THESIS

EXPLORING LUXURY FASHION BRANDS' STRATEGIC RESPONSE TO CRISIS: A MULTIPLE CASE STUDY ON SURVIVING THE GLOBAL FINANCIAL CRISIS

Submitted by

Jennifer H. Worrell

Department of Design and Merchandising

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Master's Committee:

Advisor: Nancy J. Miller
Co-Advisor: Sonali Diddi

Dawn DeTienne

ABSTRACT

EXPLORING LUXURY FASHION BRANDS' STRATEGIC RESPONSE TO CRISIS: A MULTIPLE CASE STUDY ON SURVIVING THE GLOBAL FINANCIAL CRISIS

The Global Financial Crisis, 2007-2010, affected the luxury industry, causing an 8% overall decline, major consumer behavior shifts, and increased competitive pressure on luxury fashion brands' strategic responses (Cavender & Kincade, 2014; Halliburton & Kellner, 2011; Savelli, 2012; Som & Blanckaert, 2015). The few studies conducted on luxury brands' strategic response to the financial crisis (Cavender & Kincade, 2014; Som & Blanckaert, 2015) have focused on luxury conglomerates, e.g. parent companies owning multiple individual brands (Som & Blanckaert, 2015) and mono-brand houses, e.g. individual brands that design, manufacture, and distribute goods directly to the consumer, through multi-brand retailers, and/or other channels like licensed boutiques (Brun, Caniato, Caridi, Castelli, Miragliotta, Ronchi, Sianesi, & Spina, 2008). However, the multi-brand retailer is a key collaborator for conglomerates and mono-brands alike as they distribute mono-brand houses' goods in their own unique, luxury retail environment (Brun et al., 2008; Iannilli, 2014). Despite their important role in the luxury business landscape, the multi-brand retailer has not been considered in the literature. Therefore, this exploratory multiple case study sought to redress this gap through the investigation of the brand management strategies chosen by luxury fashion executives from a multi-brand retailer and a mono-brand house during the Global Financial Crisis. Semi-structured interviews were conducted with senior executives from two case companies, along with senior executives from a small set of auxiliary luxury brands for triangulation. The findings from this qualitative study offer practical insight on luxury brand management during crisis conditions, as well as the

advancement of academic knowledge through the examination of a re-conceptualized luxury brand management framework based on the luxury brand management models previously put forth by Cavender and Kincade (2015) and Som and Blanckaert (2015).

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DEFINITION OF TERMS

- **Brand management strategies:** The way tangible and intangible assets of a brand are managed (Cain, 2014).
- **Crisis:** "A state of extreme incongruities in a socioeconomic system…or in an individual's various phases, threatening its viability and the immediate surroundings" (Iivari, 2012, p. 11).
- **Conspicuous consumption:** "consumers who buy expensive items to display wealth and income rather than to cover the real needs of the consumer" (Conspicuousconsumption.org, n.d., par. 2).
- **Consumer:** Consumer may more thoroughly describe a person's behavior in acquiring, consuming, and disposing of goods (Mowen & Minor, 2001, p. 3-5), whereas customer indicates a person who buys a good directly from a business (Lombardo, n.d.). However, a customer can simultaneously be a consumer (Lombardo, n.d.). Therefore, consumer and customer will be used interchangeably for this study.
- **External factors:** A type of factor that can lead to crisis and thus impact businesses, including fluctuation in demand, credit policy, payment difficulties, accidents, personal loss, political/legal uncertainty, economic cycles, government regulation, currency inflation, and global competition (Iivari, 2012).
- **Financial crisis:** A crisis wherein there is a significant devaluation of assets (e.g., stocks, bonds, etc.) that may or may not negatively impact the real economy (Som & Blanckaert, 2015). In the business literature (e.g., Fîrţescu, 2012; Hayes, 2016; Reuters, 2015), economic, financial, and political impacts are considered external to the company's control. The Global

Financial Crisis (2007-2010) context of this study will be understood as a financial crisis (Som & Blanckaert, 2015).

- **Globalization:** "The compression of space such that distance is less of a factor than it used to be in terms of knowledge, communication and movement. Geography and territory are undermined and things start to develop at a level that is more than, and above, international relations" (Martell, 2016, p. 26).
- **Luxury brand:** "[Luxury brands are] carefully crafted through meticulous strategies in marketing and brand building, making their mark in the consumer's subconscious and having the following…characteristics: brand strength, differentiation, exclusivity, innovation, product craftsmanship and precision, premium pricing, and high quality" (Som & Blanckaert, 2015, p. 6). The scope of luxury brands within this study will be limited to luxury fashion brands, which span soft goods (e.g., apparel, shoes) and hard goods (e.g., leather goods, fragrances, watches, jewelry) (Som & Blanckaert, 2015), and exclude other luxury sectors like wine and spirits, hospitality, and automobiles. References to "brand" and "luxury fashion brand" will be considered synonymous with "luxury brand."
- **Luxury brand management:** Although the literature does not provide a singular definition of luxury brand management, it will be understood as the way in which tangible and intangible assets of a luxury brand are managed to achieve the desired position within the marketplace (Cain, 2014; Cavender & Kincade, 2015). Critical variables for luxury brand management include brand identity (e.g., brand personality, protection, values, historical essence of brand), marketing vision (e.g., vision supporting brand identity and position, the integration of that vision), brand equity (e.g., added value for customers, vendors, etc.), brand architecture (e.g., diversity, brand extensions, sub-branding), brand sustainability (e.g., long-

term return on investment (ROI), relationships with customers, vendors, etc.), and effective response (e.g., organizational adaptability, responsiveness to business environment), resulting in specific strategic outcomes (Cavender & Kincade, 2015).

- **Luxury conglomerate:** Large parent companies that own numerous individual luxury brands or "mono-brands", for example, Louis Vuitton Möet Hennesy (LVMH) owns Marc Jacobs, Emilio Pucci, etc. (Goetz, 2017; Som & Blanckaert, 2015). "Luxury conglomerate" and "conglomerate" will be considered synonymous terms.
- **Multi-brand retailer:** A company "whose core business is to sell consumer goods directly to the end consumer via storefront, catalog, television, or online" (National Retail Federation, n.d., par. 2). In luxury, the multi-brand retailer has a unique brand image, identity, services, pricing structure, and promotions. As such, multi-brand retailer will be considered a luxury fashion brand for this study and may also be referred to as "multi-brand."
- **Mono-brand house:** An independent luxury fashion brand wherein merchandise is designed, manufactured, and sold either to a multi-brand retailer or directly to the consumer in an eponymous, stand-alone retail store (Oxford Living Dictionaries, n.d.). When the mono-brand house's goods are sold to a multi-brand retailer, the multi-brand retailer then sells the goods to the consumer in a traditional retail model. In this sense, the mono-brand house is also a vendor in the supply chain to the multi-brand retailer. Thus, the mono-brand house may also be referred to as "vendor" and/or "mono-brand" in this study.

CHAPTER 1 - INTRODUCTION

The following thesis provides a detailed description of the exploratory multiple case study of the strategic management response(s) of luxury fashion brands during the Global Financial Crisis of 2007-2010. Chapter 1 provides the background, justification, statement of purpose, and research questions for the study. Chapter 2 synthesizes a comprehensive review of relevant literature and an overview of theoretical frameworks for the study. Chapter 3 details the methods used for this study's research design, including sample selection, instrument design, participant profile, data collection, and data analysis. Chapter 4 provides the discussion of the study's findings and propositions, followed by conclusions, implications, limitations, and future research suggestions in Chapter 5. Appendices include IRB approval, IRB protocol, research instrument, themes and sub-themes, and coding guide for framework fit analysis.

Background of the Study

The fashion industry represents a significant economic sector worldwide, with an estimated worth of $3.3 trillion and 2% of the global Gross Domestic Product (GDP) (FashionUnited, n.d.). It is composed of multiple segments that are generally distinguished by price and product; segments range from discount on the low-end to luxury on the high-end (Amed, Berg, Brantberg, Hedrich, Leon, & Young, 2016).

The luxury segment is unique within the fashion industry because it relies heavily upon value recognition and exclusivity (Nueno & Quelch, 1998; Vigneron & Johnson, 2004). In addition, luxury consumers' needs and values are often more hedonic in nature than utilitarian (Vigneron & Johnson, 2004). Traditional luxury consumers occupy top income brackets with high levels of discretionary income (Danziger, 2017; Som & Blanckaert, 2015) and expect luxury brands to deliver functionality along with symbolic and experiential value (Brun, Castelli, & Karaosman, 2017; Caniato, Caridi, Castelli, & Golini, 2009).

Luxury fashion brands differ from other fashion brands not only by the consumer base they serve but also by the very essence of the brand. The emphasis and core of luxury brands is heavily based on key dimensions, including brand identity (e.g., emotional appeal or brand personality), marketing communications, product integrity, premium prices, exclusivity, heritage, environment/experience, and culture (Fionda & Moore, 2009). In this way, luxury fashion brands are fundamentally different from other fashion brands (Fionda & Moore, 2009). The unique dimensions of luxury brands and the wealthy target market of those brands contributed to a general assumption that the luxury market was impervious to economic downturn (Halliburton & Kellner, 2011), but research has shown that luxury fashion brands are not immune to the effects of economic crisis.

The Global Financial Crisis of 2007-2010 caused widespread decline and upheaval in many business sectors across the world, including the luxury sector (Business Think, 2010). The luxury sector, including fashion, jewelry, cars, and wine, declined 8% overall (Business Think, 2010). In 2004, the $840 billion sector was projected to reach $1 trillion in sales by 2010, but it only achieved that projection at the end 2016 – six years later (D'Arpizio, Levato, Kamel, & de Montgolfier, 2017; Truong, McColl, & Kitchen, 2009).

In addition to the financial decline, the Global Financial Crisis contributed to significant shifts in both the demand and supply side of the luxury business environment (Savelli, 2012). On the demand side, consumers became more austere in both their attitudes and purchase behavior. They became less enamored with achieving luxury aspirations compared to obtaining exclusive luxury (Savelli, 2012). Some consumers who fared better than their contemporaries experienced a sense of guilt, or "luxury shame," which impacted purchase behavior (Hassan, Husić-Mehmedović, & Duverger, 2015). On the supply side, luxury brands experienced increased competitive pressures and decreased capital for investment (Savelli, 2012). Strategic response became even more important to combat the effects of the crisis.

Economists and fashion industry analysts offer several perspectives about the future of the global economy. In many ways, political and economic uncertainty have increasingly become a familiar and fundamental part of the business landscape (D'Arpizio et al., 2017). Although the Global Financial Crisis occurred almost a decade ago, some analysts and industry professionals have expressed a growing concern over the possibility of another global financial crisis occurring in the near future. Some analysts predict another global recession by 2020 (Dent & Pancholi, 2017; Zagorsky, 2017), while others report cautiously optimistic growth in the next few years (McCarthy, Perkins, Pope, Portaluppi, Scaramuzzi, & Su, 2017). There is agreement, however, that uncertainty abounds with the revisions of trade deals in the US, the exit of Great Britain from the European Union ("Brexit"), and the terrorist attacks throughout Europe all in recent years (McCarthy et al., 2017; Paton, 2017). Interestingly, sentiments among fashion executives seem pessimistic. In a recent study conducted by the Business of Fashion, a fashion trade publication, and consulting firm McKinsey & Company, 68% percent of the 200 fashion executives in developed markets such as Western Europe and the US reported that they think business conditions will become worse next year (Amed, Berg, Kappelmark, Hedrich, Andersson, Drageset, & Young, 2017). If the apprehension felt by some industry analysts and the 200 executives surveyed proves true, an examination of the past may help prepare for the future.

Research has shown luxury fashion brand executives and/or managers implemented a variety of brand management strategies during the Global Financial Crisis with differing outcomes. Some luxury fashion brands, like Stella McCartney and Lanvin, closed 18-month old stores as part of a strategy to cut costs, while others like Christian Lacroix were forced to close completely in 2009 (Som & Blanckaert, 2015). In contrast, certain brands not only survived but grew during the Global Financial Crisis by adopting global expansion and/or up-scaling product line strategies, as was the case with Prada and Christian Dior, respectively (Hassan et al., 2015; Som & Blanckaert, 2015). Although the existing empirical research offers key insights on strategic responses to crisis (Som & Blanckaert, 2015), there is a gap in the luxury brand management literature, especially in the crisis context, because not all critical business models have been considered, namely the multi-brand retailer.

It is important to first summarize the three predominant business models within the luxury fashion market: 1) luxury conglomerates, which are large parent companies owning numerous individual brands or "mono-brands" (e.g., Louis Vuitton Möet Hennesy (LVMH) owns Marc Jacobs, Emilio Pucci, etc.) (Goetz, 2017; Som & Blanckaert, 2015); 2) multi-brand retailers, which are companies "whose core business is to sell consumer goods directly to the end consumer via storefront, catalog, television, or online" (National Retail Federation, n.d., par. 2); and 3) mono-brands houses, which are individual brands that design, manufacture, and distribute their goods directly to the consumer and/or through multi-brand retailers (Brun et al. 2008). The multi-brand retailer is a key collaborator with both conglomerates and individual mono-brand houses in distribution, marketing, and customer service especially (Brun et al., 2008; Iannilli, 2014). Referencing luxury retailer *La Rinascente*, a historic Italian luxury retailer that derived its business model from the American retail model, Iannilli (2014) described the unique and special role of the multi-brand retailer "[La Rinascente] knows just how to interpret and communicate the affirmation of its peculiar cultural identity in an industrial Italy, representing through its selection of products the most important designers and brands" (p. 204). Thus, the multi-brand retailer serves a critical role in the luxury business landscape, and this perspective must be considered to gain a holistic understanding of luxury fashion band management strategies within a crisis context.

In sum, relatively few empirical studies have focused on the brand management of luxury fashion brands in general (Savelli, 2012), and fewer have examined the experiences of luxury fashion brand leaders in managing the brand through financial crisis. Furthermore, previous studies gathered data predominantly from luxury conglomerates and mono-brand house participants, but no studies were found by the researcher on the topic using the multi-brand retailer as a data source to facilitate broader and deeper understanding. This reveals an important gap in the literature that necessitates exploration.

Justification

The Global Financial Crisis of 2007-2010 caused significant financial decline within the luxury sector (Business Think, 2010), as well as major shifts in the consumer and competitive landscape (Savelli, 2012). Valued at over $1 trillion, the global luxury industry grew by 5% in 2017 and represents an important economic sector (D'Arpizio et al., 2017; Truong et al., 2009). Studies have found that luxury fashion brands overcame and/or mitigated the negative effects of the financial crisis through specific brand management strategies, some with greater success than others (Hassan et al., 2015; Som & Blanckaert, 2015). However, there are several key gaps in the literature that leave both practitioners and academics without a holistic understanding of luxury brand management in the crisis context and therefore, potentially more susceptible to the negative effects of economic crisis should another occur in the future.

First, relatively few studies have been conducted on the subject of luxury fashion brand management, and fewer were conducted within the economic crisis context (Cavender & Kincade, 2015; Som & Blanckaert, 2015). Within the broad luxury market, luxury fashion brands are important to consider because they represent a large portion of luxury goods, have complex branding, and have marketing mix costs and complexities (Fionda & Moore, 2009). Unfortunately, they have been underrepresented in the literature (Fionda & Moore, 2009). Previous studies focused primarily on the consumers' attitudes and behavior (Savelli, 2012), the component parts of luxury brand management (Cavender & Kincade, 2015; Fionda & Moore, 2009), and the brand management strategies implemented in response to the crisis (Som & Blanckaert, 2015). Second, studies have included either luxury conglomerates, like Louis Vuitton Möet Hennesy (LVMH), and/or luxury fashion houses (mono-brands), like Prada, for data collection but have ignored multi-brand retailers, which are key business partners in the luxury business landscape (Brun et al., 2008; Cavender & Kincade, 2014, 2015; Iannilli, 2014; Hassan et al., 2015; Som & Blanckaert, 2015). Finally, little is known about the executives' and managers' lived experiences in their strategic brand management during the Global Financial Crisis (Som & Blanckaert, 2015). Therefore, this study seeks to redress these key research gaps through an exploratory study of the lived experiences of luxury brand executives and managers during this period of economic history, as well as why certain brand management choices were made from both the multi-brand retailer and mono-brand house executives' and/or managers' perspectives.

The findings from the study benefit practitioners and academic researchers. For practitioners, the experiential insight gained from luxury fashion brand executives and managers may provide pro-active brand management strategies to temper potential losses and support sustainment and/or growth during economic downturn. For academic researchers, the study expands the theoretical and operational understanding of luxury fashion brand management within the crisis context, answering the call for studies that aid in the analysis and practical solutions for the complexities of luxury fashion brand management (Coulson, 2017).

Statement of Purpose

The purpose of this study was to explore the first-hand experiences of luxury fashion brand executives in their selection of strategic brand management responses to the Global Financial Crisis of 2007-2010. Within that context, it sought to discover the impact of the external factors on luxury fashion brands. Using an exploratory multiple case study approach (Stake, 2006), this study drew cross-case comparisons between two luxury fashion brands, one multi-brand retailer and one mono-brand house, that endured the crisis using the experience-based insights of their leaders. Additional insight was gained from auxiliary luxury fashion brand executives for depth and triangulation. The discovery of lessons-learned offers practical insight to existing and emerging luxury fashion brand leaders, as well as academic researchers.

The objectives of this study were twofold. First, the study's intent was to generate new propositions based upon the findings of this exploratory study. Second, this study aimed to advance academic understanding of luxury brand management within the crisis context by exploring the fit of a re-conceptualized theoretical framework based upon the luxury brand management framework put forth by Cavender and Kincade's (2015) and Som and Blanckaert's (2015) luxury brand crisis management framework. The two original frameworks addressed key concepts pertinent to this study's exploration (i.e., luxury brand management and luxury brand management strategies during crisis), but re-conceptualization was needed to provide a comprehensive model that included not only the crisis context but the multi-brand retailer perspective as well.

The study was bound by event (Global Financial Crisis, 2007-2010), luxury brand model (multi-brand retailer and mono-brand house), and luxury brand type (fashion) using qualitative methods for data collection and analysis. The multiple case study approach allowed for cross-case comparisons to be drawn to determine the interactivity of each case within the Global Financial Crisis context (Stake, 2006).

Research Questions

In an effort to learn more from the first-hand experiences of luxury fashion brands' leaders who navigated the Global Financial Crisis, the following research questions were addressed.

1. What external factors impacted luxury fashion brands during the Global Financial crisis?
    a. What aspects of the brand did the executives and/or managers perceive would be most affected by those external factors?
    b. What were the similarities or differences of external factors' impact between the brands?
2. What were the similarities or differences of external factors' perceived impact on the brand based on the position of the executives and/or managers during the crisis (e.g., CEO vs. Marketing Manager)?
3. What brand management strategies did executives and/or managers select during the crisis?
    a. What options did executives and/or managers consider?

    b. Why did they make the decisions to employ specific brand management strategy(s)?
    c. What role did brand identity play in their choices?
    d. What were the similarities or differences in the strategies between brands?
4. What were the lessons learned from the executives' and/or managers' perspective?
    a. What pre-emptive steps could luxury fashion brands consider in advance of crisis?
    b. What were the similarities or differences in lessons learned between brands?
5. What was supported in the re-conceptualized luxury brand management frameworks put forth by Cavender and Kincade (2015) and Som and Blanckaert (2015) when examined together in the Global Financial Crisis context?

CHAPTER 2 – LITERATURE REVIEW

The following literature review examines previous research in the study of luxury, the luxury market, and luxury brand management with specific consideration of the Global Financial Crisis. The purpose of the review is to provide the context for the study, highlight the gaps in the existing research, and inform the research questions and theoretical background of the study. This review provides an understanding of concepts and connections that were examined in this exploratory multiple case study of luxury fashion brands' choices of brand management strategies during the Global Financial Crisis of 2007-2010.

Luxury Fashion Brands and the Current Market

This section provides the conceptual underpinning of luxury fashion brands and the key luxury brand business models. An overview of the current luxury market follows.

Conceptualizing Luxury Fashion Brands

A variety of attempts have been made to define the essence of a luxury brand, but academics and professionals have found it difficult to reach consensus (Beverland, 2004; Cavender & Kincade, 2015; Fionda & Moore 2009) due in part to the increasing ubiquity of luxury in the marketplace (Kapferer & Bastein, 2009). Many brands, especially new ones, are marketed with the word "luxury" as a selling point. In addition, the rapid dissemination of luxury goods in mass-market department stores, the introduction of deep discounts on luxury goods (e.g., Gilt Group), and the creation and diffusion of accessible luxury product lines by traditionally exclusive luxury brands, has diluted luxury's meaning (Bellaïche, Mei-Pochtler, & Hanisch, 2010). These trends grew as a direct consequence of the Global Financial Crisis in 2007-2010, coupled with the advancement of new technology that altered interactions from a previously top-down, brand-to-consumer communication strategy to a two-way conversation between the consumer and the brand (Bellaïche et al., 2010). New nomenclature, such as "masstige," "premium," and "hyperluxury," emerged to describe the seemingly endless iterations of luxury products, retail distribution strategies, and marketing schemes (Kapferer & Bastein, 2009; Lancette, 2014). Thus, an understanding of what makes a brand truly "luxury" has needed clarification (Kapferer & Bastein, 2009).

Luxury began as a conspicuous indication of social stratospheres in society (Kapferer & Bastein, 2009). Aristocracy was expected to display their wealth to reinforce their roles and position within society. There were specific rules about who was permitted to dress in certain regalia, and non-compliance was forbidden. After the Enlightenment (1685-1815), social stratification began to wane. Increased globalization, wherein distance in knowledge, communication, and movement is greatly diminished and development occurs at a level beyond international relations (Martell, 2016), contributed to the removal of historical overarching social spheres and constructs. The individual now has equal footing in the opportunities afforded them through dreams and hard work (Kapferer & Bastein, 2009). Rather than a hierarchy being imposed upon an individual externally by society, a person can aspire to democratically pursue a particular social standing. Luxury allows the individual to define themselves in their own eyes, as well as the eyes of others, and to express the symbolic desire of belonging to a higher class (Kapferer & Bastein, 2009).

Despite the conceptual shift, Kapferer and Bastein (2009) argued that luxury remains a social marker, creating the social strata that many have sought to eliminate. They described luxury as a culture that must be understood in order to be practiced; its very nature is different. Luxury items have a qualitative element wherein the product's hedonism is more important than its utility. In this sense, it is similar to art (Kapferer & Bastein, 2009). Price alone is not an indication of luxury unless it is also tied to a symbol of social significance. Kapferer and Bastein (2009) purported that luxury brands play an important role in society and are still necessary to create the hierarchy that people desire internally. Thus, it is essential that the luxury item maintain its social significance (Kapferer & Bastein, 2009).

Several researchers created frameworks to describe the essential components of a luxury brand. Beverland's (2004) model identified six core components of a luxury brand as culture, history, product quality, marketing (i.e., investments in brand image), endorsements, and value-driven endorsements (i.e., the company's focused effort to position itself as a luxury brand). Moore and Birtwistle (2005) and Fionda and Moore (2009) found this model to be incomplete because it identified the characteristics of successful brands in general, not luxury brands specifically.

Fionda and Moore (2009) found that there was no single model amongst academics and practitioners that identified the dimensions and complexities of luxury fashion brands. They proposed that the luxury fashion brand is "distinctive because of its application to diverse, ever-changing product assortments (from underwear to business suiting), that it invariably operates as an experiential brand (within the retail space), and that it functions as a means of creating and communicating an identity for the brand user" (Fionda & Moore, 2009, p. 348). They conducted semi-structured interviews with twelve (12) British luxury fashion brands executive(s) or manager(s), revealing nine dimensions of a luxury fashion brand: 1) clear brand identity, for example, the brand's emotional appeal, values, and/or DNA, 2) marketing communications (e.g., direct marketing, public relations, etc.), 3) product integrity (e.g., functional quality and craftsmanship), 4) brand signature (e.g., iconic products, recognizable style), 5) premium price, 6) exclusivity (e.g., limited edition products, controlled product ranges and locations), 7) heritage, (e.g., brand history and/or story), 8) luxury environment and experience (e.g., globally controlled distribution, superior service, and flagship stores), and 9) culture (e.g., internal commitment to the brand). They depicted each dimension and the interdependent relationships of those dimensions in their proposed framework. Fionda and Moore's (2009) study confirmed that the anatomy of a luxury fashion brand is indeed unique from other brands and that the complexity of luxury fashion brand management requires consistency in all aspects of management.

Key Luxury Brand Business Models

Like the plethora of terminology used to describe "luxury," the literature uses a myriad of terms to describe the different types of luxury brands based primarily on the goods and/or services offered as well as the business relationships in the industry (e.g., Brun et al., 2008; Iannilli, 2014; Moore & Birtwistle, 2004; Nueno & Quelch, 1998; Som & Blanckaert, 2015). For example, consider a commonly understood scenario whereby a fashion designer produces his/her line of luxury merchandise and seeks to sell it to consumers. As a new brand (or mono-brand house), the designer may first seek distribution with a luxury multi-brand retailer. The multi-brand retailer may buy an assortment of the fashion designer's merchandise, though typically not the full collection, and sell the merchandise to customers via an online and/or brick-and-mortar store. The designer may eventually decide to expand the business by opening an independent boutique in which the full assortment of merchandise with a luxury experience to fully depict the unique perspective of the brand to customers. In the course of the business lifecycle, the designer could decide to sell part or all of their brand to a luxury conglomerate; the designer's mono-brand house would become part of the conglomerate's portfolio of brands. In this scenario, the basic ownership structure of the designer's mono-brand house would change, but the distribution model could remain the same. In both possible collaborations, the designer may or may not be influenced by the multi-brand retailer and/or the conglomerate in the design and production of the brand. Figure 1 provides a simple depiction of the key business interactions between the three business models; it is not intended to be comprehensive.

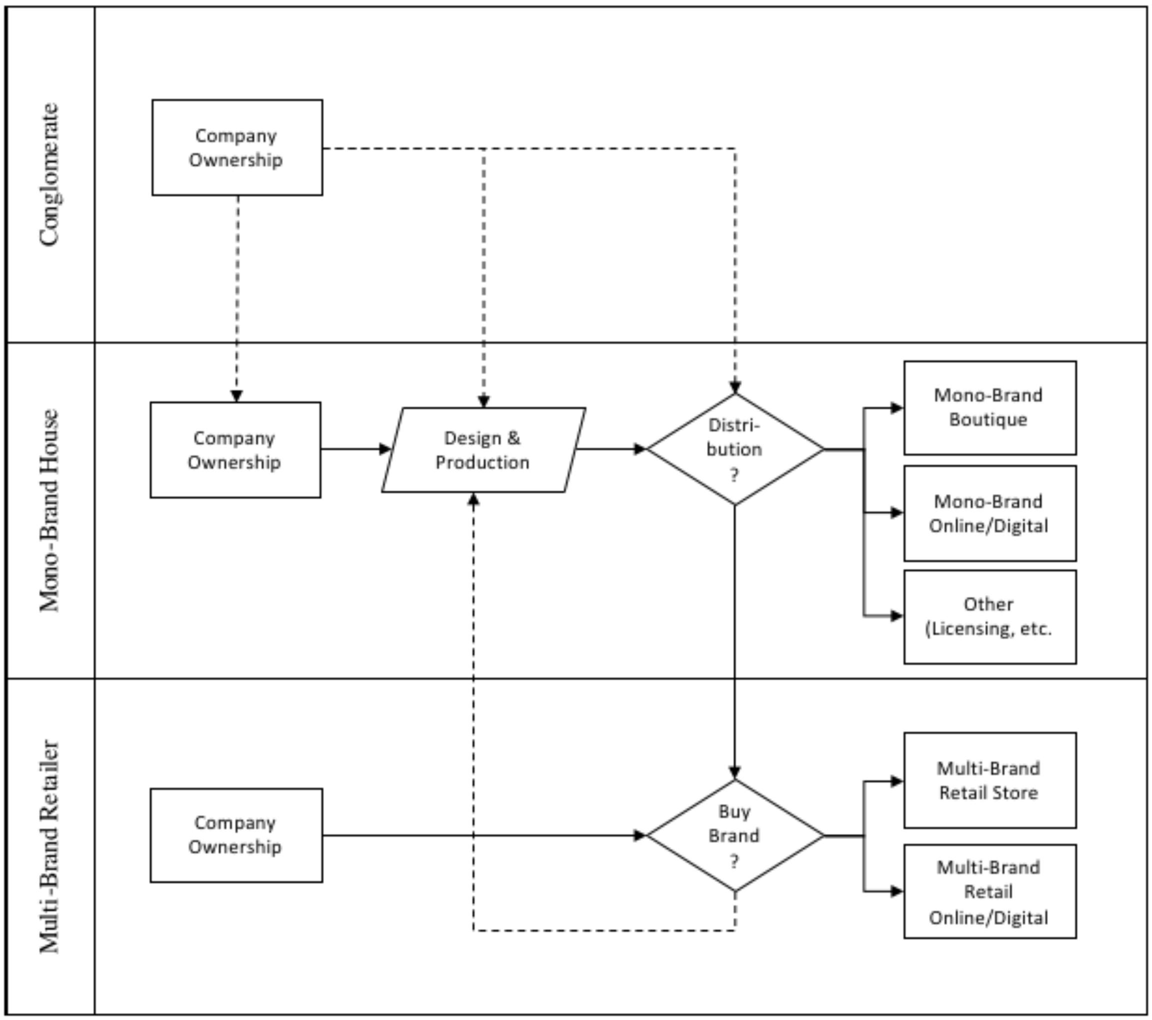

*Figure 1.*Conglomerate, mono-brand house, and multi-brand retailer business interactions.

