ISCTE ◈ Business School
Instituto Universitário de Lisboa

INTERNATIONALIZATION OF A DIGITAL LUXURY BRAND: *JOSEFINAS* CASE STUDY

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I

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ABSTRACT

The present case approaches the internationalization of a digital luxury brand (*Josefinas*), more specifically the Communication Strategy used during the opening of a pop-up store in a country and city different from Braga, Portugal, for one year. Therefore, at the beginning of the Case, three distinct world cities are proposed and the challenge for the students is throughout the Case Study, answering the questions and make decision-making in order to choose one of the destinations initially presented.

Luxury Brands predominantly use communication actions like printed advertising, newsletters, Public Relations, Press Releases, interviews to mass media and Word of Mouth to promote their brands and products. However, digital brands need to be present and use social networks daily to grow, survive and reach as many people as possible. In order to stand out in the global luxury market, brands need to be genuine and true to themselves.

Regarding the Global Luxury Market, the Chinese consumer is the predominant. In recent years, generation Z and the Millennials are boosting a strong growth in global luxury purchases, and tourism is a major driver of this market. On the other hand, while online shopping is increasing rapidly, the luxury consumer still uses physical stores as their main channel for purchasing luxury goods, hence, it makes sense for *Josefinas* to open a pop-up store abroad.

RESUMO

O presente caso aborda a internacionalização de uma marca de luxo digital (*Josefinas*), mais especificamente a Estratégia de Comunicação utilizada durante a abertura de uma loja pop-up num país e cidade diferente de Braga, Portugal, durante um ano. Por conseguinte, no início do Caso são propostas três cidades mundiais distintas e o desafio para os alunos é ao longo do caso estes irem respondendo às perguntas e fazer tomadas de decisão, a fim de escolher um dos destinos apresentados inicialmente.

As marcas de luxo utilizam maioritariamente ações de comunicação como Publicidade Impressa, Boletins informativos (*Newsletters*), Relações Públicas, Comunicados de Imprensa, entrevistas aos *mass media*, o Boca a Boca ou passa-palavra para promover as suas marcas e os seus produtos. Contudo, as marcas digitais precisam de estar presentes e usar as redes sociais diariamente para crescer, sobreviver e chegar ao maior número de pessoas possível. Para se destacarem no mercado global de luxo, as marcas necessitam ser genuínas e fiéis a si mesmas.

Relativamente ao mercado global de luxo, o consumidor Chinês é o predominante. Nos últimos anos, a geração Z e a geração Y estão a fomentar um forte crescimento nas compras globais de luxo e o turismo está a ser um grande impulsionador deste mercado. Por outro lado, embora as compras *online* estejam a aumentar rapidamente, o consumidor de luxo ainda utiliza a loja física como o seu principal canal de compra de bens de luxo, daí, fazer sentido a marca *Josefinas* abrir uma loja *pop-up* fora de Portugal.

Palavras-Chave: Marcas de Luxo, Internacionalização, Mercado de Luxo, Estratégia de Communicação.
Sistema de Classificação JEL: M310 - Marketing; M160 - International Business Administration.

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2. Case

2.1. Presentation of the issue

Josefinas' logo.

Josefinas Portugal never had the goal of selling its shoes in the Portuguese Market. Since the very beginning in 2013, *Josefinas* always had the ambition to use e-commerce as the main purchase customer system worldwide. In July 2016, the company opened its first physical store, for one year, in order to defund the brand, gain greater proximity to consumers, need for company growth, limitations of the domestic market and lastly, to increase sales.

The aim of this pedagogical case study is to identify between New York, London and Tokyo what is the most suitable city to go open a *Josefinas* pop-up store. Through different questions and decision- making throughout the pedagogical case, in the end, students determine the best destination.

The company adopts a Business to Consumer relation (B2C), since it works with direct sales through the company's website without an intermediary in the sales process, using a Marketing Push strategy.

2.2. Data organized by theme (development of the case)

For the beginning of the year, Paige, the Financial and International Manager of Happiness of Josefinas, decided to organize a dinner with all Josefinas' collaborators and with all friends before leaving for travel around the world that she always dreamed to do…

At the dinner, Paige met her colleague substitute Faith, who wears Harry Potter glasses and has a bird crooked nose and started to talk about the company….

2.2.1. *Josefinas*

Faith started to mention that she knows that *Josefinas* is a recent born Portuguese company founded on 5 July 2013 and it is the first brand of the company Bloomers S.A. Its headquarters are in Braga, Portugal and currently has a team of six collaborators, five women and one man.

Paige referred that Penelope Júlio (the founder), besides having an architect background, desired to create a remarkable footwear brand that embraces the modern women and at the same time respect the past of ballerinas, that is the reason why she inspired herself

in classics such as "One thousand and one nights" of the Russian Ballet as well as "Alice in Wonderland" of Lewis Carol.

Josefinas has a valuable position in the Luxury Market, and develops as their product the ballerinas, inspired by ballet shoes; however, the company also designs mocassins, sneakers, sandals, slippers, boots and accessories (Schneider and Pereira, 2018).

In addition, Paige said to Faith that Josefinas was developed to give only flat shoes for a specific target: independent, modern women between 30 years old and 50 years old inclusive with a high purchasing power, persistent women, adventurous women, women who enjoy travelling, women who love cats (the brand named "cat ladies"), women who pay attention and value detail and quality, women who enjoy buying shoes for themselves.

The brand always makes sure offering the best product and takes special care in the production phase. Only the major materials (mainly Portuguese materials) are used in this phase: high-quality fur, excellent leather for the soles, great grosgrain and even a distinctive and perfect cord. Moreover, in the logo, below the name Josefinas it is written Portugal. Josefinas, is honestly proud of Portugal, which represents a set of values aligned with the company.

Josefinas Moscow, special packaging.

Faith indicated that the brand sells mainly through the company's website, i.e. Josefinas has a Business to Consumer (B2C) relationship without any intermediary in the sales process (Marketing Push Strategy) but is currently present at multi-brand shops in United Arab Emirates, Saudi Arabia, Latvia, Luxembourg, Italy and Spain.

Wow Customer (focus on consumers' satisfaction, customers are the priority), "Savoir Faire" (i.e. the art of doing handmade shoes) and Woman Empowerment (the message that every woman can achieve things by themselves, they must believe in themselves and can feel confident and powerful with Josefinas) are the principal values of the company.

Finally, Paige referred that Josefinas was recommended by Olivia Palermo (New York, USA) – **Appendix 1**, The Blonde Salad (Chiara's Ferrgni's fashion blog; Milan, Italy), Velvet Magazine (UK), Vogue (New York, USA), W Magazine (New York, USA), among others (**Appendix 2**).

2.2.2. Mission and Vision

After that, the CEO of Josefinas, Sarah, who has a Cruella de Vil hair, half black and half white and uses red lipstick, joined the conversation and was very impressed with Paige and Faith. Sarah started to talk about the Mission of the brand saying "our mission is to inspire

women and give them power through authentic flat shoes. The company always put in the first place the consumer satisfaction, because without it the brand could not exist." *Then, Paige claimed that the vision of Josefinas is* "to be a luxury brand of reference and a brand that symbolize all the strong women out there. Our message is to help other women believe in themselves and become capable of doing things."

During the final part of the dinner, where everyone was drinking coffee or eating a dessert, Paige started to emphasize and explain the brand concept to Faith and all present/guests…

2.2.3. Brand Concept

The brand *Josefinas* was designed by women to women in order to make them feel powerful, confident and fashionable using high-quality flats. Furthermore, those same flats are able to transport women for an imaginary world, similar to fairy tails, where everything ends well. So, the objective and constant challenge is to "follow the feet of women" all over the world.

It is an intention of the brand the idea of happiness of women does not depend on others, but in themselves, evidencing that an independent woman can dream, achieve many goals and support female friendship.

Collection nº1: Delicate Rose.

In addition, it is noticed that the company discloses the purchase of its items as a search for identification, providing shoes as facilitators for the customers accomplish personal and collective goals, increase self-esteem, promising egalitarian rights and social welfare (Schneider and Pereira, 2018).

Josefinas aspires to be recognized globally for its quality, aesthetics and design in the luxury market, but also, for helping other women, fostering female entrepreneurship in average circumstances. (Abreu, 2018).

The brand genuine believes in…[1]

Gratitude;

That everything *Josefinas* does must have a meaning;

That helping a woman, we are contributing to a fair world;

Life is an imperfect journey and no is never a final response;

A Handmade product has unique magic;

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[1] https://josefinas.com/story.

There is no dream that cannot be accomplished;

Women Power;

A world where pink is used by everybody;

Customers are the best worldwide;

Potential of change;

A more feminine world/society will be a better world;

Defending everything the brand Believes!

Power Lunch.

And she continues the conversation…but this time talking about how the three founders, Sarah (CEO), Sophie (COO) and Penelope (Product Development Responsible), built the brand…

2.2.4. Brand Building

Josefinas was inspired in a few ballet classics but also in Penelope's grandmother, who always took her to ballet classes in Oporto during her childhood. In addition, almost every model designed has a message behind it or a story of a powerful woman who made progress for so many others as inspiration or movies. The rest of the members of the team of the company identified with this background and developed the brand believing truly in the concept.

Vegan Collection: Vegan Pink.

Moreover, the brand was built with the Internet as the base, which allowed learning really quickly consumer buying intentions and desires through their immediate feedback. Thus, *Josefinas* became an experiential and relational brand, due to building quickly affection with the consumers with individual interactions and because of getting advantage of the feedback and customer interactions, discovering what brings them satisfaction and happiness. Additionally, social networks give great visibility to the company, letting it understand the effect on clients. Furthermore, the company has a support system on its website and through Whatsapp, in order to solve any doubts.

Suddenly, Paige was interrupted by Faith, who asked "Could you give an example of bad feedback that resulted in bringing value to the company?" as Paige answered "Yes, of course! A client told us that in the Asian Market people buy national brands, so it is difficult to persuade them to buy foreign products such as Josefinas, and also, she told us that the language could be a barrier and people do not talk many foreign languages. Thus, that is our main challenge right now. However, the Asian Market is the second market, which we export more Josefinas products, after the United States of America (corresponds to 30% of total exports)".

Collection nº1: Cheshire Cat.

Thereafter, everyone left the restaurant and while walking, Faith approached Penelope about the company's objectives, since she was going to start on Monday at Josefinas.

2.2.5. Objectives in the short-term

Penelope referred that the principal goal is to open a pop-up store, due to the 1) ambition of leverage the digital 2) need for company' growth 3) attract new customers 4) customer follow-up (maintain proximity to the customer) 5) perception of the dynamism of external markets 6) less dependency on post offices 7) geographical, cultural and linguistic proximity 8) networking in fashion 9) manage brand's rarity, controlling brand's imitations and other areas 10) control the way of communicating and interacting with clients (seller and customer) 11) internationalization ambition since the brand creation, however, the company did not decide where to go and is counting on Faith to decide the best city.

Misty Collection: Misty Blue.

She also said that since Portugal is "in fashion" right now, because the country won FIFA European Championship in France in 2016 and the European Song Context in 2017, besides being recognized as a country that makes footwear with great quality, thus, is the perfect scenario for *Josefinas* leverage the brand and proudly the name of Portugal. Furthermore, the brand also has the goal of growing in the North American and Mexican Market, as well as, increase the relevance of the brand in the Japanese Market.

At the end of the bowling game, the winning team was Penelope, Faith and Sophie.

Knowing the first challenge she was going to face at the company and in order to be successful, Faith decided to search about the Global Luxury Market and discover the Luxury Consumer, during the weekend.

Louise Pink with Hazel Cat.

2.2.6. International Luxury Market

According to D'Arpizio *et al*. (2017, 2019) from Bain & Company, the Global Luxury Market encloses:

Figure 1 – Global Luxury Market components.

Overall, in 2018, there was a rise of 5% in the global luxury market, corresponding to €1.2 trillion (**Appendix 3**, Graphic 1).

Personal luxury goods, Luxury Hospitality and Luxury Cars consist of 80% of the global market. However, the sector of luxury cars dominates the market due to the Asian Market and raised in the online channel, accomplishing an increase of 5% in 2018 equivalent to € 495 billion (D'Arpizio *et al*., Bain & Company, 2019).

According to the Deloitte survey (2017), quality remains the key purpose for luxury purchases. Chinese consumers are the principal spenders when it comes to quality, 93% of them buy luxury products due to premium quality, 90% answered that they buy due to the preference for handmade goods and 89 % are more likely to buy products that take into account and respect ecological sustainability. Another reason highlighted by 88% of the respondents was feeling happy and confident in the moment of purchase (**Appendix 1**, Graphic 2). These feelings tend to occur more on generation Y (born between 1980-1996) and in Emerging Markets, where status and realization are more important. (Nielsen, 2016 quoted by Rodrigues, 2017).

Although the American Market (North & South America) was the top luxury market in 2015 and 2016, in 2017, Europe was recognized as the top region for luxury sales by value with an increase of 6% (i.e. €87 billion) and remained the top region in 2018 (raised 3%, i.e. €84 billion), however, Americas grew 5% in 2018 (i.e. €80 billion and remain an essential market for luxury brands). Asia (excluding Japan) had the highest increase, with 9% (i.e. €39 billion) and Japan grew 6% in 2018 corresponding to €22billion (**Appendix 3**, Graphic 3). Thus, the reasons for these increases were strong tourist purchases along with local consumption.

In the first six months of 2018, in the Americas, in the USA, Asian and European tourists enhanced key cities, while local consumers reapproached luxury, due to the weakening dollar. Canada is growing, but Latin America has a mixed performance. In Europe, a stregthening in the euro caused a negative impact on tourists' purchases. Russia, France and Switzerland benefited from that fact having a strong consumption, while the United Kingdom had a slowdown still because of uncertainty brought with Brexit. Finally, Japan had increased luxury purchases by tourists, particularly in Tokyo and Osaka. Also, local consumers are thoughtful regarding luxury consumptions and local influencers, word of mouth and social media are essential in reaching younger Japanese generations (D'Arpizio and Levato, Bain & Company, 2018).

In Table 1, it is the Top 10 Luxury goods companies by sales. Louis Vuitton Moet Hennessy Group is in the first place and PVH Corporation in the 10th place.

Carmen Collection: Boot Carmen Pink.

Carmen Collection: Mule Carmen Dots.

Table 2 - The 10 International Luxury Brands by sales in 2018.

Top 10 luxury goods companies by sales

FY2016 Luxury goods sales ranking	FY2015 Luxury goods sales ranking	Company name	Selection of Luxury Brands	Country of origin	FY2016 Luxury goods sales (US$ m)	FY2016 Total revenue (US$m)	FY2016 Luxury goods sales growth*	FY2016 Net profit margin[1] **	FY2016 Return on assets**	FY2014-16 Luxury goods sales CAGR[2] *
1 ↔	1	LVMH Moët Hennessy-Louis Vuitton SE	Louis Vuitton, Fendi, Bulgari, Loro Piana, Emilio Pucci, Acqua di Parma, Loewe, Marc Jacobs, TAG Heuer, Benefit Cosmetics	France	23,447	41,593	5.0%	11.6%	11.6%	10.0%
2 ↑	3	The Estée Lauder Companies Inc.	Estée Lauder, M.A.C., Aramis, Clinique, Aveda, Jo Malone; Licensed fragrance brands	US	11,824	11,824	5.0%	10.6%	10.6%	4.7%
3 ↓	2	Compagnie Financière Richemont SA	Cartier, Van Cleef & Arpels, Montblanc, Jaeger-LeCoultre, Vacheron Constantin, IWC, Piaget, Chloé, Officine Panerai	Switzerland	11,677	11,677	-3.9%	11.4%	11.4%	1.1%
4 ↔	4	Luxottica Group SpA	Ray-Ban, Oakley, Vogue Eyewear, Persol, Oliver Peoples; Licensed eyewear brands	Italy	10,051	10,051	2.8%	9.4%	9.4%	9.0%
5 ↔	5	Kering SA	Gucci, Bottega Veneta, Saint Laurent, Balenciaga, Brioni, Sergio Rossi, Pomellato, Girard-Perregaux, Ulysse Nardin	France	9,369	13,700	7.7%	7.0%	7.0%	11.9%
6 ↑	7	L'Oréal Luxe	Lancôme, Biotherm, Helena Rubinstein, Urban Decay, Kiehl's; Licensed brands	France	8,476 ᵉ	8,476 ᵉ	6.0%	n/a	n/a	11.2%
7 ↓	6	The Swatch Group Ltd.	Omega, Longines, Breguet, Harry Winston, Rado, Blancpain; Licensed watch brands	Switzerland	7,413	7,665	-10.7%	7.9%	7.9%	-6.9%
8 ↔	8	Ralph Lauren Corporation	Ralph Lauren, Polo Ralph Lauren, Purple Label, Double RL, Club Monaco	US	6,653	6,653	-10.2%	-1.5%	-1.5%	-6.6%
9 ↑	10	PVH Corp.	Calvin Klein, Tommy Hilfiger	US	6,646	8,203	5.6%	6.7%	6.7%	1.6%
10 ↓	9	Chow Tai Fook Jewellery Group Limited 周大福珠宝集团有限公司	Chow Tai Fook, CHOW TAI FOOK T MARK, Hearts on Fire	Hong Kong SAR	6,604	6,604	-9.4%	6.1%	6.1%	-10.7%

Source: Deloitte Luxury Multicountry Survey for Global Powers of Luxury Goods 2018.

Despite Apparel, handbags and beauty account for 62% of the personal luxury goods' sales; Shoes, Jewellery had the fastest annual growth in goods in 2018 with a raise of 7% each, followed by Handbags and Beauty with 5% and 4%, respectively (**Appendix 3**, Graphic 4). Generation Y or Millennials (born between 1980-1996) and Generation Z (born between 1997-2012) are the key responsible for this aspect. Since 2011, Accessories are the category, which increases and growth more in sales in the personal luxury goods category (**Appendix 3**, Graphic 5).

Finally, regarding Distribution channels in the International Luxury Sector (**Appendix 3**, Graphic 6), off-price stores, online and airport channels continue on the rise, increasing 7%, 22% and 7% respectively. Mono-brand stores account for 29% of the global luxury market, grew 0% in 2018.

2.2.7. The Luxury Consumer

Chinese people are the principal luxury goods' consumers, followed by American, European and Asian. In addition, in 2018, Chinese consumers were responsible for 33% of global luxury sales by value (D'Arpizio *et al.*, Bain & Company, 2019). Chinese consumers search for mature markets such as United States of America, Europe and Japan to do their purchases, and had contributed for a growth of 3% of sales in Europe (corresponding €84 billion), which was considered as the top region for luxury sales by value in 2017 and 2018, replacing the American Market (include North & South America) that was in this position in

2016 and in 2015 (D'Arpizio *et al*., Bain & Company, 2017, 2019). We can see this evolution in **Appendix 4**, Graphic 1. Consequently, the Chinese luxury consumer is predicted to be a critical driver of Luxury Market Acceleration in 2019, due to being young, fashion-educated and well aware of price-value equation (D'Arpizio and Levato, Bain & Company, 2019).

Pinto (2016) said that Millennials could be vital in the future of luxury retail due to the growth of the importance of digital channels. Generation Y (born between 1980-1996), dominate technologies and social networks and due to that demanded a new creation of memorable experiences, thus, companies adjusted and sometimes changed completely their value chains and

Dream Big: Red Louise Velvet.

positioning. An example of an innovative project to emphasise social networks as a channel and develop a brand's positioning is the American brand Marc Jacobs. The brand opened popup stores with exclusive and limited merchandising in premium areas in exchange of consumers share it on social networks.

In 2017, 85 % of the luxury sector growth was caused by Generation Y (born 1980-1996) and Generation Z (born between 1997-2012). These generations are changing the purchasing habits and mind-sets of all generations. Hence, brands are redefining products for younger audiences: T-shirts resulted in a growth of 25% in sales in 2017; Down Jackets had a growth of 15% in sales and Sneakers 10% (D'Arpizio *et al.,* Bain & Company, 2017). However, clothing, beauty and handbags still correspond to the major slice of sales. In 2018, Casual and Streetwear categories continue to be an important segment to appeal to new consumers (D'Arpizio and Levato, Bain & Company, 2018).

Millennials are responsible already for 31% of luxury sales and Generation Z is on the rise – 2% (See Graphic 2, **Appendix 4**). The "Millennial State of Mind" remains a buzzword in the industry in 2019 (D'Arpizio and Levato, Bain & Company, 2018).

Although wholesale is still the principal channel for luxury personal goods, corresponding to 2/3 of the global sales, online sales grew by 22% in 2018, especially in Europe and Asia. However, the American market had earned €27 billion in online luxury sales. Luxury brands are finally investing in their websites and establishing them, which explain 31 % of sales. However, e-tailers[2] experts still possess a major part of online sales, 39% (D'Arpizio *et al*., Bain & Company, 2017, 2019).

Misty Collection: Misty Red.

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[2] e-tailer definition: is a person or a retailer, who sells goods and commodities to consumers electronically over the Internet.

It is clear the evolution of online luxury sales in the last fifteen years in **Appendix 4**, Graphic 3.

Despite offering a great website and an exceptional digital experience resulting in the desire of buying the product, brands should be aware that luxury consumers use multiple channels before purchasing an item. Choosing the best channel(s) of Marketing/Communication, be aware of the consumers' needs & desires and their behaviour,

You Can Leave Collection: SPEAK.

as well as, benefits of buying online and on the physical store can be crucial for the success of a Luxury Company (Deloitte, 2016). Magazines, during shopping and Online, are the most used channels with 57%, 48% and 45% respectively. With 31% is purchasing at the airport or during vacations and with 36% is while visiting the brand's physical store (**Appendix 4**).

In 2017, a survey made by Deloitte including 1,300 luxury consumers among 11 countries research about purchasing behaviour and their approaches to luxury products achieved the following conclusions: firstly, even though e-commerce and m-commerce[3] are on the rise, physical stores are still the dominant channel to purchase luxury goods (63% of the respondents). Both luxury consumers in Mature Markets (countries from Europe, United States of America and Japan) and Emerging Markets (China, Russia and the United Arab Emirates) are more likely to buy a luxury good through a computer/laptop, however, 17 % of consumers from Emerging Markets answers that they would use a mobile device to do an online purchase of luxury goods. Secondly, Millennials are more likely to buy a luxury good by computer/laptop or mobile device with a percentage of 42% compared with 35% of Generation X (born 1965-1979) and 28% of Baby Boomers (born 1946-1964).

Helena Amaral Neto, Business Development Director of ISEG and coordinator of the Luxury Brand Management Bachelor, defends that Portugal is trendy now and it is an appealing country for luxury consumers (Pinto, 2016). She also says that the luxury retail in Portugal depends on the growth of luxury *globe-trotter*[4], in particular, the Chinese tourist who make purchases above 3,000€ (Pinto, 2016).

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[3] m-commerce definition: commercial transactions online made through laptops or mobile phones.

[4] *globe-trotter* definition: a person who travels often and widely worldwide, i.e. a tourist or a businessperson.

Hence, tourism is an important chance for the luxury market growth, including countries like Portugal, taking into account that more than half of luxury purchases are made by consumers of Emerging markets (which include countries such as Brazil, China and Russia) while travelling or outside their countries. They tend to do purchases in exterior countries due to do not easily obtain a certain range of products and brands that exists in Mature Markets (Global Blue, 2016 quoted by Rodrigues, 2017). Russian consumers account for 70% of purchases in mature markets in 2016. Countries from Mature Markets (countries from Europe, the United States of America and Japan) tend to buy luxury goods in the domestic market (Deloitte, 2017).

Gabrielle Boots

In Resume, Millennials, Tourism, Wealth, Luxury consumers from Emerging Markets and Digital (Online Channels) are crucial for the Global Luxury Market (Deloitte, 2016) (**Appendix 3).**

On the other hand, individual and social values affect luxury brands' consumers purchasing intentions. For instance, purchasing to impress others to build a favourable image in society drives luxury fashion brands' consumers. There are six determinants that have an impact on buying luxury goods: ethnocentrism, materialism, conformity, vanity, hedonism and self-concept (Srinivasan *et al*, 2015; Ferreira, 2011). Ethnocentrism is buying domestic products instead of foreign goods. The higher the levels of ethnocentrism, more chance to buy similar goods from similar cultural countries (Watsons and Wright, 2000 quoted by Srinivasan *et al*., 2015). Materialism is the belief about the weight of possessions in life, giving priority to the capability of owning material objects in terms of quality and type (Richin and Dawson, 1992, quoted by Srinivasan *et al*., 2015). Conformity is a kind of social impact connected with having a different behaviour to integrate or make part of a particular group of society. Vanity is associated with physical appearance and appearance worried. It is an excessive worry for the view of physical appearance. Also, it can be connected with personal achievement and status. Luxury consumption may be important for those who seek a social status in society (Srinivasan *et al*., 2015). Hedonism is the delight of a higher good as a prize of a reward and personal fulfilment and finally, Self-concept is the proportional relationship between self-image and product image (Ferreira, 2011).

