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MARTA SOFIA MARQUES DE SÁ FARDILHA

IGUATEMI: Creating opportunities for international Luxury Brands in Brazil

SÃO PAULO

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Dissertation presented to Escola de Administração de Empresas de São Paulo of Fundação Getulio Vargas, as a requirement to obtain the title of Master in International Management (MPGI).

Knowledge field: Luxury and Retail

Adviser: Prof. Dr. Luís Henrique Pereira

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"Luxury Malls, such as JK Iguatemi in São Paulo [….], have served as platform for the launch of several international brands"

ATKearney, The 2013 Retail Development Index

ABSTRACT

The Brazilian luxury goods market has been registering substantial growth with many international brands establishing presence in the country. When entering the market, the perfect location seems for most of them to be found in Iguatemi Group's Shopping Malls. This research focuses the topic of Luxury Market and Retail, in the form of a case study on Iguatemi Group, which tries to understand *How is Iguatemi Group creating opportunities for International Luxury Brands in Brazil?* To understand the context of the case, the text explores the Brazilian market evolution, its attraction factors and challenges, the location choice methodology used by international luxury brands, and finally, how is the Iguatemi Group creating opportunities for these brands in Brazil. For doing so, a multiple-methods approach was followed so to achieve a non-biased result. In-depth interviews were conducted with Iguatemi's managers, international luxury brands' managers and experts in luxury market and retail; non-participant observation was held, and documentation was examined. The research found that the entry of International Luxury Brands in Brazil started about 20 years ago, mainly explained by the positive structural economic reforms Brazil experienced in this period. 60% of the studied brands chose São Paulo's Iguatemi malls as first location, in particular Iguatemi São Paulo and JK Iguatemi. The preference over these locations relies mainly on the reputation of the Iguatemi brand and on its positioning in the market which seems to be aligned to that of these brands. From its side, Iguatemi has started actively gathering international luxury brands into the market since 15 years ago, and has intensified its action by creating iRetail, an internal company to the group representing some international luxury brands in Brazil, which have, thus, exclusive locations in its malls. The role of Iguatemi, hence, goes beyond that of a real estate company, by approaching the market with a 360° strategy. These findings contribute for academic purposes, in the extent to which they propose a so far rather unexplored topic, and for managerial purposes by describing a best practice in the shopping center sector. However, the study does not mean to be generalized. Consumers' perspectives on Iguatemi Group were not addressed; rather, the research took a business to business approach.

Keywords: Luxury, Retail, Shopping Mall, Retail Internationalization

RESUMO

O mercado de bens de luxo no Brasil tem registrado um crescimento substancial, marcado pela entrada de várias marcas internacionais no país. A maioria destas marcas parece ter encontrado a melhor localização nos centros comerciais do Grupo Iguatemi. Esta pesquisa tem como tópico o Mercado de Luxo e o Varejo, na forma de um estudo de caso sobre o Grupo Iguatemi, e tenta entender *Como o Grupo Iguatemi está criando oportunidades para marcas de luxo internacionais no Brasil?* Para compreender o contexto do caso, o texto explora a evolução do mercado de luxo brasileiro, os seus fatores de atração e desafios, a metodologia utilizada na escolha de localização feita pelas marcas internacionais e, finalmente, como está o Grupo Iguatemi criando oportunidades para elas no Brasil. Para isto, múltiplos métodos foram utilizados, na tentativa de conseguir um resultado não enviesado. Entrevistas semiestruturadas foram conduzidas com gestores do grupo Iguatemi, assim como com gestores de marcas de luxo internacionais e peritos do mercado de luxo e varejo; observação não participante foi dirigida e documentação foi examinada. A pesquisa concluiu que a chegada de marcas internacionais ao mercado brasileiro começou há 20 anos atrás, principalmente explicada por positivas reformas econômicas pelas quais o Brasil passou nesse período. 60% das marcas estudadas localizaram a sua primeira loja nos centros comerciais do grupo Iguatemi em São Paulo, nomeadamente no Iguatemi São Paulo e no JK Iguatemi. A preferência por estas localizações está, sobretudo, ligada à reputação da marca Iguatemi e ao seu posicionamento no mercado, o qual parece estar alinhado ao posicionamento destas marcas. O grupo Iguatemi começou há 15 anos um trabalho de atração destas marcas para o mercado brasileiro, trabalho este que foi intensificado com a criação da iRetail, uma empresa interna ao grupo que representa algumas das marcas de luxo internacionais presentes no mercado, com localizações exclusivas nos centros comerciais Iguatemi. O papel do Iguatemi vai, então, além do papel de uma empresa imobiliária, abordando o mercado de luxo com uma estratégia de 360º. Estes resultados contribuem para fins acadêmicos, uma vez que exploram um tópico ainda inexplorado, e para fins de gestão, uma vez que descrevem uma *best practice* no setor de centros comerciais.

PALAVRAS-CHAVE: Luxo, Varejo, Centro Comercial, Internacionalização do varejo

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LIST OF ACRONYMS

CSF	Critical success factors
SC	Supply Chain
B2B	Business to Business
B2C	Business to Consumer
AF	Agglomeration Formats
EAF	Evolved Agglomeration Formats
CAF	Created Agglomeration Formats
HNWI	High Net Worth Individuals
ABRASCE	Brazilian Association of Shopping Centers
BRIC	Brazil, Russia, India and China
CEO	Chief Executive Officer
WWD	Women's Wear Daily

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1 Introduction

From 2007 to 2010, the Brazilian luxury market grew by 10% a year, being valued at valued at 7.747$R million in 2012 – value which is expected to grow by 40% until 2017 (Euromonitor International, 2013).

In 2012, the major wave ever of luxury brands entering the Brazilian market took place, spurred by the opening of JK Iguatemi shopping mall. JK Iguatemi is one of the assets of Iguatemi Group, a shopping center company, which activities encompass the identification of opportunities and the design, planning, development and administration of regional shopping centers and multi-purpose real estate developments. The Iguatemi Group holds 16 shopping centers, 2 of which considered by many research entities (ATKearney, 2013; Euromonitor International, 2013) to be two of the key locations for luxury retail in Brazil – Iguatemi São Paulo and JK Iguatemi. Indeed, prior to 2012 wave, Iguatemi São Paulo hosted most of the first international luxury brands entering in the Brazilian market.

Shopping malls being the most common locations for luxury retail in Brazil, the Iguatemi group enjoys from an undeniable reputation within the luxury market. Its apparent relevance on the establishment of international luxury brands in Brazil, and consequent impact on the development of the market, leads to the importance of an in-depth study of the phenomenon, so to understand its distinctiveness and complexity.

This research focuses, thus, in the topic of Luxury Market and Retail, in the form of a qualitative exploratory case study on the Iguatemi Group.

Overall, the research suggests that the role of Iguatemi in the Brazilian luxury market goes beyond that of a real estate company, by attracting and providing international luxury brands with the necessary elements to establish in the country, not only by making retail space available, but by putting together the necessary conditions for the existence of a luxury culture.

1.1 Objectives of the Research

This research has as general objective to analyze how is the Iguatemi Group generating opportunities for international luxury brands to establish in the Brazilian market, having, thus, the following research question:

How is Iguatemi Group creating opportunities for International Luxury Brands in Brazil?

The question is formulated with "how" since it is indicated by Yin (2003) as being one of the most adequate forms for pursuing a case study research, given that, in this way, it is ready to explore the complexity of the phenomenon.

In an attempt to understand the context surrounding the case study object, the following specific objectives were set:

a) To describe the context of the Brazilian luxury market and its evolution
b) To identify the attraction factors and challenges of the market from the point of view of international luxury brands;
c) To identify the location choice methodology used and the particular attraction factors of Iguatemi's malls from the point of view of international luxury brands;
d) And finally, to analyze how is the Iguatemi Group creating opportunities for the entrance of this brands into the Brazilian market.

1.2 Dissertation outline

On chapter 2, Literature in the fields of Luxury and Retail is revised, following a sequential order on an attempt from the author to construct a logical chain of ideas. In particular, literature regarding Luxury Retail, Retail internationalization and location, as well as literature concerning to Shopping Centers is revised.

On chapter 3, the methodology applied during the research is explained in detail.

On chapter 4, the results of the research are finally explained, grouped by sub-unit of analysis. Hence, first, an overview of the context of the Brazilian luxury market and its evolution are explained; then, the attraction factors leading international luxury brands into Brazil and the challenges felt by them are revised; following, the location choice methodology and the particular attraction factors of Iguatemi's malls are presented;

and finally, a focus on how is Iguatemi creating opportunities for international luxury brands is exposed.

Finally, the final remarks are presented, along with academic and management implications of the study, followed by limitations and suggestions for further research.

2 Literature Review

Growing attention has been given in literature to the world of luxury - recent areas covered are, for instance, consumer behavior (Amatulli & Guido, 2011; Zhan & He, 2012; Shukla & Purani, 2012; Cho et al., 2012) marketing management (Kapferer & Bastien, 2009; Atwal & Williams, 2009; Chevalier & Mazzalovo, 2008) and retail (Chevalier & Gutsatz, 2013; Moore and Doherty, 2007; Moore, Doherty & Doyle, 2010; Dion& Arnould, 2012; Nobbs, Moore & Sheridan, 2012). However, there is still a lack of literature regarding the internationalization of the luxury retail as well as on the different location sites or distribution channels it might pursuit, and the importance of the chosen location for the brand perception/positioning/image in the host market. Moreover, there is no literature regarding the business networks that enable the conquering of new markets by these specialized retailers. Next, the literature regarding the concept of Luxury, Luxury Branding, Luxury Strategy and Business Models, Luxury Retail, Retail internationalization, Retail Location and Shopping Centers is revised, following an intentional sequential order, in an attempt of the author to make sense out of the existing literature so to understand the dynamics of the internationalization of luxury retail and the benefits of shopping malls for this purpose.

2.1 Luxury

2.1.1 The evolution of the Concept of Luxury

According to the Oxford Latin Dictionary (1992), luxury derives from “luxus”, meaning “’soft or extravagant living, (over)-indulgence’ and ‘sumptuousness, luxuriousness, opulence’” (Tyan, McKechnie, & Chhuon, 2010, p.1157).

However, the concept of luxury is, as argued so far in literature, more complex and varied than that. Through time, several authors have tried to conceptualize luxury – however, there is still a lack of a commonly accepted definition (Ciornea, Pop & Bacila, 2012). Traditionally, literature on luxury goods derives from a multiplicity of areas, such as economics (Miller, 1975), sociology (Lipovetsky & Roux, 2003; Veblen, 1899;

Baldwin, 1899) and history (Berry, 1994). These will be explained in the upcoming subsections, followed by an explanation on the contemporary perception of the concept of luxury.

2.1.1.1 Economics and sociological perspective

Berthon, Pitt, Parent and Berthon (2009) referred to Adam Smith's four consumption categories, as a necessary basis for understanding the concept of luxury. They are: "*necessary* (to maintain life), *basic* (for normal growth and prosperity of people and communities), *affluence* (goods that are not essential for growth and prosperity), and *luxury* (goods that are in limited supply, difficult to procure and/or very expensive)" (Berthon et al., 2009, p.46). Millar (1975), also mentions Adam Smith by stating that he early recognized that this limited supply of goods implied value into some commodities, which could be then used to display the owner's wealth.

Indeed, in the past, Veblen and Bourdieu have related luxury consumption and conspicuousness, unfolding luxury to the leisure class, which emerged during the social and economic evolution, and "whose members are not required to work but appropriate a surplus produced by those who do work, the working class" (Trigg, 2011, p.100). In the words of Veblen (1899), "conspicuous consumption of valuable goods is a means of reputability to the gentleman of leisure. As wealth accumulates on his hands, his own unaided effort will not avail to sufficiently put his opulence in evidence by this method" (p.53). According to his theory, "people spend money on artifacts of consumption in order to give an indication of their wealth to other members of society" (Trigg, 2011, p.101). Berry (1994) adds to this point of view by stating that one that consumes conspicuously consumes goods that the ones who do not consume perceive as luxuries, although, for them, the consumption of these goods is necessary to maintain their social status.

A definition of luxury that goes aligned with this thought is the one of M. de Laveleye who states that luxury is "the consumption of what it has cost great labor to produce for the satisfaction of spurious needs" (Baldwin, 1899).

In his book, “Some Aspects of Luxury” (1899), Baldwin goes further by concluding that, then, luxury expenditure can promote the economic interests of society, as it has the power to positively impact the industrial sector.

Baldwin (1899) adds a curious point of view, by stating that the desire for luxury positively impacts social advancement, being the line of luxury and non-luxuries a constantly shifting one: “One class forges ahead, developing new wants and inventing new means for satisfying these wants. When it first appears, each new want-satisfier is a luxury. But the luxuries of the few in one generation become the common heritage of the many in the next. Also Strehlau (2008) highlights this evolving component of luxury, stating that something that is considered to be a luxury today may become of common use later, losing its luxury status. For the lower classes, spurred by the example of the upper class, push on successively in their turn to a higher plane of civilization. Thus the whole society advances, class-wise, from stage to stage” (Baldwin, 1899, p.162).

2.1.1.2 Historical perspective

Lipovetsky and Roux (2003) trace the origins of luxury back to the Neolithic period. According to them, luxury started as a cultural, mental attitude, a spirit of expenditure, which characterizes the social human, affirming his non-animalism. They illustrate this thought by referring to the exchange of gifts and ostentatious expenses during social events. Kapferer and Bastien (2009), also refer to the roots of luxury from the organization of societies, pointing out the example of the Egyptian civilization, highly hierarchical and with comprehensive rituals and codes for status.

Contrary to Lipovetsky and Roux, or Kapferer and Bastien, Christopher Berry, in his book “The idea of Luxury – a conceptual and historical investigation” (1994), argues that luxury has its origins in the Greek thought, as a political concept. Also, as he highlights, luxury played a distinctive role in roman political thought and practice: in roman history, “luxury represented the use of wealth to serve private satisfactions” (p.85).

In classical, Christian and early modern thoughts, the possession of luxury was criticized from a moral perspective. Berry explains that “they were condemned because they fostered effeminacy and thus undermined virtue and corrupted both the individual and his patria (p.20) However, he highlights, “until the eighteen century it was the Roman response to ‘luxury’ that attained paradigmatic status in discussions of virtue and corruption […] “for the romans, and beyond, luxury was a political question because it signified the presence of the potentially disruptive power of human desire, a power which must be policed” (p.63).

The seventeenth century plays an important role in luxury. With the emergence of modernity came a “demoralization” of luxury, being it the beginning of the economic argument in favor of the concept. As stated by Berry (1994), “whereas in roman and medieval societies ‘luxury’ was a threat to exclusivity by representing the subversiveness of private desire, in modern societies the ‘message’ reinforces the legitimacy of such desire” (p.30). Berry (1994) cites Sombart (1913) to show the increasing acceptance of luxury at the time, as he argued that “luxury and fashion are acceptable because they stimulate consumption, which in turn generates trade and employment and hence produces great overall wellbeing” (p.104). Also Lipovetsky and Roux (2003) mention fashion as “the first great figure of an absolutely modern luxury, superficial and free, mobile, free of powers from the past and the unseen”.

With the end of the first industrial revolution, and upsurge of world trade, in the XIX and early XX centuries, luxury was tied to craftsmanship and its great craftsmen, as entrepreneurs intentionally created companies to provide the social elite with products adapted to their lifestyle, such as Louis Vuitton as the trunk maker or Christian Dior as the frock-maker (Berthon et al., 2009; Brun & Castelli, 2013). This products had the status of luxury goods given their “superior quality, durability, performance or design” (Brun & Castelli, 2013, p.827). Okonkwo (2007), highlights the advance in terms of management of these historical entrepreneurs, as they pioneered business concepts like trademarks and global branding (as they were the first retailers internationalizing) – to illustrate this, he gives the example of the French jewelry brand Cartier, which opened its first international store in London as early as 1902 and its first American store in New York in 1909, and of Thomas Burberry who registered his brand logo under a trademark in 1900.

Luxury, as of today, has evolved to universe of the brand: “carefully crafted symbols, which go beyond the material, beyond the craftsmen to invoke a world of dreams, images, signs, and motifs” (Berthon et al., 2009, p.45).

2.1.1.3 Luxury as contemporary concept

As aforementioned, academics, to date, have not agreed on a universally accepted definition of luxury.

What is commonly mentioned in literature, though, is the relativity of this concept, as it can be understood through a variety of perspectives accordingly to different contexts (Berthon et al., 2009; Berry, 1994; Kapferer & Bastien, 2009; Kapferer, 2012).

Kapferer and Bastien (2009) and Kapferer (2012) define several perspectives from which the word luxury can be defined: “luxury (an absolute concept), a luxury (a relative concept), my luxury (an intimate choice), luxury as a sector of business, and finally luxury as a strategy or a business model” (Kapferer & Bastien, 2009, p.46).

Berthon et al. (2009), argue that the concept of luxury cannot be seen as one sphere, but must take into account three variable contexts: a combination of the material (as it can have various embodiments), the social (social time and place), and the individual context (what might be luxury to one person can be irrelevant to another).

Also Berry (1994) mentioned the individuality aspect of the concept, defining luxury as: “a widely desired (because not yet generally attained) good that is believed to be ‘pleasing’, and the general desirability of which is explained by it being a specific refinement, or a qualitative aspect, of some universal generic need. These refinements, as products of desire, reflect the differences between individuals” (p.41). Indeed, according to Strehlau (2008), the value of a luxury item can be attached to each one’s own perception, enjoying from an economic, social or emotional satisfaction as a consequence of its purchase.

In literature, the concept of luxury is also commonly treated through an attribute perspective, being it intrinsically linked to the former “material” context, as it regards the characteristics products (and services) ought to have to be considered luxury. Hansen and Wänke (2011), for instance, indicate luxury products as those of excellent quality, high price, and which are scarce and unique. Kapferer and Bastien (2009) also highpoint that "luxury is the ultimate version of a range, marked by all the well-known criteria of rarity, high price, sensuality, creativity, attention to detail, age, quality and imagination" (p.41). However, Dubois and Czellar (2002) stress, not necessarily are expensive goods viewed as luxuries – rather, they should be accompanied with "excellent quality and specialized distribution channels" (Brun & Castelli, 2013, p.829). Moreover, for a good to be a luxury, it needs to be desired by non-consumers (Kapferer & Bastien, 2009).

The following table summarizes both the aforementioned perspectives over the luxury concept.

Table 1 – The Luxury Concept

Approach	Contexts	Authours
Relativity Approach	Individual Social Material / Business Strategy / Business Model	Kapferer & Bastien (2009), Kapferer (2012), Berthon et al. (2009), Berry (1994)
Approach	**Attributes**	**Authours**
Attribute Approach	Quality / Attention to detail High Price Scarcity Uniqueness / Imagination / Creativity Desirability (from consumers and non-consumers)	Hansen & Wänke (2011), Kapferer & Bastien (2009), Brun & Castelli (2013)

Source:Elaborated by the author

Regarding other approaches to luxury, two distinctions ought to be made – traditional (old) *versus* modern (new) luxury and the distinction between luxury and fashion.

Silverstein and Fiske (2005) distinguish between new and old luxury. According to them, new luxury is based on genuine personal emotional engagement and old luxury is rather based on status, class and exclusivity. Truong, Simons, McColl and Kitchen

(2008) add to this view by stating that new luxury differs from traditional luxury in the extent of being more affordable, more accessible and by targeting new consumers. New luxury is thus usually related to the emergence of the *new rich*, people who have only recently had access to wealth and luxury goods (Strehlau, 2008; Kapferer & Bastein, 2009). According to Strehlau (2008), the consumption behavior of these two groups differ: the new rich tends to imitate the traditional luxury consumer, and have its purchases are linked to statutory feelings - being connected to extrinsic values (Kapferer & Bastein, 2009) - while traditional luxury consumers tend to buy for its own statisfaction – and therefore being associated with intrinsic values (Kapferer & Bastein, 2009).