The example in Figure 1 was developed by the researcher to explain alternative and relationships within the luxury market based on prior research and professional experience. It identifies the three business models and collaborations in the luxury market: the mono-brand house, the multi-brand retailer, and the luxury conglomerate. The distinction(s) between the three are important to understand because they impact the relationships between the different types of luxury brands. The solid lines represent the interactivity of each entity on the processes (e.g., design and production), decisions, and outcomes (Cavender & Kincade, 2014; Som & Blanckaert, 2015). The dotted lines represent potential influence of one entity on another. For example, when a multi-brand retailer decides to buy a mono-brand house's merchandise, the buyer may influence some design details on certain goods (Cavender & Kincade, 2014; Som & Blanckaert, 2015).

Although a common scenario in the industry, the example does not necessarily prescribe the order in which collaborations may occur. A mono-brand house may adopt any of the aforementioned distribution and/or ownership strategies at any time given capital, opportunity, and desire. For example, the mono-brand house may sell to a conglomerate prior to opening an independent mono-brand boutique. In addition, mono-brand house's may also choose other distribution options, such as a licensed boutique in a foreign market (Moore & Birtwistle, 2004).

Within luxury, the mono-brand house, a term commonly used in industry (e.g., Cheng, 2017; CPP-Luxury, 2013; D'Arpizio et al., 2017) but less-frequently in the literature (c.f., Moore & Birtwistle, 2005; Fionda & Moore, 2009), underwent significant transformation during the early 2000's (Moore & Birtwistle, 2005; Som & Blanckaert, 2015). Traditionally, mono-brands were fashion houses that focused on design and production of goods (e.g., Emilio Pucci) (Som & Blanckaert, 2015). They often sold to retailers, who bought the merchandise at wholesale and re-sold it to customers for a profit (Moore & Birtwistle, 2004; Som & Blanckaert, 2015). This business relationship has been commonly referred to as the vendor-retailer or supplier-retailer relationship, which has long-existed in the literature (e.g., Ganesan, 1994). However, a significant change occurred during the late 1990s/early 2000s (Moore & Birtwistle, 2005; Som &

Blanckaert, 2015) vertically integrated fashion houses began to focus on expanding stand-alone mono-brand boutiques. The distribution strategy offered the fashion designers/houses greater control over the presentation of merchandise to customers, pricing, and customer service (Moore & Birtwistle, 2005). It essentially allowed the fashion house to create their own "world" into which the customer entered with a full product assortment, rather than relying solely on the multi-brand retailer to do that for them (Brun et al. 2008; Iannilli, 2014).

The luxury multi-brand retailer business model has a long and rich history. It, like luxury mono-brand houses, has the unique dimensions of luxury fashion brands (e.g., brand identity, exclusivity, etc.) (Fionda & Moore, 2009). Rather than producing goods, it offers a particular curation of goods from mono-brand houses that fit within the retailer's brand image and positioning (Iannilli, 2014). Buyers for multi-brand retailers must possess business acumen, taste, and courage to select merchandise that harmonizes into an attractive offering for the retailer's core and prospective customers (Iannilli, 2014). Luxury multi-brand retailers offer compelling experiences, marketing, and fashion perspective to serve customers' wants and needs (Moore & Birtwistle, 2004). In this sense, the luxury multi-brand retailer is more than a mere point of distribution but a key collaborator with the mono-brand house.

Prior to the 1980s, family fashion houses, mostly French and Italian, offered the luxury fashion to customers, but the tenuous nature of family-run business combined with the growth of the luxury market, created the opportunity for another business structure: the luxury conglomerate (Som & Blanckaert, 2015). The first conglomerate, Louis Vuitton Möet Hennesy, was formed in 1989 (Som & Blanckaert, 2015). Luxury was gaining momentum as culture and business trends shifted, leading to the formal recognition of luxury as an economic sector in the late 1990s (Truong et al., 2009; Som & Blanckaert, 2015). Conglomerates offered the family-run fashion houses significant capital and support, and thus garnered some of the most important brands in the industry (Som & Blanckaert, 2015).

Research has understandably focused on luxury conglomerates as participants due to the sizeable capital and brand portfolios they manage (Cavender & Kincade, 2015; Som & Blanckaert, 2015). However, each of the three models of luxury brands play an important role in the luxury business landscape.

There is a dynamic collaboration between the mono-brand house and multi-brand retailer (Cheng, 2017). Both are partners in one sense and competitors in another. If the mono-brand house is owned by a luxury conglomerate, the same would be true of the conglomerate and the multi-brand retailer; they could be simultaneous collaborators and competitors. Thus, this study focused on these business models in the exploration of the Global Financial Crisis.

The Current Luxury Market

The formal luxury market as it is known today was established in the latter half of the 20th century (Cavender & Kincade, 2015; Som & Blanckaert, 2015) and became an established economic segment in the late 1990s (Truong et al., 2009). It has high barriers to entry, high levels of brand recognition within and beyond the target market, and enjoys relatively stable demand (Cavender & Kincade, 2015; Salakari, 2013).

The luxury market spans many product categories, like cars, wine, and fashion (Unger, 2014). The luxury market is estimated to have tripled in the past 20 years (Unger, 2014). Reports through the end of 2016 valued the global luxury market at over $1 trillion, with 23% of sales in personal luxury goods (e.g., clothing, shoes, handbags, accessories, cosmetics, leather goods, etc.) (D'Arpizio et al., 2017). Europe represents the most established luxury market while the US is considered a high-potential luxury market (Som & Blanckaert, 2015). Of the top 100 luxury goods companies globally, analysts from consulting firm Deloitte reported French companies with the highest share of luxury goods sales at 24%, followed by companies in the US at 21%, Italy at 16%, Switzerland at 14%, and China at 9% (McCarthy et al., 2017). Sales growth is projected to be modest in 2018 within established luxury markets in Europe and the US while most of the new sales growth is expected to come from emerging markets in Asia, Eastern Europe, Middle East, Africa, and Latin America (Amed et al., 2017).

Traditional luxury consumers occupy the top income bracket of $200,000 or more per year per household (Danziger, 2017) compared to the US median household income in 2015 was $55,775 (US Census Bureau, 2016) and €16,153 in the European Union (Eurostat, n.d.). This luxury consumer is commonly referred to as the "top 1%" and is reported to be the fastest growing of all income brackets (Danziger, 2017).

Crisis and Luxury Brand Management

The following portion of the literature review gives an overview of crisis and the Global Financial Crisis of 2007-2010. It concludes with a review of luxury brand management and strategic response to crisis.

Overview of Crisis

Crisis periods are important to consider due to the transformative impacts they can have on a person or entity. When crisis occurs, it can impact people's beliefs, attitude, and well-being (Katona & Bechtel, 2016). It can also change consumption patterns. Luxury consumers became more discerning in their purchases after the Global Financial Crisis (Lancette, 2014). What once was bought on impulse could be re-considered two to three times prior to purchase (Lancette, 2014).

When considering crisis, researchers have observed an interplay between economic crisis and financial crisis (Som & Blanckaert, 2015). According to Som and Blanckaert (2015), economic crisis involves significant downturn in the local or global real economy, wherein the Gross Domestic Product (GDP), consumption, investments, company profits, inflation, and incomes stagnate or decrease. Unemployment rises during economic crisis. Financial crisis, on the other hand, occurs when assets are suddenly devalued, such as the stock market (Som & Blanckaert, 2015). It is different from economic crisis in that paper wealth is destroyed. However, financial crisis may be triggered by political turmoil or downturn in the real economy and could cause the decline of the economy, as was the case with the Global Financial Crisis (Som & Blanckaert, 2015). Thus, this interplay is important to understand further when considering the context of this study.

The Global Financial Crisis, 2007-2010

The impact of the Global Financial Crisis of 2007-2010, also known as the Great Recession, was the most severe economic decline in US history since the Great Depression (Lifecourse Associates, n.d.). It resulted from a series of political and financial activities listed as follows (*Inside Job*, Ferguson & Mars, 2011):

- **De-regulation** of traditional and investment banks occurred with the repeal of the Glass-Steagall Act in 1998, which kept investment banks and traditional banks separate. After the act was repealed, it was essentially a "free-for-all" in the banking industry, leading to the formation of arguable oligopolies.
- **Sub-prime loans** were designed to given to increase home ownership amongst the poor and minorities. Mortgage broker and real estate firms Fannie Mae, Freddie Mac, and Countrywide, among others, were proponents of sub-prime loans.

- **False credit ratings** by leading financial services and credit rating companies Moody's, Standard and Poor's (S&P), and Fitch were pervasive.
- **Derivatives**, a contract based upon an agreed-upon underlying asset like bonds (Folger, 2017), were new financial "concoctions" of Wall Street that led to debt gambling and were completely unregulated.
- **Artificially low interest rates** were forced by Federal Reserve.
- **Highly-incentivized bonus structures** were created and implemented for the big investment bankers and corporations, like Goldman Sachs, Bear Stearns, Morgan Stanley, and Lehman Brothers.

Warnings abounded, but were consistently ignored (*Inside Job*, Ferguson & Mars, 2011). This was due in large part because the US economy appeared strong. Housing markets typically indicate the health of a state's economy (Weinberg, n.d.). The Clinton Administration (1993-2000) pushed the creation and promotion of sub-prime loans to increase economic development, especially for the underclass and minorities (Davis, 2008). Home ownership rose to unprecedented heights of +64% from 2001-2005, resulting in GDP increases of 2% (Weinberg, n.d.). The problem was that personal and commercial debts also rose to 97% of the US GDP in 2006 (Weinberg, n.d.). The bubble burst September 29, 2008 when the Dow stock market index dropped almost 778 points in a single day, followed by another 773-point decline on October 15, 2008 (Huddleston, 2015). In the US, unemployment rose from under 5% to 10% and the GDP dropped by 4.3%, which was the steepest decline in US history since WWII (Weinberg, n.d.). Lehman Brothers, a leading global financial services firm, declared the largest bankruptcy in history with $46billion of its market value lost (Investopedia Staff, 2017).

The combination of political and financial actions in the US affected the global economy and the resulting crisis incited specific political responses (Davis, 2008). These responses were the catalyst of the European debt crisis that began in 2011, causing financial turmoil in Cyprus and political trouble in Italy and Russia (Som & Blanckaert, 2015). The US's private debt crisis expanded to a sovereign debt crisis (i.e., certain countries cannot repay their debts) in Europe that has yet to subside (CNN Library, 2017).

The crisis affected many industry sectors, including luxury. Luxury consumers, commonly referred to as "the top 1%" (Danziger, 2017), saw annual wages drop by 15.6% from 2007-2009, which rebounded with gains of 8.2% from 2009-2011 (Katona & Bechtel, 2016). The luxury market declined by 8% overall (Business Think, 2010). Certain product categories felt the impact of the recession more than others. Though it differed by brand, men's and women's ready-to-wear dropped between 10-20%, while leather goods remained a resilient category (Som & Blanckaert, 2015). The luxury watch brand, Rolex, dropped by 11% (Business Think, 2010); watches were considered one of the most severely impacted product categories according to multiple reports (Business Think, 2010; Hassan et al., 2015; Som & Blanckaert, 2015).

With the effects of the recession evident, luxury consumers and brands were forced to reevaluate their behavior. Luxury consumers became more price-sensitive, cautious, and austere (Bohlen, Carlotti, & Mihas, 2009; Savelli, 2012) while luxury brands faced increased competition and decreased capital for investment (Savelli, 2012). Previous strategies had to be re-examined and new strategies had to be created to endure the turbulent economic environment (Som & Blanckaert, 2015). A few brands like Louis Vuitton Möet Hennesy and Hermès reported increases in brand value of 2% and 8%, respectively, in 2009 (Business Think, 2010), indicating that certain strategies may have been more successful than other.

Luxury Brand Management and Strategic Response to Crisis

Luxury brand management is unique in that certain variables are critical for long-term sustainment, including brand identity, marketing vision, brand equity, brand architecture, brand sustainability, and effective response (Cavender & Kincade, 2015). Brand identity and marketing vision have been found to dictate brand management strategies (Cavender & Kincade, 2015). Luxury brands that have stood the test of time have refused to dilute their brands and "trade down"; instead, they have maintained the dreams of their customers to procure their loyalty by remaining true to their brand identity (Kapferer & Bastein, 2009).

Brand identity is often described as the brand's "personality" and is a significant intangible asset through which value is created for consumers (Christopher, 1996; Savelli, 2012). Brand identity is considered an important foundation for luxury brands, especially for those with deep connections between the brand's original founder and the company's heritage (Fionda & Moore, 2009). Brand values (e.g., beauty, whimsy, pride, craftsmanship) compose the brand's identity and are essential for the brand to succeed long-term (Christopher, 1996).

Studies have found that strategic planning for luxury brands must be done carefully and holistically in both crisis and non-crisis periods (Cavender & Kincade, 2015). During periods of downturn, Halliburton and Kellner (2011) argued that brands should focus on the value proposition of their brand identity (e.g., the whimsy of the brand will add a sense of *joie de vivre* to your life if you buy their products). This perspective was corroborated during the Global Financial Crisis because the clarity and strength of the brand's identity was found to increase in importance and prominence in order to drive competitive advantage (D'Arpizio, Levato, Zito Kamel, & de Montgolfier, 2016; Savelli, 2012).

Research suggests that a variety of strategic responses that have been successfully employed by luxury brands during crisis conditions. Som and Blanckaert (2015) found that luxury brands implemented a variety of brand management strategies with varied success. For example, Stella McCartney closed its 18-month old store in Moscow as part of a Cost Rationalization strategy. Prada and Hermès globalized instead, opening new stores in other countries. Louis Vuitton diversified their product offering high jewelry, watches, and fashion (Som & Blanckaert, 2015). Some brands, like Bottega Veneta, did not change anything and 'held true' to their focus on quality and craftsmanship. Meanwhile, Christian Dior exited logo and accessories businesses to focus on its luxury prominence and product offering in order to up-scale the brand (Som & Blanckaert, 2015). Although a brand's global positioning has been found to be a major value proposition for customers during recession (Hassan et al., 2015; Som & Blanckaert, 2015), Som and Blanckaert (2015) found that each brand adopted strategies that best fit their brand, stating, "Chanel speaks Chanel, Hermès speaks Hermès – each brand faces an individual challenge for how to keep the dream alive for their consumers" (p. 27). This supports other findings on the importance of using strategies that effectively communicate the brand's unique identity (Cavender & Kincade, 2015; Christopher, 1996; Halliburton & Kellner, 2011).

From a marketing perspective, Raggio and Leone (2009) found two marketing strategies were needed to survive economic downturn: 1) the Just Good Enough (JGE) strategy and 2) the Altered Amortisation (AA) strategy. JGE emphasizes meeting the customers' expectations for product performance while offering the product at a value price (i.e., the value proposition). The JGE strategy, often used by lower price-point brands, was found boost brand equity (i.e., the value to the customer) in the short-term by offering the customers a clear value proposition for their product; however, it often led to long-term reduction in brand equity. Conversely, the AA strategy positioned the brand's product(s) as a value that customers could purchase if they changed their amortisation schedule. Customer may have to pay more up-front, but the long-term benefit of buying the product outweighed the immediate cost. Luxury brands like De Beers and Land Rover employed this strategy during the Global Financial Crisis (Raggio & Leone, 2009). This strategy often led to a temporary lag in sales during economic downturn but fortified the brand's equity long-term. Raggio and Leone (2009) found anything in-between these two strategies would not be successful long-term.

Theoretical Background

Two luxury brand-related frameworks served as the foundation for this research, lending structure to the study. These frameworks were pertinent in the exploration of luxury brand management and strategic decision-making motivations in crisis conditions. As such, they contributed to a nomological framework for this study.

Luxury Brand Management Framework

Cavender and Kincade (2015) conducted a qualitative case study of luxury conglomerate Louis Vuitton Möet Hennesy to understand the way luxury fashion brands diffused their fashion perspective into society. They posited that it was done based on the responses of luxury fashion brands and luxury consumers to the combined effect of environmental and cultural (aka *zeitgeist* - spirit of the times) factors. Utilizing historical review, content analysis, and observation methods, they proposed a luxury brand management framework that identified the dimensions of luxury brand management, the interaction of those dimensions, and the outcome of those interactions that ultimately led to brand management strategies.

The luxury brand management framework depicted the interplay of macro and micro-dimensions and *zeitgeist* (Cavender & Kincade, 2015). The authors posited that brand management strategies were significantly influenced by *zeitgeist* and macro-dimensions of environmental determinism. Environmental determinism encapsulated a luxury brand's expansion and globalization, changes/developments in technology, and the luxury consumer environment, all of which could influence each other dynamically. These macro-dimensions impacted what Cavender and Kincade (2015) found to be a plethora of micro-dimensions of a luxury brand.

The micro-dimensions were the more granular aspects of luxury brand management, including the corporate environment and a distinct set of variables and sub-variables. The corporate environment described company history, brand portfolio (e.g., connectedness of brands in portfolio, position brands occupy in the market), and company financials. The brand strategy variable had sub-variables brand identity and marketing vision. The balanced trade-offs variable included brand equity and brand architecture sub-variables. Finally, the strategic planning variable addressed brand sustainability and effective response sub-variables. All of the micro-dimensions also could dynamically impact one another. The luxury brand's strategic management response was the outcome of the interplay amongst the macro- and micro-dimensions. Notably, findings suggested that brand identity directly influenced the brand strategy micro-dimension (Cavender & Kincade, 2015). The authors concluded that strategic management must be both proactive and reactive to combat and/or respond to environmental factors (Park & Kincade, 2011).

Although the framework provided a necessary foundation for understanding luxury brand management and the formation of brand management strategies in general, it had two key limitations. First, the original version was overly complex because it included detailed examples of each macro- and micro-dimension, making the model complex and less operational. Second, it was created based on a single case company. Research of the literature found this framework has no apparent studies in support of its findings in a crisis context or otherwise. Therefore, as a first step toward extended application, the detailed examples originally depicted in the framework from Cavender and Kincade (2015) were removed, leaving the main concepts of the macro- and micro-dimensions, which were embedded in the top two-thirds of Figure 2. This version of the luxury brand management framework was used for the exploration of luxury brand management within an endogenous financial crisis context.

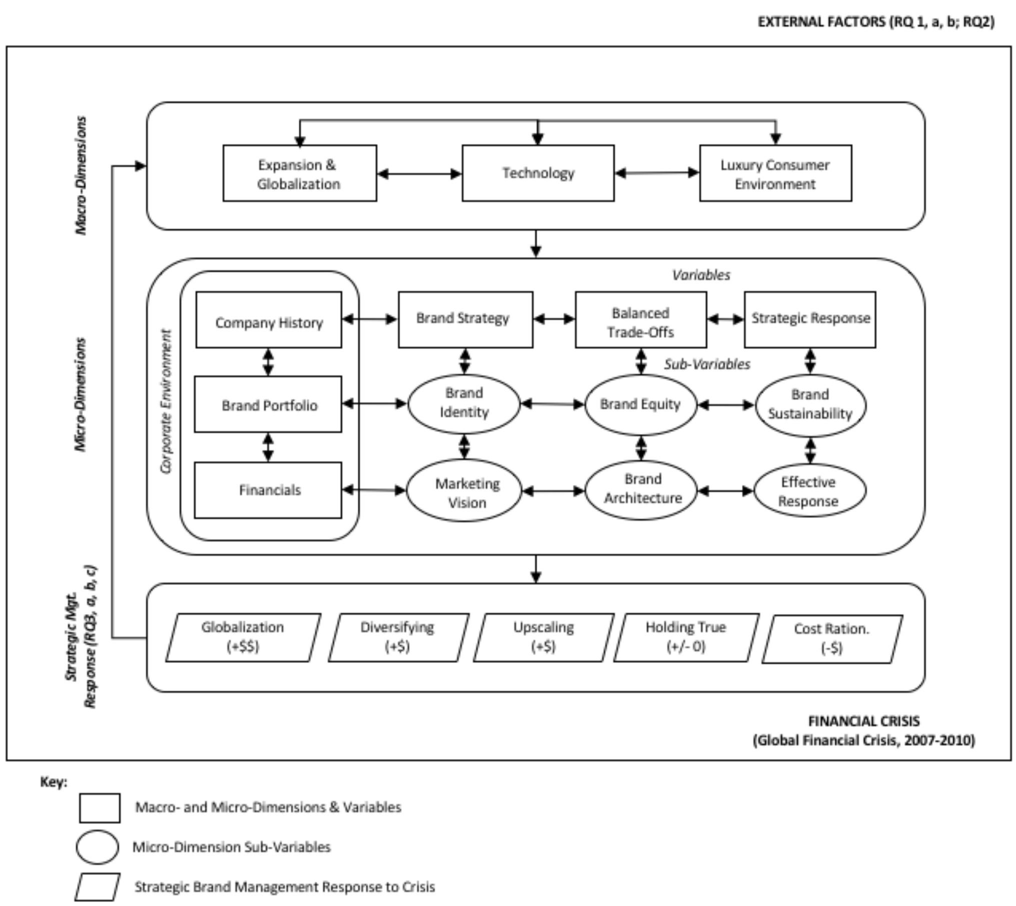

Figure 2. Re-conceptualized luxury brand management framework (Cavender & Kincade, 2015) depicting strategic management responses (Som & Blanckaert, 2015) in the Global Financial Crisis context

Luxury Brand Crisis Management Strategies Framework

Som and Blanckaert (2015) conducted a 10-year longitudinal qualitative study of a broad sample of luxury brands using the multiple case study approach. Their study included archival analysis for each case company as well as interviews of top level management for each brand. The luxury brands were multi-brand luxury conglomerates and family-owned luxury mono-brand houses. In the examination of luxury brand management during crisis conditions, there were five emergent strategies for luxury brands that withstood the Global Financial Crisis, 2007-2010:

- **Globalizing:** Some luxury brands expanded to other global markets, like China, which increased global brand positioning and distribution networks. Brands that adopted this strategy included Prada and Hermès, which reported some of the highest financial gains post-crisis. Globalizing required substantial capital investment.
- **Diversifying:** A form of horizontal expansion, some brands diversified their product lines by entering new product categories, offering brand new product lines (e.g., jewelry, accessories, cosmetics), and/or new lines with differing features or price points. Brands like Coach and Louis Vuitton used this approach. Diversifying generally required moderate to high capital investment.
- **Up-scaling:** Some brands re-directed investments to the highest end of a brand's product offering and took advantage of customers at the top income level, who were perceived to be least affected by crisis. Christian Dior utilized this approach by getting rid of some product lines in order to up-scale core product offerings. Like the Diversifying strategy, brands invested moderate to high amounts of capital to up-scale.
- **Holding True:** Some brands, like Bottega Veneta, did not succumb to the external pressure of the crisis; instead, they continued investing into the creation of classic,

quality, and well-crafted merchandise. These brands kept calm and remained focused on brand heritage and identity. Companies employing this strategy maintained existing capital investments.

- **Cost Rationalization:** Considered a "knee-jerk reaction," several companies responded to the crisis by reducing spending, expansion, and expenses. This included reducing staff, freezing hiring, shrinking collections, and justifying all media expenses. Some of the brands that took this approach were Dolce & Gabbana, Stella McCartney, and Burberry. This strategy was characterized by capital reduction.

Som and Blanckaert (2015) created a framework contrasting luxury brand's strategic response(s) to crisis by internal versus external responses. The findings were further delineated by sub-strategy with an example of luxury brands for each. This approach had a degree of overlap in that what was summarized as a Cost Rationalization strategy overall was parsed out in the framework as "Cost-cutting" and "Downsizing" as unique internal strategic responses. Therefore, the framework's findings were streamlined to utilize the five main strategies for clarity; these were embedded in the bottom third of Figure 2 as part of the re-conceptualized framework put forth in this study.

In addition to the original framework's complexity and overlap, Som and Blanckaert's (2015) study presented a few other limitations. First, the study examined luxury brands spanning fashion and non-fashion product categories (e.g., fashion, cosmetics and fragrances, etc.) instead of only fashion-focused brands. Second, the study did not address the decision-making process of luxury fashion brand executives and managers during the crisis. Finally, it did not include the multi-brand retailer perspective. Multi-brand retailers represent a major business entity in the luxury market with unique branding of their own, along with strong partnerships with luxury mono-brand houses, be they owned by families or luxury conglomerates (Brun et al., 2008; Iannelli, 2014). These gaps are important to address from a theoretical perspective in order to gain holistic understanding of luxury fashion brand management in crisis conditions. Cavender and Kincade (2015) did not examine perspectives from either the mono-brand house or the multi-brand retailer. Similarly, Som and Blanckaert (2015) did not examine the multi-brand retailer's perspective. Therefore, this research explored the framework from both the multi-brand retailer and the mono-brand house's perspectives to explore a combined model. The re-conceptualized framework is hence put forth for exploration.

Re-conceptualized Luxury Brand Management Framework

The luxury brand management (Cavender & Kincade, 2015) and luxury brand crisis management strategies frameworks (Som & Blanckaert, 2015) provided the needed structure and theoretical background for the study. However, modification was needed to present a holistic framework to explore the first-hand experiences of luxury fashion brand executives and managers in the formation of brand management strategies in the Global Financial Crisis context. As such, a streamlined adaptation of the luxury brand management framework by Cavender and Kincade (2015) was embedded in the top two-thirds of Figure 2 and the findings from Som and Blanckaert (2015) in the bottom third of the figure.

The re-conceptualized framework in Figure 2 is placed in the context of financial crisis because the Global Financial Crisis was examined in the study. This crisis was beyond the control of luxury brands, as were the external factors that led to the crisis. Therefore, it was considered helpful to depict this context in the framework. The pertinent research questions (RQ1-3) were denoted throughout the model based on the concept they addressed. Research questions 4-5 were not included in the model because they do not address specific aspects of the framework, but the findings are included within the discussion.

This framework was utilized to identify the strategies reported by case study participants in their interview responses and to test the fit of those responses in the re-conceptualized model. Framework fit is documented and discussed in Chapter 4.

CHAPTER 3 – METHODS

The purpose of this qualitative multiple case study (Stake, 2006) was to explore the first-hand experiences of luxury fashion brand executives in their selection of strategic brand management responses to the Global Financial Crisis of 2007-2010. Understanding the executives' first-hand experience and perspective of luxury brand management during that time period may offer practical insight for existing and emerging luxury fashion brand leaders, as well as academic researchers, on surviving financial crisis. This chapter outlines the qualitative multiple case research design used for this study, including sample selection, instrument design, participant profile, data collection, and data analysis. A detailed discussion of findings follows in Chapter 4.

Research Design

This study employed the multiple case study approach using qualitative research methodology (Stake, 2006; Yin, 2003). Qualitative research is inductive by nature, analyzing data from more general to more detailed themes in order to draw conclusions. Traditional qualitative data is gathered via interviews, focus groups, and field notes/observation (Creswell, 1998). Qualitative research is especially useful when little is known about a given topic, making it ideal methodology for exploratory studies (Creswell, 1998).