Stay Positive.

✄ 11

The weekend passed and it was Monday, the first day at work for Faith at Josefinas' headquarters in Braga, Portugal and the first day at Paige's journey. When Faith arrived, Sarah, the CEO, presented to her all the employees of the company, showed her the office and they visited the factory with craftswomen in São João da Madeira.

Show Girl Blue.

While Faith and Sarah were taking a coffee break together, Sarah thought it appropriate to introduce the company's values.

2.2.8. Values and Differentiators

Wow Customer is the first one, i.e. in the first place, there is a focus on the customers' satisfaction in order for the sustainability and survivor of *Josefinas*; Savoir Faire is the second value: the company truly believes that "the value of something comes from amazing hands"(Sarah – CEO and Sophie - COO). *Josefinas* is an ambassador and defender of this art (handmade) and wants to bring it back to life. All the products of the Portuguese luxury brand, including the packaging are handmade by exceptional talented master shoemakers, who opens a "magic door" to

Women for Women.

an incredible experience for the customer. Moreover, each pair is produced after each order and usually, there is no stock. Each pair of flats could take until one month to be finished. Thirdly, but not less important is Woman Empowerment. The organization has the need to give strength and power to women, encouraging them to conquer things that make them happy through the brand (communication, values and products). In order to accomplish and succeed in this, *Josefinas* inspires in historical strong women, who made progress for so many others; women entrepreneurs; movies and uses iconic children's books such as Alice in the Wonderland and Cinderella, women who were seen as weak, angelical and fragile, but were very strong inside! The brand demonstrates this, because, still nowadays, women are seen from society as weaker and more fragile than men.

Proud to be a Woman movement embraces some activities to give women power such as the edition of Mother & Daughter and Women & Women, where the goal was after ten ballerinas sold, *Josefinas* helped an entrepreneur woman in risk, who wants and needs desperately to open a business.

Besides these three main important values referred above, passion, quality, team, people, trust and profitability are additional values, which the organization defends/represents/supports.

Faith said to Sarah that she felt connected with the company's values and she is going to do the best job she can to help other women with her work. Thenceforth, Faith came back to her desk and saw her e-mail box, where she noticed a new e-mail from Paige…

Mother & Daughter Collection: Sweet, Sweet Love.

Dear recent added to the team Faith,

I know that is your first week at *Josefinas*, but we want to open our first *pop up* store really soon, but we did not decide the destination, yet. Thus, this is your first challenge, so, you are in charge of bringing some suggestions and settle the destination.

In order to help you with this crucial task, I am sending you the Marketing Mix of *Josefinas* (it is attached in this e-mail).

Best of luck!! You will enjoy it!

Love,
Paige.

2.2.9. Marketing Mix

2.2.9.1. Product

Josefinas are handmade by Portuguese shoemakers' masters in a small factory in São João da Madeira. They use the best quality materials, flexible leathers, capable of adapting the foot and its breathing. In addition, in order to adapt perfectly to the foot, *Josefinas'* footwear also have the particularity of having an authentic leather sole and an adjustable shoelace. However, in May 2018, the company launched a model without using in its production and constitution any animal origin material. The product is called "Vegan" and it is available in black and pink.

Vegan Collection: Vegan Black.

According to Kapferer (1996, 1998, quoted by Abreu, p.135, 2018), there are four types of luxury brands: (1) the ones, which prioritize the "beauty of the object", the "excellence of products", the "uniqueness" and "magic"; (2) the ones, which include "creativity" and "sensuality" of products; (3) those that incorporate the "beauty" and "magic" of products and (4) those that depend on "exclusivity". Although the brand segment is

medium/high, *Josefinas* is included in the first group of luxury brands mentioned previously, so, we can say that it is a luxury brand (Abreu, 2018)

As set forth by the European Economic Area (EEA), the company uses in all its products raw materials according to the sustainability and comfort policies.

The Chief Operating Officer (Sophie) claims that it is always better, to begin with, a specific product than starting with many products. In order to build the first model of ballerinas of the brand in seven different colours, there was made an investment of thirty thousand euros.

Although the major product is a pair of ballerinas, the company decided to extend the range of products. For example, Gabrielle Boots for rainy days; Dream Big, Louise and more recently *Josefinas* Roses as sneakers; Small Sophie, Sophie Bag and Power Lunch; and added the personalization feature to all models of ballerinas, bags and to the sneakers "Thelma & Louise" (Rebocho, 2016).

The company launches new models every month. Louise Pink is the bestseller in sneakers and Delicate Rose in ballerinas. Some editions are limited to a few pairs and, sometimes exists the participation of artists or personalities who connect with the values and culture of *Josefinas* (Abreu, 2018). For instance, *Josefinas* Roses (inspired by an American feminist called Rose Schneiderman) is a limited edition of sneakers available in pink and black

Josefinas Roses (Pink and Black) – Limited edition.

that only can be acquired through registration on a waiting list. Another example is ProudToBeAWoman limited edition sneakers that are hand-painted by Jaydee, with only twenty-five pairs available alongside the goal of celebrating the Woman empowerment (Abreu, 2018).

Sophie Bag.

2.2.9.2. Price

The price is the crucial variable for a brand's strategy. The differentiation is always present in the price, usually at a higher price. Gabrielle Coco Channel once claimed a phrase that embraces the significance of being different in the luxury market: "Luxury is a necessity that begins when the need ends" (Abreu, p.136, 2018).

The factor price represents the tangible part of the product, as well as, the intangible part of the object more related to emotions and the imaginary. Thus, the footwear of *Josefinas* have a high price due to the handmade manufacturing process (labour work) along with the innovative design, quality of the products & materials used, and applications of metals and precious stones. The intangible part in the product is related to fairy tales, ballet associations, beauty and aesthetics in the imaginary, a message behinf the product, which bring added value

to the brand's products and it is reflected in the price. Hence, in these circumstances, emerged the most exclusive and expensive ballerinas worldwide called Persian Blue Salt adorned with a gold and blue topaz jewel with the price of 3,369€.

Furthermore, the prices charged by the brand are between 149€ and 3,369€, with an average price of about 300€ for pair of shoes (however, the accessories are cheaper, as the Power Sticker, which is charged for 48€). The 149€ refer to the first collection of *Josefinas*' ballerinas and the 3,369€ is associated with a limited edition called 1001 nights with a jewel made of gold and blue topaz.

1001 nights limited edition: Persian Blue Salt.

Concerning the external market, the price can change even though in the European countries there is not a huge difference, for example, in ballerinas and sneakers. On the other hand, if the leather price increases, it will have an impact on the retail price.

2.2.9.3. Place

Regarding the P for Place, the company adopts a strategy Business to Consumer (B2C). Since it works with online sales through the company's website, there is no intermediary in the process, i.e. all the contact is made directly between the company and the consumer (Push Marketing Strategy). The German logistics company responsible for the shipment of orders is DHL (**Appendix 5**).

272 Fuzzy Blue.

Costs of shipment, returns and exchanges are free to Portugal. Regarding other countries of the European Union and outside the European Union, check **Appendix 6**.

Moreover, besides e-commerce being the main sales channel, the company has for now, points of sale (exclusive boutiques) at multi-brand retail stores in Italy (Milan), Latvia, United Arab Emirates (Dubai), Luxembourg, Saudi Arabia (Riade) and Spain (Madrid), adopting direct exports as the distribution channel.

2.2.9.4. Communication

Communication is developed by the team of the seven collaborators of *Josefinas*, more correctly by a collaborator responsible for this, a Public Relations who claims that "the communication of the brand is very genuine. It is based on authenticity and on what we believe, the brand is an extension of ourselves", in order to make a path for women to achieve success, i.e. create a women empowerment ecosystem.

Left to right: SPEAK, STRONG, LEAVE.

Josefinas is a digital brand, so, the Internet and social networks have a crucial roll in the communication of the brand and have contributed to its expansion. The brand in July 2019 had 288,821 followers on Facebook, 88,2m followers on Instagram (*Josefinas* is the first Portuguese brand becoming a brand partner of Instagram in 2016) and 618 followers on Twitter. Therefore, the company also use the organization's website, top fashion magazines, celebrities and influencers as communication tools. Additionally, *Josefinas* launches every model worldwide on the company's website, every month.

Louise Pink + Power Sticker Edition.

As Sarah (CEO) said "*Josefinas* is not only a footwear brand. It has a social role associated ", that is why since 2016 the company celebrates the International Women's Day in an original way and with a social responsibility' actions to emphasize the message ProudToBeAWoman. In this context, on 8 of March 2018, *Josefinas* donated 25 pairs of *Josefinas* to the Association Dress for Success **(Appendix 7)**, which defends women's financial independence, helps unemployment women or women with a few economic resources giving them clothes for job interviews, a support system and the indispensable tools for a career development (https://glam-magazine.pt/a-josefinas-celebra-o-dia-internacional-da-mulher-com-a-dress-for-success/, accessed 8 June 2018).

In July - August 2018, *Josefinas* created three sneakers in order to help a Portuguese non-profit organization that fights against domestic violence that helps victims of domestic violence called Associação Portuguesa de Apoio à Vítima (APAV) and an American non-profit organization named She is Rising, which helps girls and women overcoming gender violence, domestic violence or sex trafficking and make them leaders. For each pair sold (LEAVE, SPEAK or STRONG), five women victims of domestic violence are helped through APAV, for one month. In Addition, for every fifteen pairs of shoelaces sold **(Appendix 7),** five women are helped, during one month through APAV and a survivor becomes a leader through She is Rising. The brand established the movement YOU CAN LEAVE and joined the cause celebrities such as Ana Guiomar (@anaguiomar), Emma Murphy fitness (@emma_murphy_fitness), Mariana Monteiro (@maryy_monteiro), designer Chelsea Leifken (@chelsealeifken), Ana Sofia Martins (@miss_ana_sofia), Sarah Moshman (@sarahmoshman) and Vanessa Martins (@vanesssamartins) through Instagram making videos for their followers, using the hashtag #YouCanLeave. Since July 2018, in average, 24 victims of domestic violence were helped, per month.

In February 2019, during New York Fashion Week (7 February – 15 February), the brand launched an awareness campaign called "You Can Leave - Collections", which consists

of three t-shirts designed by the British illustrator Jaqueline Bisset (well-known for her handmade fashion illustrations) with the intention of incite discussion of domestic violence and sensitize the existence of this silent crime. Each t-shirt has a cost of 79€ and tells a story of domestic violence, using the typical excuses for injuries "I feel down the stairs", "I walked into something" and "I ran into a door." and can be ordered online **(Appendix 7).** In Portugal, only in January 2019, ten women, victims of domestic violence, were killed by their partners. So, this "Collections" campaign aims to help, one more time, APAV shelter houses, providing them basic needs such as shelter and food; giving legal, social and psychological support for a month. For every t-shirt sold, a woman is helped trough APAV for one month **(Appendix 7).**

Another social initiative is regarding Women for Women International, which is an association that helps women in a community changing their lives in matters of education for children, awareness of rights, financial & emotional support, food & medicine provider and business capabilities (https://josefinas.com/pt/women-for-women, accessed 8 June 2018). The company developed a model specifically for this cause and after selling 10 pairs, a woman is helped in all the previously referred areas. Until August 2019, 6 women were helped.
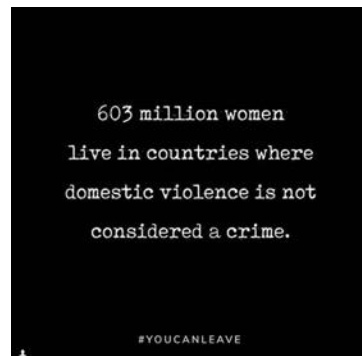
Examples of Communication of the You Can Leave Collection on *Josefinas*' Instagram @josefinasportugal.

Ana Sofia Martins, a Portuguese actress and TV Host, wearing **Louise White** sneakers in London. January 2017.

Vogue, W, Elle and Grazia are some examples of top fashion magazines, which write about *Josefinas*'s new items every month. Furthermore, well-known Portuguese public figures such as Sara Sampaio, Vanessa Martins, Ana Sofia Martins and Ana Rita Clara, are brand lovers **(Appendix 8)**, although they post photos in their social networks wearing *Josefinas*'s models, they are not brand's ambassadors, they just love and identify with the brand. However, popular bloggers like Chiara Ferragni (Influencer and Blogger of The Blond Salad) and celebrities like Jue Wong (CEO of Moroccanoil), Mel Lim (Founder of Maspira Groupe) and Nancy Geist (Founder of NancyNancy and Nancy Geist), who wears *Josefinas*, make a huge impact on the brand's image and reputation, but also, allows data for happiness and satisfaction studies.

Word of Mouth is the most effective communication channel of the company, which results in a customer happiness rate of 99%. Besides that, Penelope Júlio, the creator of *Josefinas* received the Mercury award for Best Trade Brand and Online Services 2014. Also, *Josefinas* is the first Portuguese company having a partnership with Instagram, which means getting exclusive first-hand information, receiving tips to increase network performance, achieving particular partnerships and having direct contact with Eva Chen, Director of Fashion Partnerships of Instagram (http://lifestyle.publico.pt/noticias/359645_josefinas-e-a-primeira-marca-portuguesa-parceira-do-instagram, accessed 8 June 2018).

Finally, the language and brand image are the same for all the external markets (nevertheless, the website is in four languages: Portuguese, English, Spanish and Japanese), including the Asian and Arabian Markets, which received really well the approach and message of the company.

Vanessa Martins, a Portuguese lifestyle blogger and social media influencer, wearing *Josefinas* **Safari** of Collection nº1 in London. June 2018.

After reading the Marketing Mix of the company, Faith selected three cities from three different continents: London (Europe), New York (North America) and Tokyo (Asia). Now, it was time to analyse each of these markets…

2.2.10. American Market, English Market & Japanese Market: economic, demographic and cultural factors

American Market

Population: 327,352,462, majority female: 28.6% 0-19 years old, 58% 20-64 years old, 12.4% ≥ 65 years old.

New York inhabitants: 8,622,698 (2017). Millennials in NY are 2.4 million (28.9%) and Generation X accounts for 2.4. million (28.5%).

Geographic Distance (from Braga, PT to New York): 5,356.09 km

Races: White – 78% of the U.S. population, Hispanic or Latino – 15.1%, Black or African American – 13%, Asian origins – 5.5%, "Other races" – 3.5%.

Economic Factors:
- The Largest economy worldwide (represents 20% of global output);
- The Third-largest producer of oil and natural gas;
- GDP: $20,412 trillion (2018), GDP per capita $62,152 (2018);
- Estimated economic growth in 2018: 2.8%;
- Biggest worldwide by nominal GDP and the second biggest by purchasing power parity;
- U.S.'s leading companies: technology, financial services, healthcare and retail.

Languages: 90% speaks or understands English. Non-English languages: Spanish, Chinese, French and German.

Religion: 71% Christian, 23% has no religion and 6% belongs to non-Christian religions.

New York Fashion Week: one of the most significant fashion weeks (Top 4 fashion weeks are Paris, Milan, London and New York), which happens in the end of the summer every year (New York Fashion Week Spring/Summer Women's: 6-14 September 2018, New York Fashion Week Men's: 9-11 July 2018 and then in February 2019 Autumn/Winter).

Fashion: American fashion accounts for $200 billion every year and mainly media and celebrities stimulus it. Purchases of Clothes/Accessories and Jewellery/Watches are responsible for more than $100,000 per year. Moreover, retail e-commerce sales corresponded to $98.1 billion in the first quarter of 2017. Ralph Lauren, Michael Kors, Calvin Klein and Victoria Secret are American designer brands.

Market Value of Luxury Goods (2018): $181,923 million or €160,000 million.

Luxury Goods Consumption Per Capita (2018): €36,683.

Women Purchasing Power: explains more than 60% of all personal wealth in the USA (expenses varies between $5 trillion to $15 trillion).

Popular Sports: football, baseball, basketball, and hockey.

Entertainment: contains 1/3 of the entertainment and media. Movies: Hollywood, Theatre: Broadway.

Music created in the USA: jazz, gospel, country & western, rhythm & blues, bluegrass, rock "n" roll and hip hop.

Internet Users in 2018 (includes Digital Commerce & E-Commerce): 258.48 million (78.84%).

Number of Bloggers (%): USA - 29.22% (30.6 million), leading country worldwide. New York – 7.16%, second city with more bloggers after Los Angeles.

Leading Influencers in the country (2018): Kim Kardashian West (@kimkardashian), Kylie Jenner (@kyliejenner), Kendall Jenner (kendalljenner), Gigi Hadid (@gigihadid), Bella Hadid (@bellahadid), Huda Kattan (@hudabeauty), Fatimah Syahrini Jaelani (@princessyahrini), Emily Ratajkowski (@emrata).

UK Market

Population: 66,592,602, majority female: 18.8% 0-15 years old, 63.3%% 16-64 years old, 17.8% ≥ 65 years old.

United Kingdom: England (84%), Wales (4.8%), Scotland (8.4%) and Northern Ireland (2.9%)

London inhabitants: 8,825,000 (2017). Millennials are 1.69 million (20%) and Generation X represents 19% of the London inhabitants.

Geographic Distance (from Braga, PT to London): 1,274.74 km

Races: White – 87% of the U.K. population, Asian – 7%, Black or African or Caribbean – 3%, Multiple ethnicities – 3%, Gipsy, Arabs or Traveller – 1% (2015).

Political Facts: Founding member of NATO and Commonwealth, negotiating to leave the EU due to a referendum made in 2016 (Brexit).

Economic Factors:
- One of the world's greatest efficient business and investment environments and there is a constant increase in Foreign Direct Investment;
- 5th highest GDP in the World and second in Europe: £384.76 million and a GDP per capita of £6.92 (numbers of the second quarter of 2018)
- Estimated economic growth in 2018: 1.3%;
- UK Tourism, manufacturing and exports were boosted due to the firm global economy and the competitive value of the pound in 2018;
- London has been the region of the UK with the fastest growing and Artificial Intelligence & linked technologies.

Languages: 98% speaks or understands English. Non-English languages spoken: Polish, Punjabi, Bengali, Gujarati, Arabic, Chinese, Portuguese and French.

Religion: official Protestantism (30%), major religion is Christianism, Roman Catholic (10%), Islam, Hinduism, Sikhism, Judaism and Buddhism accounts for minority ethnicities.

London Fashion Week: one of the most iconic Fashion Weeks worldwide (Top 4 are Paris, London, Milan and New York), which happens from 14 to 18 September 2018 (London Fashion Week Spring/Summer – Women's) and for Men it occurred 8-11 June 2018 and then in the middle of February 2019 Fall/Winter for Women's again.

Fashion: Luxury Clothes/Accessories and Jewellery/Watches correspond to more than £85,000 per year. Burberry, Jimmy Choo, Mulberry, Church & Company are sounding British luxury brands.

Market Value of Luxury Goods (2018): €61,016 million.

Luxury Goods Consumption Per Capita (2018): €23,007.

Women Purchasing Power: Women are responsible for 80% of all purchases in the UK.

Popular Sports: Soccer, Rugby, Netball, Cricket, Hockey Swimming and Tennis.

Popular Dishes: fish and chips, English breakfast and curry.

Music created in the UK: Jungle, Dubstep, Grime.

Entertainment: Theatres and cinema are very popular across the country. Art and literature make a crucial part of the UK's history and art galleries are situated throughout the country.

Internet Users in 2018 (includes Digital Commerce & E-Commerce): 52.74 million (79.48%).

Number of Bloggers (%): 6.75% (second leading country worldwide).

Leading Influencers in the country (2018): Cara Delevigne (@caradelevigne), Marcus Butler (@marcusbutler), Mario Testino (@mariotestino), Eleanor Calder (@eleanorj92), Leonie Hanne (@leoniehanne), Victoria Beckham (@victoriabeckham), Félicité Tomlinson Deakin (@felicitegrace), Xenia Tchoumi (@xenia), Brian H. Whittaker (@brianhwhittaker) and Victoria Magrath (@inthefrow).

All the sources of the data of these three markets are in **Appendix 9.**

Japanese Market

Population: 126,748,000, has been decreasing since 2004 and it is ageing faster than any other country worldwide. 12.7% 0-15 years old, 14.8% 16-29 years old, 20.2% 30-44 years old, 19% 45-59 years old, 20.5% 60-74 years old, 8.9% 75-84 years old, 3.9% ≥ 89 years old.

Millennials account for 22% of the Japanese population.

Japan has one of the highest life expectancies: 80.88 for men and 87.14 for women – 2017. Also, Japan has one of the lowest fertility rates, 1.39% respectively.

Tokyo inhabitants: 13,760,000 (2017).

Geographic Distance (from Braga, PT to Tokyo): 10,835.99 km.

Races: Japanese – 98% of the population, 2% foreigners, mostly Chinese or Koreans.

Economic Factors:

- The fifth-largest economy worldwide (615.58¥ trillion in 2017);
- Principal exports: automobiles, steel products and semiconductors;
- Imports: oil and liquid natural gas;
- GDP: 101,392¥ million, GDP per capita 955.75¥ (numbers of the second quarter of 2018);
- Estimated GDP of 2018: 589.028¥ billion.
- Estimated economic growth in 2018: 1.6%.

Languages: 99% of the population speaks Japanese or Nihongo.

Religion: 89% - Shinto, 16% - Buddhism.

Amazon Fashion Week Tokyo: occurs between 19-24 March 2018 (Fall/Winter) and 15-21 October 2018 (Spring/Summer).

Fashion: Clothes/Accessories and Jewellery/Watches accounts for more than 100,000¥ per year. Moreover, Kenzo and Comme des Garçons are two luxury brands founded by Japanese fashion designers.

Market Value of Luxury Goods (2018): $27,550 million or €24,949 million.

Luxury Goods Consumption Per Capita (2018): €19,543.

Women Purchasing Power: due to traditionally controlled household finances, Japanese women are the primary money spenders in the country.

Traditional Japanese sports: Karate, Sumo, Kendo, Judo, Jujutsu and Aikido.

Popular Dishes: Sushi, Miso Soup, however, they have wonderful gastronomy all over the country besides that (many cities have their own local dish).

Entertainment: Japan has three different styles of theatre: Kabuki, Noh and Bunraku.

Kabuki has 400 years old, it is played only by men, who wear indulgent costumes and detailed & sophisticated make-up. Noh performance (actors are only men) consists of Noh plays along with shorter and comic pieces. Finally, Bunraku style emerged in 1684 and it is a classic performance with puppets made by wood, including musicians, puppeteers and chanters.

Culture and Arts: Samurais (do not exist anymore) and Geishas had contributed for shaping Japan as it is nowadays. Furthermore, manga (Japanese comics) and anime (Japanese animation) have a huge audience all over the world.

Internet Users in 2018 (includes Digital Commerce & E-Commerce): 89.91 million (71.23%).

Number of Bloggers (%): 4.88% (third country worldwide).

Leading influencers in the country (2018): Aya Stella (@ayastella_), Naomi Watanabe(@watanabenaomi703), Aya Suzuki & Ami Suzuki(Amiaya - @amixxamiaya), Risa Nakamura(@risa_doll_), Coco (@coco_pinkprincess), Tina Tamashiro(@tinapouty), Jun Hasegawa

All the sources of the data/information of these three markets are in **Appendix 9.**

While analyzing the three markets, Faith was interrupted by Sophie, who asked her to have lunch with her, Sarah and Penelope. Faith accepted, they left the office and went to a restaurant nearby. Subsequently, Sarah asked Faith if she was enjoying her first day at the company, that Faith replied "Yes, of course!! I was a fan of Josefinas before entering in the team and I am really enjoying my first challenge. I am really happy and gratetful! However, I forgot what it is the main competitor of Josefinas. Do you remember?" Thus, Sarah answered, "Yes, it is Repetto, this brand has the same inspiration in ballet classics and savoir-faire of Josefinas and only offers flats, as well as, Josefinas. Other competitors are Chanel and Pretty Ballerinas, for example. Do not worry, I am going to send you a PDF with all the competitors of the company when we come back to the office". Then, Faith answered "Really? That is a very kind gesture of yours! Thank you so much!".

Rose Couture.

When Faith came back from the lunch, she had an e-mail with a document attached about Josefinas's competitors.

Walk Like a Girl Collection: WLAG B&W.

Dear Faith,

As we agreed and talked at lunch, in this e-mail it is attached a document in PDF about the competitors of *Josefinas*.

Best of luck! Good work!

Love,
Sarah.