Silverstein and Fiske (2005), categorize new luxury as follows:

a) Accessible Superpremium – products which are affordable to middle-market consumer, but that are "priced at or near the top of their category, and at a considerable premium to conventional offerings"

b) Old luxury brand extensions – "lower-priced versions of products created by companies whose brands have traditionally been affordable only for the rich"

c) Mastige – products that are "neither at the top of their category in price nor related to other iterations of the brand" which ask for a "premium over conventional products, but priced well below superpremium or Old Luxury goods"

In regards to the differentiation between the concept of luxury and the one of fashion, fashion differs from luxury in the extent that it is ultimately obsolete, while luxury is intrinsically related to durability (Kapferer and Bastien, 2009). Moreover, luxury is related to rarity and uniqueness, while fashion is related to popularity.

2.1.2 Luxury Branding

As aforementioned, luxury today is inevitably tied to the world of brands (Brun & Castelli, 2013; Berthon et al., 2009; Lipovetsky & Roux, 2003). As stated by Quelch (1987) "most luxury products […] are associated with a strong brand name and logo, as well as tradition and high performance (Brun & Castelli, 2013, p.829).

According to Jevons (2007), “a brand is a tangible or intangible concept that uniquely identifies an offering, providing symbolic communication of functionality and differentiation and in doing so sustainably influences the value offered” (Tynan, McKechnie & Chhuon, 2010). Luxury brands have particular characteristics that distinguish them from the overall world of branding, and should be managed in a different way (Kapferer & Bastien, 2009; Chevalier & Mazzalovo, 2008). They are a reference in the marketing world, as they provide the best of design, materials, merchandising, and packaging. (Atwal and Williams, 2009)

The table below shows different definitions of luxury brands found in literature.

Table 2 – Definition of Luxury Brand

Authors	Definition of Luxury Brand
Wetlaufer (2001)	“a luxury brand is timeless, modern, fast growing and highly profitable”
Hagtvedt & Patrick, (2009)	“a luxury brand as one that has premium products, provides pleasure as a central benefit, and connects with consumers on an emotional level” (p.609)
Nueno and Quelch(1998)	luxury brands as “those whose ratio of functional utility to price is low while the ratio of intangible and situational utility to price is high” (p.62)
Phau and Prendergast (2010)	“luxury brands ‘evoke exclusivity, have a well-known brand identity, enjoy high brand awareness and perceived quality, and retain sales levels and customer loyalty ’ (Atwal and Williams, 2009)p.339
Okonkwo (2007)	“The core characteristics of luxury brands are: brand strength, differentiation, exclusivity, innovation, product craftsmanship and precision, premium pricing and high-quality.” (p.11)
Berthon et al. (2009)	“carefully crafted symbols, which go beyond the material, beyond the craftsmen to invoke a world of dreams, images, signs, and motifs” (p.45)

Source: Elaborated by the author

From the definitions above, we can observe that the following are characteristics commonly attached to luxury brands: strong brand identity; emotional; exclusive; innovative; high quality; premium pricing; craftsmanship; allows for the ‘dream’.

To better understand the concept of a luxury brand, Berthon et al. (2009), bring up a comprehensive framework regarding value components of it:

Table 3 – Constituent Value Dimensions of Luxury Brands

Constituent Value Dimensions of Luxury Brands		
Experiential Value	**Symbolic Value**	**Functional Value**
What does the brand mean to the individual?	What does the brand mean to others?	What physical attributes does the brand possesses? What does the brand do?

Source: Adapted from Berthon et al. (2009, p.49)

As can be understood by the table, luxury brands' value has three dimensions: the functional dimension, which comprises its practical purpose; the experiential dimension, which is the individual subjective value the consumer experiences by possessing the product/service; and finally the symbolic value, being the social dimension of the luxury brand. Here, states Berthon et al. (2009) "the symbolic nature of luxury brands comes into play - by symbol we mean that which signifies a constructed and evolved narrative, myth, or dream-world. It has two aspects: the value a luxury brand signals to others, and the value of that signaling to the signaler" (p.47). According to Strehlau (2013), the symbol factor can be so relevant that the consumption of the brand itself can become more important for the consumer than the possession of an iconic product itself – has having a Chanel t-shirt can suffice for signaliging the prestige coming from consuming the brand.

Indeed, the signaling value of luxury is intrinsic to the so-called "dream" that surrounds it. This "dream", was conceptualized in 1995 by Dubois and Paternault, to be a result of the following equation:

DREAM = AWARENESS - PURCHASE

Thus, in luxury, according to their research, the dream is "alive" as long as the level of purchases are lower than the level of awareness. Hence, they argue, luxury marketeers are posed with the challenge of coping with demand in a way that does not jeopardizes the brand appeal. This conclusion has various managerial implications. For instance, Kapferer and Bastien (2009), refer to the dream formula when defending that in luxury, communication should not be target exclusively actual consumers, but a broader audience so to keep the desirability of the brand.

2.1.3 Luxury Strategy and its business models

"Luxury as a strategy refers to the fact that luxury is a very specific business model, which has been invented by those brands that now define the pantheon of luxury brands worldwide. […] [It] can be used – and is successfully used – by companies and brands outside the luxury sector" (Kapferer & Bastien, 2009, p.47).

Brun and Castelli (2013) propose ten "Critical Success Factors (CSF)" which ought to be used by companies so to achieve a luxury positioning for their brands and products:

a) Premium quality - consistently delivering premium quality in all the products in the line and along the whole Supply Chain (SC)
b) Heritage of craftsmanship - which ensures the necessary expertise/reliability for manufacturing high quality objects
c) Exclusivity - obtained through the use of naturally scarce materials, limited editions, limited production runs, selective distribution and the creation of waiting lists
d) Differentiated marketing approach – which should combine product excellence with emotional appeal
e) Global reputation of the brand - conveying the idea of world-class excellence
f) Recognizable style and design – so for consumers to be able to recognize the brand without seeing the logo
g) Association with a country of origin – if this has strong reputation as a source of excellence for a certain product category
h) Uniqueness elements
i) Superior technical performance, along with continuous innovation – (for brands based on technical expertise), so for the consumers to be able to distinguish luxury products from ordinary ones
j) Brand lifestyle – allowing the customer to share in a unique lifestyle, which can be reconstructed by the possession of the luxury product

In their book “The Luxury Strategy: break the rules of marketing to build luxury brands” (2009), Kapferer and Bastien define four types of luxury business models: the pyramid business model, the galaxy business model, the perfume business model, and the business model of luxury trades with very high overhead.

The pyramid model creates a hierarchy among the brand’s products, being on the top the most exclusive products such as *haute couture* and on the bottom profitable products such as cosmetics and perfumes – consumers thus are introduced to the brand experience from the accessible products on the bottom, and are expected to escalate the pyramid for more value-added products.The galaxy business model, in contrast, treats the products equally, giving the opportunity to every product to be valued as a “star”. In the perfume business model, value is created in advertising and merchandizing rather than on the product itself. And finally the business model of luxury trades with very high overheads, which considers hotels, restaurants, air transport and cruises, and focuses mainly on how to adjust prices to demand so to cover the fixed costs, while still practicing high-end services.

Although the mostly commonly found literature refers to Business-to-consumer (B2C) industries, Kapferer and Bastien (2009) show that the luxury strategy can be applied in Business-to-business (B2B) industries, by bearing in mind the ground rule of thinking “B to B to C”, arguing that the product from the suppliers is to be implemented in the finished product, will reflect on the image perceived by the client and that the supplier is not easily replaceable. Later in this literature review, the argument addressed to the transference of image from shopping malls to stores is given. To be able to implement a luxury strategy, the “four P’s” of marketing must be able to be applied (Product, Promotion, Price and Place). However, for B to B relationships, we should be aware that this might not be applicable.

2.2 Retail

2.2.1 Luxury Retail

Luxury retail is different from other retailing sectors at three different levels: first, luxury retailers are commonly the original manufacturers of the products being sold, which contrasts to the majority of retailers, which sell third-party merchandizing; second, luxury retailers “have been the most prolific of internationalizing retailers”; and third, in their internationalization processes they commonly use foreign direct investment rather than less controllable entry methods (e.g.: franchising) (Nobbs, Moore & Sheridan, 2012, p.920). Thirdly, the luxury retail format is by its nature interactive: “it evolves and adapts to find new ways of generating and communicating differentiation and to satisfy consumers’ interest in newness and excitement” (Nobbs et al., 2012, p.932)

Luxury fashion retailers comprise, among others, “Prada, Gucci, Dior, Louis Vuitton, Chanel, Giorgio Armani, Versace, Hermes, Burberry and Mulberry” (Moore, Doherty & Doyle, 2010, p.143). Moore and Doherty (2007) identify several characteristics of luxury fashion retailers, from which prestigious retail settings are part of. Atwal and Williams (2009), highlight the importance of “tradition and innovation, emotion and precision, dynamism and aesthetics, exclusivity and openness” for the extendibility and experience of the luxury brand in its point of sales.

For Chevalier and Gutsatz (2013), the luxury point of sales must be the brand’s sacred place, where several details should refer to the heritage of the brand, positioning the store as an excellence place from the client’s perspective. It must organize product presentations and have special events for its customers. The music should remit the history of the origins of the brand, and the odor felt in the store should be linked to the product, such as perhaps the odor from the leather product. This comes in accordance with Kapferer and Bastien (2009) opinion that luxury retail is all about experience.

As Dion and Arnould (2012) argue, “luxury retail draws on the principles of art and magic to assemble the charismatic persona of the creative director and to diffuse his aesthetic ideology to the brand” (p.502), and therefore ambience, aesthetics and service play an important role. Accordingly to Nobbs et al. (2012), luxury retail format is based on the values of uniqueness and exclusivity.

According to Chevalier and Gutsatz (2013), there are different retail formats in luxury, which may correspond to different marketing objectives. These can be:

a) Flagship stores - the Flagship retail format, reflects, at an extreme, the concept of luxury retail, is the flagship format – the flagship format is originally from the 70s and sees its largest concentration in the luxury fashion market

(Nobbs, Moore & Sheridan, 2012). Nobbs et al. (2012), define it as "a larger than average specialty retail format in a prominent geographical location, offering the widest and deepest product range within the highest level of store environment and serving to showcase the brand's position, image and values" (p.922). Moore et al. (2010) argue that it is "distinguishable from the rest of the retail network due to their scale, design, location and set-up and operating costs" - moreover, they add, "their decadent size provides a positive signal with regard to the identity and prestige of the luxury brand" (p.156). Flagship stores can then be a channel for branding, in the extent to which they can be used as promotion and advertising as well as a means for emotionally engage the consumers with the brand (Manlow & Nobbs, 2013). Accordingly to Riewold (2002), "the primary objective is not to sell the product but to generate a fascination with the brand, creating a deep-set emotional anchor" (Nobbs et al., 2012, p.927).

b) Megastores – stores with at least 800 m2, which, contrary to the flagship format, do not always have as objective to valorize the brand origin, but to signal the market the strength and commitment of the brand. Given their size, they normally have a rather complete assortment of products (Chevalier and Gutsatz, 2013).

c) Institutional stores – stores with 60 to 120 m2, which, although small, have prestigious locations, which reinforces the brand image and is a guarantees a better quality after-sales service (Chevalier and Gutsatz, 2013).

d) Pop-up stores – temporary stores in rather unexpected locations, with a different and original customer experience proposition (Chevalier and Gutsatz, 2013).

2.2.2 Retail Internationalization

Internationalization is defined by Calof and Beamish (1995) as being "the process of adapting exchange transaction modality to international markets" (Malhotra, Agarwal & Ulgado, 2003, p.1). Vida and Fairhurst (1998) argue that "the retail internationalization process appears to be a complex and relatively poorly understood phenomenon" (p.143). Indeed, so far, the process of internationalization of retailing has been shortly explored in literature (Burt & Carralero-Encinas, 2000). In this section of the literature review, it is aimed to understand the current state of art of the studies regarding retail internationalization as a whole, by focusing on drivers of internationalization, factors to have into account when internationalizing, and internationalization enablers. Whenever possible, a link to luxury retail is going to be provided.

Huang and Sternquist (2005) argue that “the choice of foreign markets constitutes an important part of retailers’ strategic decisions regarding their internationalization process” (p.1674). Several drivers of retail internationalization are referred to in the literature, usually clustered in push and pull factors (Huang & Sternquist, 2005; Moore, Fernie & Burt, 2000). Push factors refer to domestic market saturation and regulatory constraints. Pull factors, instead, refer to market opportunities, and all other factors that might make the foreign market attractive such as, in particular, demand factors concerning size and wealth (Huang & Sternquist, 2005). Vida and Fairhurst (1998) add to this view by highlighting the importance of changing consumer environments and trends in the retail internationalization process. Also, some scholars refer to the importance of timing in the pursuit of market opportunities in retail internationalization, as a factor of success. Howard (2004) states that “timing is crucial – taking opportunities as they arise, particularly as markets open to foreign investment, and as consumer spending reach absolute levels and levels of growth that are sufficient to support a new entrant” (Zentes, Morschett & Schramm-Klein, 2007, p.103).

Making a parallel with the luxury industry, Alexander (1995) mentions push factors when arguing that in this industry market saturation is felt at an early stage (Moore et al., 2000). Likewise, Kapferer and Bastien (2009) defend the need to internationalize as crucial for luxury brands profitability, given that some base rules such as price level maintenance, products exclusivity and not chasing economies of scale over manufacturing quality (enforced by not using off shoring production), leave the brands with no option other than internationalize so to boost sales volumes – “internationalizing, and then globalization, is the law of luxury” (p.281). Therefore, they also identify push factors as motives of internationalization in the luxury sector.

Recently, there is a growing presence of western luxury brands in emerging markets (Kapferer & Bastien, 2009; Som, 2011). Kapferer and Bastien (2009), present some factors for this success: emergence of the rich class; absence of strong local competition; adoption of a “global culture”; by adhering to luxury people are creating a new class system.

Table 4 – Internationalization Drivers

	Internationalization Drivers	
	PUSH Factors	PULL Factors
General	Domestic market saturation and regulatory constraints (Huang & Sternquist, 2005)	Refer to market opportunities, and all other factors that might make the foreign market attractive such as, in particular, demand factors concerning size and wealth (Huang & Sternquist, 2005)
Luxury Industry	In this industry market saturation is felt at an early stage (Alexander, 1995 in Moore, Fernie & Burt, 2000).	Emergence of the rich class; absence of strong local competition; adoption of a “global culture” (Kapferer and Bastien, 2009)

Source: Elaborated by the author

When internationalizing, retailers must assess several factors regarding the host country, so to decide for the most adequate mode of entry. The CAGE framework (Ghemawat, 2001), for instance, highlights the importance of assessing the cultural, administrative, geographical and economical distances when venturing into new market. These distances refer to the challenges and opportunities that may be attached to the degree of difference between the destination and the home market regarding the ease of doing business there, a phenomenon also referred to in literature as psychological distance. De Mooij and Hofstede (2002), argue that in retailing, the psychological distance is likely to be particularly strong (Huang & Sternquist, 2005).

Som (2011), highlights three challenges for luxury companies regarding emerging markets: education and knowledge about the luxury industry, size and population, and finally distribution, where he highlights the lack of luxury centers. Given the importance of understanding the host market as well as the need for achieving an adequate transfer of business concepts, when internationalizing, retailers look for solutions to help them reduce perceived uncertainties and search costs (Huang & Sternquist, 2005, p.1674).

Psychological distance in retail internationalization can be reduced by the use of business networks (Guercini & Runfola, 2010). Guercini and Runfola (2010), highlight the importance of business networks in the learning process of the internationalizing company, giving as example the business to business markets, “where large cultural distances have an impact on the functioning of business networks” (p.908) – moreover, they refer to the importance of these networks in the duel emerging *versus* developed market distances. The same authors highpoint the interdependency among the business network actors, and its importance on influential relationships and creation of solutions, by arguing therefore that business networks may “enable and promote the development of internationalization processes, but it may also set limitations on these same processes” (p.910). Embedded on these networks, they also identify the emergence of an influencing actor, the gatekeeper. The gatekeeper is a host market player that may provide information for the entrant, by having some sort of control over that information. Companies may allow an actor to be a gatekeeper since it reduces the psychological distance by accelerating the learning process about the distant market. However, this can also be a limitation for the company internationalizing since the gatekeeper may block the creation of new interactions of the entrant in the market (Guercini & Runfola, 2010).

Another form of reducing psychological distance in retail internationalization is appointed in the literature to be the presence of competitors in the destination market - since they have can access other retailers experience (Huang & Sternquist, 2007). The fact that other companies were successful in entering a perceived distant market allows the internationalizing retailer to reduce its reluctance.

A factor to have into account in the internationalization of retail is the importance of the retailer most relevant asset: its brand (Vida & Fairhurst, 1998; Moore et al., 2000; Burt & Carralero-Encinas, 2000). Indeed, according to Brown and Burt, one “view of internationalization is that based on the transfer of a retail brand, with its associated image for consumers, across national borders” (Moore et al., 2000, p.81). The brand can therefore be a differential advantage for the internationalizing firm (Vida & Fairhurst, 1998). Burt and Carralero-Encinas (2000), highlight the importance of this differentiation factor for brands which practice standardization since they ought to replicate brand identity in the host market. Consequently, the same authors highlight the importance of the replication of the retail image in international attempts: “an understanding of retail image, what comprises this image, and how transferable this image or identity is, is crucial to developing retail operations in foreign markets, especially if the retail image, typically manifest in a brand, is itself the real source of consumer recognized value added and competitive advantage" (Burt & Carralero-Encinas, 2000, p.436). A deeper overview into the retail image concept will be later provided in this literature review.

2.2.3 Retail Location

"Retail location is considered to be one of the most important elements in retail marketing strategy, because it is a long-term decision, associated with long-term capital commitment" (Zentes et al., 2007, p. 143). From all the marketing mix elements, store location may be one of the most important decisions, since its long-term investment portraits high switching costs (Ghosh & Craig, 1983).

For the luxury sector in particular, this decision is crucial since the location chosen may affect the perceived level of the brand (Kapferer & Bastien, 2009). Okonkwo (2007) supports this argument, adding that "in addition to visibility and accessibility, luxury brands ought to be situated in the most elite and prestigious locations of the cities where they operate" (p.78). Moreover, as Chevalier and Gutsatz (2013) argue, the location chosen may influence the market perception of the brand's values being, thus, an investment in terms of image.

The location choice is made ultimately based on the accessibility to the target consumer, and therefore it is of importance to identify the most profitable location niches that can better address those (Hernández & Bennison, 2000). Luxury retailers look, therefore, for prestigious retail locations in high-status districts and cities, which attract a niche customer base (Okonkwo, 2007). This comes to be aligned with Hernández and Bennison (2000) argument that, location choice is rooted to the company's marketing strategies.

Concerning the process of retail location choice, accordingly to Hernández and Bennison (2000), there are several techniques used by retailers, some being more intuitive, such as experience, checklists/analogues/ratios, and others being more scientific, such as multiple regression/discriminant analysis, cluster/factor analysis, gravity modeling or expert systems/neural networks (p.360). What the authors founded out was that the balance between the usages of more intuitive or more scientific techniques varies largely across organizations, and will depend on the complexity of the environment in which the organization operates. Clarke, Bennison and Pal (1997), highlight the importance of converging academic and practitioner perspectives, since, on their point of view, strategic marketing can shed light into the existent retail location techniques. In the point of view of the authors, it is crucial to achieve the link between overall marketing strategy and individual branches, as it will reflect “the current concerns of management in retail organizations” (p.62).

Chevalier and Mazzalovo (2008) shed light into the location decision process in the luxury sphere. According to the authors, in luxury, the location decision is not done using complex analysis or tools; rather, brand analyze globally the potential of a city and support much of their research in the analysis of their competitors. They add to this view by defending that, after a city is chosen, it is relatively simple to choose the location of a first store, as normally there are not many luxury locations in a city.

2.2.3.1 Retail Locations alternatives

Weitz indicates different types of location available for retailing: solitary sites, unplanned shopping areas and planned shopping districts, category which shopping centers are part of (Zentes et al., 2007, p.144). Unplanned shopping areas and planned shopping districts also appear on literature throughout different approaches - Teller (2008), for example, calls them *retail agglomerations formats (AF),* arguing that those can be *evolved retail agglomeration formats (EAF)* (unplanned) or *created agglomeration formats (CAF)* (planned), the latter having been gaining importance in the retail market lately.