The multiple case approach allowed for examination of the multi-brand and the mono-brand luxury fashion brand executives' experiences of the Global Financial Crisis phenomenon, by which the case is bound (Stake, 2006). Qualitative multiple case studies are "…interested in diversity of perception, even the multiple realities within which people live" (Stake, 2006, p. 38). The qualitative multiple case approach allowed for the findings from carefully selected case companies to be compared in order to draw conclusions about the similarities or differences using theoretical frameworks as a foundation (Baxter & Jack, 2008). To ensure credibility and reliability of the findings, triangulation was achieved and interrater reliability was calculated and reported. The following sections detail sample selection, instrument development, participant profile, data collection procedures, and data analysis.

Sample Selection

Primary sample. The researcher applied a two-phased approach in obtaining relevant participants as primary data sources. For Phase 1, casual introductions were followed by informal interviews with a variety of potential participants in the US and Italy to gain understanding of the current luxury market, to obtain deeper knowledge of the brands and their operations, and to gauge the potential interest in participating in the study. Italy and the US were chosen as origin countries for the case companies because both have growing luxury fashion markets, premier luxury fashion brand headquarters, and world-renowned fashion capitals (McCarthy et al., 2017; Rhodes, 2016). In 2017, Italy led the European Union in the number of companies offering luxury goods, while the US led the luxury goods market globally (McCarthy et al., 2017). In addition, the researcher's previous luxury retail business experience generated professional connections with key luxury fashion brands facilitating access to the high-level executive participants necessary for the study. Individuals at the potential case companies were contacted based on the researcher's professional experience and a variety of relevant industry-based perspectives. Data collected during Phase 1 included field notes and observations, referenced in the Chapter 4 as archival data. Alternative identifiers were used to preserve participant anonymity.

It was essential to conduct a second phase of formal qualitative research to address the research questions and draw cross-case comparisons. Based on Marshall's study (1996), sampling for qualitative studies was done carefully to ensure the researcher had the right mix of participants with the required experience and/or values for the study. Thus, this multiple case study employed purposeful sampling for Phase 2 of sample selection, which is a form of judgment sampling most commonly used in qualitative studies (Creswell, 1998; Marshall, 1996). It is ideal for case study research (Yin, 2003).

The inclusion criteria for the sample were: 1) identification as luxury fashion brand, 2) sales at multi-brand and/or mono-brand retail locations and/or points of sale (e.g., online), 3) endurance of the Global Financial Crisis, and 4) a business history at a minimum of 40 years. Forty years was chosen as a minimum business duration requirement because it ensured that the company has survived at least two major economic downturns, including both the Energy Crisis of 1973 and 1979 (History.com Staff, 2010), and the stock market crash of 1987 (Bernhardt & Eckblad, 2013), though there were others. This approach gave the case study participants parallel depth in their perspectives, yielding better comparisons and enhanced construct credibility and validity for the multiple case study (Stake, 2006; Yin, 2003). Additionally, the 40+ years of operation provided a perspective of business longevity and extended the existing literature on luxury brand companies.

The two primary case companies selected for this study included a US-based luxury multi-brand retailer and an Italian luxury mono-brand house. According to Creswell (1998) and Stake (2006), not going past four cases provides desirable depth for the study. The international perspective was also considered important for the exploration to provide diversity and depth; hence, the Italian luxury mono-brand house was included in the primary sample. Both companies represented distinct perspectives on the luxury fashion business. The product offerings from both companies spanned multiple categories, including strong womenswear and menswear businesses.

The diversity of each primary case company's organizational structure, retail distribution model, and merchandise mix not only addressed a gap in the literature but helped reduce bias inherent to a small sample population. In addition, the companies have been in business for over 40 years, offering ample experience with luxury brand management in various economic conditions. Thus, internal and external validity requirements were met (Stake, 2006; Yin, 2003). Nine other companies were considered in sample selection, but upon further investigation, they either did not meet inclusion criteria or did not wish to participate in the study.

Auxiliary sample. During data collection with primary participants, an opportunity developed that allowed for unplanned access to additional international executives within the luxury fashion industry. The inclusion of auxiliary data sources was considered important both to gain insight from a larger sample size of international brands and to determine if there was support for the findings from the primary data participants. Thus, the inclusion of auxiliary data sources within the luxury fashion sector provided credibility to the study (Stake, 2006).

Auxiliary participants were recruited at a premier men's fashion tradeshow in Italy using snowball sampling. Five of the eight companies were luxury men's fashion mono-brand houses, while the other three operate digital platforms, auditing, and retail distribution services for luxury fashion brands. The majority of the Italian auxiliary case companies were mono-brand houses with a business history of over 40 years. This provided credibility and triangulation as it mirrored the same depth of perspective and experience as that of the two primary case companies.

Instrument Development

An open-ended, semi-structured interview instrument was developed for the study's formal interviews (see Appendix A). The research tool was piloted with four external reviewers, an academic professional with research instrument development experience, two industry professionals in the US, and one industry professional in Italy, to ensure the questions were clearly understood in both cultural contexts. This ensured the instrument was clear, concise, credible, valid, and reliable. Two questions were added to the original 10-question instrument based on pilot test feedback. Thus, the final interview instrument was comprised of 12 established questions. The instrument was approved by the IRB (see Appendix B).

Participant Profile

The highest levels of leadership (e.g., CEO, SVP, etc.) were required for the study because they were considered the most familiar with the strategic decisions made during the Global Financial Crisis. The inclusion of other senior team members at the Vice President, Director, and Buyer levels, provided depth to the responses due to their increasingly intimate knowledge of daily operations and multi-brand-to-mono-brand relationships. This senior level of leadership was consistent for all data sources. As such, participant roles included a Chief Executive Officer (CEO), an Executive Vice President (EVP), a Senior Vice President (SVP), a Vice President (VP), a Creative Director, a Director, and a Buyer. Also, all participants held senior-level leadership positions during the Global Financial Crisis, including CEO, President, Senior Vice President, Director of Merchandising, Director of Planning, Buyer, and Executive Intern.

To preserve anonymity, Brand Codes and Participant Codes were assigned to each participant for primary and auxiliary data sources as alternative identifiers. Within the Brand Code, an alpha-numeric code was used to designate the type of company (A = multi-brand retailer, B = mono-brand house, and C = auxiliary) and the number of companies within each type (e.g., 1C, 2C, etc.) A Participant Code was appended to each Brand Code to differentiate individual participants for each brand. For example, 1A-1 indicated one multi-brand retailer, first participant. Table 1 summarizes the participant profile.

Table 1

Participant Profile Summary

Brand Code	40+ Year History?	Participant Code	Current Title	Recession Title/Position	General Responsibility ('07-'10)	Business Model	Data Type
1A	Y	1A-1	Executive Vice President, GMM	President, Online	Men's, Women's	Multi-brand retailer	Primary
1A	Y	1A-2	Senior Vice President, GMM	Senior Vice President, GMM	Men's	Multi-brand retailer	Primary
1A	Y	1A-3	Vice President, DMM	Director of Merchandising, Online	Women's	Multi-brand retailer	Primary
1A	Y	1A-4	Director	Director of Planning, Online	Men's, Women's	Multi-brand retailer	Primary
1A	Y	1A-5	Buyer	Buyer	Women's	Multi-brand retailer	Primary
1B	Y	1B-1	CEO	CEO	Men's	Mono-brand house	Primary
1B	Y	1B-2	Creative Director	Executive Intern	Men's	Mono-brand house	Primary
1C	Y	1C-1	CEO	CEO	Men's	Mono-brand house	Auxiliary
2C	Y	2C-1	Senior Bus. Dev. Manager	Not available	Men's	Mono-brand house	Auxiliary
3C	Y	3C-1	CEO	CEO	Men's, Women's	Mono-brand house	Auxiliary
4C	Y	4C-1	Partner	Partner	Other	Auditor	Auxiliary
5C	Y	5C-1	CEO	CEO	Men's	Mono-brand house	Auxiliary
5C	Y	5C-2	Commercial Director	Commercial Director	Men's	Mono-brand house	Auxiliary
6C	N	6C-1	Business-to-Consumer Director eCommerce	Not available	Other	Digital Platform	Auxiliary
7C	N	7C-1	Commercial Collaborator	Not available	Men's	Distribution (Mono-brand)	Auxiliary
8C	N	8C-1	CEO	Not available	Men's	Mono-brand house	Auxiliary

All findings, including supporting excerpts, utilized the alternative identifiers. If excerpts from participants revealed critical information that could lead to participant recognition (e.g., comments about primary competitors, website names, etc.), generic alternate identifiers were consistently used instead. These were indicated by brackets within quotes, for example, "our chief competitor, [Competitor 1]."

Data Collection

Preliminary data collection (Phase 1). Preliminary conversations were held with a total of twenty-one (21) individuals from eleven (11) luxury fashion brands for Phase 1 of the research. A US-based multi-brand retailer and an Italian luxury mono-brand were selected as primary data sources for Phase 2 of the study because they met the inclusion criteria (identified as luxury fashion brand, sold at multi-brand and/or mono-brand locations, endured the Global Financial Crisis, operated for 40-years minimum) and expressed willingness to participate.

Primary data collection (Phase 2). For Phase 2 of the study, a total of seven (7) participants from two case companies composed the primary data sample, five from the US-based luxury multi-brand retailer and two from the Italian luxury mono-brand house. Each participant was contacted via phone or email as relationships had been established during Phase I of the researcher's preliminary interactions. Participants received informed consent per IRB requirements prior to the interviews (see Appendix C).

Semi-structured, in-person interviews were conducted with all primary data participants at company headquarters in the US and Italy. All expenses for the study were funded by the researcher. Interviews lasted between 24 minutes to 66 minutes with an average duration of 33 minutes. Responses from all seven primary participants revealed key findings for the study.

Interview questions were congruent for the majority of the interviews with minor modifications in a couple of instances due to the demands of the business on the participant's time. This was expected given the seniority of the roles held by those participants. Such adjustments were acceptable because questions and data collection in qualitative studies can be subject to change as the phenomena being studied emerges (Creswell, 1998). In the majority of the cases, the entire set of semi-structured interview questions were asked, along with probes that extended beyond the established questions to promote spontaneous response, discovery of emergent themes, and/or clarification (Creswell, 1998).

Auxiliary data collection (Phase 2). The researcher conducted face-to-face interviews with eleven (11) participants from eight (8) additional companies during at a premier men's fashion tradeshow in Italy. Like the primary data sources, the roles interviewed were of the highest seniority, including Chief Executive Officer (CEO), Executive Vice President (EVP) or Senior Vice President (SVP), and Commercial Director/Director. The researcher was initially given ten (10) minutes to interview each auxiliary participant. Thus, the base questions were reduced to three to four open-ended questions; additional and/or probing questions were asked when the participant's time allowed. Auxiliary data was collected using the standard qualitative method of field notes and observation (Stake, 2006).

Data Analysis

All interviews with primary data sources were audio-recorded and transcribed verbatim. Interview data from auxiliary participants was collected using field notes and observation. These are the most common methods for data collection for multiple case studies (Stake, 2006). Both written transcripts and field notes were made available to participants upon request (Tong, Sainsbury & Craig, 2007).

Interview data were analyzed using the multiple case study approach, wherein within-case analysis was performed first for each primary data source, then cross-case comparisons were drawn. Triangulation for within-case analysis was achieved by examination of the same event from multiple perspectives in each primary case company (Stake, 2006). Archival data (e.g., field notes) collected during Phase 1 and auxiliary data (e.g., field notes from auxiliary participants) collected during Phase 2 of the study provided further triangulation for primary participant responses (Stake, 2006).

Transcripts and field notes were cross-checked and coded by two independent coders, the primary researcher and another graduate student, in the design and merchandising field in order to establish trustworthiness (Lincoln & Guba, 1985). The transcripts and field notes were coded twice. First, the data was open-coded to identify emergent themes naturally (Miles & Huberman, 1994). Then, starting with the research questions, the primary researcher (only) pattern coded emergent themes and sub-themes in order to gain a more integrated schema for understanding the data (Miles & Huberman, 1994). These smaller analytic units laid the foundation for cross-case analysis by revealing common themes amongst participants, which is ideal for multiple case studies (Miles & Huberman, 1994) (see Appendix D). Second, the data was coded to assess the potential fit to the re-conceptualized framework based on the luxury brand management framework from Cavender and Kincade (2015) and the luxury brand crisis response from Som and Blanckaert (2015) in the Global Financial Crisis context, which was an objective of this study. This two-pronged approach supported proposition development, allowed for new themes to be revealed, and supported the exploration of framework fit (see Appendix E).

The primary researcher and independent coder met throughout the coding process to compare emergent themes and framework coding guide application among a random sampling of the data (one transcript from each primary case company and two sets of field notes from auxiliary case companies) (Baxter & Jack, 2008). Disagreements over coding assignments were negotiated between the coders. Interrater reliability was 87% using the calculation put forth by Miles and Huberman (1994) where reliability = number of agreements / (total number of agreements + disagreements).

Lastly, the emergent themes and framework applicability testing from participants' responses were compared to one another for the final stage of analysis by the primary researcher. Cross-case comparison of the case studies adds to the validity of the study's findings (Miles & Huberman, 1994). The findings from this effort are discussed in the following Chapter 4.

CHAPTER 4 – DISCUSSION

The purpose of this study was to explore the first-hand experiences of luxury fashion brand executives in their selection of strategic brand management responses to the Global Financial Crisis of 2007-2010. Within that context, it sought to discover the impact of the external factors on luxury fashion brands and the strategic management response to those factors in order to survive the crisis. The study drew cross-case comparisons between two luxury fashion brands, a multi-brand retailer and a mono-brand house, that endured the financial crisis using the experience-based insights of executive leadership (Stake, 2006). Additional insight was gained from auxiliary luxury fashion brand executives for depth and triangulation. The discovery of lessons-learned may offer practical insight to existing and emerging luxury fashion brand leaders, as well as academic researchers, in the luxury fashion brand management in the financial crisis context.

The objectives of this study were twofold. First, the study's goal was to generate propositions based upon the findings of this exploratory study. Propositions are embedded within the discussion of the finding(s). There are two forms of propositions: 1) those developed from findings in support of the re-conceptualized framework, and 2) those expressed in support of extensions to the model. Within the discussion, propositions are offered only where plausible relationships were suggested but warrant future investigation. The second objective of this study aimed to advance academic understanding of luxury brand management within the crisis context by exploring the fit of a re-conceptualized theoretical framework based upon the luxury brand management framework put forth by Cavender and Kincade's (2015) and the luxury brand crisis management framework by Som and Blanckaert (2015) (see Figure 2).

The discussion of the findings herein is organized first by addressing research questions, then by the themes and sub-themes. Each section begins with a discussion of the findings for each broader research question, followed by a discussion of more specific aspects of each research question, including cross-case comparison and framework fit. Tables summarize the cross-case comparison of themes and sub-themes, as well as the supported dimensions of the re-conceptualized framework (see Appendix D for summary of all themes and sub-themes). Emergent themes and/sub-themes that did not fit within the re-conceptualized framework put forth are discussed at the end of this chapter as possible extensions to the framework.

In sum, the findings revealed overarching differences in the area of emphasis in participants' recollections. For example, the multi-brand retailer participant responses reflected a strong focus on expense cutting, reductions in multiple areas of the company, and a significant increase in analysis, whereas the mono-brand house participant responses were decidedly growth- and opportunity-focused. It was discovered that the mono-brand house began a significant growth and expansion phase during the Global Financial Crisis, though they suggested that they might adopt expense reductions and increased analysis in a potential future crisis context. Auxiliary participant responses supported aspects of both the mono-brand house and the multi-brand retailer perspectives.

In addition, the findings from the multi-brand retailer were more robust than the mono-brand house and auxiliary participants in certain instances, such as the reasons behind strategic management responses (RQ3b). This robustness of these data have a few plausible explanations. First, more participants were interviewed as representing the multi-brand retailer, which provides greater variety of perspectives and experiences. Second, the mono-brand house is a family-owned, vertically integrated business with a narrower senior executive staff than the multi-brand retailer; thus, the perspectives within the organization may be more aligned. Third, the multi-brand retailer has been in business longer than the mono-brand (i.e., over 100 years vs. over 40 years), which may indicate that the business life-cycle of a luxury fashion brand could impact strategic management response(s). Finally, the cross-cultural and/or language barriers between the Italian mono-brand house and the researcher may have impacted the researcher's ability to understand and interpret the findings. These key differences are important to note to better understand the findings and cross-case comparisons.

External Factors Impacting Luxury Fashion Brands during the Global Financial Crisis (RQ1)

The study explored the external factors that impacted luxury fashion brands during the Global Financial Crisis (RQ1). A total of five major themes (economic, consumer, competitive, political, and internal / business trend factors) and eleven sub-themes were identified. Support was found for several dimensions of the re-conceptualized framework proposed in this study based on the work by Cavender and Kincade (2015) and Som and Blanckaert (2015), suggesting framework fit. First, the general overview of the factors is discussed, followed by similarities and differences in the business responses.

Theme 1: Economic Factors

Participants from the multi-brand retailer revealed a variety of economic factors that impacted the luxury brand during the Global Financial Crisis. Mono-brand house participants did not mention economic factors as impacting their brand during the Financial Crisis. Minimal support from the auxiliary perspective was found for the economic factors theme. For the multi-brand retailer, the dominant factors were the decline of the stock market, the strength of the US dollar, the decline in oil prices, and the collapse of financial institutions. Factors that were single-mentions were categorized as “Other.” The economic themes were similar to the micro-dimension of company history (e.g., business environment changes over life of brand) as identified by Cavender and Kincade (2015).

Decline of the stock market. The most referenced external factor amongst multi-brand participants was the impact of the decline of the stock market, as one Vice President recalled.

> “…the most thing I remember is just…stock market obviously…I think that’s probably one of the biggest things if I think back to it. Because so many of our customers …that's where a lot of their spending money comes from.” (1A-3)

It directly impacted their business because it negatively affected their core customer’s disposable income.

Strength of the US dollar. The second most commonly cited external factor by multi-brand participants was the strength of the dollar. Most of the participants recalled that the dollar experienced instability during the crisis period, as one multi-brand Executive Vice President and Director remarked.

> “I think it was…the world, especially back then, less-so now, runs on the dollar. So, for there to be all this instability in the US…just rattled the whole world.” (1A-1)

> “I remember less about politics and more about the strength of the dollar…because a lot of our customers are global and they travel. it was cheaper to buy product in Europe.” (1A-4)

These findings suggest that the US dollar may not be as reliable of a predictor for consumer behavior as it was during the Global Financial Crisis.

Decline in oil prices. The decline in oil prices was also found to be a key external factor that impacted the multi-brand. Interestingly, a Vice President explained that the decline in oil prices negatively impacted the luxury brand while it may have benefitted lower price-point brands.

> If gas prices go down, we're actually hurt by that because…it's better for us when they're up…Where if you look at more of a mid-tier retailer, gas prices going down might actually help them...So we have to look at different factors in some cases. (1A-3)

This important distinction supports the general understanding that the luxury market and luxury brands are inherently different from others (c.f. Cavender & Kincade, 2015; Fionda & Moore, 2009).

Collapse of financial institutions. The collapse of financial institutions, specifically Lehman Brothers and AIG, not only affected the multi-brand's core customer base but also heralded the crisis. An Executive Vice President and a Senior Vice President recalled the collapse of these financial institutions affected the multi-brand at that time.

"…there was no underlying threat before Lehman Brothers…all of a sudden... there maybe was some turmoil, but…all of a sudden people couldn't pay their bonds. And it was…really huge." (1A-1)

"I think until like Lehman's collapsed, there was…a period there where…we were still too optimistic about…things stabilizing." (1A-2)

The instability of these financial institutions influenced the multi-brand retailer in that it their consumers were negatively affected by the collapse of previously trusted institutions.

Other. Single mentions of other external factors cited by participants were the decline of the housing market, the influence of the media, the instability of certain foreign economies, and the concerns over employment. Auxiliary mono-brand house participants revealed that the generally high cost of Italian labor and wages was a factor during the Global Financial Crisis and continues to be one today. Although important, these factors were not referenced as frequently as the other economic factors.

Theme 2: Consumer Factors

Consumer factors were found to be a common theme discovered amongst multi-brand, mono-brand, and auxiliary participants. Three sub-themes emerged: 1) consumer psyche:

unsettled and fearful, 2) consumer psyche: luxury shame, and 3) tourism shifts. The emphasis placed on each of these themes differed by company. The findings reflected the macro-dimension of the luxury consumer environment (e.g., demographic change, population shifts, consumer trends, consumer attitudes, consumers in emerging markets) as described by Cavender and Kincade (2015).

Consumer psyche: Unsettled and fearful. The multi-brand retailer participants remembered the consumer psyche was a significant factor during the Global Financial Crisis. Participants recalled that the crisis caused a general unsettling amongst consumers, which one Executive Vice President deemed a significant determinant of the luxury business' trajectory.

"And people were…unsettled…to your whole premise, being unsettled is not good for people's psyche…Most of what we sell is discretionary. So, an upset to the psyche is one of the largest determinants of where the business is." (1A-1)

Customers became fearful because of the significant financial losses at the time, as numerous multi-brand participants remembered, and retreated from making purchases. Reponses from auxiliary participant 7C-1, a Commercial Collaborator, reinforced the finding from the multi-brand retailer in sharing that customers were afraid to make purchases due to the unstable economic climate, particularly in men's fashion. A multi-brand Executive Vice President described the widespread fear.

"…everybody was scared…everybody was losing lots of money." (1A-1)

In conjunction with the pervasive unsettling and fear, multi-brand participants remembered that customer moods shifted significantly. One Senior Vice President's response revealed that the priorities of some of the multi-brand's customers shifted from shopping for the hedonistic pleasure to focusing on their own businesses and financial needs.

> A lot of customers...had no problem affording it but just weren't in the mood to show it or go shopping…I think you had a whole group of customers that were so busy keeping

> their own business afloat that the conversation of…having the time…and effort to go out and just spend time enjoying shopping...even if they had the money…they were way too busy taking care of…their own financial needs…to have the luxury time to go shopping. (1A-2)

This finding interestingly highlights the consumer psyche as perhaps having a more significant impact on consumer purchase behavior more than actual spending capacity**.**

Consumer psyche: Luxury shame. Multi-brand retailer participants referenced a phenomenon known in the literature as "luxury shame" (Hassan et al., 2015), wherein consumers felt a sense of guilt or shame for purchasing and displaying wealth when others in their social circles suffered financially. Multi-brand participants remembered that customers became reticent to buy, especially in brick-and-mortar stores, for fear of other peoples' perceptions.

"It wasn't a time where people…were either comfortable or…as willing to show excess…it just became [a question of] … 'Does someone really want to show that kind of wealth...even if they still had the money?'" (1A-2)

"Even if our customer isn't necessarily harmed by these things, there's also their perception of, 'Oh, well, Mrs. Smith is out there spending all kind of money while everybody…' …she's got these friends…who maybe aren't in the same situation." (1A-3)

Interestingly, the multi-brand's online store was found to be a means to overcome consumers' luxury shame, as statements from one Vice President summarized.

> That's one thing where the web has actually helped because…Nobody knows if she's shopping on the web. But if she's showing up at [Brand 1A] every other day, people might talk…It's a very psychological thing, but it's a lot of what we talked about. Why people at some points in time are actually more comfortable shopping on the web than others. (1A-3)

This finding suggests that the online distribution channel may offer an investment opportunity for luxury fashion brands during crisis as a means to combat luxury shame. Propositions derived from these findings developed for further study include:

> *P1:* During financial crisis, luxury consumers may increase online shopping.
> *P2:* During financial crisis, some luxury consumers are likely to experience luxury shame.

> *P3:* During financial crisis, luxury fashion brands will be most effective in retaining customers by focusing on strategies pertaining to online shopping.

Continuing discussion on consumer psyche, the majority of multi-brand participants remembered prior to the crisis that there was a strong trend amongst consumers to purchase extremely high price-point luxury goods. Consumers wanted to display their wealth, no matter the retail price, which the luxury multi-brand retailer and mono-brand houses were happy to oblige, as one Buyer summarized.

> Prior to going to market, we used to actually have conversations with vendors about…raising prices on some things. “Oh, my customer wouldn't buy that. She would pay more…that's too cheap for my customer.” So, not that we would ever have conversations about price fixing, but...we would...gravitate towards the really luxe, special items on someone's collection. “Oh, a $30,000 mink coat? Oh, yeah, sure. Sign me up.” …it was an easy thing back then. (1A-5)

However, with the emergence of luxury shame amongst consumers during the crisis, multi-brand participants recounted that conspicuous consumption declined. The shift away from such levels of conspicuous consumption remained after the crisis, as a multi-brand Buyer recalled.

> The whole psyche of...the customer, regardless of what age…thinking to herself, “Wow, this is a new world we live in...I just don't need any more stuff. I'm still a billionaire, but...” ...all of a sudden getting a conscience. Prior to that, they didn't have a conscience. They were just spending to be spending...and…even though the stock market's up to this day...she's been trained. I think the customer's trained. You just don't see that...level of consumption like you used to. (1A-5)

Auxiliary participants remembered a nuance of the consumer psyche that lent support and breadth to the findings from the multi-brand retailer. According to participant 3C-1, a mono-brand house CEO, customers sought luxury in certain product categories, namely accessories, for a sense of well-being and variety. The uncertainty of the times and focus on cutting back on normal expenditures created an opportunity for some luxury brands to meet the emotional needs of the customer. Notably, the mono-brand participants did not mention unsettling, fear, or luxury shame as consumer factors that affected their brand during the Global Financial Crisis. This may be in part due to the growth phase they experienced during that time period.

Tourism shifts. Participant responses revealed that a shift in tourism was a key factor in the luxury fashion market during the Global Financial Crisis, and it remains so today. For the multi-brand retailer, responses revealed that there was an influx of tourism that benefitted what was referred to as "gateway stores" in coastal and/or key metropolitan areas due to the shifting strength of the US dollar, which did not benefit stores that relied on local clientele.

Mono-brand house participants recalled that tourism guided their expansion decisions during the Global Financial Crisis. As the mono-brand house's Creative Director recounted, tourism was a significant factor during the Global Financial Crisis.

"…we always have to adapt to…who's moving, who's traveling around more." (1B-2)

Auxiliary mono-brand CEO 8C-1 provided additional detail for the tourism shifts in recounting that there was an influx of Russian clientele in Italy during the Global Financial Crisis. Unlike the multi-brand retailer, the mono-brand's CEO shared that the economic conditions and tourism trends in other global markets played a significant role in determining where to open their mono-brand boutiques as part of a larger global expansion strategy.

> We start to look at...how the economy is doing…it's not that you need the thousands of people in the store. We don't need the foot traffic. Any country in the world, they will always have those 100 families, 50 families, that can support the shop. Of course, they tell me, "Please, open a shop in Somalia." Maybe, maybe not…But, for example, in Nigeria, we could open a shop because we see lots of Nigerian clients buying around the world. (1B-1)

Theme 3: Competitive Factors

The third theme amongst participants was the significance of the competitive factors during the Global Financial Crisis. As found in previous studies (e.g., Fionda & Moore, 2009; Vigneron & Johnson, 2004), luxury brands rely on premium prices as a distinguishing dimension of their luxury position in the market. Thus, luxury brands seek to maintain regular price sales and avoid markdowns. Findings from the multi-brand retailer revealed that their main competitors began discount and promotional programs when the Global Financial Crisis occurred. This external factor forced the multi-brand retailer to evaluate markdown and promotional activities much earlier than normal in order to compete, as one Senior Vice President recounted:

> When all of the pricing and discounting started, which in our opinion was led by competitors... that's when really deep, deep discounting started to happen really, really early. That's when it became a little more of a scramble because...the prices that you had your merchandise was no longer valid in many cases, and you weren't competitive. (1A-2)

Conversely, the opportunities rather than the pressures in the competitive landscape were a factor for the mono-brand house. As the CEO recalled, the Global Financial Crisis revealed a niche at the highest price-point in the luxury market that they sought to fill.

"Because I thought that there was [a] big offer on the market. And not just on the medium, low-level price point…on the high price-point, we were fewer." (1B-1)

The findings show that competitive landscape was an external factor for both the multi-brand retailer and mono-brand house, but it influenced each differently. Both sought to compete on price, but the multi-brand was pressured to offer competitive pricing and promotions in the US whereas the Italian mono-brand pursued the highest price-point to establish their competitive edge within the market.

Theme 4: Political Factors

Political factors were found to be a less-common theme, mentioned only by one multi-brand participant specifically. However, the participant responses suggested a close association with the collapse of financial institutions, a significant economic factor, and political action(s) at the time. One multi-brand Executive Vice President highlighted that the government provided finances to major corporations in the US during the Global Financial Crisis.