2.2.11. Competitors

"It is considered a competitive, an entity that is in the same industry or similar industry or offers a similar product. The presence of competitors makes the market competitive, driving down the prices and margins on goods and services, as the competitors attempt to gain a larger market share by competing on prices."[5]

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[5] https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/6728-competitors.html

Thus, the competitors of *Josefinas* are Repetto, Pretty Ballerinas, Birdies and Sarah Flint, as you can see in Table 2.

Table 2 – Competitors of *Josefinas*.

Brand	Description	Price	Place	Common things with *Josefinas*
Repetto	Repetto is a French ballet footwear company founded in 1947 by Rose Repetto and produces to the National Opera of Paris and other renowned French ballet companies. The brand became famous creating a model called "Cendrillon" (ballerina) to the famous actress Brigitte Bardot to the film "Et Dieu créa la femme", that still offers. Repetto has four business areas in Luxury: footwear collection for women, men and children, ready-to-wear, small leather goods and fragrances.	Minimum 145€, Maximum 795€.	Repetto's Website – they ship only to Europe (includes 13 countries). Boutiques worldwide including Tokyo, and New York. It is also in multi-brands shops like Galleries Lafayette. Provide products to dance schools worldwide.	Repetto "know-how" is the knowledge of their craftsmen who make every pair of shoes at Saint Medard d'Excideuil in Dordogne, France using the method "skitch and return". Ballet Inspiration. DNA on flats; Focus product: ballerinas; Principal competitor of *Josefinas*. For more information visit https://www.repetto.com/.
Chanel	Chanel is a classic and huge fashion brand specialized in haute couture, "prêt-a-porter", luxury goods and accessories and it was recognized as the 5th most valuable brand in France in 2017. Each ballerina has the symbol of the double C in the front of each shoe.	Minimum 653.22€, Maximum 866.61€.	Boutiques worldwide in emblematic streets/places such as Harrods and 5th Avenue, including New York, London and Tokyo.	Luxury Brand; Great quality; Amazing materials used. Has a lot of brand' lovers.

Pretty Ballerinas	Pretty Ballerinas is a brand born in 1918 but launched in 2005 via the website. It is a brand of ballerinas & flat shoes and well known by celebrities. It provides ballerinas, ballet flats, ballet pumps, other quality footwear handmade like sneakers and boots, as well as, accessories.	Minimum 119€, Maximum 499€.	Website – Delivery Charges European Community Members: 10€, Rest of the World: 20€. However, they do not deliver to Ceuta & Melilla, Mexico and the Canary Islands. Own Shops in 24 countries, including the USA (Beverly Hills), UK (London) and Japan (Tokyo) and multi-brand shops.	Handmade; Great quality; Ballerinas are the focus product; Great design. Find out more at https://www.prettybaillerinas.com/.
Birdies	Birdies is a brand of flats focused on slippers. The values of the brand are bringing luxurious style in design, versatile comfort with 7 Layer Responsible Cushion Technology and bringing people together. Birdies combines the support of a sneaker, the softness of a slipper with the style of a designer flat.	Minimum: 104.59€, Maximum: 122.02€.	Birdies' Website; Store in San Francisco, USA at the 1934 Union Street.	Luxurious design; Comfort; Finest fabrics; Focus only on flats. Find out more at https://birdieslippers.com/.

| Sarah Flint | Sarah Flint is an American brand founded in 2013 and it believes on original design, premium quality and shoes that fit and feel good (without using a conventional 6x retail markup). Handcrafted in a factory in Italy by artisans using time-honoured techniques passed down from generations of cobles and "Made in Italy" corresponds to premium quality and embraces this beautiful art. | Minimum: 21.70€, Maximum: 603.17€. | Online: Fatfetch.com, Sping.com, Orchard Mile, Theseptember.com, Shopbop.com, Moda Operandi, Barneys.com. Do not have own boutiques. Sarah Flint's shoes can be found at the USA in retailers like Barneys New York, Richards, Mitchells, The Breaker's, Coplons, Clique boutique, Bloomingdale's, Wilkes Bashford, Tenet – Southampton and Stanley Korshak. In China, can be found at Catie Lo Elite – Shanghai and Wendy Z. – Zhejiang. | As *Josefinas*, Sarah Flint aims to make women feel like the most powerful and confident women using their shoes; Original design; Premium quality; Handcrafted in Italy – "Made in Italy"; Shoes that fit and feel good. For more information visit https://www.sarahflint.com/. |

Sources: Repetto (2018); Chanel (2018); WOMEN (2018); Ballerinas (2018); Birdies (2018); Sarah Flint. (2018).

Faith ended her first day of work knowing in detail all Josefinas models and collections and also studying the unique packaging of the brand, which brings happy experiences to all who buy a pair of Josefinas. Additionally, she bought Josefinas CrocBlack to complete this inspirational moment.

Cleopatra Collection: CrocBlack.

2.2.12. Products & Packaging

All *Josefinas*' collections and products can be found at https://josefinas.com/ and a few on **Appendix 1**, **7** and **8**.

Regarding the packaging, it makes part of the brand's experience and it is also important for the customer satisfaction. The packaging of *Josefinas* is simple, elegant and at the same time luxurious with the proudly stamp "*Josefinas* Portugal". The order arrives between one

week and four weeks along with a soap, a brand's bag with smell of new with the pair of *Josefinas*.

Concerning limited editions, the packaging (**Appendix 10**) in these cases is specific thought and designed. In the Moscow edition (**Appendix 10**), the young architect Renata Oliveira creates the packaging, which is a romantic music handmade box motivated by the patterns of events of unforgettable Ballet Russes (Rebocho, 2016). A little gold ballerina, who runs/turns to the sound of a passionate classical ballet melody and a pink Swarovski crystal that indicates the way to find Moscow *Josefinas*, composes this box. 1001 nights is another limited edition (**Appendix 10**), which has a special and luxurious packaging, with a jewel, as well as, the rare blue Persian stone from Iran, added in the pair.

Packaging of *Josefinas*.

2.3. Case Study questions

Considering the information referred previously, build a Communication Strategy for *Josefinas* and choose the city of the first pop-up store of the company. New York, London or Tokyo?

Imagine that you are Faith, what would you do? Where would you open your first pop-up boutique? In order to reach a response, answer the following questions:

Question 1. Present the brand *Josefinas* as a luxury good. Consider the topics Exclusivity and Controlled Distribution; Quality and Handcraft Heritage; Strong Identity or Personality; Hedonic and non-utility Character and Premium Price.

Question 2. What is the targeting and positioning intended of *Josefinas*?

Question 3. Make a reflection on the fact that *Josefinas* wants to open a pop-up store.
What motivates the brand to open a pop-up abroad? What are the goals the company want to reach with this decision? For you, it makes sense? If not, explain why.

Question 4. Indicate criteria to evaluate the alternatives of geographic markets (minimum 5). Create a table where you compare the three markets for each of the indicators.

Question 5. Following the previous question and answer, analyse the Potential three Markets building a SWOT Analysis for each market.

Question 6: What destination/market would you choose? Mention a few reasons for your choice.

Question 7. Define a Communication Strategy (indicate objectives, propose actions and determine evaluation criteria/indicators).

2.4. Appendices

Appendix 1: Olivia Palermo wearing *Josefinas*

- Olivia Palermo highlighted on her website (https://oliviapalermo.com/) *Josefinas* Louise White with Sky Blue Fur as one of the "10 Must-Have Shoes" and then she was seen with the referred model in her feet in the streets of New York in 2017.

- Olivia Palermo wearing *Josefinas* at Milan Fashion Week February 2019.
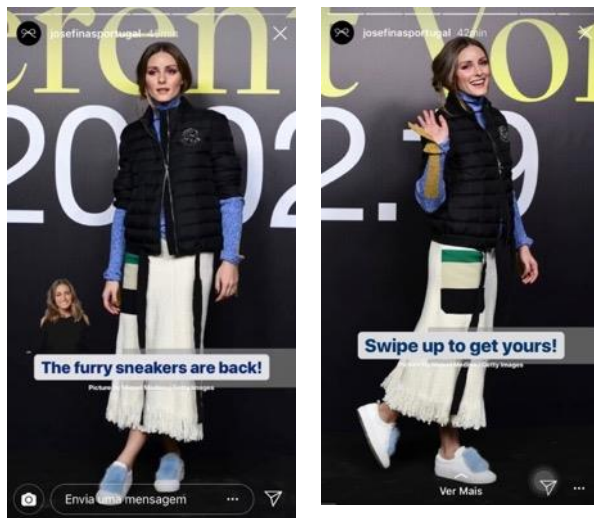
- Olivia Palermo (6,1 M followers on Instagram – July 2019) is an American entrepreneur and international style authority, who set fashion trends; founder and CCO of the company Olivia Palermo Group Inc., wearing LouiseWhite with the Sky Blue Fur at Milan Fashion Week in February 2019.

Source: Instagram of *Josefinas* @josefinasportugal.

Appendix 2: Well-known personalities, fashion magazines, fashion blogs and newspapers that recommended *Josefinas*.

Cosmopolitan (New York, USA), Man Repeller (fashion blog; New York, USA), Elle (Paris, France), Condé Nast Traveler (New York, USA), The Telegraph (London, UK), InStyle (Des Moines, USA), WhoWhatWear (Los Angeles, USA), Grazia (Milan, Italy), Refinery 29 (New York, USA), Buro 24/7 (London, UK), WGSN (London, UK), Fashionista (New York,

USA) and Kayture (fashion blog, Switzerland), The Blonde Salad (Chiara's Ferragni's fashion blog; Milan, Italy), Velvet Magazine (UK), Vogue (New York, USA), W Magazine (New York, USA) and Olivia Palermo (New York, USA).

Appendix 3: International Luxury Market Graphics.

- Graphic 1: Global Luxury Market Consumer by segment.

Worldwide luxury market, 2018E
(€ billions)

	Personal luxury goods	Luxury cars	Luxury hospitality	Fine wines & spirits	Gourmet food & fine dining	Fine art	High-end furniture & housewares	Private jets & yachts	Luxury cruises	Total 2018E
Value	260	495	190	71	50	41	41	21	2	1,171

Year-over-year (YOY) growth, 2017–18E

	Personal luxury goods	Luxury cars	Luxury hospitality	Fine wines & spirits	Gourmet food & fine dining	Fine art	High-end furniture & housewares	Private jets & yachts	Luxury cruises	Total 2018E
At current exchange rates	2%	1%	–1%	2%	3%	3%	3%	–7%	3%	+1%
At constant exchange rates	6%	5%	5%	4%	6%	6%	4%	–3%	7%	+5%

Note: Figures for 2018 are estimated, based on data from January to September
Source: Bain & Company

Source: Bain & Company, 2019.

- Graphic 2: Reasons for buying Luxury products.

	Agree	Neither agree nor disagree	Disagree
I buy luxury products because they are premium quality products	88%	10%	3%
When I buy a luxury product I feel happy/confident	82%	13%	4%
I like to buy luxury products which are hand-made	75%	20%	5%
For me it's important to buy the latest trend	68%	24%	8%
I buy luxury products because I like to have things that other people haven't heard of yet	63%	21%	16%
I tend to buy luxury products impulsively	60%	21%	19%
I tend to wear only luxury products and accessories (not common products)	57%	24%	20%
I buy luxury products because I like to show them off	56%	22%	22%

Source: Deloitte Luxury Multicountry Survey for Global Powers of Luxury Goods 2017.

- Graphic 3: Luxury Market' sales by region.

Share of global personal luxury goods market, by region
(€ billions)

	CAGR 2008–10	CAGR 2010–18E	YOY 2017–18E
	5%	5%	–6%
	–5%	4%	3%
	19%	10%	11%
	1%	5%	–1%
	0%	4%	1%

Legend:
- Rest of world
- Japan
- Asia, ex-Japan
- Americas
- Europe
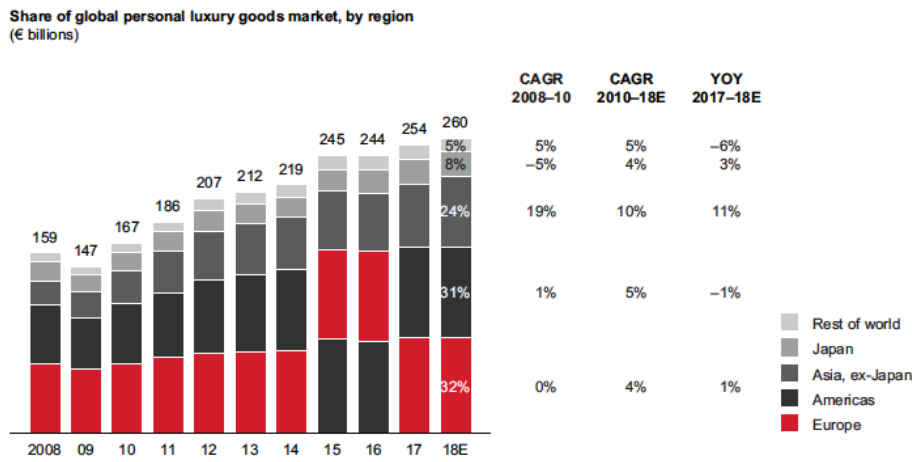
- Graphic 4: Annual growth by product category.

Global personal luxury goods market, by product category, 2018E
(€ billions)

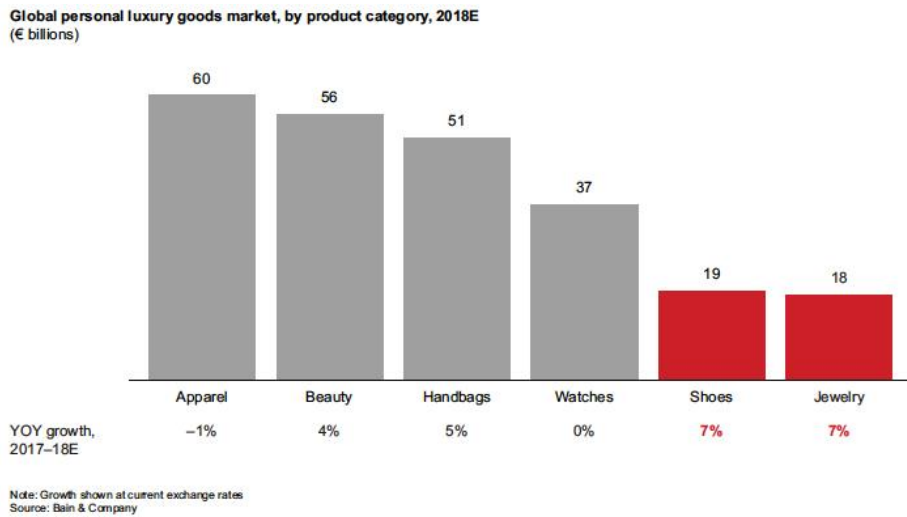|	Apparel	Beauty	Handbags	Watches	Shoes	Jewelry
YOY growth, 2017–18E	–1%	4%	5%	0%	7%	7%

Note: Growth shown at current exchange rates
Source: Bain & Company

- Graphic 5: Personal Luxury Goods' market key factors since 2015

Share of global personal luxury goods secondhand market, by category, channel and region

CAGR 2015–18E +9%

Note: Growth shown at current exchange rates
Source: Bain & Company
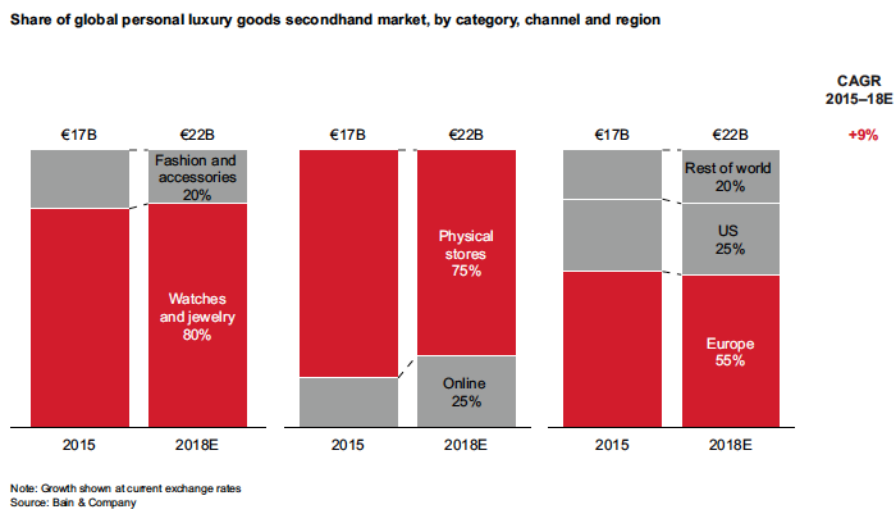
Source of all graphics in this page: Bain & Company, 2019.

- Graphic 6: Distribution Channels in the global luxury market.

Share of global personal luxury goods market, by distribution channel and format

Notes: Segments may not add up to 100% due to rounding; growth shown at current exchange rates
Source: Bain & Company
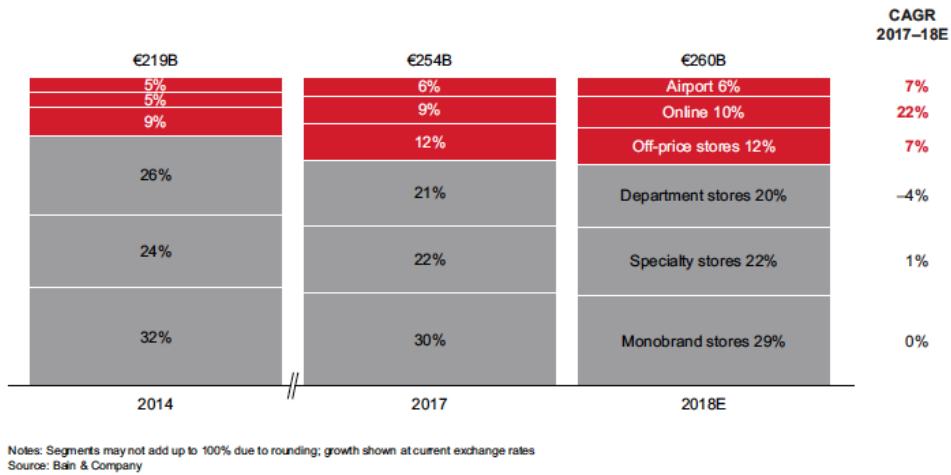
Appendix 4: Luxury Consumer's Statistics.

- Graphic 1: Global Luxury Goods Consumers by nationality.

Share of global personal luxury goods market value, by consumer nationality
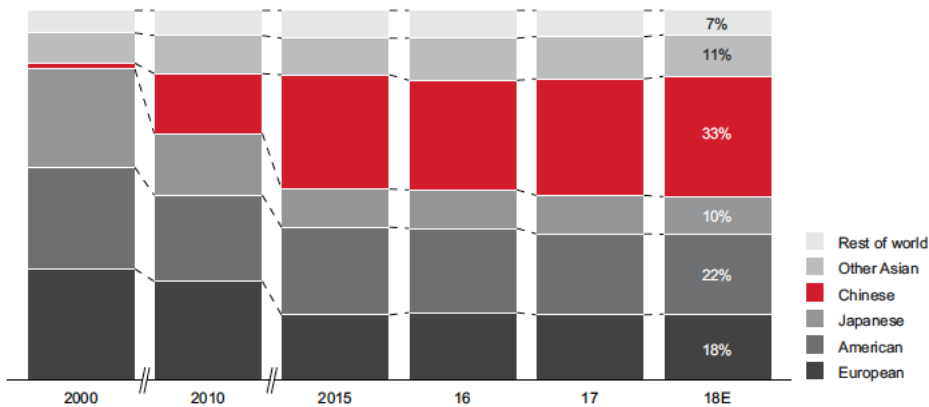
- Graphic 2: Global Personal Luxury Goods' Consumption by generation.

Source of all graphics in this page: Bain & Company, 2019.

Note: Growth shown at current exchange rates
Source: Bain & Company

- Graphic 3: Evolution of luxury goods' online sales from 2004 until 2018.

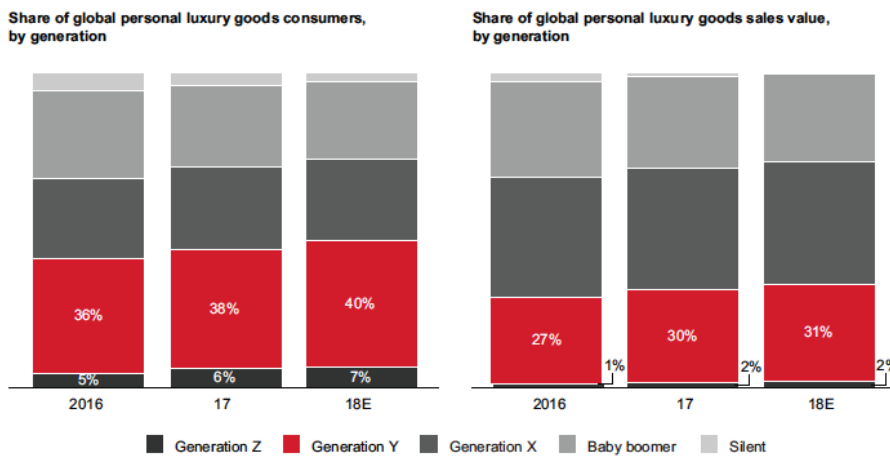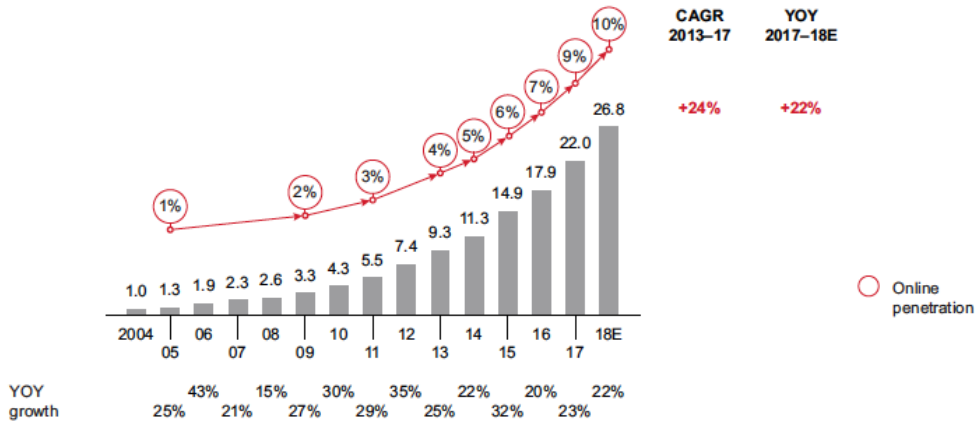**Global online personal luxury goods market**
(€ billions)

	CAGR 2013–17	YOY 2017–18E
	+24%	+22%

Online penetration: 1%, 2%, 3%, 4%, 5%, 6%, 7%, 9%, 10%

Values: 1.0, 1.3, 1.9, 2.3, 2.6, 3.3, 4.3, 5.5, 7.4, 9.3, 11.3, 14.9, 17.9, 22.0, 26.8

Years: 2004, 05, 06, 07, 08, 09, 10, 11, 12, 13, 14, 15, 16, 17, 18E

YOY growth: 25%, 43%, 21%, 15%, 27%, 30%, 29%, 35%, 25%, 22%, 32%, 20%, 23%, 22%

Note: Growth shown at current exchange rates
Source: Bain & Company

- Sources of Trademark Information.

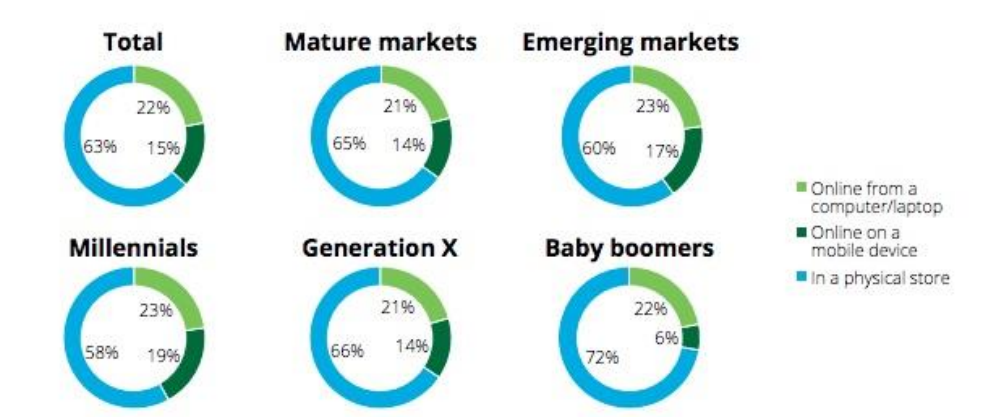|		
Magazines		57%
During shopping		48%
Online		45%
Holiday/Airport		31%
Visit the brand's store		36%

Sample (n) =1228.

