Selling Luxury Brands in Online Private Sales Multibrand Retailers—An Exploratory Study of Consumers’ Perspective

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With Internet changing the luxury business landscape, new players have emerged such as the Online Private Sales Retailers (OPSRs). These offer online buyers with a choice of limited-time sales to help companies get rid of their overstocks. Luxury brands are no exception. No research has been conducted about how luxury consumers relate with such websites, hence this paper. In an exploratory fashion, interviews with luxury buyers who also buy online on OPSRs, are conducted to get insights on consumers’ perceptions and luxury brand equity that selling through OPSRs may have. We find that appropriate product and brand help consumers forget that they are buying brands’ unsold stocks, that transferring the luxury webmospheres would be positively perceived, that consumers from these websites are looking for benefits such as freedom of use and brand discovery, rather than personalized offers, that multiple discounts on several OPSRs may damage the luxury-perception of a brand, that the private sales members consider the service to be good enough for the demanded price, and that personalized invitations can help increase online consumers’ feelings of desirability and exclusivity. The paper concludes with practical recommendations for both luxury companies and OPSRs.

Keywords: luxury, online sales, private sales, discounts, brand image, consumer behavior

Introduction

Annual online sales of personal luxury goods have been growing at impressive rates for the last decade. These rates seem even more impressive when compared to the overall sales growth of luxury goods. The online model is projected to keep developing, reaching a value of approximately €20 billion by 2019 (Dauriz, Remy, & Sandri, 2014).

The Internet is changing the business landscape. Luxury brands have found themselves forced to compete in this channel, which since the beginning has been considered as opposed to the concept of luxury (Nyeck, 2004). However, scholars agree on the fact that the question is no longer whether a luxury brands should go online or not, but how to do it instead (Okonkwo, 2009). Luxury brands are facing the challenge of finding themselves in an unknown environment and they need to discover how to address this new market without

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damaging their image (Geerts & Veg-Sala, 2011; Maman Larraufie & Freuslon, 2015; Maman Larraufie & Kourdoughli, 2014). Nameless concerns have conducted luxury brands to under-develop themselves on the Internet. Despite an extensive literature regarding the luxury brands’ presence online, no luxury brand or industry expert has yet found the key to relieve fears such as losing the luxury exclusivity aura, the incapability of recreating a sensorial experience, the difficulty of transferring the luxury values into a website or the lack of control of the global online image and the consumer perceptions.

The global economic situation on the other hand has also shaped new consumers’ behaviors. The number of consumers looking for bargains and discounted deals in Western societies has reached historic picks since the beginning of the crisis. This fact linked to the development of the Internet and e-commerce has resulted into a new business model based on online discounted sales. Online Private Sales Retailers (OPSRs) have emerged, offering products from premium or exclusive brands, to their registered members. Online private sales, also called flash sales, are limited-time offers of brands or group of brands that can only be accessed through membership status or invitation. The concept was introduced by vente-privee.com in 2001. Nowadays, this website has over 30,000,000 million members in eight European countries. OPSRs are a business model herald as “financial unicorns”. These startups including One Kings Lane, Gilt, Fab.com, HauteLook, MyHabit, and Ideeli were valued at around $1 billion each in 2016 (Source: Tully & Holland Inc., orally shared).

OPSRs are all multibrand retailers, which means that they will simultaneously offer sales from various brands on their website. Some have chosen to focus on one product category (e.g., privatesportshop.fr with only sports equipment), while others mix various categories (e.g. Brand Alley, Bazar Chic) ranging from fashion to tourism, including food, entertainment, books, furniture or even banking and insurances. They can mix FMCGs and luxury ones on a same page (e.g., on Surinvitation.com) or build specific areas for the most exclusive brands (e.g., the “Private Lounge” area on venteprivee.com). Most registered consumers can access to any sale and depending on the website can even mix in their purchase basket brands and products from various sales. The current trend in the sector of activity is for big players to acquire specialists or foreign competitors, thus displaying growth rates incredibly high (+50% in 2016 for venteprivee.com, +13.4% in 2016 for showroomprive.com).

