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NEW CHALLENGES IN THE LUXURY UNIVERSE:

An exploratory study of the concept of luxury experience in the Brazilian Market from the perspective of brands and consumers: a case study of Pati Piva.

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Knowledge: Management and Competitiveness in Global Companies.

Adviser: Servio Túlio Prado Junior

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“Cada sonho que você deixa para trás, é um pedaço do seu futuro que deixa de existir” - Steve Jobs

ABSTRACT

Luxury has evolved over the centuries; new challenges have created questions of appropriate strategies for brands. Experience and authenticity became important aspects in the field: consumers are enjoying more material comfort and there is a trend of a cultural shift for personal fulfillment and aspiration through experience. The biggest challenge for today's luxury marketers is to not only talk to the target, but to understand how the target is shifting, while not alienating consumers and damaging the brand's image.

Considering managers and consumers perspectives separately, it would be possible to conclude that their perceptions are congruent, as many studies have presented. However, if perspectives are put together and compared, different realities could emerge. This exploratory research is based on a case study that describes both perspectives of their perception on luxury experience, consumer behavior and consumption motivations, and luxury retailing. It was developed interviews with the brand owner and 10 brand's consumers, and also indirect observations in the brands distribution formats.

In the brand perspective, the case study has shown that luxury experience involves the construction of brand experience strategy based on products, multiple retail channels, consumer engagement, personal activity, exploration of five senses and other forms. In the consumer's perspective, results revealed that brand consumers interviewed have different luxury experience perceptions and expectations; however, what is common is that service and quality must be maintained and they reflected the overall experience. Additionally, luxury retailing influences directly the consumer's perception that must integrate multiple channels to fulfill personal demands.

The research makes contributions for both actors - brand and consumer, in the sense that translates theoretical concepts of the experience itself and tries to clarify aspects that are still unknown and explored through the exploration of ways to detect the alignment between brand and consumer expectations of the experience.

Keywords: Luxury Market, Luxury Experience, Experiential Marketing, Consumer Behavior, Consumption Motivations, Luxury Retailing.

RESUMO

O Mercado de luxo evoluiu ao longo dos séculos; novos desafios criaram questões de estratégias adequadas para as marcas. Experiência e autenticidade tornaram-se aspectos importantes no campo de estudo: os consumidores estão desfrutando de mais conforto material e há uma tendência de uma mudança cultural para a realização pessoal e aspiração através da experiência. O maior desafio para os profissionais de marketing de luxo de hoje não é só falar com o consumidor alvo, mas de entender como o alvo está mudando, sem alienar os consumidores e prejudicar a imagem da marca.

Considerando as perspectivas das marcas e dos consumidores separadamente, seria possível concluir que as percepções são congruentes, como muitos estudos têm apresentado. No entanto, se as perspectivas são colocadas juntas e comparadas, realidades diferentes poderiam surgir. Esta pesquisa exploratória é baseada em um estudo de caso que descreve ambas as perspectivas de sua percepção sobre a experiência de luxo, comportamento do consumidor e motivações de consumo, e varejo de luxo. Foram desenvolvidas entrevistas com o dono da marca e 10 consumidores da marca, e também observações indiretas nos formatos de distribuição da marca.

Na perspectiva da marca, o estudo de caso mostrou que a experiência de luxo envolve a construção da estratégia de experiência de marca com base em produtos, múltiplos canais de varejo, engajamento do consumidor, atividade pessoal, exploração dos cinco sentidos e outras formas. Na perspectiva dos consumidores, os resultados revelaram que os consumidores da marca têm diferentes percepções da experiência de luxo e expectativas; no entanto, o que é comum é que o serviço e qualidade devem ser mantidos e eles refletem a experiência como um todo. Além disso, os formatos de varejo de luxo influenciam diretamente a percepção dos consumidores, que devem integrar múltiplos canais para atender as demandas pessoais.

A pesquisa faz contribuições para ambos os atores - marca e consumidor, no sentido de que traduz conceitos teóricos da própria experiência e tenta esclarecer aspectos ainda desconhecidos, e explora formas de detectar o alinhamento entre as expectativas da experiência das marcas e dos consumidores.

Palavras-chave: Mercado de Luxo, experiência de luxo, Marketing Experiencial, comportamento do consumidor, motivações de Consumo, Varejo de Luxo.

LIST OF ILLUSTRATIONS

FIGURES

Figure 1 - Pati Piva Products	68
Figure 2 - Presentation of Product's Packages	96
Figure 3 - Table Disposition in Oscar Freire Store.....	100
Figure 4 - Product's Presentation in the Counter.....	100
Figure 5 - Shopping Higienópolis Counter and Shelve Disposition.....	100

TABLES

Table 1 - The Evolution of the Luxury Segment	21
Table 2 - Components of Research Project.....	54
Table 3 - Interview's Consumer Profile.....	60
Table 4 - Case Study – Result Analysis Structure	71

EXHIBITS

Exhibit 1 - Experience Realms Model	32
Exhibit 2 - Distribution Formats	49
Exhibit 3 - Model Developed for the Case Study Investigation	62

TABLE OF CONTENT

1 INTRODUCTION.....	13
2 LITERATURE REVIEW.....	19
2.1 Luxury Market.....	19
2.1.1 Definition of Luxury.....	19
2.1.2 The Evolution of the Luxury Market.....	20
2.1.2.1 First Phase.....	21
2.1.2.2 Second Phase.....	22
2.1.2.3 Third Phase.....	22
2.1.2.4 Fourth Phase.....	24
2.1.3 The Brazilian Luxury Market.....	26
2.2 Experience.....	28
2.2.1 Definition of Experience.....	29
2.2.2 The Experience Economy: Creating, Engaging and Enriching Experiences.....	30
2.2.3 The model (Experience Realms) Applied in Luxury.....	33
2.2.4 Luxury Experience.....	35
2.3 Consumption and Consumers in Luxury.....	37
2.3.1 Consumption Motivations.....	39
2.3.2 Luxury Consumption.....	41
2.3.3 Today's Luxury Consumer.....	42
2.3.4 Today's Luxury Segmentation.....	43
2.4 Contextualizing Luxury Retail.....	45
2.4.1 Definition of Luxury Retailing.....	46
2.4.2 Distribution formats in Luxury.....	48
3 METHODOLOGY.....	52
3.1 The choice of an Qualitative and Exploratory Research based on a Case Study.....	52
3.2 Design of a Case Study and Procedures.....	56
3.3 Participants – Sample and Selection Criteria.....	58
3.4 Data Analysis.....	60
4 MODEL DEVELOPED FOR THE CASE STUDY INVESTIGATION.....	62
4.1 Experiential Marketing.....	62
4.2 Consumer Behavior and Consumption Motivations.....	63
4.3 Retail.....	65

5 CASE STUDY	67
5.1 Pati Piva History.....	68
5.2 Pati Piva Business Model: Consumer at First Place.....	69
5.3 Luxury Pastry Segment in Brazil	70
6 ANALYSIS AND RESULTS.....	71
6.1 Experience	72
6.1.1 Luxury Experience	72
6.1.2 Luxury Brand Significance.....	74
6.1.3 Creation Process	75
6.1.3.1 Consumer Engagement Perception	76
6.1.3.2 Personal Activity.....	77
6.1.3.3 Experience Realm Model.....	78
6.1.4 Buying Experience	80
6.1.5 Luxury Experience Requirements	82
6.1.5.1 Exclusivity	83
6.1.5.2 Connection of Environment Relationship.....	83
6.1.6 Experience Based Marketing.....	85
6.1.6.1 Interactivity	85
6.1.6.2 Connectivity.....	86
6.1.6.3 Creativity.....	86
6.2 Consumer Behavior and Consumption Motivations	88
6.2.1 Consumer Behavior Preferences Based on Profiles	89
6.2.1.1 Product: Emotions When Choosing and Buying	90
6.2.1.2 Brand Identification	91
6.2.2 Consumption Motivations	91
6.2.2.1 Motivations Based on Brand Perception.....	91
6.2.2.2 Hedonic: Self-Interest	92
6.2.2.3 Conspicuous: Status	93
6.3 Retail	94
6.3.1 Dimensions of Shopping Experience in Stores	95
6.3.2 Retail Strategizing	96
6.3.2.1 Localization.....	97
6.3.2.2 Display and Layout.....	98
6.3.2.3 Multisensory Experience.....	101