Table 5 – Retail agglomeration formats

Type	**Evolved retail agglomeration formats**	**Created agglomeration formats**
Characteristics	Unplanned	Planned
Examples	Scattered stores in the street	Shopping Centers

Source: Adapted from Teller (2008)

Agglomeration formats may be beneficial for consumers in the extent to which they concentrate merchandise and services (Teller, 2008). Accordingly to Oppewal and Holyoaka (2004), “regardless of the differences between particular agglomerations or formats the aim of retailers, who locate their stores nearby other stores, is to benefit from bundling and/or agglomeration effects” (Teller, 2008, p.7). Damian, Curto and Pinto (2011), also mention effects from retail agglomeration, arguing that firms selling different goods can also locate themselves close to each other to maximize its profit opportunities (p.457) – particularly, the authors focus on the positive, and negative effects, which they call externalities, of retail being located in shopping malls.

Shopping centers (in this research also referred to as shopping malls) are defined by Zentes et al., (2007) as “single buildings which are marketed as a unified shopping destination, usually with a name and logo” (p.145), which have a wide merchandise range and leisure elements.

2.2.3.2 Shopping Centers

The recent emergence of luxury shops and malls, accordingly to Kapferer and Bastien (2009) is a proof “of how distribution plays a key role in luxury management” (p.233). This section will focus on the existing literature on shopping centers, regarding their attributes and factors of attractiveness as well as their relationship with retail stores (their tenants).

2.2.3.2.1 Shopping Center Attributes

Shopping mall attributes have been explored by several authors (Sit, Merrilees & Birch, 2003; El-Aldy, 2007; Khare & Rakesh, 2010; Chebat, Sirgy & Grzeskowiak, 2010). Sit, Merrilees & Birch (2003) propose seven shopping center attributes, being merchandising, accessibility, services, atmospherics, entertainment, food and security. El-Aldy (2007), found other determinants of shopping mall attractiveness, as “comfort, entertainment, diversity, mall essence, convenience, and luxury” (p.945).

Holding on Sit et al. (2003) definition, merchandizing represents the “core product” of a shopping mall, it is materialized by the group of stores in the shopping mall, commonly defined as tenant mix (Finn & Louviere, 1996; Chebat, Sirgy & St-James, 2006; Burnaz & Topcu, 2011). Accessibility, can be divided in micro and macro-accessibility: micro being the existence of parking lots, and macro referring to the area of where it is located - “malls located in areas highly accessible to shoppers are likely to be perceived more favorably than malls that are less accessible” (Chebat et al., 2010, p. 736). Services concern the “augmented product” of the merchandizing. Atmospherics, regard the ambience and aesthetics, hence the décor, music and layout of the shopping mall (Sit et al., 2003; Chebat et al., 2010) – Teller (2008) also adds to atmospherics the smell, and calls to the group of these attributes “atmospherics stimuli”, presenting it as an advantage of shopping malls, since it results in “an extention of the retention period of consumers” (p.12); as Burnaz and Topcu (2011) argue, “shopping malls are becoming places where retailers can touch their customers in an exciting and colorful atmosphere” (p.318). Entertainment can be divided into specially entertainment, as for instance movie theaters, and special entertainment, as for instance fashion shows, art exhibits and Christmas events – indeed, they “serve very well to create more excitement, traffic, and recognition”(Burnaz & Topcu, 2011, p.323). Food, as a complement for the shopping trip experience and a form of entertainment provided by the mall (El-Aldy, 2007)**;** and lastly, security, as crucial factor, since there is a concentration of people with high purchasing power, reflected in a concentration of cars, credit cards, and other valuable items appealing to robbers (Hedhli, Chebat & Sirgy, 2013);El-Aldy, 2007)**.**

In maximizing these attributes, shopping malls can create a unique identity (El-Aldy, 2007) and, accordingly to Ooi and Sim, even become destination attractions on their own (Khare & Rakesh, 2010).

The presence of leisure opportunities in shopping malls makes them more attractive to hedonic consumers (Teller, Reutterer & Shnedlitz, 2008), concept commonly referred to in literature when referring to luxury consumers (Choo, Moo, Kim & Yoon, 2012). Accordingly to Teller et al. (2008), “hedonic shoppers are intrinsically motivated towards shopping and looking for fun, amusement, fantasy and sensory stimulation […] compared to single stores, retail agglomerations augment the shopping experience for their customers in many different ways” (p.60-62). Therefore, the authors argue, shopping malls are more attractive to hedonic consumers than to utilitarian ones.

2.2.3.2.2 Tenant Mix

As stated above, merchandizing, or tenant mix, presents the "core product" of a shopping mall, and it is therefore of importance to understand the mall relationship with its tenants. The group of stores in a shopping mall is usually referred to in literature as tenant mix (Finn & Louviere, 1996; Chebar, Sirgy & St-James, 2006; Burnaz & Topcu, 2011), and it is crucial for success of the establishment of the shopping center (Rabbanee, Ramaseshan, Wu & Vinden, 2012), since it contributes to the center image and to the creation of traffic (Burnaz & Topcu, 2011). Also, the whole planning of the tenant mix can as well shed light into the creation of a unique identity for the shopping mall (El-Adly, 2007; Burnaz & Topcu, 2011), as it allows for focusing on the preferences of the target group (Teller, 2008). It is therefore important for the mall to provide a clear and consistent variety in its tenant mix, which must be consistent with its segmentation strategy (El-Adly, 2007). Accordingly to The Institute of Real Estate Management (1990), "there is no single optimal tenant mix for shopping malls, since the tenant mix of an individual mall should be tailored to meet specifications" (Yiu & Xu, 2012, p.527). Retailers ultimately benefit from a good tenant mix, since they chose to rent space in malls assuming the malls ability to attract traffic and therefore secure its sales (Khare & Rakesh, 2010, p.126). In fact, as Teller (2008) argues, "retail agglomerations are more than the sum of their parts, i.e. retail stores and other tenants" (p.8).

An important factor to highlight is the presence of anchor stores in shopping malls (El-Adly, 2007; Burnaz & Topcu, 2011). Anchor stores "are usually the largest stores inside the mall such as a well-known department store or a supermarket" (Burnaz & Topcu, 2011, p.323), being the main point of attraction inside the shopping mall. Accordingly to Damian, Curto and Pinto (2011), an anchor store "contains all or most of the following features: it is large (usually more than 600m2 GLA), multiple (national or international chain – a minimum of three stores), has a strong brand (high awareness and positive response levels), contributes significant traffic (specifically generates footfall), has widespread appeal (meaning it would trade successfully as a stand-alone unit) and, as an *ex post* test, usually enjoys a privileged position with regard to rent and service charges" (p.457). Being such generators of traffic, it is important for mall managers to "integrate well known retail store brands inside a shopping mall to attract their target consumer groups and make the mall a preferred one by the shoppers" (Burnaz and Topcu, 2011, p.323). By generating traffic into the shopping mall, anchor stores are beneficial for the overall profitability of the mall, since their presence ends up being a positive externality for other tenants (Damian et al., 2011).

Choices regarding tenant mix can also influence mall image (Finn & Louviere, 1996; Burnaz & Topcu, 2011).

2.2.3.2.3 Mall Image

Accordingly to Downs (2007), mall image reflects the "shoppers' perception of the mall along a variety of dimensions such as price, layout, ease of reaching the mall and parking, visual appearance, reputation, merchandise, services, hours of operation, and atmosphere" (Chebat et al., 2006, p.1289), and therefore is directly linked with the mall attributes referred to above. "Store image reflects shoppers' perception of a store in terms of functional [tangible and observable] and psychological [intangible and non-observable] attributes" (Chebat et al., 2006, p.1288).

Numerous authors have focused on how store image contribute to mall image, however the transference of mall image into store image is as well of importance (Chebat et al., 2006). Chebat et al. (2006), have found that "stores in upscale malls are more likely to be perceived to have high quality than stores in downscale malls" (p.1294), and therefore "the social class image of a mall influences the quality perception of stores housed within the mall" (p.1288). Li, Wang & Cassill (2004) also argue that upscale shopping centers contribute to the maintenance of the brand's quality perception. Also, Chebat et al. (2006) argue, mall image can contribute to the retailers' location decisions, since they seek a placement with an image consistent to that of its stores and target market. Moreover, careful management of mall image is of importance at a business to business level since it "would enable the malls battle against completion and also charge a high rent for store space from the retailers. Retailers are willing to pay a high rent for acquiring space in malls that are able to generate more consumer traffic"(Khare & Rakesh, 2010, p.133).

2.2.3.2.4 Relationship between the mall and its tenants

As Rabbanee et al. (2012) argue, another important factor in the relationship between tenants and shopping malls is loyalty – according to the authors, store loyalty have a positive correlation to mall loyalty and therefore malls should provide adequate support to its tenants. Also, Roberts and Merrillees (2007) mention, as mall management offers continuous B2B service relationships to its tenants, service quality plays a decisive role, reflecting “what can be considered to be a competency-capability on the part of the mall manager” (p.415).

Teller (2008) summarizes the responsibilities of the shopping center’s management as being: “choosing tenants; making decisions regarding the location of tenants within the agglomeration; marketing activities such as cooperative advertising, promotion or public relations activities and organization of events; coordinating infrastructure services such as security and cleaning services, opening hours, maintenance/repair works, decoration; and organizing incoming and outgoing traffic, parking system and logistics” (p.9). Therefore, shopping center managers should maximize the externalities generated by its tenant mix, so to achieve their potential highest profits and investment returns (Damian et al., 2011), by providing high-quality service.

3 Methodology

The methodology describes the choices made when planning and executing a research study, concerning cases to study, methods for data gathering, and forms of analyzing that data (Silverman, 2005, p.379). It introduces the methods used by the researcher in the pursuit of the study; methods are techniques used to acquire and analyze data to create knowledge (Petty, Thomson, & Stew, 2012, p.378). Following, a description of the research methods chosen is going to be given, beginning with the choice on the research strategy, followed by the depiction of the participants and the procedures chosen, the latter including design and data analysis procedures.

3.1 Case Study as a Research Strategy

According to Yin (2003), the case study is more than a data collection tactic or a design feature by itself, but a comprehensive research strategy. For the purpose of this dissertation, a case study research strategy is going to be used. Citing Creswell, Hanson, Plano and Morales (2007), “case study research is a qualitative approach in which the investigator explores a real life, contemporary bounded system (a case) or multiple bounded systems (cases) over time” (p.245). Therefore, the research can be a single case study or a multiple case study (Yin, 2003; Creswell, 2009; Petty et al., 2012). In this research research a single phenomenon is going to be studied, embodied in Iguatemi Group (from now on referred to as Iguatemi), a Brazilian Shopping malls’ company, and its impact in the external world – its role as an enabler for the internationalization of luxury brands into the Brazilian market and for the development of the luxury market in Brazil. A case is developed when it is in itself an object of very special interest (Stake 1995). Iguatemi has participation in 16 shopping centers in Brazil and one outlet (15 of which are under its management) and is shomehow connected to the internationalization of more than 20 Luxury Brands into the market. The way how it is creating opportunities for the placement of these brands in the Brazilian market is thus of significant interest to be studied. Therefore, the objective of doing a case study on this phenomenon was to develop an understanding of its distinctiveness and complexity, as full as possible (Stake, 1995).

So far, only a study held in 1986 had one of Iguatemi's Shopping Malls as an object (Iaria, 1986), having described the operational components of the mall rather than exploring Iguatemi Group's ties to the luxury market or its importance for international luxury brands, as it is proposed by this research. Therefore, given that the phenomenon being studied has not been observed nor analyzed before, it can be classified as revelatory (Yin 2003). Additionally, this case study is classified as being intrinsic, given that no attempt is made to generalize beyond it, or even to build theories upon it (Stake, 2000).

Another important thing to define is whether the single case study is holistic or embedded (Yin, 2003). An embedded case study incorporates subunits of analysis so to bring more extensive and insightful elements to the case study (Yin, 2003) and is to be used in this case study. By subdividing the phenomenon in four, the author aims at achieving a more ordered flow of ideas. Therefore, the subunits to be studied are: Brazilian market context and its evolution; the attraction factors and challenged of the market from the point of view of international luxury brands; the location choice methodology and the particular attraction factors of Iguatemi's malls for this purpose; and finally, how is the Iguatemi Group actively creating opportunities for the entrance of this brands into the Brazilian market.

Given the nature of the research strategy, its methodological approach will be qualitative (Ritchie &Lewis, 2003; Yin 2003; Petty et al., 2012).

3.2 Participants

Yin (2003) once wrote "in essence, we see the primary defining features of a case study as being a multiplicity of perspectives which are rooted in a specific context" – as observed in his statement, different perspectives can be assessed for the understanding of a specific context, the context of the case study. In regard to this, it has been chosen to target as participants three different groups: Luxury and Retail Experts, Managers from Iguatemi and International Luxury Brands' Managers. It is believed that these are the most adequate individuals to shed light into the research question different perspectives so to achieve a non-biased result. Inside the first group, Luxury and Retail Experts, specialized local researchers were interviewed, given their deep knowledge about the Brazilian luxury market. For the second group, Iguatemi's Managers, top managers were interviewed, given that they hold internal-knowledge of the firm, general knowledge of the market, and have contact with International Luxury Brands. Finally, International Luxury Brands' Managers, which hold stores in Iguatemi's malls were interviewed, since they are an external actor to the firm and could bring-up interesting points of view that were able to be compared to those of Iguatemi (Welch, Marschan-Piekkari, Penttinen, & Tahvanainen, 2002). The table below describes the participants in detail:

Table 6 – Research Participants

Participant category	Entity	Name	Title
Iguatemi Managers	iRetail	Manoela Mendes	iRetail General Manager
	Iguatemi	Rodolpho Freitas	VP of Leasing and Media
Experts	ESPM	Suzane Strehlau	Academic
	FAAP	Silvio Passarelli	Director of the FAAP Luxury MBA / Academic
	FAAP	Andre D'angelo	Academic
International Brands	Bottega Venetta	Sandra Toscano	General Manager
	Coach	Paulo Conegero	Brand Manager
	Longchamp	Kika Rivetti	Marketing Manager
	Swarovski	Carla Assumpção	General Manager
	Tory Burch	Evelyse Brito	General Manager

Source: Elaborated by the author

A sample of 10 people was reached. Jane Ritchie and Jane Lewis (2003), argue that small samples may be justified by three main reasons: first, a proper analysis of data may lead to a point where very little evidence is obtained from each additional fieldwork; second, qualitative research is not concerned with statements of incidence or prevalence; and third, given that the type of information that qualitative studied yield is rich in detail, it may be enough for the researcher to explore (p.83).

To be able to determine the participants, sampling procedures were followed (Silverman, 2005; Ritchie & Lewis, 2003; Petty et al., 2012). In defining the sampling procedure, researchers may opt by probability and non-probability sampling. Non-probability sampling, also defined as purposive sampling, was used, therefore not involving a random selection (Ritchie & Lewis, 2003), as observable above by the explanation of the importance of each group of participants. Hence, the characteristics of the population were used as the criteria for selection (Ritchie & Lewis, 2003).

In non-probability sampling, different approaches are defined (Silverman, 2005; Ritchie & Lewis, 2003; Petty et al., 2012; Patton, 2002). Herein, the author made use of her networks to reach the desired interviewees, and therefore the most appropriate sampling approaches were flow populations and snowball sampling (Patton, 2002; Ritchie & Lewis, 2003; Noy, 2008). The flow populations approach refers to when the researcher approaches people in a particular location or setting, and seeks their permission to contact them in another time (Ritchie & Lewis, 2003). For the purpose of this study, the participation on a topic-related seminar was used to reach one of the desired participants. Based on this and other methods (use of personal network) for getting the first-contact interviews, snowball sampling was applied. Snowball sampling, also known as chain sampling, refers to when the researcher asks people that have already been interviewed to identify other potential good interview participants, by understanding they are information rich and for that reason can add value to the study (Patton, 2002; Ritchie a& Lewis, 2003; Noy 2008). Welch et al. (2002), who has studied how to reach corporate elites, argue that this is an effective sampling method for accessing organizations. Noy (2008) enforces how related this approach is to the dynamics of social networks and stresses the importance of the connection established between the researcher and the researched, to which he calls power relations.

3.3 Procedure

3.3.1 Design

According to Creswell (2009), “research designs are plans and the procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis” (p.3). Yin (2003) highlights the role of design in relating the research questions and the data to be collected.

As stated before, this research has a qualitative essence and therefore the data collection methods used were chosen accordingly. Ritchie and Lewis (2003) stress the adequacy of using qualitative methods when research questions demand the understanding and explanation of social phenomena and their contexts. As in this research the way how Iguatemi is creating opportunities for International Luxury Brands in Brazil was addressed, it requires an understanding of the context and of the phenomenon itself. Hence, qualitative methods are of relevance for the purpose of this case study.

A multiple source approach was followed, given the complexity of the phenomenon. Petty et al. (2012), support this view, by highlighting the usefulness of multiple methods in corroborating each other and deepening the understanding of the complex context of the study in case. This is also known as methodological triangulation (Yin, 2003). Ritchie and Lewis (2003) point out data collection methods most suitable for qualitative research as being observational methods, in-depth interviews and analysis of documentary evidence. Creswell (2009) mentions the same sources of data as being of importance for case study research.

The methods used in this case study research were therefore, chronologically, non-participant observation, examination of documentation and semi-structured in-depth interviews. According to Petty et al. (2012), non-participant observation is taken when the participant takes “no role in the observation rather than that of the observer” (p.381), moreover, it can be classified as informal since the researcher is the instrument. For the stake of this study, the researcher observed the interior of two centers from Iguatemi’s chain in the city of São Paulo, Iguatemi São Paulo and JK Iguatemi, as well as Iguatemi Brasilia, located in the city of Brasilia. São Paulo concentrates 70% of the luxury market in Brazil and these shopping malls have the most concentration of luxury brands from all the centers in the chain. Brasilia is an emerging destination for luxury brands in Brazil, and Iguatemi Brasilia has the largest concentration of luxury brands in the chain, after São Paulo’s centers. During the observation of these three shopping malls, field notes were taken for further analysis. Also, documentation was examined such as company reports, company website, individual companies’ websites, newspapers articles and reports on both luxury and shopping center markets. This method is of importance for the understanding of the context of the phenomenon. Finally, in-depth semi-structured interviews were held so to understand the complexity of the company system and to achieve detailed subject coverage (Ritchie & Lewis, 2003).

3.3.1.1 The issue of Quality

Testing the quality of the research design is an issue to which the literature has been paying attention to (Petty et al., 2012; Yin, 2003). Here, the approach preferred by Petty et al. (2003) was used, and therefore Confirmability, Dependability, Credibility and Transferability were assessed. Confirmability shows how accurate and aligned is the collection of data. In this study, multiple sources of evidence were used, and a chain of evidence was established, so to bring-in a non-biased, non-subjective outcome. The Dependability test, according to the authors, assesses the extent to which the study could be repeated and variations understood, given the potential bias of the researcher. To ensure this did not happen, audit on the processes and procedures were done by the author's advisor. Regarding the Credibility test, Petty et al. (2003) define it as assessing the degree to which the findings are betrusted or believed by the participants of the study. To ensure credibility the findings were submitted to triangulation, as aforementioned. Lastly, the dimension of Transferability was assessed. However this test is not applicable since, as stated before, this is an intrinsic case study, thus no generalization is trying to be done beyond the context of this specific case study. Therefore, if the same procedures were applied to a market other than the Brazilian, the outcomes would probably be different.

3.1.2 Data Analysis

According to Yin (2003), "data analysis consists of examining, categorizing, tabulating, testing, or otherwise recombining both qualitative and quantitative evidence to address the initial propositions of a study" (p.109). There are several approaches for the pursuit of data analysis (Yin, 2003; Ritchie & Lewis, 2003; Silverman, 2005). For the stake of this case study research, the content analysis approach was used (Taylor-Powell & Renner, 2003; Kondracki, Wellman, & Amundson, 2002; Bos & Tarnai, 1999).

As stated by Kondracki et al. (2002), content analysis is a set of qualitative and quantitative methods for collecting and analyzing data from verbal, print, or electronic communication, thus used for the analysis of narrative data (Taylor-Powell &Renner, 2003). This approach is therefore applicable on this study given that the qualitative data used was collected from, as aforementioned, in-depth interviews, reports and non-participant observations (in the form of field notes).

The first step for the content analysis approach was to read the data insistently so to try to understand it fully before initiating the analysis itself (Taylor-Powell & Renner, 2003).Secondly, for the purpose of reducing the data, a focus strategy was be followed, by narrowing down the data by topic.

