfumes and Cosmetics	Effectif	7	33	40
		% dans $Products	17,5%	82,5%	
		% dans Q.1.3.1	53,8%	70,2%	
		% du total	11,7%	55,0%	66,7%
	Watches and Jewelry	Effectif	7	21	28
		% dans $Products	25,0%	75,0%	
		% dans Q.1.3.1	53,8%	44,7%	
		% du total	11,7%	35,0%	46,7%
	Wine and Spirits	Effectif	8	13	21
		% dans $Products	38,1%	61,9%	
		% dans Q.1.3.1	61,5%	27,7%	
		% du total	13,3%	21,7%	35,0%
Total		Effectif	13	47	60
		% du total	21,7%	78,3%	100,0%

Les pourcentages et les totaux sont établis à partir des répondants.
a. Groupe de dichotomies mis en tableau à la valeur 1.

Table 12 – Cross Tabulation Table: The online coveted luxury products

This table clearly gives an overview of the types of luxury products that the respondents have already or would be willing to buy online according to the gender. Two groups are observable. On one side, the men who already or would be willing to buy ready-to-wear and shoes, watches and jewelry and wine and spirits online. On the other side, the women who already or would be willing to buy handbags, eyewear and accessories and perfumes and cosmetics online. These two groups reflect the tastes of men and women regarding the online purchase of top of the range goods.

CHAPTER 7: DISCUSSION

1. CONCLUSION

The objective of this study was to investigate the perceptions and the attitudes of the French people regarding the e-commerce of high-end products. Therefore, as this field still lack former researches, the main purpose of this master thesis was to provide new discoveries and insights to the phenomenon of the e-business in the luxury industry. Actually, the Internet is seen as a tool making possible the access to dense contents about the history and the universe of a brand but also as a tool permitting to directly purchase products online.

First, it was found that the opinion about top of the range brands selling on the Internet was evenly divided among the French interviewees. Even if 50% of the respondents rather agree, the other half of the sample rather disagree or neither agree or disagree with the choice of luxury brands to sell online. Similarly, the opinions are divided. Indeed, when asked directly, 55% of the participants have already or would be willing to buy luxury products on the Internet whereas 45% have not or would not be willing to buy luxury products online. Moreover, the most important factors which have incite the participants to purchase high-end items online are the larger choice than in store, the 24-hour availability and the quick delivery. Nevertheless, while the e-business in the luxury sector is increasingly accepted, the results of the research demonstrated that the customers still prefer to purchase luxury items into physical boutiques. Indeed, they miss the buying experience and the pleasure to go in stores as they need to see touch or try the products and to get advices from the sellers. Also, they are afraid about the counterfeits and the online transactions (fraud, piracy). Furthermore, the cosmetics and the accessories are no longer the preferred categories of luxury products for the e-commerce. Today, consumers are willing to buy online clothes are even more considering the jewelry.

As a matter of course, it is obvious that people do not have the same perceptions and attitudes towards the e-shopping of luxury items. Indeed, they may depend on several variables such as their degree of involvement towards the digital, their age, their level of the revenues and so on. In this respect, the attitudes of the individuals regarding the utilization of the digital by luxury brands used to depend on the age; people above 45 years old were more skeptical. However, this variable is no longer significant today as it has been previously observed that regardless the age, every single one participant of this study has already bought something online. Actually, all of the individuals possess at least one equipment enabling them to purchase on the Internet (computer, tablet, smartphone). Also, the incomes are no longer a brake to the e-commerce of top of the range brands. In this respect, the millennials do not mind spending money rather than saving it to prove their high-end brand consciousness and their belonging to an upper social class. This is the reason why and as the theory suggests, marketers will have to appeal to the Generation Y who is far more comfortable with the digital world and who has many different point of views regarding its way of spending money.

To sum up, while a few years ago, many consumers were still skeptical about the compatibility of the luxury and the digital, today, most of the customers are seduced by the use of the Internet for top of the range brands. To go further, the underlying study provided a broad overview regarding the perceptions and the attitudes of the French people towards luxury brands selling their goods on the Internet. In this respect, the obtained results are not explicit and obvious enough to provide a clear conclusion about the direction of the perceptions and attitudes. In any event, most of the consumers choose the e-business as a complementary way to shop rather than a substitute for a more traditional mode of consumption.