6.3.2.4 Merchandizing	102
6.3.2.5 Distribution Formats	102
7 CONCLUSIONS AND LIMITATIONS	106
7.1 Study Implications.....	108
7.2 Study Limitations and Future Study Suggestions	109
REFERENCES.....	110
APPENDIX.....	116
APPENDIX A: INTERVIEW GUIDE (BRAND OWNER):.....	116
APPENDIX B: INTERVIEW GUIDE: CONSUMERS.....	119
APPENDIX C: STORE SCRIPT EVALUATION.....	121

1 INTRODUCTION

The luxury market has evolved radically over the centuries. In 2012, the global luxury goods sales exceeded US\$302 billion (Euromonitor, *Luxury goods and global trends*, 2012). The sector represents an important driver of the global economy. Moreover, in 2012 luxury consumers over the world spent US\$5.8 billion a week on luxury goods (Euromonitor, *Luxury goods and global trends*, 2012). In the new luxury universe, luxury brands have to face new challenges: marketing become important and brands have to create strategic movements to achieve consumer's demands. For all brands, this scenario brought a real challenge of how to succeed into this new environment, while maintaining their prestigious.

As Chang and Hong (2010) explain, luxury is changing across time and cultures, the authors believe that now people foster for personal fulfillment to satisfy psychic and personal needs, and aspiration experience. In that sense, the concept of experience emerged in the segment as a strategic mechanism of engaging consumers. In their study of conceptualizing and measuring experience quality, it is presented that consumers, managers, and scholars have become aware of the importance of experiences. However, each actor has its own perspective and most of the time they differ from each other; what creates questions to the development of a good experience.

As stated by the authors, for consumers, the experience is directly connected and provided by stores; in such environments consumers are willing to pay for higher prices that justify the experience. On the other hand, for brand managers, experiences is directly linked to products, which brands put great efforts to be creative, well managed and sell driven. For academic researchers, experiences are considered as distinct economic offerings that are different from goods and services (Pine & Gilmore, 2011). The authors have reached that conclusion based on their definition of experience quality as the consumers' emotional judgment about an entire experience with an elaborately designed service setting (Chang & Horng, 2010).

Even though the concept of experience has been strongly explored (Atwal & Williams 2007,2009; Pine & Gilmore 1998,2011; Kapferer & Bastien 2009; Petkus 2002), very few studies have investigated the consumer's perceptions of experience in connection to the managers perception (Chang & Horng, 2010). Most of the researches consider the perspective of the brand managers or the consumer's habits separately, through observation methods that

are presented in the literature review chapter. Studies that consider both perspectives have not been well explored; there is a gap in the interaction of both perspectives.

Seeing the different perspectives that has been explored and discovered, the present study aims to explore the field of luxury experience in the specific case of Brazilian Pastry luxury market by answering the following question: *Which are the possible different perceptions that brands and consumers have of the luxury consumption experience?* The study presents an exploratory methodology based on a case study investigation. The objective is to understand how is the luxury experience noticed by consumers and also transmitted by brands based on three segments: (1) marketing experience, (2) consumer profile that analysis behavior of consumers and their consumption motivations, and (3) retailing.

The goal of exploring this field is to make a contribution to luxury brands to analyze, if they are delivering what consumers expect and want to experience. Therefore, the research involves the exploration of the concept of luxury experience, by trying to understand what is the real luxury experience, how is been implemented, and if there is any specific strategy for its development in the Brazilian luxury market. Luxury goods market in Brazil valued in 2010 R\$13 billion (US\$7 billion) and it is one of the fastest growing luxury markets (Euromonitor, Brazil: Spotlight on Key Market Trends in Luxury Goods, 2011). In actual terms, luxury market value in Brazil increased by R\$4.2 billion (US\$2.3 billion) placing it in fourth position (Euromonitor, Brazil: Spotlight on Key Market Trends in Luxury Goods, 2011).

The rationale of this study is based on the literature that has been developed of luxury experience, which was researched by many areas, such as marketing, consumer behavior considering consumption motivations preferences and retailing. The study was developed in the Brazilian luxury market, more precisely in the city of São Paulo, which represents 70% of the domestic luxury consumption (Cox, 2012).

To achieve the objective proposed, it was aimed to develop a better understanding of how luxury brands define the concept of luxury experience, and how they create and develop their actions, in order to deliver the service to consumers. At the same time, it was investigated a deeper perception of what is luxury experience for consumers, how they perceive the action and enjoy the experience. Moreover, in the consumer perspective, it was investigated a better understanding of how the consumers develop their consumption desires and behaviors, and

the different motivations that are behind these desires. In that sense, even before investigating what a luxury experience is for them, it was explored a deeper perception of what creates and motivates the necessity of this purchase and how consumers perceive the whole experience through their emotions and desires.

The research is structured into six chapters: (1) literature review, (2) methodology, (3) model developed for the case study, (4) case study, (5) analysis and results and (6) conclusion and limitations. The literature review is divided into four sessions – luxury market, experience, consumer and consumption in luxury and luxury retail. The first session provides an overview of the definition of luxury, the evolution of the luxury market and an introduction of the Brazilian luxury market. In sequence, it is presented the definition of experience, marketing experiential and luxury experience. In the third session, it is explored consumption motivations, luxury consumption and luxury consumer profile and segmentation. And, in the last session, it is presented the definition of luxury retailing and distribution formats in luxury.

The methodology is a qualitative and exploratory research based on a case study, which is appropriated to better understand and improve a specific topic, and enables the flexibility of the research process (Malhotra, 2010). The chapter provides the definition of the case study design and procedures adopted; five components integrate the research project: (1) exploration of the research question; (2) assumptions that are based on the review of the literature including experiential marketing, consumer and consumption and luxury retailing; (3) unit of analysis that is the luxury experience in the pastry segment; (4) connection of data and assumptions based on the theoretical model developed and multiple sources, including documents, interviews, and direct and indirect observations, and finally; (5) criteria's to interpret the findings that include theoretical prepositions to develop the case description by using qualitative and quantitative data (Yin, 2010). Lastly, it is defined the sample and selection criteria and the data analysis method chosen, which include interviews with the brand manager and also consumers.

The next chapter presents the model developed for the case study investigation, which includes three variables: experiential marketing, consumer profile considering the behavior and consumption motivations, and retail. The exploration and investigation of the content is

based on multiple statements of relevant authors presented in the literature review chapter, which have developed important studies with valid contribution for the area.

In sequence, it is provided an introduction of the case that was studied including the history of the brand, the business model and the contextualization of the pastry segment in Brazil. For the selection of the brand for the study, it was considered the elements of the luxury definition provided by several authors. According to Chevalier and Mazzalovo (2008), to be considered in the luxury universe a brand must satisfy three elements: it must have a strong artistic element, it must be the result of craftsmanship and it must have a global brand reputation. Pati Piva satisfies those three elements; all products have an artistic element differentiation and are all tailor-made. Additionally, the brand is known internationally, although it does not have business abroad.