While most luxury brands still refuse to partner with OPSRs, some outliers are starting to understand their potential, even manufacturing specific inventory for these retailers. From new designers to well-known brands, all see in this new distribution channel a way to improve their brand image and to gain additional consumer satisfaction and loyalty. Some OPSRs have expanded their businesses further than fashion in sportswear, jewelry, home decoration and high-tech products, travels or food. With all this mix of product categories with various quality levels, luxury brands can hardly find themselves present in these retailers, the main concern being the fear from damaging their brand equity.

While a consistent number of studies have investigated the characteristics of online luxury consumption, very few relate to the topic of selling high luxury goods through OPSRs. This article aims at filling this gap in the literature, identifying in some exploratory fashion consumers’ insights on the sale of luxury goods through these OPSRs, without diluting their brand image.

The article opens with a literature review based on the understanding of the concepts that can influence luxury brand image, followed by the understanding of the online environment and the online tools that can help ensure a satisfactory online consumer experience. It then describes the study per se, with methodology for data collection and data analysis followed by research findings. Interviews with 12 luxury buyers were conducted to
identify several ways luxury brands could use to present themselves on OPSRs’ websites. This session is followed by some discussion and limits of the research results. The article concludes with a set of managerial recommendations that could guide any luxury brand interested in partnering with these retailers. Additionally, as this study was targeted at buyers from private sale sites, the findings could help private sale companies in better understanding their members and ultimately developing more effective sales strategies to satisfy their needs.

**Background**

The literature review was built to understand the concepts and facts that can influence luxury brands’ online brand image when selling luxury brand’s overstocks through OPSRs. Therefore, it starts with a conceptual background on luxury, followed by the understanding of the luxury online environment. Going back to the nature of what is luxury is important for the present study. Indeed, as it will later be explained the Internet and luxury are often presented as contradictory concepts that could not reconcile, esp., when it comes to retail. Then, it will present the various prior researches that inquired upon the elements influencing online consumer perceptions. This is quite important as well for the present study, since the objective is not only to understand what people associate with OPSR and luxury sales, but also what could influence them to consider an OPSR as relevant for selling online luxury goods without diluting the luxury brand image. Lastly, a review of the scarce literature existing related to OPSRs will be presented. Overall, these will lead to the research questions that will be further explored in this article.

**The Concept of Luxury**

Luxury, derived from the Latin word luxus, means indulgence of the senses, regardless of cost (Nueno & Quelch, 1998). It was first found linked to religion in the form of tributes to god(s) and attempts to buy mercy through the sacrifice of wealth (Kapferer, 2012). Later, it became some signal of rank in aristocratic societies. This is luxury’s core, latent sociological role (Mortelmans, 2005). In postmodern societies, it is no more exclusively reserved for the elite (Firat, 1991). Researchers have found middle-class consumers trading up for products that meet their aspiration needs, a process known as the “luxurification of society” (Atwal & Williams, 2009) or “democratization of luxury” (Lipovetsky & Roux, 2003). “New luxury” has been defined as products and services with higher levels of quality, taste, and aspiration than other goods in the category but still affordable (Silverstein & Fiske, 2003). The definition of luxury has even shifted from product consumption/manufacturing knowhow to a way of life and of buying (Roux & Floch, 1996), stressing out the importance of intangible values (Bechtold, 1991). His new definition of luxury makes it more compatible with modern retailing, including the digital environment.

The perception of what is and is not a luxury brand, as well as the amount of luxury contained in a brand, is contextual (Vigneron & Johnson, 2004), with cultural and psychographic characteristics of consumers shaping such perceptions (Dubois & Paternault, 1994). Therefore, a definition of luxury should not follow a narrow but rather an integrative understanding of the luxury concept, as luxury is a subjective and multidimensional construct (Wiedmann, Hennigs, & Siebels, 2007). That will be important to remember in the present study, since it deals with the perception that consumers have around the luxury-dilution potential of OPSRs.

**Luxury Goods and Brands**

Luxury goods are considered to be sensory in nature because their aesthetic characteristics are best
appreciated through the utilization of the human senses of sight, touch, and feel (Okonkwo, 2009). That could be contradictory with the virtual online environment. Besides, luxury items are bought for what they mean, beyond what they are (Dubois & Paternault, 1994).