2. MANAGERIAL IMPLICATIONS

This study could be useful for the managers who desire to understand the perceptions and the attitudes of the French people regarding the sale of luxury goods on the Internet. Indeed, thanks to the well comprehension of the digital behavior of the buyers, executives will be able to implement their online shop and to increase the customer outcomes. As a matter of fact, the purpose of high-end brands is to stay in the mind of the people through the establishment of brand relationships. In this respect, brands belonging to the luxury sector can manage to create a strong connection with their clients by providing a unique purchase experience that derives from emotions and sensations. Actually, this way of functioning may completely suit with the online environment. Indeed, top of the range brands must create and additional experience that makes the consumers able to the feel same senses. As a matter of fact, as the interest of the customers regarding the Internet is increasing and the marketing departments are turning to the digital, marketers will have to take in consideration the e-commerce in their overall strategy. To put in a nutshell, the online sales can be perfectly integrated into the marketing and the communication strategies of a company as long as it is line with the overall brand identity of the luxury brands. In short, an incredible potential lies within this new emerging sector, even for luxury brands.

3. LIMITATIONS

Even if many precautions have been taken, this present research has several limitations. First, the quantitative research relies on a small sample (100 people) of luxury and non-luxury goods consumers. Evidently, replications on a much larger scale should be done in order to obtain more accurate results. In addition to a quantitative research, a qualitative one could be done to understand through the own words of the respondents what are their real perceptions and attitudes regarding the online sale of luxury products. Too, it will be interesting to follow alternative methodology such as the Shopping With Customers (SWC) one making possible to analyze and investigate the behavior of a customers within a boutique of luxury goods. In this respect, this process consists in "*accompanying consumers in the retail setting combined with in-depth interviews* (Lowrey et al, 2005)". Furthermore, only French people were interviewed. Indeed, if the research would have been done with people from other nationalities, because of the difference in the culture the results would not have been the same. Actually, doing a cross-cultural exploratory research could be extremely interesting as consumption of luxury goods is worldwide and differ from a culture to another. Moreover, even if both women and men participated to this study, the respondents were mainly women (78%). Therefore, the results of this investigation are subject to a female perception. In addition, most the respondents were students and are normally not considered as the first target of the luxury brands. Indeed, the interviewees were between 20 and 29 years old (67%) and most of them did not have their own income. It would be interesting to reproduce this research on people aged above 35 years old with a certain amount of revenues. Finally, the online investigation has restraint the size of the sample. In this respect, it can be predictable that the targeted people were online affine and thus showed more positive perceptions and attitudes towards the e-shopping of luxury goods compared to offline customers. Consequently, other individuals that might not be especially involved with the digital were left out.

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CHAPTER 9: ANNEXES

1. SURVEY

1.1. The questionnaire

“I realize a study on the relation between the Internet and the luxury industry and more precisely I investigate and I analyze the behaviour and the perception of the French people regarding the e-commerce of the luxury products. Thus, I would like to ask you some questions about this topic. These several interrogations are anonymous and the results are confidential, they will be read by professors only, as part of my master thesis”.

THE ONLINE PURCHASE

1. **What image do you have about the online purchase?**

Very bad	Bad	Neutral	Good	Very good
1	2	3	4	5

2. **Have you ever bought online?**

- Yes
- No

3. **If yes, how often?**

Never	Occasionally	Often	Regularly
1	2	3	4

4. **If yes, what types of products?**

- Food
- Textile
- Cultural goods

- Domestic electrical appliances
- Hi-tech products
- Other, specify

5. **In your opinion, are all products consumable on the Internet?**

Not agree at all	Rather disagree	Neither agree or disagree	Rather agree	Totally agree
1	2	3	4	5

<u>THE ONLINE PURCHASE OF A LUXURY PRODUCT</u>

1. **Do you agree with the choice of the luxury brands to sell their products on the Internet?**

Not agree at all	Rather disagree	Neither agree or disagree	Rather agree	Totally agree
1	2	3	4	5

2. **Have you already or would you be willing to buy luxury products on the Internet?**

- Yes
- No

3. **If yes, what types of luxury products have you already or would you be willing to buy online? (Multiple choice)**

- Handbags
- Ready-to-wear and Shoes
- Eyewear and Accessories
- Perfumes and Cosmetics
- Watches and Jewelry
- Wine and Spirits
- Other, specify

4. **If no, why have you not already or would you not be willing to buy luxury products online? (Multiple choice)**

- Pleasure to buy in stores
- Lack of advice from vendors
- Impossibility to see, touch or try products
- Delivery (delivery costs, possible deteriorations, deadlines)
- Fear related to the counterfeits
- Fears related to the online transactions (fraud, piracy)
- Other, specify