Source: Deloitte Luxury Multicountry Survey for Global Powers of Luxury Goods 2016 Disciplined Innovation.

- Purchase behaviour of luxury consumers taking into account the physical store, computer/laptop and mobile device.

Source: Deloitte Luxury Multicountry Survey for Global Powers of Luxury Goods 2017.

- The Key forces shaping the global luxury market.

Source: Deloitte Luxury Multicountry Survey for Global Powers of Luxury Goods 2016 Disciplined Innovation.

Appendix 5: DHL Express Worldwide Costs for *Josefinas* per kg.

DHL Express Worldwide Shipping Costs from Portugal Ballerinas (0,700kg) Sneakers (1,060kg)			
	Until 0.5kg	Until 1kg	Until 1,5kg
United States of America (Area 5)	€58.30	€67.10	€75.00
United Kingdom (Area 2)	€55.50	€58.50	€73.40
Japan (Area 7)	€76.90	€95.20	€113.50

Source: DHL Express Portugal (2019).

Appendix 6: Shipping costs and payment methods of *Josefinas*.

Destiny	Price above 260€	Price above 190€	Price up to 190€
United States of America	Free express delivery with import duties and taxes included.	Free express delivery with import duties & taxes payable by the customer to the distributor upon delivery.	Normal express delivery (9€) – import duties and taxes paid by the customer to the distributor upon delivery.
European Union		Normal Express Delivery – shipping costs 9€.	
Rest of the World		Free express Delivery with import duties & taxes payable by the customer to the distributor upon delivery.	Normal express delivery (9€) – import duties and taxes paid by the customer to the distributor upon delivery.
Portugal	Free shipping, returns and exchanges.		

Source: Abreu, 2018.

Appendix 7: Campaigns and products to help non-profit organizations

- Association Dress for Success in the International Women's Day

Source: *Josefinas* Press Page on their website.

- You Can Leave Campaign to help victims of domestic violence through APAV and She is Rising

- Printed symbols on shoelaces and the three models SPEAK, STRONG and LEAVE.

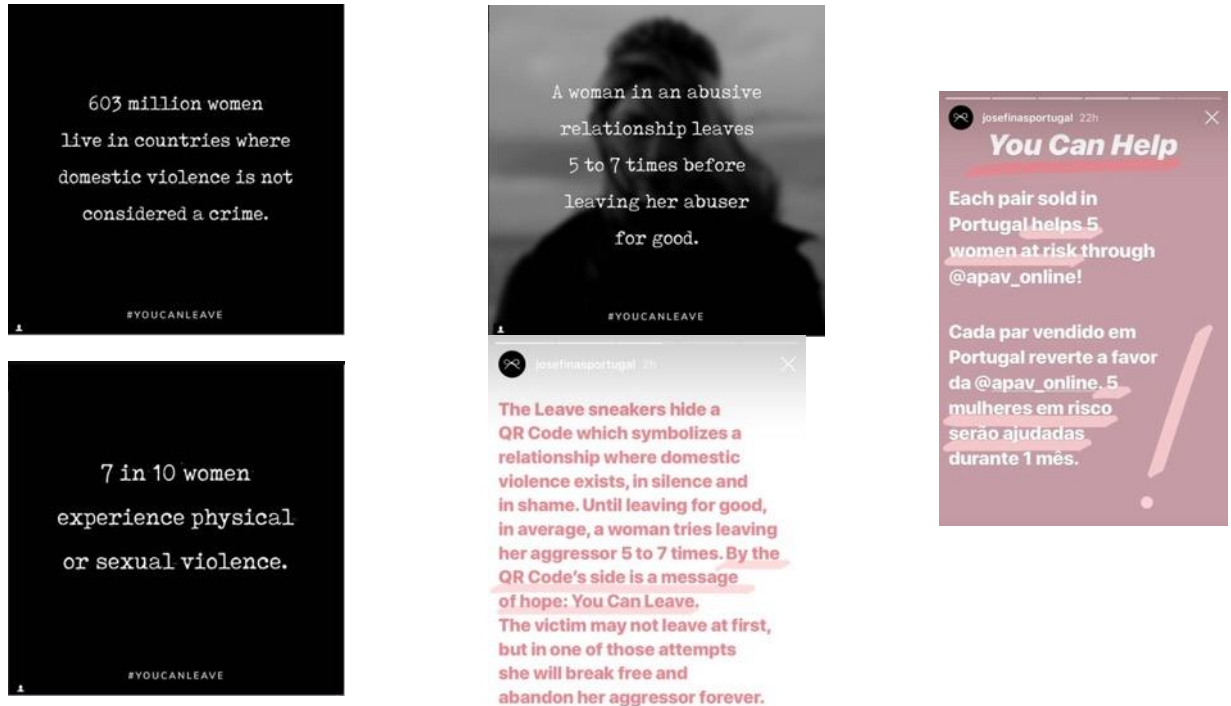Source: *Josefinas*' Instagram: @josefinasportugal.

- You Can Leave Shoelaces – 18€.

Source: *Josefinas*'s Website: https://josefinas.com/store/shoe-laces

Each pair of shoelaces has printed 5 symbols, meaning No Controlling, No guilt, No intimidation, No shame, No violence.

- Communication of You Can Leave Campaign

603 million women live in countries where domestic violence is not considered a crime.

#YOUCANLEAVE

7 in 10 women experience physical or sexual violence.

#YOUCANLEAVE

A woman in an abusive relationship leaves 5 to 7 times before leaving her abuser for good.

#YOUCANLEAVE

josefinasportugal 2h

The Leave sneakers hide a QR Code which symbolizes a relationship where domestic violence exists, in silence and in shame. Until leaving for good, in average, a woman tries leaving her aggressor 5 to 7 times. By the QR Code's side is a message of hope: You Can Leave. The victim may not leave at first, but in one of those attempts she will break free and abandon her aggressor forever.

josefinasportugal 22h

You Can Help

Each pair sold in Portugal helps 5 women at risk through @apav_online!

Cada par vendido em Portugal reverte a favor da @apav_online. 5 mulheres em risco serão ajudadas durante 1 mês.

Source: *Josefinas*' Instagram: @josefinasportugal.

- "You Can Leave - Collections" campaign packaging against domestic violence
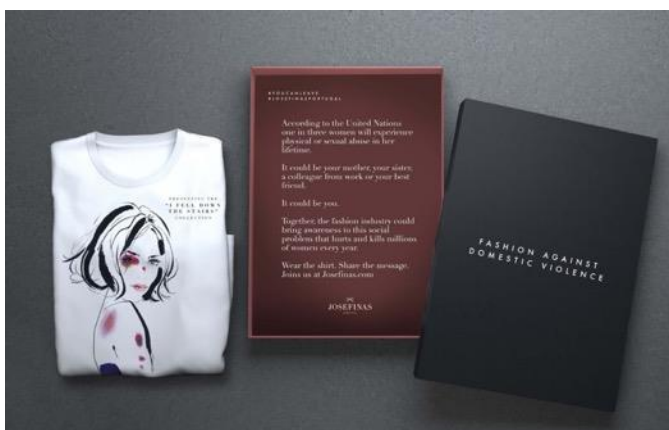
Source: Observador (2019).

- Communication of "You Can Leave - Collections" t-shirts to help and draw attention to victims of domestic violence.

Source: Instagram of *Josefinas* @josefinasportugal.

- "You Can Leave - Collections" campaign in the Portuguese Media

Source: @josefinasportugal.

- **"You Can Leave - Collections"** was considered one of the top 5 campaigns worldwide on February 2019.

Appendix 8: Portuguese well-known celebrities wearing *Josefinas*

- Ana Sofia Martins's story on Instagram (@miss_ana_sofia) showing her new pair of *Josefinas*, **Misty Blue** of the Collection Misty**.** 327k followers (July 2019).

- Mariana Monteiro, a Portuguese actress and Activist for gender equality and human rights wearing *Josefinas* **Misty** of the Collection Misty. September 2018. Instagram (@maryyy_monteiro) with 472k followers (July 2019).
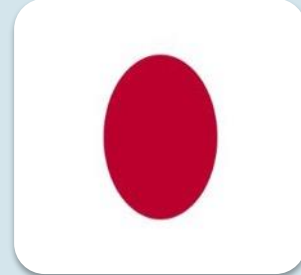
Source: Instagram of *Josefinas* @josefinasportugal.

- Ana Rita Clara, a Portuguese TV Host, Actress and CEO & Founder of *changeit.world* wearing **Serenity Green** of the Collection Nº1. September 2018.

Source: Personal Instagram of Ana Rita Clara (@anaritagram). 152k followers (July 2019).

Appendix 9: Sources of the American Market, English Market and Japanese Market.

American Market	English Market	Japanese Market
TradingEconomics.com (2019);	TradingEconomics.com (2019);	YCharts (2019);
Statista (2018, 2019); World Population Review (2018);	Office for National Statistics (2019);	Statista (2018, 2019);
Focus Economics (2018); Distance.to (2018); Important Fashion Week Dates (2018); Harvard University (2017);	Statista (2018,2019);	TradingEconomics.com (2019);
Zimmermann (2017); NYCEDC (2017); Google and Ipsos (2013); Shrestha and Heisler (2011); Sysomos (2010).	PWC (2018);	Amazon Fashion Week Tokyo (2018);
	Commisceo Global (2018);	Amadeo (2018);
	Countryeconomy.com (2018);	Countryeconomy.com (2018);
	Ethnic groups by region (2018);	Inside Japan Tours (2018);
	Important Fashion Week Dates (2018);	Cosmmisceo Global (2018);
	Jet Attitude (2018);	Distance.to (2018);
	Phelan (2018);	Naturlab Tokyo (2018);
	World Population Review (2018); London Government (2018); Trust for London (2018);	Claire (2018);
	Inkling (2018); Distance.to (2018); Misachi (2017); Randall (2017); House of Commons - Library (2017); The Telegraph (2014); Google and Ipsos (2013) and Sysomos (2010)	Portal Mie (2017); CBRB (2016); Britannica (2015); Google and Ipsos (2013); Hays (2012); Sysomos (2010); Okina, Shirakawa & Shiratshuka (1999).

Appendix 10: Packaging of the brand's limited editions.

Dragon Lady, packaging.

Women for Women Packaging –
Social Product/Campaign.

Josefinas Moscow packaging.

1001 Nights Packaging.

3. Pedagogical Note

3.1. Central Theme

The central theme of the Case Study is to decide the destination where to open the first *Josefinas* pop-up store, choosing between three geographical markets: New York (USA), London (UK) and Tokyo (Japan).

The students are invited to firstly, characterize a luxury good, secondly, determine the target and positioning of the brand, thirdly, reflect the reasons for opening a pop-up abroad, fourthly, indicate criteria for evaluating the three potential geographic markets, then, compare and analyze each geographical markets (building SWOT Analysis) and finally, define a Communication Strategy taking into account objectives, actions and evaluation indicators.

3.2. Summary of *Josefinas'* Case Study

With the economic crisis of Portugal in the last few years, *Josefinas* never had the goal of selling its footwear in the Portuguese Market. Since the very beginning in 2013, *Josefinas* always had the ambition to use e-commerce as the main purchase customer system worldwide and be a global luxury brand.

The case consists of the entrance of Faith as a new member of *Josefinas'* team, as a Financial and International Manager of Happiness, substituting Paige, who is going to travel around the world, who guides Faith (Mission and Vision, Brand Concept and Marketing Mix) and give her the task to decide on which destination *Josefinas* should open the first pop-up store. Other female characters like Sarah (CEO), Sophie (COO) and Penelope (Product Development Responsible) introduce to Faith several topics such as Brand Building, Objectives in the short-term and *Josefinas'* Competitors. In the end, students are encouraged to put themselves in the place of Faith.

3.3. The Case's target audience

This case was developed for:

- Bachelor and Master students in the areas of Marketing, Brand Communication, International Management or other related areas;
- People interested in the Luxury Sector, who wants to do a benchmark analysis.

3.4. Educational objectives

The main goal of this Case Study is to promote the students making decisions regarding internationalization issues. On the other hand, this pedagogical case was developed to show the luxury market and its current challenges. Thus, the pedagogical objectives are:

- Understand what it is a Luxury brand and its characteristics;

- Comprehend the Luxury Market;

- Analyse the opening of a pop-up store as a possible strategy regarding the global Luxury Market;

- Mention indicators to evaluate the geographic markets in order to be successful in those alternative markets;

- Define and apply criteria to be used in order to compare different geographical markets;

- Propose the communication strategy and indicate objectives, actions to be developed and evaluation criteria to be considered;

- Correctly interpret the analytical tools;

- Improve students' qualitative skills, encouraging creativity: problem identification, resolution and decision-making.

3.5. Presentation of the set of Analytical Tools

- SWOT Analysis;
- Data of the global luxury market and the luxury consumer;
- Analyze and characterize the American Market, English Market and Japanese Market;
- Study brand's positioning, segmentation and target profile;
- Evaluation criteria of the actions proposed for the global communication strategy.

3.6. Literature Review

3.6.1. Luxury Brand

Heine (2012, p.62) says, "Luxury Brands are regarded as images in the minds of consumers that compromise associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of non-functional associations". The fact of being a luxury brand or non-luxury brand relies on brand image. The core product category in which the brand is associated it is what determines the luxuriousness of the brand.

Luxury brands are based on the capability to (1) induce exclusivity (2) renowned and notorious brand identity (3) gain brand awareness and become aware of the quality and (4) maintain sales levels and loyalty of customers. In other words, if everyone owns a specific brand, the luxury component is diverted, because prestige is eroded. In order to keep this prestige, luxury brands must continue with high levels of awareness and manage carefully brand spread to keep exclusivity (Phau and Prendergast, 2000).

Vickers and Renand (2003, p.473) mention that "although luxury and non-luxury goods can be conceptualized on the basis of functional, experiential and interactional symbolic dimensions, there is a distinctive difference in the mix of these components". Moreover, the dimension that allows luxury brands to continue with a premium price and keep a good status is the symbolic dimension, while, the functional dimension is more notorious in luxury goods, which can result in losing the status, due to be "too functional". Therefore, in terms of Marketing Strategy for Luxury Brands, it is more successful and secure to develop a strategy based on the symbolic element rather than the functional component (Vickers and Renand, 2003, quoted by Riley, Lomax and Blunden, 2004, p.42).

A twist of Luxury Brands is the fact of the increase of sales and production compromises the brand's rarity and consequently the brand image and reputation. In other words, mass production and a raise on the luxury brand' awareness leads to a decreasing demand instead of growing it (Heine, 2012 and Kapferer, 1997). In addition, younger generations are becoming the consumer of the luxury's future and their opinions are important in modern society, so, luxury brands should always be attractive to them (Kapferer, 1998).

Furthermore, Luxury brands are those who define beauty, are notorious and identifiable and produce small amounts of each product (in order for not losing rarity and uniqueness). Luxury Products have intangible features linked with the brand's values and ethics (Kapferer, 1997).

Moreover, the author claims four types of luxury brands. Each segment has particular characteristics perceived as important by the consumer. The first one is based on "beauty of the object", "excellence of the products", "magic" and "uniqueness". The second group believes that "creativity" and "products' sensuality" are more relevant than "uniqueness" and "products' excellence". Then, the third segment relies on "beauty" of the product and "magic" aura of the brand; the fourth one emphasises exclusivity and directs its products to a minority, because these luxury brands want to restrict the access to its products and just want limited consumers to own them (Kapferer, 1998).

3.6.2. Communication Strategy

Communication Strategies have the goal of using distinctive methods to communicate the right message (based on the learners' pattern of communication knowledge) between a speaker and the listener and in this way, compensate some lacks in the linguistic system (Tarone, 1981).

Communication Strategy must get the widest existing audience through right channels, tools and timing, targeting particular groups and main actors, promoting the network and creating a correlated approach to maximize effect (MED Programme – "MET 3", 2009). Define a communication strategy answering the following questions (Lasswell, quoted by Sequeira, 2010):

- WHO? (to communicate)➔ Communication Agents;
- FOR WHOM? (to communicate)➔ Communication Targets;
- FOR WHAT? (to communicate)➔ Communication Objectives;
- WHAT? (to communicate)➔ Message
- HOW? (to communicate)➔ Communication Variables/Actions;
- WHAT RESULT? (to communicate)➔ Evaluation Criteria/Indicators;
- WHEN? (to communicate)➔ Communication Calendar;
- HOW MUCH? (to communicate)➔ Communication Budget.

3.6.2.1. The targets of Communication

In order to answer the question FOR WHOM to communicate? the company should define the communication agents/audiences to know for whom the organization should develop a message and a group of communication specific actions (Sequeira, 2010).

Lendrevie *et al.* (2010) mention that the targets of Communication are those entities with which is necessary to communicate: current clients, potential clients, influencers, media,

internal public, official entities, municipalities, unions, etc. In a communication strategy, it must not be considered only those who buy (buyers) and those who consume (consumers) the product or service, but also, those who start the decision-making process (initiators), those who directly influence the purchase (influencers and prescribers) and those who choose which product or brand is going to be purchased or consumed (decision-makers). The authors state that the identification of the targets of communication presumes a complete study of the behaviour of the marketing target for determining actions for each one of the actors in the purchasing power decision (Landrevie *et al*. 2010).

3.6.2.2. The objectives of Communication

It is indispensable to define the communication objectives since only when we know where we want to go, we can draw the best path. However, it is vital to respect some specifications: 1) be quantified 2) include the deadline to meet 3) be clear and precise 4) be measurable 5) be achievable (realistic). Moreover, in order to organize the communication goals, it is necessary to know the sequence that the customer will follow regarding the product and establish communication actions, using the several variables to be able to completely contribute for the customer go through this process successfully (Landrevie *et al.* 2010).

3.6.2.3. The message

To answer the question of WHAT (to communicate)? the person of the organization responsible for the Communication Strategy must define, according to the communication objectives previously determined, what content is going to be trasmitted to customers. Thus, in this phase creative support is needed (usually hiring an outside advertising agency or a consulting company) to engage this content in a creative way that reinforces the message and favours the information that wants to be transmitted (Sequeira, 2010).

Each point of contact between the company and the consumer reflects on the value of the brand. Furthermore, it should be noted that communication is the Marketing discipline that expresses positioning. In this sense, the content and the concept of the message must be adapted and should respect and strengthen the positioning defined in the Marketing Strategy (Duncan, 2004 and Sequeira, 2010).

3.6.2.4. The Mix of Communication

In general, the Mix of Communication is composed of communication variables, which integrated can achieve the communication goals effectively and efficiently. Each of these variables has particular and unique characteristics distinctive from the others at several levels.

A smart way of the combination of the variables allows reaching the intended targets and the communication objectives described in the Communication Strategy (Landrevie *et al*. 2010).

The Mix of Marketing is constituted by eight variables: advertising, sales force, public relations, direct marketing, promotions, merchandising, online, sponsorship and patronage, but not all are used by Luxury Brands.

Table 3 – Relevant Mix of Marketing for Luxury Brands.

Variables	Tools/Techniques	Goals
Advertising	TV, radio, media, outdoor and cinema.	Raise awareness, brand recognition, preferences, encourage the purchase of a certain product/service, inform and make known the product.
Public Relations	Business Events, Conferences, Press Releases, Social Media Marketing, Blogging, Interviews to Media, Demonstrate Company's Social Responsibility, Newsletters, Community relations, etc.	Improving the organization's image, credibility, involvement, giving face, inform, give more notoriety, among others.
Promotions/Discounts	This marketing tool acts in the particular moment of purchase.	Stimulates purchases, promote new products, encourage experimentation, selling or obscuring the seasonality of consumption, attract new customers and reward current customers, etc.
Sponsorship and Patronage	Events, Supporting communities, people or businesses, Donations, etc.	Increase or create notoriety, image/positioning and credibility, drive sales, promote Word of mouth, generates media coverage, creates goodwill and engage the target audience.
Online Communication	Website, or promotional microsite, blogs, portals, social networks, e-newsletters, viral marketing, widgets, etc.	Engagement with the brand, create buzz, produce leads or online sales and stimulate targets around an event, idea, etc.

Source: Landrevie *et al*. (2010), Sequeira (2010) and Ferreira (2019).

3.6.2.5. Criteria/Indicators to evaluate Communication

To evaluate the communication variables in terms of efficiency, specific examples of evaluation indicators must be determined (Sequeira, 2010).

Table 4 - Examples per communication activity regarding evaluating its effectiveness.

Communication Variable	Examples of Criteria/Indicators to evaluate Communication
Advertising	Advertising Pressure: GRP – Gross Rating Point; Average Repetition Rate: OTS – Opportunity to See; Target Coverage: number of exposed people; Share of Voice (SOV)- compare the GRP of our campaign with the GRP of the relevant market. % coverage, ratings, prestige.
Printed Advertising	Opportunity to See (OTS); Marketing ROI; Gross rating points (GRP); Advertising to Sales; Share of Voice (SOV) (mentions of the brand, printed advertising, etc/ total mentions of the sector, market, segment); Feeling (mentions with a positive feeling/ total of mentions) x 100%.
Sponsorships	Audience ratings; Notoriety/Prestige; Participation.
Surveys	Number of people who answers the survey; Number of people that do not finish the survey/Do not submits it; Country of subscribers and the country of the survey's respondents; Most popular answers; Call to Action (CTA) - macro (nº of transactions/unique visitors) x 100; Digital experience metric (Nº of occurred events/nº of sessions with at least one event occurred);
Promotions/Discounts	Participation rate (accession to discounts); Profitability assessment: R= gross margin – (technical and financial costs + profit loss).
Partnerships	Subject to the objective initially defined in the contract. Compare the achieved with the defined goals. (what was achieved vs initially defined objectives).
Public Relations	Participations/Invitations; Notoriety/Press Releases/dippings; Image/objectives; Media coverage (Buzz).
Events	Number of attendees; Number of online viewers; Type of attendee, including job type and sector;

	Compare with another period to look at audience growth; Media coverage (Buzz); Drop-out rate; Number of articles published on the press and blogs; Shares (Total of shares/ Total of posts) x 100%; Feeling (mentions with a positive feeling/ total of mentions) x 100%. Qualitative feedback from the attendees;
Online Communication - Websites	Total number of users in a period (Visitors); Average time spent on the website; Country of users, Demographic of users and page views; Qualitative feedback from audiences on quality and use of output; Number of social media comments/shares with targeted individuals. Bounce Rate; Exit Page; Return Visitors and Unique Visitors; Purchase Intention (unique visitors who left in the shopping basket/ unique visitors who made purchases); Call to Action (CTA) - micro, shopping basket (unique vistors f1/unique visitors f2) x 100; valid payment - (unique visitors f3/unique visitors f4) x100.
Media and blogs	Number of media hits; Number of blogs' articles published; Twitter, Facebook or other social media impressions/likes/shares; Number of blogs comments received; Qualitative feedback from audiences on the quality and use of output.
Social Media	Number of shares or clicks to the output; Number of followers or subscribers; Social media engagement (impressions/likes/shares); Number of the organisation's experts with a professional social media presence; Share of Voice (SOV): measure the brand's conversation versus its competitors. Feeling.
E-mail/Newsletters	Number of subscribers; Open rate; Click-Through rate; E-mail click; Unsubscribe rate; Country of subscribers; What content is most popular; Call to Action (CTA); Qualitative feedback from audiences on the quality and use of output.
Paid Advertising	Number of views; Likes (Total likes/ Total videos) x100%;

	Like Value[6]; Cost per click; Visits; Comments (Total comments/ Total videos or posts) x 100%; Feeling (mentions with positive feeling/ total of mentions) x 100%; Growth Rate of followers; Gross Rating Points.
Mobile Apps or games	<u>General Metrics:</u> Downloads, Install/Uninstall, Brand Awareness, Conversions; <u>Performance Metrics:</u> App crashes, API latency, End-to-End application latency, App load per period, Network errors; <u>User, Usage & demographics Metrics:</u> MAU/DAU, Geo Metrics, Devices and OS Metrics; <u>Engagement Metrics:</u> App Open Rate, Session Length, Session Interval, Retention Rate: ((number of customers at the end of the period – number of new customers acquired during the period)/ (number of customers at start of period)) X 100. Revenue Metrics: Daily Active Users, User Growth Rate, Average Revenue Per User (Lifetime Revenue/Number of Users), Conversion Rate and ROI = (Gain from Investment- Cost of Investment/ Cost of Investment.)

Source: Cassidy & Ball (2018), Külünk (2018), Ramanathan (2015) and Sequeira (2010).