Then, categories were defined so to further support the data analysis. Taylor-Powell and Renner (2003) defend that the name *categories*, rather than *codes*, must be used in qualitative research analysis, given that *codes* should be a most appropriate terminology for quantitative analysis. For the categorization, Kondracki et al. (2002) highlight two possible approaches – inductive and deductive. According to him, in the inductive approach, “the researcher first examines the communication messages in question without preconceived notions or categories” (p.225), thus focusing on emergent topic or key-words identified through the analysis of the data. On the other hand, for the deductive approach, the researcher supports his/hers research on pre-conceived topics so to identify data, previously found through literature review or other sources. For this research, a multiple approach was followed, given the study exploratory essence (Taylor-Powell & Renner, 2003). This view is also supported by Kondracki et al. (2002), when he states that “inductive and deductive approaches are not mutually exclusive, and it is often useful to apply both” (p.225). For categorizing the data, computer-aided techniques were used. Bos and Tarnai (1999) highlight the importance of computer as a medium for data management. Here, the researcher used Microsoft Office® tools, namely Word® for the transcription of interviews and field notes, and Excel® for the data categorization. These tools were chosen based on the comfort the researcher already has in using them (Kondracki et al., 2002), and on their immediate availability, given that the researches already owned them. Also, the researcher gave codes to each of the categories, as observed below.

Table 7 – Data Analysis, Categorization Method

Category	Sub-category	Category Code	Sub-category code
Brazilian Market	Attraction Factors	BM	BM1
	Challenges	BM	BM2
	Coping with Pychological Distance	BM	BM3
International Brand Informations	Mode of entry	IBI	IBI1
	First store	IBI	IBI2
	Stores in Brazil	IBI	IBI3
Luxury Elements in Iguatemi	Elements of luxury	LE	LE1
	Luxury ambience	LE	LE2
	Image	LE	LE3
Iguatemi and the Luxury Market	Attraction Factors	I	I1
	Attracttion factors – chain	I	I1.1
	Attraction factors - other brands	I	I1.2
	Iguatemi influence on the market development	I	I2
	Iguatemi as Enabler	I	I2.1
	Active creation of opportunities	I	I2.2
Regionalization of Luxury and Iguatemi	Key markets	R	R1
	Iguatemi as Enabler	R	R2

Source: Elaborated by the author

Following the data categorization, patterns and connections both within and between categories were sought (Taylor-Powell & Renner, 2003).

In addition, for the purpose of data analysis, identification codes and sub-codes were given for each interviewed person, as shown in the following table (hereby only codes are showed, given confidentiality issues):

Table 8 – Data Analysis, Codification Method

Participant category	Entity	Name	Code
Iguatemi Managers	iRetail	Manoela Mendes	IG
	Iguatemi	Rodolpho Freitas	IG
Experts	ESPM	Suzane Strehlau	EX
	FAAP	Silvio Passarelli	EX
	FAAP	Andre D'angelo	EX
International Brands	Bottega Venetta	Sandra Toscano	IB
	Coach	Paulo Conegero	IB
	Longchamp	Kika Rivetti	IB
	Swarovski	Carla Assumpção	IB
	Tory Burch	Evelyse Brito	IB

Source: Elaborated by the author

Below, an extract of the data analysis table is given, so to explain how were the above tables crossed during this process:

Table 9 – Data Analysis, Content Analysis Methodology

Cat.	Sub-Cat.	Content	Code	Sub-code	§	Comments
I	I1	Iguatemi is Iguatemi. A traditional shopping center. 45 years in the market. It is a landmark in São Paulo… It is a must-see, when you come to São Paulo there is no way how not to go back to Iguatemi. It is a traditional mall, with a traditional client.	IB	IB5	9	

Source: Elaborated by the author

Where "Cat." And "Sub-Cat" refer to the categories and sub categories explained above; "code" and "sub-code" refer to the codes given to each participant; and "§" refers to the paragraph of the participant interview from which the content was taken from.

Lastly, the data was finally interpreted. The interpretation was made taking into account the three methodological approaches applied, so to recreate a context in which the data collected can make sense and be understood (Casterlé, Gastmans, Bryon, & Denier, 2012). Also, given the choice of using both deductive and inductive approaches in the categorization, the researcher supported part of her interpretation in the existing literature. To do so, the following structure supported the research:

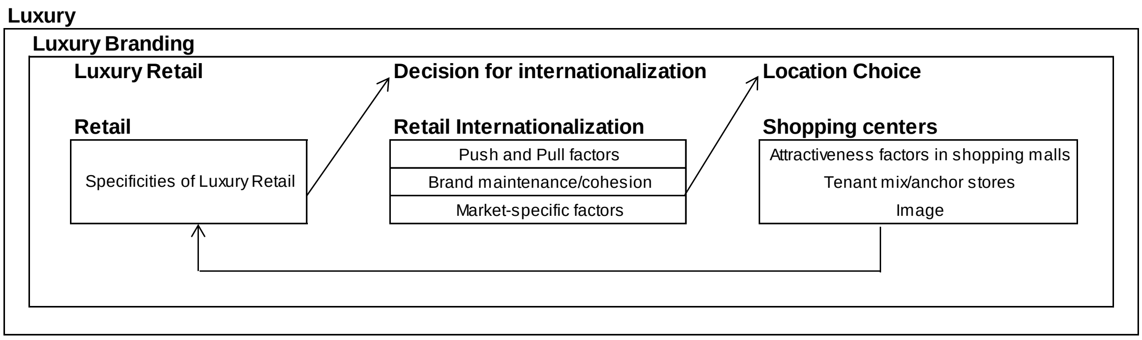

Figure 1 – Flow of Analysis
Source: Elaborated by the author

4 Results analysis

4.1 Brazilian Luxury Maket

4.1.1 Overview of the Brazilian Economy

According to the World bank, Brazil is the 7th largest economy in the world, with a GDP of $2.245 trillion, growing 2,5%, with 200,4 million people[1].

However, the Brazilian scenario was not always as positive, as the Brazilian economy has a marked past of high inflation and volatility in the years prior to 1994, having then become stabilized thanks to the *Real Plan* (Plano Real), a stabilization and currency reform program. As an economist from the International Monetary Fund highlights: "the Real Plan achieved impressive results. Inflation dropped from almost 2,500 percent in 1993 to about 22 percent in 1995. Economic growth remained strong, and the share of the population living below the poverty line dropped from 19,5 percent to about 14,5 percent"[2]. The Real Plan, together with other subsequent measures, enabled the country to become more open to the foreign markets, having consequently faced increased imports.

The robustness of the Brazilian economy as well as the growth of the middle class lead, in 2002, Goldman Sachs' economist, Jim O'Neil, to include Brazil in its list of most prominent emerging countries – the BRIC (Brazil, Russia, India and China).

According to the World Wealth Report 2014, by Capgemini and RBC Wealth Management, in 2013 Brazil had 172 thousand High Net Worth Individuals (HNWI) - individuals with $1 million or more of investable wealth, not including the value of personal assets and property such as primary residences, collectibles, consumables, or consumer durables. In the last 10 years, this number has grown 87%, with a CAGR of 6% (Appendix 1 – Brazilian HNWIs Evolution). As argued in the report version of 2013, the deceleration seen in 2012 regarding the number of HNWIs (the number remained roughly constant from 2011 to 2012), was mainly due to the slowdown in GDP growth and contraction of the Brazilian equity markets.

[1] World Bank Data values of 2013
[2] IMFSurvey 2002

Although the last three years have shown a deceleration of the economy, the country is still promising at a business level – AT Kearney (2013), in its annual study "The Global Retail Development Index", has positioned Brazil as the most attractive market for retail development for the last 2 consecutive years, "remains strong and expected to rise 11 percent in 2013 thanks to continued expansion, organic growth, infrastructure improvements, and rising consumer confidence" (See Appendix 2 for 2013 Global Retail Development Index). In particular, strong attention is being given to the luxury retail market - according to Euromonitor International (2013), positive socioeconomic indicators and rising disposable income are attracting luxury retailers into Brazil.

4.1.2 The evolution of the Brazilian Luxury Market

The Brazilian luxury market is worth R$ 7.747 million (values of 2012)[3] (Euromonitor International, 2013). From 2007 to 2012, the market experienced a compounded annual growth rate of 10%. This positive trend is expected to continue, with the research company foreseeing a 40% growth until 2017, to achieve a value of 10.837R$ million.

Figure 2: Brazilian Luxury Goods Market Value Evolution
Source: Euromonitor International (2013)

According to Euromonitor International 2013 report "Luxury Goods in Brazil", although domestic brands have still 50% of the market, there is an increasingly growing number of international luxury brands operating in Brazil – of which 35% are European, and

[3] The value of the luxury market was computed considering the categories of Design Apparel, Fine Wines, Champgne and Spirits, Luxury Accessories, Luxury Electronic Gadgets, Luxury Jewellery and Timepieces, Luxury Travel Goods, Luxury Cigars, Luxury Writing Instruments and Stationery and Super Premium Beauty and Personal Care

15% are North American. In 2011, the major market shares were from Louis Vuitton, Hermès, Gucci, Dior, Ermenegildo Zegna and Bottega Veneta (Appendix 3.a – Luxury Goods Brand Shares. See also Appendix 3.b – Luxury Goods Company Shares).

International luxury brands have started their contact with the Brazilian market through the Brazilian multibrand store Daslu, which imported luxury fashion goods. Daslu ("From Lu") was founded in 1958 and named after its founders Lúcia Piva de Albuquerque Tranchesi and Lourdes Aranha. It had a classical mansion as its first location, and moved in 2005 to a new location in São Paulo's Vila Olimpia area, called Vila Daslu (recently acquired by Grupo Iguatemi). It imported top international brands such as Chanel and Louis Vuitton. Daslu was the first mover in the luxury sector in Brazil, not only by bringing in international luxury brands but by having a very innovative concept of luxury retail – as the luxury expert EX2 explains, "Eliana [Eliana Tranchesi, ex-owner of Daslu] created some things in terms of service, some technologies, and some novelties which, in fact, were brilliant for the moment. The first thing she created was having the customers' children as saleswomen […] they obviously knew the product and they recommended it […] It seemed like friends selling to each other. There were no fitting rooms, for instance! Indeed even men were prohibited of entering the female area". However, the era of glory of Daslu came to an end with a criminal investigation which led Eliana Tranchesi and her brother to imprisonment in 2009, due to illegal import practices and tax evasion – according to Bernstein Research, "Daslu itself was fined $112m for a tax evasion scheme dating back to 2000".

In what regards monobrand stores, international luxury brands have started entering the market cautiously in the late 90s, with virtually all of them choosing the city of São Paulo for their first locations. Louis Vuitton was the first international brand entering the market, in 1989, locating a store in Haddock Lobo street.

Table 50 – Entry Timeline of International Luxury Brands in the Brazilian Market

Brand	Year of entrance	Place of entrance	City of entrance
Louis Vuitton	1989	Haddock Lobo	São Paulo
Versace	1996	Rua Bela Cintra	São Paulo
Armani	1997	Rua Bela Cintra	São Paulo
DKNY	1997		
Cartier	1997	Haddock Lobo	São Paulo

Gucci	1998	Iguatemi SP	São Paulo
Donna Karen	1998		
YSL	1998		
Ermenegildo Zegna	1998	Daslu	São Paulo
Bally	1998		
Tiffany & Co.	2001	Iguatemi São Paulo	São Paulo
Swarovski	2001	Shopping Morumbi	São Paulo
Salvatore Ferragamo	2002	Iguatemi São Paulo	São Paulo
Emporio Armani	2004	Iguatemi São Paulo	São Paulo
D&G	2004	Iguatemi São Paulo	São Paulo
Burberry	2004	Iguatemi São Paulo	São Paulo
Longchamp	2008	Shopping Cidade Jardim	São Paulo
Dior	2009	Shopping Cidade Jardim	São Paulo
Furla	2009	Shopping Cidade Jardim	São Paulo
Hermes	2009	Shopping Cidade Jardim	São Paulo
Longchamp	2009	Shopping Cidade Jardim	São Paulo
Rolex	2009	Shopping Cidade Jardim	São Paulo
Christian Louboutin	2009	Iguatemi São Paulo	São Paulo
Missoni	2009	Iguatemi São Paulo	São Paulo
DVF	2010	Iguatemi São Paulo	São Paulo
Chanel	2011	Iguatemi São Paulo	São Paulo
Carolina Herrera	2011	Shopping Cidade Jardim	São Paulo
Bottega Veneta	2011	Iguatemi São Paulo	São Paulo
Prada	2012	Iguatemi São Paulo	São Paulo
Coach	2012	Shopping Morumbi	São Paulo
BVLGARI	2012	JK Iguatemi	São Paulo
Goyard	2012	JK Iguatemi	São Paulo
Van Cleef&Arpels	2012	JK Iguatemi	São Paulo
Miu-Miu	2012	JK Iguatemi	São Paulo
Lanvin	2012	JK Iguatemi	São Paulo
Nicole Miller	2012	JK Iguatemi	São Paulo
Tory Burch	2012	JK Iguatemi/Iguatemi SP	São Paulo
IWC	2012	JK Iguatemi	São Paulo
Panerai	2012	JK Iguatemi	São Paulo
Jaeger-LeCoultre	2012	JK Iguatemi	São Paulo
Laduree	2012	JK Iguatemi	São Paulo
Balenciaga	2012	JK Iguatemi	São Paulo
Fendi	2013	Shopping Cidade Jardim	São Paulo
Dolce Gabanna	2013	JK Iguatemi	São Paulo
Tod's	2013	JK Iguatemi/Iguatemi SP	São Paulo
Gucci (for Man)	2013	JK Iguatemi	São Paulo
Dolce Gabanna Accessories	2013	Iguatemi São Paulo	São Paulo
Hugo Boss		Iguatemi São Paulo	São Paulo

Source: BernsteinResearch 2010; Época Negócios; Interviews; Valor Economico; Companies press releases

From the table above we can conclude that 60% of the brands studies had their first stores located in Iguatemi Group's shopping malls. The major inflow of luxury brands entering the Brazilian market was registered in 2012, marked by the opening of JK Iguatemi in July, a shopping mall located in the heart of the office district in São Paulo – Vila Olímpia. As Euromonitor International states, "this event attracted investment from key luxury goods companies such as Prada, Gucci and Chanel, all of which were interested in establishing retail outlets in the new shopping center in order to take advantage of the positive developments in demand for luxury goods in Brazil".

This trend is expected to continue in the future, as stated by Euromonitor International, "a mix of economic, demographic and cultural factors is set to continue attracting an increasing number of international luxury goods brands to Brazil in search of growth opportunities".

4.1.3 Luxury Retail Locations in Brazil

According to Cushman & Wakefield 2012/2013 annual study Main Streets Across the World, a renowned study for retail property rental and performances of the world primary retail locations, Iguatemi São Paulo is Brazil's most expensive retail location in Latin America (R$ 9.229 annual rent per square meter). Across the world, Iguatemi São Paulo ranks 12th in what regards the most expensive retail locations for each country, behind key world luxury locations such as 5th Avenue in New York or New Bond Street in London, but above the top luxury locations in fellow emerging countries such as Tverskaya in Moscow and Wangfuijing in Beijing. (Appendix 4 for Most Expensive Retail Locations per Country) As of the whole Americas' most expensive retail locations, Iguatemi São Paulo ranks 8th, outpassing locations such as Post Street in San Francisco or Bloor Street in Toronto. (Appendix 5 for Americas: Top 10 Locations)

In what regards to other prime locations in São Paulo, the study mentions three streets and another shopping center: shopping Cidade Jardim, from JHSF group, launched in 2008, with an annual rent per square meter of R$6.767, 27% lower than that of Iguatemi. There, several international brands are located, such as Longchamp, Prada, Hermès and Dior, for instance. It was as well the chosen location for Louis Vuitton

Global Store. Together with Iguatemi São Paulo, these are the two most expensive retail locations in South America.

In regards to the streets, Cushman&Wakefield (2013) highlight Oscar Freire, Bela Cintra and Haddock Lobo as prime locations in São Paulo, with annual rents ranging from R$ 1.944 to 3.097 per square meter, about one third of the price in Iguatemi São Paulo. They highlight the growing importance of these streets for the luxury sector: “The leading shopping centers in the city remain the most expensive luxury destinations in the country, however, demand for luxury high streets is also active and has translated into large brands also occupying space on adjacent streets. As a result, such locations are becoming luxury micro-regions with significant refurbishment and upgrading taking place.”

Important is to notice that this study seems not to have taken into account yet JK Iguatemi, in São Paulo, or Village Mall, in Rio, other effervescent locations argued by AT Kearney (2013) to be luxury malls that have served as platforms for the launch of many international brands.

Below, a detailed table on Brazil’s Retail Rents is exposed.

Table 11 - Brazil Retail Rents

RANK	CITY	LOCATION	ANNUAL RENT GROWTH %	RENT €/SQ.M/YR	RENT R$/SQ.M/YR
1	**São Paulo**	**Iguatemi Shopping**	**3,40%**	**3.603**	**9.229**
2	São Paulo	Cidade Jardim	0,00%	2.642	6.767
3	Rio de Janeiro	Shopping Leblon	6,10%	1.640	4.201
4	Rio de Janeiro	Rio Sul Shopping	-	1.593	4.080
5	Rio de Janeiro	São Conrado Fashion Mall	39,50%	1.405	3.599
6	Rio de Janeiro	Garcia D'avila (Ipanema)	64,70%	1.312	3.361
7	São Paulo	Oscar Freire Jardins	12,20%	1.209	3.097
8	Rio de Janeiro	Visconde de Pirajá (Ipanema)	31,30%	984	2.521
9	São Paulo	Bela Cintra	1,70%	834	2.136
10	São Paulo	Haddock Lobo	0,00%	759	1.944

Source: Cushman & Wakefield 2013

As observable in the table, retail rents in Rio de Janeiro also outstand. As of this city, the most expensive locations are Shopping Leblon, Rio Sul Shopping, São Conrado Fashion Mall, again shopping malls; on the other hand, in what regards to streets, the most expensive locations are both in Ipanema, being Garcia D’avila and Visconde de

Pirajá. Indeed, Rio the Janeiro is gaining importance as a retail prime location, as noticed by Cushman&Wakefield (2013), “the city of Rio de Janeiro generally witnessed double-digit rental uplifts, underlined by active demand for the sought-after area of Garcia D’avila (Ipanema) – where rents surged by the fastest rate (64.7%) in the Americas”.

The study reveals that the good performance of the Brazilian prime retail locations is expected to be enhanced, as the country will host important events in 2014: “Important domestic and international brands are currently expanding due to the significant increase in consumer spending. Indeed, the country and the retail landscape are developing markedly in advance of the 2014 Football World Cup and the 2016 Olympic Games. The luxury sector is expected to expand further on the back of increased luxury spending, attracting additional international retailers in the process” (Cushman&Wakefield, 2013)

ATKearney (2013), as Cushman&Wakefield (2013), also sees the FIFA World Cup in 2014 and the Olympic Games in 2016 as driving retail development in the country, this one more precisely relating it to travel retail.

4.1.4 The Shopping Center Market

When adventuring into the Brazilian market, international luxury brands have their stores placed in shopping malls – this mainly being given to convenience and security issues faced in the country (Euromonitor International, 2013). According to ATKearney (2013), shopping malls are serving as a “platforms” for the launch of international luxury brands in Brazil. Therefore, for the purpose of this case study, it is of importance to understand the context of the Brazilian shopping center market.

According to the Brazilian Shopping Center Census of 2012/2013 by ABRASCE – Brazilian Association of Shopping Centers -, Brazil has a total of 457 shopping centers. These are located mainly in the Southeast region, with 56%, followed by the South (18%) and Northeast (13%). The Southeast region, alone, contribute for 59% of the total profitability of the country (119R$ billion, 11% higher than in 2011) (Appendix 6 – Distribution of Shopping Centers in Brazil by Macroregions).

The shopping centers are mainly located in the states capitals (51%), where they normally have higher Gross Locatable Area (GLA) per m2.

Giving a closer look into the states, one can observe that São Paulo has 154 shopping malls, 34% of the Brazilian total, with 4,4M m2 of GLA, and it is the most important market for shopping centers, followed by Rio de Janeiro (13%) and Minas Gerais (8%) (Appendix 7 Distribution of Shopping Centers in Brazil by States).