As stated by Kapfner and Bastien (2009), luxury means exclusivity and rarity. The luxury market is a very close and elitist sector, which just a small portion of the society can reach its goods. Pati Piva has created its own Atelier that transmits exclusive access channel that only few consumers can reach and afford it. Even though the brand has shopping center stores; the business Atelier transmits the ideology of a luxury brand. And lastly, as the authors argue, luxury can be defined by a social stratification, in which consumers have high expectations and demand for a unique and exclusive product and/or service. In that sense, Pati Piva products are unique and exclusive; they are developed according to each consumer demand, as it will be detailed in the chapter of the case study.

The chapter of analysis and results is presented in the same structure of the business model developed for the case analyzed by three perspectives: brand, consumers and researcher. For the brand's perspective analysis, it was considered the interviews with the brand owner that reflects the brand position, and multiple documents sources including brand website and electronic newspapers. For the consumer's perspective, 4 in-depth and semi-structure interviews were analyzed and also 6 questionnaires answered by the consumers. And lastly, in the researcher perspective, indirect observation of the consumer and brand behavior were considered, and also the visits made to the stores and the brand *Atelier*.

In the findings, it was observed that variations in the definitions of luxury experience of each participant may result in different behaviors of consumption. Considering brand significance, the brand consumers interviewed are concerned not only with quality, but also with

sophistication of the ambient, the packages and the presentation of the products (Pine & Gilmore, 2011). The environment influences the consumer's perception and willingness of participating in the process (Kapferer & Bastien, 2009). Additionally, there is an evident differentiation of the personal activity creation process in the different distribution formats of the brand. In luxury experience, the exploration of the concept of exclusivity exposed that it creates differentiation and aggregates value to the product, which justifies the higher price (Atwal & Williams, 2009). Interaction with consumers is necessary, because the brand has different and exotic products. Connectivity aggregates value to the product and creativity justifies the higher price of a luxury product (Dubois & Duquese, 1993).

Regarding consumer behavior and consumption motivations, the brand consumers interviewed are more concerned with their self-pleasure, than social status (Hirschman & Holbrook, 1982; Veblen, 1899). Brand identification and product preference are key factors in the decision making process of the brand consumers, when purchasing luxury goods of the brand (Berger & Ward, 2010; Kirmani, 2009). Additionally, different elements such as differentiation, high quality, nice design and presentation, exclusivity, strong image, reorganization, well-being sentiment, beauty and sophistication influence and create the identification sentiment among consumers. And lastly, environment influences the brand consumer's perception and drives their motivations (Dubois & Duquese, 1993).

In luxury retailing, for the brand consumers interviewed the most important and relevant aspects are service (Partners, 2006) and environment (Bodamen, 2010). It is highly valued the visual and design of the products and its dispositions in the stores of the brand (Kapferer & Bastien, 2009). Indeed, retail strategizing became an important tool for luxury brands, when creating luxury experience (Quintavalle, 2012), the case study has presented that retail strategy is presented in the daily activity of the brand. Additionally, the different retail formats of the brand are directly connected to the brand image as a creation tool of communication, which transmits sophistication and high quality. In retail strategizing, location is directly connected to the brand proposition; the stores must create and transmit the correct brand image (Manning & Bodine, 2012). Layout and display are responsible for influencing consumer's choice, because product presentation, disposition, colors and organizations are strongly noticed by the brand consumers interviewed. In multisensory experiences, the five senses are extremely important for the brand consumers, the experience starts long before the actual taste of a product. On the other hand, merchandizing does not play an important role in the consumer's opinion, because the brand is luxurious, so, it should

not create merchandize; the brand itself has the strangeness of creating brand image without displaying merchandize in stores. And lastly, considering distribution formats, multiple channels create more accessibility without harming the brand image (Dion & Arnould, 2001; Chevalier & Mazzalovo, 2008).

The last chapter presents the conclusion, implications and limitations that the research has reached. The findings of this study raised additional questions that provide opportunities for future research. Regarding luxury experience, a deeper exploration of brand significance could provide different methods and perspectives of value perception in the experience creation process. Moreover, in the consumer's profile perspective, it would be interesting to explore the new consumer segment noticed in the field of corporate demands. Luxury Pastry segment is still in its infancy in the present scenario, future studies could explore the evolution of the consumers and brand perception. Additionally, future studies could try to understand the reason that motivates consumers to purchase luxury products from particular brands due to their perception of the luxury experience.

Considering the limitations of the research, the choice of a specific case study may result in a distinct behavior observed in other segments and ages that consume luxury brands. The perception of luxury experience, consumer behavior and luxury retail may vary, if other consumers were chosen. Due to the fact that the interviewees are limited to a particular segment of the São Paulo society – upper middle classes, the results may present the opinion of a small cluster of the society that belongs to the luxury segment.

2 LITERATURE REVIEW

In order to study and explore the luxury market, the literature review will cover the principles of the luxury market including the definition of luxury, the evolution of the market and the Brazilian luxury market development and main characteristics. After giving the panorama of the luxury universe, it will be presented theoretical concepts, which are relevant and have impact in the analysis of the subject: the concept of marketing experience, followed by the definition of consumption used by several authors from this field, then, it is explored the consumer profile of luxury consumers and how is segmented by different authors. And finally, it is presented an overview of the concept of luxury retailing, which introduces the different distribution channels strategies that have been used by luxury brands.

2.1 Luxury Market

2.1.1 Definition of Luxury

Definitions of luxury have been presented by different authors (Kapferer & Bastien, 2009; Chevalier & Mazzalovo, 2008), however, they vary from one to another. The variation is due to the different focus that each author approaches, in order to specify some particular aspect and to defend its arguments. As Ghosh & Varshney (2013) argue, the concept of luxury is quite complex and has specific context. In one perspective, some authors have attempted to explain the reason of the existence of luxury, suggesting that they serve the necessary purpose of recreating social stratification in modern democratic societies, because individuals fundamentally need to know their “place in society” (Kapferer & Bastien, 2009).

The present study analyzes some definitions that are relevant to the content, which are explored along this material. A definition provided by Chevalier and Mazzalovo (2008) suggests that luxury has to satisfy three criterias: it must have a strong artistic element, it must be the result of craftsmanship and it must have a global brand reputation. In another perspective, Kapfner and Bastien (2009) define luxury as the conversion of “the raw material that is money into a culturally sophisticated product that is social stratification” (p.4).

In a more deeply conceptualization, Kapfner and Bastien (2009) have developed their own definition for luxury, as the following:

“Luxury is qualitative and not quantitative: the number of diamonds in a necklace is an indication of the opulence of the wearer, but says nothing about his taste. Also, when it comes to luxury, hedonism

takes precedence over functionality: this is a major distinction with premium brands. Luxury is closer to Art, than to mere function. It has to be multi-sensory and experiential : it is not only the appearance of a Porsche that matters, but also the sound of it; not only the odor of a perfume, but also the beauty of the bottle it comes in. It is a multi-sensory compression. Luxury being a social phenomenon, and society being composed of human beings, luxury, whether object or service must have a strong human content and must be of human origin” (p.5).

By analyzing the definition proposed by the authors, luxury means exclusivity and rarity. The luxury market is a very close and elitist sector, which just a small portion of the society can reach its goods. Even more, luxury involves the experience perceived by consumers, which demands more than just a product; it is necessary to create a value beyond the functionality of the goods. Thereby, luxury can be defined by a social stratification, in which consumers have high expectations and demand for a unique and exclusive product and/or service.

As Chevalier and Mazzalovo (2008) observed, the traditional definition of a luxury brand was one that was selective and exclusive that creates desirable attributes of being scarce, sophisticated and in good taste. The scarcity and aristocratic dimension of these brands went hand to hand with lofty price tag, making them inaccessible to most people.