Nuendo and Quelch (1998) define luxury brands as “those whose ratio of functionality to price is low, while the ratio of intangible and situational utility to price is high”. Therefore, luxury brands always offer high quality at high prices, with standard functionality but a high intangible value. Luxury brands have strategies that address the difficult paradox of the combination of exclusivity and availability and to appeal to many while appearing to be right for only a special few (Okonkwo, 2009). When over diffused, luxury brands gradually lose their luxury facet in consumers’ eyes (Dubois & Paternault, 1994). Therefore, while the distinctive sign of a luxury brand needs to be recognized (hence known by all), it should paradoxically be consumed only by few people (Kapferer, 1997). Overall, the rarity or exclusivity consumer perception has two dimensions: the privilege of owning a rare product because very few can afford to own it, and the privilege of owning a product which is unique due to its product characteristics. These ideas will be important for the analysis because they are considered contrary to online sales.

Consumers are considered to learn and value luxury brands with time, depending on their actions (Erdem, Swait, Broniarczyk, Chakravarti, Kapferer, Keane, Roberts, Steenkamp, & Zettelmeyer, 1999). All actions might not necessarily have a positive impact: If consumers reject the new information, their vision of the brand doesn’t evolve with the brand and new brand activities are perceived as inappropriate, affecting negatively their choices. Since the Internet is a new business model that influences luxury consumers’ learning, understanding how luxury brands could positively influence consumer learning and choices when selling their products through OPSRs is fundamental.

Luxury and the Internet

The inability of the Internet to provide a multisensory experience has held many luxury brands from presenting themselves online (Kapferer & Bastien, 2012). However nowadays the Internet plays an important role in luxury buyers’ shopping journeys on top of an informative one (Peterson, Balasubramanian, & Bronnenberg, 1997). The Internet is not a substitute for offline retails, but a complement for purchasing (Peterson et al., 1997). Besides, with new comers to luxury consumption often feeling intimidated by the luxury retail environment (Kapferer, 2000), the online world sounds like a good opportunity to come across this difficulty.

One main challenge for a luxury brand when going online is to effectively represent the brand essence through its website (Okonkwo, 2009). This is even more true for brands partnering with multibrand online retailers that aim at engaging and influencing consumers at every stage of the “customer decision journey” (Dauriz et al., 2014). Since statistics show that consumers are more and more choosing online multibrand retailers for their luxury purchases (Dauriz et al., 2014), there is a need to consider new concepts and new approaches that build upon the opportunities offered by these new consumers (Atwal & Williams, 2009).

OPSRs & Luxury

The business model of online private sales is imported from its offline counterpart: Expensive designers’ items can be purchased with substantial discounts in a limited timeframe by consumers that have been pre-invited to the event (Atrek & Altuntas, 2011). Such websites allow brands to sell their outdated stocks and build some brand familiarity among the website members (Kim & Lennon, 2013). Membership to the sites is
however easy to get, as compared to the offline environment. Hence the exclusive nature of the sites is no more present online, leading to potential concern for the image-fit with luxury brands in general. Some OPSRs made the choice of selling only sample products (e.g. Gilt Groupe/Rue La La/Ideeli, Hautelook), selling goods with some specific experience, and keeping the feeling of exclusivity (unique products) and good deal (price comparison is impossible since the products have never been and will never be on sale) (Miller & Wortham, 2009).

Website design is considered as one key feature to manage a brand image online. Effective design means understanding the consumer and offering the appropriate mix of content and technology to meet a company’s branding objectives, turning it into a real business decision (Clauser, 2001). Understanding how to recreate the store design and atmosphere, while presenting the products in such a way that clients are immersed in the brand universe, is a strategic challenge for luxury brands selling products on OPSRs (Okonkwo, 2009). Indeed, most scholars agree that the store visit is one of the key components of the luxury experience (Kapferer, 2012). Online, the homepage is the first impression that luxury consumers get from a luxury brand, leading to stronger perceptions of conspicuousness and uniqueness (Brun, Kluge, Königsfeld, Fassnacht, & Mitschke, 2013). Besides, visuals, sounds, smell, usability, and personalization are key online elements to transfer the looks and feel of luxury sensory goods and the prestigious atmosphere to some luxury e-boutiques (Okonkwo, 2009). However, while mono-brand websites manage to convey artistic values and showcase the core values of a given luxury brand, the focal point of a multi-brand website is to benefit from these brand assets (Radon, 2012). There is therefore a need for better understanding of how to present such luxury brands to the Internet consumer for OPSRs.