Finally, concerning the visitors' profile, another Brazilian market research entity, IBOPE – Instituto Brasileiro de Opinião Pública e Estatística (Brazilian Institute for Public Opinion and Statistics) – states that the frequency of shopping mall's visitors is equal in terms of gender and very similar among age groups.

According to its study, "The Profile of Shopping Mall Clients", the biggest difference lies on the socioeconomical classes of the visitors: 79% of shopping mall visitors are from the A and B social classes, and people in these classes go to the shopping mall around 4 times a week, while for social class C1 this average is of 3 – together, classes A, B and C1 represent 93% of visitors. For the young women of class A, the frequency goes up to 6 times a week[4]. Below, the criteria for social stratification in Brazil is showed:

Table 12 – Brazilian Social Classes – "Critério Brasil"

Social Class	Average family Income (R$)
A1	9.733
A2	6.564
B1	3.479
B2	2.013
C1	1.195
C2	726
D	485
E	277

Source: ABEP - Associação Brasileira de Empresas de Pesquisa (2008)

Regarding the major players in the shopping mall market in Brazil, major domestic groups outstand, such as BRMalls, Multiplan, Iguatemi and JHSF (owner of Shopping Cidade Jardim, mentioned above). However, there are also international groups

[4] http://www.ibope.com.br/pt-br/noticias/Paginas/Brasileiros-vao-aos-shoppings-quatro-vezes-por-mes.aspx

gaining importance in the market, such as Alliansce, Sonae Sierra and General Shopping. (Appendix 9 GLA of the Main Shopping Center Groups)

According to Euromonitor International, shopping centers have seen rapid growth due to convenience and security reasons. The market research company highlights the growing interest of luxury retailers in the country, and specificities that these are mainly located in shopping malls.

As mentioned in the luxury locations section, the shopping centers that are usually related to luxury retail are Iguatemi São Paulo, JK Iguatemi, and Shopping Cidade Jardim, all of them in São Paulo – being the first two responsible for the location of the first store of 60% of international luxury brands in Brazil. However, other shopping malls in the country start to gain importance as luxury locations, such as Village Mall in Rio de Janeiro, Iguatemi Brasília and shopping RioMar, in Recife.

4.1.4.1 Iguatemi Group

Iguatemi Empresa de Shopping Centers SA is directly controlled by Jereissati Participações SA, one of the biggest Brazilian holdings, with R$ 7,7 bn in 2011, and which businesses comprise telecommunications, contact center and business outsource, and shopping centers.

Iguatemi is a full service company operating in the shopping center sector, which activities encompass the identification of opportunities and the design, planning, development and administration of regional shopping centers and multi-purpose real estate developments. It was founded in 1979, with the acquisition of all the assets from Construtora Alfredo Matias SA, which included a participation in Iguatemi São Paulo.

Iguatemi São Paulo was the first shopping center in Brazil, dating from 1966, named after the old name of the street that was later to be Faria Lima Avenue. Also, it is the first shopping center hosting international luxury brands in the country, and has become a landmark for luxury retail in Brazil – moreover, it is the most expensive retail location in Latin America, as aforementioned.

Throughout the years, the company has expanded its presence, building assets throughout the country. It was also a pioneer in bringing the first shopping mall to an interior city, Campinas Shopping mall, in São Paulo state interior, and to the south, with Iguatemi Porto Alegre. Iguatemi has participation in 16 shopping centers in Brazil and one outlet (15 of which are under its management), with a total of 353.084 m2 of GLA. (Appendix 10 – for participation and GLA values in each Mall)

As strategy, the company's shopping malls target the upper-income and upper-middle-income consumers (classes A and B of Brazil Criteria – see table 12), and is focused on the regions of South and South East. Its mission is "to create unique and memorable buying and leisure experiences", and it aims at, in 2015 "have the 20 best and most admire shopping malls in the markets where Iguatemi operates". As of values, the company is based in excellence, quality in details, passion for the business and focus on results.

Its competitive strategies lie on its defined target, on its ability to generate high revenues and on its reputation. Indeed, it has achieved high levels of reputation, being the only shopping center brand among the 50th most valued brands in Brazil, according to an annual ranking published in "Isto é Dinheiro" magazine, produced by Brand Analytics, together with MillwardBrown and WPP group. Iguatemi ranked 25th in 2013, with brand value of US$473 million, an appreciation of 35% since 2012.

4.2 Market attraction factors

This increased interest from international luxury brands in the Brazilian market is triggered by attraction factors such as the good performance of the country economy, as well as by the consumption potential of Brazilians. As argued by Huang & Sternquist, 2005, these constitute pull factors since they refer to market opportunities.

Indeed, many of the interviewees have even referred to Jim O'Neill's 2002 acronym of BRICS, to reinforce that such attractiveness is due to the prominent moment of the Brazilian economy. As they state, Brazil being considered part of this group of emerging countries puts it in the mire of international retailers as an alternative for growth.

However, there are also push factors involved in the inflow of international brands into the Brazilian market - as the interviewees indicate, the prosperity of the Brazilian market cannot be considered alone, rather, it is accompanied by the fact that established economies have seen their consumption slow down: one brand representative explains, “outside everything is very recessive. And, again, there is only Brazil, Russia… and China, everyone is there already...” (IB3), and expert EX1 adds by arguing that “the market in Europe is not growing much – which are the biggest markets? Brazil, China, India… […] Brazil is still comparatively small considering the international luxury market. But the trend is for it to growth significantly, and that makes it an extremely attractive market”. This is in accordance to the Euromonitor International report “Luxury Goods in Brazil” (2013), where it is stated that “Brazil has become a key market for major luxury goods companies since developed countries in North America and Western Europe are struggling as their economies continue to slow down”.

Many of these brands faced an increasing demand from Brazilian customers on their international operations, which also led them towards the Brazilian market. Answering to what attracted her brand into Brazil, one interviewee (IB5) highlights: “The international consumption of the brand, because the Brazilian consumes a lot our brand abroad, she buys a lot in the USA. […] Hence, in fact, it was pretty much led by the choice of the consumer. By the willingness of having a consumer that is increasingly buying the brand abroad […] their weight is big for the brand. There are already Brazilians buying in Miami, in Bal Harbour, in New York”. Moreover, Brazilians are indicated as being very informed and demanding shopping passionates: “The Brazilian loves to buy. […] He knows everything, he likes novelties, and he is exigent in the service. Hence, concluding, this led the market to become famous as a high buying frequency market” one brand representative states (IB3).

Important is to notice that this massive entry into the Brazilian market may have been influenced by other parallel factors, such as timing – a representative from a brand which entered in the late 2000’s explains: “either we entered when we did or we would not enter anymore, because it would be too late. Therefore we should enter immediately Brazil – in Brazil you cannot waste a lot of time. You should enter right away and establish your brand” (IB3). This is in accordance to Howard (2004) belief that timing is crucial and new entrants should approach a market as it opens to foreign investment.

When answering the question of why are international luxury brands choosing to enter one of the interviewed experts (EX2) gives a comprehensive explanation, relating the above mentioned push and pull factors with the specificities of the luxury industry: "I would say the taking advantage of a new market opportunity. The major problem of luxury is that one of the fundamental characteristics for you to maintain the concept of a luxury product is the relative scarcity. If you offer the product in a massive way, even if it has the best qualification it can get in design, materials, etc., it loses the luxury characteristic because it does not have exclusivity, it is offered in large quantities. The usual result of that is that international brands, not being able to significantly expand their offer in the domestic markets, they need to expand their geographic scope of operations. Thus, the development strategy of these brands is to identify economies, countries, markets, that expect a solid growth, sustainable, that allows for business prospects. The Brazilian economy that has always been considered as bearing a sky-rocketing risk, according to a hyperinflation that was always asleep, an economy that was to happen at any time, with very strong asymmetries in the distribution of income, etc. It was not considered a good market, not counting that there were legal barriers to the importation of products. Hence, with the opening of the economy and with a relative recovery of macroeconomic variables, I believe that the Brazilian economy has signaled the world that Brazil was one of the opportunities – and moreover the concept of BRICs showed up, and the emerging economies of Russia, India, Pakistan, and many others, Mexico,… but Brazil was an important player in the emerging economies, exactly because of that: laws have become milder, softer, for imports, and the economies signaled favorably; brands needed a geographic expansion not to kill the exclusivity, then came the possibility of geographical expansion and Brazil was one of the good alternatives."

4.2.3 Market Challenges

Despite its attractiveness, the Brazilian market presents many challenges that particularly affect luxury retail. There is a generalized opinion among all the people interviewed concerning which are these – the biggest challenge in the Brazilian market being red tape: bureaucracy in general and import taxes in particular. The so-called Brazil Cost (The Economist, 2013), is referred to by expert EX2 as being "the set of taxes that begin in the cost of importing the products, and undergo a series of taxes on labor, on economic results, as for example a diffuse taxation, cascading, that adds a lot to the final consumer product". One of Iguatemi managers (IG2) argues that nowadays the Brazil Cost can "make imported products, in our segment of fashion, footwear and accessories have a one cost that can reach 60%", and that "hence it is not easy for an international operation to establish because there is a quite relevant aggregated cost". As EX2 argues, "today that is the great challenge, the challenge of the 'pricefication' of Brazil".

As a consequence, brands arriving in Brazil struggle for their share of wallet not only within the country but most importantly they compete with the international markets, given that consumers shop frequently abroad to overcome the high prices practiced by the brands in the Brazilian market, as Euromonitor international puts it, "the strongest threat faced by luxury goods brands located in Brazil, regardless of whether they are domestic or international players, is the tendency of affluent Brazilians to take shopping trips to Miami, New York and Paris". Indeed, according to AT Kearney (2013), "still, up to 80 percent of luxury purchases are made outside of Brazil due to import challenges, including high tariffs that nearly triple the cost of imported products relative to the United States and France" - this is also the generalized point of view among the professionals interviewed.

Apart from these, other challenges were mentioned, mainly at an administrative level. For the luxury market in particular, some professionals consider the labor market to be short on valuable talent at a management level: "It is a quite recent market, […] thus there are very few professionals who graduated in this market – both the luxury market and the retail market. […] Secondly, the cost of labor is very high", brand representative IB5 argues.

Indeed, Euromonitor International states that, "at the end of 2012, there were 15,000 unfilled positions in the luxury goods industry in the state of São Paulo alone". It claims that from "shop assistants to sales personnel and from store managers to CEO's, luxury companies are suffering from a major shortage of skilled professionals in Brazil, a situation which represents a major hurdle to their expansion plans".

As quoted above, the combination of these high demand and short supply of talented professionals is leading to a very high cost of labor, which is causing luxury goods brands to struggle “to hang onto their skilled personnel. According to the recruiting firm Fesa, high level executives’ salaries increased by 28% in Brazil during 2012. However, luxury goods retail positions reportedly still pays less than the average across retailing in Brazil.” (Euromonitor International, 2013)

For coping with the challenges of such a peculiar market, international luxury brands have been taking several actions. To cope with the high import taxes, many brands, according to expert EX2, are operating “with very tight margins results, so for not to make the product become impossible”. However not all the brands have the required resources to be able to lower their margins – one brand interviewee (IB3) highlights the strength of big groups to compete in the market, and worries that for the less powerful brands competing in Brazil it is still a great effort.

Another option, not only to cope with the economical peculiarities of the market, but as well its cultural and administrative distances, brands are mostly following two options: first, many of them have been choosing local professionals to lead their Brazilian direct operations; and secondly, many others have chosen to operate through a Brazilian partner.

Both options allow the brands to become closer to the market at a process level, overcoming the challenges inherent to the specificities of the market, as gathered from testimonials on both situations: “We have a very strong team; […] everyone is very familiar with retail. Therefore we structured very well to start off, at the beginning stage. […] they did not bring anyone from the international operations, they indeed wanted to localize it 100%, not bringing anyone from overseas, exactly so to understand the culture…” (Representative of brand with direct operations, IB5); “[Our group] has only local professionals and an accumulated expertise of more than 30 years in the retail market. Thus there are thing we know *a priori* that will work out, that won’t work out…” (Representative of brand operating through a local partner, IB2).

Choosing one or the other will depend on the group structure and resources, as one of Iguatemi managers, IG1, explains: “There are brands that are used to expand into new markets; therefore these have an internal research structure for evaluations, etc., and not necessarily they need a local partner. They come, they will perhaps find more difficulties, but they are more prepared for that, as they are stronger; they may possibly even have a higher cost of entry, for certain reasons, because they have, they are more... they are more consolidated groups. On the other hand there are brands that don't… they have family structures, smaller structures, they lack market knowledge and therefore, automatically, the search for a partner is inevitable. They do not understand our taxes; thus, the local partner is also an enabler because it has the knowledge, not only on the specificity of our laws, but also of the entire tax we have to pay".

This goes in accordance with Huang & Sternquist (2005) opinion, that when internationalizing retailers try to find solutions to reduce their perceived uncertainties and search costs.

4.3 Location choice of international luxury brands

Lately, the great majority of international luxury brands entering the Brazilian luxury market have chosen to locate their first stores in Iguatemi shopping malls (See table 10– Entry Timeline of International Luxury Brands in the Brazilian Market).

In what concerns the process of retail location choice, brands seem to be using intuitive techniques rather than scientific – the two techniques proposed by Hernández and Bennison (2000). In fact, factors such as the experience of the professional leading the brand seem to be an important driver of the location choice - talking about her brand first Brazilian location choice decision, one brand general manager argues, when posed with the question of why not locating her store in Oscar Freire street, "I've never even thought of doing so… they [the head office] thought so and I stopped them… Today being in the shopping mall is safer" (IB5). The study of analogue brands in the market is as well a factor triggering the willingness of the brands to be located in the key premium Iguatemi malls – Iguatemi São Paulo and JK Iguatemi. When asked if the presence of other competitive brands in Iguatemi malls influenced their retail location decisions the majority of answers from international brands were positive: "It obviously influences. You know that the best store performances today are in Iguatemi São Paulo, therefore you want to have a store in Iguatemi because of that. Isn't it? It had a direct influence" (IB2); "It is important! It is a *sine qua non* condition! It is decisive! If brands are not accompanied by each other, they do not want to go" (IB3); "For sure! The other brands that are there today are cases of success!" (IB2).

This goes in accordance to the belief of Chevalier and Mazzalovo (2008) who argue that, in luxury, the location decision is rather done using simple tools as the analysis of their competitors.

4.3.1 Luxury Ambience Elements

Nonetheless, there are some elements considered to allow for the creation of a luxury ambience, and therefore to make a certain location become more or less appropriate for the establishment of luxury retail. The interviewees mentioned this to be, architecture and interior design, tenant mix, services and conveniences.

Regarding location, interviewees argue that the chosen location should be compatible with the store concept. It should be a pleasant site, within good avenues, conveying a bit of traditionalism, argues EX2. He stresses that "the big issue is that in Brazil – in São Paulo, Rio de Janeiro – the traditional areas are not circulation areas by the elite. There was a process of degradation of the urban centers, and the elites were pushed to new neighborhoods. If you put a Hermès store in 15th of November street, next to the banks area, there would be only low income people passing in front of the door, and no one from the elite would be willing to go there. That is maybe one of the reasons why shopping malls go along so well with luxury here. Here there are no other traditional places where luxury stores can be located."

Therefore, in Brazil, luxury brands are rather located in shopping malls. As one brand representative points out, brands look then for certain aspects in shopping malls that make the location more aligned with their positioning: "the Europeans [brands] are not used to shopping centers; they are used to streets! And in the moment they come to a shopping center, they want it to be at least glorious!" (IB3).

This is can be mainly found through, for instance, shopping malls architecture and interior design. As the luxury expert EX1 highlights, architecture and interior design are the most tangible assets, being perceptible by everyone. For her, these elements contribute for the shopping experience, which should go beyond the act of buying a product.

Also, tenant mix as well as services and conveniences provided to the clients are also of importance for the creation of a luxury ambience. It is important for the tenant mix to be composed by a considerable amount of analogue brands; furthermore, the presence of other tenants such as good restaurants were also mentioned. Moreover, services and conveniences, such as concierge or entertainment in the form of cinema or theater were likewise pointed out as contributing for a luxury ambience.

4.3.1.1 Luxury elements in Iguatemi Malls

Accordingly to IG2, Iguatemi does not consider its malls to be luxury shopping centers. However, many of the interviewed brands have a divergent opinion – as well as AT Kearney and Euromonitor, as mentioned in their reports, The 2013 Retail Development Index, and the Luxury Goods in Brazil, respectively, where Iguatemi São Paulo and JK Iguatemi are referred to as luxury shopping malls.

The reason for Iguatemi not to consider its malls as luxury ones is the effort made to maintain them physically accessible to everyone: “when we say we do not consider ourselves luxury, it is because we are not restrictive, and I think that is something important, we are not exclusive, anyone can enter the mall and purchase. […] The important thing is that the sensation of being inside our malls is the same for everyone. But it is not restrictive, and that is important, because I think restriction results directly in a smaller footfall, in a not so welcoming characteristic, and so one and so forth”, argues the IG1. Moreover, as IG2 adds, there is a preoccupation from the company to preserve a varied tenant mix, not only offering luxury brands but also more accessible ones, as he puts it: “in the end of the day, Iguatemi proposition, again, is to deliver one-stop-shopping, offering alternatives and options – sometimes I joke and say “it is for every pockets and every tastes”. We know that the consumer more and more has a tendency to mix her/his lifestyle with fast-fashion and luxury, and that is what we believe, that the success of a mall is to be able to have all those segmentations offered at the different service levels, that is what we believe”.

Still, all the interviewees seem to agree that there are some differentiation elements within Iguatemi São Paulo and JK Iguatemi that tend to bring them towards a luxury positioning. These are qualified tenant mixes, architecture and interior design, and the differentiated service provided.

Qualified tenant mix refers to the luxury brands located on the mall – this corresponds to about 15-20% in Iguatemi São Paulo and around 25% in JK Iguatemi, according to Iguatemi's manager IG2 – as well as other tenants such as 5 star restaurants.

Architecture and interior design, "they reproduce a street environment with security" argues expert EX1. IG1, adds smaller elements such as "the cleanness of the mall, the decoration – the flowers that are there are changed often and are always beautiful […] or even the beauty of the marble in the toilet".

JK Iguatemi, in particular, is known for recreating a street environment inside the mall, given to its superior architecture and interior design, where transparency is abundant.

Additionally, luxury expert EX1 highpoints the "hierarchy of floors" as one additional luxury element in Iguatemi's malls. According to her, luxury brands are located strategically in the ground floor – this is more evident in JK Iguatemi rather than in Iguatemi São Paulo – following a floor hierarchy, in which the "as you go up, brands are less prestigious. Until you arrive to the last floor and you have the restaurants' area." A brand representative reinforces this by stating "in the ground floor there is only glamour… you walk on that floor and you feel you are in Rodeo Drive! [Prestigious luxury location in Los Angeles, USA]".

Service was indicated as one of the most important differentiating factors of Iguatemi Group's malls, being considered by IG2 as "services of a 5 star hotel". As IG1 points out, Iguatemi malls are focused on the client service, delivering high quality service to the shopping head users – this, from the point of view of the interviewed brand representatives, tailors Iguatemi's service to the luxury market.

For doing so, not only do they have specific services which add value to the client, but they start by focusing on training, to allow for the client to perceive this service level proposition anywhere in the mall: "training of the team that is serving, being a security in the corridor or the cleaning person. […] they are trained for having a higher service quality level" (IG1).

These elements altogether build the luxury ambience of Iguatemi São Paulo and JK Iguatemi – as IG1 argues, "it all brings an ambience where you feel inside that universe. It is a universe which cares for the image, a treatment and a service to that client. Hence, not necessarily are we talking about extraordinary things; but when you put all those things together in the same environment you manage to pass that feeling to your consumer".

As a parallel with the literature, it is indeed confirmed by Teller et al. (2008), that the presence of leisure opportunities in shopping malls makes them more attractive to hedonic consumers.

4.3.2 Iguatemi São Paulo and JK Iguatemi attraction factors

In July 2012, with the opening of JK Iguatemi, 14 international luxury brands have opened their first retail operations in Brazil. However, Iguatemi São Paulo remains for many of them as the most wanted store location. One brand representative guarantees that "all the brands that come to Brazil try to enter Iguatemi [São Paulo]".