3.6.3. Internationalization

Internalization is the process of operating outside of the domestic country in international markets (Javalgi *et al*., 2003) (quoted by Andersen, 1993; Buckley and Casson, 1998; O' Farell *et al.,* 1998), transferring total or partially its operational chain and adapting skills and competitive advantages developed in the domestic market, residing on products – markets strategies[7] and vertical integration[8] for other countries (Freire, 1997; quoted by Afonso, 2013). For Santos - Álvarez and García - Merino (2010), internationalization is connected with the ability of a company in identifying opportunities in the external markets and also the interest of the company taking advantage of external markets' benefits.

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[6] Like Value = Likes (nº tota likes/ followers) / unlikes per month x (Links per day x 30) x Average Clicks / Likes x Conversion Rate x Average Conversion Value.

[7] Products – Markets strategies: emerged through the products – markets matrix, where products/services sold and market segments served are correlated (Freire, 1997). The matrix of products – markets aims to identify new commercial opportunities, taking into account all the company's offered products with its target markets (Freire, 1997).

[8] Vertical integration strategy: define the activities in the value chain that must be internalized and outsourced, considering the competitive performance, which executes in the company (Freire, 1997).

Furthermore, when a luxury brand launches a new product online, consumers all over the world have uniform awareness of that fact, regardless of their geographical location, which means that digital luxury brands are global, and the language of fashion branding is universal. Moreover, E-retail offers effectively instant customer satisfaction and products. E-retail is indispensable for offline retail activities, including luxury fashion. Additionally, the Internet improved brand awareness, helps luxury brands enter in other markets, develop competitive leverage and differentiation (Okonkwo, 2007).

Although luxury brands with internationalization face different challenges (like retaining consumers' attention and loyalty), the Internet answers those challenges allowing luxury brands having a higher level of brand equity, building multiple circumstances to establish deeper consumers' relationships, allowing reaching a worldwide consumer group and new markets (Okonkwo, 2007).

Even though online interaction is not something new, networked technologies make global and mass online communication available to anyone with an Internet connection (Barefoot, 2010, quoted by Pedro, 2018). Finally, the luxury market is global, so, any luxury brand in the world cannot focus on its domestic market only, it is compulsory to internationalize to succeed (Okonkwo, 2007).

3.6.3.1. Criteria to Analyse Foreign Markets

Wood and Robertson (1999) point out some criterias to evaluate international markets such as Average annual sales of type of product or service in the foreign country (General Demand); Foreign Market future trends and growth rate in which the product or service will be sold (General Demand); Demand to adapt product specifications, because of dissimilarity in foreign buyers' tastes and preferences (Adaptation costs); Test Marketing and Promotion to assure adequate sales abroad (Adapatation costs); Types and Number of Competitive products on the market in the foreign market (Competition); Competitors' Market share, coverage and growth rate (Competition); Per capital luxury goods consumption in the foreign country (Consumption); Number of luxury consumers in the foreign market (Consumption); Percent of business community who speak English (Cultural differences); Preferences and forbideness in the foreign country regarding numbers, colors, shapes, sizes, and symbols on products and on products' promotions (Cultural differences); Costs and efficiency of transportation to the foreign country from the factory/Portugal (Distribution); Tariffs, import duties and taxes assessed by the foreign country on your products (Distribution).

Lin and Chung (2017), refers to some criteria to analyze foreign markets in the context of Luxury Brands: Number of people by generation (Generation Z, Millennials, Generation X, Babyboomers, etc) in the foreign country; Number of luxury sales per year in the foreign country; Number of bloggers and influencers in the foreign country, geographical proximity/distance; Internet users; e-commerce turnover; cultural differences (distance and similarities) between the export market and the home market.

Schu and Morschett (2017) did a study about how online retailers select foreign markets, i.e. which criteria they use to choose the best market for them. They concluded that market size, rule of law, local market knowledge, and also, a common language and logistics performance of a foreign country have a positive impact on the probability of choosing the Target country. On the other hand, even though, the Internet decreased the distance, both cultural and geographic distance still demonstrate a negative effect on choosing foreign countries by online retailers (Schu and Morschett, 2017).

3.6.4. How Luxury Brands Communicate in the Global Luxury Market

For Kapferer and Bastien (2009, p.212), "Luxury Fashion brands do not advertise to sell, but to communicate the dream surrounding the brand". In order to communicate with the customer and build a relationship, luxury brands should focus on printed advertising and Public Relations Techniques. Furthermore, luxury goods are differentiated from ordinary consumer goods with the idea of a dream and the sense of fantasy (Okonkwo, 2007, quoted by Hammer, 2011).

Overall, the objectives of a luxury brand communication are be remembered, demonstrate the brand ethics, provide factual information, have a visual impact and create emotions & attitudes (Chevalier and Mazzalovo, 2008, quoted by Hammer, 2011). Hammer (2011) studied a few authours and found out what characteristics (tangible and intangible) a luxury brand should focus to be successful communicating in the Global Luxury Market:

Figure 2 – Luxury Brand Communication Attributes to be successful.
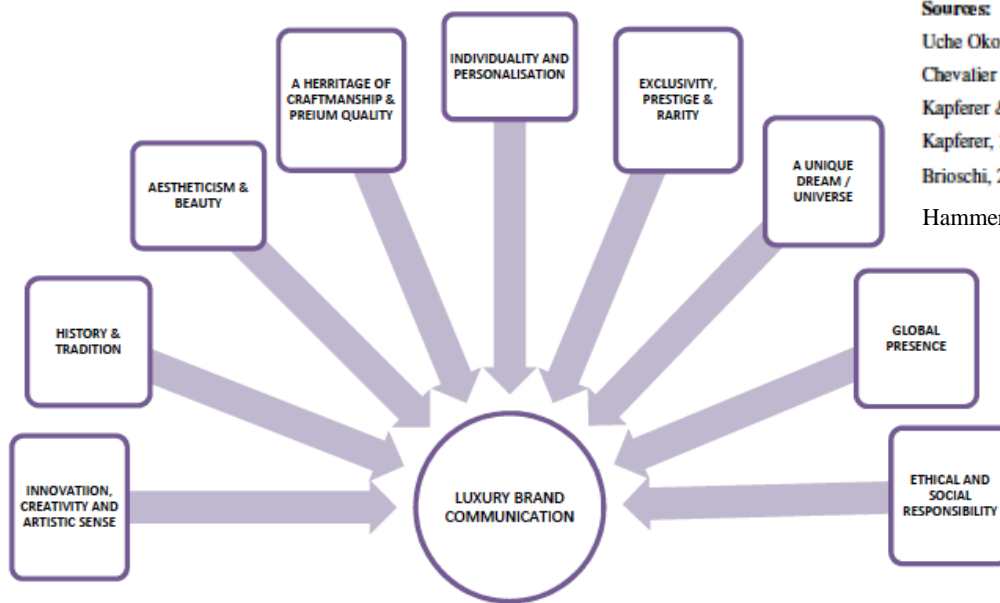
Sources:
Uche Okonkwo, 2007, pp. 105, 239
Chevalier & Mazzalovo, 2008, pp. xi-xiii, 19, 153-155
Kapferer & Bastien, 2009, pp. 14-15.
Kapferer, 2006, pp. 69-70
Brioschi, 2006, pp. 198-206
Hammer, 2011.

However, it depends on the brand's identity which attributes to use and which ones must be emphasised (Kapferer, 2006, quoted by Hammer, 2011).

As referred previously, advertising role in luxury brands differs from the traditional market, so, since mass media advertising on television is irrelevant on luxury communication, printed advertising is not (Kapferer and Bastien, 2009, quoted by Hammer, 2011). Printed Advertising functions are maintaining, develop and enhance the brand's luxury identity and increase awareness and improve the luxury brand visibility in the market (Okonkwo, 2007, quoted by Hammer, 2011). Printed Advertising like the prominent and constant presence in fashion magazines such as Vogue originates a status and allows reaching a larger audience interested in luxury fashion and current customers (Okonkwo, 2007, quoted by Hammer, 2011).

On the other hand, events are a great tool to generate buzz, amaze the public and overtly display, engage and include consumers in whatever the brand does and is all about (Kotler, 2009, quoted by Hammer, 2011). Luxury Brands focus on communicating and all its communication actions are motivated by Public Relations (PR) Techniques. Some benefits of PR could be great visibility, strong brand image, a high point of Goodwill and a friendly relationship with consumers (Kapferer and Bastien, 2009; Okonkwo, 2007, quoted by Hammer, 2011).

Although the traditional communication tools used by Luxury Brands are Printed Advertising and Public Relations, the Internet and Information Technology (IT) brought a new Marketing, the Marketing 4.0, the era of Digital Marketing. Firstly, Marketing 4.0 combines online and offline between companies and customers (Kotler, 2017). Secondly, in this new era,

authenticity and offline contact are differentiators. Thirdly, to raise marketing productivity, Marketing 4.0. get advantage of M2M – machine-to-machine and artificial intelligence, while in order to intensify consumer engagement, it leverages human-to-human connectivity (Kotler, 2017). Finally, the technologies mentioned before (Internet & IT), helped the development of many economic sectors including retail (e-commerce) and social interactions (social networks) (Kotler, 2017).

Risitano *et al.* (2017) show that there are three critical success factors to reach competitive advantage and provide an amazing customer luxury brand experience: customization, event marketing and flagship store.

3.6.4.1. Characteristics of the Marketing Mix Offer of Luxury Goods

It was necessary to progress on the traditional marketing rules in order to luxury goods keep the original and growth of profits without losing the intrinsic status (Kapferer and Bastien, 2009). In Figure 3, there were considered four dimensions: Product, Price, Place and Communication and the goal of finding the characteristics of luxury goods is fulfilled (Ferreira, 2011).

Figure 3 – Characteristics of a luxury good.

Product	**Price**	**Place**	**Communication**
•Quality; •Exclusivity; •Brand.	•Premium Price.	•Own Stores and Location; •Internationalization.	•Notoriety; •Individual Values; •Social Values; •Press; •Website; •Social Networks.

Source: Adapted from Ferreira, 2011.

3.6.4.1.1. Pop- Up as a Communication and Place Tool

Klein *et al.* (2016) define a pop-up brand store as a temporary store, usually open for a few weeks, maximum one year, which has the goal of providing a unique brand experience reaching a new group of targets, but also the existing consumers, and, consequently, encourage Word of Mouth (WOM) between these groups. In a connected world, consumers demand almost instant access to products or services, which can only happen with their peers nearby, so, a pop-up could be a good opportunity to directly connect and reach out customers (Kotler, 2017). On the other hand, many customers have the preference of trying and seeing the product in hands, before purchasing, thus, pop-ups are a good way to interface with their customers in

an entirely different way (Harlan, 2017). This kind of stores are used by Luxury digital brands with the main goals of boost sales, get a deeper insight of the market and have closer contact with customers and involve them.

After companies decide what to offer (product and price), they have to determine how to offer (place and communication) (Kotler, 2017). A pop-up works as a Place (point of sale) as well as a Promotion Tool. It is a new point of sale in the chosen city, where customers can purchase the luxury brand's items (the location of the pop-up is important too) and it is a Communication tool due to its offering experience along with the store and its atmosphere (Klein *et al.*, 2016). Besides providing a great staff on the store to take care of the client, brands invite customers to participate in the experience using self-service facilities such as laptops or mobile apps (engaging the customer). The use of sensor technology in pop-ups is also communication. This technology can, for instance, describe a product or tell the hand-made art process or manufacturing process. Additionally, luxury brands can have access to clients' smartphones and give suggestions for purchases at real-time, while they are at the pop-up or not, just with knowledge regarding their purchase history (Kotler, 2017).

However, Digital Marketing has an important role in communicating the pop-up boutique (Harlan, 2017). Digital Marketing subsists on foster action and advocacy (=recommendation) (Kotler, 2017). At promoting the pop-up online, the customers are going to the brand point of sale (action). At the pop-up, it is activated the sense of urgency to buy the products and originates impulsive buys (action). After the pop-up experience, the word is spread by those who visit the pop-up boutique and purchase items there (WOM - online communication between consumers about brands - advocacy) (de Lassus and Freire, 2014).

For fashion luxury brands, the pop-up could be a great place to organize events during Fashion Weeks and create brand awareness (which can result in partnerships), thus, it has the function of place and communication at the same time. (de Lassus and Freire, 2014).

3.6.4.2. Digital Marketing

Nowadays, customers seek for a continuous and regular experience changing constantly from channels- online to offline or offline to online and Marketing omnichannel provides that. Marketing omnichannel is the procedure of combining multiple channels to build a continuous and consistent experience. Organizations should use multiple online and offline channels to guide consumers to make the purchase commitment. Omnichannel buyers usually have 30% higher lifetime value compared with single-channel buyers (Kotler, 2017).

When a customer gets to know a product through television ads, then visits a store to test the product. After analyzing the product, the competitors and asking questions in the store, the customer eventually selects which product the best is. Therefore, the customer searches for the same product online and purchases it at the same price. This scenario is called showrooming (offline to online). A good example of bringing showrooming to online channels is IKEA, after the tv advertising of the brand, when the potential customer is at the store, giving its printed catalogue along with its augmented reality application, IKEA helps customers anticipate furniture in their houses bringing the online (app) to an offline channel (store) (Kotler, 2017).

When a customer knows a product in online ads, then looks for product information on social media using a smartphone. After that, that publication on social media leads the customer to a product comparison website, which is analyzed immediately. Finally, the customer determines the best product on the market, search for the nearest store and goes there and buy the product. This behaviour is called webrooming (online to offline). Showrooming and webrooming depend on mobile devices (smartphones and wearables) as the main "interfaces" for the customer experience (Kotler, 2017).

A good example of webrooming is Freakloset. This brand promoted online the personalization design in their opened pop-up store in London. It made part of the experience to go to the pop-up choose the model, materials and colours and design their shoe in-store with laptops. All the purchases were done online, besides being in an offline Chanel (pop-up).

Moreover, it is critical to put mobile devices in the centre of an omnichannel strategy by marketeers (Kotler, 2017). Mobile Marketing has acquired in-store significance and it is a channel that will shape the retail in the future (Fulgoni and Lispman, 2016, quoted by Rodrigues, 2017). Not shockingly, these luxury consumers use their smartphones to browse, search and purchase. Luxury brands should study offering an integrated consumer experience through several sales channels and consequently, build and cultivate a 24/7 relationship (Rodrigues 2017).

Mobile devices are a bridge between the digital world and the offline world. A large amount of consumer data provides, among others, consumer demographics, online browsing patterns, social networking activities, product and promotion preferences, and transaction history (Kotler, 2017). Data collection is highly helpful to optimize channel operations. Be aware of where the shopper walks and spend time inside a store, enables marketeers to optimize store layout and visual advertising; Knowing precisely where shoppers meet at any time allows marketers to captivate them with real-time suggestions; Analyzing transaction history pattern

assist to anticipate what customers will buy later, predict future consumer requests and manage their inventories are examples of useful data collection. (Kotler, 2017).

Internet of Things (IoT) is a technology fruit of the digital advancement, which has developed quickly and will persist to change completely the way we live, communicate and deal in the professional context (O'Brien, 2016 quoted by Rodrigues 2017). Smartphones are fully equipped with IoT that permit "automatic monitoring of movements, location and day-to-day activities" (Weber, 2016 quoted by Rodrigues 2017). Some examples of IoT are the use of ample range of smartphones sensors (vídeo, location service, GPS, etc) and the connectivity dimension (Wi-Fi, Bluetooth, ID interface), which smartphones allow (Rodrigues, 2017). Burberry applies sensor technology in its stores. Clothing items have radio frequency identification tags and when the customer experience on the proof cabinets, they can see a descriptive vídeo of the product in the mirror. On the other hand, Casino, a French supermarket, allows clients getting immediate product details just photographing the labels with smartphones. Also, the clients can scan product labels with their smartphones in order to add items to their virtual shopping baggs or to pay the bill. Internet of Things let offline channels give consumers pertinent content that helps purchase decisions like product details and critics from other consumers. In sum, it is relevant to boost business experience and, more significant is the fact of helping marketers raise sales (Kotler, 2017).

In order to enhance the digital consumer experience, mobile applications (apps) should be applied/adopted. It is considered the best channel to engage customers and the smartphone users choose self-service applications instead of support services. Mobile applications can have the function of content media (through vídeos and games); can be self-service channels, through which consumers can enter on their accounts information or make transactions and can be combined in the product itself or through maintenance experience. Although consumers can interact with brands freely, companies are able to save on costs by using highly effective and efficient consumer interfaces (Kotler, 2017). There are three steps to developing a great app. Firstly, focusing on "use cases", i.e. determine the goals that consumers want to achieve by using the app (marketeers should recognize the points of consumer frustration, especially regarding products or services and understand how the app can help to solve these issues). Secondly, the design of the main features and the user interface (successful apps typically use SoLoMe→ social, location, mobile, i.e. social sharing and collaborative aspects, location-based capabilities and mobile characteristics). Thirdly, marketers should prioritize the back-up support to provide the ideal user experience (back up services like physical stores, other media channels and external partners) (Kotler, 2017).

With the boom of digital on every consumers' lives, new occupations/careers have arisen like bloggers, influencers and YouTubers, which are used by brands due to its proximity to customers to make its products known.

A digital strategy headed by Chanel for the launch of the New Number 5 L'Eau fragrance for younger and millennial targets was released in 2016. On May 2016, Chanel invited six bloggers (young women with identical audiences) to discover the manufacturing process of Number 5 L'eau in Grasse, south of France. During two days, they had the opportunity to see the manufacturing process, take part in picking the roses, spend time with the perfumer and observe the extraction of the plant, while receiving many gifts from the brand. In order to have a huge impact, Chanel stimulated the bloggers to post articles on their blogs (Storytelling) and share the experience on social networks and at the same time encouraged them to use the hashtag #newchanel5. This resulted in achieving 7,180 postings on Instagram with the hashtag #newchanel5 and reaching 1 million likes in the first month of the campaign. After that, Chanel continues to do partnerships with popular influencers and celebrities, reaching a total of 10 million people (Merlio, 2017).

Furthermore, Luxury brands instead of using advertising, they use visual content or visual campaigns, because it has more impact on Millennials and differentiates brands. LVHM group has a blog called Nowness (followed by 751,840 users) that share creative video content about the best trends, art and culture. Users can share the virtual content to their social networks like Facebook (1,027,363 followers - Nowness), Instagram (735,000 followers) or Twitter (153,479). Moreover, the "Enter the Game – Snapshot in LA" was a digital campaign of Dior, which consisted on a videoclip. The video format had a singular well-thought brand content, which was broadcasted firstly on fashion digital platforms (Elle.fr, VanityFair.fr and Stylish.fr before the rest of the digital press) and afterwords on social networks. These channels and strong visual video and content guaranteed a massive success and spread of this Dior Campaign (Merlio, 2017).

Given the changes in recent years on digital technology, various communication tools have appeared, including the phenomenon of social networks (Pedro, 2018). For Nogueira (2010), social networks are the medium where people gather by affinity and common objectives, allow quick dissemination of information without geographical barriers and making connections with tens, hundreds and thousands of people known or not (quoted by Pedro, 2018). Additionally, social networks are a great opportunity for companies to have direct consumers feedback and build closest relationships with them. Besides that, social media encourage customers buying more recommending product/service of a particular brand (Rodrigues, 2017).

Godey *et al*. (2016) and Kim *et al*. (2012) (quoted by Rodrigues, 2017) defend that social media in luxury brands englobes five elements: 1) Entertainment – a consequence of fun emerged from experience in social media 2) Interaction – modified the approach of brands' communication to consumers, strong motivator to create user-generated content 3) Trend – "sharing of trendy news" 4) Customization – personalized service to fulfil individual desires of each one 5) Word of Mouth (WOM) – online communication between consumers about brands.

On the other hand, social media are being invested by brands not only to engage the customer and promote their brand with viral content, but also, collect statistics about topics like the impact, reach and progress of the product/service on the customer, acquire insight into their desires and actions, and in this matter, gain product penetration and branding (Kumar, 2015, quoted by Rodrigues, 2017).

When a company wants to internationalize and to know the consumers' requests, desires and issues, they can do market research and also consumers awareness surveys. Although many brands choose to open a physical store or a pop-up abroad, they continue with their online sales on their website and introduce the so-called In-store Pick-Up.

Word of Mouth (WOM) communications are essential for brands that seek to expand their message and intensify their brand image. According to Nielsen (2015, quoted by Klein *et al.*, 2016), 83% of consumers say that trust friends and family's recommendations, while 50% rely on mass media marketing. On the other hand, both the significance of the brand within target groups and the desire of customers for the brand are boosted by referrals and consumer positive feedbacks about brand experiences. So, positive WOM communication has a crucial role in a luxury brand's life (Kim and Ko, 2012 quoted by Klein *et al.*, 2016). A good example that boost Word of Mouth is events, any event can be transmitted & shared on Social Media. Inviting bloggers, media, influencers, YouTubers to events result in writing and spreading the word about the event or product/service.

Concerning the UAU factor, well-known brands do not allow those UAU moments resulting by chance. The UAU factor is what differentiates brands and companies regarding their competitor. It is possible to create a strategy, infrastructures, processes and train people to offer UAU moments along with the experience. Companies and brands build the UAU by adequately guide consumers to advocacy, creatively developing consumer interactions from satisfaction to experience and engagement (Kotler, 2017).

3.6.4.3. Social Causes

Nowadays, companies which their main Target are women, concerns about disaggregations between genders that unfortunately still exists. There is a demand of Feminism: "the belief that men and women should have equal rights and opportunities" or "the advocacy of women's rights on the basis of the equality of sexes" (Caprino, 2017).

In a world and society where almost, every sector of the economy is ruled by men, women need to fight more for their opportunities, goals and achievements in any sector (Caprino, 2017). Some brands, including luxury brands, have the Brand Idea that women are capable of everything. Genuinely through the brand's products or services, the company helps women changing their mindset, lifting their self-esteem, self-confidence and other values (Courtney, 2010). This brand idea most of the times is intrinsic in the corporate culture. Also, these brands want to build a genuine ecosystem of women be proud of their gender and use historical strong women and children's books characters to inspire women and emphasise the brand idea (Rodrigues, 2017).

On the other hand, those feminist defenders' brands have a social-role associated, supporting Social causes and creating social initiatives (Kotler, 2017). They support and help social causes like Unemployment, Domestic Violence, Poverty, Women Entrepreneurship, Sex Trafficking, Gender Violence, Racism, Education for children, Awareness of Rights, Emotional issues, among others. These companies raise money for non-profit organizations selling limited edition products along with the help of actions like creating awareness campaigns, giving press releases, giving interviews to the relevant media, making raising money events, etc. (Kotler, 2017).

Although the International Day of Men does not exist, on the 8th of March is celebrated the International Women's Day. Only this fact reveals that something is not right in society and we are far from gender equality. On this day, luxury brands help and support a non-profit organization or give sponsorship for local needed communities initiatives. Still, regarding local communities, some brands invest short-term on a physical space, somehow related to the brand DNA and build brand awareness (Samaha, 2018). For instance, Repetto opened a free dance studio in New York, where fashion, art and dance cohabitate. The studio is mainly used to teach classes of all sort (but are especially dance and yoga). The idea is to spread the word and do something different. These kinds of distinct initiatives, in the case of a fashion luxury brand, can be done during a Fashion Week or can be applied to the 4 principal Fashion Weeks Worldwide – New York, Paris, Milan and London. Repetto opens the studio two times a year and the brand invites the artists. Concluding, those artists and teachers can use the studio to

teach dance, music, yoga, photography, modelling classes to women in the local communities, providing experiential and emotional experiences (Samaha, 2018).

3.6.5. Pop-up store as a Communication Tool of Global Luxury brands

According to Klein *et al.* (2016), there is a need for luxury brands: deliver new customers' experiences (i.e. memorable experiences) for new target customers and keeping the existing ones. Thus, pop-up stores are the solution for this market need, they are strong marketing tools in the luxury retail, producing brand experiences and spreading the Word of Mouth (WOM) simultaneously in new and existing consumers. A pop-up store presents an exclusive concept store, an enjoyable atmosphere and brings an "hedonic shopping value"[9], characteristics that encourage positive WOM (Klein *et al.*, 2016). In addition, pop-up stores aim to spread Word of Mouth instead of selling brand products, that is why, brands focus on offering a rare brand experience to customers through for example design elements, media stations, or interactive games (Fitts, 2013 quoted by Klein *et al.*, 2016). On the other hand, the study concluded that pop-up brand stores should be a complement to traditional retail stores. Finally, nowadays, Retail cares more about buzz and less about sales.