> "I mean, the government was bailing out companies. Ford and Chrysler…there was a whole contingent on the government that was saying, 'We should just let it roll.' Which way more companies would've gone out of business [had they not stepped in]." (1A-1)

This finding shed light on the severity of the crisis, as well as a perceived impact on luxury consumers. According to the Executive Vice President, the government's intervention prevented the collapse of other major corporations in the US. The collapse of financial institutions was previously recounted as a negative impact on the luxury multi-brand retailer. This suggests that there is an interplay between economics and politics that may influence luxury fashion brands during crisis. The question of whether government intervention positively or negatively impacts luxury fashion brands during financial crisis may support future research.

Theme 5: Internal and Business Trend Factors

Although the focus of the study was on external factors, a theme of internal and business trend factors emerged from both multi-brand and mono-brand participants. Two sub-themes emerged related to the multi-brand retailer's inventory position and the mono-brand's growth phase. The internal and business trend factors may serve as future research studies.

Inventory position. The majority of multi-brand participant responses recalled strong business performance prior to the Global Financial Crisis. This was reinforced by some auxiliary participants who recounted that it was easy to sell merchandise before the crisis (7C-1, Commercial Collaborator). The multi-brand retailer made purchases from vendors nine months to one year in advance based on good business trends. When the crisis hit the US market, the multi-brand retailer was in a severely overstocked inventory position, as one Senior Vice President and one Director's responses described.

Because if I think about that time...one thing is that it was after such a great peak. So, it's actually interesting because the years leading up to that were so strong and so successful. So, it wasn't like things were showing moderate growth or we were in stagnation and then things got tough. We were actually in a period of…very strong business. And then, the switch turned and when the crisis happened...you had already bought into good business. So, it was doubly challenging because you were anticipating really strong business, buying into it, and then things got tough…you actually had to do double work because you had to address the large amount you had on order because you were expecting good business. (1A-2)

This presented a significant challenge for the multi-brand retailer as it took over a year to achieve balanced inventory levels. This caused significant strain on the merchants within the multi-brand's organization, as well as on the relationships with mono-brand houses outside of the organization.

Growth phase. Findings from the mono-brand house revealed a different set of internal factors. The company's major growth phase during the Global Financial Crisis allowed for significant expansion of mono-brand retail boutiques in global markets. Prior to the crisis, the company was small and primarily distributed at luxury multi-brand retailers, which included the multi-brand case company in this study. According to the Creative Director, the mono-brand was moving so quickly and trying to get organized.

"At that time, the size even of the company was much smaller, and we were still in this phase of growth. But we were still getting organized." (1B-2)

The mono-brand's growth was rapid and sustained throughout the crisis. This internal business condition was found as a factor in the mono-brand's strategic management response to the crisis.

Cross-Case Comparison (RQ1b)

In exploring what external factors impacted the luxury fashion brands during the Global Financial Crisis, the findings reveal the dominant themes for the multi-brand retailer participants were economic factors (various aspects of economic decline) and consumer factors (consumer psyche), whereas mono-brand house responses cited consumer factors (tourism shifts) and competitive factors (opportunity in the market) as dominant themes. Auxiliary participant responses supported responses from the primary case companies, especially consumer factors (consumer psyche). The emphasis from multi-brand participants on economic factors may be due to the fact that the genesis of the Global Financial Crisis was in the US. Because the mono-brand house and auxiliary participants were based in Italy, the economic factors may not have impacted them in the same way as they did the multi-brand retailer, a US-based company.

It is worth noting, however, that archival data collected from mono-brand house participants revealed very similar factors as the multi-brand retailer in association with the terrorism crisis event(s) of 2015 in Europe (Fattah & Nasseri, 2017). The mono-brand's CEO mentioned consumer factors (e.g., consumers becoming afraid to travel, consumers no longer being in the mood to shop, consumers preferring subtlety, etc.), economic factors (e.g., oil prices in Russia), and political factors (e.g., sanctions in Russia) as affecting the brand during that crisis event. Although mono-brand participants recalled that the Global Financial Crisis did not negatively affect them as a brand, the field notes from archival data collection suggest that there may be parallels in the external factors that affect luxury brands in the crisis context overall, not just financial crisis. Propositions derived from these findings developed for future study include:

> *P4:* During financial crisis, the following external factors (e.g., decline of the stock market, local currency strength, decline in oil prices) are likely to impact luxury fashion consumers.
> *P5:* During financial crisis, the following external factors (e.g., economic, consumer, competitive, political) are likely to impact luxury fashion brands.
> *P6:* During financial crisis, the external factors, factors (e.g., economic, consumer, competitive, political) may have a greater impact on luxury fashion brands based on the geographic location of the genesis of the crisis.

Table 2 summarizes the findings in answer to RQ1. Although the findings revealed that internal factors were considered by all participant companies during the Global Financial Crisis and may have influenced some of their strategic management responses, these and other internal factors should be explored in future studies. Internal factors were included the table for reference only.

Table 2

Cross-Case Comparison of the External Factors Impacting Luxury Fashion Brands during the Global Financial Crisis (RQ1, 1b)

Research Question	**Theme**	**Sub-Theme**	**Framework Fit**	**Multi-Brand Retailer (1A)**	**Mono-Brand House (1B)**	**Auxiliary (1C-8C)**
External Factors Impacting Luxury Fashion Brands During the Global Financial Crisis (RQ1)	Economic Factors	Decline of the stock market		X		
		Strength of the US dollar		X		
		Decline in oil prices		X		
		Collapse of financial institutions		X		
		Other		X		X
	Consumer Factors	Consumer psyche: Unsettled and fearful	Luxury Consumer Environment	X		X
		Consumer psyche: Luxury shame	Luxury Consumer Environment	X		
		Tourism shifts	Luxury Consumer Environment		X	
	Competitive Factors		Company History	X		X
	Political Factors			X		
	Internal and Business Trend Factors	Inventory position		X		
		Growth phase	Expansion & Globalization		X	

Impact of External Factors on Luxury Fashion Brands' Strategic Brand Management during the Global Financial Crisis (RQ1a)

Following discussion of findings describing the types of external factors, the discussion of specific impacts made by the external factors are addressed in the following sections. The study sought to discover the impact of the external factors on the luxury brands' strategic management response to the Global Financial Crisis. Participants were asked to describe what aspects of the brand executives and/or managers perceived would be most affected by external factors (RQ1a). Two themes emerged (perceived impact and actual impact), along with a total of seven sub-themes. Similarities and differences across the multi-brand retailer, mono-brand house, and auxiliary perspectives are discussed in answer to RQ1b. Propositions are embedded in the discussion.

Theme 1: Perceived Impact

Participant responses on the perceived impact of external factors on their respective brands during the Global Financial Crisis revealed two sub-themes: 1) duration and severity of the crisis, which was emphasized by the multi-brand retailer, and 2) potential growth opportunity, which was emphasized by the mono-brand house. Auxiliary participants responses supported findings from both primary case companies.

Duration and severity of the crisis. Multi-brand retailer participants highlighted that the duration and severity of the Global Financial Crisis was unknown. According to several multi-brand participants, the executive team's perception of the crisis was overly optimistic at first. This eventually gave way to great concern over sudden and severe onset of crisis. Excerpts from an Executive Vice President and a Senior Vice President described these perceptions.

"This was kind of like, 'OK, it's huge. It's systemic. And how big is it really going to be? Like, how fast do we have to react? And how big is it going to be?'" (1A-1)

"On top of not knowing how, you know, where the floor was at that time" (1A-2)

Auxiliary participant 7C-1 (Commercial Collaborator) likened the onset of the crisis to a balloon that suddenly popped. Findings reveal that these aspects of the crisis led some participants to perceive the crisis as a major threat to business.

Potential growth opportunity. Unlike the multi-brand participants, the mono-brand house participants recounted that they perceived that the Global Financial Crisis would help their business grow. As one Creative Director recounted, crisis provided the mono-brand house with the best real-estate opportunities for their global expansion strategy.

> I think, if you have to, but also, historically…for us periods of crisis are periods we've been investing the most because it's where you get the best deals. And when the market picks up again, you're going to be among the first ones to take benefit. So, you're going to be way much ahead of time of the others…in periods of crisis is where we got the best locations for stores around the world. (1B-2)

In addition to the new distribution opportunities, both mono-brand participants highlighted that the crisis provided the company with an opportunity to expand the product line. The crisis revealed a gap to create merchandise at the highest price-point, as well as broaden the company's assortment of goods. Thus, the company invested in expanding the product line to include other product categories, like outerwear, suits, shoes, etc., outside of the core offering of shirts and ties.

Theme 2: Actual Impact

In terms of the actual impact of the crisis' external factors, four sub-themes emerged: 1) financial performance, 2) consumer behavior, 3) relationships between collaborators, and 4) store marketing. Of those four, two of the sub-themes financial performance and consumer behavior were referenced by all participants. The sub-themes are discussed as follows.

Financial performance. Numerous financial measures were impacted by the crisis, as the multi-brand, mono-brand, and auxiliary participants recounted. All companies saw an impact on profit and sales, though the sales trends differed. For the multi-brand retailer, participants recalled that general sales trends, including sell-through rates and regular price sales, declined during that the crisis. It was repeated amongst multi-brand participants that sales performance in certain product categories severely declined, such as men's tailored clothing, fine apparel, and high price-point handbags, though some product categories, like shoes, lower price-point handbags and accessories, remained steady or increased. Profit was also negatively affected due to reduced gross margins, increased markdowns and promotions, and overstocked inventory positions. Gross margin financial agreements with mono-brand vendor partners went unpaid. It took almost a year to balance inventory levels, according to the majority of multi-brand participants. As a result of the financial impacts, multiple multi-brand participants commented on the brand's attempt to cut expenses in order to recoup losses, such as company layoffs, receipt reduction, and even abandoning store re-model plans, as summarized by one Buyer.

> "…at that time, it did, the funding pretty much stopped on remodels to stores for the most part…there were some exceptions like Tom Ford and that kind of a thing. But for the most part, it slowed down." (1A-5)

Responses from auxiliary participants supported these findings. Participant 7C-1, a Commercial Collaborator, recounted that sales were negatively affected by the crisis, like participant 3C-1, a CEO, affirmed that certain product categories grew, specifically accessories.

In contrast, the mono-brand house recalled that sales increased overall as they entered a strong period of growth. It is interesting to note, however, that the mono-brand participants recounted that the brand experienced decline after the terrorist attack in the US on 9/11 (Davis, 2011) and in Europe in 2015 (Fattah & Nasseri, 2017). As the Creative Director of the brand recalled, the new store business was dramatically affected by the 9/11 attacks.

> "Well, it changed a lot…we opened the store in Beverly Hills, sort of the drive was 10 days before 9/11…It started fantastic, and then it was blocked for six months." (1B-2)

Though these two crises were not the focus of this study, these responses indicate that there may be a negative impact on luxury fashion brand's store locations in various crisis events.

Consumer behavior. All companies recounted an impact in consumer behavior during the Global Financial Crisis. Some of the behaviors remembered by multi-brand retailer participants included a decline in foot traffic in their stores, an increase of purchases in home goods and electronics, and an emergence of the "staycation" trend (i.e., customers taking vacations locally or staying home), as one multi-brand Director recounted.

"I also remember the trend was stay at home. It was…less vacation. It was more 'staycation.'" (1A-4)

Auxiliary participant 3C-1, a CEO of an accessories brand, reinforced a similar shift in consumer behavior wherein luxury consumers cut back on luxurious dinners and vacations. This benefitted some auxiliary brands, according to auxiliary CEO (3C-1), because consumers sought variety and emotional satisfaction through the purchase of less-expensive product categories, like accessories. Notably, the auxiliary participant emphasized that the strength of the emotional connection to the product was a way of adding value for customers. Auxiliary participant 4C-1 and 6C-1 echoed this concept of adding value through product as a key means of competing in the future, regardless of crisis condition.

Mono-brand house participants highlighted that foot traffic was not been a primary concern for the brand. Luxury was (and traditionally is) not desperate for foot traffic to succeed; locating mono-brand boutiques in strong international markets was much more important, according to the CEO.

> When we talk about the strategic, the strategy behind the [Brand 1B] boutique, is not like if I am…[a] medium level brand that needs maybe 20 clients a day…we need, 2 [to] 3 clients a week. So, the approach is a little bit different. (1B-1)

The mono-brand participant responses indicated that the mono-brand may be more sensitive to tourism trends and local economies in which their boutiques are located. Tourism shifts forced the mono-brand to change the assortment in certain stores to adapt. This was not so much an effect of the Global Financial Crisis, but again, the tourism shifts after the 9/11 terrorist attacks forced changes to the assortment of merchandise in some of mono-brand's boutiques, as the Creative Director recounted.

> There was a complete re-adaptation…of the kind of merchandise you needed to have in the store in order to be able to sell. Because you have lots of…for that time…a lot of Middle Easterners and people that were shopping in LA. We are not seeing them anymore. (1B-2)

Interestingly, the men's fashion business was perceived as an indicator of the severity of the financial crisis because men were most likely to reduce or completely cut off their luxury spend according to multi-brand and auxiliary participants. The men's business was affected more severely than women's, according to auxiliary participants 7C-1. Excerpts from a multi-brand retailer Senior Vice President summarize this finding.

> Well, from a menswear perspective, actually it was that men were going to be the first group of customers that would cut off…spend. That we would experience it harder, and we would experience it first...maybe she was still spending based on, she may be spending less, but still it was something that she was maybe more into fashion, more into keeping…her wardrobe updated. And he was complete, "I can still shop...I can still go to my closet. There was plenty of things to wear." He had a closet that was full of merchandise. And he could kind of live off of that wardrobe for a while. So, from a menswear perspective, I felt that…we would get hit harder...that it would be pretty bad. And we did. Especially when it came to…tailored clothing. (1A-2)

Among these shifts in the luxury consumer environment, a significant impact of the Global Financial Crisis was the shift in consumer tastes. As one multi-brand Senior Vice President shared, the trend towards "casualization" remained in menswear after the crisis.

> We still have some…extremely wealthy customers that drive that [tailored clothing men's] business, but I think there's a lot of people as you look around…that the work wardrobe never really returned to that…so from an external point of view, I think at the same time really casualization...happens also at the same time as…the economic crisis. (1A-2)

This finding was supported by the mono-brand, as well as auxiliary participants 1C-1, a CEO, 2C-1, a Senior Business Development Manager, and 5C-1, a CEO. They shared that since the time of the crisis, the men's fashion consumer wants something more versatile, comfortable, casual, and innovative. The researcher attested to these accounts by direct observation of the mono-brand house's and auxiliary brands' product lines displayed at the premier men's fashion tradeshow in Italy. These findings suggest that the menswear business may inform and help guide luxury fashion brands during financial crisis. Propositions derived from these findings developed for future studies include:

> *P7:* During financial crisis, men's luxury fashion customers are more likely than women's luxury fashion customers to reduce purchases/spending.
> *P8:* During financial crisis, men's luxury fashion business sales trends may offer advance warning of a pending downturn.

Relationships between collaborators. The relationship between multi-brand retailers and mono-brand houses was found to be affected by the Global Financial Crisis. From the perspective of the multi-brand participants, it was reinforced numerous times that they relied heavily on partnerships from mono-brand houses during the crisis. They referenced a general increase in negotiations where they were forced to propose and push for support from vendors, for example, money for markdowns, promotions, sales associate contests, and returned goods (returned-to-vendor aka "RTV"), due to the severity of the crisis. This had not been done previously, especially with European mono-brand house partners, as on Buyer recounted.

> Well, we were working with some brands who weren't really used to RTVs…because they really hadn't had to prior to that. It was kind of…you could always have a pretty successful sell-through and profit level…So…you can't really focus on, "Well, we've never done this before." It was kind of a time period well...these are new times…we were getting support from brands who weren't used to giving that kind of support…never say never kind of thing. (1A-5)

Although the relationships with multi-brand retailers did not emerge as a key finding amongst the mono-brand participants, the mono-brand's CEO and Creative Director both alluded to it. The mono-brand house still maintains strong relationships with certain multi-brand retail partners, one of whom is the multi-brand retailer in the study. However, the mono-brand participants emphasized the need to increase their control over distribution in order to communicate their brand identity and to control pricing, as one comment from the CEO summarized.

> "...in a hypothetical world, the dream of everybody is like Louis Vuitton. You control your direct distribution. All the stores? They belong to you so that...you don't have to be…worried about parallel market, discount, lowering price because you control it." (1B-1)

Considering this finding, the desire for control by the mono-brand house may impact relationships with multi-brand retail partners going forward, regardless of the economic conditions. It has already impacted the retail distribution model and the competitive landscape in that it has increased competition between the multi-brand and mono-brand partners. The impacts to the relationships between the multi-brand and the mono-brand partners in crisis and/or non-crisis conditions may thus be useful in future studies.

Store marketing. Two multi-brand retailer participants mentioned that marketing budgets were impacted by the financial crisis. Although it was less frequently mentioned than other impacts, it is important to note that store marketing was reduced during the crisis period while online marketing budgets remained largely the same. One Vice President summarized this finding.

> "I think…there were more cut backs in stores than there were on the web. Because you can do so much more on the web for such less money than what it costs to do things in…[all] stores." (1A-3)

This sub-theme was not mentioned by any mono-brand or auxiliary participants. It did, however, support the marketing vision micro-dimension identified by Cavender and Kincade (2015), suggesting framework applicability.

Cross-Case Comparison (RQ1b)

The findings suggest that several external factors during the Global Financial Crisis had a memorable and significant impact on the luxury fashion brands in this study. All companies cited some form of financial impact, either positive or negative. Overall, the general financial impact was negative for the multi-brand retailer but positive for the mono-brand house. Auxiliary participants supported both of these perceived and actual impacts. Unique to the multi-brand retailer was the impact of the external factors on relationship(s) with mono-brand house partners. This was not specifically mentioned by the mono-brand, though it was insinuated.

The mono-brand house experienced predominantly positive impacts from the crisis. They perceived opportunities for growth and expanded accordingly. Notably, archival data revealed that terrorism negatively impacted the mono-brand. This was affirmed by the Creative Director during primary data collection and the CEO in archival data collection. The CEO mentioned that the mono-brand sought to pare down some of the luxurious features of their products and use more basic colors in response to the terrorist attacks in Europe (Fattah & Nasseri, 2017). Further, they mentioned that the company's planning timeline shifted from planning ten years in advance to just two years. They also revealed that sales in foreign markets, specifically China, increased as a result of the attacks. Although this crisis event was not considered as the context of this study, it does offer key insights that could be studied in the future.

Support was found for numerous dimensions of the re-conceptualized luxury brand management framework in the crisis context. These findings are summarized in Table 3.

Table 3

Cross-Case Comparison of the Impact of External Factors on Luxury Fashion Brands' Strategic Brand Management during the Global Financial Crisis (RQ1a, 1b)

Research Question	Theme	Sub-Theme	Framework Fit	Multi-Brand Retailer (1A)	Mono-Brand House (1B)	Auxiliary (1C-8C)
Impact of External Factors on Luxury Fashion Brands' Strategic Brand Management During the Global Financial Crisis (RQ1a)	Perceived Impact	Duration and severity of the crisis		X		X
		Potential growth opportunity	Expansion & Globalization		X	X
	Actual Impact	Financial performance	Financials	X	X	X
		Consumer behavior	Luxury Consumer Environment	X		
		Relationships between collaborators	Brand Sustainability	X		
		Store marketing	Marketing Vision	X		

Assessment of External Factors' Impact on Luxury Fashion Brands during the Global Financial Crisis (RQ2)

Participants were asked to describe their assessment of the external factors' impact on their respective luxury fashion brand during the Global Financial Crisis. The purpose of the question was to ascertain what the executives and/or managers evaluated (i.e., what questions were they trying to answer) and what they perceived degree of impact would be (i.e., negative or positive). This provided insight into the first-hand experiences of the luxury fashion brands executives during the crisis, which was the overarching purpose of the study.

Five themes emerged from the data: 1) evaluation of customer behavior, 2) evaluation of opportunity, 3) evaluation of price-value relationship, 4) evaluation of inventory position, and 5) evaluation of economy/economic cycles. Similarities and differences between participant responses are discussed, followed by a summary of cross-case comparisons and framework fit in Table 4. Propositions are embedded in the discussion.

Theme 1: Evaluation of Customer Behavior

The impact of the crisis on consumer behavior was a dominant theme amongst multi-brand retailer participants. Their responses revealed that they expected the crisis would significantly impact consumer behavior. Given the shifts the multi-brand retailer executives observed, the major question they sought to answer was: Did the customer want fashion or basic merchandise? According to one multi-brand Vice President, this was one of the first key questions assessed by the retailer when the crisis hit.

> I think one of the big conversations always when something like that happens is, “Oh my gosh, do we go safe and pull back? And now she really only wants to buy the basics?” Or do we say, “No, that's not what she wants…She can wear that same pair of black pants from five years ago and no one’s going to know. If she’s going to spend something, does she want something special?” I think those were the kind of things that went through our minds. (1A-3)

It was determined that the retailer would pursue fashion instead of basic merchandise to give customers a compelling reason to buy.

For the mono-brand house, the assessment of customer behavior in response to the crisis was also an emergent theme. According to the Creative Director, the positive response by Chinese consumers to a broader assortment at their store in China helped them determine whether or not they should invest in offering more product categories in other markets. Also, findings revealed that they relied heavily on tourism trends to determine not only where to expand their mono-brand boutiques but what kind of merchandise to put in each boutique. Notably, the archival data affirmed this finding in the CEO’s comments that the brand assessed tourism trends in response to the terrorist attacks in Europe in 2015 (Fattah & Nasseri, 2017). The decline in tourism in Europe during that time period negatively impacted the brand.

The thought was echoed by a couple of auxiliary participants who recounted keen observation of consumers during periods of crisis. Their assessments of the consumers, for example, Russian consumers pulling back as a result of the oil crisis (2C-1, Senior Business Development Manager), supported the findings from the mono-brand house.

Theme 2: Evaluation of Opportunity

The impact of the crisis on the opportunities in the market was a dominant theme for the multi-brand retailer's and mono-brand house's assessments. The major question that emerged as part of that assessment was: What are the opportunities available to the brand during the crisis? For the mono-brand house, not only did they seek to determine what the opportunities were but where they were in the global market. This was revealed as a significant influence on the mono-brand houses' strategies while it was less-so for the multi-brand retailer. Findings from both case companies were reinforced by auxiliary participants.

The multi-brand retailer asked this question in light of opportunities to cut costs and to invest in particular product categories and/or brands, which was echoed by auxiliary participant 3C-1, a CEO. An excerpt from one multi-brand Director depicted the finding.

> And so, it's a matter of, you can't, you have to be prudent when going into crisis mode in that you're not just across the board taking everything...that's when the merchant is really pressed…to their abilities. That's when they are squeezed the hardest, pressed the most to still find opportunities...even in a really difficult time. (1A-4)

Conversely, the mono-brand house specifically assessed the opportunity to fill a niche in the luxury market. As previously mentioned, this niche was in the highest price-point. This assessment drove the mono-brand's strategies to not only expand the product categories they offered but to expand into specific global markets to increase their brand presence and communicate their brand identity. Similarly, several auxiliary participant responses, like that from 2C-1, a Senior Business Development Manager, revealed a similar evaluation when determining distribution strategies during the crisis.

Theme 3: Evaluation of Price-Value Relationship

The price-value relationship emerged as a significant and dominant theme for the multi-brand retailer during the financial crisis. It was perceived that the price-value relationship would have a significant impact on the brand, as well as customers' brand loyalty. The multi-brand retailer considered numerous things: 1) Did the luxury retailer need to become more value-conscious? 2) Should the retailer shift to a lower price-point in general? 3) If the retailer did lower price-points, would it dilute their luxury status in the market? 4) Was there a way to offer value (e.g., lower price-points) in a thoughtful way without diluting the multi-brand's luxury status? 5) Were there different strategies that the multi-brand could/should implement online versus stores? 6) How could the retailer maintain regular price sales? These evaluations about the price-value relationship displayed a dramatic shift from the pre-crisis environment wherein the retailer tried to determine, along with mono-brand house partners, how high prices could go. The findings reveal that the multi-brand retailer determined they would not change their status as a luxury retailer by pursuing lower priced brands, nor would they adopt the same promotional/discounting activities as their main competitors.

In order to answer these critical questions, nearly all multi-brand participants mentioned increasing analysis of the price-value relationship during the crisis. Described as "price band analysis", the retailer performed an exercise to determine the range of price-points that customers were buying at the time either by product, vendor, etc. This price band analysis helped the luxury retailer's executives ultimately decide to pursue merchandise with lower price-points within the existing vendor structure (e.g., the mono-brand houses' they already carried) in order to maintain customers during that time period. One Buyer and one Director from the multi-brand summarized the finding.

"I mean, we did do a lot of analysis more so than ever about product and about pricing of product and about the price-value relationship." (1A-5)

"…at the time, we started doing price band analysis…it was really about dissecting...product and finding, 'Ok…we are still selling product. However, it might have moved downstream in terms of average retail.'" (1A-4)

The price-value relationship was also found to be part of the assessment of the mono-brand house, but it was less significant. The mono-brand house determined that they would not compete on price in order to establish their position in the marketplace as a premiere, high price-point, luxury brand. Notably, archival data from the mono-brand's CEO revealed that they even sought to uphold their premier status (and ultimately value) by destroying merchandise that did not sell instead of marking it down.

Auxiliary participants strongly emphasized that the price-value relationship was a critical assessment for luxury brands in both crisis and non-crisis conditions. Participants 5C-1, a CEO, and 5C-2, a Commercial Director, highlighted how attempting to compete on price is often a natural reaction to crisis. One Senior Business Development manager, 2C-1, talked about the price-value relationship was a means of inspiring trust in customers. In general, auxiliary participants reinforced that luxury brands should not compete on price as it could ultimately lead to compromise in many facets of the brand's identity (e.g., quality). This supports the findings from Vigneron and Johnson (2004), which emphasized the importance of regular price sales for luxury brands.

Theme 4: Evaluation of Inventory Position

The impact of the crisis on the inventory position was a significant theme for the multi-brand retailer's responses. It did not emerge from the mono-brand house nor the auxiliary participants. As previously mentioned, the multi-brand retailer had purchased merchandise almost a year in advance based on positive business trends. This put them into a severely overstocked position when the crisis hit. Two questions were considered in the multi-brand's assessment: 1) What would the retailer need to do to reduce inventory quickly when purchases were made about a year in advance based on positive business trends? 2) What could the retailer do to maintain a compelling merchandise assortment (i.e., "newness") when budgets were reduced?

In their evaluation of these questions, the multi-brand retailer participants revealed that the predominant answer to those questions was collaboration with their mono-brand house partners. Nearly all multi-brand participants referenced increased negotiations with vendors during the Global Financial Crisis. They ultimately tried to share the losses to keep both the multi-brand and the vendors' businesses afloat, as one Executive Vice President summarized.

> There were partnerships...the best of partnerships were, "Ok, we're both in trouble. We'll share some of the loss."...we would make the case with them that, "You made a 100% profit on this stuff that you sold us. And now we're eating it because of the external…events of nature." You know, like, where the airline doesn't have to do anything for you if it's an "event of nature"? Uh, so, "The events of nature, the marketplace, whatever is…causing us to take a big loss on that. So, we want you to share in the loss...you shouldn't be whole when we're less than half." So…that was the deal that we cut with our best partners. And our biggest partners. And they agreed with that. (1A-1)

It was reiterated by a couple of multi-brand retailer participants that it was more profitable for the business to be under-stocked than over-stocked. One multi-brand participant expressed the difficulty of balancing the directive to cut inventory while still bringing in compelling, new merchandise. The only way to bring in "newness" for customers was to manage the budgets for the buying offices in a way that inventory was commiserate with sales, as an excerpt from one multi-brand Director described.

> Because you still have to manage profitability [during crisis]…And the more you get out of whack in terms of your on-hand and your sales, the worse your profitability gets...you always want your sales increase to out-pace…on-hand. You're constantly striving for that. And it doesn't always pan out…it works better in some divisions than others. But

> that's where we were really pushing for those relationships so that we could get new receipts and future seasons. And it was always...a constant battle every day. (1A-4)

Inventory levels were a key assessment by the multi-brand retailer when determining their strategic management response to the crisis.