As luxury started to be recognized as an industry and not restricted to the elite class (Ghosh & Varshney, 2013), its market was classified and divided into different sectors. According to The European Cultural Creative Industries Alliance (ECCIA, 2012) the luxury industry is currently divided into the following sectors: (1) Watches & Jewelry, (2) Fashion, (3) Perfumes & Cosmetics, (4) Accessories, (5) Leather Goods, (6) Gastronomy, (7) Furniture & Furnishing, (9) Design Household Equipment, (10) Cars, (11) Yachts, (12) Wines & Spirits, (13) Hotels and Leisure Experience, (14) Retail and Auction Houses, and (15) Publishing.

In order to understand the luxury market, it is also necessary to study the evolution of the market, so, then, it can be clear how the market and the brands create their strategies and work nowadays. After analyzing the evolution and main characteristics of the luxury market of today, it is explored the luxury market on the specific country, Brazil, which is the focus of this research.

2.1.2 The Evolution of the Luxury Market

According to Kapfner and Bastien (2009), the luxury industry can be defined by four sequential phases. The evolution is a result of the development of the markets through the

centuries. First, the traditional luxury industry, in its beginning, was defined by high quality products developed to the high hierarchy from Western Europe up to the 18th century. Then, in the second phase, the Haute Couture was created by a high-end fashion segment in the 19th century, mostly presented in France by that time. Subsequently, the next phase occurred by the end of the 20th century, when it was introduced the concept of democratization of luxury, and the potential of new markets. And lastly, there was the 21st century turnover, characterized by a whole new luxury segment internationalized, which defines the fourth phase. Below, Table 1 illustrates the four phases of the luxury segment.

The Evolution of the Luxury Segment			
<i>Phase 1</i>	<i>Phase 2</i>	<i>Phase 3</i>	<i>Phase 4</i>
Traditional Luxury	Haute Couture	Democratization of Luxury	Internationalization of Luxury
Up to the 18th Century	19th Century	20th Century	21st Century

Table 1 - The Evolution of the Luxury Segment

Source: Own elaboration

The four phases is illustrated by Berry (1994), who has exposed his chronological perspective of the luxury industry as the following:

“From a historical perspective, the fact that the desire for luxury goods can be assumed to be innocuous is a point of considerable significance. From the Greeks onwards, luxury had always been associated with desire but, up until the eighteenth century, this association had been deemed pernicious and harmful. While an important evaluative change occurred at that time, a morally censorious attitude towards luxury persisted throughout the nineteenth century, attaining a prominent place in France in the last decade of the century and echoes can be heard in some aspects of contemporary cultural criticism.”

Thereby, in order to understand and contextualize the evolution of the market, the following subsections present the main characteristics of each phase, and contribute to the creation of what is luxury today and how it is explored by different markets.

2.1.2.1 First Phase

The first phase of the luxury industry was defined by the traditional and essential luxury. According to Kapfner and Bastien (2009), “the traditional luxury was originally the visible result – deliberately conspicuous and ostentatious – of hereditary social stratification (kings,

priests and the nobility, versus the gentry and commoners)” (p.3). Aristocrats had to show their inherited rank to the crowds: ostentatious spending was a social obligation for the aristocrats, even the least well off. On the other hand, social distance was preserved: the rich Bourgeois were not allowed to dress like aristocrats. This was forbidden by royal rules (sumptuary laws). In that sense, the old and traditional luxury was defined by the heritage and has a presence over several centuries up to the 18th century.

2.1.2.2 Second Phase

On the second phase, luxury kept its traditionalism, although captured a larger range of consumers that belonged to the high hierarchy. This slowly transition was due to the social changes that society was facing by that time. The imperialistic world - defined by a period of superior ideas and dominant practices that was developed by the extensions of authority and control of one states over another (Gregory et. al, 2009) - was being substituted to a new form of society. Bourgeois started to be recognized as a class that could create stratification from the bottom of the pyramid, but not until the 20th century this changed has fully occurred. Kapfner and Bastien (2009) define this turnover in the society as the following:

“Eighteenth-century rational thought and enlightenment philosophy resulted in the gradual disappearance of the founding myths that gave legitimacy to this social structure, and led to our present-day western society. Globalization is inexorably conquering the world, that is to say, a materialistic and fluid society in which any kind of transcendent social stratification has disappeared. Meritocracy has been substituted with aristocracy. Each person in a democratic world has even chances of succeeding: one makes one`s own destiny through work. This has much more fluid and open world. Some people even speak of classless societies” (p.3).

At the same time, it emerged the diffusion of the Haute Couture. The concept of Haute Couture was created in France and referred to the creation of exclusive custom-fitted clothing. Haute Couture is fashion that is constructed by hand from the start to finish, made from high quality, expensive, unusual fabric, with extreme details and finished by the most experienced and capable techniques. In other words, the introduction of Haute Couture in the luxury industry diffused the concept of fashion into the industry, but with high selective manners.

2.1.2.3 Third Phase

Over the 20th century, the French fashion sector presented a gradually change from a home-made world with a large knowledge to an activity of mass production to address a wider

market (Jollant-Kneebone & Braunstein, 2003). However, it was in the beginning of the 1990s that the luxury industry have been redefined and reoriented: designers and fashion designers became art directors (Hoffmann & Coste-Manière, 2012). The success of the luxury market in the 20th century was due in part to the creation of a new social class, the modern bourgeoisie, which, by that time, was totally recognized by the social stratification. The rise of the new social class brought a new market, which have never been explored.

Three main factors have created the new environment for the luxury market: the development of new social classes, the introduction of pure capitalism and the rise of democratic States. According to Jollant-Kneebone and Braunstein (2003), until the end of the 1980's, luxury brands were not a company, but a close universe of personal and unreachable boutiques. These houses had regular consumers and the world of luxury was a closed and very elitist universe; however this environment has changed with the arrival of large luxury groups such as Kering, Prada and LVMH - Moët Hennessy Louis Vuitton.

The revolution in the end of the 80ths introduced a new luxury market almost beyond recognition, when compared to the traditional luxury. The narrow range of consumer-targeted and the exclusive-distribution channels have been replaced by stretching of the brand to appeal to new markets and to be affordable by a wider range of consumers (Hoffmann & Coste-Manière, 2012). This scenario brought the biggest turnover to the sector and introduced the third phase of the segment; the whole concept of luxury was put into challenge.

Luxury industry tried to define strategies of integration. The industrialists no longer adopted an approach directly linked to luxury, but followed instead a commercial and industrial logic. Marketing became the dominant notion with the concept of large-scale production. Moreover, the luxury industry underwent a process of industrial standardization, and the luxury product became a product like any other.

New segments started to emerge into the luxury environment: the arts of fashion and perfume henceforth entered the industry of mass consumption, a concept that became justifiable in the sector (Hoffmann & Coste-Manière, 2012). This trend created a whole new meaning for the luxury term: a division between the traditional luxury consumer - created in the French society centuries ago, and the new consumer that emerged from the shift of the values and hierarchical levels of the modern society.

The revolution brought the creation of new markets and opportunities which resulted in the internationalization of the luxury industry. There was a huge potential of growth in the emerging countries during the 90's. The big brands had enough weight to support country risk and take advantage of this growth. However, it was necessary to pay off, on a wide base, the investments of the collection and the development of the concepts of product and distribution. The necessary investments to develop and manage concepts that could create some value in the luxury were no longer enough to compete only in one country.

As Hoffmann and Coste-Manière (2012) commented, the emergence of a new consumer with high purchasing power was also a determining factor of the growth of the luxury sector in the international trade, it helped boost sale. Thereby, the 1990's and the arrival of new markets gave to the industry incredible new opportunities of development and success, shifting away from the traditional concept and management of the luxury industry, which was highly differentiated, exclusive, and limited consumers' niches and markets.