Experts believe that the attractiveness of Iguatemi dates back from the entrance of the first international brands in the market, as it was the only considerable location option by then, having afterwards had the opportunity to build on this heritage to portray tradition (as also mentioned by luxury brands), and enjoy from a first-mover advantage: "It was by tradition and only option that it represented actually, in the city of São Paulo. There was no shopping mall which… maybe [shopping] Morumbi was the closest one, but even though it did not have the tradition which Iguatemi had since long ago", as argued by expert EX1. This ideal of traditionalism being part of Iguatemi São Paulo is a generalized opinion among the interviewees – as a brand representative puts it, "Iguatemi is Iguatemi. A traditional shopping center. 45 years in the market. It is a landmark in São Paulo… It is a must-see, when you come to São Paulo there is no way how not to go back to Iguatemi. It is a traditional mall, with a traditional client" (IB5). Traditionalism, hence, seems to be understood as the reputation achieved through the years in which the mall is in the market, aligned with the clientele it was able to build, which is part of the country elite.

Brand representatives highlight the importance of a location in Iguatemi, as an endorsement for the brand in the new market, a position that was achieved through time: "Iguatemi São Paulo, in my opinion, has been perpetuating this positioning on a very solid way, which is a platform where brands are launched in the market with his validation, with this endorsement, of the shopping mall's own brand. Hence, when you have a brand in an Iguatemi mall, it comes with this endorsement of Iguatemi brand" (IB4), argues one brand representative. Being located in Iguatemi is therefore seen as an endorsement and, consequently, an 'insurance' for the brands' business.

Experts add the ambience of the mall to Iguatemi attraction factor, as EX2 explains: "I think it [Iguatemi São Paulo] represents the whole concept of refinement, luxury, elegance, so they imagine that it is an expensive investment, but with lower risks."

Not only intangible factors lead international luxury brands to Iguatemi São Paulo, but as well its reputation for high sales per square meter, as often mentioned by interviewees, associated with the high traffic registered. One brand representative highlights: "There is no doubt, Iguatemi is the shopping center with highest sales per square meter of Latin America and certainly of Americas. What Iguatemi sells per square meter is astonishing" (IB3) – however, no public information was found to corroborate this data. Nonetheless, this idea is aligned with Khare and Rakesh (2010) belief that "retailers are willing to pay a high rent for acquiring space in malls that are able to generate more consumer traffic" (p.133).

Finally, another factor mentioned, which can be understood as both tangible and intangible, is the mall location. Interviewees mention the good area in which the mall is located, not only for the footfall it allows to, but also for the importance of its impact on the overall ambience of the shopping center.

JK Iguatemi, on the other hand, enjoys from the reputation of the group, built through Iguatemi São Paulo success. As one of Iguatemi's managers, argues "although JK is a new mall, the group is the one who is best prepared and as that knowledge [on luxury] since longer" (IG1).

A project from Miami-based Arquitectonica with interior design from the Parisian Carbondale (which has worked in several projects for Louis Vuitton in Paris, for instance), it is known for its architecture, where transparency is abundant, recreating a street environment inside the mall. Moreover store spaces are considerably big, allowing brands to create their universes 'unlimitidly' – as Carlos Jeireissati Filho, Iguatemi Group CEO stated for Women Wear Daily, a renowned fashion business newspaper, "we never had stores so big, so deep [in floorspace], - which also mean depth of product".

Due to its architectonic superiority and high-standard ambience, it becomes an attraction point in itself, driving a high-footfall – this is mainly due to the Brazilian public characteristic of going to the mall as form of entertainment.

Also, the JK Iguatemi enjoys from a different clientele than Iguatemi São Paulo, which is considered to be more modern, younger and more daring.

As observable, the characteristics attracting international luxury brands to Iguatemi 's malls are much supported by the image the group itself has in the market. One of Iguatemi's managers, IG2, highlights Iguatemi brand as one of its key attraction factors, arguing that its positioning is aligned with the one of the international luxury brands. He illustrates this idea by mentioning Iguatemi Group's values: "to stress brand issues, issues of positioning, of delivering the best buying experience to clients, which is translated into a more complete mix, a more qualified mix, inside an environment and services of a 5 star hotel".

Among the group attraction factors, interviewees often mention: the high-end portfolio of malls, the acquired expertise of the company accumulated throughout the years, and Iguatemi's brand value. In the opinion of IG2, the key success factor of Iguatemi is the combination of qualification – of the tenant mix and the service – with the high footfall that its malls are able to create. For him, Iguatemi is a company which anticipates trends trying to deliver a differentiated offer to the client, without neglecting a high sales productivity for its tenants.

Narrowing down the interviews, also in Iguatemi it is possible to identify the seven shopping center attributes, as Merrilees and Birch (2003) propose:

Table 13 - Shopping Center attributes in Iguatemi and JK Iguatemi

Shopping Center attributes		
Attribute	Iguatemi São Paulo	JK Iguatemi
Merchandising	Highly varied tenant-mix 15-20% luxury brands	Varied tenant mix 25% luxury brands
Accessibility	Parking Lots Located inside the city	Parking Lots Located inside the city
Services	Iguatemi One Concierge	Iguatemi One Concierge

Atmospherics	Traditional architecture	Modern architecture
Entertainment	Cinema Fashion shows	4D Cinema Fashion shows Theater
Food	High and medium quality Restaurants	High-Quality Restaurants
Security	Security staff	Security staff

Source: interviews, observation notes

According to El-Aldy (2007), shopping mall attributes, if maximized, can create a unique identity, and even become destination attractions on their own, as argued by Khare & Rakesh (2010). Also in this case, the combination of Iguatemi São Paulo's attributes seems to be the creation of its distinctive image.

4.3.3 The question of Image

When asked whether the transference of image was made in a brand-mall or a mall-brand direction, the great part of the interviewees believes this to be a reciprocal relationship. Hence, a luxury brand which is located at one of the high-end Iguatemi's malls is considered to enrich the luxury perception of the mall itself, as well as the fact of that brand being part of one of these malls tenant mix signals the market it's luxury positioning. For instance, one brand representative points out that "the brands help the shopping mall as well as the shopping mall helps the brands consolidating their positioning" (IB5), but it is important to highpoint, in the opinion of IG1, that brands and malls look for each other bearing in mind a positioning that fits each other strategies – given that Iguatemi has client service quality as a priority, it will attract brands who share the same value.

Overall, this goes in accordance with the academic opinion, revised in the literature assessment, that "stores in upscale malls are more likely to be perceived to have high quality than stores in downscale malls" (Chebat et al. 2006, p.1294) and with the belief that mall image can contribute to the retailers' location decisions, since they seek a placement with an image consistent to that of its stores and target market (Chebat et al. 2006).

4.4 Iguatemi influence in the Brazilian Luxury Market Development

Among our interviewees the opinion is generalized: Iguatemi is a visionary in what concerns the Brazilian luxury market. In sum, as one of our interviewee's states (IB3), it has a project that goes further " the real estate company" service – Iguatemi Group believes in the market, develops the necessary platforms and reinforces networks so to ensure the best international luxury brands are available in Brazil. Accordingly, ATKearney (2013) argue that in Brazil luxury malls serve as platforms for the entrance of international brands in the market.

In this section, the exploratory results regarding how Iguatemi is creating opportunities for international luxury brands in Brazil will be presented in detail.

4.4.1 Iguatemi strategy – creation of platforms so far inexistent

Iguatemi has as strategy to focus on the South and Southeast regions of Brazil, building premium shopping centers targeting the upper-income and upper-middle-income consumers (class A and B of Brazil Criteria – see table 12) – according to Iguatemi[5], this public is less volatile to crises and more exigent in terms of service quality. Also, as reported in one of its Institutional Presentation, this segment presents high growth potential as, in 2030, classes A and B are expected to represent 56% of the income distribution in Brazil, as compared to 36% in 2007 (Appendix 8 for income distribution in brazil).

One of Iguatemi's competitive advantages, according to its corporate website, is to have a "portfolio of high-quality shopping centers strategically located". By the former it is meant that Iguatemi malls are located in areas which are historically of higher purchasing power, having a higher consumption potential per capita.

The strategy "having the best assets in the best locations" lead Iguatemi to, in 2012, sell its Rio de Janeiro asset "Boulevard Iguatemi Rio", as it was not aligned with the company target consumer.

[5] Press Release – Launch of JK Iguatemi 26.02.2012

By exploring regions which have a high potential for luxury consumption, Iguatemi malls serve as opportunities of location for the international brands. These platforms come to substitute the role streets have in the main European markets – as one brand representative claims, “Iguatemi made, in fact, the role of those big streets, those international luxury commercial areas, where he brings all those brands, those stores’ (IB4) mix, for a safe place”. In the opinion of IG2, Iguatemi can almost be seen, thus, as a department store, in the extent to which he brings together all these brands into a one only pace.

Indeed, in a report from AT Kearney, the consulting firm states that in Brazil, “shopping centers and malls drive much of the progress in organized retail, as they solve regulatory and real estate issues for many retailers as they expand. They also provide local, urban, and regional attractions for shoppers – not only as retail outlets, but also as town centers and multi-use environments”.

According to IG2, in the next five years the company expects to increase its portfolio to 20 shopping centers in the south, southeast and federal district regions, as well as it is its intention to expand its GLA, so to create space for international brands, “from luxury to more accessible ones”.

4.4.2 Opening of JK Iguatemi

Given Iguatemi São Paulo huge demand from retailers and it’s approximately 100% of occupancy ratio, the group decided to build a second shopping mall in the city of São Paulo, which opened in June 2012: JK Iguatemi. JK Iguatemi is, as well, located in a high purchasing power area, where many company headquarters are located.

Luxury expert EX2 explains Iguatemi’s option as being an alternative created for luxury brands - “sometimes a brand is not well located in Iguatemi São Paulo, and it needs a reallocation process, and Iguatemi does not have the opportunity to do it, so they use JK as a demand equalizer”.

With JK Iguatemi, 23 brands entered Brazil for the first time. From these, many where luxury brands. The opening of JK Iguatemi was, thus, a location opportunity for these brands to enter the so-wanted Brazilian, and particularly, São Paulo, market.

However, as argued by IG2, Iguatemi São Paulo is still the most wanted location from international luxury brands seeking to enter the Brazilian market: “the first mall they have as target in Brazil is Iguatemi São Paulo. Even those which recently entered in JK [Iguatemi], they want to be here [Iguatemi São Paulo]”.

4.4.3 Active gathering brands

“The active gathering of brands from Iguatemi group started “around 15 years ago […] around the late 90s” and it was intensified with the JK Iguatemi project, for which the group made a roadshow “with the main brands outside Brazil, being French brands, Italian, English, American, and so on”. According to IG2, “it is something Iguatemi strongly continues to do, because it believes in the strength of these brands, [and] in the consumption potential of the country.”

This preoccupation is attached to the groups’ organizational structure. As IG2, “we have two vice-presidencies, focused on this issue; firstly a vice-presidency of mix and retail, which is responsible for the planning and development of the tenant mix, and once the objectives of what would be the new brands or substitutions of current brands are drawn, they are passed to the leasing vice-presidency […], where we do all the contacts and negotiations through time”. (See Appendix 12 – for substitution of brands in the Iguatemi mix). For doing so, Iguatemi has a team in New York, which frequently contacts the brands that are not yet in Brazil. The first contact between international brands and Iguatemi is therefore held by this team, accompanied by the group’s executives who travel often to Europe or the States, as it happened for the already mentioned roadshow at the time of JK Iguatemi project. However, as he points out, “many times, given that Iguatemi already has an image, an awareness abroad, […] we end up being directly sought by the brands”.

This is something for which Iguatemi Group is perceptible from the outside, as one of the brands representative’s interviewee mentions, “they went in search of an international network, because you can realize that there is a strong action towards networking from Iguatemi with these brands out there”.

4.4.4 iRetail: a retail enabler

iRetail is part of Iguatemi Group and was created in 2010 so to represent some international luxury brands in Brazil.

As the name indicates, it is a retail company, composed by 18 to 20 people distributed among different areas, such as tax area, controlling, finance, marketing, purchasing, retail, as well as operations, logistics, and IT. Therefore, a solid structure was created so to have the necessary conditions to operate such brands in Brazil.

Although it is not part of the group's core business, its strategy is to create some differentiation elements to the group's malls, as IG2 argues, "obviously our interest in developing iRetail was to bring in some brands that would be for a considerable period simply exclusive brands of Iguatemi malls". IG1, adds: "We need to bring in operations that are interesting for our malls, that are differential, that aggregate to their mix. That is something fundamental, a role, an important mission for iRetail". According to her, this is the reason why it is not iRetail's "first objective to gain money with these brands, it is not; hence, that is an advantage sometimes for the partners that come with us, because what we require in terms of billing for ourselves is very few. What we need is to have the business break-even so we are able to make the launch of that brand in a way that is relevant of our mall's mix and that, at the same time, does not bring harm for the company".

iRetail is the "enabler […] for that brand that needs to enter Brazil, that wants to enter Brazil but has no condition of coming alone. We can initiate the operation, consolidate it and continue to operate it or, simply, at a given moment, do the transition from ours to a direct operation", the IG1 explains. To illustrate the former, she gives the example of Christian Louboutin: "we brought the brand, consolidated it, opened 3 monobrand stores, built the team, the processes, etc. and now they are turning it into their own operation". This is part of iRetail business model, as it aims at recycling the brands it operates, bringing in new brands – however, this is a process that should be in accordance to the company's capacity.

It currently operates using joint-ventures, partnering with the brands it is operating, but is as well able to operate as a consultancy for the brands start-up process in the country, “building the team, taking part in the store building process, maybe even doing the first purchase, etc. We still did not do it, but we could do it…”, claims IG1.

Regarding the capture of brands, it can happen both actively or passively – IG1 “iRetail serves in two ways: we can either do the capture of brands which we have interest in bringing the national market, for our malls, and in that case we go and knock on their door, or we can be contacted by these brands that are seeking to enter the national market, that are not going to enter with their own operation because it is a market with several specificities, and sometimes they don’t have,… they are not from big groups and so on, thus they opt for having a local partner – and in that moment they look for us and we evaluate, obviously, if it is coherent to our objectives to operate that brand”. The selection criteria used by iRetail is based on the timing at which an opportunity shows up, the type of brand, the differentiation potential of the brand for Iguatemi malls and their relevance for the Brazilian market.

Currently, iRetail operates Christian Louboutin, Diane van Furstenberg (DVF), Lanvin and Goyard. Louboutin entered the country in 2009, with a store in Iguatemi São Paulo, and opened in 2011 another store in Brasilia, followed by, in 2012, a store in JK Iguatemi. DVF has its first store in 2010 at Iguatemi São Paulo, and opened a new store with the inaugural of JK Iguatemi. Also, with the opening of JK Iguatemi, iRetail opened Lanvin and Goyard stores.

4.4.5 Management of the mix by the luxury pyramid model

“Iguatemi, is obviously maybe the main developer of the luxury market in Brazil, but it does not have interest in simply being a luxury mall, because we believe Brazil is not ready to have a niche market product”, argues IG2.

According to him, Iguatemi Group follows therefore a segmentation model which it tries to adequate to the tenant mix of every of its shopping malls. This segmentation model is as follows:

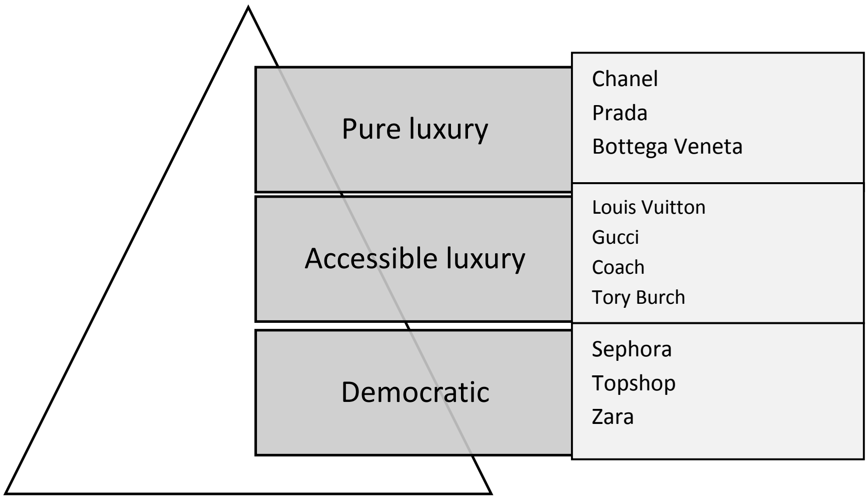

Figure 3 – Iguatemi's method for segmentation of tenants
Source: Interview with IG1

As IG2 explains, the process of adequating each of these segments into a tenant mix is done "depending on the location, the income potential, the city, [and] the profile of each market". Therefore, one shopping mall may have all three types of tenants, and thus have a declared luxury position, or have one or two of the lower-end tenant types (accessible luxury and/or democratic luxury), and thus have a more positioning that can be considerate to be more accessible. This tenant mix segmentation seems to be analogue to Kapferer and Bastien (2009) Pyramid Business model, where more exclusive products (or in this case, brands) are positioned at the top of the pyramid, having a lower availability than the ones of the bottom.

The co-existence of different lower segment stores within the same mall as luxury stores, in the opinion of EX2, can be explained by the aspirational fact – the clients which do not buy luxury products may be potential future clients of this type of brands, "it is an environment where do not only target [luxury] consumers circulate, but also future consumers – because, indeed, the shopping centre maintains its popular tenants which attract consumers that not necessarily can buy luxury products". This seem to be in line with the revised literature, where Dubois and Paternault (1995), and later Kapferer and Bastien (2009), refer to the dream formula, where they argue that the luxury dream is only 'alive' if there is more people aware of the product/service than actual clients.

4.4.6 "The Science of Client Service"

According to Women's Wear Daily (WWD) – Iguatemi created the "science of client service", bringing unprecedented facilities to a public that is used to the best. On Iguatemi's 2009 Annual Report, among the innovative services started by Iguatemi in the shopping center sector were:

a) *Valet Parking: Valet Parking service, with a marble entry hall, air conditioning and flowers, similar to the one of a 5 star hotel*
b) *Personal Shopper: Service through which the client describes his/her shopping needs, counting on a professional which whether buys the client the items in the stores or accompanies him/her during the shopping trip*
c) *Concierge: Provides tips on trendy restaurants, tour reservations, gift wrapping service, secure luggage storage, among other facilities.*
d) *Comfort Station: Charmingly decorated and equipped with products to comfortably host parents and children in the mall.*
e) *Loyalty program: "Iguatemi One" offers various benefits to its clients, such as Lounge One – a luxurious private area with TV and free wi-fi, as well as invitations to distinguished events.*
f) *Magazine "Revista I": Having luxury consumers as target group, the company launched magazine "I" – the first publication from a Brazilian mall, produced by the same team as Vogue Brazil*
g) *Online Newsletter: First shopping mall in the country providing an online newsletter, aiming to improve communication with tenants.*

These services were often mentioned among interviewees, as being part of the delivering of a high-quality hospitality experience – a luxury experience.

The above mentioned loyalty program Iguatemi One[6], a program tailored for the high purchasing power client, is available for the clients of Iguatemi São Paulo, JK Iguatemi and the recent Iguatemi Ribeirão Preto. Iguatemi One works on a point basis. After purchasing from a tenant within one of these malls, the client gets 1 point for every 1$R spent, which allows him/her to enjoy from a varied range of benefits from presence at runway shows or other high-end events, to Spa experiences, discount vacations or

[6]Program oficial webpage in portuguese: http://www.iguatemione.com.br/One

simply free parking. Additionally, an “Iguatemi One” client which has accumulated 5 thousand points or more in a 3 months period, can as well envoy from the “Lounge One”, an exclusive comfortable area furnished with TVs, laptops and Wi-Fi access. Here, meeting rooms can also be booked, completing a whole differentiated client service. (Appendix 11 – Lounge One Pictures)

According to Iguatemi Manager IG2, this loyalty program has 7000 top clients registered who are regular users – “it is something we greatly invest on and feeds back this whole world that is behind Iguatemi. In fact, it is a differentiated service that we try to offer to that client which is a loyal customer of Iguatemi.” Although currently only in three of the group’s shopping malls, the company has prospects to roll out the program to other malls as – IG1 adds - “…it was made with the “I” magazine: it started here [Iguatemi São Paulo] as a magazine from Iguatemi São Paulo, and is today in every of our malls in Brazil.”