Theme 5: Evaluation of Economy / Economic Cycles

The final theme revealed about luxury brands' assessment of impacts was the evaluation of the economy / economic cycles. It was not the strongest theme, but it did emerge for both the mono-brand house and the multi-brand retailer. This was not a significant finding amongst auxiliary participants.

The main consideration of the mono-brand house was the state of the economy in the foreign markets to which they expanded. This was the most frequently cited consideration by both mono-brand participants in determining where to expand during and after the Global Financial Crisis. In contrast, the multi-brand retailer's main considerations were focused on how severe the crisis would be and how long it would last. Multiple participants, notably all holding the most senior levels of leadership within the sample, made it clear that this was a major concern when the crisis hit. They knew that the economy was cyclical, but the sudden onset of the crisis created much uncertainty for executives at the retailer. Table 4 summarizes the findings.

Table 4

Cross-Case Comparison of the Assessments of External Factors' Impact on Luxury Fashion Brands during the Global Financial Crisis (RQ2)

Research Question	Theme	Sub-Theme	Framework Fit	Multi-Brand Retailer (1A)	Mono-Brand House (1B)	Auxiliary (1C-8C)
Assessment of External Factors' Impact on Luxury Fashion Brands During the Global Financial Crisis (RQ2)	Evaluation of Customer Behavior		Luxury Consumer Environment	X		X
	Evaluation of Opportunity		Expansion & Globalization		X	X
	Evaluation of Price-Value Relationship		Brand Equity	X		X
	Evaluation of Inventory Position		Financials	X		
	Evaluation of Economy/Economic Cycles		Company History	X		X

Strategic Management Response(s) of Luxury Fashion Brands during the Global Financial Crisis (RQ3)

The findings from this exploration revealed four main strategic management responses to the Global Financial Crisis employed by the luxury fashion brands in this study: 1) expense reduction and re-allocation of capital, 2) horizontal expansion, 3) global expansion, and 4) maintain position within the market. These four emergent themes supported the findings from Som and Blanckaert (2015), indicating framework fit for the re-conceptualized framework for this study. In all cases, a combination of strategies was used by the luxury fashion brands, not just a single approach. The findings are discussed to address the broader research question first, followed by discussions of more specific aspects of the research question.

Theme 1: Expense Reduction and Re-Allocation of Capital

The strategic responses selected during the crisis varied between multi-brand and mono-brand participants. Findings from multi-brand retailer participants reveal that the predominant strategic response was what Som and Blanckaert (2015) referred to as "Cost Rationalization," wherein a brand reduces capital expenditures and/or investment through reductions in spending, expansion, and expenses. Often considered a "knee-jerk" reaction, this can include staff reductions, hiring freezes, shrinking collections, and justifying all media expenses (Som & Blanckaert, 2015). One Vice President shared how cutting expenses was a key strategy, and continues to be, for navigating crisis periods.

"But I think it's one of those things where…we are very much into the piece of expense saving where we can to make it…through those blips." (1A-3)

Multiple approaches to cost rationalization were indicated by multi-brand participants. In line with Som and Blanckaert's (2015) findings, four sub-themes emerged: 1) reduced inventory, 2) reduced new receipts, 3) reduced brand portfolio, and 4) reduced workforce. These emergent sub-themes are discussed as follows.

Reduced inventory. From an inventory management perspective, it was discovered from participant responses that the company was in a severely overstocked position when the crisis hit because they had made purchases nine months to a year in advance based on very positive business trends, as one Senior Vice President summarized.

> Because if I think about that time...one thing is that it was after such a great peak. So, it's actually interesting because the years leading up to that were so strong and so successful. So, it wasn't like things were showing moderate growth or we were in stagnation and then things got tough. We were actually in a period of…very strong business. And then, the switch turned and when the crisis happened...you had already bought into good business. So, it was doubly challenging because you were anticipating really strong business, buying into it, and then things got tough. (1A-2)

Responses from a Vice President described how inventory reduction was part of the overall effort to pull back overall, while a Senior Vice President further described as a concerted effort to determine where the inventory cuts were most needed to maintain profitability.

"…obviously, we pulled back on inventory…we just pulled everything tighter knowing...and we had to plan it down, and sales were what they were." (1A-3)

> I mean, really…we spent countless hours trying to rebalance the inventories. We were so overstocked. And so, we were in the market in intense negotiations with very large budget decreases to reset the inventories...so that we could then try to not be overstocked and discount. (1A-2)

Inventory reductions became an urgent and vital strategy for the company in order to minimize markdowns, to maintain regular price selling as much as possible, and to ensure open-to-buy dollars were available to bring in new and exciting merchandise.

Reduced new receipts. Part of the inventory management reduction strategy included a reduction in open-to-buy budgets designated for new receipts (purchases). This presented a significant challenge for the buying teams because they could no longer buy merchandise in the same quantities they had prior to the crisis, as one Buyer pointed out.

> It was a constant battle for funding. I was always worried my budgets were going to get cut and pulling out of stores because if you buy less you're either…you have got to pull back somehow. Whether you were pulling out of a store or just buying less to fill up shops or whatever. So, it was really a tough thing to do when you're used to buying at a certain level and then…your budgets get cut in half. And then you go to market, and you see all this beautiful product there. So, that was a tough thing. But that's part of what we do. (1A-5)

Reduced brand portfolio. As a multi-brand retailer, the company carried numerous brands as part of their brand portfolio. However, participants reported that cuts were not made only to how much merchandise was bought from a vendor but to whether they continued carrying a brand at all. Responses from one Buyer and one Senior Vice President revealed that this action typically occurred with both established and new brands that were not performing as well as desired.

> And what made me sad was, not necessarily in my office because I had the core, big guys, but a lot of small designers…sometimes we call it like "succotash." …vendors that...they're kind of just getting started. They're not well-funded. They don't have a lot of capital. They need [Brand 1A] to survive basically…I know that when the Recession happened, it's like all those people went away. And…it's all about the almighty profit. Gross margin…So, you always have a tendency to stick with the bigger partners... everybody had to survive…we also had to cut out a lot of small mom-and-pop vendors

that are just trying to get started. (1A-5)

> There was a whole group of vendors that…we completely had to exit…there were brands…that were perhaps...marginally strong, marginally profitable…when it came to the markets after that, many of them we just had…to exit. We took a pause, we'd say…it wasn't forever, but…for right now, we didn't have the open-to-buy. (1A-2)

Reduced workforce. The multi-brand also cut costs by immediately implementing a hiring freeze followed by a corporate reduction in workforce or "RIF." One Executive Vice President described the strategy as an immediate response to the crisis.

"We had a hiring freeze, which we put in almost immediately. And then we…did a RIF. [It] was corporate." (1A-1)

Auxiliary participants reinforced this finding. Participant 5C-2, a Commercial Director, recounted that they employed a 350-person staff before the crisis. However, they significantly downsized the workforce during the Global Financial Crisis and still have not reinstated all of those jobs post-crisis.

The cost rationalization strategy did not emerge as a key strategy for the mono-brand house. Participants responses clearly reflected that they were focused on growth, and consequently, invested capital rather than cutting it back.

Theme 2: Horizontal Expansion

Participants from both the multi-brand retailer and the mono-brand house recalled that they employed forms of horizontal expansion within the company in response to the Global Financial Crisis. Som and Blanckaert (2015) referred to this as Diversifying, wherein a brand enters new product categories, ranging from offering brand new product lines (e.g., jewelry, accessories, cosmetics) to new lines with differing features or price points. Support for this strategic response to crisis was found in the data from multi-brand and mono-brand participants, suggesting framework fit. Three sub-themes emerged: 1) introduced merchandise with lower price-points, 2) expanded brand portfolio online, and 3) expanded product assortment. The multi-brand retailer diversified by introducing merchandise with lower price-points and by expanding their brand portfolio online, which the data revealed were dominant sub-themes. In additional, the mono-brand house participants broadened their product offering, which was a dominant sub-theme. These specific horizontal expansion strategies are discussed herein.

Introduced merchandise with lower price-points. The multi-brand retailer introduced merchandise at lower price-points, according to participants, by collaborating with mono-brand partners to create and/or purchase merchandise at lower or "entry-level" price points. The primary goal was to introduce lower price points in a way that did not dilute the brand equity for either the multi-brand retailer or the mono-brand house(s) that created the merchandise. In doing so, the multi-brand retailer wanted to retain unit sales, regular price sales, and retain core customers. It was designed to be a win-win for the retailer, the mono-brand, and the consumer. Notably, multi-brand participants emphasized that the introduction of lower price point merchandise was primarily accomplished with existing mono-brands, not with the introduction of new mono-brands that might have been perceived as "mid-tier." The prices maintained what the multi-brand perceived to be their luxury brand status and brand identity retailer while giving their consumer a more "palatable" prices in their favorite mono-brands, as comments from one Vice President and one Senior Vice President summarized.

> I do remember we had kind of a price point strategy but within our current vendor structure. So, we would go to them and say if you're average price point on a dress…"If you're average price point on a dress is $1695, can you do a $995 for us?" Or, "Can you do a package of $995 for us?" Where it's still a fine apparel price point, but it's not $16[95] or $1895. We're pulling it back, but she's still is in the brands that she wants to wear. So, I do remember that we did that. Where at least it made it more palatable, but it was still within our DNA. (1A-3)

> Well, I guess there were questions about…how do we lower prices? I think there was a lot of conversation about being much more value conscious, and how do we address price

point bands? …we would experiment with adding more opening price point brands and taking our existing vendor structure, and being much more price conscious and looking at…lowering the average retail but in a thoughtful way. So, if something was $2200 as an example for a suit. We worked hard and made it $1995. (1A-2)

To facilitate the diversification by price-point strategy, the majority of participants recounted that they engaged in price analysis, specifically price-band analysis, wherein they looked at their business through specific price segmentation to determine which prices performed best in each area and/or brand. The focus on price was apparently a new emphasis for the multi-brand in response to the effects of the crisis, as one Buyer indicated.

"…we did do a lot of analysis, more so than ever, about product and about pricing of product and about the price-value relationship." (1A-5)

The price points were always lowered in a thoughtful way to maintain regular price selling. Some product categories, like handbags, were found to perform better with this strategy than others. Not only did this serve as a means to combat the shifts in the consumer environment during the crisis, but it also allowed the multi-brand retailer to recoup sales by maintaining or increasing the units sold, as one Executive Vice President shared.

We had a strategy to try and get handbags under a $1000, handbags under $2000...so that they were more accessible. And somebody could buy something new…if they wanted to cut back, "Ok, I'm not going to spend my typical $3500 on a handbag. Maybe I'm only going to spend $2000." If we could get something new and something that looked good for under $2000, then, "Ok...that's great." …because...you have to keep the unit volume going...let's say…you're a good customer. You buy 5 handbags a season. Well, let's say you only buy three. To you, it's like, "Oh, I bought three instead of five. Or even four instead of five." …On our side, that's either a 20% reduction or a 40% reduction. So, if you can't keep the units going with other people...and get more units, you can't have everybody that you do business with cut by one handbag. Because you're going take…somewhere 25 to 40% cut if everybody cuts one handbag if everybody cuts one handbag. Because some people only buy one. [So [I] said, "Ok, great, let's get some entry points, keep these units up"] in certain areas. (1A-1)

While the multi-brand generally worked with existing mono-brand partners, a key exception emerged in how the diversification by price-point strategy was executed in the online distribution channel. One Director recounted that a few product categories for certain brands were added to the online distribution channel that were not in the brick-and-mortar stores because they were perceived by store teams to dilute the image of the brand. The Director remembered that there was more flexibility online in what could qualify as "acceptable" for the luxury brand image while simultaneously offering a lower price point.

> So…I go back to Michael Kors. There was a really friendly price band there whereby they were offering great product... we would look at it is perhaps disposable, but it was something that said, "I'm designer. I'm cool looking. I'm acceptable. And I'm also not overly expensive. And I can appeal to a lot of people." Because a lot of people can afford a $150 watch or a $295 handbag…Now, interestingly about that particular product category is it was not sold in stores because they did not want that on their floor…because we wanted to stand for something else in the store...obviously one of the many advantages of having a web businesses is you're not essentially confined by four walls in a store…And so, you can have the ability to carry brands and/or product categories…provided …it doesn't take away from the image that you truly want to portray to your customer. Because the more you start to introduce things like that, the more...you start to jeopardize the image. (1A-4)

As part of introducing lower price-points, the importance of marketing during financial crisis emerged from a few multi-brand and auxiliary participants. Auxiliary participants echoed the importance of consistency in communication of brand identity during times of financial crisis; this concept was only subtly alluded to by the mono-brand, no emphasized. One of the multi-brand retailer participants mentioned the importance of marketing. During the crisis, the participant described how the multi-brand sought to find ways that communicated to customers that the retailer had some merchandise as a lower price-point option while ensuring that the brand's luxury identity was not diluted. They did this through a campaign online (the verbiage has been changed in the following excerpt to preserve anonymity).

> I do remember…we absolutely did some things…god, what did we call it? "[Fabulous Discoveries]". We did a bunch of "[Fabulous Discoveries]"...And it might have been around that time…Where absolutely we started promoting some things that were…friendlier in the [Brand 1A] sense…price point. Where we were saying, "You don't have to just come to us and spend a huge amount of money. There are also these

things." But again, it was very much in our DNA. (1A-3)

The efficacy of the diversification by price-point was generally perceived as a necessary strategic response at the time but perhaps not the best strategy long-term. One Senior Vice President expressed this sentiment, emphasizing on numerous occasions that the company could have focused on product instead of price point.

> We spent a lot of time trying to rebalance price points. And I really do believe overall, despite the fact that it might have been the right thing to attempt to do at the time...we did not see the kind of benefit of bringing opening price point resources that kind of customers didn't respond to. We didn't see the push on price in market…[it was] not as relevant as…pushing on great fashion and product and adding more to the garment. (1A-2)

These findings reveal some important differences on the perceived long-term benefit of diversification by price-point for the multi-brand retailer. The majority of participant responses supported the finding that diversification was a key strategy for managing the crisis, especially to help maintain regular price sales and unit volume. It was thoughtfully executed from inception to analysis to implementation. However, there were disparities in whether certain price-points and/or brands truly fit the multi-brand's luxury image, as well as whether it was the best use of company resources. In addition, participants indicated that it was beneficial for some but not all product categories and/or brands. Some responses indicated that there may have been some negative effects in relationships between the multi-brand with mono-brand partners as a result of this price-driven strategy. Thus, the proposition derived from these findings developed for future study includes:

> *P9:* During financial crisis, diversifying assortments based upon lower price-point goods can negatively impact the relationships between multi-brand retailers and mono-brand houses.

Expanded brand portfolio online. Participants from the multi-brand recounted that they sought to grow the business by expanding their brand portfolio for the online distribution channel. This served as a key growth engine for the company as the addition of new brands online provided potential increased sales. In doing so, the multi-brand sought to align the portfolio of brands offered online with those already offered in stores, as one Director recounted.

> At that point in time, we were still layering in brands…our merchants…would look at the brand matrix. "What do the stores carry? And how big of a business is it to the total? Is my brand that much of the total? Or do I even have that brand? And if my brand isn't doing 10% of the total division, then maybe there's opportunity to grow that brand even more. But then I see others, ten other brands out there that they carry and do well with [that] I don't have. I'm going to pursue and add those brands to the division." So...we were growing so fast, it was a combination of adding brands and growing existing brands versus the store side, which is a much more mature business. For the most part, they have all of the brands...that they are wanting…you're either growing a B- and C-level brand into hopefully becoming an A-level brand…And then maybe finding the next "big brand." Versus at the time, the web…still…had the opportunity to layer in more brands because the stores had more brands than the web. (1A-4)

Expansion of the brand portfolio was a profitable strategy for the online distribution channel. Not only did it create new growth opportunities, but it created a more aligned brand portfolio for the company overall.

Notably, participants who worked for the multi-brand's store distribution channel during the crisis did not report the expansion of the brand portfolio as a strategic response. One Director explained that this was due to the maturity of the store distribution channel at the time of the crisis. The strategy for the stores' brand portfolio was only mentioned in light of exiting marginally profitable brands as part of the cost rationalization strategy. This could have implications for luxury brand management with new and mature distribution channels in the crisis context. The proposition derived from these findings developed for future study includes:

> *P10:* During financial crisis, expanding the brand portfolio may impact less mature distribution channels more positively than more mature distribution channels for luxury multi-brand retailers.

Expanded product assortment. Unlike the multi-brand, the mono-brand house did not create a lower price-point line according to the CEO (1B-1), who said, "We did no second line."

Instead, the company expanded their product categories, which according to Cavender and Kincade (2015) describes brand architecture (e.g., the diversity, brand extensions, and/or sub-branding of the products offered by the brand). This finding suggests framework fit for the brand architecture sub-variable. This strategic approach was found to be another important means of growth and expansion for the mono-brand house. As the CEO described, the expansion of the product categories was intentional and thoughtful.

> We started to implement the lines. Meaning, the offer was wider. And we give the same attention to every single category as for our core business that at that time was shirts and ties. So, the brand extension was done in a smart way…we didn't add category just to add categories, but we add categories giving a meaning to that. (1B-1)

The mono-brand recalled that their customer responses to the merchandise in their store in China revealed a potential opportunity for the collection to broaden from shirts and ties to a total look, spanning shoes, knitwear, etc. Notably, the brand architecture has continued to expand and diversify from the time of the crisis until present day. Reponses from the mono-brand's Creative Director offered additional deeper insight.

> We felt that there was a need, and we could experience the success we were having in China at that time with a full, total look presentation. And said, "Ok, if that works there...we can bring it globally. That's going to work everywhere." So, we started with clothing, with knitwear, shoes. You name it…the whole path was to go from a single accessory to, to a full, total look concept. And now…a full 360 degrees lifestyle concept. So, that has been a whole...a path of a dream. (1B-2)

A couple of things are important to highlight from these findings. First, the global positioning of the brand influenced their product expansion during the crisis. They piloted the total look presentation in China, which proved successful. This ultimately influenced their decision to offer the wider selection to customers in other markets, including the US. Second, in the same way the multi-brand did careful and thoughtful diversification by price-point and brand portfolio expansions, the mono-brand did thoughtful expansion within their brand architecture.

Noting such similarities, the proposition developed for future study is as follows:

> *P11:* During financial crisis, as a strategic management response, mono-brand houses may expand their product offering in all markets based on the customer response in selected international markets.

Theme 3: Global Expansion

Mono-brand participants recounted that their primary strategy during the Global Financial Crisis was global expansion. This was classified by Som and Blanckaert (2015) as “Globalizing,” where companies expand to other global markets, thus increasing global brand positioning and distribution networks. This was a dominant strategy recalled by the mono-brand, as it was for several auxiliary participants, too.

The original distribution strategy for the mono-brand was through select multi-brand retailers, as the company CEO (1B-1) recalled, “We were starting only with multi-brand.” Both the CEO and Creative Director’s responses indicated that the multi-brand retailer distribution channel had once been strong, but the Global Financial Crisis caused some retailers to close. The lack of generational shift and the changes to the retail system were key factors for the mono-brand’s choice to expand mono-brand stores, according to the Creative Director and the CEO.

> [It was] different factors. One is that most of the multi-brands that was super strong at that time…you see some of them, they're not even there anymore. There has been no generational shift, and the whole system has changed a lot…so we had to face that. (1B-1)

> “And [it was] a time when we start opening our stores.” (1B-1)

According to both participants, the growth of the company only continued from the time of the crisis to current day.

“Before it was only 3, 4 stores. Now, we're hitting 60 stores this year. So, we really went from 5 at that time to where we are now.” (1B-2)

> Ok, so let's say that 2008 is, just to give you some idea, like, we were like 34 [million euros]. 2009, with the crisis, we closed at 34 [million euros] again. But the shops start to

> get in, in rhythm. Let's put it this way. So, in 2010, was 47 [million euros]. 2011 was 57 [million euros]. 2012 was 89 [million euros]. 2013 was 131 [million euros]. 2014 was 155 [million euros]. (1B-1)

Although participants did not detail the exact international markets to which they expanded during the Global Financial Crisis, the data revealed that that international distribution had been a goal of the brand before the crisis began. The vision for expansion of the family-owned and operated mono-brand, specifically into China, was established by the patriarch of the family; it was a vision that necessitated risk, according to the Creative Director.

> China in 1993 was a gamble. It was a vision to say, "Ok, let's believe in the market." Why? Because…my dad saw Chinese running so fast. He said, "…these guys are going to…conquer the world one day. So…let's open in that market as well." (1B-1)

Theme 4: Maintain Position within the Market

Findings from the multi-brand retailer and auxiliary participants revealed that maintaining the luxury fashion brand's position in the market was a key strategic management response to the Global Financial Crisis. Som and Blanckaert (2015) described this strategy as "Holding True", wherein a brand maintains their existing plans, keeps calm, and remains focused on their brand heritage and identity. This suggests framework fit for this strategic management response. This strategic response was not mentioned by mono-brand participants, though their responses affirmed that brand identity played a significant role in their strategic development. The three sub-themes that emerged: 1) buying approach: focused on fashion, 2) invested in brand loyalty, and 3) maintained distribution in existing markets. These sub-themes are discussed herein.

Buying approach: Focused on fashion. The findings revealed that the multi-brand retailer's brand identity played a significant role in providing stability and direction for the company's strategic response to the Global Financial Crisis. It was evident that the message of remaining true and consistent to the brand's identity was a priority for the company, starting with the highest executive team members, as one multi-brand Buyer recounted.

> One philosophy that I always appreciated from the top down was…we are [Brand 1A]. That's our place in the world. Our customers come to us not for needs but for wants. So, we have to capitalize on that. And…we're still buying beautiful product. We still identify that. So, we're not walking away from that. It's a struggle, but we're going to keep doing it. (1A-5)

As part of that corporate directive, it was essential for the multi-brand to offer fashion-forward merchandise during the crisis. A focus on selling fashion items instead of basic items was a dominant theme amongst participants. Auxiliary participant responses reinforced this finding. Responses highlighted that a fashion-focus is the core of what the company does and who they are, eliciting the status and emotion luxury customers have come to expect, as one Executive Vice President and one Vice President described.

> Definitely to not go basic. Because people don't want basics. If money is tight, they're not going to buy something that's a replacement item. They want something that people know and can see is new. Because everything we sell is about socio-economic status. So, you're not going to go buy something basic. If you're going to buy something, it's going to be something that people can tell you went out and bought something. (1A-1)

> Do they buy basics? Or do they buy fashion? I can tell you a 100% both in that time and in where we were a couple of years ago…it's about fashion. They want to feel emotional about it…if they can buy one piece a season, what's it going to be? It's going to be something special. And I think that's also carried forward with really looking at what can differentiate us? …it's all about what's different? What's new? What's emotional? And in those times, if anybody asks me, "In a time where business is tough, do you buy…do you go basic or do you go fashion?" You go fashion 100%. (1A-3)

This finding amongst multi-brand participants was not addressed in the prior frameworks by Som and Blanckaert (2015) within the crisis period. As such, it may offer insight for luxury brand leaders. Propositions derived from these findings developed for future studies include:

> *P12:* During financial crisis, continuing to offer the brand and products for which the luxury fashion brand is known or has an established history may positively impact the brand.

> *P13:* During financial crisis, luxury fashion brands' sales will be greater for luxury items that represent the new fashion rather than basics/replacement items.

Invested in brand loyalty. As part of maintaining existing positions in the market, a sub-theme emerged that investing in brand loyalty during the Global Financial Crisis was a key strategy for numerous participants. Brand loyalty is "the degree to which a customer holds a positive attitude toward a brand, has a commitment to it, and intends to continue purchasing it in the future" (Mowen & Minor, 2001, p. 210-211). Brand loyalty has been found to be of utmost importance for luxury fashion brands to cultivate with their consumers (Kim & Ko, 2012). Participants from the multi-brand, mono-brand, and auxiliary participants supported this sentiment. It was found that participants sought to cultivate brand loyalty predominantly through marketing, product, and customer care. Participant 7C-1, a Commercial Collaborator who oversees distribution for three major luxury men's fashion brands, echoed this sentiment in saying that crisis reveals true customers of a brand. The Commercial Collaborator recounted that one of the three brands adopted a highly creative and risky brand loyalty strategy wherein merchandise was sent to some core customers along with a line of credit. That brand communicated a strong sentiment of trust with customers, essentially saying, "We know times are tough, so we want to send you this merchandise in good faith. We know you will pay us back when you can." At the time, the Commercial Collaborator said it was perceived as a "crazy" move but later was found to be revolutionary and highly successful.

This finding suggests framework fit for the re-conceptualized luxury brand management framework in the crisis context as it closely aligns with Cavender and Kincade's (2015) sub-variable of brand sustainability (e.g., long-term return on investment (ROI), continued relationships with customers, supply chain, and stakeholders). Additionally, it supports Som and Blanckaert's (2015) description of the Holding True strategic management response.

Maintained distribution in existing markets. It emerged from all participant companies that they sought to maintain existing distribution. The mono-brand Creative Director (1B-2) highlighted that adjusting product assortment for a location has been a key means of maintaining business in a market. This was echoed by auxiliary participants. Participant 2C-1, a Senior Business Development Manager, shared that they remained in key markets during the crisis, for example, Russia. To do so, they adjusted product offering to suit the economic climate of the locations. For example, the participant said that if the Russian market encounters difficulty, then they do not send the most luxurious product with the most luxury leathers. Instead, they position their products "in a way that makes sense." (3C-1)

This finding supports Som and Blanckaert's (2015) finding of Holding True as a strategic management response to crisis, along with the brand portfolio micro-dimension as a luxury brand management micro-dimension found by Cavender and Kincade (2015). This suggests framework fit for the re-conceptualized luxury brand management framework in the crisis context.

Cross-Case Comparison (RQ3d)

Both primary case companies described forms of diversifying strategies (e.g., entering new product categories from new product lines to new lines with differing features or price points) (Som & Blanckaert, 2015). The multi-brand retailer focused on introducing lower price-point merchandise within their existing vendor structure in order to maintain regular price sales, unit sales, and customer loyalty. This was the dominant strategy of the retailer. Additionally, the retailer expanded their brand portfolio online by adding brands to ensure the brands offered online matched those offered in stores. The mono-brand house broadened their product categories from shirts and ties to a total look, including outerwear, suits, shoes, accessories, etc.

The primary case companies differed in their strategic responses in that the mono-brand house's dominant strategy was global expansion of their mono-brand boutiques (i.e., Globalizing) (Som & Blanckaert, 2015). The multi-brand retailer, however, focused on a strategy to reduce expenses in order to maintain profit and promote growth, or "Cost Rationalization" as given by Som and Blanckaert (2015). This was also the dominant strategy of the retailer, outside of the introduction of lower price-point merchandise. The Cost Rationalization strategy did not emerge as a strategic response for the mono-brand house, though participants expressed that it would be a likely strategy in the event of another crisis in the future. In addition, the multi-brand retailer described an overarching strategy of maintaining their brand identity served to guide and temper the immediate strategic responses to the crisis. This finding was supported by auxiliary participants.

Notably, the Up-scaling strategy (e.g., re-directing investments into the highest end of a brand's product offering) (Som & Blanckaert, 2015), did not emerge in the findings from any of the participants. However, some elements of Up-scaling (e.g., investing in merchandise of the highest price-point) were found in the pre-crisis strategies from the multi-brand retailer and some auxiliary participants.

The findings are summarized in Table 5. The proposition derived from these findings developed for future study include:

> *P14:* During financial crisis, luxury fashion brands may plan and continue to utilize a combination of strategic management responses versus a single strategy.

Table 5
Cross-Case Comparison of the Strategic Management Response(s) of Luxury Fashion Brands during the Global Financial Crisis (RQ3, 3d)

Research Question	Theme	Sub-Theme	Framework Fit	Multi-Brand Retailer (1A)	Mono-Brand House (1B)	Auxiliary (1C-8C)
Strategic Management Response(s) of Luxury Fashion Brands During the Global Financial Crisis (RQ3)	Expense Reduction and Re-Allocation of Capital	Reduced inventory	Cost Rationalization, Financials	X		
		Reduced new receipts	Financials	X		
		Reduced brand portfolio	Brand Portfolio, Financials	X		
		Reduced workforce	Company History, Financials	X		X
		Reduced print advertising	Marketing Vision, Financials	X		
	Horizontal Expansion	Introduced lower price-points	Diversifying, Brand Equity	X		
		Expanded brand portfolio online	Diversifying, Brand Portfolio	X		
		Expanded product assortment	Diversifying, Brand Architecture		X	
	Global Expansion		Globalizing, Expansion & Globalization		X	X
	Maintain Position within the Market	Buying approach: Focused on fashion	Holding True, Brand Identity	X		
		Invested in brand loyalty	Holding True, Brand Sustainability			X
		Maintained distribution in existing markets	Holding True, Brand Portfolio			X

Strategic Management Response(s) Considered by Luxury Fashion Brands during the Global Financial Crisis (RQ3a)

Participant responses revealed that the vast majority of strategic options considered by each luxury brand were actually executed (e.g., reduction in inventory, reduction in receipts, introduction of lower priced goods, etc.) except for a single mention of an online strategy that did not move forward long-term, which was identified by a multi-brand Director. Memory served to preserve what was done, not what was not moved forward. Thus, there were no significant findings for RQ3a; the question did not perform well in terms of participant recall.