5. **Have you already or would you be willing to buy luxury products on:**

(1= Not at all likely, 2 = Not very likely, 3= Uncertain, 4 = Somewhat likely, 5 = Very likely)

- Brand websites (Louis Vuitton, Dior…)

1 2 3 4 5

- Multi-brand websites (Amazon…)

1 2 3 4 5

- Discount websites (Vente Privée, Showroom Privé …)

1 2 3 4 5

- Second-hand websites (Vestiaire Collective, Vide Dressing…)

1 2 3 4 5

6. **What are the most important factors which have you or might have incite you to buy luxury products online?**

(1= Not important at all, 2 = Not important, 3= Slightly important, 4 = Very important, 5 = Extremely likely)

- Cheaper product

1 2 3 4 5

- More choices than in store

1 2 3 4 5

- 24-hour availability

1 2 3 4 5

- Time-saving

1 2 3 4 5

- Quick delivery

1 2 3 4 5

- Sense of freedom

1 2 3 4 5

7. In your opinion, what are the most important criteria to consider when buying luxury products online?

(1= Not important at all, 2 = Not important, 3= Slightly important, 4 = Very important, 5 = Extremely likely)

- The quality of the website

1 2 3 4 5

- The presentation of the products

1 2 3 4 5

- The online ordering process

1 2 3 4 5

- The speed of the delivery

1 2 3 4 5

- The quality of the delivery (packaging, presentation)

1 2 3 4 5

8. In your opinion, what types of information should be considered before buying a luxury product online? (Multiple choices)

- Advices from loved ones (family, friends)
- Advices from vendors
- Consultation of the brands' websites
- Consultations of the social networks and the blogs
- Other, specify

9. **More generally, would you advise your loved ones to buy luxury products online?**

I do not recommend at all	I do not recommend	Neutral	I do recommend	I highly recommend
1	2	3	4	5

PROFILE

1. **Are you?**

- A man
- A woman

2. **How old are you?**

- Less than 20 years old
- Between 20 - 29
- Between 30 - 39
- Between 40 - 49
- Between 50 - 59
- More than 60 years old

3. **What is your profession?**

- Student
- Employee
- Executive
- Retired
- Unemployed

4. **What are you monthly revenues (per month)?**

- No revenue
- Less than 1 000 €
- Between 1 000 – 2 000
- Between 2 000 – 3 000
- Between 3 000 – 4 000
- More than 4000 €

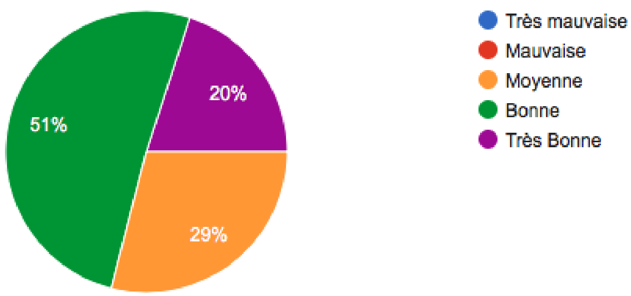
5. Do you have? (Multiple choice)

- A computer
- A tablet
- A smartphone

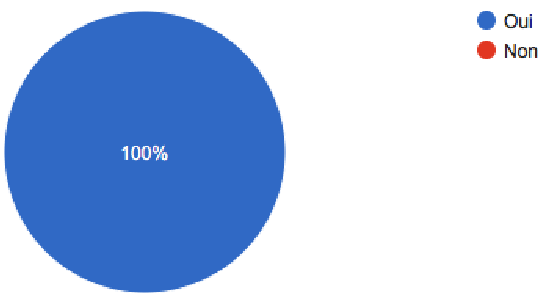
1.2. The results of the questionnaire

1- L'ACHAT SUR INTERNET

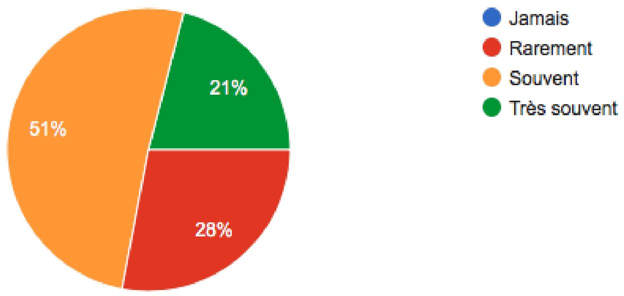
Quelle image avez-vous de l'achat sur Internet? (100 réponses)