Pop-up stores provide a ludic and intangible brand experience and at the same time, are more approachable to new and existing groups of consumers comparing with traditional flagship stores. Usually, pop-up stores attract the press and blogs due to be a powerful marketing tool and created an event. As a consequence, the curiosity and desire of customers (news and existing groups) are awakened and incited. Moreover, luxury pop-up stores are complementary to parent Houses. Also, pop-ups developed new methods of selling luxury products that originate impulsive purchases, due to being opened for a brief period and the atmosphere (de Lassus and Freire, 2014).

The idea of a temporary store is not new, however, a short-term leasing (it varies: it can be just a few days, might be long-term like 90 to 120 days or seasonal short-term such as a Christmas store or a calendar shop) provides the chance for brands to experiment the market before going for a physical store, it also allows to sell older products at tempting price points and captivate new customers with a sense of urgency. Pop - up shops are one of the most exciting trends in retail right now and they can give a new concept to the brand, however, it is crucial to understand the target audience. Since even exclusive online-only brands' customers

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[9] hedonic shopping value definition: "the entertainment fun associated with instore shopping—pop-up brand stores offer an attractive store atmosphere and a unique retail environment" (Babin, Darden and Griffin, 1994 quoted by Klein *et al.*, 2016).

wish to try, feel and see the goods, pop-up stores are a convenient excuse to interface with their consumers. Besides the atmosphere and the products of a pop-up, marketing and promotion are important for a pop-up success. Luxury Brands can use Digital Marketing, Social Media Promotion and send emails to its VIP shopping members to communicate the opening of the pop-up and during it is opened. Furthermore, pop-ups provide an excitement sense of new to their customers, which reflects on they feeling that are receiving privileged information about new trends and exclusive products at the store (Harlan, 2017).

Baker (2018) defends that temporary leases like pop-ups allow retailers directly connect and reach out customers, try new markets and goods, involve the local communities and reveal a powerful brand story creatively. Finally, the pop-up concept in-store can be focused on the company's Brand Idea.

3.7. Case study lecture plan - Animation Plan

Session	Pedagogical Objectives	Animation Plan	Time
1st session	- Develop interest and curiosity about the pedagogical case; - Introduction of the concept luxury brand; - Discuss ideas.	- Present a vídeo of the handmade process of *Josefinas* (https://www.youtube.com/watch?v=qAMhpyjI5-w) – Slide 1 of the Resolution Slides; - Lecturer asks students what they know about the brand *Josefinas*→brainstorm (registering on the board); - Present the Case Study' challenge – Slide 2 of the Resolution Slides. - Lecturer ask students what they think it is a luxury brand and link with the previous information they provided about *Josefinas* (register on the board) – Use Slide 3 of the Resolution; - Lecturer gives to the students the complete Recommended Bibliography of the pedagogical case; - Slides of Resolution: 0, 1, 2, 3. (Appendices of the pedagogical note - 5.2.).	60 minutes
Out of session	- Analyse the case study and get knowledge of the subject; - Analyse the characteristics of luxury brands; - Get more information about the Brand; - View the Recommended Bibliography.	- Individual Reading and Interpretation of the Case; - Analyse in detail Slide 3 Resolution Slides provided in the 1st session; - Identify the target of *Josefinas* building a Segmentation table (define Segmentation Criteria and Target Profile); - Visit https://josefinas.com/, search on google "*Josefinas*" and read magazines' articles about the company; - Look at the Recommended Bibliography (Topic 5.1.) for Question 1 (Lecturer should provide this information in the first session).	70 minutes 15minutes 15minutes 20minutes Total: 120 minutes.
2nd session	- Understanding the pedagogical case; - Presentation of doubts about interpretation; - Beginning of the pedagogical Case Resolution;	- Group discussion about the pedagogical case and clarify all sort of doubts; - Consolidation and synthesis of the case by the lecturer to the students; - Separate the class in groups of 4-5 elements. - Each group discuss between them and answer Question 1: Present the brand *Josefinas* as a luxury good. Consider the topics Exclusivity and Controlled Distribution; Quality and Handcraft	15 minutes 10 minutes

	- Give feedback: positive or negative; - Compelling students to express themselves orally and teamwork.	Heritage; Strong Identity or Personality; Hedonic and non-utility Character and Premium Price; - Each group present *Josefinas* as a luxury product to all the class; - Lecturer gives feedback after each presentation and shows Slide 5 of the Resolution Slides of the Case at the end of all presentations; - Understand the differentiating factors of the brand. - Slides of Resolution: 4 and 5 (Appendices of the pedagogical note - 5.2.).	2 minutes 25 minutes 20 minutes 5 minutes 5 minutes Total: 82 minutes.
Out of Session	- Continuation of the Case Study Resolution; - Study the Recommended Bibliography.	- Additional and literary research on the main topics under discussion; - See the Recommended Bibliography for Question 2, 3 and 4 that the professor gave in the first session; - Resolution of Question 2, 3 and 4; - Discuss ideas and different points of view;	120 minutes
3rd Session	- Solidify knowledge (positioning, segmentation-target, evaluation indicators for the 3 markets); - Discussion and Resolution of Question 2, 3 and 4; - Contextualize Question 5 (for the 4th session).	- Discussion about the Luxury Consumer (Resolution Slides – Slide 6); - Discussion about positioning, segmentation and target profile between the lecturer and the students→Contextualization - Each group presents its answers of Question 2, 3 and 4, one by one; - The Lecturer registers on the board each group answer, solving one question at a time; - Discussion guided by the Lecturer with possible resource to the Resolution Slides – 7,8, 9, 10,11,12,13,14,15 and 16 (Appendices of the pedagogical note - 5.2.); - Lecturer gives feedback to the students and introduces and contextualize what the Lecturer wants in Question 5 – Following the previous	90 minutes

		question and answer, analyse the Potential three Markets building a SWOT Analysis for each market; - Resolution Slides: 6-16 (Appendices of the pedagogical note - 5.2.).	
Out of session	- Resolution of the Case Study; - Look at the Recommended Bibliography.	- Resolution in a group of Question 5; - If necessary, further research to develop the case study; - Use the Recommended Bibliography provided (Topic 5.1.)	120 minutes
4th Session	- Solidify knowledge about SWOT Analysis; - Continuation of the Resolution of the Case Study.	- Group discussion about the potential of *Josefinas* abroad and the global Luxury Market (Resolution Slides – Slide 17); - Answer Question 5 - Following the previous question and answer, analyse the Potential three Markets building a SWOT Analysis for each market. - Each group of students go to the board to add some information about each Market; - In the end, the lecturer gives feedback to the answers of each group; - Show/Display the Resolution Slides of this specific question (Resolution Slides – Slide 18,19,20 and 21); - Provide the topic 3.3.2.5. Criteria/Indicators to evaluate the Communication to students for answering Question 7; - Resolution Slides: 18-21 (Appendices of the pedagogical note - 5.2.).	90 minutes
Out of session	- Choose a city for the pop-up (Question 6); - Resolution of the final question (communication strategy) and prepare a presentation; - Point out objectives and suggest actions; - Indicate which criteria/indicators to evaluate the effectiveness of actions.	- Resolution of Question 6: What destination/market would you choose? Mention a few reasons for your choice. - Resolution of Question 7: Define a Communication Strategy (indicate objectives, propose actions and determine evaluation criteria/indicators); - Development of the presentation of the last question of the case; - If necessary, additional research to answer Question 7.	120 minutes
Final Session	- Solidify knowledge about	- Each group presents and suggests a global communication strategy for *Josefinas* in the	90 minutes

	a global communication strategy; - Presentation of a communication strategy (objectives, actions and evaluation criteria); - Exposure of doubts; - Get awareness (students) of some actions developed in 2016 by *Josefinas*; - Use or Display of the Epilogue Slides.	chosen city and the few reasons for selecting that destination; (maximum of 15 minutes per group); - Doubts and Discussion of the topic between the class and Professor (use if necessary, Slide 22, 23 and 24 of Resolution Slides); - Present what *Josefinas* did in terms of communication actions (Resolution Slides – Slides 25,26 and 27 or use Epilogue Slides – Slide 7-14.) and demonstrate data like Interviews to the COO regarding choosing New York (Appendices of the pedagogical note – 5.5.); - Assessments and comments on the case, by the lecturer; - It is an option for the lecturer to use all the Epilogue Slides in this class to answer Question 6 and Question 7; - Resolution Slides: 22-27 (Appendices of the pedagogical note - 5.2.).	

3.8. Lecture issues to be posed to the students

- Have you ever heard about *Josefinas*? How?

- For you, what is a luxury brand? What characteristics do you associate with luxury brands?

- In your opinion, what are the top fashion luxury brands worldwide and also in the footwear sector, focusing on ballerinas?

- What is your opinion about the company's values (which are present in every model)?

- What do you think about the WomenEmpowerment Movement? And, why do you think *Josefinas* support associations and women in risk?

- Why a pop-up store? Is it an effective trend/tool?

- What is the best positioning and targeting for a footwear global digital luxury brand like *Josefinas*?

- How do you analyze the evolution of the luxury market and the global consumption of luxury?

- What is the luxury consumer of the future?

- As a global digital brand, what strategies do you suggest for *Josefinas*?

- What experience do you can offer to every person who visits *Josefinas*'s pop-up?

- Do you agree with the Competitors presented in the case? Would you add another one?

- What are the main challenges and difficulties found and faced during the resolution of the case?

- What data should be presented to better understands the context of the case and simplifies its resolution?

3.9. Resolution – analysis of the data

In order to use the information given and decide the destination for the first *Josefinas'* pop-up store between London, New York and Tokyo, answer the following questions:

Question 1. Present the brand *Josefinas* as a luxury good. Consider the topics Exclusivity and Controlled Distribution; Quality and Handcraft Heritage; Strong Identity or Personality; Hedonic and non-utility Character and Premium Price.

1. Exclusivity and Controlled Distribution

- Own design, aesthetics and small quantities produced;

- The colour pink is present almost in every campaign;

- Limited editions;

- Intangible features associated with each Collection such as inspirational women, fairy tales, Women Empowerment Movement, social role campaigns, female entrepreneurship, among others.

- Each ordered pair of shoes is handmade and can take up to one month to be produced;

- Personalization Option Available;

- Limited points of sale;

- Own stores are the most effective way to have a highly selective and controlled Distribution;

- Usually, there is no Stock;

- Special Feature: adjustable shoelace;

- Brand's reputation.

2. Quality and Handcraft Heritage

- Raw materials (the majority from Portugal), finishes, details and comfort (production phase);

- Production know-how (professional craftswomen) and productive flexibility (custom made production);
- European Brand Image (Made in Portugal);
- "Savoir Faire" is one of the company's values;
- *Josefinas* follows the European Economic Area (EEA) sustainability and comfort policies;
- Mercury Award: Best Trade Brand and Online Services (2014).

3. Strong Identity or Personality

- A small number of Human Resources (majority female), following a lean approach;
- Authenticity through the brand's history;
- Smart use of social networks and brand's lovers – bloggers, celebrities and public figures;
- First Portuguese company having a partnership with Instagram (2016);
- Brand's message: helping other women believing in themselves and become capable of doing things;
- Experiential and Relational Brand (related to WOW Customer→ Customers' satisfaction first);
- Mythic inspirational tales: Cinderella and Alice in Wonderland;
- Stories of powerful women who made progress for others are based on every designed product;
- Aims to create a Women Empowerment System (Social Responsibility actions).

4. Hedonic and non- utility Character

- The feeling of happiness and confidence when buying a luxury item, related to a certain "status";
- Contributes to personal self-esteem and self-confidence;
- Luxury is an instrument of self-expression;
- Supporting female entrepreneurship;
- Search for an authentic experience, almost an art of living, exclusive;
- Self-affirmation relative to others;
- Identification with certain values and seeking for a status.

5. Premium Price

- Determines the product' image;
- Tangible part→ design, quality, handmade product, materials used, precious stones;
- Intangible part → related to emotions and the imaginary;
- Varies depending on the currency and the price of some materials like leather;
- Used to differentiate the target/consumer.

Recommended Bibliography: See Appendix 5.1.

Question 2. What is the targeting and positioning intended of *Josefinas*?

According to Kotler (2003), brand positioning is "the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market".

Josefinas is a Portuguese brand made from women to inspire women, which trusts on great quality products handmade in Portugal by craftswomen and values detail and exclusivity. It is a luxury brand with a range of diversified flats with variable models, colours and inspirations. All the products have an inspiration in fairy tails, ballet classics, women entrepreneurs, movies or important women for the society. All the footwear have a particular and innovative design and the company only works with the best materials for the customer's satisfaction and happiness. Every model has a story behind it, made by extraordinary master shoemakers in São João da Madeira. Also, the brand truly believes that everything needs to be genuine to reach the customers and the desired positioning.

Table 5 - Criteria of segmentation.

Type of Criteria	Segmentation Criteria	Target Profile
Geographic	Country/Physical Location	Worldwide.
Demographic	Age	30-50 years old.
	Gender	Feminine.
Psychographic	Social Class	Medium-High and High.
	Purchasing Power	High
	Purchase Reasons	Quality and Exclusivity; Values detail; Enjoy purchasing shoes for themselves; wants to feel confident and powerful; seeks for great design and comfort.

	Personality	Independent, Modern, Persistent and Adventurous Women.
	Lifestyle	Love to travel, Cats' lovers/cat ladies.
Volume	Market	Worldwide – Big Market.
Behavioural	Attitudes towards the product	Share a photo on Instagram or another social media tagging @josefinasportugal; Show up in a Fashion Week wearing a model of *Josefinas*; Word of Mouth.
	Occasions	Everyday; Fashion Weeks; While Travelling.

The positioning is connected with the brand's promise. In the particular case of *Josefinas*, it encourages women to get what they want and give them the strength that they are capable of anything without any man involved, always intending to give women power and make them feel powerful and confident (Women Empowerment value). The brand communicates its promise through personalities who wear *Josefinas*'s models and social responsibility campaigns such as Women for Women (for each pair of shoes sold, the company helps a women in risk, starting a business) and more recently You Can Leave (for every pair of shoes sold, *Josefinas* helps five women victims of domestic violence during one month) and " You Can Leave - Collections" (the first Collection of clothes of *Josefinas*; for every t-shirt sold, one woman is supported for a month through APAV).

The brand must decide how the customers are going to perceive. So, the product/service needs to have the intangible qualities intrinsic and at the same time deliver the brand's experience. *Josefinas* wants to be seen as a luxury brand of reference in flats.

On the other hand, the Golden Triangle allows to answer three questions about the company's positioning: 1) Meets the expectations of the target audience? 2) Is it consistent with its real advantages? 3) Can you differentiate yourself from competitors?

Figure 4 – Positioning: The Golden Triangle.
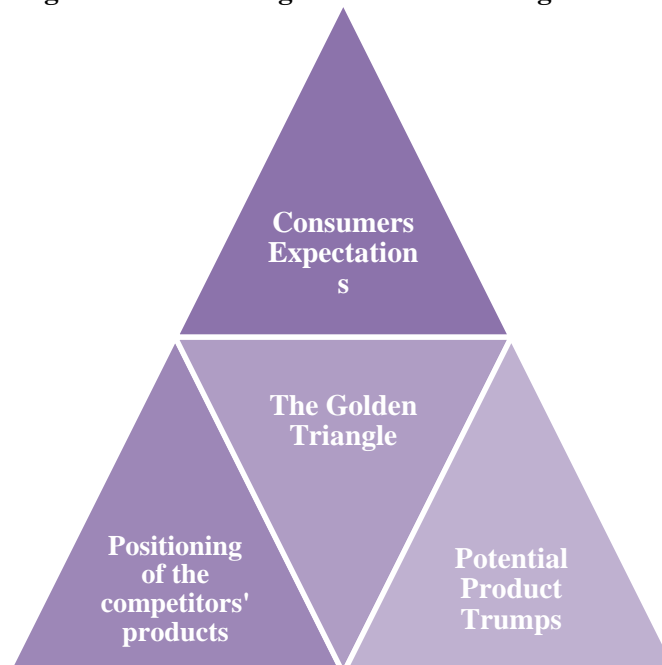
Consumers Expectations: exclusive products and unique packaging; more than a comfortable shoe, a shoe with a story behind it; excellent quality and handmade; embrace women differently, defend women's rights; transport customers through products; a shoe with a UAU factor; creative and innovative design.

Positioning of the competitors' products: Dance shoes; Ballet shoes for dance schools and the company supports dance schools for children and teenagers throughout the world; personalised ballerinas; *savoir-faire* using the best leather; emblematic logo, original design; "original experiment"; luxurious style in design with the finest fabrics, versatile comfort (with a specific technology) and bringing people together; premium price; iconic and classic models/products; "to wear at home and everywhere"[10], "original design, premium quality, footwear that fit and feel good sold directly to the customer"[11] ; boost confidence and power within women.

Potential Product Trumps: unique packaging and limited editions; encourage the female gender to pursue their dreams and do not give up and continue trying (Women Empowerment);

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[10] https://birdiesslippers.com/pages/about.
[11] https://www.sarahflint.com/pages/about-sarah-flint.

empower women and help them, having a social role and with several funding campaigns (ProudToBeAWoman); contributing to a better and fairer world; a genuine brand, where everything made has a meaning and believe that pink can be used by everybody; handmade products are unique and magical (Savoir-faire); clients are treated as the best in the world (WOW Customer); share everything the brand believe through its products (ProudToBeAWoman); use of some important historical women and children books characters as the base inspiration for the brand's products; change is needed and a more feminine world will be a happier world, so, the company fights for more gender equality with several campaigns supporting women and non-governmental organizations; as a luxury brand, *Josefinas* also enjoys making partnerships with great designers. Word of Mouth is the most effective marketing tool the brand uses.

Figure 5 – PODs and POPs.

Points of Difference	Points of Parity
• Women Empowerment; • #ProudToBeAWoman movement; • Most stylish flats; • Unique packaging of limited editions; • Linked with fairy tailes, movies, women entrepreneurs, ballet classics and strong and important women for the society; • Feminism; • Brand's lovers; • Exclusivity; • Social Role: Helps and supports women in risk and non-profit organizations worldwide with several campaigns to raise funds.	• Handmade in Portugal; • Comfortable shoes; • Great quality; • Excellent materials in production (in particular, leather); • Innovative design; • DNA on flats; • Simple packaging; • Premium Price; • Brings satisfaction and happiness; • Fashion collaborations with designers or well-known fashion people.

Recommended Bibliography: See Appendix 5.1.

Question 3. Make a reflection on the fact that *Josefinas* want to open a pop-up. What motivates the brand to open a pop-up abroad? What are the goals the company want to reach with this decision? For you, it makes sense? If not, explain why.

Motivations of *Josefinas*:

- Leverage the digital through physical distribution;
- Need for company growth;
- Limitations of the domestic market;
- Great Marketing Tool (pop-up);
- Involve customers with a great brand experience;
- Perception of the dynamism of external markets;
- Customer follow-up (Maintain proximity to the customer)
- Internationalization Ambition since the brand creation;
- Geographical, cultural and linguistic proximity;
- Less dependency on post offices.

Goals of *Josefinas*:

- Attract new customers;
- Interface with customers;
- Increase sales;
- Better identify customer requirements;
- Create buzz and Word of Mouth;
- Attract the press;
- Manage the brand's rarity through scarcity points of sales, which allows controlling brand's imitations and other areas like price and image;
- Being in contact with other luxury brands located in New York, London or Tokyo, as well as, fashion magazines (networking);
- Control the way of communicating between the seller and customer (a fact that not occur in multi-brand retail stores where *Josefinas* is present).

It makes sense, because…

- Although it is a digital brand, the customers always want to have the option of seeing personal and try it on, before purchasing the product.

- Opening a pop-up is exciting and enthusiastic for consumers and new customers, because of the experience involved and being new in town.

- Having a physical space, a brand can bond easily relationships with consumers and detect and learn their needs and requirements.

- Just like a release of a new product, opening a pop-up store abroad attract the press and the brand gives interviews for several newspapers and magazines, and that type of contact is crucial for the expansion of the company. It is different from giving an interview through Skype or FaceTime.

- Being near our target audience only can bring advantages for our business.

It does not make sense, because…

- The brand already sells great only using the website as a unique channel for purchases;

- *Josefinas* has a great customer service, including a Whatsapp number for any doubts +351 919 799 110.

- In a 4.0. digital era, networking with the press, fashion magazines and create Buzz and Word of Mouth can be easily possible achieved only using online channels.

- When *Josefinas* releases a new product, the press writes articles about it and there are a lot of shares of brand's lovers and other kinds of people (related to fashion or not). *Josefinas* has a huge impact online when launching a new product that goes beyond borders.

- Luxury Consumers always detects and identifies fakes.

Recommended Bibliography: See Appendix 5.1.

Question 4. Indicate criteria to evaluate the alternatives of geographic markets (minimum 5). Create a table where you compare the three markets for each of the indicators.

City/Country	Target – Number of Millennials and Generation X in each city	Luxury purchases in Clothes/Accessories and Jewellery/Watches by country
New York (USA)	Millennials: 2.4 million (28.9%), Generation X: 2.4 million (28.5%) in 2017.	More than $100,000 per year
London (UK)	Millennials: 1.69 million (20%), Generation X: 19%.	More than £85,000 per year
Tokyo (Japan)	Millennials: 22% of Japanese population, Generation X: N.A.	More than 100,000¥ per year

City/Country	Women purchasing power by country	Market Value of Luxury Goods (2018)
New York (USA)	Ranges from $5 trillion to $15 trillion annually (more than 60% of all personal wealth in the USA).	160,000 million euros;
London (UK)	Women are responsible for 83% of all purchases.	61,016 million euros
Tokyo (Japan)	Women are the primary money spenders in Japan due to traditionally controlled household finances. Women are responsible for 60% of all purchases.	24,949 million euros.

City/Country	Geographic Distance (from Braga, Portugal)	Costs efficiency of transportation to the foreign country from PT
New York (USA)	5,356.09 km;	Up to 1kg: €67,10, Up to 1,5kg: €75;
London (UK)	1,274.74 km;	Up to 1kg: €58,50, Up to 1,5kg: €73,40;
Tokyo (Japan)	10,835.99 km.	Up to 1kg: €95,20, Up to 1,5kg: €113,50.

City/Country	Per Capita Luxury Goods Consumption by country (2018)	Internet Users by country (%) in 2018 – Digital Commerce & E-Commerce
New York (USA)	€ 36,683;	258.48 million (78.84%);
London (UK)	€ 23,007;	52.74 million (79.48%);
Tokyo (Japan)	€ 19,543.	89.91 million (71.23%).

City/Country	Number of Bloggers per country in percentage (2018)
New York (USA)	30.6 million (29.22%, first worldwide). New York: 7.16%, second after Los Angeles;
London (UK)	6.75% (second worldwide);
Tokyo (Japan)	4.88% (third worldwide)

City/Country	Leading Influencers in the foreign country (2018)
New York (USA)	Kim Kardashian West, Kylie Jenner, Kendall Jenner, Gigi Hadid, Huda Kattan, Fatimah Syahrini Jaelani, Bella Hadid and Emily Ratajkowski.
London (UK)	Cara Delevigne, Marcus Butler, Mario Testino, Eleanor Calder, Leonie Hanne, Victoria Beckham, Félicité Tomlinson Deakin, Xenia Tchoumi, Brian H. Whittaker, Victoria Magrath.
Tokyo (Japan)	Aya Stella, Naomi Watanabe, Aya Suzuki and Ami Suzuki (Amiaya – twins), Risa Nakamura, COCO, Tina Tamashiro, Jun Hasgawa and Sugamoto Yuko.

Recommended Bibliography: See Appendix 5.1.

Question 5. Following the previous question and answer, analyse the Potential three Markets building a SWOT Analysis for each market.