2.1.2.4 Fourth Phase

The fourth phase came with the new century - the 21st century. It brought new challenges to the luxury industry, which enhanced the necessity of adaptations and changes. The whole concept of luxury was changing, both anticipating and following the constant shift of consumers dreams, needs and desires. The biggest challenge imposed to the brands was linked directly the consumers' needs. Luxury brands had to be more competitive, while maintaining their values, extending their ranges, refreshing, stretching and offering more affordable products for the upper-market (Hoffmann & Coste-Manière, 2012). In order to do that, companies have expanded with new names and new horizons, it was introduced the concept of internationalization of the luxury segment.

To keep pace with the radical changes in the concept of luxury, luxury brands had to be more competitive, innovative and aware of consumers' slightest needs, dreams and desires (Kapfner & Bastien, 2009). Brand stretching, as personal incomes rose, made luxury marketers able to offer less luxurious product lines at more reasonable price. According to Hoffmann and Coste-Manière (2012), different categories of brands have been introduced such as "premium brands", "niche brands", "creators brand", "top of the range brands", "luxury sewing". The diversity of categories brought to the brand a problem with their identity and positioning. Consumers no longer could understand deeply the brands values,

mainly due to the expansion of the niche target; it emerged the concept of luxury democratization through internationalization.

The democratization of luxury was pointed out as the recreation of luxury in some degree of social stratification and recreated the definition of luxury: the sophistication has remained, but the selectivity was less apparent (Kapfner & Bastien, 2009). Democratization created accessibility and in that phase, there were two sorts of luxury: the inaccessible and the mass. The factors that bound them were an additional creative and emotional value for the consumer and the promise of quality. The democratization of luxury illustrates the increasing number of people that could afford a couple of designer pieces without becoming regular consumers, often because they cannot afford. These new irregular market opened the door for brands to develop products which could satisfy their desires that was affordable. Here the concept of entry products and collections was introduced in the luxury market. Therefore, the clientele of the luxury today is very heterogeneous.

This democratization is illustrated by Silverstein and Fiske (2003) on the basis of three types of goods: accessible superpremium, old-luxury brand extensions; and mass prestige or masstige. The first category, accessible superpremium, includes products which are the most expensive ones in their categories, but affordable by middle market consumers; these are low ticket items, and as labeled by Kapfner and Bastien (2009) as entry products. The second category, old-luxury brand extensions, is defined by brands that have lower priced version of goods and have traditionally been affordable only by the riches. The strategy created here is based on brand extension to attract more people. And the third category, mass prestige or masstige, it is far from being the highest-priced product in the category. This is a mix between mass and class, there are less expensive than superpremium goods, which allows a wider access to luxury goods and all brands, to reach a maximum number of consumers who are generally nicknamed the “luxury tourists”.

In another perspective, Allèrés (2000) also defines the three categories of luxury in this phase. First, there is the inaccessible luxury, which represents the maximum excellence, products with high quality, extreme rare and with an artesian method of production. This first category is closed to the tradition definition of luxury goods. On those goods it is valued the forms, colors, design, craftsman produce and origin of the products.

Second, there is the intermediate luxury, although the products still have high quality they are less exclusive and the production and material are not very sophisticated. Those products are known as “trends products”, they are not traditional and they follow the new tendencies of the market. It is possible to associate those products to the first change of the luxury industry, when luxury products became more accessible, but still with some restraints.

Third, the author defines the last category as accessible luxury: the products are rapidly manufactured, they demand fewer hours to be confectioned and the materials used in the process are not of high quality. Those products are defined by the logic of continued manufacture process, in other words, scale products. In association with the evolution of luxury, this category illustrates the democratizations of the luxury goods. It is easier for brands to enter these markets, there are low entry barriers and the investments are also low; this category has created a competitive market niche.

In that sense, the introduction of new categories of luxury brought a new concept to the definition of luxury. While the old luxury is defined by its prestige, heritage and uniqueness, the new luxury industry offers goods that are fresh and unexpected; introducing the appealing side of the market and attracting consumers that are particularly young and fashion-conscious. Moreover, the fact that luxury brands have moved into emerging markets has also contributed to the diversification of the luxury consumer profile. The consumer has become more casual and particularly more diverse in terms of culture and preferences. Not only had the emerging markets become new entry markets of luxury brands, but the world as a whole justify by the new international marketing strategy. In conclusion, new markets have emerged and culture, geographic and demographic forces became the shapers of the new luxury brand universe, which developed new products and marketing practices.

2.1.3 The Brazilian Luxury Market

Brazil is a country which has developed a real luxury culture. This culture has created a group of consumers with high discernment. Brazilians are resilient, dynamic, energetic and impulsive, with high future oriented culture of appearance and image (Hoffmann & Cost-Manière, 2013). Brazilians, like many young populations around the globe, are crazy about pleasure and entertainment. Additionally, when dealing with products, Brazilians expect exclusive limited editions products.

Because of the stabilization of the currency with the “Plano Real” – economic program to control hyperinflation and currency - the economy boom in the 1990’s and the opening to international market (Hoffmann & Cost-Manière, 2013), Brazil has become an attractive destination of different markets, and luxury brands were no exceptions. By that time, the Brazilian market was already considered the second best emerging market, only behind the Asian market (Euromonitor, 2013).

Nowadays, Brazil has become a key market for major luxury goods companies (Euromonitor, 2013). Currently, the country is the 6th largest economy in the world (World Bank, 2013). The purchase power of the population has increased substantially in the last years. The sector of consumption is receiving a huge attention from investors and foreigner companies. Luxury goods market in Brazil valued in 2010 R\$13 billion (US\$7 billion) and it is one of the fastest growing luxury markets (Euromonitor, 2011). Between 2005 and 2010, the luxury goods market in Brazil increased by 19% in real terms, making it the sixth fastest growing market among the 26 countries covered by Euromonitor research of 2011. In actual terms, luxury market value in Brazil increased by R\$4.2 billion (US\$2.3 billion) placing it in fourth position (Euromonitor, 2011).

Despite the rapid growth witnessed over the last years, the Brazilian luxury market is still in its infancy compared to more traditional luxury markets. Consumer demand for luxury in the country is very different, when compared to other emerging markets, such as China, India and Mexico, where luxury goods are purchased mainly for ostentation (Euromonitor, 2011). According to this research, Brazilian consumers search mainly for an experience and quality when purchasing luxury brands. Additionally, brand heritage and authenticity also play an important role. The fact that luxury brands have moved into emerging countries has also contributed to the diversification of the luxury consumer profile (Hoffmann & Coste-Manière, 2013): the consumer has become more casual and, particularly, more diverse in terms of culture (Hoffmann & Coste-Manière, 2012).

The luxury perception of consumers all around the world is no longer what it used to be, it has evolved through the decades due to the constant shift of mind thinking based on culture and geographic values (Ghosh & Varshney, 2013). Today consumers buy luxury products and services for different reasons (Hoffmann & Coste-Manière, 2012) such as to impress others, self-direct pleasure, self-gift giving and for quality. Additionally, Hoffmann and Coste-Manière (2013) argue that consumers in emerging markets are becoming more

discerning and they are progressively raising their standards for quality and service, and looking more for luxury experiences.

Focusing on the specificities of Brazilians consumers, they are very status conscious and aspire to own high quality products (Euromonitor, 2011). Consumption of these products come from individuals on higher incomes, a group that has increased in number and purchasing power over the years, as a result of the opportunities available to highly educated people in the Brazilian economy. These consumers are likely to express an increasing preference for European luxury brands over other luxury brands.

On the other hand, there is another class that is emerging in the country: the new middle class. In 2012, this class represented more than 52% of the population (Euromonitor, 2012). The emerging middle class has triggered investment in luxury Shopping Centers. They are classified as new aspirants of luxury goods and preferably buy luxury accessories, which are more affordable. Although upper income groups A and B comprise the majority of shopping mall patrons, with a share of 74%, according to Abrasce (Brazilian Shopping Centers Association), class C consumers have also begun to attract the attention of investors in such developments (Euromonitor, 2011). The new middle class has an appetite for consumption, and increasingly seeks products generally available only to higher income groups, as a way of demonstrating status.