4.4.7 Luxury Regionalization in Brazil

Recently, international luxury brands seem to start expanding their operations in Brazil outside the São Paulo-Rio axis. Many of them have seen potential in the northeast market and many others in the country’s capital, Brasilia.

The markets referred to by the interviewees largely followed this order:

Table 14 – Key Luxury Markets within Brazil

City	State	Number of Iguatemi Malls
São Paulo	São Paulo	10
Rio de Janeiro	Rio de Janeiro	
Brasília	Distrito Federal	1
Recife	Pernambuco	
Ribeirão Preto	São Paulo	1
Curitiba	Paraná	
Belo Horizonte	Minas Gerais	
Porto Alegre	Rio Grande do Sul	2

Source: Interviews, Iguatemi’s webpage

Although Iguatemi has a chain of 16 malls with premium positioning, some of them located in the cities referred above, interviewees (brand representative and experts) do not believe the company is having an influence in regionalization of Brazil. They generally believe that, when it comes to luxury, the positioning of each mall in particular speaks stronger.

According to IG2, the group was nonetheless pioneer in bringing a luxury tenant mix for a shopping mall outside São Paulo, when it first opened Iguatemi Brasilia in 2010. However, in general, interviewees think Iguatemi Brasília is not such a good location as Iguatemi São Paulo or JK Iguatemi, as it enjoys from a not so favoured location in the city of Brasília than that of its counterparts in São Paulo, which, in their opinion, implicates a lower footfall.

Experts and brand representatives see, rather, other groups with an arising importance in the regionalization of luxury in Brazil, such as JCPM with the shopping RioMar in Recife, opened in October of 2012, or from the Soifer group, with Shopping Pátio Batel, opened in September 2013, in Curitiba. Both these locations are considered to be emerging luxury locations.

5 Final remarks

In this section, the respective final considerations for each of the specific objectives are going to be exposed, followed by a final note. Finally, the managerial implications and the limitations of the research will be presented.

5.1 Final remarks per specific objective

5.1.1 Specific objective A – Understanding the context and evolution of the Brazilian luxury market

With the opening of the Brazilian economy about 20 years ago, a set of conditions – mainly the stabilization of inflation and the wealth growth - have allowed for the retail market in Brazil to grow, bringing in the attention of retailers all over the world. In particular, with the number of High Net Worth Individuals growing fiercely – e.g. 87% from 2004 to 2014 - Brazil became also in the mire of international luxury retailers.

The first contact of luxury brands with the Brazilian market dates from the imports made by the multibrand store Daslu, which opened in the 60’s. Daslu imported brands such as Chanel or Louis Vuitton, and was pioneer in the market regarding luxury retail. In the beginning of the 90’s, luxury retailers started opening monobrand stores in the country. Firstly, they chose to be located in the streets, as it is common in western markets (Louis Vuitton, Versace, Armani, Cartier). However, from the late 90’s onwards, newcomers started locating their first monobrand stores in shopping malls, a trend that last until today, mainly due to infrastructure and security issues.

From the 48 brands studied, virtually all of them chose the city of São Paulo for their first location, and 60% of them were had their first stores open in Iguatemi’s Group Malls – either Iguatemi São Paulo or JK Iguatemi.

JK Iguatemi and Iguatemi São Paulo are part of the key luxury locations in Brazil. Iguatemi São Paulo being the most expensive retail location in Latin America (R$9.229 annual rent per square meter). Along with this two locations, Shopping Cidade Jardim in São Paulo, from JHSF Group, or Shopping Center Village Mall and street Garcia D’Avila in Rio de Janeiro, are also key locations for luxury retail in the country.

In 2012, the major wave of entrance of international luxury brands into the market was registered, spurred by the opening of JK Iguatemi – in this year, 14 international luxury brands entered the market, with 12 opening in JK Iguatemi.

The figure below summarizes the three major waves of luxury brands coming into the country. Important is to notice that even if no particular event was linked to it, Iguatemi São Paulo itself was the first chosen location for 30% of international brand stores entering in the market.

Figure 4 – Entrance of International Luxury Brands into Brazil
Source – BersteinReserach 2010, Época Negocios; Interviews; Valor Econômico, Companies press releases

5.1.2 Specific objective B - Understanding the attraction factors and challenges of the market from the point of view of international luxury brands

The internationalization drivers bringing foreign luxury brands into the Brazilian market are mainly pull factors – the good performance of the Brazilian market, and particularly the place it enjoyed in the spotlight of the emerging 'BRIC countries', together with the wealth grow felt in the country, were the factors most often mentioned by interviewees as bringing these brands into the market. Nonetheless, the emerging economy being a pull factor, some interviewees saw it also as a push factor, given that they saw the country as an alternative for growth as the growth in western markets slowed down.

Indeed, from 2007 to 2010, the Brazilian luxury market grew by 10% a year, being valued at valued at 7.747$R million in 2012. It is expected to grow by 40% until 2017, when it will have a value of 10.837$R million.

Albeit its attractiveness, operating in the Brazilian market brings about some challenges. Bureaucracy, high import taxes and lack of qualified personnel are still challenges felt. High import taxes leave the brands competing with international markets, as goods become too expensive in Brazil and people often travel to buy abroad – to cope with this, brands are trying to operate in the market with lower margins. The high levels of bureaucracy felt by these brands lead them to try to find local talent with a high expertise in the market to drive their Brazilian operations. However, given the shortage of valuable talent in the Brazilian luxury industry, this may constitute a high cost – according to the recruiting frim Fesa, in 2012 high level executive salaries increased by 28% (Euromonitor International, 2013).

5.1.3 Specific objective C - Understand the location choice methodology and the particular attraction factors of Iguatemi's malls from the point of view of international luxury brands

When looking for a location, the interviewed brands use a rather intuitive methodology, mainly by studying analogue brands – this coming to corroborate the opinion of Chevalier and Mazzalovo (2008), which argued that in luxury the location choice is done using simple tools like the analysis of competitors.

In general, luxury brands look for some elements that allow for the creation of a luxury ambience, when choosing for a location. According to the results of this study, these are location, architecture and interior design, tenant mix and services and conveniences. Location needs to be compatible with that of the store concept; architecture and interior design is seen as contributing for the final customer experience; regarding tenant mix, brands look for the presence of analogue brands, as well as complementary tenants such as good restaurants; and finally, regarding services and convenience, brands value the presence of services such as *conciergerie*.

But what is leading these brands to choose Iguatemi's locations for their first venture into the Brazilian Market? The Iguatemi group is seen as having an accumulated expertise in the luxury market, and of enjoying a strong brand value – indeed, according to Brand analytics, MillwardBrown and WPP group (2013), the Iguatemi brand is the 25th most valuable brand in Brazil (US$473 million). Moreover, it has a reputation among the luxury industry as many of the first international luxury brands opening their first stores in Brazil chose Iguatemi São Paulo for this matter – see table 10, period of 1998 to 2004.

In addition to complying with the luxury elements identified above, Iguatemi Group's two iconic malls have specific highlights. Iguatemi São Paulo is seen as a landmark of the city, having been one of the first locations for luxury in the country, comprising a very traditional image. Therefore, a store in Iguatemi São Paulo becomes an endorsement for the foreign brand in the new market. Given its heritage, Iguatemi São Paulo has a very loyal traditional clientele. On the other end, the recent JK Iguatemi prizes for its modern architecture. Also, here, brands are given large store spaces, allowing them to recreate their own universes 'unlimitidly', in the words of Iguatemi Groups CEO for fashion newspaper WWD. The mall's superior architecture and interior design allows it to become an attraction in itself. Contrary to the one of Iguatemi São Paulo, its clientele is considered to be more modern.

5.1.4 Specific objective D - How is the Iguatemi Group actively creating opportunities for the entrance of this brands into the Brazilian market

The Iguatemi group is a visionary in what concerns the Brazilian luxury market, having a well traced strategy, which is creating opportunities for international luxury brands to enter the Brazilian market.

First, it provides platforms so far inexistent, where brands, and its clients, can find security and a high-standard luxury ambience. It has a portfolio of high-end shopping centers strategically located in areas of high purchasing power, targeting A and B classes – a positioning coherent with those of international luxury brands, constituting thus a possible platform for them to locate their stores. In an attempt to cope with the high demand Iguatemi São Paulo was receiving from retailers – and its high-occupancy ratio – Iguatemi Group created a second luxurious mall in São Paulo, JK Iguatemi. This constituted, thus, an alternative location for brands seeking to open their first store in Brazil.

Also, it is actively working with luxury brands to bring them into Brazil since the 90s. More recently, when preparing the opening of JK Iguatemi, it organized a roadshow to meet with some of the world's main luxury brands. Moreover, the group has a New York based team responsible for contacting international brands that are not yet in Brazil.

Furthermore, the group created iRetail, with the objective of representing some international luxury brands in Brazil, which would be exclusively located at Iguatemi Malls, constituting, thus, differentiation factors for its operations. iRetail is equipped with the necessary resources to operate international luxury brands in the country. It is, hence, an enabler for international luxury brands interested in the Brazilian market but that do not necessarily have a big structure to allow them to adventure independently. Brands under its management are Christian Louboutin (which transition into direct operation is now being held), Diane van Furstenberg (DVF), Lanvin and Goyard.

What is more, Iguatemi carries a segmentation pyramid of its tenants, comprising three levels: pure luxury, accessible luxury and democratic luxury. Alike Kapferer and Bastien (2009) luxury pyramid business model, this serves as to adapt the accessibility of high-end to lower-end tenants within the group's portfolio of malls, according to each asset's potential.

Not only does Iguatemi create physical opportunities for its tenants, but it fosters the luxury lifestyle among its final customers by creating a differentiated client service – which international luxury brands end up profiting from indirectly. The innovative services provided are: Valet Parking, Personal Shopper, Concierge, a quarterly magazine (Revista I), and Iguatemi One, a loyalty program with about 7000 top clients subscribed that them for exclusive treatment.

However, albeit the group's confirmed activity and influence in the Brazilian luxury market, it is not believed that it has been leading the recent phenomenon of "regionalization of luxury" in the country – the expansion of luxury into markets other than São Paulo and Rio de Janeiro. Among the luxury experts and international luxury brands interviewed, there is that the positioning of each mall itself is more important when it comes to luxury than the influence of the group itself, seeing emerging luxury malls in regional areas as being, for instance, Shopping RioMar in Recife or Shopping Patio Batel in Curitiba, from groups JCPM or Soifer, respectively.

5.2 General final remarks

In sum, the Iguatemi Group is creating opportunities for international luxury brands in Brazil in the extent to which it is putting together the necessary conditions that allow these brands to find in a certain location the clientele, the services and the ambience required by luxury retail - a luxury culture.

Not only does it creates platforms that allow these brands to successfully establish they first stores in the foreign market, but it acts with a 360º strategy, fostering the luxury market in Brazil – by actions such as actively bringing these brands into the market and/or representing some of them, or simply by creating high-end client service conditions.

Nonetheless, the opportunities for the regionalization of the luxury industry not being seized at its potential by the group may constitute a risk for its pioneering position in the market.

5.3 Management implications

The research findings are helpful for both managerial and academic purposes. However not aiming at generalizing, the findings are helpful for academics to understand how the related phenomenons can take form - the relationship between retail internationalization and formats of retail location, the business relationships that may be attached to it and the actual elements creating an adequate atmosphere for luxury retail location. As of managerial contribution, this case study may be useful for international luxury brands interested in the Brazilian market to understand the importance and usefulness of Iguatemi as a location and as a market expansion enabler, and for companies in the shopping center sector to learn from Iguatemi's best practice.

5.4 Limitations and Suggestions

This research is limited given that it aims at studying the particular case of Iguatemi, not fully exploring simultaneous phenomenon currently happening in the market – such as the arising action of less representative groups for its development, among other situations. Also, it does not include the consumer perspective. Moreover, as seen in the methodology section, the study is not transferable, meaning that if the same procedures were applied to a market other than the Brazilian, the outcomes would probably be different.

For further research, the author proposes the exploration of the following topics:

- Contribution of each Brazilian shopping mall player for the development of the market;

- Exploration of the consumer perspective on the attraction factors of the malls, as well as on their perception of luxury elements;

- Phenomenon of change of the mode of entry method experienced by many of the international luxury brands recently in the Brazilian market (from representation to direct operation);

- Phenomenon of international brands' repositioning in the Brazilian market (from accessible to luxury-perceived).

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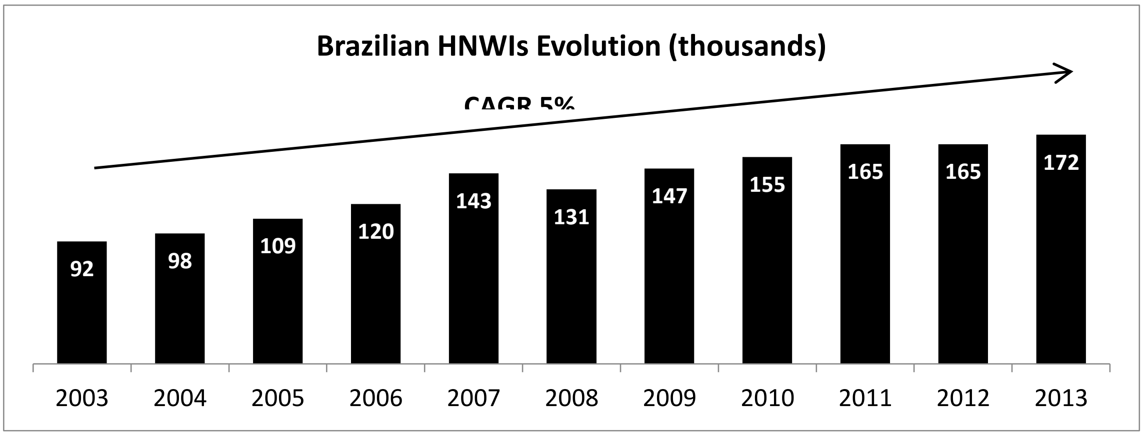
6 Appendix

Appendix 1. Brazilian HNWI Evolution



Source: Elaborated by the author based on World Wealth reports from 2004 to 2014

Appendix 2. 2013 Global Retail Development Index

2013 Global Retail Development Index™

On the radar | To consider | Lower priority

2013 rank	Country	Region	Market attractiveness (25%)	Country risk (25%)	Market saturation (25%)	Time pressure (25%)	GRDI score	Change in rank compared to 2012
1	Brazil	Latin America	100.0	86.2	43.3	48.3	69.5	—
2	Chile	Latin America	95.6	100.0	18.7	54.3	67.1	—
3	Uruguay	Latin America	92.0	73.9	63.5	36.5	66.5	+1
4	China	Asia	62.1	67.9	34.3	100.0	66.1	−1
5	United Arab Emirates	MENA	95.8	94.6	5.0	60.6	63.5	+2
6	Turkey	Eastern Europe	86.8	63.7	28.9	59.9	62.6	+7
7	Mongolia	Asia	17.7	37.0	99.0	96.5	62.5	+2
8	Georgia	Central Asia	36.6	63.8	83.4	61.9	61.4	−2
9	Kuwait	MENA	87.8	67.1	26.4	22.2	58.4	−3
10	Armenia	Central Asia	32.3	63.6	93.5	43.6	58.2	N/A
11	Kazakhstan	Central Asia	44.1	51.9	76.2	57.8	57.5	+8
12	Peru	Latin America	52.9	60.4	63.4	49.3	56.5	−2
13	Malaysia	Asia	63.4	65.8	22.0	38.8	56.3	−3
14	India	Asia	36.8	59.4	63.3	60.6	55.0	−9
15	Sri Lanka	Asia	15.6	60.5	81.8	58.6	54.4	—
16	Saudi Arabia	MENA	71.4	73.2	35.0	30.7	54.2	−2
17	Oman	MENA	77.6	67.8	11.3	29.1	53.6	−3
18	Colombia	Latin America	59.2	73.6	43.0	32.4	52.1	+5
19	Indonesia	Asia	47.4	45.6	49.3	61.4	51.9	−3
20	Jordan	MENA	53.1	65.0	65.9	18.6	50.6	2
21	Mexico	Latin America	79.0	75.0	12.1	30.6	49.2	+7
22	Panama	Latin America	49.7	70.8	37.2	37.2	48.7	+2
23	Russia	Eastern Europe	82.4	44.0	21.1	37.4	46.7	+3
24	Lebanon	MENA	74.1	32.9	40.3	38.4	46.5	−2
25	Botswana	Sub-Saharan Africa	38.7	82.0	31.8	38.5	47.8	−5
26	Namibia	Sub-Saharan Africa	30.8	77.1	12.6	73.2	45.5	N/A
27	Morocco	MENA	30.1	60.5	48.7	44.0	45.6	—
28	Macedonia	Eastern Europe	40.7	42.3	56.0	43.9	45.7	−7
29	Azerbaijan	Central Asia	20.5	26.0	90.3	37.3	45.5	−12
30	Albania	Eastern Europe	30.6	35.0	73.6	40.0	45.1	−5

Market attractiveness: 0 = low attractiveness, 100 = high attractiveness. Country risk: 0 = high risk, 100 = low risk. Market saturation: 0 = saturated, 100 = not saturated. Time pressure: 0 = no time pressure, 100 = urgency to enter.

Notes: 2012 rankings have been updated to include revised data from Planet Retail to take into account prevailing macroeconomic conditions in the retail space. MENA = Middle East and North Africa.