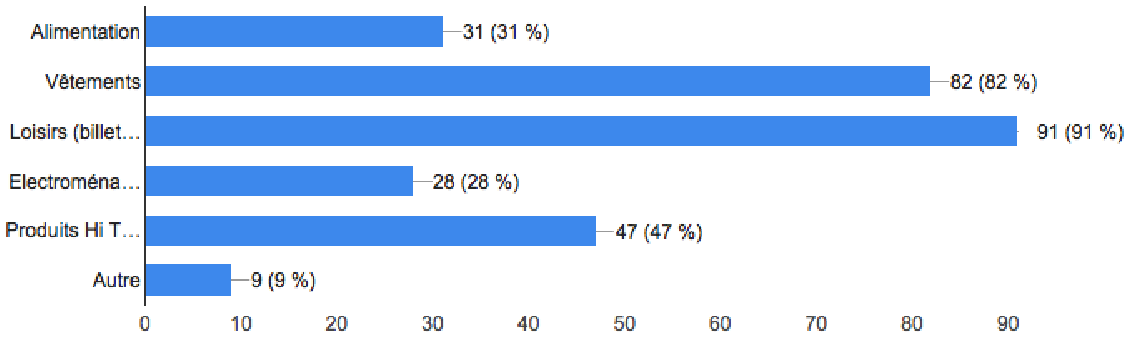
Avez-vous déjà acheté sur Internet ? (100 réponses)



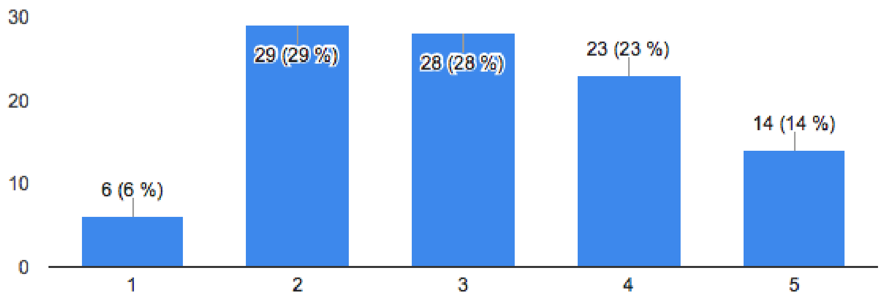
Si oui, à quelle fréquence ? (100 réponses)



Si oui, quels types de produits ? (Choix multiples) (100 réponses)

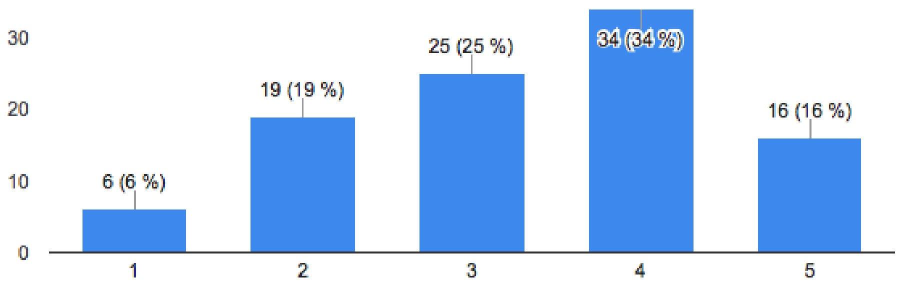


Selon vous, tous les produits sont-ils consommables sur Internet? (100 réponses)