Hereby, conceptualizations of luxury are typically derived from a consumption perspective (Fionda & Moore, 2009). So, the luxury sector is directly linked to the purchase power of the population and it is a good measure of the development of the demand for luxury goods from the world population itself. Therefore, the importance of the analysis of this activity is to understand how are the current Brazilians consumption trends and values, and the level of purchasing power of the society.

2.2 Experience

Experiential marketing is a new concept that emerged in a different perspective from traditional marketing. In experiential marketing, consumer is at the center. According to Atwal and Williams (2009), the concept has emerged in the postmodern society era, previously defined, and when it was created a new way of thinking that is not functional and/or rational. The authors characterize the postmodern consumer as “emotional beings concerned with achieving pleasurable experiences” (p.341). Experienced-based marketing emphasizes

interactivity, connectivity and creativity. Those consumers are immersed into the hyper-reality concept and the distortion of image - the hyper-reality concept is defined as confusion in the distinction of what is real and unreal, and image is related to signs which became more important than what they stand for (Atwal & Williams, 2009).

Before discussing the concept of experiential marketing and the different approaches in diverse industries, especially the luxury industry, it is necessary to explore the concept of experience itself, in order to understand how the new concept has emerged. In that sense, the concept of experience will be divided into three sessions: (1) how the concept of experience has emerged, and how it is defined by the main researchers from this field. In sequence, it is explored (2) the mechanism of engaging consumers and enriching their experience through actions and strategies, which provides a clear view of how the experiential marketing is developed by putting the consumer in the center position when strategizing. So, then, it is possible to analyze (3) the concept of luxury experience itself.

2.2.1 Definition of Experience

Pine and Gilmore (1998) are the authors who created the concept of experiential marketing. The authors explained that in experiential marketing, the consumer is at the center and when he/she buys an experience, he/she pays to spend time enjoying a series of memorable events. According to Atwal and Williams (2009), in marketing experience the offer of the product or service is the sum of tangible, physical and interactive actions. Thereby, it can be mentioned that the consumer has an important role in the whole process. According to Tsai (2005), consumers are involved in the whole process when the experience is created, and this is necessary, because it creates value.

According to Pine and Gilmore (2011), experiences have necessarily emerged to create new value and satisfy the personal desires of each consumer. Such experience offerings occur whenever a company intentionally uses services as the stage and goods as a tool to engage an individual. Experiences must be memorable: consumers value being engaged by what the company reveals over duration of time, and they spend on services/products to create way for more memorable and highly valued experiences.

In addition, experiences are created to fulfill personal needs; they occur within any individual who has been engaged on an emotional, physical, intellectual, or spiritual level. Each experience is unique and differently perceived by each consumer. Although, experiences

themselves lack tangibility, people greatly desire them, because the value of experiences lies within them, where it remains long afterward (Pine & Gilmore, 2011).

2.2.2 The Experience Economy: Creating, Engaging and Enriching Experiences

When Chang and Hong (2010) studied how to conceptualize and measure experience, they stated that for academic researchers, when considering the term of experience, it is necessary to consider distinct economic offerings by treating differently goods from services. This distinction is explored by the concept of experience economy. Experience economy is a concept developed by Pine & Gilmore (2011) that explicates why experience must be explored, when developing a relationship with consumer in social transactions. In other words, it is the development of the delivery process of products and services provided by companies to consumers.

The concept explored by Pine & Gilmore (2011) is characterized by four value-creating opportunities in the experience economy. First, concerning goods, more offerings should be mass customized. According to the authors, what is needed is not more production of physical goods, but more innovative methods for making those goods. Second, concerning services, more companies should direct their employees to act. In other words, companies need to consider how the employee's task are performed and, thereby, embrace theatre as a model for performance. Third, concerning experiences, more offerings should find ways to explicitly charge for time. According to the authors, what truly makes an experience a distinct economic offering, providing new sources of revenue growth, is requiring consumer to explicitly pay for the time they spend in places or events. And finally, more experiences should yield transformations. Transformations are the next step when offering experience, it is a customized service which fulfills the need of each individual, and in other words, it is a personalized activity.

As Atwal and Williams (2009) argue, creating interactive experience must translate the essence of a product that amplifies it into a set of tangible and physical experience, which reinforces the offer. In the process of creating an experience, it is necessary to think forward and create methods of engaging the consumers. The creation of an experience itself does not guarantee its success, the experience depends on the consumer perceptions, and, therefore, the engagement of them is crucial. Pine & Gilmore (2011) discuss that there are two methods of engaging experiences. The first comes in the form of emphasizing the role of co-creation

in the formation of experiences, and viewing the work as lacking sufficient appreciation for the role of guests in creating their own experiences. New experiences indeed prompt many consumers to want a more participatory role (Pine & Gilmore, 2011).

Second, in envisioning engaging experiences, it should be considered a multiplicity of dimensions. According to the authors, some dimensions should be considered when developing an experience based on consumer's engagement: multisensory nature of experiences that consumers notice and are able to interact when shopping; the level of personal meaningfulness that considers the relevance degree noticed by consumers; the way the experience is shared with others meaning that consumers interact during experiences and this is a relevant element which they value; the intensity and duration of experimental elements that measures the degree of complexity (or simplicity) of the experience perception; cultural considerations and national and local sensitivities and the prior life experiences of the consumers which defines differences between market and consumer profile.

When consumer is engaged in the experience, the next step can be developed, which is the enrichment of the act. According to Pine & Gilmore (2011), stating experiences are not about entertaining consumers, it is about engaging them. An experience engages the consumer in different levels and dimensions. Thereby, the process of engagement is essential, and adding the enrichment to that experience can rich another level. As Tsai (2005) argues, consumers are involved in the processes of both defining and creating value and the co-created experience of consumers became a basis of the process.

In the connection of engagement and enrichment, Pine & Gilmore (2011) developed a model that shows the experience realms. As Atwal and Williams (2009) discuss, "frameworks through which luxury marketers can strategically identify, enhance and deliver their offers have to be introduced to apply the principles of experiential marketing to their activities", (p.342). The model has two axes: the first dimension, which is the horizontal axis, corresponds to the level of consumer participation. The extremes of the axis are passive and active. When there is a passive participation, consumers are not directly affected or influence the performance. On the other hand, in the active participation consumers personally affect the performance or event that yields the experience.

The second (vertical) dimension of experience describes the kind of connection, or environmental relationship, that unites consumers with the event or performance (Pine &

Gilmore, 2011). The extremes of the axis include absorption and immersion. Absorption is defined by the person's occupancy attention by bringing the experience into the mind from a distance. Immersion is defined by the level of physically or virtually participation in the experience itself.