Still, past research has shown that one dimension of website quality, ease-of-use, is a predictor of purchase intention on private sales sites, along with impulse buying and bargain shopping (Martinez, 2011). This bargain shopping component can be linked with the “smart-shopping feeling” (Schindler, 1989) and urgency feeling (Ayadi, Giraud, & Gonzalez, 2013). Both can be artificially managed online with social sharing facilities and reduced offering. Innovative communicators have been found more likely than fashion followers to visit private sales sites frequently and purchase from them (Kim & Martinez, 2013). They are looking after bargain and after sharing their good experience, their smart shopping. Hence social sharing tools would increase their experience.

Deriving the reasoning from the TAM model in e-commerce (Vijayasarathy, 2004), Inci (2017) found that the most important determinants to build some positive attitude towards a private sales site are perceived usefulness and compatibility (Inci, 2017). We believe that could still apply to luxury, with maybe different definitions of usefulness and compatibility, probably more linked to social issues as well, since luxury consumption has become some social marker (Mortelmans, 2005).

The research objective is thus to investigate, in some exploratory manner, the impact on consumers’ perceptions and luxury brand equity that selling through online private sales multibrand retailers may have.

**Methodology**

This study is by nature exploratory, hence qualitative methodology suits it well (Mucchielli, 1991). With no previous works dealing with the topic, this study aimed at gathering rich and descriptive data, exploring the views, experiences, beliefs, and/or motivations of individuals on specific matters. Besides, qualitative methods, such as interviews, are believed to provide a deeper understanding of social phenomena than would be obtained
from purely quantitative methods (Silverman, 2010).

A guide for semi-structured in-depth interviewing has been developed, with the aim of understanding consumer’s feelings and attitudes towards OPSRs in connection with luxury. This guide has been pre-tested on a convenience sample of scholars, experts in luxury (five people), to ensure all important topics would be covered. Each guide would be preceded by an introduction to the topic and a couple of sample validity testing questions. Indeed, theoretical sampling was used to maximize the internal validity of the data collected, as the process of data collection for generating theory whereby the analyst jointly collects, codes, and analyses his data and decides what data to collect next and where to find them in order to develop his theory as it emerges emanating from grounded theory methods (Glaser & Strauss, 2009). The initial sample needed to be composed of a mix of genders and backgrounds, of occasional or regular luxury consumers who had at least purchased once from an OPSR. Twenty individual in-depth interviews were initially carried out, and only 12 were valid for this study (eight interviewees had never bought online luxury products). While data collection proceeded, and data analysis was conducted (see hereafter for the content analytic process explanation), additional data was gathered from new subjects (15). Data collection stopped when the saturation point was reached, i.e., when no new information emanated from the collected data. The final sample of respondents is therefore of 27 individuals. Both genders are represented, with a slight majority of female respondents (60%). Respondents ranged between 20 and 45 years old, with completed university degrees. And 42% had personal yearly revenues under €25,000 per year, 45% between €25,000 and €49,999, and 13% had personal revenues over €50,000 per year. Ten interviewees spend between one and two hours per day online, while 17 do it during three to five hours. Respondents were approached by e-mail after identification of their relevant profile either online (social networks) or based on databases gently provided by some OPSRs.

The overall interview guide included 27 questions (excluding demographics ones) that aimed at assessing interviewees’ perceptions of online private sales retailers, the inclusion of luxury brands and the impact on their brand image depending on websites’ features and design, the online price, the product offering and the customer service. The interview guide can be found in Appendix A. Techniques such as the observation of reactions and attitudes and reformulation as method for deepening in consumer insights were applied during the interviews, following standard recommendations (Legard, Keegan, & Ward, 2003) along with more advanced ones (Soerensen & Askegaard, 2007). Interviews were conducted over two separate periods of one month each. Interviews lasted an average of 55 minutes and were all conducted in the same casual place in Paris (France) without direct witnesses (a remote area in a coffee). All interviews were recorded and transcribed for ulterior analysis. Notes taken during the interviews were used to complete consumers’ insights.