Reason(s) Behind Strategic Management Response(s) of Luxury Fashion Brands during the Global Financial Crisis (RQ3b)

Participants from the multi-brand retailer and the mono-brand house were asked to explain why the specific strategic management responses were chosen during the Global Financial Crisis (RQ3b). The findings revealed two themes: 1) brand identity and vision and 2) desired outcomes. Responses from the multi-brand retailer were more robust than the mono-brand house and auxiliary participants, but there were some consistencies in the responses. Similarities and differences are discussed as follows.

Theme 1: Brand Identity and Vision

Participant responses revealed that the foundation of the strategic management responses chosen during the Global Financial Crisis related to brand identity. The strategies chosen sought to communicate and uphold the brand's history, exclusivity, and uniqueness for all stakeholders. According to existing research (e.g., Fionda & Moore, 2009; Moore & Birtwistle, 2005), these are some of the critical aspects of what makes luxury fashion brands different from other brands. When asked why strategic management responses were chosen, one Executive Vice President highlighted the brand's history, "I would go back to the 'We're [over 100] years old'" (1A-1).

In addition to brand history, exclusivity emerged from both the mono-brand house and the multi-brand retailer participant responses. Participants recounted that exclusivity is integral to their luxury brand identity and has influenced brand loyalty amongst consumers. As such, exclusivity has been a source of competitive advantage as one multi-brand Director and one mono-brand Creative Director described.

> When I think you think of [Brand 1A], you think of exclusivity. So, we're constantly looking, whether it's an exclusive brand or an exclusive style, you want to be the only place or one of only a few places to get product...they want to secure as much exclusivity so that we can market that and tell our customer, "You can only find it here." …to give them the reason to do that. (1A-4)

> A lot of our suits are…limited edition. Because it's not that we really do hundreds and hundreds of them. We don't do big, huge series of them. So, the fact that somebody wearing a suit can go to an event and having another person wearing the same suit, it's almost impossible worldwide. That's another good point to shop with us. So, you want to be unique. You want to be different, especially if you're going…in the custom program. (1B-2)

Auxiliary participants echoed this theme of brand identity and vision. In particular, one CEO (1C-1) shared that having a vision based on an understanding of what people need throughout time is essential to survive financial crisis.

The mono-brand's CEO's response revealed an interesting nuance about brand identity and marketing vision. They answered that the strategic driver is "the perception of your brand in the market" (1B-1). The CEO recounted that they read the press about their brand to remain abreast of those perceptions. An auxiliary participant, mono-brand CEO 3C-1, revealed that the primary mono-brand house case company has been considered a forerunner for global expansion and risk-taking in the luxury industry. The auxiliary participant said that the mono-brand house was one of the first to go to China and Russia before it was popular to do so. They also shared that the mono-brand house starts where others stop. For example, if the highest retail price in the industry for a coat is $100,000, the mono-brand house would start by making a coat that retail for $110,000. In a way, risk-taking and global positioning in the market has become part of the mono-brand house's identity and vision. In this way, the mono-brand house's marketing vision may be critical not only in managing perceptions within the market but also driving internal strategies (e.g., making and selling a $110,000 coat) on production of goods. In sum, these findings support the research by Cavender and Kincade (2015) wherein brand identity and marketing vision significantly influence strategic brand management response(s).

Theme 2: Desired Outcomes

Outside of brand identity, a driving force for strategic brand management responses during the Global Financial Crisis were specific desired outcomes of each company. Five sub-themes emerged for this theme: 1) stakeholder trust and loyalty, 2) balance, 3) profit and growth, 4) well-edited assortments, and 5) competitive advantage. The sub-themes are discussed in the following sections.

Stakeholder trust and loyalty. A key reason for the strategies selected by the multi-brand retailer was to communicate stability and longevity to all stakeholders (customers, employees, vendor partners), thus inspiring trust and loyalty. In doing so, they sought to prevent unnecessary cuts (e.g., workforce, because instability, be it perceived or actual) that would compound the already fearful and unsettled consumer psyche. According to one Executive Vice President, it was critical to communicate to all stakeholders a sense of strength, stability, and transparency.

"…you want to react as quickly and as minimally as possible...to maintain stability and integrity...for your associates and your customers." (1A-1)

> You want the customer to have trust that you are a healthy, ongoing business and that you're going to be there...for past purchases and future purchases…I think...acting in a way where you're not trying to…act like nothing ever happened, but at the same time, acting in a way that, you're stable and strong and a good, reputable company I think is really critical. (1A-1)
>
> I think that for your employees, too, you want to admit that there are issues but that you're a strong enough company to be able to deal with them in a reasonable, organized manner. And that their paychecks aren't at risk…the stability of the whole company isn't at risk. (1A-1)

The findings from the multi-brand retailer were strongly supported by auxiliary participants. Auxiliary participant 3C-1, a CEO, shared that they fulfilled customer needs for "well-being" during the crisis by the beauty and craftsmanship of the products they made and sold. Cultivating trust before, during, and after crisis was cited as critical to survive in the luxury market long-term. In order to achieve trust, luxury fashion brands must be transparent and truthful, according to a Senior Business Development Manager (participant 2C-1). It was repeatedly emphasized that transparency is the key to trust. Customers that have confidence that the brand is telling the truth ultimately believe in and trust that the price they are paying is fair, that the product has real value, and that they are buying from a credible brand.

Organized, clear, and transparent communication emerged as a means to create a calming effect during times of significant uncertainty. Securing stakeholder loyalty was a key reason for strategic decisions and the means by which those strategies were communicated. This indicates that brand loyalty may be positively impacted by a luxury fashion brand's perceived stability during financial crisis. As such, the following propositions offer possible direction for future studies.

> *P15:* During financial crisis, maintaining a long-accepted way of doing business can have a positive impact on internal and external stakeholders' brand loyalty to the luxury fashion brand.
> *P16:* During financial crisis, corporate communications that emphasize transparency and stability can have a positive impact on internal and external stakeholders' perceptions of the luxury fashion brand.
> *P17:* During financial crisis, corporate communications that emphasize transparency and stability can have a positive impact on internal and external stakeholders' brand loyalty to the luxury fashion brand.

Balance. The desire to achieve balance emerged amongst multi-brand and mono-brand participants as a dominant sub-theme for why specific strategic responses to the financial crisis were selected. This supported the balanced trade-off variable of luxury brand management

(Cavender & Kincade, 2015) in the crisis context. Three contributing ideas to this sub-theme of balance involve: 1) tradition/customer retention vs. modernization/customer acquisition, 2) stability vs. flexibility, and 3) expansions vs. percentage of business.

Tradition/customer retention vs. modernization/customer acquisition. During the crisis, the multi-brand retailer sought to balance the need to maintain brand heritage and existing customers with becoming more modern to remain competitive and acquire new customers.

> Our core customer is still in her 50s and 60s. I think it's still true that maybe 20% of our customers account for 60% of our sales. Or something like that…you still have these amazing clients that come in and do their annual shopping. And drop $30,000 or $100,000. Or spend a million, $2 million a year kind of thing. She's out there…we have got to take care of her. (1A-5)

During crisis, the changes in technology provided much growth opportunity for the multi-brand's online business, which was found to be a key means of achieving the desire for balance. Online gave them balance, but the challenged of how to modernize and remain relevant to new customers remains.

"Now, we're in a process…where we're trying to move it forward and get more modern, but back then, we had just started the web. There were a lot of good things happening." (1A-3)

This tension was echoed by numerous auxiliary participants. One Commercial Director (5C-2) said that a major key to surviving crisis is linking tradition with the future. They recounted that this was achieved through their product line.

Stability vs. flexibility. Multi-brand participants also highlighted the tension of staying true to an overall brand strategy while remaining flexible in the day-to-day management activities in an ever-changing business environment. During the crisis, they sought to strike a balance between their brand identity while keeping an open mind to the solutions to the external factors that were outside of their control, as one multi-brand Buyer remembered.

> We also need to be aware of the constant change that's going on in the world and kind of a balancing act of staying true to who we are, buying beautiful product, continuing partnerships with our vendor partners, but also being aware of things outside that we can or can't control. (1A-5)

Notably, the majority of multi-brand retailer participants highlighted that they relied heavily on their vendor partners to achieve this balance. Multiple participants reiterated that negotiations with mono-brand houses dramatically increased during the crisis. Mono-brand houses were relied upon, in some cases for the first time, to provide substantial support in order to share the loss with the multi-brand retailer. One Senior Vice President summarized this finding as "intense negotiations" with mono-brand houses during the crisis.

> We were in the market in intense negotiations with very large budget decreases to reset the inventories...so that we could then try to not be overstocked and discount...that's where we had some help because...the economic collapse was happening…it was so easy for a vendor to read and understand…what was going on that they understood why you were coming to market with such a budget reduction, but it still was very difficult period...in terms of purchasing. (1A-2)

In all negotiations, the multi-brand retailer sought to maintain long-term relationships with vendor partners, as one Buyer recalled.

> It was a learning experience. And… really realize who your good partners are…your vendor friends…that will stick with you and support you. I think we were very lucky… with my brands to have vendors that would…do that, and stick it out through the tough times…Whatever it took to minimize the damage. RTVs. Accept…30% less in a receipt plan…But yet still support you with everything that we want. Advertising dollars and funding DSA programs in stores and contests and all that stuff. (1A-5)

In this way, some multi-brand participants viewed the crisis as a time where the best partnerships were revealed.

Expansion vs. percentage of business. Although balancing tradition/customer retention with modernization/customer acquisition was a major reason for adopting certain strategies, it was discovered that the mono-brand house sought to balance the percentage of business in the various foreign markets to which they expanded. The mono-brand's Globalizing strategy was done thoughtfully with careful attention to the percentage of business prudently in each international market. As such, the mono-brand's desire for a balance in all markets tempered growth strategies. The Creative Director's responses revealed that even in the Global Financial Crisis, the mono-brand ensured that a single country only compose 25% to 30% of the total business, giving them a competitive advantage if and when foreign economies were challenged.

> What was important for us even at the time, and now, is always keeping a very good balance in the mix of…percentage of business that we do in the different side of the world. So…crisis might hit the States, but China [could] be booming now. Or Russia…what was the mistake with lot of Italian companies…? [It is] that when Russia became that strong, they were exporting 80% in Russia. When Russia, with sanctions came and everything…their business went down 50%...and not only clothing. Interiors…all of that. So, for us, it was always important to keep a good balance…you should never have a business in a country more than 30%...within a certain area. Because …if you can balance that, it's very good for you that you can control. Even if you…lose 50% of the business in China, it's only…15%...of the…overall business. (1B-2)

Given this finding, the following proposition offers possible direction for future study.

> *P18:* During financial crisis, global expansion may negatively impact luxury mono-brand houses if a foreign country/market exceeds one third of the total business.

Profit and growth. Profitability was key reason behind strategic management responses according to multi-brand participants. The vast majority of multi-brand participants emphasized that inventory management was important for them to achieve their goal of profit and growth. They sought to balance inventory to match demand, which required substantial increased analysis to achieve that. To achieve max profitability, the multi-brand retailer sought to get into an inventory position where they were "chasing the business," as one Director described.

> It's at that point when you are truly able to manage a crisis that you then scale back. And you get to a point…that the merchants would use the phrase "chasing the business." We would rather chase the business…I would much rather be in a position where I lose a sale or I run out of product or inventory before I have too much. (1A-4)

The multi-brand's brick-and-mortar stores were more negatively affected than online business during and after the crisis, which was why they were so aggressive in balancing their inventory positions and investing in key growth engines (e.g., online) at the time. Comments from one Director conveyed that initially, the multi-brand retailer planned online more conservatively in 2008, but after 2009, online became major growth engine. This was echoed by other participants, who said that online was more aggressively planned than stores, which remained conservative in planning approach. Notably, online rebounded faster than stores post-crisis.

Well-edited assortments. A sub-theme echoed by numerous multi-brand participants, although not by mono-brand or auxiliary participants, was the change in the buying approach as a result of the financial crisis. The majority of participants recounted that buyers had to become better editors of product assortments. Before the crisis, buyers were prone to buy “filler” merchandise that was perhaps not as compelling. The multi-brand’s planning division pushed buyers by cutting receipt and inventory plans. Buyers were pressed to find new opportunities and negotiate lower price-point options with existing mono-brand house partners. The guiding directive for buyers was to become better editors, as one Senior Vice President summarized.

> I think the guide would've been to just be much better editors than we had been in the past. I think when times were good and the open-to-buys weren't as challenged, you tend to get a little bit more relaxed…[for] my team, things they *like* make it onto the buy as opposed to things they *love*…we had to just do a much better job editing. Editing being some brands had to go away completely…it wasn't really a time to be…safe. It was more of a time to go after things you think are really strong and do a much better job passing on the merchandise that just became filler. (1A-2)

The thought of risk-taking in purchases to avoid playing it "safe" was echoed by other multi-brand participants. Despite the pressure, the desired outcome for better assortment contributed to the long-term health of the company according the majority of participants.

Competitive advantage. Maintaining competitive advantage emerged as a sub-theme amongst multi-brand retailer participants, though it was not as strong as the other sub-themes.

The retailer's main competition provided tremendous pressure to compete based on promotions and discounts. This was not in line with the retailer's overarching strategy of remaining a luxury retailer. The competition forced the hand of the retailer in some ways. For example, they implemented markdowns two months earlier than originally planned in order to compete. However, they stayed their own course and true to who they were as a brand by not matching exactly what competitors were doing, as one Director recounted.

> While we try and be somewhat competitive with that, I always feel like we do our best to stay our own course and to do what we think is right. And yes, you have to acquiesce some, but we do try to not go as deep, not go as early, and not do similar things that they're doing…I felt like we really tried to stay our course. (1A-4)

In addition, multi-brand participants recounted that they sought to keep their competitive advantage through their online distribution channel. According to participants, the multi-brand retailer was one of the first to market to have a premier luxury retail website. Not only were they a market leader, but one participant, a Director, recounted how their luxurious brand image online made them a market leader. Further, the multi-brand retailer sought to uphold their high penetration of online business to total sales for the company. Competitors did not and still do not have such high penetration rates, according to a multi-brand Director. Multiple participants recounted how the online channel was a critical way to ensure they maintained their competitive advantage during the crisis.

Table 6

Cross-Case Comparison for the Reason(s) Behind Strategic Management Response(s) of Luxury Fashion Brands during the Global Financial Crisis (RQ3b, 3d)

Research Question	**Theme**	**Sub-Theme**	**Framework Fit**	**Multi-Brand Retailer (1A)**	**Mono-Brand House (1B)**	**Auxiliary (1C-8C)**
Reason(s) Behind Strategic Management Response(s) of Luxury Fashion Brands During the Global Financial Crisis (RQ3b)	Brand Identity and Vision		Brand Identity	X	X	X
	Desired Outcomes	Stakeholder trust and loyalty	Brand Sustainability	X	X	X
		Balance	Balanced Trade-Offs	X	X	
		Profit and growth	Expansion & Growth, Financials	X	X	
		Well-edited assortments	Brand Architecture	X		
		Competitive advantage	Brand Strategy	X		

Role of Brand Identity in Strategic Management Response(s) of Luxury Fashion Brands during the Global Financial Crisis (RQ3c)

This study sought to specifically discover the role that brand identity played in the strategic management responses of luxury fashion brands during the Global Financial Crisis (RQ3c). Cavender and Kincade (2015) found that brand identity significantly impacted the strategic management response of luxury brands in a non-crisis context. Findings from this study strongly supported their finding, even within the crisis context. Responses from participants revealed three important themes for the role of brand identity: 1) the key foundation and strategic driver, 2) the most important company asset, and 3) the key to a long-term positive outcome. The findings are summarized in Table 7 following the discussion.

Theme 1: The Key Foundation and Strategic Driver

In all cases, participant responses revealed that brand identity was a strategic driver during the Global Financial Crisis. It served as a guide and inspired strategic responses, as a multi-brand Vice President said, "…the message really was to maintain who we are." (1A-3) In the same way that brand identity guided strategic decisions, it also tempered strategic decisions, particularly for the multi-brand retailer. Certain brands were not added to the retailer's brand portfolio because it would be considered "crossing the line" and undermined the brand identity, as one Director shared.

> At the time…we always talked about adding Coach as a resource, but we never really went through with it because that was essentially crossing the line of being a luxury brand and then being more of a what would be considered a mid-tier or a non-luxury brand. (1A-4)

Strategies related to price, however, were perceived differently amongst participants. Existing luxury brand literature generally agrees that premium price is part of the luxury fashion brand anatomy, as Fionda and Moore (2009) described it.

The multi-brand retailer participants revealed a slight spectrum of the role of price in helping navigate the Global Financial Crisis.

"There was never conversation about, 'Well, we need to downgrade. We need to be cheaper. And…lower prices.' That type of thing. It was never that." (1A-5)

It seemed that competing on price may have been more positively perceived (and received) in womenswear businesses than menswear. This differentiation was clear amongst the multi-brand's participants as those who oversaw men's businesses specifically relayed that the pricing strategy may have been detrimental in the long-run whereas those who primarily oversaw women's businesses portrayed it as a positive strategy for the luxury brand overall.

The mono-brand's CEO highlighted that they did not compete on price in any way. Further, auxiliary participants 2C-1, 5C-2, and 7C-1 strongly emphasized that luxury brand should not compete on price. Participant 5C-2 went so far as to say that price is the enemy of luxury. All of these auxiliary participants manage significant luxury men's businesses.

The findings in this study revealed that price may be more significant to mono-brand houses' brand identity than multi-brand retailers. Further, price may be perceived differently between sections of the luxury business (e.g., menswear vs. womenswear). Propositions derived from these findings developed for future studies include:

> *P19:* During financial crisis, price-point may be more closely tied to brand identity for mono-brand houses than multi-brand retailers.
> *P20:* During financial crisis, strategic brand management responses that seek to compete on price may negatively impact relationships between multi-brand retailers and mono-brand houses.

Theme 2: The Most Important Company Asset

The multi-brand, mono-brand, and auxiliary participant responses agreed that the luxury fashion brand's strategy must align with and preserve brand identity. During crisis, the luxury fashion brands' efforts to remain true to brand identity served to protect the brand identity. This was reinforced amongst mono-brand and numerous auxiliary participants with terms like, "consistency" (5C-1, mono-brand CEO), "coherency" (1B-1, mono-brand CEO, archival data), and "no compromise" (2C-1, mono-brand Senior Business Development Manager). Anything that would detract from or dilute brand identity was perceived as inconsistent and therefore, to be avoided. One multi-brand Vice President summarized the sentiment.

> The one thing in my mind - and I think our leaders at the time and current leaders probably would say the same thing - in retail, you can't constantly change your strategy because then you lose your identity…our heritage and our identity is one of the most important things we can have. (1A-3)

Theme 3: The Key to Long-Term Positive Outcome

Multiple participant responses across case companies revealed a perceived association between brand identity and long-term positive outcomes. Strategic responses to crisis that aligned with brand identity were thought to lead to the brand's survival and ultimate success. Conversely, participants from the mono-brand, multi-brand, and auxiliary brands perceived weakness in luxury brands that changed position in the market, “who they were” in the market, and/or left the market. Auxiliary participant 4C-1, an auditor of luxury fashion brands in Italy, said that only the good companies stay in the market. That same fortitude and commitment to the essence of the brand was referenced by a multi-brand Vice President and a mono-brand CEO.

> We are a luxury retailer…I remember [former company CEO] saying this, too. “We are always going to be a luxury retailer.” Because…that’s who we are. And we either have to commit to that or be something different. Because those companies who don’t commit to one identity, those are the ones that go by the wayside. (1A-3)

“...normally, what happens with crisis? The weakest ones go down. And the [ones] who survive then get all the benefits of the crisis.” (1B-1)

In this sense, the alignment of the luxury fashion brand’s brand identity with their strategic response led to long-term brand sustainability, which Cavender and Kincade (2015) described as long-term return on investment (ROI), continued relationships with customers, supply chain, and stakeholders. Propositions derived from these findings developed for future studies include:

> *P21:* During financial crisis, brand identity will be a significant strategic driver for luxury multi-brand retailers.
> *P22:* During financial crisis, strategic brand management responses that align with brand identity can positively impact long-term brand sustainability for luxury fashion brands.

Table 7

Cross-Case Comparison of the Role of Brand Identity in Strategic Management Response(s) of Luxury Fashion Brands during the Global Financial Crisis (RQ3c)

Research Question	Theme	Sub-Theme	Framework Fit	Multi-Brand Retailer (1A)	Mono-Brand House (1B)	Auxiliary (1C-8C)
Role of Brand Identity in Strategic Management Response(s) of Luxury Fashion Brands During the Global Financial Crisis (RQ3c)	The Key Foundation and Strategic Driver		Brand Identity	X	X	X
	The Most Important Company Asset		Brand Identity	X	X	X
	The Key to Long-Term Positive Outcomes		Brand Identity, Brand Sustainability	X	X	X

Lessons Learned by Luxury Fashion Brands during the Global Financial Crisis (RQ4)

The following discussion first provides an overview of the lessons learned by the luxury fashion brands in this study during the Global Financial Crisis, followed by the pre-emptive steps suggested by participants to help navigate potential future financial crisis. These findings are summarized in Table 8.

When asked to describe the lessons learned during the Global Financial Crisis, numerous themes and sub-themes emerged from the multi-brand retailer, the mono-brand house, and auxiliary participants. Some participant responses from both the multi-brand retailer and mono-brand house highlighted the things that certain things were done well during the Global Financial Crisis. For the multi-brand retailer, an Executive Vice President recounted that they were proud of how quickly the company recognized the warning signs of the crisis.

> I'm very proud of the fact that we reacted quicker than anyone else, and we started cutting our orders the minute we started seeing regular price selling start to trend down. Which was at the end of spring when we were buying resort. Then we went to Europe. Everybody thought we were nuts. Could we have cut that a little bit more? Yeah, maybe, but we really didn't realize how bad it was going to be. But…I would say…that's the thing I was most proud of. (1A-1)

For the mono-brand house, the Creative Director shared that they had no regrets because they stayed true to their brand identity and made the decisions that were appropriate for the time in the company's history. The mono-brand house did not compromise the quality of their product, nor the well-being of their internal workforce, for the sake of growth, as a quote from the Creative Director describes.

> I think looking back, we have no regrets. Every step was done in the right way…growing…in the right way. Not growing and consolidating the quality. We could've done a, "Boom." We could've just opened over 50 stores, 20 stores a year. Reduce the quality. Increase production. And [not] care about the people and the human resources. But…that was…my dad's vision also, "Let's do 5, 6 stores[s] maximum per year when it's a big year in order that we can produce the store with our resources, with our team, with our people. And even if the business grows more than...20, 30%, we can still control the quality of what comes out from here." (1B-2)

In terms of what they would do differently, a couple of significant themes emerged. For the multi-brand retailer, the majority of participants concluded that they were better off focusing on procuring compelling product. One Senior Vice President emphasized that while pursuing lower price-point may have been the right thing to do at the time, it may have negatively affected the luxury retailer in the long-term. Instead, the Senior Vice President reinforced that the lesson learned would be to focus on product instead.

> I would double down on my drive of making sure that newness and innovative products and things that are still...it's not about being flashy or subtle, but products that are not already in their closet...exciting merchandise is the driver of what we do. (1A-2)

Some multi-brand retailer participants questioned the whether the focus on introducing lower price-point merchandise was detrimental in the long-term. Upon reflection, a Senior Vice President from the multi-brand recounted feedback from the mono-brand houses about the strategy during that time period.

> I remember asking vendors what they think we could have done differently…I asked the questions like, "If you could've changed one thing that we did about running the business

> last year, what would it have been?" I do remember several times being told, "You focused on price." (1A-2)

This supports the findings by Raggio and Leone (2009) wherein brands that offer lower prices during financial crisis may experience a negative impact on long-term brand equity.

For the mono-brand house, the CEO emphasized that they would not have licensed some of their mono-brand boutiques in foreign markets. It, like the multi-brand's price-point strategy, may have been the right decision for the time but it did not benefit the mono-brand long-term.

> I would not give some cities as way as licensing. As [a] licensed city. I would have keep them for myself. For the store. So, maybe now, I'm thinking about buying them back. At that time, was [it] a good choice? Yes. Knowing now the results that [we] do have, I would've keep for us? Yes. (1B-1)

Looking back, the CEO and the Creative Director both said that they would increase the analysis if another financial crisis were to occur. This would lead to wiser investments and cost savings. This is an interesting finding because analysis and cutting costs were integral strategies for the multi-brand retailer during the Global Financial Crisis. The focus on expansion and growth for the mono-brand took precedent over in-depth analysis. This finding indicates that luxury fashion brands may consider prioritizing analytic activities during a crisis so that prudent planning, cutting, and investment can be done.

Notably, one multi-brand participant, a Senior Vice President, reflected on an important lesson not learned related to the supply chain lifecycle.

> One thing that I think is a disappointment…is that the product lifecycle has not…shortened like I expected it to be 10 years later. And if anything, we're still buying just as far out. If not further, in some cases…I think...one of the lessons not learned is…we're still committing to merchandise so far in advance in our world...that if things were to get bad, we would still be as exposed to 6-months of on order…which is…one of the biggest risks that we have. (1A-2)

The finding suggests that adjustments may be needed in order for the multi-brand retailer to survive future possible crisis events. As such, the following proposition developed from the findings offers possible direction for future studies.

> *P23:* During financial crisis, luxury multi-brand retailers are more likely to have increased risk due to the level of advanced purchasing required.

Pre-Emptive Steps for Luxury Fashion Brands to Consider Before Financial Crisis (RQ4a)

Participants were asked what advice they would give to new luxury brand executives for navigating a potential future financial crisis. The first piece of advice that was repeated across multiple participants from the multi-brand retailer, the mono-brand house, and auxiliary data sources was a version of "stay calm and do not panic." This indicates that it may be a common response for those who have not encountered crisis – and maybe those who have – to become unsettled by uncertain external circumstances. In addition, an overwhelming majority of participants said that luxury brand executives should invest in the creation and procurement of compelling product. It was repeated multiple times, specifically by a Partner (4C-1), a Commercial Director (5C-2), and a Director (6C-1), that the new millennial luxury customer is interested in the product, not the brand. This supports industry reports that the values of the future luxury customer are distinctly different than those of previous generations (Sherman, 2017).

Like lessons learned, an overwhelming majority of all participants emphasized the importance of investing in compelling product. The mono-brand participants and auxiliary participants elaborated on this concept by emphasizing the need for upholding product quality, tradition, and modernity. Similarly, a Senior Vice President summarized the finding in saying, "Product is the most important thing." (1A-2)

The detailed findings for lessons learned and pre-emptive steps as cited by participants for RQ 4, 4a, and 4b are summarized in Table 8.