In other words, the two axes can be defined as "involvement" that refers to the level of interactivity between the supplier and the consumer, and "intensity" that refers to the perception of the strength of feeling towards the interaction. The Exhibit 1 below illustrates the model:

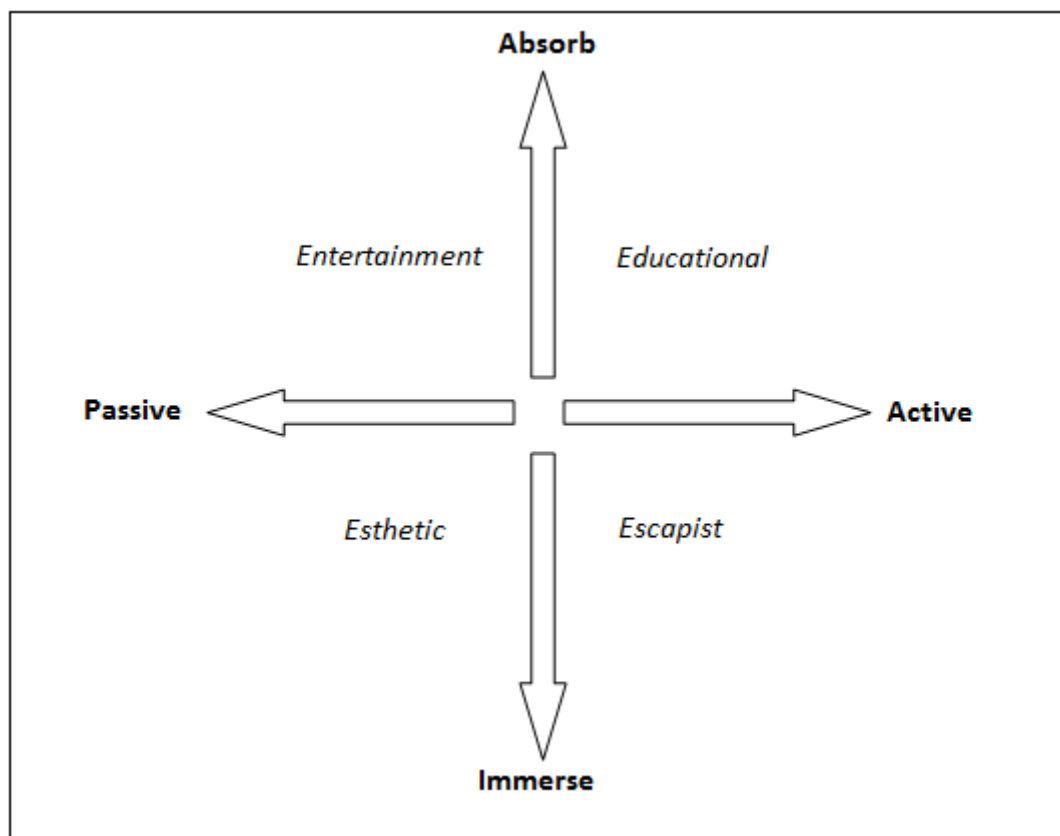


Exhibit 1 - Experience Realms Model

Source: Pine & Gilmore, 2011, p. 46

As the Exhibit 1 shows, there are four dimensions of experience that are identified by the brands, when they communicate themselves in various regions; the so called experience realms. These dimensions are based on the involvement and the intensity of the brand's communicational strategy. The four dimensions are: entertainment, esthetic, escapist, and educational.

Entertainment experiences are characterized by passive absorption through senses, as generally occurs when the consumer view a performance, listen to something or read for pleasure. In other words, in this kind of experience the five senses are truly explored as mechanism of engaging the consumer.

In esthetic experience, the consumer is immersed in an event or environment but have little or no effect on it, leaving the environment essentially untouched. This kind of experience is truly developed in places in which the consumer will appreciate what is stand on it, but the place itself will not affect the perception.

Escapist experiences involve much greater immersion than do entertainment or educational experiences. Actually, escapist is the opposite of pure entertainment, consumers that foster for this kind of experiences are completely immersed in them as actively involved participants.

Educational experiences are defined by experiences in which the consumer absorbs the events unfolding before him. Education involves the active participation of the individuals. In this experience events, companies need to inform the consumer and increase their knowledge or skills, it is necessary to engage the mind and the body of the consumers.

Summarizing, the dimension of entertainment focuses on the strategy to approach and attract the modern consumers of today. For instance, Shopping Centers illustrate the entertainment scenario; those places are associated to entertainment stages. Second, escapist is high on involvement as well as intensity. On the other hand, the dimension of esthetic is low in involvement and high on intensity. And lastly, the educational dimension comes into play when people are actively involved, but the intensity is low.

The four experiential zones are not intended to be mutually exclusive; the richness of an experience is, however, a function of the degree to which all four zones are incorporated (Atwal & Williams, 2009). The four dimensions illustrate how brands can create their experiences according to its objectives. Through the knowledge acquired of the possibilities of realms experiences, it is possible now to explore how experience are defined and developed in the luxury industry.

2.2.3 The model (Experience Realms) Applied in Luxury

The four dimension of the experience realms model presented before can be applied into the luxury industry, as it is discussed now. This section aims to illustrate how luxury brands can develop different approaches, when creating experiences.

First, in the quadrant of “entertainment experiences”, fashion shows at designer boutiques and up-market department stores are examples of how brands interact with its consumers. In this approach, there is a low degree of consumer involvement and intensiveness. Indeed, postmodern literature has consistently identified the cultural significance of Shopping Centers as entertainment (Atwal & Williams, 2009), which is the appropriated form of social interaction whose logic and experiential consequences are by no means a mere effort of retailing institutions (Miller, 1997). The key is to apply a more holistic approach, that is, to incorporate entertainment into areas outside the immediate experience, as discussed by Atwal and Williams (2009).

Secondly, the “educational experience” zone involves the participants in a high level, but the intensiveness is low; the participants acquire new skills or increase those they already have. Many luxury goods offerings include educational dimensions. For instance, cruise ships often employ well-known authorities to provide semi-formal lectures about their itineraries – a concept commonly referred to as “edutainment” (Atwal & Williams, 2009). In this quadrant, the strategy is to involve the consumer in a certain degree that they feel the experience, but the intensity of the activity does not represent a significant perception in their minds.

Subsequently, the dimension “escapist experiences”, there is a high involvement and intensiveness, something that is central in luxury consumption. For instance, activities within the luxury tourism and hospitality sector are characterized by the growth of specialized holiday offerings (Atwal & Williams, 2009). There is also a broader context, exclusive membership of organizations, associations and clubs that creates escapist experiences.

Lastly, in “aesthetic experiences”, there is a high degree of intensiveness, but it has little effect on the environment, such as admiring the architectural or interior design of designer boutiques. Most luxury goods activities are of an aesthetic nature, with consumers immersing themselves in the experience, but with little active participation (Atwal & Williams, 2009). For instance, flagship stores, that brands architecture in important locations, has become a showcase for unconventional contemporary architecture, and it seeks to engage visitors via all the senses (Atwal & Williams, 2009). The concept of flagship store is explored in the

section of retail, as a strategy dimension of distribution channels, which is the place where the experience is developed.

Other than the realm experience model, the luxury industry has developed other concepts and strategies that created the so called: “The luxury experience”. Thereby, the next session explores the concept that evolved in the conjunction of experimental marketing concept and the luxury sector; as a tool for the brands to develop strategic movements; and that is the subject main subject explored in the present research.

2.2.4 Luxury Experience

According to Atwal and Williams (2009), in luxury, goods are essentially experiential. However, the authors suggest that offering experience per se is different from offering experience that matters and creates value. Therefore, in experimental marketing in the luxury sector it is not sufficient to develop a sense of experience; other elements must be considered, in other to create significance to the act. In that sense, it is necessary to understand how luxury brands internalize the concept of experience into their activities and how it has evolved. So, now it is necessary to explore the evolution of the luxury experience.

As previous discussed, over a couple of decades, the concept of luxury has evolved radically. As income has risen, so have the demand for luxury, and this increased demand, from a far wider range of consumers, means that luxury has become more difficult to define. As it is no longer limited to an elite class, the price-quality dimension is not a sufficient criterion (Kapferer & Bastien, 2009). Today’s luxury consumers are less concerned than in the past with social status and prestige, and with the intrinsic ownership of the luxury item. Instead, they are more concerned by the whole luxury experience: an experience that includes innovative design, consistent quality and superior service over time. As Atwal and Williams (2009) define, in the consumer experience the focus is on proving “sensory, emotional, cognitive and relational values to the consumer” (p.345).