Deductive content analysis (Cavanagh, 1997) was used to analyze data. Main categories were identified, following an open-coding process (Elo & Kyngäs, 2008). Two researchers were involved in the coding process. They coded separately all verbatims and then confronted their results. This is to make sure that no coding is due to one researcher’s bias.

Results

A summary of the category and sub-category coding can be found in Figure 1.
Nature of an Online Private Sales Retailer

Respondents do not put all the same reality behind the nature of an online private sales website: Most of them mention price reduction as the most important characteristic, while around one third only link this concept to brands’ overstocks. In fact, when asked about the reasons why they like to buy through OPSRs, respondents argue that they like product presentation styles, making them forget about the fact that they are buying unsold stocks. One respondent even explains that he considers that his favorite retailer, vente-privee.com, has helped him add value to brands through their product and brand presentations:

The way they present the products makes us forget about the idea of buying stocks that the brands need to get rid of and that other clients didn’t want at the time that they were sold at the brands’ stores. I think they success on giving value to those items and to the brands. (I6)

Few respondents consider that OPSRs focus on offering qualitative brands, and only a couple of respondents describe them as fashion retailers. Only one respondent links the online private sales concept with the sale of luxury full price vintage collections.

The Relationship Between Luxury and OPSRs

When asked about the relation between luxury and online private sales retailers, some respondents mention the idea of product accessibility (positive). It is perceived as a growing concept in Europe, and a more spread one in the USA:

In Europe luxury brands protect their image so much that they don’t dare to be present in many private sales or price
reduction websites. In the USA, instead we can find Guilt group, which exclusively proposes high range and luxury products. (I10)

Most respondents see several reasons behind the incompatibility of both concepts: lack of the personalized attention, risk of luxury image dilution, and ontological impossibility since “luxury is not to buy at cheap price or to buy products out of the season” (I2).

Respondents are members of a total of 15 different OPSRs. However, half of them admit that even if they are members of several websites simultaneously, they buy only from one or two of them. All respondents happen to be members of vente-privee.com, which is also the favorite website for more than half of the respondents.

**Choosing an OPSR and Luxury Buying**

When asked about the reasons for choosing an online private sales retailer vs. another one, respondents list price (consistent with Ayadi et al.’s findings), brand/product variety, and product display as the most important ones. Some respondents also mention the trust they hold towards these retailers regarding product authenticity and delivery. The word “quality” is recurrent in the verbatims, be it in relation with brands or products that are on display, or with their actual staging on the website. This can be related to the fact that many online private sales members do not have the feeling of buying brands’ overstocks, as written previously: “I find it very practical to wake up in the mornings and have a coffee while having a look to these websites and see if I find something that I’m interested in” (I8).

Two-thirds of the respondents share with their friends the purchases they make on OPSRs: “I cannot wait sharing with my Facebook friends! Then they go and often they also try to buy, of course” (I19). They point on the good price, the brand itself, and the product characteristics. Such sharing and its primary focus on the “good bargain” could have some impact on luxury brands’ image (positive or negative depending on the audience). Such consumers are to be linked with the innovative communicators described by Kim and Martinez (2013), who end into being frequent purchasers on private sales sites.

All but two respondents admit they buy brands they wouldn’t if at full price: They consider them as too expensive compared to product-quality. That is consistent with previous findings that link purchase in private sales to the smart-shopping feeling (Schindler, 1989). Besides, only one respondent states he has experienced some brand dilution feeling, due to the lack of service personalization, while half of the respondents consider the online purchase of a luxury product an opportunity to get closer to the luxury brands:

You give less value to the item that you can buy easily, but not the brand itself. Armani is still Armani, and my dress is still Armani. And if somebody asks me I will say that it’s an Armani dress, not a discounted dress. (I4)

With the aim of getting further insight on the luxury image of brands that sell through OPSRs, respondents have been given examples of sales of high luxury brands in vente-privee.com, as this was an OPSR they were all familiar with: Fred, Boucheron, and Sergio Rossi. Being asked about their impressions about these operations, all but two respondents do not see any brand dilution. They advance reasons such as an opportunity for luxury companies to make additional revenues or target new consumer categories and think this is fair:

I don’t think that the fact of selling through an online private sales retailer dilutes the brand image. What it would is the fact of selling through many different retailers constantly. For example, last year I could see Diesel on sale many times in all of these websites... then I stopped being interested on the brand. (I7)

Therefore, in relation to the Brand Luxury Index (Vigneron & Johnson, 2004), it can be advanced that
luxury brands selling through OPSRs do not see any decrease in consumers’ perceived quality of the brands and of its products.