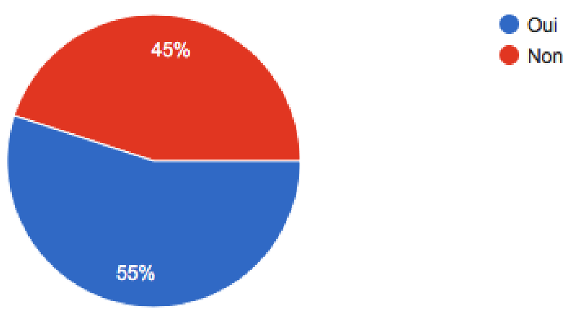


2- L'ACHAT D'UN PRODUIT DE LUXE SUR INTERNET

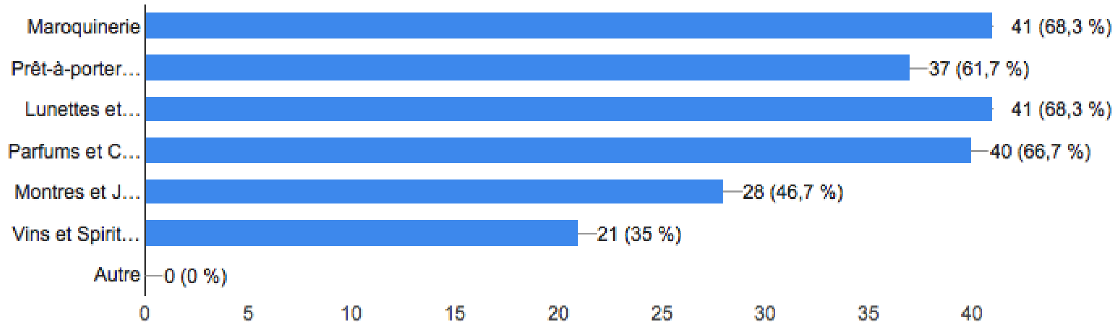
Que pensez-vous des sites de marques de luxe qui vendent sur Internet ?
(100 réponses)



Avez-vous déjà ou seriez-vous prêt à acheter des produits de luxe sur Internet ?
(100 réponses)

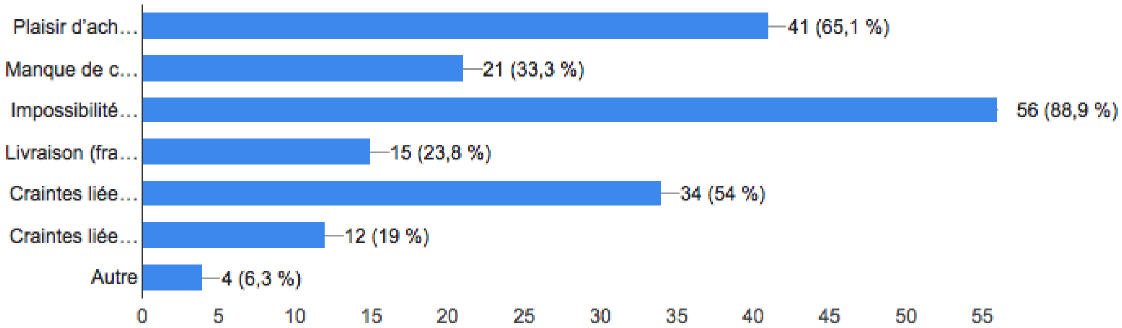


Si oui, quels types de produits de luxe avez-vous déjà ou seriez-vous prêt à acheter sur Internet ? (Choix multiples)
(60 réponses)

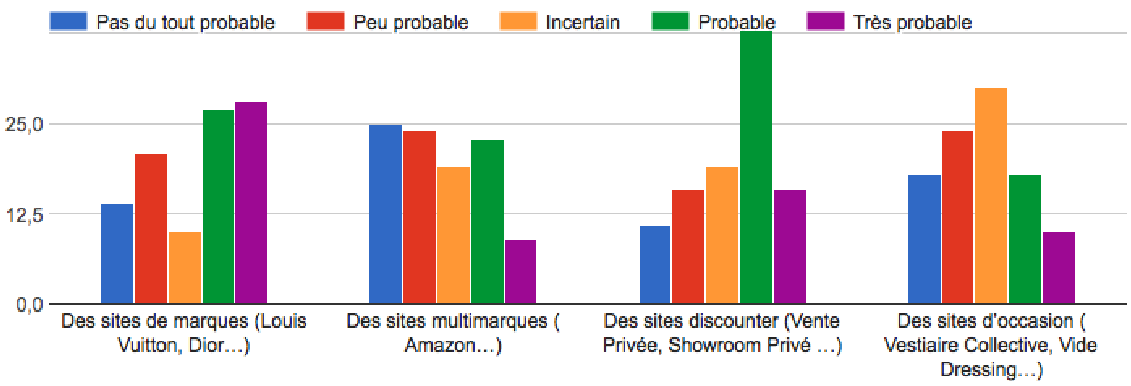


Si non, pourquoi n’avez-vous pas déjà ou ne seriez-vous pas prêt à acheter des produits de luxe sur Internet ? (Choix multiples)