Table 8

Cross-Case Comparison of the Lessons Learned and Pre-Emptive Steps for Luxury Fashion Brands during Financial Crisis (RQ4, 4a, 4b)

Research Question	**Theme**	**Sub-Theme**	**Framework Fit**	**Multi-Brand Retailer (1A)**	**Mono-Brand House (1B)**	**Auxiliary (1C-8C)**
Lessons Learned by Luxury Fashion Brands During the Global Financial Crisis (RQ4, 4b)	Invest in compelling product	Product is the most important thing	Brand Architecture	X		X
		Invest in product quality & innovation	Brand Identity, Brand Architectures		X	X
	Remain true to brand identity		Brand Identity, Marketing Vision	X	X	X
	Plan and analyze prudently		Financials, Strategic Planning	X	X	
	Maintain balance between brand identity, objectives, and strategies	Tradition vs. modernization	Balanced Trade-Offs	X		
		Constancy vs. flexibility	Balanced Trade-Offs	X		
	Communicate transparently to stakeholders		Brand Sustainability	X		
	Capitalize on opportunities		Expansion & Growth, Strategic Planning	X		
	Invest in marketing		Marketing Vision	X		
	Recognize early warning signs and react quickly		Strategic Planning, Effective Response	X		
	Control distribution and production	Organizational structure allowed for flexibility, control, and growth	Expansion & Globalization		X	
		Keep distribution in-house			X	

Research Question	Theme	Sub-Theme	Framework Fit	Multi-Brand Retailer (1A)	Mono-Brand House (1B)	Auxiliary (1C-8C)
	Maintain consistent pricing across global markets				X	
	Research internally / protect intellectual property		Brand Strategy		X	
Pre-emptive Steps for Luxury Fashion Brands to Consider Before Financial Crisis (RQ4a, 4b)	Stay calm, accept circumstances, and react quickly		Strategic Planning, Effective Response	X	X	
	Remain true to brand identity		Brand Identity	X	X	X
	Capitalize on opportunities		Expansion & Growth, Strategic Planning	X	X	X
	Invest in product and product value		Brand Architecture	X		X
	Maintain balance between brand identity, objectives, and strategies	Cutting back vs. investment	Balanced Trade-Offs, Effective Response	X	X	X
		Constancy vs. flexibility	Balanced Trade-Offs, Effective Response	X		X
		Basic vs. fashion	Balanced Trade-Offs, Effective Response	X		X
		Long-term vs. short term planning	Balanced Trade-Offs, Effective Response	X		X
		Tradition vs. modernization	Balanced Trade-Offs, Effective Response			X
	Work hard and persevere			X		X
	Invest in marketing		Marketing Vision, Technology	X		X
	Support and depend on your team			X		X

Research Question	Theme	Sub-Theme	Framework Fit	Multi-Brand Retailer (1A)	Mono-Brand House (1B)	Auxiliary (1C-8C)
	Maintain competitive advantage		Brand Strategy, Brand Identity	X		X
	Get a mentor and always learn			X		
	Secure stakeholder trust and loyalty		Brand Sustainability			X
	Mitigate risks	Company debt		X		

Exploration of Framework Fit (RQ5)

A main objective of the study was to expand upon academic research by proposing a re-conceptualized theoretical framework based upon the luxury brand management framework put forth by Cavender and Kincade's (2015) and Som and Blanckaert's (2015) luxury brand crisis management framework. These individual frameworks were designed in non-crisis and crisis contexts, respectively. The frameworks were simplified and re-conceptualized to include four main sections: 1) the financial crisis context, 2-3) the macro and micro-dimensions of the luxury brand management framework identified by Cavender and Kincade (2015), and 4) the specific strategic responses as depicted by Som and Blanckaert (2015). This study contributes to the body of knowledge in offering an exploration of the frameworks within the crisis context.

Framework Fit Analysis

Overall, the findings show that there is support for the re-conceptualized luxury brand management framework proposed in this study. After the pattern coding for emergent themes was done, the data was coded a second time using a coding framework based on the re-conceptualized framework proposed in this study. There were twenty-four (24) total possible codes that could be assigned to the data, of which two codes were designated for newly discovered emergent themes (one for emergent factors in the crisis context and one for emergent dimensions of luxury brand management). The combined data from primary multi-brand retailer, mono-brand, and auxiliary participants supported all aspects of the re-conceptualized framework, thus indicating framework fit. Tables 2-8 identified framework fit for each of the themes and sub-themes found during pattern coding efforts and were differentiated by multi-brand retailer, mono-brand house, and auxiliary participant responses. As part of the framework coding effort, Table 9 depicts the responses from each case company by the four sections: 1) external factors, 2) macro-dimensions, 3) micro-dimensions, and 4) strategic management response. The findings for the exploration of framework fit are discussed accordingly, followed emergent themes.

Table 9

Participant Responses for Fit Analysis of Re-Conceptualized Luxury Brand Management Framework in the Global Financial Crisis Context (RQ5)

Framework Codes	**Multi-Brand Retailer (1A)**	**Mono-Brand House (1B)**	**Auxiliary (1C-8C)**
External Factors			
1.1 - Economic	X	X	X
1.2 - Political	X	X	X
1.3 - Other	X	X	
Macro-Dimensions			
2.1 - Expansion & Globalization	X	X	X
2.2 - Technology	X	X	X
2.3 - Luxury Consumer Environment	X	X	X
Micro-Dimensions			
3.1.1 - Company History	X	X	X
3.1.2 - Brand Portfolio	X	X	X
3.1.3 - Financials	X	X	X
3.2 - Variable – Brand Strategy	X	X	X
3.2.1 - Sub-Variable – Brand Identity	X	X	X
3.2.2 - Sub-Variable – Marketing Vision	X	X	X
3.3 - Variable – Balanced Trade-offs	X	X	X
3.3.1 - Sub-Variable – Brand Equity	X	X	X
3.3.2 - Sub-Variable – Brand Architecture	X	X	X
3.4 - Variable – Strategic Planning	X	X	X
3.4.1 - Sub-Variable – Brand Sustainability	X	X	X
3.4.2 - Sub-Variable – Effective Response	X	X	X
3.5 - Variable – Other / Emergent	X		X
Strategic Management Response			
4.1 - Globalization	X	X	X
4.2 - Diversifying	X	X	
4.3 - Upscaling	X*	X	
4.4 - Holding True	X	X	X
4.5 - Cost Rationalization	X	X*	X

**Referred to historical or future strategies but not actual strategic responses to Global Financial Crisis*

External factors. An analysis of all participant responses to RQ1 and RQ2 suggested that the majority of factors cited by participants were indeed external. Economic and consumer factors emerged as dominant external factors. External factors were not included in either of the luxury brand management frameworks by Cavender and Kincade (2015) or Som and Blanckaert (2015). The data suggests that external factors influenced numerous dimensions of luxury brand management during the Global Financial Crisis.

Macro-dimensions. The macro-dimensions originally put forth by Cavender and Kincade (2015) were supported by participant responses. Macro-dimensions describe macro-level phenomena that along with the *zeitgeist* (or "spirit of the times") create the environment within which the luxury brand must manage; the environmental cues or determinants include expansion and globalization, changes/developments in technology, and the luxury consumer environment (Cavender & Kincade, 2015). The most referenced macro-dimensions amongst all participants were luxury consumer environment and expansion and globalization. The technology macro-dimension was mentioned the least by participants overall when navigating the crisis, though it was mentioned by the multi-brand participants fairly often. Interestingly, over half of the primary mono-brand participants responses referenced expansion and globalization as a macro-dimension they considered during the crisis, whereas over half of multi-brand retailer responses reflected the luxury consumer environment macro-dimension. A large portion of auxiliary data participant responses related to the luxury consumer environment, followed by expansion and globalization and technology. Although the luxury consumer environment was mentioned by all segments of the sample population, these findings indicate that that consumer may have played a more significant role in brand management during the crisis for the multi-brand retailer and the secondary case companies, but growth played a more prominent role for the primary mono-brand case company.

Micro-dimensions. All of the micro-dimensions originally put forth by Cavender and Kincade (2015) were reflected in participant responses for the Global Financial Crisis context. Micro-dimensions are the lower level of luxury brand management wherein the day-to-day management of the corporate environment serves to interpret the *zeitgeist* and the macro-dimensions (Cavender & Kincade, 2015). Cavender and Kincade (2015) found that micro-dimensions included the corporate environment, variable brand strategy with sub-variables brand identity and marketing vision, variable balanced trade-offs with sub-variables brand equity and brand architecture, and variable strategic planning with sub-variables brand sustainability and effective response.

The most frequently referenced micro-dimensions included effective response (e.g., organization/environment fit, environmental responsiveness, organizational adaptability), strategic planning (e.g., remedy threats from changing environments, leverage opportunities resulting from changing environments), brand identity sub-variable (e.g., brand personality, brand protection, values, use histories/stories to facilitate brand image of consumers), and marketing vision (e.g., vision supports brand identity and positioning, integration of vision at all company levels, vision evolves with consumer change). In contrast, the least-mentioned micro-dimensions overall were brand portfolio (e.g., connectedness of brands in portfolio, position brands occupy in the market, extent to which market is saturated by portfolio), brand strategy (e.g., competitive and financial strength, strong brand performance, consistency in communication of brand concept, social and cultural responsiveness), and brand architecture (e.g., diversity, brand extensions, sub-branding).

When comparing the mono-brand to the multi-brand retailer business models, brand identity may have played a more significant role for the mono-brand during the crisis. Among primary and auxiliary data sources, mono-brand participants cited brand identity and marketing vision in the top three most-mentioned micro-dimensions. Multi-brand retailer participants, however, cited effective response as the top micro-dimension, followed by strategic planning. Brand identity and marketing vision for the multi-brand retailer data were about equal in strength, along with brand sustainability (e.g., long-term return on investment (ROI), continued relationships with customers, supply chain, and stakeholders). These findings indicate that brand identity and marketing vision, although clearly prominent and important to luxury brand management as a whole, may bear greater significance for mono-brands than multi-brands during periods of crisis, or, perhaps multi-brands may have more opportunities for flexibility than mono-brand houses.

Strategic management response. In all cases, different combinations of various strategic management responses to the crisis were employed by the brand. The primary strategic management response to crisis for all mono-brand participants was Globalizing (i.e., expanding into other global markets, increasing global brand positioning and distribution networks), followed by Holding True (i.e., staying with existing plans, keep calm, and remain focused on brand heritage and identity; maintaining existing capital investments). Findings from multi-brand participants, however, show that Cost Rationalization (i.e., reducing spending, expansion, and expenses, including staff reductions, hiring freezes, shrinking collections, and justifying all media expenses) was the most-referenced strategic management response for the brand, followed by Diversifying (i.e., entering new product categories, ranging from offering brand new product lines such as jewelry, accessories, and/or cosmetics to offering new lines with differing features or price points) and Holding True. It is noteworthy that the primary mono-brand case company employed a Diversifying strategic management response, too, which was their second most-mentioned strategy overall. These findings support the claim made by Som and Blanckaert (2015) in their original work that luxury brands choose a strategy or combination of strategies that best suit their company. This study's findings expand that knowledge to include the luxury multi-brand retailer perspective, which was not considered in previous studies.

Framework expansion. Though many of the concepts found in the frameworks proposed by Cavender and Kincade (2015) and Som and Blanckaert (2015) were supported by the data, there were sub-themes discovered that were not previously emphasized or included in the models, including competitive environment, brand architecture, and brand portfolio. The key findings of this study suggest the following potential extensions to the re-conceptualized framework.

Competitive environment. The framework by Cavender and Kincade (2015) alluded to competition in the company history micro-dimensions, but the data suggests that there may be a need to expand the macro-dimensions to include competition and/or the retail environment. The data supports the need for this aspect to be included in the re-conceptualized luxury brand management framework because it was a key influencer on luxury brand management decisions during the Global Financial Crisis.

Brand architecture. The study's findings suggest an opportunity for to expand upon the definition of the brand architecture sub-variable as defined by Cavender and Kincade (2015), which described a luxury brand's diversity, brand extensions, sub-branding, etc. However, the data indicates that this definition is not comprehensive. Three findings emerged that suggest brand architecture include product, price, and inventory in its scope.

Product. The important and pre-eminent role of the actual product emerged from the data for both the multi-brand retailer and the auxiliary data sources. It was a resounding theme for lessons learned and pre-emptive steps for luxury brand leaders (RQ 4, 4a). Cavender and Kincade's (2015) brand architecture sub-variable is limited in that it did not address this key aspect that was found. As such, it may be valuable to add this to the definition of brand architecture to the re-conceptualized luxury brand management framework.

Price. Another key emergent theme was the role of price within the luxury market during financial crisis. Participants from all brands strongly emphasized the important role price played in their considerations of how to best navigate the financial crisis. Some gave strong caution against competing on price within the luxury market at any point but especially during crisis because it could jeopardize the long-term equity of the brand especially with consumers. The data revealed price as not only a key management consideration during crisis but as a critical differentiating aspect of the luxury market. This affirms a finding from the study by Som and Blanckaert (2015) in which they quoted Bernard Arnault as saying, "What we have learned in the many crises we have been through is that this (cutting costs) is a mistake, especially when it comes to luxury….If you don't put your products on sale, consumers feel they are buying something that retains its value....Even during tough times we can continue to invest and during the crises I went through in the past 20 years, we always gained in market share" (p. 22). However, the framework by Cavender and Kincade (2015) did not address price. Therefore, it is suggested that price be added to the brand architecture sub-variable.

Inventory. In considering the luxury multi-brand retailer, it was clear from the data that inventory played a significant role in the strategic brand management responses the multi-brand. However, there was no dimension in Cavender and Kincade's (2015) luxury brand management framework that addressed this critical variable. The data suggests that the brand architecture sub-variable include inventory within its definition.

Brand portfolio. The luxury brand management framework did not comprehend the multi-brand retailer perspective (Cavender & Kincade, 2015). The data suggest that brand portfolio for a multi-brand retailer includes the actual assortment of brands carried. Therefore, it is suggested that the definition of brand portfolio be expanded to include the variety of brands owned and sold by multi-brand retailers.

CHAPTER 5 – CONCLUSIONS

The purpose of this study was to explore the first-hand experiences of luxury fashion brand executives in their selection of strategic brand management responses to the Global Financial Crisis of 2007-2010. Within that context, it sought to discover the impact of the external factors on luxury fashion brands and the strategic management response to those factors in order to survive the crisis. The study drew cross-case comparisons between two luxury fashion brands, a multi-brand retailer and a mono-brand house, that endured the financial crisis using the experience-based insights of their leaders (Stake, 2006). Additional insight was gained from auxiliary luxury fashion brand executives for depth and triangulation. The discovery of lessons learned may offer practical insight to existing and emerging luxury fashion brand leaders, as well as academic researchers.

The objectives of this study were twofold. First, the study's goal was to generate new propositions based upon the findings of this exploratory study for initiating future research study. Second, this study aimed to advance academic understanding of luxury brand management within the crisis context by exploring the fit of a re-conceptualized theoretical framework based upon the luxury brand management framework put forth by Cavender and Kincade's (2015) and Som and Blanckaert's (2015) luxury brand crisis management framework.

The findings from this study reveal several key insights on luxury brand management in the financial crisis context. First, luxury fashion brands, be they a multi-brand retailer or mono-brand house, may be influenced by a variety of external factors during crisis. The factors may vary in strength depending on the type of crisis (e.g., financial collapse, terrorism) and on the geographical genesis of the crisis. This study found evidence that suggests that the luxury fashion brands located close to the locus of the crisis may have been experienced a greater variety and strength of external factors.

Both the multi-brand retailer and the mono-brand house were impacted by the Global Financial Crisis. In all cases, the luxury fashion brands were financially impacted. However, the multi-brand retailer experienced financial decline while the mono-brand house experienced substantial growth over the course of the crisis. The data suggests that luxury fashion brands must anticipate that crisis will impact their brand(s) in some way. It is a question of whether it will be positive or negative.

In determining strategic management responses, the luxury fashion brands conducted numerous assessments pertaining to customer, opportunity, and price-value relationships. Multi-brand retailers weighed inventory levels heavily in their assessments. These, along with evaluating the economy, show the key considerations as part of the executives' lived experiences during financial crisis.

The multi-brand retailer and mono-brand house employed combinations for strategic management responses versus a single response. The multi-brand retailer, however, focused on a strategy to reduce expenses in order to maintain profit and promote growth (i.e., Cost Rationalization) (Som & Blanckaert, 2015). In addition, focusing on introducing lower price-point merchandise was a leading strategy for the multi-brand retailer. The findings from this study suggest that this type of strategy may be detrimental in the long-term for multi-brand retailers.

Notably, neither the mono-brand house nor the auxiliary participants competed on price during the Global Financial Crisis. The findings reveal that price may be more closely tied to the mono-brand's identity versus the multi-brand retailer where it emerged as a more critical means of competition during the crisis. As such, it seemed that price could be something that mono-brand houses sought to protect during crisis in order to preserve their brand whereas the multi-brand retailer sought to compete on price to the level which they perceived was acceptable for the luxury brand. As such, price clearly emerged as a key negotiation between the mono-brand house(s) and the multi-brand retailer. This has implications on the relationships with multi-brand retail partners in that strategies related to price may negatively affect the business relationship. It might also influence distribution strategies for mono-brand houses, which might detract from the multi-brand retailer.

Brand identity emerged as the leading reason for the strategic management responses of the luxury fashion brands in this study. This affirms the finding by Cavender and Kincade (2015) wherein brand identity had a strong influence on strategic management response. Based on the findings, luxury fashion brands should seek to align all strategies as closely with their brand identity as possible in order to ensure internal and external stakeholder loyalty.

A wealth of practical lessons learned were discovered in this study, but two findings revealed important takeaways for luxury fashion brand leaders. First, for all business models considered in this study, the resounding finding for the future was: Product is the most important thing. This phrase was mentioned repeatedly by primary and auxiliary participants alike, especially auxiliary mono-brands. The future luxury customer, according to participants, is interested in the product more than the brand. Therefore, it is suggested that mono-brands create compelling, quality product, and multi-brand retailers buy them to compose compelling, unique assortments for customers. As one multi-brand Vice President (1A-3) recounted, "You can't look like everybody else…especially at our price points." Second, concerns remain regarding the current time-to-market in the luxury supply chain. The level of advanced purchasing required is problematic for multi-brand retailers, creating significant risk. Multi-brand luxury retailers should expect to scale inventory back during times of crisis. However, inventory could potentially be better managed if the production timeline were shorter.

This exploratory multiple-case study offers the experiential insight of luxury fashion brand executives on strategic brand management during the Global Financial Crisis. The findings reveal practical insight for luxury industry leaders in navigating period of financial downturn, as well as expansion of theoretical knowledge of luxury brand management in the examination of framework fist for the re-conceptualized luxury brand management proposed in the study. This could have significant impact on future research and luxury brand management in the future, especially within the crisis context.

Managerial Implications

The findings of this study may be useful toward several ends. Luxury fashion brands may glean insight for strategic planning. Luxury fashion brands may use this study's findings to evaluate numerous aspects of their existing business, specifically related to their growth and expansion strategies. Mono-brands may utilize the findings to determine the percentage of business they wish to invest in foreign markets (e.g., ensuring no market exceeds one-third of overall business). The consumer behavior insights during the crisis period may also inform luxury fashion brands when determining pricing strategies, marketing strategies, and even distribution strategies (e.g., expanding online distribution for mono-brand houses, committing open-to-buy dollars for multi-brand retailers). The findings may help luxury fashion brands develop the necessary expectations to manage crisis (e.g., consumers may experience luxury shame, business relationships may be tested and/or strained, etc.) so that they can maintain the calm and clear perspective that the study's participants cited as critical for surviving any future crisis event. It would also be beneficial to luxury fashion brands if there was a way to internally document what strategies they employed during previous crises, as well as what they did not do, in order to inform future decisions should crisis occur in the near future, for example, 2020 (Dent & Pancholi, 2017; Zagorsky, 2017).

Part of the optimism expressed by participants (e.g., the multi-brand's initial optimism at the beginning of the Global Financial Crisis) may have in part been attributed to the fact that the brands had survived previous crisis events of varying kinds. Gleaning from the perspectives of luxury brand leaders who navigated crisis before may prove highly beneficial to luxury fashion brands that have not yet endured crisis. By the same token, newer luxury fashion brands may leverage the findings here to determine potentially new, innovative responses to potential future crises. Considering the strength of participant responses on the importance of product in the future, this study's findings could help determine the focus and capital luxury fashion brands invest into the innovation of product and marketing strategies in the future in order to strike the balance of customer retention and customer acquisition. Luxury fashion brands could leverage these findings to better inform the supply chain in order to innovate and/or improve time-to-market for merchandise; this was a major opportunity identified by a multi-brand retailer participant for the future. Further, this study's findings could be incorporated into apparel design, apparel merchandising, textile, and business school curriculum in higher education to give students knowledge about luxury brand management during economic crisis conditions.

Theoretical Implications

A significant extension to the luxury fashion literature included the exploration of the multi-brand retailer as a critical member of the luxury fashion brand business landscape. The discovery of multi-brand's strategic management responses to the Global Financial Crisis reveal significant support for luxury brand management as identified by Cavender and Kincade (2015) and strategic response to crisis as identified by Som and Blanckaert (2015). This suggests that the multi-brand retailer should be studied further to examine the fit with other important and/or seminal works in the luxury brand management literature (e.g., Fionda & Moore, 2009; Moore & Birtwistle, 2004; Nueno & Quelch, 1998; Vigneron & Johnson, 2004).

Another major contribution of this study is the support found for the re-conceptualized luxury brand management framework in the crisis context based on the work by Cavender and Kincade (2015) and Som and Blanckaert (2015). As such, the findings suggest support for the consideration of the re-conceptualized luxury brand management framework in the crisis context for future studies. The findings from this study offer direct support for certain dimensions of the re-conceptualized luxury brand management framework, as well as opportunities for theoretical framework expansion. Participant responses revealed that the competitive environment was a significant aspect of determining strategic responses to the crisis (e.g., determining discounting and promotional strategies). These decisions by the multi-brand retailer and the mono-brand house to competitors may have had a ripple effect on pricing and promotional strategies and expansion strategies. As such, this study suggests that the luxury brand management framework in the financial crisis context can be extended to include the competitive and/or retail environment as a macro-dimension.

Further, the findings from the study suggest that the definition of two variables/sub-variables can be expanded. First, considering brand architecture originally put forth by Cavender and Kincade (2015) described the diversity, sub-branding, and diffusion lines of a luxury brand. Based on the findings of this study, it is suggested that this definition be extended to include product qualities (e.g., creativity, quality, innovation, price, and inventory) as they were strongly emphasized in participant responses. Lastly, the second definition that could be expanded, based on the findings, is brand portfolio. The luxury brand management framework as put forth by Cavender and Kincade (2015) may include the assortment of mono-brand houses carried by a luxury multi-brand (e.g., Dior, Chanel, Prada) as part of the definition of brand portfolio. This extension would ensure that the multi-brand retailer is adequately considered in the luxury brand management framework.

Figure 3 depicts the propositions put forth in this study as they relate to the framework. The propositions directly supporting the existing dimensions of the framework are first identified, followed by those that could extend the framework. Of the twenty-three propositions proposed in this study, eighteen directly related to dimensions within the re-conceptualized framework, while five related to the possible extension of the framework.

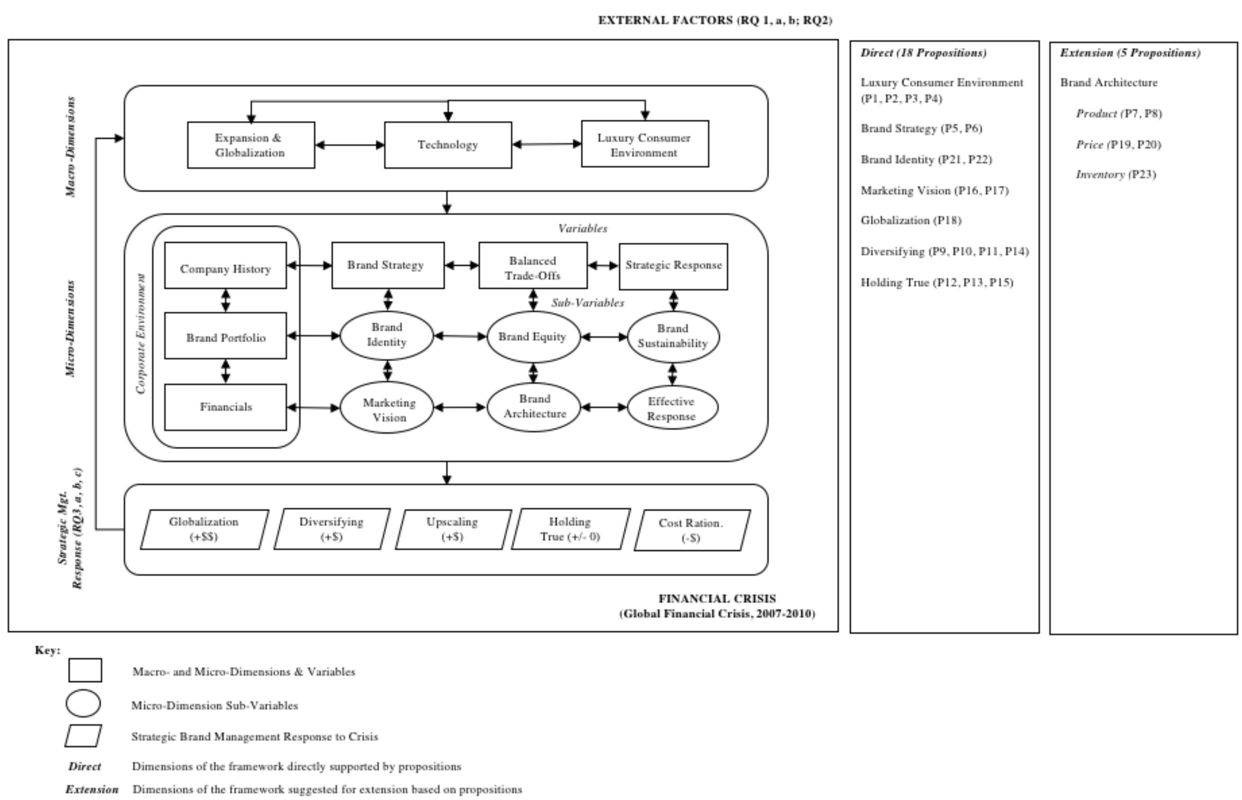

Figure 3. Propositions related to re-conceptualized framework.

Limitations

There are a few important limitations within this study to highlight. First, the study was purposefully limited in scope as it is exploratory in nature with a small but relatively deep sample size in terms of leadership. Additional research with other types of luxury fashion brands spanning other product categories in both domestic and international markets are needed to minimize potential bias inherent with a smaller sample size. As such, the findings cannot necessarily be transferred to luxury fashion industry at large, which is a key limitation of the case study approach (Crowe, Cresswell, Robertson, Huby, Avery, & Sheikh, 2011). In conjunction with the small sample size, the sample population had a strong menswear focus. The study did not include a womenswear mono-brand house in the sample, thought the multi-brand retailer participants spanned both womenswear and menswear in their responsibilities during the Global Financial Crisis. Future studies that include womenswear mono-brand houses may yield different findings. Second, the study relied on participants' recall. It is possible that company-wide strategy(s) employed during the Global Financial Crisis may not have been evident, accepted, or fully remembered by the participants. Additionally, their memory(s) may have been influenced by the current business environment and company strategies. The researcher recognizes that the memory of the events is impacted by consecutive events and erosion due to time lapse. Another key limitation is the possible cross-cultural barriers of including Italian luxury brands in the sample. Cultural and/or language barriers may have impacted the researcher's ability to understand and interpret the findings. Finally, the study examined one specific crisis event. Other crises (e.g., natural disaster, terrorism) could result in different findings. However, the methods described herein could be replicated for studying other crisis contexts, which were considered beyond the scope of this study.

Future Research Suggestions

The findings from this study may serve future research endeavors in a few important directions. First, there were indications from this study that brand identity should be the pre-eminent consideration when determining strategic management responses to financial crisis. Future studies could explore both the brand management and consumer implications of strategies in light of their congruency with a luxury fashion brand's identity. Second, research might focus on the importance of product and price in crisis contexts. This may coincide with consideration of the distribution channel(s) of luxury fashion brands to better understand how the three – product, price, and distribution – may be effectively developed during crisis (or even non-crisis) conditions. Quantitative studies could be done on the overall efficacy of the crisis brand management strategies themselves based on specific measures (e.g., sales, profit, growth rate, etc.) Findings also emerged that suggested that internal factors (e.g., inventory positions, debt, etc.) were part of the strategic management responses of luxury fashion brands. Future studies could explore the factors affecting luxury fashion brands during crisis, specifically including internal factors. Beyond internal factors, a more in-depth study could be done of all factors that impact luxury brands and their combined effect on brand management strategies before, during, and after crisis. Aspects of the study could be replicated with a broader sample to further contribute to a comprehensive luxury brand management framework. It could be useful to include luxury fashion brands from other countries with existing luxury markets, like France, the UK, Japan, China, or budding markets in the Middle East and parts of Africa (Som & Blanckaert, 2015). Alternatively, studying luxury fashion brands that have had shorter business histories than those considered in this study might reveal a different way of thinking in the shortened lifecycle that could benefit the luxury industry at large. Finally, the impact of other forms of crisis not examined here, such as terrorism, natural disaster, etc., could provide richer understanding on luxury brand management within the crisis context in general.