Sources: Euromoney, Population Data Bureau, International Monetary Fund, World Bank, World Economic Forum, Economist Intelligence Unit, Planet Retail, A.T. Kearney analysis

Source: ATKearney 2013

Appendix 3.a Luxury Goods Brand Shares

% retail value rsp Company	Company	2008	2009	2010	2011
Omega	Swatch Group Ltd	1,8	1,9	2,1	2,4
Louis Vuitton	LVMH Moët Hennessy Louis Vuitton SA	1,6	1,7	1,5	1,6
Hermès	Hermès International SCA	1,1	1,2	1,2	1,3
Tag Heuer	LVMH Moët Hennessy Louis Vuitton SA	1,4	1,2	1,2	1,3
Tiffanny	Hermès International SCA	0,9	0,9	0,8	0,8
Gucci	PPR SA	0,3	0,6	0,7	0,7
Cartier	Richemont SA, Cie Financière	0,6	0,5	0,5	0,6
Dior	LVMH Moët Hennessy Louis Vuitton SA	0,6	0,6	0,6	0,6
Ermenegildo Zegna	Ermenegildo Zegna Holditalia SpA	0,7	0,5	0,5	0,5
Bottega Veneta	PPR SA	0,4	0,4	0,4	0,4
Others		90,6	90,5	90,5	89,8
Total		100	100	100	100

Source: Euromonitor International (2013)

Appendix 3.b Luxury Goods Company Shares – Euromonitor International (2013)

% retail value rsp Company	2008	2009	2010	2011
LVMH Moët Hennessy Louis Vuitton SA	4	3,8	3,6	3,8
Swatch Group Ltd	1,8	1,9	2,1	2,4
Hermès International SCA	1,1	1,2	1,2	1,3
PPR SA	0,5	1	1,1	1,2
Richemont SA, Cie Financière	0,8	0,7	0,8	0,8
Others	91,8	91,4	91,2	90,5
Total	100	100	100	100

Source: Euromonitor International (2013)

Appendix 4. Most Expensive Retail Locations per Country

RANK 2012	RANK 2011	COUNTRY	CITY	LOCATION	RENT €/SQ.M/YR	RENT R$/SQ.M/YR
1	2	Hong Kong (China)	Hong Kong	Causeway Bay	22 307	57 139
2	1	USA	New York	5th Avenue	21 204	54 314
3	5	France	Paris	Avenue des Champs-Élysées	9 573	24 521
4	3	Japan	Tokyo	Ginza	8 962	22 956
5	4	Australia	Sydney	Pitt Street Mall	8 077	20 689
6	6	United Kingdom	London	New Bond Street	7 942	20 343
7	8	Switzerland	Zurich	Bahnhofstrasse	7 243	18 553
8	7	Italy	Milan	Via Montenapoleone	7 000	17 931
9	9	South Korea	Seoul	Myeongdong	5 822	14 913
10	10	Germany	Munich	Kaufingerstraße	4 200	10 758
11	-	Austria	Vienna	Kohlmarkt	4 080	10 451
12	11	Brazil	São Paulo	Iguatemi Shopping	3 603	9 229
13	14	Russia	Moscow	Tverskaya	3 546	9 083
14	16	China	Beijing	Wangfujing	3 421	8 763
15	13	Spain	Barcelona	Portal de l'Angel	3 180	8 146

Source: *Main Streets Across the World 2012/2013 - Cu*shman&Wakefiled

Appendix 5. America’s Top 10 Locations

RANK	CITIES	LOCATION	€/SQ.M/YEAR	R$/SQ.M/YEAR
1	New York	5th Avenue	21 204	54 314
2	New York	Times Square	17 811	45 623
3	New York	Madison Avenue	9 330	23 899
4	New York	East 57th Street	9 330	23 899
5	Los Angeles	Rodeo Drive (Beverly Hills	4 580	11 732
6	Chicago	North Michigan Avenye	4 029	10 320
7	San Francisco	Union Square	3 817	9 777
8	**São Paulo**	**Iguatemi Shopping**	**3 603**	**9 229**
9	San Francisco	Post Street	3 096	7 930
10	Toronto	Bloor Street	2 662	6 819

Source: *Main Streets Across the World 2012/2013* -Cushman&Wakefiled

Appendix 6. Distribution of Shopping Centers in Brazil by Macroregions

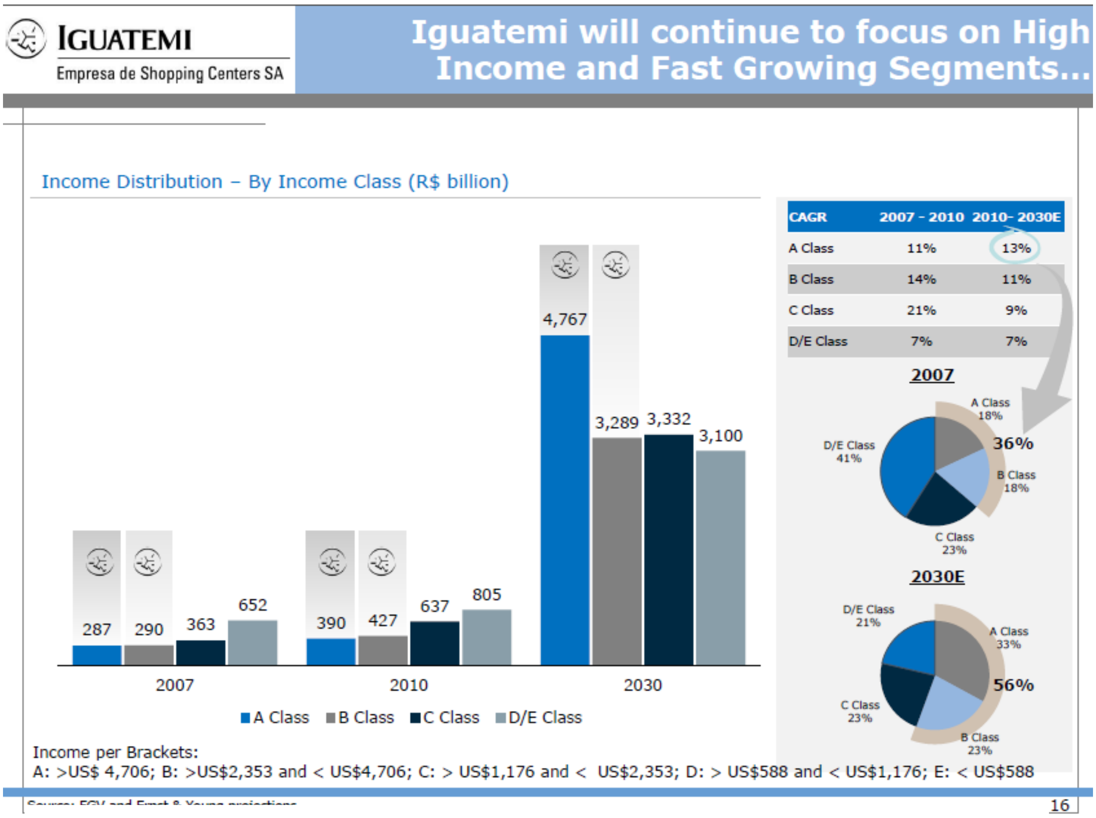
Macro Region	Number of Malls	GLA (M2)	Number of cities with Malls	Average Size of the Mall (m2)	Total Regional Profitabiliy (bn R$)	Regional Profitability (%)
North	18	460 374	8	25 576	10 022	8%
Northeast	61	1 715 913	22	28 129	14 445	12%
Center-west	41	870 226	16	21 255	5 325	4%
Southeast	255	6 697 451	87	26 264	70 606	59%
South	82	1 658 579	32	20 226	19 057	16%
Total	457	11 402 543	165	-	119 455	100%

Source: Adapted from Brazilian Shopping Center Census 2012/2013

Appendix 7. Distribution of Shopping Centers in Brazil by States

STATE	Shoppings	GLA (m2)	Population 2012	Inhabitants per m2 (of GLA)
ACRE	1	27 495	776 018	28
ALAGOAS	2	74 250	3 183 893	43
AMAZONAS	7	178 181	3 642 716	20
AMAPÁ	1	8 458	717 369	85
BAHIA	16	466 529	14 238 377	31
CEARÁ	11	235 487	8 679 788	37
DISTRITO FEDERAL	17	352 641	2 688 765	8
ESPÍRITO SANTO	5	145 027	3 606 128	25
GOIÁS	15	280 708	6 236 535	22
MARANHÃO	4	109 297	6 789 701	62
MINAS GERAIS	38	762 455	19 975 879	26
MATO GROSSO DO SUL	4	118 117	2 533 514	21
MATO GROSSO	5	118 760	3 150 902	27
PARÁ	6	166 750	7 929 621	48
PARAÍBA	4	113 831	3 837 894	34
PERNAMBUCO	13	423 493	8 991 938	21
PIAUÍ	1	27 893	3 175 142	114
PARANÁ	28	620 063	10 641 323	17
RIO DE JANEIRO	58	1 351 247	16 355 004	12
RIO GRANDE DO NORTE	7	158 527	3 257 752	21
RONDÔNIA	1	30 000	1 607 720	54
RORAIMA	0	-	481 736	-
RIO GRANDE DO SUL	32	588 691	10 792 382	18
SANTA CATARINA	22	449 825	6 455 845	14
SERGIPE	3	106 607	2 131 410	20
SÃO PAULO	154	4 438 722	42 191 929	10
TOCANTINS	2	49 491	1 439 396	29
BRASIL	**457**	**11402545**	**195508677**	**17**

Appendix 8. Income distribution in Brazil



Source: Iguatemi Institutional Presentation – 2Q2013 – 26.09.13

Appendix 9. GLA of the main shopping center groups in Brazil

Group	GLA (thousand/m2)	Participation %
BRMalls	798	8
Multiplan	391	3,9
Aliansce	268	2,7
Iguatemi	238	2,4
Sonae Sierra	205	2,1
General Shopping	193	1,9
CCP	46	0,5
JHSF	35	0,3
Total	2174	21,7

Source: IBOPE, *Geonotícias,* May 2012

Appendix 10. Iguatemi Shopping Centers Portfolio

	Iguatemi Stake (%)	Total GLA (m²)	Iguatemi GLA
Iguatemi São Paulo	57.75%	46,608	26,916
JK Iguatemi	64.00%	35,923	22,578
Market Place	100.00%	26,927	26,927
Iguatemi Alphaville	78.00%	30,822	24,041
Iguatemi Brasília	64.00%	31,822	20,366
Iguatemi Campinas	70.00%	54,075	37,853
Boulevard Iguatemi[1]	77.00%	32,066	24,691
Galleria	100.00%	33,236	33,236
Iguatemi Esplanada	66.00%	39,55	26,103
Esplanada	38.00%	24,34	9,249
Iguatemi Ribeirão Preto	88.00%	44,1	38,808
Iguatemi São Carlos	50.00%	19,035	9,518
Iguatemi Porto Alegre	36.00%	39,306	14,15
Praia de Belas[2]	37.80%	47,705	18,032
Iguatemi Caxias	8.40%	30,324	2,547
Platinum Outlet	41.00%	20,087	8,236
Iguatemi Florianópolis	30.00%	20,487	6,146
Área proprietária[3]	100.00%	3,678	3,678
Subtotal Malls	***61.44%***	***580,091***	***353,084***
Tower Market Place	100.00%	29,08	29,08
Tower Iguatemi São Paulo	57.75%	4,469	2,581
Subtotal Towers	***94.37%***	***33,549***	***31,661***
Total	***63.19%***	***613,64***	***384,744***

Source: Iguatemi Website
http://ri.iguatemi.com.br/conteudo_en.asp?idioma=1&conta=44&tipo=50064

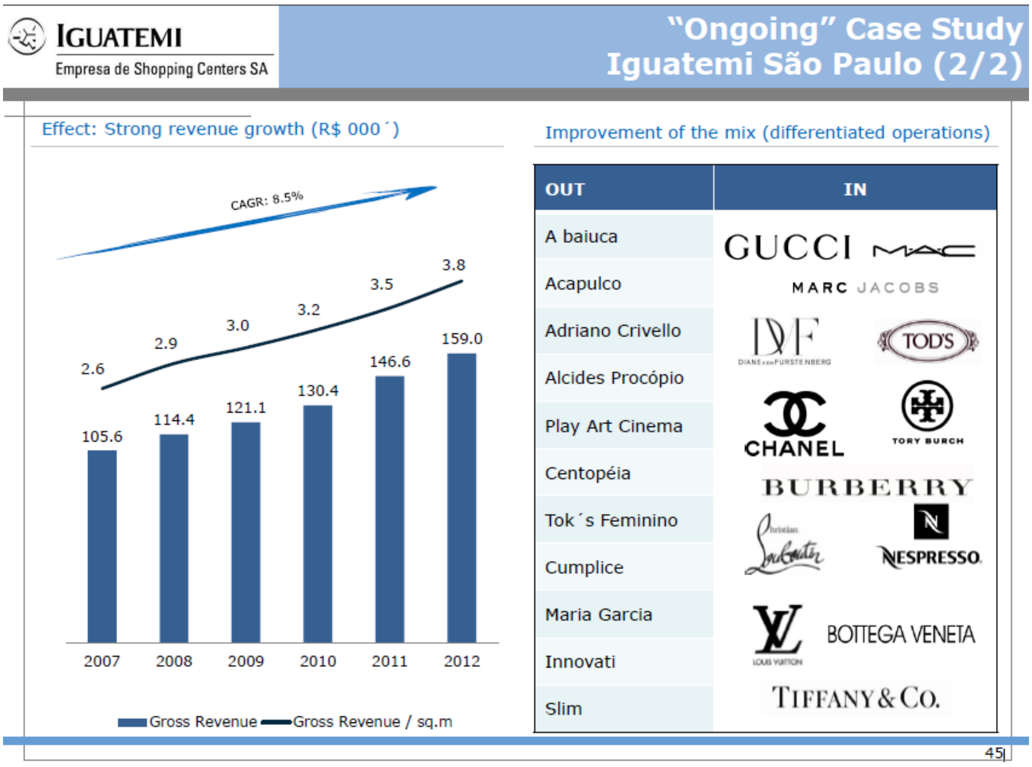
Appendix 11. Lounge One pictures

Iguatemi São Paulo

JK Iguatemi

Source: Lounge one website, http://www.iguatemione.com.br/One

Appendix 12. Substitution of Brands in Iguatemi São Paulo's tenant mix



Source: Iguatemi Institutional Presentation – 2Q2013 – 26.09.13

Appendix 14. Brazilian Luxury Goods Market – Sales by Category

Salesof Luxury Goods by Category: Value
2007-2012

R$bn	2007	2008	2009	2010	2011	2012
Designer Apparel	1939	2200	2433	2624	2957	3329
Fine Wines/Champagne and Spirits	421	435	479	526	603	672
Luxury Accessories	1303	1422	1489	1613	1742	1858
Luxury Electronic Gadgets	35	36	37	37	38	39
Luxury Jewellery and Timepieces	659	704	719	790	857	910
Luxury Travel Goods	15	15	15	17	19	21
Luxury Cigars	279	322	435	386	466	526
Luxury Writting Instruments and Stationery	97	104	107	113	120	126
Asuper Premium Beauty and Personal Care	87	118	150	193	231	266
Luxury Goods	4836	5355	5862	6299	7032	7747

Forecast Salesof Luxury Goods by Category: Value
2012-2017

R$bn	2012	2013	2014	2015	2016	2017
Designer Apparel	3329	3575	3840	4119	4424	4762
Fine Wines/Champagne and Spirits	672	754	846	943	1051	1168
Luxury Accessories	1858	1976	2082	2216	2373	2550
Luxury Electronic Gadgets	39	40	41	42	44	45
Luxury Jewellery and Timepieces	910	938	967	1000	1037	1072
Luxury Travel Goods	21	22	24	26	28	30
Luxury Cigars	526	550	575	603	636	669
Luxury Writting Instruments and Stationery	126	132	136	138	139	140
Asuper Premium Beauty and Personal Care	266	287	309	336	370	401
Luxury Goods	7747	8275	8820	9422	10102	10837

Source: Euromonitor International (2013)

Appendix 15. Brazilian Luxury Goods Market – Sales by Category: %Value Growth

Salesof Luxury Goods by Category: % Value Growth 2007-2012

R$bn	2011/2012	2007-12 CAGR	2007/12 Total
Designer Apparel	12,6%	11,4%	71,7%
Fine Wines/Champagne and Spirits	11,5%	9,8%	59,6%
Luxury Accessories	6,7%	7,4%	42,6%
Luxury Electronic Gadgets	2,4%	2,1%	10,8%
Luxury Jewellery and Timepieces	6,3%	6,7%	38,2%
Luxury Travel Goods	9,0%	5,9%	33,1%
Luxury Cigars	12,8%	13,5%	88,3%
Luxury Writting Instruments and Stationery	5,4%	5,3%	29,6%
Asuper Premium Beauty and Personal Care	15,3%	25,2%	207,2%
Luxury Goods	10,2%	9,9%	60,2%

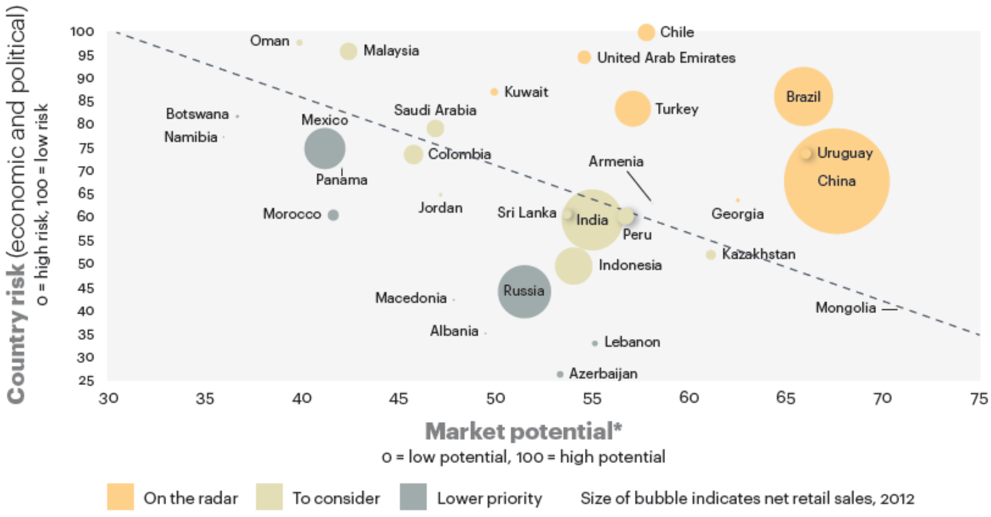
Forecast Sales of Luxury Goods by Category: % Value Growth 2012-2017

R$bn	2012-17 CAGR	2012/17 Total
Designer Apparel	7,4%	43,1%
Fine Wines/Champagne and Spirits	11,7%	73,8%
Luxury Accessories	6,5%	37,2%
Luxury Electronic Gadgets	3,0%	15,9%
Luxury Jewellery and Timepieces	3,3%	17,8%
Luxury Travel Goods	8,0%	46,8%
Luxury Cigars	4,9%	27,3%
Luxury Writting Instruments and Stationery	2,1%	10,7%
Asuper Premium Beauty and Personal Care	8,5%	50,5%
Luxury Goods	6,9%	39,9%

Source: Euromonitor International (2013)

Appendix 16. 2013 GRDI country attractiveness

2013 GRDI country attractiveness

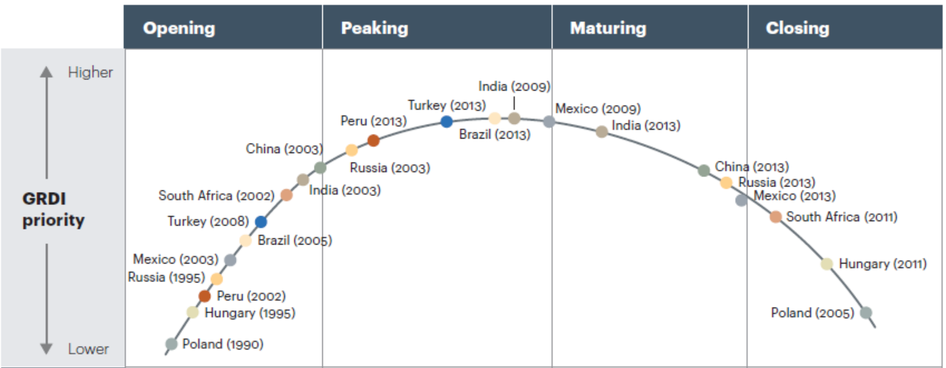


*Based on weighted score of market attractiveness, market saturation, and time pressure of top 30 countries
Source: Planet Retail, Economist Intelligence Unit; A.T. Kearney analysis

Source: AT Kearney (2013)

Appendix 17. The GRDI window-opportunity analysis

The GRDI window-of-opportunity analysis



	Opening	Peaking	Maturing	Closing
Definition	Middle class is growing; consumers are willing to explore organized formats; government is relaxing restrictions	Consumers seek organized formats and greater exposure to global brands; retail shopping districts are being developed; real estate is affordable and available	Consumer spending has expanded significantly; desirable real estate is more difficult to secure; local competition has become more sophisticated	Consumers are more used to modern retail; discretionary spending is higher; competition is fierce both from local and foreign retailers; real estate is expensive and not readily available
Method of entry	Minority investment in local retailer	Organic, such as through directly operated stores	Typically organic, but focused on tier 2 and 3 cities	Acquisitions
Labor strategy	Identify local skilled labor for management positions	Hire and train local talent and balance expatriate mix	Change balance from expatriate to local staff	Use mostly local staff

Source: A.T. Kearney analysis

Source: AT Kearney (2013)

Appendix 18. Interview Details

Participant category	Entity	Name	Date of Interview	Mode and Location of Interview	Length
Iguatemi Managers	iRetail	Manoela Mendes	06/04/2013	Face-to-face at Iguatemi Offices	50 minutes
	Iguatemi	Rodolpho Freitas	20/06/2013	Face-to-face at Iguatemi Offices	60 minutes
Experts	ESPM	Suzane Strehlau	30/04/3013	Face-to-face at ESPM	30 minutes
	FAAP	Silvio Passarelli	24/06/2013	Face-to-face at FAAP	100 minutes
	FAAP	Andre D'angelo	10/06/2013	Interview via e-mail	-
International Brands	Bottega Venetta	Sandra Toscano	05/06/2013	Face-to-face at Iguatemi São Paulo	20 minutes
	Coach (Grupo Aste)	Paulo Conegero	21/05/2013	Face-to-fqce at Grupo Aste Offices	20 minutes
	Longchamp	Kika Rivetti	22/05/2013	Face-to-face at Shopping Cidade Jardim	45 minutes
	Swarovski	Carla Assumpção	29/05/2013	Face-to-face at Swarovski Offices	30 minutes
	Tory Burch	Evelyse Brito	13/06/2013	Face-to-face at Café in Itaim Bibi	35 minutes