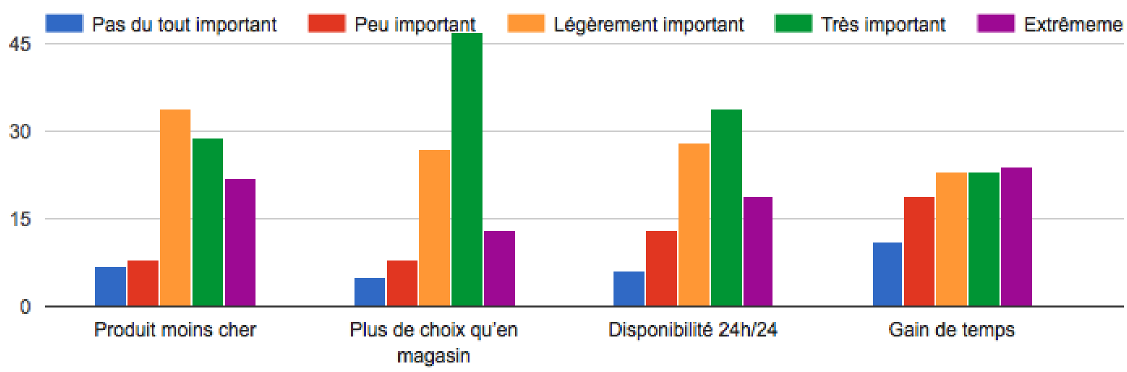
(63 réponses)



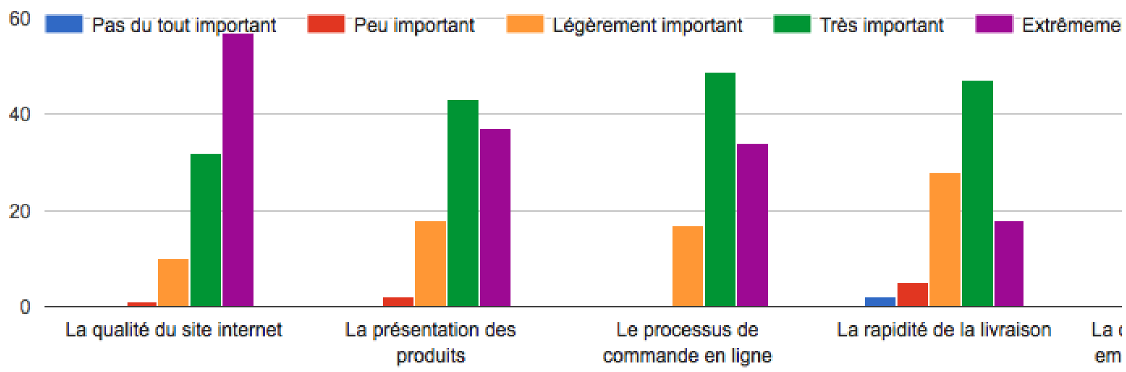
Avez-vous ou seriez-vous prêt à acheter des produits de luxe sur:



Quels sont les facteurs qui vous ont ou qui pourraient vous inciter à acheter des produits de luxe sur internet ?

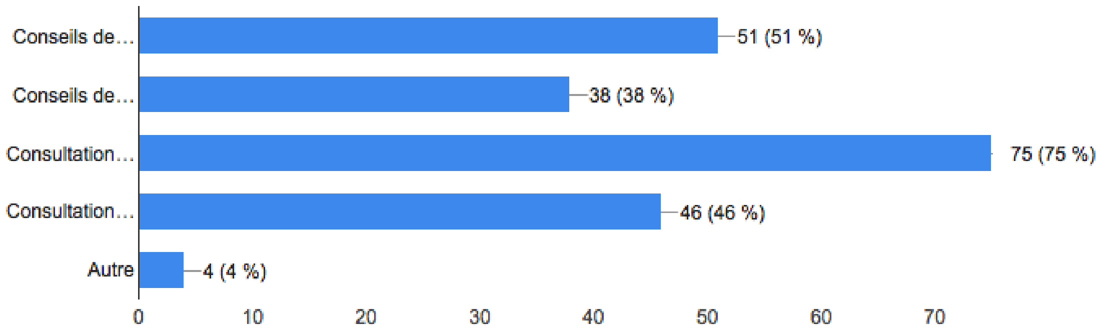


Selon vous, quels sont les critères à prendre en considération lors de l'achat de produits de luxe sur Internet ?