American Market	
Strengths	**Weaknesses**
- Significant fashion week: New York Fashion Week;	- Millennials and Generation Z are the principal shoes sector consumers in the global luxury market;
- American fashion accounts for $200 billion every year;	- Consumers use multiple channels before purchasing an item;
- Second market with more sales in the luxury market worldwide;	- Similar products and brands;
- Market Value of Luxury Goods: $181,923 million;	- Lack of international notoriety;
- USA Tourism;	- Brand Awareness Interruptions;
- Local Consumption;	- Globalization of consumer's tastes and preferences (does not recognize differentiation).
- Leading economy worldwide;	
- Strong media and celebrities stimulate fashion;	
- Ability to quickly identify costumer requirements and readjust;	
- Important fashion press has its headquarters in New York (such as Vogue, W, Cosmopolitan, Refinery 29);	
- 3 US luxury brands in the Top 10 of International Luxury Brands in 2018;	
- Luxury purchases per year on Clothes/Acessories, Jewellery/Watches: $100,000 million;	
- Magazines, shopping and Online shop are the most used channels (57%);	
- Physical stores are the dominant channel for luxury purchases.	
Opportunities	**Threats**
- The majority of the US population speaks English (90%);	- Ecological Threat;
- Majority of the population is female;	- Local Consumption - Ethnocentrism;
- Handmade shoes produced in Portugal → notoriety to the brand	- Oscillation of skins prices, due to animal diseases like Brucellosis and BSE;
- Portuguese design on the rise;	- Movements Anti- consumption/use of animals (materials used);
- Globalization of the Luxury Market;	- Big shoe brands that create trends;
- Wise use of Social Networks;	- International Financial and economic crisis;
- New Consumers;	- New emerging markets, namely expanding luxury market niches (South Korea, South Africa);
- Chinese luxury Consumer (search for mature markets like USA to do luxury purchases);	- Difficult reputation imposition;
- Foreign Investment;	- Expertise of artisans tend to disappear;
- Millennials correspond to 30% of global luxury sales worldwide;	Crisis in key partner countries;
- USA's Tourism;	- Competitors;
- Innovation;	- Geographic distance and cultural differences with Portugal.
- 90 % of the global consumer buys hand-made luxury goods;	
- Partnerships	
- Women Purchasing Power;	
- Purchase Behaviours: Materialism, Conformity, Vanity, Hedonism and Self-Concept.	

English Market	
Strenghts	**Weaknesses**
- Thirds main luxury consumers after China and USA;	- Millennials and Generation Z are the main shoes sector consumers in the global luxury market
- One of the most important fashion weeks takes place in London – London Fashion Week;	- Globalization of consumer's tastes and preferences (does not recognize differentiation);
- Market Value of Luxury Goods: £85,000 million;	- Consumers use multiple channels before buying an item.
- UK's Tourism;	
- Local Consumption;	
- Great Economy: 5th highest GDP in the world and second highest in Europe;	
- Luxury purchases per year on clothes/accessories, jewellery/watches: more than £61,016 million;	
- Iconic and emblematic British fashion brands;	
- A few important fashion magazines are established in the UK (WGSN, Velvet Magazine, Buro 24/7);	
- Constant raise in Foreign Direct Investment;	
- Notoriety and growing awareness of the Portuguese quality production of shoes;	
- Growth of E-commerce and M-commerce;	
- Magazines, shopping and Online shop are the most used channels (57%);	
- Physical stores are the dominant channel for luxury purchases;	
- Partnerships;	
- London – city in the UK with the fastest growth.	
Opportunities	**Threats**
- Shoes category had a 7% annual growth in 2018 in the International Luxury Market;	- Brexit (country instability) - Brexit Negotiations with the European Union;
- Europe – top region for luxury sales by value in 2017 & 2018;	- Ecological Threat;
- UK still belonging to the European Union with free trade;	- Oscillation of skins prices, due to animal diseases like Brucellosis and BSE;
- Second leading country worldwide in terms of number of bloggers;	- Movements Anti- consumption/use of animals (materials used);
- Geographic and cultural proximity with Portugal;	- Big shoe brands that create trends;
- European Brand Image (Made in Portugal);	- International Financial and economic crisis;
- Millennials account for 31% of luxury sales worldwide;	- Crisis in key partner countries;
- 90 % of the global consumer buys hand-made luxury goods;	- New emerging markets, namely expanding luxury market niches (South Korea, South Africa);
- Multicultural country;	- Expertise of artisans tend to disappear;
- High Women Purchasing Power;	- Competitors.
- Wise use of social networks;	
- Majority of the UK's population is female;	
Chinese Luxury consumer (top luxury goods consumer) seeks for Mature Markets for their luxury purchases	
- 98% of the population speaks English;	
- Purchase Behaviours: Materialism, Conformity, Vanity, Hedonism and Self-Concept.	

<u>Recommended Bibliography: See Appendix 5.1.</u>

Japanese Market	
Strengths	**Weaknesses**
- Fifth largest economy in the world;	- Japanese language not be understood worldwide such as English and could be a barrier of communication;
- Japan grew 6% in 2018 in luxury sales;	- Habits of buying local/national brands - Ethnocentrism;
- Market Value of Luxury goods: €24,949 million;	- 99% of the population speaks Japanese;
- Luxury purchases in Clothes/Accessories and Jewellery/Watches:100,000¥ per year;	- Consumers use multiple channels before purchasing an item;
- Tourism;	- Generation Y and Generation Z are the principal shoes sector consumers in the global luxury market;
- Local Consumption;	- Globalization of consumer's tastes and preferences (does not recognize differentiation);
- Awareness of Consumer's needs & desires;	- Amazon Fashion Week Tokyo.
- Asian consumers are the fourth main luxury consumers after China, USA and Europe;	
- Digital Channels;	
- Online Luxury Sales;	
- E-commerce and M-Commerce growth;	
- Magazines, shopping and Online shop are the most used channels (57%);	
- Physical stores are the dominant channel for luxury purchases;	
- Investment;	
- Partnerships.	
Opportunities	**Threats**
- Asian Market on the rise;	- Ecological Threat;
- Shoes sector annual growth of 7% in the luxury market (2018);	- Oscillation of skins prices, due to animal diseases like Brucellosis and BSE;
- Tokyo has 38 million inhabitants (2015);	- Movements Anti- consumption/use of animals;
- 90% of the global luxury consumer purchases hand-made luxury goods;	- Big shoe brands that create trends;
- Notoriety and growing awareness of the Portuguese quality production of shoes;	- International Financial and economic crisis;
- Women Purchasing Power;	- New emerging markets, namely expanding luxury market niches (South Korea, South Africa);
- Consumers of Emerging Markets;	- Expertise of artisans tend to disappear;
- Chinese Luxury Consumer;	- Aging of Population: 20,5% of the population has between 60-74 years old (Baby Boomers);
- Social Networks;	- Competitors;
- High life expectancy;	- Geographic distance and cultural differences with Portugal.
- Millennials correspond to 31% of global luxury sales worldwide;	Crisis in key partner countries.
- Third country worldwide with a greater number of bloggers;	
- European Brand Image (Made in Portugal);	
- Purchase Behaviours: Materialism, Conformity, Vanity, Hedonism and Self-Concept.	

Question 6: What destination/market would you choose? Mention a few reasons for your choice.

Destination: New York (USA)

Reasons: World capital of fashion;

New York Fashion Week belongs to the Top 4 of the world notorious fashion weeks;

Josefinas exports 30% to the United States of America;

Market Value of Luxury Goods (2018): 181,923 million dollars;

Principal fashion magazines have its headquarters in New York or in the USA (Appendix 2);

Per Capita Luxury Goods Consumption (2018): €36,683;

Number of bloggers (%): USA - 30.6 million (29.22%, first worldwide). New York - 7.16%.

Recommended Bibliography: See Appendix 5.1.

Question 7. Define a Communication Strategy (indicate objectives, propose actions and determine evaluation criteria/indicators).

As a digital brand, before defining a Communication strategy, the company needs to define its objectives (objectives related to sales or objectives related to fidelity/advocacy to the brand) and the audience/target to focus. Also, the company must be aware of the customers' desires and should use more than one channel, which could be a great growth opportunity.

Josefinas

Only one collaborator is in charge of the Communication/Marketing Strategy.

Principal Objectives: Attention to the brand, fidelity and involvement or engagement.

Target Audience: Women between 30 years old and 50 years old who are independent, adventurous and modern, have a high purchasing power, love to travel, love cats and values detail, high quality and exclusivity.

Positioning: Customers are the best in the world and are in the first place (WOW Customer), pink can be used by everybody, use of some important historical women, movies, women

entrepreneurs and children books characters as the base inspiration for the brand's products, encourage the female gender to pursue their dreams and do not give up and continue trying (Women Empowerment), empower women and help them, having a social role with several funding campaigns (ProudToBeAWoman), handmade products are unique and magical (Savoir-faire), a feminine world is going to be a happier world; women are capable of anything.

Actions	Resume
Survey	Before deciding how to decorate the boutique and how to provide an amazing brand experience to customers, the company should do an awareness survey in the website focus on listening to their desires, requests and opinions of what experience do they want when visiting the pop-up and the store layout.
Newsletters	Inform subscribers about the opening in NY and the welcoming event. Auto-promotion.
Opening Event	*Josefinas* should invite for a welcoming event in the pop-up store, important fashion and communication media in the specific city, bloggers and influencers worldwide to stimulate the so-called amplified mouth-to-mouth or word of mouth advertising and stimulate advocacy. The event should be promoted through the brand's social media.
Printed Advertising	For reaching Generation X. Printed advertising on taxis of the city, MUPIs, etc.
Public Relations	Events, press releases, give interviews, speaking at conferences, invite editors and journalists (press) to talk about social responsibility' campaigns, etc.
Partnerships	Design collaborations with relevant fashion influencers, bloggers or brands.
Social Media	Use of social media in order to engage customers.
Paid Advertising	Paid Advertising to YouTubers to create content about *Josefinas*' products and pop-up store. Example: pointing out the reasons why subscribers should go to the pop-up or why the influencer is a *Josefinas*'s brand lover.
Sponsorships	*Josefinas* has a social role supporting female entrepreneurship, but also, women in risk, so it makes sense to continue this path providing sponsorship for local community events somehow related to the company or its values.
Mobile App	Another purchase channel, but also has a crucial role when visiting the boutique. Install "near field communication labels" in the products, allowing clients to have a direct approach to information and details of products through taking

	photos of labels with their smartphones. Moreover, along with the Instagram partnership, the brand can create using an ID interface, a new Instagram filter exclusive for the mobile app, allowing clients to publish and share photos on social media (Facebook and Instagram).
Collecting Data	Using Bluetooth technology, which communicates with clients' smartphones for receiving insights about the customers' behaviours inside the store and outside, such as where clients are located inside the store, which sections are more visited and how much time the client spend there, what type of client visit the pop-up, how many are repeated visitors vs one time visitors, what do they buy at the store, what is their purchase historical referred to past purchases, etc.
Showrooming (from offline to online)	Since 63 % of luxury consumers prefer to go to a store do their purchases, instead of buying online, they can visit *Josefinas*' pop-up, see and try each product, use laptops that are in the store to order the desired product. They can choose between delivery at home and in-store pickup.
UAU factor	Should be intrinsic in all the providing experience at the pop-up, with a story behind it. For example, using an interactive showcase with a screen that allows people to change the screen image of the video just moving the left hand to the right.
Discounts	Since Millennials love the dream experience intrinsic in luxury goods and also seeks for social status, but, do not have the same purchasing power as other generations, the company can introduce promotional prices to certain shoes for a limited period (2 weeks).
Dance Studio	While the pop-up boutique is open, the brand can rent a dance studio, which is going to have four purposes: 1) test new products 2) develop digital content for *Josefinas* 3) work as a showroom and host presentations during the Fashion Week of the selected city 4) let ballet dancers teach private classes. Also, can be used for events.

Indicators for Evaluating the Actions

Survey	•Number of people who answers the survey; •Number of people that do not do not submits it; •Country of subscribers and the country of the survey's respondents; •Most popular answers; •Call to Action (CTA) - macro (nº of transactions/unique visitors) x 100; •Digital experience metric (Nº of occured events/nº of sessions with at least one event occured).

Events	•Number of attendees; •Number of online viewers; •Type of attendee, including job type and sector; •Media Coverage (Buzz); •Audience growth, comparing with another time period; •Qualitative feedback from the attendees; •Number of articles published on the press and blogs; •Shares (Total of shares/ Total of posts) x 100%; •Feeling (mentions with positive feeling/ total of mentions).

Social Networks	•Number of clicks of the post or posts; •Number of followers or subscribers; •Social media engagement (impressions/likes/shares); •Number of the organisation's experts with a professional social media presence; •Share of Voice (mentions of the brand, products, etc/ total mentions of the sector, market, segment) •Feeling (mentions with positive feeling/ total of mentions) x 100%.

Word of Mouth	•Number of times an event or the pop-up is cited or referred to; •Number of social media retweets, shares, likes, comments or other user actions; •Number of requests to reproduce or cite information from the output; •Number of shares to social media via website share buttons; •Growth Rate of followers.

Newsletters	•Number of subscribers; •Opening Rate and Click-Through Rate (CTR); •E-mail clicks; •Call to Action (CTA) - macro (nº of transactions/unique visitors) x 100.

Printed Advertising	•Opportunity to See (OTS); •Marketing ROI; •Gross rating Points (GRP); •Advertising to Sales; •Share of Voice (SOV) •Feeling (mentions with positive feeling/ total of mentions) x 100%.

Public Relations	•Participations/Invitations; •Notoriety/Press Releases/dippings; •Image/objectives; •Media coverage (Buzz). •Type of attendee, including job type and sector; •Drop-out rate; •Number of media hits; •Number of blog' articles published; •Shares (total of shares/ total of posts) x 100%; •Feeling (mentions with positive feeling/ total of mentions) x 100%.

Partnerships	•Subject to the objective initally defined in the contract. Compare the achieve with the defined goals.

Sponsorships	•Audience ratings; •Notoriety/Prestige; •Participation.

Mobile App	•General Metrics: Downloads, Install/Uninstall, Brand Awareness, Conversions; •Performance Metrics: App crashes, API latency, End-to-End application latency, App load per period, Network errors; •Revenue Metrics: Daily Active Users/Adherence, User Growth Rate, Average Revenue Per User (Lifetime Revenue/Number of Users), Conversion Rate and ROI = (Gain from Investment- Cost of Investment/ Cost of Investment).

Showrooming-Laptop	•Visits; •Visitors; •Bounce Rate; •Exit Page; •Return Visitors and Unique Visitors; •Purchase Intention (unique visitors who left in the shopping basket/ unique visitors who made purchases); •Call to Action (CTA) - micro, shopping basket (unique vistors f1/unique visitors f2) x 100;_ valid payment - (unique visitors f3/unique visitors f4).

Discounts/Promotions	•Participation rate; •Profitability assessment: R= Gross margin - (technical and financial costs + profit loss).

Collecting Data	•Return Visitors and Unique Visitors; •Costumer Journey at the point of sale.

Dance Studio	•Number of participants in ballet classes; •Number of shares of the studio (Total of shares/ Total of pots) x 100%; •Number of articles published; •Feeling (mentions with positive feeling/ total of mentions) x 100%.

UAU Factor	•Return Visitors and Unique Visitors; •Costumer Journey; •Adherence/ Daily Active Users (n° Active Users in a day/ n° of active users in 30 days) x 100%; •Shares (Total of shares/Total of posts) x 100%; •Share of Voice (mentions of the interactive showcase/ total mentions of the sector, market, segment); •Feeling (mentions with positive feeling/ total of mentions) x 100%.

Paid Advertising	•Number of views; •Likes (Total likes/ Total videos) x100%; •Like Value = Likes (nº tota likes/ followers) / unlikes per month x (Links per day x 30) x Average Clicks / Likes x Conversion Rate x Average Conversion Value. •Cost per click; •Visits; •Comments (Total comments/ Total videos or posts) x 100%; •Feeling (mentions with positive feeling/ total of mentions) x 100%; •Growth Rate of followers; •Gross Rating Points.

Recommended Bibliography: See Appendix 5.1.

3.10. Epilogue

The pop-up store opened in New York on July 2016 in Nolita (Downtown Manhattan) and it was opened until July 2017. It was designed by Christian Lahoude, the architect who created stores for well-known brands like Jimmy Choo, Tiffany and Co., and Gucci. The store had a garden, where clients could relax and order a cup of tea or coffee. (See Slide 4,5 and 6 of the Epilogue Slides). The store had a stunning showcase called "Cinderella 2.0", which took 50 hours to make and it was created by a team of 4 women from Oupas Design. This 100% handmade showcase only using paper told the story of a strong and not fragile woman, who does not depend on any man or prince charming (independent woman), who can achieve her dreams, by herself. "Cinderella 2.0." included birds, a mouse holding the #ProudToBeAWoman, ballerinas and in the place of the Cinderella high-heeled crystal, there were flats, the *Josefinas*' model Louise with the Sky Blue Fur accessory (Epilogue Slides – 2 and 3).

During this year, *Josefinas* launched two partnerships' products with two designers (Patricia Chang and Jaydee): Hazel Cat Accessory for Louise and Thelma sneakers and a limited-edition sneaker of 25 pairs hand-painted to celebrate ProudToBeAWoman. There were two launches events at the pop-up store in New York regarding these two products (Epilogue Slides – 11). Additionally, in December 2016, the brand created along with Chiara Ferragni, the number 1 blogger worldwide, two models: Cleopatra Black Suede and Cleopatra Beige Suede (price, 270€) (See slide 12 of Epilogue Slides). On October 2016, the brand created a monthly event called #ProudToBeAWomanTalk at the store in New York, which aimed to share, encourage and tell inspiring stories of successful women (co-founders, writers, activists, etc) looking for empower the dreams and ambitions of so many other women (Epilogue Slides – 14). Also, *Josefinas* created an event called "Cat Series" in the store, where cats and their owners (cats were guests) could visit the store and take photos with the models Chesire ballerinas, Louise + Hazel Cat sneakers, two flats inspired in cats (Epilogue Slides – Slide 13). In January 2017, the company participated in a Women's March in Washington, DC and in March 2017 in order to celebrate Women's Day, the CEO talked about the role of shoes in the social definition of women ("A Walk in a Woman's World" it was the name of the talk) at the Parsons School of Design in New York.

In July 2017, the brand's pop-up NY appeared in the "My NYC Top 10" of the British Airways (https://www.britishairways.com/en-gb/destinations/new-york/travel-guide/my-nyc-

top-10-dina-scherer) and in a Video called "Inside New York: Finding Hidden Gems" of the British Airways (https://www.youtube.com/watch?v=IW4JpCsJ3Cg) (Epilogue Slides – 4).

After that, there were three shorter pop-ups in Portugal. In December 2017 (9 and 10 December) there was a Pop-Up Lisbon from 12 a.m. to 19 p.m. at the Hotel H10 Duque de Loulé. On 24 November 2018 from 11 a.m. to 18 p.m., it happened the Pop-Up Braga at the *Josefinas* Office (with a discount of 15% only in the pop-up day). Finally, the Pop-Up Oporto occurred on 9 February 2019 from 11 a.m. to 6 p.m. at the Charm Palace Porto, with a discount of 15% only in the pop-up day. Once Again, at the Hotel H10 Duque de Loulé happened recently, another pop-up Lisbon on 18th May from 11 a.m. until 6 p.m. In every pop-up, it was compulsory to book an hour on the event page at *Josefinas*'s website (Epilogue Slides – Slide 15).

Nowadays, in April 2019, "You Can Leave Campaign – Collections" (launched in February, 11), a line of three t-shirts with domestic violence typical excuses phrases and designed by Jacqueline Bissett, was considered and ranked by AdForum as one of the top 5 best advertising campaigns worldwide of the week (end of February). Also, it was distinguished with the label of "Best Social & Environmental Campaigns". At the end of February, 70 women from APAV were helped, because of this line of t-shirts.

In April 2019, the company launch a collaboration with the brand Bukky Baldwin named "Imagine" (https://josefinas.com/pt/bukky-baldwin). Imagine includes three flats: Imagine Pink, Imagine light Blue and Imagine blue. In July 2019, a new partnership with the kids brand Wolf & Rita x Josefinas. Two models were created one for mothers and another for children.

3.11. Management solutions to be drawn from the case in question

The main subject of this case study is the internationalization of a Portuguese luxury brand, entering a new market. This case study contributes to Management as a tool of diffusion of knowledge, business methodology and gives tools and practices for decision making. On the other hand, it provides and shares knowledge about a Successful Portuguese Luxury Footwear Brand in the Global Luxury Market, which helps and benefits other luxury companies that want to internationalize, and also the ones that are not in the luxury sector and market but have the same purpose. In resume, this case study shows an example of a Portuguese luxury footwear company opening a pop-up store abroad successfully. Additionally, this pedagogical case is focused also on the importance of building a communication strategy and its different steps: objectives, actions and evaluation indicators.

This pedagogical methodology supplies Professors/Lecturers as a teaching tool. Through orientation and encouragement of the Lecturer, this case study boosts the development of individual learning process for decision making and incite group discussions of the reasons for the various options taken.

For students, it is a learning tool. Students are working the Management knowledge with a real company situation and in each moment of decision making throughout the pedagogical case, have to consider for each decision the reasons and possible impacts.

The presentation of the pedagogical note along with the Resolution Slides, has the goal to simplify its application by Professors or Lecturers.

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5. Appendices of the Pedagogical Note

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4. Topic 2.2. Data organized by the theme (Development of the Case) p.1-30. Topic 2.4. Appendices, p.31-45;

5. Literature Review – 3.6.1 Luxury Brand (p.47-49).

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3. Topic 2.2. Data organized by the theme (Development of the Case) until 2.2.5. Objectives in the short-term, inclusive (p.1-5);

4. Literature Review – 3.6.4.1.1. Pop-Up as a Communication & Place Tool (p.58-59).

Question 4: 1. Topic of the Case Study 2.2.10. American Market, English Market & Japanese Market: economic, demographic and cultural factors (p.20-22);

2. Appendix 5 (p.34), Appendix 6 (p.35) and Appendix 9 (p.42).

Question 5: 1**.** Topics of The Case Study: 2.2.1 *Josefinas* (p.1-2), 2.2.6. International Luxury Market (p.6-9), 2.2.7. The Luxury Consumer (p.9-12) and 2.2.10. American Market, English Market & Japanese Market: economic, demographic and cultural factors (p.20-22);

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Question 6: 1. Topics of the Case Study: 2.2.1 *Josefinas* (p.1-2), 2.2.4. Brand Building (p. 4-5) and 2.2.10. American Market, English Market & Japanese Market: economic, demographic and cultural factors (p.20-22);

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5. Kotler, P., Kartajaya, H., & Setiawan, I. 2017. *Marketing 4.0: Moving from traditional to digital* (pp. 155-205). Hoboken, New Jersey: John Wiley;

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5. 2. Case resolution slides or spreadsheets

Internationalization of a Digital Luxury Brand: *Josefinas* Case Study Resolution

JOSEFINAS

ISCTE ◆ Business School
Instituto Universitário de Lisboa

Did you Know?

Challenge

JOSEFINAS

• Where Josefinas should open its first pop-up store?

London

New York

Tokyo

Session 1: What is a Luxury Brand? JOSEFINAS

"Luxury Brands are regarded as images in the minds of consumers that compromise associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of non-functional associations" (Heine, 2012, p.62).

Characteristics of Luxury Brands:

High Quality	Status	Premium Price	Exclusivity and Rarity	Heritage/History
Criations/Products	Brand's name and image	Handcrafted	Location	Own Stores
Country of origin	Recognized Symbols (Logos)	The Creators (Personality)	Communication (PR, Printed Advertising, Social Networks, etc)	Notoriety
Individual Values	Social Values	Personal Satisfaction	Hedonism	Strong Identity

Values: WOW Customer, Women Empowerment and "Savoir Faire".

Josefinas as a luxury product

- **Question 1:** Present the brand *Josefinas* as a luxury good. Consider the topics Exclusivity and Controlled Distribution; Quality and Handcraft Heritage; Strong Identity or Personality; Hedonic and non-utility Character and Premium Price.

Question 1

JOSEFINAS

Exclusivity and Controlled Distribution	Quality and Handcraft Heritage	Strong Identity or Personality	Hedonic and non – utility Character	Premium Price
• Own design, aesthetics; • Small production; • Main colour: pink; • Limited editions; • Intangible features • Limited points of sale; • Personalization.	• Raw materials • Production know-how "Savoir Faire"; • Made in Portugal; • European Economic Area.	• Brand's message; • WOW Customer; • Partnership with Instagram (2016); • Women Empowerment; • #ProudToBeAWoman.	• The feeling of happiness • Certain "status"; • Self-esteem and self-confidence; • Instrument of self-expression; • Authentic experience; • Self-affirmation.	• Determines product' image; • Tangible part; • Intangible part • To differentiate the target.

JOSEFINAS

Question 2: Luxury Consumer

- **Question 2:** What is the targeting and positioning intended of *Josefinas*?

- **Question 3:** Make a reflection on the fact that *Josefinas* want to open a pop-up.
- What motivates the brand to open a pop-up abroad? What are the goals the company want to reach with this decision? For you, it makes sense? If not, explain why.

Question 2: Segmentation - Target

Type of Criteria	Segmentation Criteria	Target Profile
Geographic	Country	Worldwide
Demographic	Age	30-50 years old
	Gender	Feminine
Psychographic	Purchasing Power	High
	Personality	Independent, Modern, Persistent and Adventurous.
	Lifestyle	Travel and Cats.
Behavioral	Occasions	Everyday, Fashion Weeks and while Travelling.