Possibility of Transferring Luxury Webmospheres to OPSRs’ Websites

For respondents, some website characteristics that could help them gain an online experience more adapted to luxury brands would be: better brand classification, improvement in the communication aspect (e.g., videos explaining brand universes or products), and tools related to product-related information (e.g., more product views and use of real models). Only one respondent considers that no change is necessary when selling luxury brands. Besides, most respondents find the idea of recreating a brand-codes layout on a dedicated page of the OPSRs’ websites appropriate. To challenge further this idea, respondents have been exposed to the specific example of vente-privee.com’s dedicated section called “Lounge” (specialized in premium/luxury products). A minority of them had previously used such area, but 20 of them found it a good way to differentiate luxury brands. Criticisms justifying its non-usage were: lack of visibility and dynamism, along with the difficulty to understand how the OPSR classify brands as luxury or not, as shown by the following quote: “it is difficult to understand, because recently I found a sale in Vente-Privée of very nice cufflinks, with precious stones, and it was not in the Lounge section” (I8).

These answers show that the actual website classification used by OPSRs result in a mix of sales that are luxury or not. They all tend to appear as mixed together, with little differentiation, causing confusion and diluting the overall quality image.

As far as interactive animations are concerned, respondents consider them as experience-enhancing. They speak about them in a passionate tone, with precise examples, and consider them as an added value for the purchase. However, it should be done in a very qualitative way to avoid damaging the brand image.

Lastly, when asked whether they would appreciate a personalized online offering, most respondents are against the idea. They argue that freedom of use, the discovery of new brands or impulse buying are important components of their online consumer journeys.

Therefore, the transmission of luxury brands’ webmospheres to the OPSRs could only help avoid brand image dilution if it is done in a subtle way. The client should still feel that he is in a private sales website. If not, other alternatives should be used, such as interactive animations that would focus on the product quality and on re-creating brands’ universes. The personalization option has been dismissed because it seems to go against the freedom of use and the discovery of new brands, which are in contradiction with the online private sales concept.

 Relation Between Price, Brand Image, and Consumption Patterns

Most respondents do not accept price reductions of less than 50%, arguing that in that case they would rather buy products from the season (directly from the brands), or that they would switch to the competition. However, they declare being willing to buy again the same luxury brand at full price after having bought it at an OPSR with some discount. Reasons such as “only if I’m looking for something from the last season”, “I rather keep the money for myself”, or “I would try to find something similar in the competition” show that the price reduction somehow affects some consumers’ buying patterns. However, no allusions to the brand image dilution have been perceived in the verbatims.

Selection of Product Offering as a Mean to Protect Brand Image

Half of respondents acknowledge they would feel disappointed to find that luxury brands are focusing
their sales on accessories and common leather goods (i.e., the so-called accessible luxury), arguing that these are the kind of products they avoid buying. For the other half of respondents, such a strategy fits perfectly with their needs or is consistent with their opinion around the freedom of offer-choice for luxury brands on OPSRs’ websites. No actual conclusion can thus be drawn from this finding.

Besides, most respondents like buying limited editions for the thrill of having something exclusive or unique. One respondent even mentions that OPSRs’ websites could be a good opportunity for communicating on co-branding actions:

In fact I think that this is a very good idea, because you don’t necessarily follow all the collaborations that prestige or luxury brands do. I think that these retailers are a good opportunity to communicate on these collaborations and to bring them to the people. (I10)

Therefore, while the answer to the question of “what type/category of products to sell” remains unclear, limited editions appear as a good opportunity for selling a selected range of luxury products.

**Appropriate Level of Customer Service**

Respondents were asked a series of questions to grasp their opinion upon current customer service provided by OPSRs and its fit with luxury. Almost all of them think that current customer service is good in relation to the price being paid. However, they identify several ways of improvement, if it should be for luxury brands: specific product delivery, brand involvement, and service customization. For instance, they like the idea of receiving some personalized invitation for the future opening of the sale of a luxury brand. This makes them able to save the date in their calendar and to be ready to access the sale as soon as it opens. Indeed, most of them have gone through recurrent disappointment in relation with the short availability of the best products: “Sure, it would be easier to find the products I like... It’s so annoying to wake up and be connected at 7 am and finding the products sold out already!”(I5).