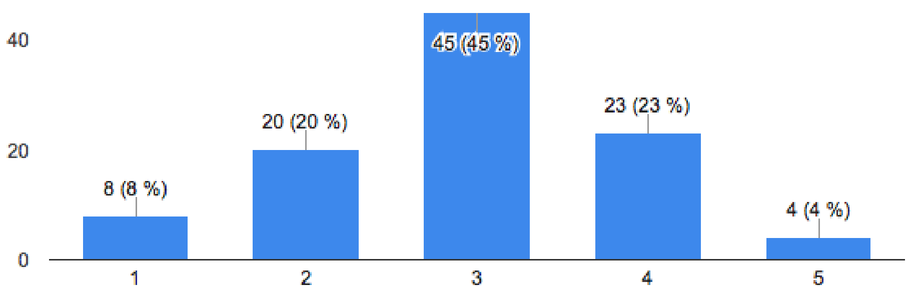
Selon vous, quels sont les types de renseignements à prendre en compte avant d'acheter un produit de luxe sur internet ? (Choix multiples)

(100 réponses)



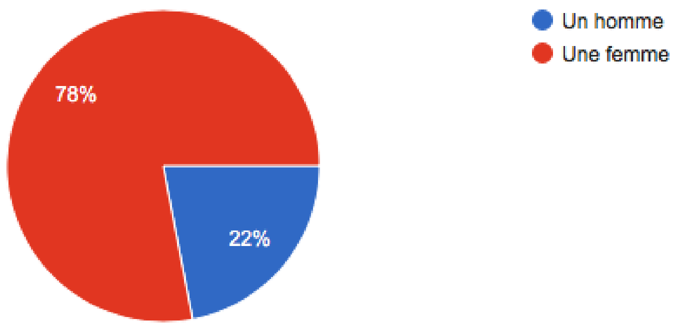
De manière plus générale, conseilleriez-vous à vos proches d'acheter des produits de luxe sur Internet?

(100 réponses)

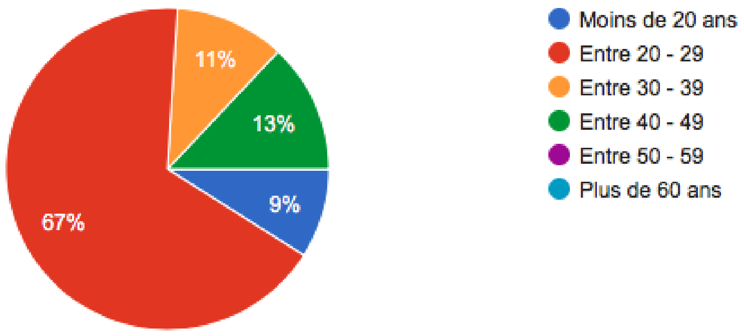


3- PROFIL

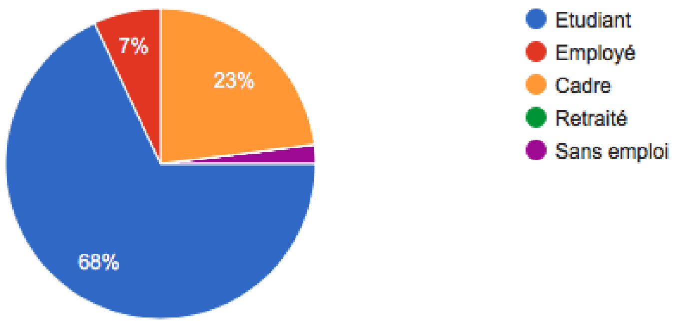
Êtes-vous ? (100 réponses)



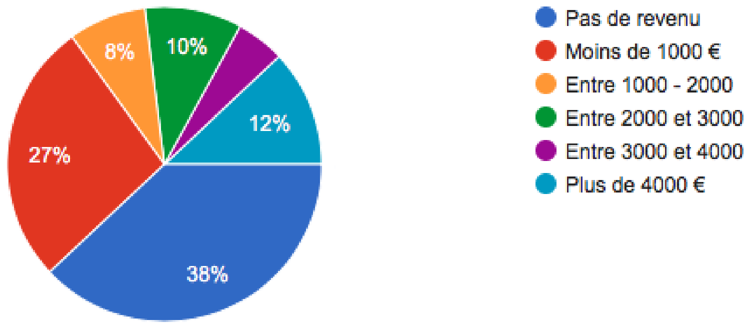
Quel âge avez-vous ? (100 réponses)