In considering these directions for future studies, it may be beneficial to develop studies to further investigate the propositions suggested from this exploration of luxury fashion brands, both multi-brand retailers and mono-brand houses. To address the study's first objective, a total of twenty-three (23) propositions were generated. As a basis for driving additional research studies, Table 10 below summarizes the propositions as they relate to the study's research questions.

Table 10

Summary of Propositions

Research Question	**Proposition**
RQ1: What external factors impacted luxury fashion brands during the Global Financial crisis?	P1: During financial crisis, luxury consumers may increase online shopping.
	P2: During financial crisis, some luxury consumers are likely to experience luxury shame.
	P3: During financial crisis, luxury fashion brands will be most effective in retaining customers by focusing on strategies pertaining to online shopping.
	P4: During financial crisis, the following external factors (e.g., decline of the stock market, local currency strength, decline in oil prices) are likely to impact luxury fashion consumers.
	P5: During financial crisis, the following external factors (e.g., economic, consumer, competitive, political) are likely to impact luxury fashion brands.
	P6: During financial crisis, the external factors, factors (e.g., economic, consumer, competitive, political) may have a greater impact on luxury fashion brands based on the geographic location of the genesis of the crisis.
RQ1b: What were the similarities or differences of external factors' impact between the brands?	P7: During financial crisis, men's luxury fashion customers are more likely than women's luxury fashion customers to reduce purchases/spending.
	P8: During financial crisis, men's luxury fashion business sales trends may offer advance warning of a pending downturn.
RQ3: What brand management strategies did executives and/or managers select during the crisis?	P9: During financial crisis, diversifying assortments based upon lower price-point goods can negatively impact the relationships between multi-brand retailers and mono-brand houses.

Research Question	Proposition
	P10: During financial crisis, expanding the brand portfolio may impact less mature distribution channels more positively than more mature distribution channels for luxury multi-brand retailers. P11: During financial crisis, as a strategic management response, mono-brand houses may expand their product offering in all markets based on the customer response in selected international markets. P12: During financial crisis, continuing to offer the brand and products for which the luxury fashion brand is known or has an established history may positively impact the brand. P13: During financial crisis, luxury fashion brands' sales will be greater for luxury items that represent the new fashion rather than basics/replacement items. P14: During financial crisis, luxury fashion brands may plan and continue to utilize a combination of strategic management responses versus a single strategy.
RQ3b: Why did they make the specific choice(s) in brand management strategy(s)?	P15: During financial crisis, maintaining a long-accepted way of doing business can have a positive impact on internal and external stakeholders' brand loyalty to the luxury fashion brand. P16: During financial crisis, corporate communications that emphasize transparency and stability can have a positive impact on internal and external stakeholders' perceptions of the luxury fashion brand. P17: During financial crisis, corporate communications that emphasize transparency and stability can have a positive impact on internal and external stakeholders' brand loyalty to the luxury fashion brand. P18: During financial crisis, global expansion may negatively impact luxury mono-brand houses if a foreign country/market exceeds one third of the total business.
RQ3c: What role did brand identity play in their choices?	P19: During financial crisis, price-point may be more closely tied to brand identity for mono-brand houses than multi-brand retailers. P20: During financial crisis, strategic brand management responses that seek to compete on price may negatively impact relationships between multi-brand retailers and mono-brand houses. P21: During financial crisis, brand identity will be a significant strategic driver for luxury multi-brand retailers. P22: During financial crisis, strategic brand management responses that align with brand identity can positively impact long-term brand sustainability for luxury fashion brands.
RQ4: What were the lessons learned from the executive's and/or manager's perspective?	P23: During financial crisis, luxury multi-brand retailers are more likely to have increased risk due to the level of advanced purchasing required.

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APPENDIX A – RESEARCH INSTRUMENT

Semi-Structured Interview Questions

1. What role did you have at the company during the Global Financial Crisis in 2007-2010?
2. When the crisis hit, what do you remember were the key factors outside the company that were going to impact the brand? (For example, economic or political actions)
3. What was your assessment of those factors in terms of the degree that they would or would not impact the brand?
4. What aspects of the brand do you remember were actually impacted by the crisis?
5. What strategies did you choose during the crisis? (For example, expanding into new markets, emphasizing a certain aspect of the brand, etc.)
6. What options did you consider?
7. What influence, if any, did retailers/vendors have on your strategy?
8. What influence, if any, did competitive brands have on your strategy?
9. Why did you choose that strategy(s)?
10. Is there any aspect of the brand that is the foundation of your strategic decisions? If so, what? (For example, brand identity)
11. Looking back, what would you say were the lessons-learned from that time?
12. If you were giving advice to another luxury fashion brand on the keys to getting through crisis, what would you say? (For example, the pre-emptive steps they can take before crisis)

APPENDIX B – IRB APPROVAL

RE: Exempt Submission (200-18H)
Calhoun, Claire

Reply all
Thu 10/26/2017, 12:59 PM
Worrell,Jennifer;
Miller, Nancy;
RICRO IRB
Inbox
You replied on 10/27/2017 10:21 AM.

200.18H_Miller_Exempt Determination_2_10.26.17.pdf
113 KB
Show all 1 attachments (113 KB) Download
Save to OneDrive - Colostate

Nancy and Jennifer -

Thank you so much for your recent IRB submission of (**200-18H**), " **Exploring Luxury Fashion Brand Leaders Choice of Brand Management Strategies During Crisis: A Multiple Case Study on Surviving the Global Financial Crisis**" The IRB has conducted limited review of your activity and has determined that this qualifies as exempt, category 2.

Your research activity is considered exempt under this category because:
1) Your research activity is considered to present no more than minimal risk to participants; and
2) Your research activity is done in a manner that participants cannot be identified; OR
3) Your research activity is done in a manner that participants could be identified, but "any disclosure outside the research [would not] reasonably place the subjects at risk of criminal or civil liability, or be damaging, etc." 46 CFR 46.101 (b)(2).

Exempt studies are valid for 3 years. Unless you tell us otherwise, we will close the file and all research should be complete. If you make any changes to the protocol or documents, please email the RICRO IRB office so we can review the changes, to ensure they do not take the project out of the Exempt categories, and so that our files are complete and current.

Any future changes or correspondence will be done via email to RICRO_IRB@mail.colostate.edu. Please include your new protocol number (200-18H) in the subject line for ease in referencing.

Jennifer, our records show that your human subjects protection training is out of date. Please update your training through CITI Program before interacting with participants.

Your determination letter is attached. If you have any questions, feel free to contact me.

Thank you!
Claire

Claire Calhoun
Compliance Review Administrator
Assistant Facility Security Officer
Research Integrity and Compliance Review Office
Colorado State University | 208 University Services Center
2011 Campus Delivery | Fort Collins, CO 80253-2011
RICRO Office (970) 491-1553 | RICRO Direct (970) 491-1807
AFSO Direct (970) 491-3025
claire.calhoun@colostate.edu

Colorado State University

Research Integrity & Compliance Review Office
Office of Vice President for Research
Fort Collins, CO 80523-2011
(970) 491-1553
FAX (970) 491-2293

Date: October 26, 2017

To: Nancy Miller, Design and Merchandising
Jennifer Worrell, Design and Merchandising

From: IRB Coordinator, Research Integrity & Compliance Review Office
(RICRO_IRB@mail.colostate.edu)

Re: Exploring Luxury Fashion Brand Leaders Choice of Brand Management Strategies During Crisis: A Multiple Case Study on Surviving the Global Financial Crisis

IRB ID: 200-18H **Review Date:** October 26, 2017
This project is valid from three years from the review date.

The Institutional Review Board (IRB) Coordinator has reviewed this project and has declared the study exempt from the requirements of the human subject protections regulations with conditions as described above and as described in §45 CFR 46.101(b):

Category 2 - Research involving the use of educational tests (cognitive, diagnostic, aptitude, achievement), survey procedures, interview procedures or observation of public behavior, unless: (i) information obtained is recorded in such manner that human subjects can be identified, directly or through identifiers linked to the subjects; and (ii) any disclosure of the human subjects' responses outside the research could reasonably place the subjects at risk of criminal or civil liability or be damaging to the subjects' financial standing, employability, or reputation.

The IRB determination of exemption means that:

- **This project is valid for three years from the initial review.** After the three years, the file will be closed and no further research should be conducted. If the research needs to continue, please let the IRB Coordinator know before the end of the three years. You do not need to submit an application for annual continuing review.
- You must carry out the research as proposed in the Exempt application, including obtaining and documenting (signed) informed consent if stated in your application or if required by the IRB.
- Any modification of this research should be submitted to the IRB through an email to the IRB Coordinator, prior to implementing any changes, to determine if the project still meets the Federal criteria for exemption.
- Please notify the IRB Coordinator (RICRO_IRB@mail.colostate.edu) if any problems or complaints of the research occur.

  Please note that you must submit all research involving human participants for review by the IRB. **Only the IRB or designee may make the determination of exemption**, even if you conduct a similar study in the future.

Calhoun, Claire

Reply all|
Yesterday, 3:50 PM
Worrell,Jennifer;
Miller, Nancy;
RICRO IRB

200.18H_Miller_Modification Memo_4.10.18.pdf
112 KB
Show all 1 attachments (112 KB) Download
Save to OneDrive - Colostate
Nancy and Jennifer -

Thank you for your recent amendment submission for (**200-18H**), "**Exploring Luxury Fashion Brand Leaders Choice of Brand Management Strategies During Crisis: A Multiple Case Study on Surviving the Global Financial Crisis**." The IRB has conducted limited review of your activity and has determined that the additional participants that were recruited and consented with the approved verbal script on file do not impact your project's eligibility for exempt review, which remains in category **2**.

Exempt studies are valid for 3 years. Unless you tell us otherwise, at that point we will close the file and all research should be complete. If you make any changes to the protocol or documents, please email the RICRO IRB office so we can review the changes, to ensure they do not take the project out of the Exempt categories, and so that our files are complete and current. Any future changes or correspondence will be done via email to RICRO_IRB@mail.colostate.edu. Please include your protocol number (200-18H) in the subject line for ease in referencing.

Your modification memo is attached. Thank you for your patience, and good luck with your project!

Thanks,
Claire

Claire Calhoun
Compliance Review Administrator
Research Integrity and Compliance Review Office
Office of the Vice President for Research
Colorado State University | 208 University Services Center
2011 Campus Delivery | Fort Collins, CO 80253-2011
Office (970) 491-1553 | Direct (970) 491-1807
Mobile (970) 344-9027 | claire.calhoun@colostate.edu

Colorado State University

Research Integrity & Compliance Review Office
Office of Vice President for Research
Fort Collins, CO 80523-2011
(970) 491-1553
FAX (970) 491-2293

DATE: April 10, 2018

TO: Nancy Miller, Design and Merchandising
Jennifer Worrell, Design and Merchandising

FROM: IRB Coordinator, Research Integrity & Compliance Review Office
(RICRO_IRB@mail.colostate.edu)

TITLE: Exploring Luxury Fashion Brand Leaders Choice of Brand Management Strategies during Crisis: A Multiple Case Study on Surviving the Global Financial Crisis

IRB ID: **200-18H** **Review Date:** April 10, 2018

This project is valid from three years from the review date.

The Institutional Review Board (IRB) Coordinator has reviewed the following modifications of this project:

1) Expanding recruitment group for additional semi-structured interviews.

and has declared the study remains exempt from the requirements of the human subject protections regulations as described in 45 CFR 46.101(b)(2). The IRB determination of exemption means that:

- You do not need to submit an application for annual continuing review.
- You must carry out the research as proposed in the IRB application, including obtaining and documenting (signed) informed consent if stated in your application or if required by the IRB.
- Any modification of this research should be submitted to the IRB through an email to the RICRO IRB Coordinator (RICRO_IRB@mail.colostate.edu), prior to making any changes, to determine if the project still meets the Federal criteria for exemption. If it is determined that exemption is no longer warranted, then an IRB proposal will need to be submitted and approved before proceeding with data collection.
- Please notify the IRB (RICRO_IRB@mail.colostate.edu) if any problems or complaints of the research occur.

Please note that you must submit all research involving human participants for review by the IRB. **Only the IRB may make the determination of exemption**, even if you conduct a similar study in the future.

APPENDIX C – IRB PROTOCOL/INFORMED CONSENT

VERBAL RECRUITMENT/CONSENT TEMPLATE: WITH Identifiers Collected

In conversational style, …

Hello, my name is Jennifer Worrell, and I am a researcher from Colorado State University in the Design and Merchandising department. We are conducting a research study to explore how the international political economy affected luxury fashion brands and their strategic brand management responses during the Global Financial Crisis of 2007-2010. The title of our project is Exploring Luxury Brands' Strategic Response to Crisis: A Multiple Case Study on Surviving the Global Financial Crisis. The Principal Investigator is Nancy Miller, and I am the Co-Principal Investigator.

We would like you to answer a few questions about role at the company, key responsibilities, etc., along with some open-ended questions about your perspective on what the external factors affected your brand during the Global Financial Crisis, what was your assessment of those factors, and why you ultimately chose the brand management strategies that you did in response to the crisis. Participation will take approximately 10 minutes. Your participation in this research is voluntary. If you decide to participate in the study, you may withdraw your consent and stop participation at any time without penalty.

We will be collecting your perspective and insights, but your name, personal identifiers, and company identifiers will be kept confidential. You will not be identified specifically in these written materials. We may publish the results of this study; however, we will keep your name and other identifying information private. We will assign a numeric code, like "Participant 1", to the audiotape and transcript of your interview. Pseudonyms for the name of your company will be assigned in each transcribed interview, such as Brand A. When we report and share the data with others, we will combine the data from all participants. There are no known risks or direct benefits to you, but we hope to gain more knowledge on how and why luxury fashion brand leaders who survived the Global Financial Crisis decided on the brand management strategies and discover the lessons learned as knowledge enrichment and potential guidance for other existing and emerging luxury fashion brands should another crisis occur.
Would you like to participate?

If yes: Proceed.
If no: Thank you for your time.

Offer to give the participant your contact information and the Participant's Rights contact information (If you have questions about your rights as a volunteer in this research, contact the CSU IRB at: RICRO_IRB@mail.colostate.edu; 970-491-1553.). This could be verbally or in the form of a study summary sheet/cover letter or contact card.

Colorado State University

Department of Design and Merchandising
150 Aylesworth Hall SE
1574 Campus Delivery
Fort Collins, Colorado 80523-1574
(970) 491-1629
FAX: (970) 491-4855
http://www.chhs.colostate.edu/dm

January 2018

Dear Distinguished Executive:

We are conducting a research study entitled, "Exploring Luxury Fashion Brands Choice of Brand Management Strategies During Crisis: A Multiple Case Study on Surviving the Global Financial Crisis." The purpose of this research is to gain experiential insight into the decision-making of luxury fashion brand leaders in their selection of brand management strategies during the Global Financial Crisis of 2007-2010. More specifically, this research examines your perspective on the factors that affected your company during the Global Financial Crisis, the influence of those factors on the brand management strategies during that period, and the reasons behind the choice to employ certain strategies. For this one-year study, we will conduct interviews at your company headquarters or the location of your choice in the upcoming year. Our interest is to learn more about the management of luxury fashion brands during crisis conditions.

We request your participation in this research. Your participation in this study is voluntary. If you decide to participate in this research, you will talk with a researcher in a face-to-face interview that will conclude with brief demographic questions and description of your position at the company (e.g., Chief Executive Officer). You will be asked questions that focus on the following, but relative to your position:

(a) When the Global Financial Crisis was happening back in 2007-2011, what were the key factors that impacted your brand?
(b) What was the influence of those factors on your brand management strategies during that time, according to your perception?
(c) What brand management strategies did you choose in response to the crisis? Why?
(d) In your opinion, what can other luxury fashion brands learn from your experience?
(e) What, if any, pre-emptive steps can luxury fashion brands take in advance of a crisis?

During the interview, you will be invited to share and discuss your thoughts related to the strategic management of your company during that historical global crisis period. With your permission, we will audiotape and transcribe the interview. Following the transcription of the interview, you are welcome to request to review the transcript to verify the contents and offer corrections or edits. The interview will take approximately 45 minutes to 60 minutes of your time. If you decide to participate, you may decline to answer any question(s) you choose and stop participating at any time throughout the one year research period.

The researchers will **keep private all research records that identify you**, to the extent allowed by law. Your information will be combined with information from other participants taking part in the research. When we write about the study to share it with other researchers, we will write about the combined information we have gathered. **You will not be identified specifically in these written materials.** We may publish the results of this study; however, we will keep your name and other identifying information private. We will assign a numeric code (e.g., “Participant 1”) to the audiotape and transcript of your interview. Pseudonyms for the name of the owner, the team, and the company will be assigned in each transcribed interview, such as Brand A, general position of participant, etc. Your name, personal, and business information sheet will be kept separate from your research records (e.g., the interview audiotape and transcript) and this information will be stored in different places under lock and key.

There are no known risks to participating in this research. There are no known benefits to participating in this study, but we will share a brief summary of the key findings with participants. If you have questions about the study, please contact Jennifer Worrell at (818) 458-6661 or via email at genwhirl@yahoo.com. If you have questions about human research participants’ rights, please contact the CSU IRB at: RICRO_IRB@mail.colostate.edu or (970) 491-1553.

If you are willing to participate, kindly respond via email or phone confirming your participation.

Thank you for considering our request to participate in this study.

Sincerely,

Nancy Miller, Ph.D.
Department Head

Jennifer Worrell
Graduate Student, Master of Science

APPENDIX D – TABLE OF EMERGENT THEMES AND SUB-THEMES

Research Question	**Theme**	**Sub-Theme**	**Framework Fit**	**Multi-Brand Retailer (1A)**	**Mono-Brand House (1B)**	**Auxiliary (1C-8C)**
External Factors Impacting Luxury Fashion Brands During the Global Financial Crisis (RQ1)	Economic Factors	Decline of the stock market		X		
		Strength of the US dollar		X		
		Decline in oil prices		X		
		Collapse of financial institutions		X		
		Other		X		X
	Consumer Factors	Consumer psyche: Unsettled and fearful	Luxury Consumer Environment	X		X
		Consumer psyche: Luxury shame	Luxury Consumer Environment	X		
		Tourism shifts	Luxury Consumer Environment		X	
	Competitive Factors		Company History	X		X
	Political Factors	Government bailouts		X		
	Internal and Business Trend Factors	Inventory position		X		
		Growth phase	Expansion & Globalization		X	
Impact of External Factors on Luxury Fashion Brands' Strategic Brand Management During the Global Financial Crisis (RQ1a)	Perceived Impact	Duration and severity of the crisis		X		X
		Potential growth opportunity	Expansion & Globalization		X	X
	Actual Impact	Financial performance	Financials	X	X	X
		Consumer behavior	Luxury Consumer Environment	X		
		Relationships between collaborators	Brand Sustainability	X		
		Store marketing	Marketing Vision	X		

Research Question	Theme	Sub-Theme	Framework Fit	Multi-Brand Retailer (1A)	Mono-Brand House (1B)	Auxiliary (1C-8C)
Assessment of External Factors' Impact on Luxury Fashion Brands During the Global Financial Crisis (RQ2)	Evaluation of Customer Behavior		Luxury Consumer Environment	X		X
	Evaluation of Opportunity		Expansion & Globalization		X	X
	Evaluation of Price-Value Relationship		Brand Equity	X		X
	Evaluation of Inventory Position		Financials	X		
	Evaluation of Economy/Economic Cycles		Company History	X		X
Strategic Management Response(s) of Luxury Fashion Brands During the Global Financial Crisis (RQ3)	Expense Reduction and Re-Allocation of Capital	Reduced inventory	Cost Rationalization, Financials	X		
		Reduced new receipts	Financials	X		
		Reduced brand portfolio	Brand Portfolio, Financials	X		
		Reduced workforce	Company History, Financials	X		X
		Reduced print advertising	Marketing Vision, Financials	X		
	Horizontal Expansion	Introduced lower price-points	Diversifying, Brand Equity	X		
		Expanded brand portfolio online	Diversifying, Brand Portfolio	X		
		Expanded product assortment	Diversifying, Brand Architecture		X	
	Global Expansion		Globalizing, Expansion & Globalization		X	X
	Maintain Position within the Market	Buying approach: Focused on fashion	Holding True, Brand Identity	X		
		Invested in brand loyalty	Holding True, Brand Sustainability			X
		Maintained distribution in existing markets	Holding True, Brand Portfolio			X

Research Question	Theme	Sub-Theme	Framework Fit	Multi-Brand Retailer (1A)	Mono-Brand House (1B)	Auxiliary (1C-8C)
Strategic Management Response(s) Considered by Luxury Fashion Brands During the Global Financial Crisis (RQ3a)	No emergent findings					
Reason(s) Behind Strategic Management Response(s) of Luxury Fashion Brands During the Global Financial Crisis (RQ3b)	Brand Identity and Vision		Brand Identity	X	X	X
	Desired Outcomes	Stakeholder trust and loyalty	Brand Sustainability	X	X	X
		Balance	Balanced Trade-Offs	X	X	
		Profit and growth	Expansion & Growth, Financials	X	X	
		Well-edited assortments	Brand Architecture	X		
		Competitive advantage	Brand Strategy	X		
Role of Brand Identity in Strategic Management Response(s) of Luxury Fashion Brands During the Global Financial Crisis (RQ3c)	The Key Foundation and Strategic Driver		Brand Identity	X	X	X
	The Most Important Company Asset		Brand Identity	X	X	X
	The Key to Long-Term Positive Outcomes		Brand Identity, Brand Sustainability	X	X	X
Lessons Learned by Luxury Fashion Brands During the Global Financial Crisis (RQ4, 4b)	Invest in compelling product	Product is the most important thing	Brand Architecture	X		X
		Invest in product quality & innovation	Brand Identity, Brand Architectures		X	X
	Remain true to brand identity		Brand Identity, Marketing Vision	X	X	X
	Plan and analyze prudently		Financials, Strategic Planning	X	X	
	Maintain balance between brand identity, objectives, and strategies	Tradition vs. modernization	Balanced Trade-Offs	X		
		Constancy vs. flexibility	Balanced Trade-Offs	X		

Research Question	Theme	Sub-Theme	Framework Fit	Multi-Brand Retailer (1A)	Mono-Brand House (1B)	Auxiliary (1C-8C)
	Improve communication to stakeholders		Brand Sustainability	X		
	Capitalize on opportunities		Expansion & Growth, Strategic Planning	X		
	Invest in marketing		Marketing Vision	X		
	Recognize early warning signs and react quickly		Strategic Planning, Effective Response	X		
	Control distribution and production	Organizational structure allowed for flexibility, control, and growth	Expansion & Globalization		X	
		Keep distribution in-house			X	
	Maintain consistent pricing across global markets				X	
	Research internally / protect intellectual property		Brand Strategy		X	
Pre-emptive Steps for Luxury Fashion Brands to Consider Before Financial Crisis (RQ4a, 4b)	Stay calm, accept circumstances, and react quickly		Strategic Planning, Effective Response	X	X	
	Remain true to brand identity		Brand Identity	X	X	X
	Capitalize on opportunities		Expansion & Growth, Strategic Planning	X	X	X
	Invest in product and product value		Brand Architecture	X		X
	Maintain balance between brand identity, objectives, and strategies	Cutting back vs. investment	Balanced Trade-Offs, Effective Response	X	X	X
		Constancy vs. flexibility	Balanced Trade-Offs, Effective Response	X		X
		Basic vs. fashion	Balanced Trade-Offs,	X		X

Research Question	Theme	Sub-Theme	Framework Fit	Multi-Brand Retailer (1A)	Mono-Brand House (1B)	Auxiliary (1C-8C)
			Effective Response			
		Long-term vs. short term planning	Balanced Trade-Offs, Effective Response	X		X
		Tradition vs. modernization	Balanced Trade-Offs, Effective Response			X
	Work hard and persevere			X		X
	Invest in marketing		Marketing Vision, Technology	X		X
	Support and depend on your team			X		X
	Maintain competitive advantage		Brand Strategy, Brand Identity	X		X
	Get a mentor and always learn			X		
	Secure stakeholder trust and loyalty		Brand Sustainability			X
	Mitigate risks	Company debt		X		

APPENDIX E - CODING FRAMEWORK FOR FRAMEWORK FIT

Code	Code Description	Code + Description	Indicators & Measurements
1	**External Factors**	**1 - External Factors**	
1.1	Economic	1.1 - Economic	e.g. stock market, value of the dollar
1.2	Political	1.2 - Political	e.g. sanctions, quotas, tariffs
1.3	Other	1.3 - Other	
2	**Macro Dimensions**	**2 - Macro Dimensions**	
2.1	Expansion & Globalization	2.1 - Expansion & Globalization	e.g. growth in developing countries, further development in existing countries, tightly controlled distribution, selective expansion of brand offerings
2.2	Technology	2.2 - Technology	e.g. corporate level such as production, distribution, logistics, big data, analytics, retail such as self-service, e-tailing, social media platforms, mobile apps
2.3	Luxury Consumer Environment	2.3 - Luxury Consumer Environment	e.g. demographic change, population shifts, consumer trends, consumer attitudes, consumers in emerging markets
3	**Micro Dimensions**	**3 - Micro Dimensions**	
3.1	Corporate Environment	3.1 - Corporate Environment	
3.1.1	Company History	3.1.1 - Company History	e.g. business environment changes over life of brand, changes in corporate structure, past affecting current/future business decisions, country of origin
3.1.2	Brand Portfolio	3.1.2 - Brand Portfolio	e.g. connectedness of brands in portfolio, position brands occupy in the market, extent to which market is saturated by portfolio
3.1.3	Financials	3.1.3 - Financials	e.g. revenue, gains and losses, brand value, market share

Code	Code Description	Code + Description	Indicators & Measurements
3.2	Variable – Brand Strategy	3.2 - Variable – Brand Strategy	e.g. competitive and financial strength, strong brand performance, consistency in communication of brand concept, social and cultural responsiveness
3.2.1	Sub-Variable – Brand Identity	3.2.1 - Sub-Variable – Brand Identity	e.g. brand personality, brand protection, values, use histories/stories to facilitate brand image of consumers
3.2.2	Sub-Variable – Marketing Vision	3.2.2 - Sub-Variable – Marketing Vision	e.g. vision supports brand identity and positioning, integration of vision at all company levels, vision evolves with consumer change
3.3	Variable – Balanced Trade-offs	3.3 - Variable – Balanced Trade-offs	e.g. classic and contemporary, exclusivity and accessibility, retention and acquisition
3.3.1	Sub-Variable – Brand Equity	3.3.1 - Sub-Variable – Brand Equity	e.g. corporate brand equity, digital brand equity, added value for customers and/or vendors
3.3.2	Sub-Variable – Brand Architecture	3.3.2 - Sub-Variable – Brand Architecture	e.g. diversity, brand extensions, sub-branding
3.4	Variable – Strategic Planning	3.4 - Variable – Strategic Planning	e.g. remedy threats from changing environments, leverage opportunities resulting from changing environments
3.4.1	Sub-Variable – Brand Sustainability	3.4.1 - Sub-Variable – Brand Sustainability	e.g. long-term return on investment (ROI), continued relationships with customers, supply chain, and stakeholders
3.4.2	Sub-Variable – Effective Response	3.4.2 - Sub-Variable – Effective Response	e.g. organization/environment fit, environmental responsiveness, organizational adaptability
3.5	Variable – Other / Emergent	3.5 - Variable – Other / Emergent	
4	**Strategic Management Response**	**4 - Strategic Management Response**	

Code	Code Description	Code + Description	Indicators & Measurements
4.1	Globalization	4.1 - Globalization	expanding into other global markets, like China; allowing for geographical expansion; increasing global brand positioning and distribution networks
4.2	Diversifying	4.2 - Diversifying	entering new product categories, ranging from offering brand new product lines, e.g. jewelry, accessories, cosmetics, to new lines with differing features or price points
4.3	Upscaling	4.3 - Upscaling	re-directing investments into the highest end of a brand's product offering and taking advantage of customers at the top income level, who are perceived to be least affected by crisis
4.4	Holding True	4.4 - Holding True	staying with existing plans, keep calm, and remain focused on brand heritage and identity; maintaining existing capital investments
4.5	Cost Rationalization	4.5 - Cost Rationalization	reducing spending, expansion, and expenses, including staff reductions, hiring freezes, shrinking collections, and justifying all media expenses