Besides, respondents state they could feel special and exclusive when receiving some personal invites. This shows that the traditionally used communication model by luxury companies to let exclusive clients know about their private sales can also work in some online environment.

Thus, it appears that luxury brands should not offer the same level of personalized customer service when selling through OPSRs. However, an alternative to the current service offered by OPSRs is proposed to maintain the “luxury” positioning of brand image and ultimately gain consumers’ satisfaction, trust, and loyalty.

**Discussion, Limitations, and Future Developments**

For the past decade, a new type of luxury consumer has been rising: the one who prefers buying out of season or down-priced quality luxury items. This seems to be the reason why private sales online retailers are enjoying a fast rate growth. Facts as convenience, price, and brand variety added to the buying experience collaborate to the success of companies such as Vente-Privée, Gilt Group, and others. Online sales—as well as the influence of mobile and social media on offline sales—will continue to grow rapidly, in both developed and emerging markets (Dauriz et al., 2014). To reflect these changes and satisfy these consumers, luxury brands would need to rethink a part of their business strategies. Partnering with reputed online private sales retailers would help luxury companies to satisfy this demand (avoiding the search for counterfeits) and get rid of their extra stocks, all through a controlled process which moves around the luxury brand image for the beginning till the end.
This research contributes to the online selling of luxury goods literature by investigating the impact on consumers’ perceptions and luxury brand equity when selling through online private sales multibrand retailers. Previous studies were focused only on the online consumers’ perceptions in general. Since the online private sales consumers is an increasing segment, the understanding of their perceptions complements the existing literature on luxury shopping motivations in the online context.

The sample is the major limitation of this study. Indeed, none of the respondents were high regular spenders in luxury goods. Besides, further limitations can be considered in terms of Internet segmentation and geographical location. As seen by the example of Guilt Group, European and American online luxury markets differ from one another; Japan for instance is considered a highly-connected country, at least more than France or Italy. In consequence, the perceptions noticed through this research cannot be generalized beyond the European online private sales members who are occasional luxury consumers.

Besides, as pointed out in the results, all respondents were members of vente-privee.com and for all of them this was their favorite website. Although we never asked them specifically to speak about this OPSR, they spontaneously used it as an exemplar. That is to some extent quite understandable, as this OPSR is indeed the first OPSR in the history of the Web. However, it is quite impossible to make sure data collected from the interviews would be 100% objective and that there is no framing effect due to their relationship with vente-privee.com.

The results from this paper show that these consumers have different expectations than offline consumers in terms of price, customer service, and product offer. We found that appropriate product and brand help consumers forget that they are buying brands’ unsold stocks, that transferring the luxury webmospheres would be positively perceived, that consumers from these websites are looking for benefits such as freedom of use and brand discovery, rather than personalized offers, that multiple discounts on several OPSRs may damage the luxury-perception of a brand, that the private sales members consider the service to be good enough for the demanded price, and that personalized invitations can help increase online consumers’ feelings of desirability and exclusivity.

The economic environment has forced many brands to find new markets in the online environment. Even high luxury brands such as Fred, Boucheron, or Sergio Rossi have partnered with online private sales retailers. Still, the online luxury private sales concept seems difficult to understand for many consumers. Reasons such as the lack of the sensorial complement, the lack of a personalized attention or brands’ exclusive brand image makes this concept’s visualization difficult to the eyes of certain consumers.

Results have shown that the product and the brand presentation can help improve consumers’ attitude towards online private sales, making them forget that they are buying unsold stocks. Clear brand classifications, quality brand universe, and product communication with videos or interactive animations have been detected as possible means for improving the online luxury brand image and the online consumer experience, as well as gaining consumer loyalty. However, it is up to companies to decide the degree of interactivity they want to apply, keeping in mind that limited interactivity helps controlling brand values online, while full interactive enhances consumer experiences. E-retail involves a constant flow of innovative means of differentiation that will meet the expectations of the online consumer to generate more online traffic and maintain customer loyalty (Okonkwo, 2009). Among the current online private sales multibrand retailers, only Vente-Privée is known for mastering the website design and having a creative studio. These facts could be used by luxury brands to recreate the luxury aesthetics and ensure the desired consumer perceptions.
Further testing is recommended for the idea of transferring the luxury brand codes or the luxury webmospheres into online private sales retailers’ websites, as means of keeping a channel-through consistency in communication. The present paper proves it to be a positive option for some consumers, but also to be a highly delicate issue for the perception of the luxury brand image.