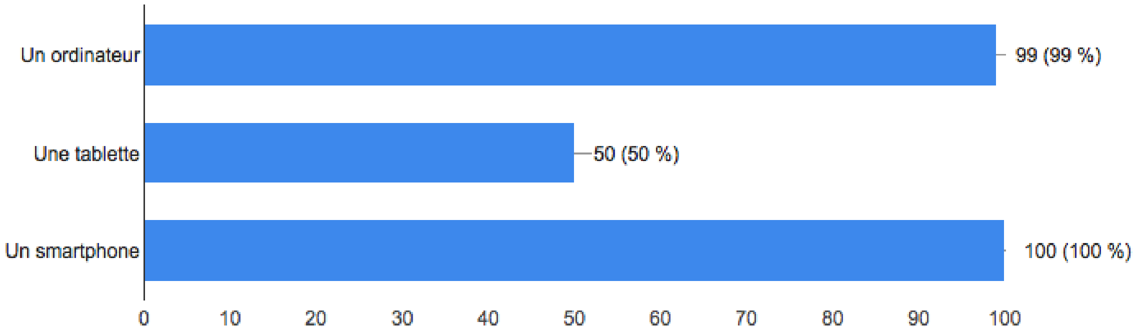
Quelle est votre profession ? (100 réponses)



Quels sont vos revenus mensuels ? (100 réponses)



Possédez-vous ? (Choix multiples) (100 réponses)



2. DATA ANALYSIS TABLES

2.1. Mann-Whitney test to the equality of two distributions

Tests statistiques[a]

	What image do you have about the online purchase?
U de Mann-Whitney	788,000
W de Wilcoxon	1041,000
Z	-,637
Sig. asymptotique (bilatérale)	,524

a. Variable de regroupement : Gender

- **Hypotheses:**

  H0: The distribution of the image about the online purchase is the same for the two populations defined by the gender.

  H1: The distribution of the image about the online purchase is different for the two populations defined by the gender.

- **Decision:**

  Sig=0,524 > α=0,05

  I do not reject H0.

2.2. Pearson Chi-Square test to the independence of two categorical variables

It determines the significance relationship between variables.

Tests du khi-deux

	Valeur	ddl	Signification asymptotique (bilatérale)
khi-deux de Pearson	16,855[a]	6	,010
Rapport de vraisemblance	17,650	6	,007
Association linéaire par linéaire	,654	1	,419
N d'observations valides	100		

a. 7 cellules (58,3%) ont un effectif théorique inférieur à 5. L'effectif théorique minimum est de 1,80.

- **Hypotheses:**

  H0: The variable “Image about the online purchase” and “Age” are independent.

  H1: The variable “Image about the online purchase” and “Age” are related.

- **Conditions:**

1. A maximum of 20% of the cells can have expected counts < 5

   58,3% of the cells have expected count less than 5, which is higher than 20%.

   Therefore, the first condition is not validated.

2. No expected count should be < 1

   The minimum expected count is 1,80 which is higher than 1.

   Therefore, the second condition is validated.

→ These conditions are not verified, so we cannot apply a Chi-Square test. Therefore, we conduct an exact test.

Tests du khi-deux

	Valeur	ddl	Signification asymptotique (bilatérale)	Sig. exacte (bilatérale)	Sig. exacte (unilatérale)	Point de probabilité :
khi-deux de Pearson	16,855[a]	6	,010	,009		
Rapport de vraisemblance	17,650	6	,007	,013		
Test exact de Fisher	14,876			,012		
Association linéaire par linéaire	,654[b]	1	,419	,425	,237	,051
N d'observations valides	100					

a. 7 cellules (58,3%) ont un effectif théorique inférieur à 5. L'effectif théorique minimum est de 1,80.

b. La statistique standardisée est ,809.

- **Decision:**

  Sig=0,012 < α=0,05

  I reject H0.

2.3. Kruskal-Wallis test to the equality of three or more distribution

Tests statistiques[a,b]

	Have you already or would you be willing to buy luxury products on the Internet?
Khi-deux	5,891
ddl	5
Sig. asymptotique	,317

a. Test de Kruskal Wallis

b. Variable de regroupement : Monthly Revenues

• **Hypotheses:**

H0: The distribution of the willingness to buy luxury products online is the same for the five populations defined by the monthly revenues.

H1: The distribution of the willingness to buy luxury products online is different for at least one of the five populations defined by the monthly revenues.

• **Decision:**

Sig=0,317 > α=0,05

I do no reject H0.