Question 2: Positioning Golden Triangle
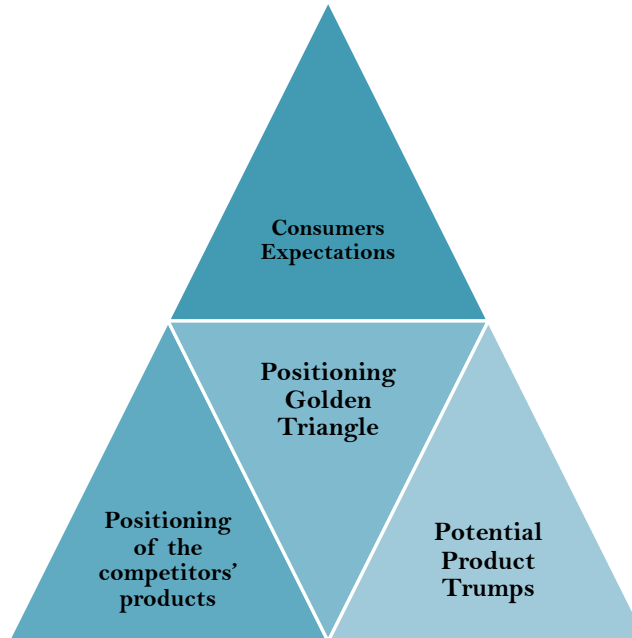
Consumers Expectations

Positioning Golden Triangle

Positioning of the competitors' products

Potential Product Trumps

Question 2: POPs and PODs

POPs
- Handmade in PT;
- DNA: flats;
- Comfortable shoes;
- Innovative Design.

PODs
- Feminism;
- Social Role;
- Give Women Power;
- Most stylish flats.
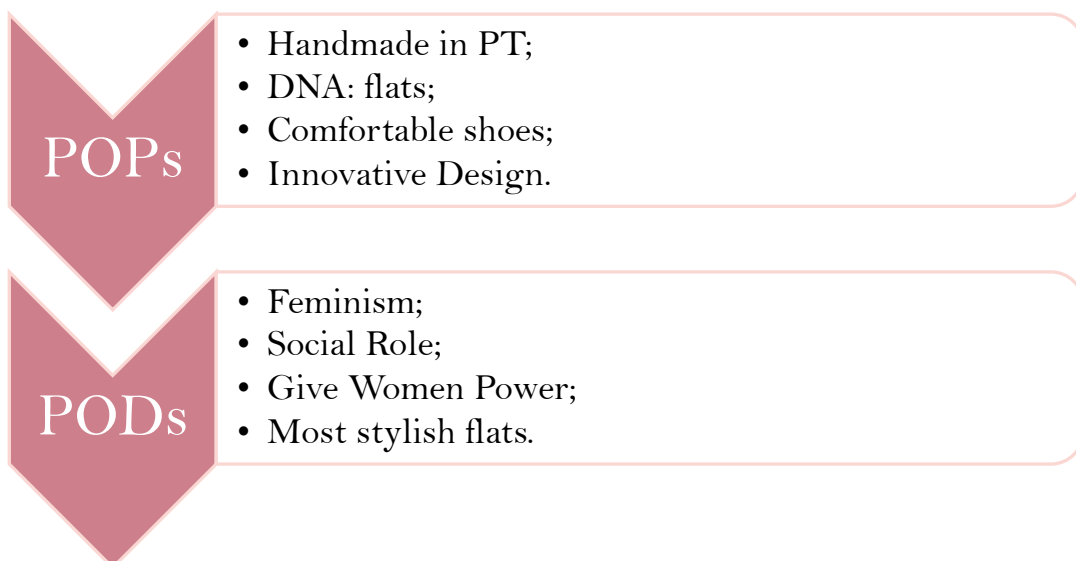
JOSEFINAS

Question 3: Motivations and Goals to open a pop-up abroad

Motivations

Leverage the digital;

Great Marketing Tool;

Geographical, cultural and linguistic proximity;

Perception of external markets;

Etc.

Objectives

Create buzz;

Networking;

Identify customers' needs;

Interface with customers;

New costumers;

Etc.

Question 3: Motivations and Goals to open a pop-up abroad

- Do you agree with these answers? For you, it makes sense?

- If not, explain why!

JOSEFINAS

- Question 4: Indicate criteria to evaluate the alternatives of geographic markets (minimum 5). Create a table where you compare the three markets for each of the indicators.

#PROUDTOBEAWOMAN

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Josefinas Case Study.   13

Question 4: List of Potential Criteria of geographic markets

Geographic Criteria	• Countries; • Nations; • Neighbourhoods;	Cities; Regions; States.
Demographic Criteria	• Gender; • Education; • Occupation;	Age; Income; Religion.
Psycographic Criteria	• Purchasing Power; • Purchase Reasons; • Lifestyle;	Social Class; Personality; Attitudes.
Volume Criteria	• Market.	
Behavioral Criteria	• Attitudes towads the product; • Occasions; • Loyalty.	User Status; Readiness to buy.

Question 4: Indicators to evaluate the three markets

City/Country	Number of Millennials and Generation X in each city	Women purchasing power by country
New York (USA)	Millennials: 28.9% Generation X: 28.5% (city New York).	More than 60% of all personal wealth of the country
London (UK)	Millennials: 20% Generation X: 19%. (city London).	Responsible for 83% of all purchases in the UK.
Tokyo (Japan)	Millennials: 22% of the Japanese people, Generation X: N.A. (Japan).	Responsible for 60% of all purchases in Japan. Historically, controllers of the household finances.

Question 4: Indicators to evaluate the three markets

City/Country	Geographic Distance (from Braga, Portugal)	Market Value of Luxury Goods in 2018	Costs efficiency of transportation to the foreign country from PT
New York (USA)	5,356.09 km;	160,000 million euros;	Up to 1kg: €67,10, Up to 1,5kg: €75;
London (UK)	1,274.74 km;	61,016 million euros;	Up to 1kg: €58,50, Up to 1,5kg: €73,40;
Tokyo (Japan)	10,835.99 km.	24,949 million euros.	Up to 1kg: €95,20, Up to 1,5kg: €113,50.

City/Country	Per Capita Luxury Goods Consumption by country (2018)	Internet Users: E-commerce & Digital Commerce by country in percentage (2018)	Number of bloggers per country in percentage (2018)
New York (USA)	€36,683;	78.84%;	29.22% (first worldwide);
London (UK)	€23,007;	79.48%;	6.75% (second worldwide);
Tokyo (Japan)	€19,543.	71.23%.	4.88% (third worldwide).

Question 5: Global Luxury Market
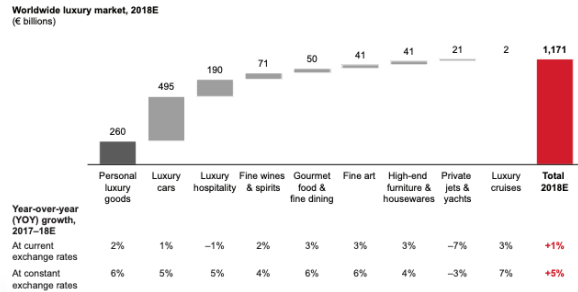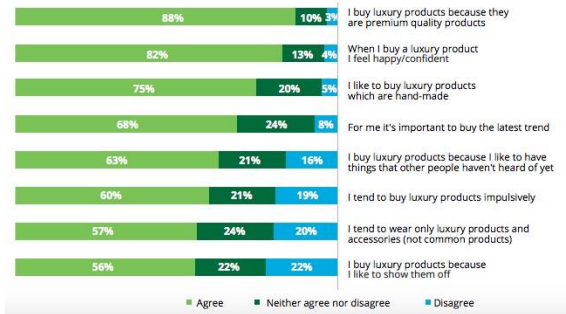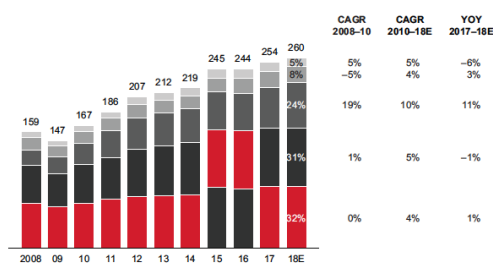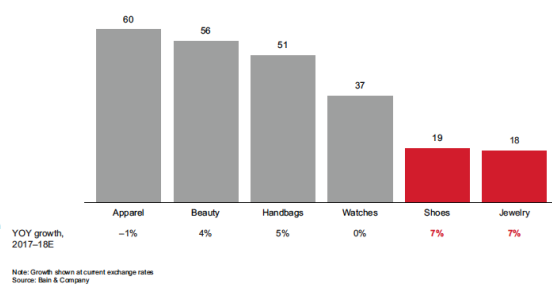
SWOT Analysis of the three markets

- **Question 5:** Following the previous question and answer, analyse the Potential three Markets building a SWOT Analysis for each market.

- Strengths and Weaknesses→ inside the market;
- Opportunities and Threats→ external environment;

Question 5: SWOT Analysis of the American market

Strengths

- Leading economy worldwide;
- Strong media and celebrities stimulate fashion;
- New York Fashion Week;
- American fashion accounts for $200 billion every year;
- Second market with more sales in the luxury market worldwide;
- Market value of Luxury Goods: $181,923 million.

Weaknesses

- Millennials & Generation Z are the principal shoes sector consumers in the global luxury market;
- Consumers use multiple channels before purchasing an item;
- Similar products and brands;
- Lack of international notoriety;
- Brand Awareness Interruptions;
- Globalization of consumer's tastes.

Opportunities

- Women Purchasing Power;
- Portuguese design on the rise;
- Made in Portugal (notoriety);
- Chinese luxury Consumer (search for mature markets like USA to do luxury purchases);
- Millennials: 30% of global luxury sales worldwide;
- Social networks.

Threats

- Competitors;
- Crisis in key partner countries;
- Geographic distance and cultural differences with Portugal;
- New emerging markets, (South Korea, South Africa);
- Local Consumption – Ethnocentrism;
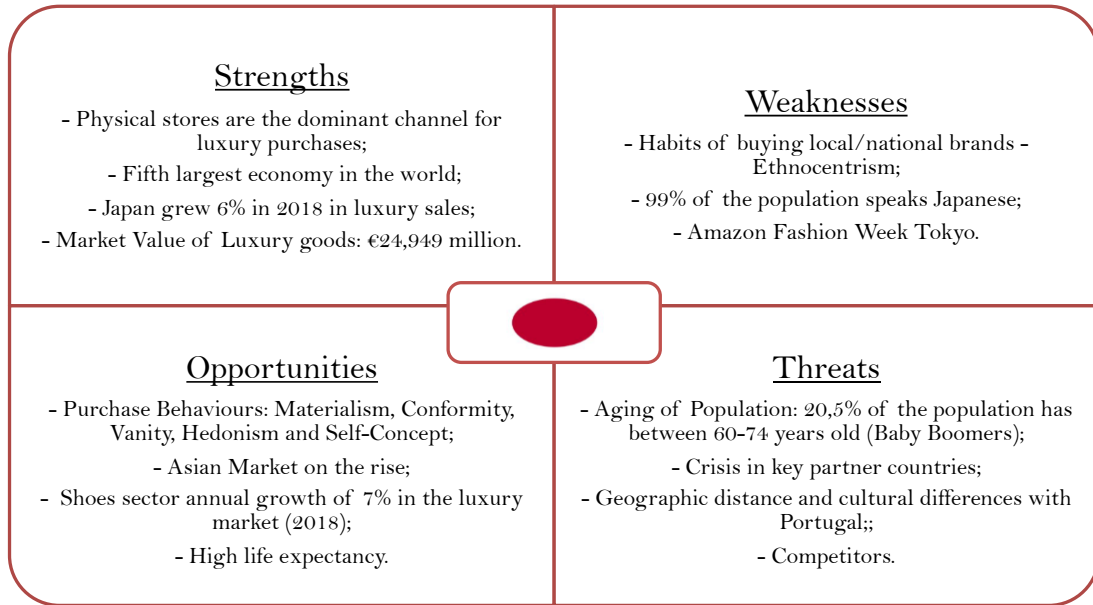- Ecological threat.

Question 5: SWOT Analysis of the English market

Strengths

- London –fastest growth in UK;
- Constant raise in Foreign Direct Investment;
- London Fashion Week;
- Important fashion magazines are established in the UK (WGSN, Velvet Magazine, Buro 24/7);
- Market Value of Luxury Goods: £85,000 million.

Weaknesses

- Millennials & Generation Z are the principal shoes sector consumers in the global luxury market;
- Globalization of consumer's tastes and preferences (does not recognize differentiation);
- Consumers use multiple channels before buying an item.

Opportunities

- Majority of the UK's population is female;
- UK still belonging to the European Union with free trade;
- Number of bloggers: Second leading country worldwide;
- Geographic and cultural proximity with Portugal;
- Europe – top region for luxury sales by value in 2017 and 2018.

Threats

- Brexit (country instability);
- Ecological Threat;
- Oscillation of skin prices;
- Expertise of artisans tend to disappear;
- Big shoes brands that create trends.
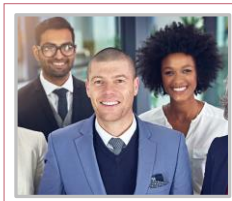
Question 5: SWOT Analysis of the Japanese market

Strengths

- Physical stores are the dominant channel for luxury purchases;
- Fifth largest economy in the world;
- Japan grew 6% in 2018 in luxury sales;
- Market Value of Luxury goods: €24,949 million.

Weaknesses

- Habits of buying local/national brands - Ethnocentrism;
- 99% of the population speaks Japanese;
- Amazon Fashion Week Tokyo.

Opportunities

- Purchase Behaviours: Materialism, Conformity, Vanity, Hedonism and Self-Concept;
- Asian Market on the rise;
- Shoes sector annual growth of 7% in the luxury market (2018);
- High life expectancy.

Threats

- Aging of Population: 20,5% of the population has between 60-74 years old (Baby Boomers);
- Crisis in key partner countries;
- Geographic distance and cultural differences with Portugal;;
- Competitors.

Question 6: Why the American Market?

| New York Fashion Week | USA: 30 % of *Josefinas's* exports. | Market Value of Luxury Goods: 181,923 million dollars | Fashion Magazines headquarters in NY. |

Question 7: Communication Strategy JOSEFINAS

WHO? Agents.

FOR WHOM? Targets.

FOR WHAT? Objectives.

WHAT? Message.

HOW? Variables.

WHAT RESULT? Criteria.

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Question 7: Variables of the Communication

Advertising

Direct Marketing

Public Relations

Promotions/Discounts

Merchandising

Sponsorship and Patronage

Online Communication

Sales Force

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Question 7: Proposed Communication Strategy

Partnership: Josefinas x Chiara Ferragni (Limited Edition). Draw together two models for Josefinas.

NEWS

OLIVIA CULPO ROCKING JOSEFINAS
Mar 2017

Olivia Culpo dazzled in Josefinas on Sunday after returning from a romantic getaway in the Bahamas with boyfriend Danny Amendola.

DOWNLOAD PRESS KIT
44.11 MB

A FEMINIST WINDOW DISPLAY IN THE HEART OF NEW YORK'S SOHO
Mar 2017

The number 252 on Elizabeth Street is home to Josefinas' first flagship, the proudly feminist shoe brand. Josefinas reinterpreted Cinderella's story as an homage to all the wrongly told stories about women, or stories not told at all. The 2.0 version of Cinderella took over 50 hours and a team of 4 women to bring to life. And only paper was used in its creation.

DOWNLOAD PRESS KIT

GINGHAM STYLE
Mar 2017

This story takes place in the 60s. Josefinas rewrote the footsteps of this decade in the most jovial and feminine way. The brand used the famous gingham pattern in the creation of Pop Square, a collection of flat shoes that celebrates what would have been The Beatles' feminine side. A new combat boot, all made in blue gingham, complements the collection of four ballet flats.

DOWNLOAD PRESS KIT

Press Releases

Cat Series (Public Relations). Event at the pop-up store NY with cats and owners.

Question 7: Proposed Communication Strategy

Social Causes: On 8 of March 2018, *Josefinas* donated 25 pairs of *Josefinas* to the Association Dress for Success.

Social Media as a Communication tool.

Public Relations: Monthly #ProudToBeAWoman Talk with the aim of sharing the inspiring stories of successful women, encouraging dreams and ambitions of other women.

Question 7: Proposed Communication Strategy

Influence Marketing : brand's non-oficial ambassadors.

Partnerships: Limited Edition
Josefinas x Jaydee. Painted by hand.

Partnerships & PR:
Josefinas x Patricia
Chang.

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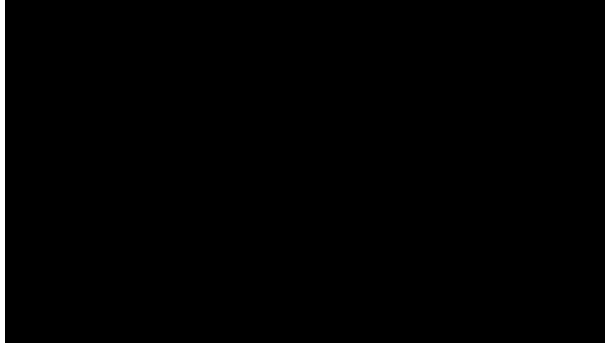
5. 3. Epilogue Slides

Internationalization of a Digital Luxury Brand: *Josefinas* Case Study

Epilogue Slides.

JOSEFINAS

Chosen
Destination

Cinderella 2.0 showcase

- COO of *Josefinas,* Maria Cunha said: "Josephine's mission is to inspire and empower women; is to give them voice and hope; is to fight the misogyny. With Cinderella 2.0 we wanted to tell the story of a strong and not fragile woman; we wanted to show an independent woman whose happiness does not depend only on the prince charming; we wanted to highlight a woman who can dream and achieve; we wanted to affirm how much we believe in friendship in the feminine rather than perpetuate the absurd idea that women do not get along."

Epilogue Slides - Internationalization of a Digital Luxury Brand: Josefinas Case Study

"Cinderella 2.0" – Showcase Handmade Process   JOSEFINAS

"Inside New York"... Nolita...   JOSEFINAS
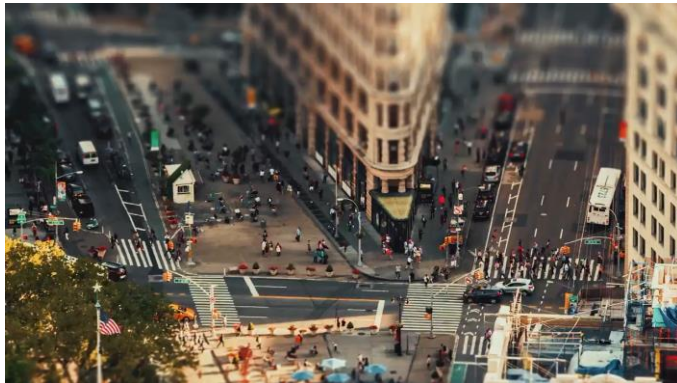
Inside *Josefinas'* Pop-Up in New York

JOSEFINAS

JOSEFINAS

Inside *Josefinas'* Pop—Up in New York
Josefinas' **sales** increased overall **+200%.**

From 2015 to 2016, the brand **raised billing** by **360%.**

JOSEFINAS   Influence Marketng – non-official ambassadors of the brand

Communication Strategy

JOSEFINAS

- <u>Question 2:</u> What are your 4 P's?

  <u>Answer:</u> Regarding Place, *Josefinas* is present in multibrand shops. About Communication, we use social networks such as Facebook, Instagram and Public Relations.

- <u>Question 3:</u> What was your Strategy in New York? What did you use as your Marketing Strategy?

  <u>Answer:</u> We used Press Office(Press Releases), we paid Advertising on Facebook, we sent e-mails to clients and sent Newsletters.

Communication Strategy – Press Releases

Communication Strategy

- Question 4: Are you going to participate in any Fashion Week?

   Answer: We do not participate in the parade format, but we are present via street style.

- Question 5: Could you give an example of a Press Event that you did in New York?

   Answer: In the Fashion Week of New York (2016), we did an exclusive event with a product in partnership with local designer.

Public Relations & Partnership – Josefinas x Jaydee (Limited Ed.)
Public Relations & Partnership – Josefinas x Patricia Chang

Partnership – Josefinas x TBS Chiara Ferragni (Limited Edition)

Public Relations – Cat Series

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Monthly #ProudToBeAWomanTalk   14

After New York, there were more *Josefinas'* Pop-Ups....

Pop-Up Lisbon (2017) Pop-Up Braga (2018) , Pop – Up Oporto (2019) and Pop-Up Lisbon (2019).

5.4. Interviews to the Chief Operating Officer of *Josefinas*, Sofia Oliveira (2018)

Interview 1: Interview with the Chief Operating Officer of *Josefinas*, Sofia Oliveira by Skype (February 2018).

Question 1: What were the motivations to choose to open a store in New York?

Answer: We chose New York because it is the world capital of fashion, we export a lot to the United States, and it is our main market. In addition, the pop-up lasted a year and leveraged the digital through physical distribution.

Question 2: What is your target? It is women in general?

Answer: No. Our target audience is women who like to travel, adventurous women, women who value the quality of products, women with purchasing power, who like to pamper and persistent women.

Question 3: Is the brand *Josefinas* considered as a luxury brand?

Answer: Luxury brands have some traits that *Josefinas* broke like exclusivity and do it by hand/handmade shoes. *Josefinas* began in digital and goes beyond the product itself, i.e. belong to a women's movement called Proud to be a Women, which has the goal to inspire and give power to women. This is the Brand Idea and that is where the brand came.

Question 4: The fact of celebrities share *Josefinas*' photos on Instagram is part of your Marketing Strategy? Are they ambassadors of the brand?

Answer: We use the called Influence Marketing. A couple of years ago before this boom of Instagram, *Josefinas* saw an opportunity on bloggers, because if the bloggers recommend people are more willing to buy the product. However, we do not have any official ambassadors, people who share *Josefinas's* footwear on Instagram share them, because they like the product and the brand, so we can say that they are non-official ambassadors of the brand, *Josefinas* do not pay anything to these celebrities or bloggers to put photos of our products on Instagram. Regarding our Marketing Strategy, we want to provide a bold step to women, we are a 100% digital brand, worldwide and media brand.

Question 5: The blog somehow increases sales?

Answer: No, the blog is more to take doubts of the clients or give some suggestions such as explain better how to clean *Josefinas*.

Question 6: Could you talk about the evolution of sales in volume and value of the New York store?

Answer: No, I cannot give you this information. I can only say to you that between 2015 and 2016 we have increased billing by 360% and during the pop-up store in New York, 200%.

Question 7: What are your 4 Ps?

Answer: Regarding Place, *Josefinas* is present in multibrand shops. About Communication, we use social networks such as Facebook, Instagram and Public Relations.

Question 8: What was your Strategy in New York? What did you use as your Marketing Strategy?

Answer: We used Press Office, we paid Advertising on Facebook, we sent e-mails to clients and sent Newsletters.

Question 9: Could you give an example of a Press Event that you did in New York?

Answer: In the Fashion Week of New York, we did an exclusive event with a product in partnership with a local designer.

Question 10: What are your competitors?

Answer: Humm…Our main competitor is Repetto because our DNA is flats. Channel also is a competitor and maybe Pretty Bailarinas, however, the quality and concept are completely different so perhaps it is not.

Question 11: Why did you direct the brand and products to Feminism?

Answer: We believe that things need to be genuine. *Josefinas* believed in having the mission that women are capable of. The footwear industry is really hard and very sexist, so we thought that we need to continue and do not give up and with this, we are going to help other women, that is the message. Additionally, our DNA is flats, because beginning with one specific thing is better than with several products.

Interview 2: Questions made by e-mail to the Chief Operating Officer of *Josefinas*, Sofia Oliveira (April 2018).

Question 1: How many collaborators *Josefinas* has at the moment?

Answer: We are 7.

Question 2: What are the short-term and long-term objectives?

Answer: We want to grow in the US and Mexican market, and also, increase the relevance of the Japanese market.

Question 3: Are you going to participate in any Fashion Week?

Answer: We do not participate in the parade format, but we are present via street style.

Question 4: What is the best seller model?

Answer: If we are talking about ballerinas, Fragile Rose; Louise Pink is the most sold model of sneakers.

Question 5: In which countries do you have points of sale? And are you negotiating any right now or for this year?

Answer: At the moment we only sell through our e-store and selected partners in the United Arab Emirates and Italy.

Question 6: But I had the impression that *Josefinas* had a point of sale in France, namely in the "Galeries Lafayette". I remember seeing something related to this.

Answer: We are not yet for sale at Galeries Lafayette – what you saw was the official contract.

Question 7: Can you tell me when are you going to start selling at Galeries Lafayette?

Answer: We cannot yet disclose this information.