Kim and Stoel’s idea regarding the differentiation of the website design by product type has not been mentioned by the respondents of this study. With the above mentioned, it could be considered that online private sales members are not expecting to see differences in the website design by product categories (Kim & Stoel, 2004). However further research should clarify this idea.

Price has shown to be a major condition for online private sales shoppers. Since not all of them consider buying brands’ overstocks, both products and brands keep their perceived value. However, brands that are constantly in sale with many online private sales retailers seem to lose their desirability and alter online private sales shoppers’ consumption patterns. Since the respondents of this research are not heavy buyers of luxury products, further testing is recommended in that segment for the understanding of the impact on image perception and consumption patterns due to online price reductions.

The product offer issue keeps unresolved. However, this study has proved that the sale of limited editions helps keep the exclusivity aura and that it is of interest of many online private sales shoppers. Brands who decide to produce limited editions deliberately for the online private sales retailers must keep in mind that they might face the mistrust of a certain group of consumers. This risk could be avoided through strong communication on the collection’s quality.

It is known that a few online private sales retailers use the membership levels model to recreate the feeling of exclusivity. Luxury brands could take advantage of this idea to keep the confidentiality of the sale of their products, targeting consumers that have proved to be luxury lovers. This study has shown potential acceptance to the idea of receiving a personal invitation for an exclusive sale. It can serve keeping the mystery and the exclusivity feeling of the consumers. However, special attention must be paid to their tangible quality, and to their content: This attention must be sincere (that is, be neither haughty nor obsequious), and must stick to the brand’s identity (Cailleux, Mignot, & Kapferer, 2009).

These recommendations are intended to help luxury brand managers in the identification of opportunities for their online strategies. Above all, luxury brands must make sure that their presence on multibrand sites plays a strategic role and reinforces their brand positioning (Dauriz et al., 2014).

References
SELLING LUXURY BRANDS IN ONLINE PRIVATE SALES MULTIBRAND RETAILERS


Appendix A—Interview Guide

Welcoming speech and information on the confidentiality and anonymity of the answers.

General questions/to ensure sample validity

- Previous purchase of luxury products in the last three years? Provide him/her with examples: Louis Vuitton, Chanel, Hermès, Cartier, Moët & Chandon...
- Previous purchase of luxury products online?

Questions related to OPSRs

- Nature of an OPSR? What he/she understands by this word?
- Juxtaposition of OPS & luxury: Any reaction?
- Any membership to an OPSR? Check favorite and why.
- Explore the reasons why he/she likes buying from an OPSR.
- Address the sharing topic: Does he/she tell about the purchase? With who? When? Why? What about?

Questions related to Luxury Brands & OPSRs

- OPSRs and prices offered: Attractive? Why?
- Any prior experience with luxury purchase on an OPSR?
- Attitude towards a luxury brand present on an OPSR’s website: Feelings? Opinion? Any change in brand image? Prestige damaged or not?
- The case of vente-privee.com. Show pictures from collaborations with Boucheron, Sergio Rossi, and so forth. Let the interviewee react.

Web Design Interactivity

- Online luxury experience: What? How to convey it? Esp. in an OPSR’s website... Let the interviewee propose and dig into his/her ideas.
- Recreating the luxury brand DNA on the OPSR’s website? Spontaneous reactions and then make him/her elaborate.
- Personalized offer—concept check

Price

- 50% discount barrier or another one?
- Purchase intention at full price for a luxury brand afterward?

Product offering

- Discussion with interviewee: Nature of products? Range?

Customer Service

- Customer service and OPSRs—Opinion, attitude...
- Imagine what they could do to be more “luxury”.
- Any idea they would appreciate?

End of the interview—Demographics questionnaire and thanks.