Nowadays, luxury is not about the brand or the product itself. Consumers, more than ever, foster for other elements, when entering this market. According to Stankevicture (2013), when developing innovative strategies, luxury requires substantially different considerations, including four main elements: experience, exclusivity, engagement and emotion. The authors discuss that “an indelible experience of exclusivity creates consumer’s engagement and

provides the emotion” (p.248). The emotion is the key element of luxury marketing, as the luxury clientele, capable of buying anything, looks for the emotion, when considering and choosing the brand.

The luxury experience is defined by the rareness and exclusivity that brands create to develop the industry (Kapferer & Bastien, 2009). In luxury, the experience can be explored through, for instance, the presentation of the product, through the moment lived in a store or through the creation of a desire or dream. Because luxury brands have always dominated the consumer relationship by recreating the distance and playing the role of advisor, educator and sociological guide, the creation of the experience is desired and expected by the consumer (Kapferer & Bastien, 2009). Therefore, in luxury, brands must create unique moments, and because the consumer is becoming more selective every day, brands must create innovative methods of engaging the clientele.

Hoffmann and Hoffmann (2012) define rareness experience when a consumer takes possession of the luxury good and the dream materializes. That is when the product is purchased and the service performed, but it extends beyond the purchase act or the service performance. From a consumer point of view, value is derived each time a luxury product is used, or a service memory emerges. Managing products and managing services are certainly different. The service should be discrete but perfect, in other words, the perception of the consumer experience is a crucial point.

As stated by Kapferer and Bastien (2009), a luxury product becomes a complete, holistic experience, lived in a multi-sensory manner over time by consumer. Moreover, recommendation is a powerful vector of luxury communications and the rare and unique consumer experience is essential for positive word of mouth.

According to Chevalier and Mazzalovo (2008), the store, physical or virtual, represents the most complete experience for brand elements, and in order to finalize a sale, all the manifestations of the brand must be perfectly tuned. In the store, consumers receive a luxury service, and experience the brand through the building, architecture, music, odors, decorations, light, logos and esthetics of the staff. In other words, the design developed by the brand enhances the experience perceived by the consumer. As luxury products are by definition non-necessary (Kapferer & Bastien, 2009), even a small error during the act of

purchasing would consequently alter the consumer experience and cancel out all the efforts previously made.

In order to succeed the experience, the desire of the consumer must be maintained. Dubois and Pernault (1995) developed a formula called ‘the dream equation’ to explore the concept by linking awareness, purchase and dream value to explain luxury:

$$\text{“DREAM = AWARENESS – PURCHASE EXPERIENCE”}$$

According to these authors, in luxury, the purchase destroys the dream, because it carries away a portion of dream with the product. However, what is even more relevant is that without awareness, there is no dream. Consequently, the dream must constantly be recreated by making more people aware of the brand than those who can actually afford it.

In conclusion, the luxury experience it is a complex element which the brand must face every day in the management of its business. More than ever, consumers foster for experiences, when purchasing a luxury good. The time when consumers made purchase impulsively is over, the new consumer wants more and, through the experience, luxury brands can deliver what they want and expect, and therefore, the brand can maintain its business by facing the specific demands.

2.3 Consumers and Consumption in Luxury

According to Bellaiche (2014), “luxury experiences are by far the most powerful driver for luxury spending”, and in 2013 consumption represented nearly \$1 trillion of the annual global total. Therefore, seeing the potential of the luxury goods market, academic researchers have developed a strong interest in luxury consumption (Truong, Simmons, McColl, & Kitchen, 2008). In order to explain the different perspectives of luxury goods consumption developed by the authors, it is necessary to consider two different approaches, which are directly linked to this perspective: (1) the typical profile of consumers of luxury goods, which focus on the consumer characteristics perspective, and (2) the consumer motivation behind the act of purchasing a luxury brand or product, namely buying motivation perspective.

As Ghosh and Varshney (2013) state: “Consumption of luxury goods cannot be understood without considering the consumers of luxury and their characteristics. There are many aspects of consumer characteristics which impact their consumption choices” (p.151). It is

unquestionable that the study of the consumer habits is essential for luxury brands to succeed internationally, considering the particularities characteristics of each market.

According to Panchout (2013), a younger, international and dynamic audience has changed the perception and attitudes of consumers towards luxury goods nowadays. As Morisson (2005) pointed out: “Many of today's luxury shoppers are not about to wait for the good life. Shifting income and demographics have placed tremendous spending power in the hands of young people” (p.21). The new luxury consumer is much younger than before, more discerning without being particularly loyal, and with a high disposable income (Panchout, 2013). Nowadays, the new luxury consumer sees himself at the heart of the marketing process, seeking an authentic experiential connection with the brand (Tsai, 2005).

In addition, the traditional luxury consumer continues to be an important player of the market and continues to purchase different goods; luxury brands must understand consumer's preferences. As history shows, the traditional consumer is labeled as the baby boomers generation, which is a generation that expresses a need to find a deeper meaning in life. Therefore, brands must find ways to dominate the “emotional space” of this category (Morisson, 2005).

Certainly, all consumers have motivations and preferences, when purchasing an item. Consumers make decisions on what they want to trade up or trade down. Therefore, the chapter of consumption and consumers explores the different types of consumption motivations and the consumer behavior in luxury environments. Additionally, it is discussed the profile of the today's consumers, which was created by authors whom have studied different markets by observing the preferences and actions practiced by consumers. In that sense, different elements are considered: the profile of consumers, the reason why luxury goods are consumed, and how consumers are targeted and segmented in different environments.

Thereby, taking into consideration all the elements mentioned before, it can be said that the luxury experience is developed through the knowledge of the consumption preferences and the consumer profile. Therefore, this chapter aims to explore this field, in order to aggregate significance to the luxury experience process, which is the focus of the research.

2.3.1 Consumption Motivations

Several authors (Trigg, 2001; Silverstein & Fiske, 2003; Truong, 2010), have investigated the different motivations why consumers pursue and buy different goods. Most investigations are allocated into two approaches: personal and social motivations. In both orientation categories – personal and social - there are different reasons and motivations why consumers purchase luxury goods. Several authors have studied different behaviors, which have created these motives. The present study focuses in two different categories presented by authors, who explicit two different motivations: (1) personal purchase motivation or so called hedonic purchase motivation, and (2) social purchase motivation or so called conspicuous purchase motivation.

According to Morrin (2013), hedonist consumers are more concerned about pleasure, so, hedonic motivation are prominent for privately self-conscious people (Ghosh & Varshney, 2013). Silverstein and Fiske (2003) argue that hedonic consumers are motivated mainly by self-directed pleasure – that is, they buy luxury goods to treat themselves, with little or no desire to signal status or wealth. Such consumers are not necessarily wealthy, but like to spend their increasing disposable income on ‘hedonic’ goods and services (Truong, 2010). Self-directed motives go beyond the sole benefit of superior product quality by including broader emotional benefits, and are thus intrinsically motivated (Tsai, 2005).

According to Hirschman and Holbrook (1982), the hedonic consumer approach seeks to augment its focus by promoting different sensory channels used by consumers to perceive and experience products. In addition, hedonic consumption is tied to imaginative constructions of reality (Singer, 1966). Thus, hedonic consumption acts are based not on what consumers know to be real, but rather on what they desire the reality to be (Hirschman & Holbrook, 1982). In addition, fantasies on various themes are important determinants and consequents of hedonic consumption (Hirschman & Holbrook, 1982). Summing up, the hedonic perspective includes the psychological experiences that accompany product usage, and the hedonic responses may be viewed as the essence of the usage experience (Hirschman & Holbrook, 1982).

In the second category, the social orientation perspective, Veblen (1899), who is the “icon-author” of conspicuous consumption, defines the concept as the form of social behavior available to members of the wealthiest class, who desire to differentiate themselves from the

rest by acquiring, displaying and consuming conspicuous goods (Bagwell & Bernheim, 1996). According to Veblen's theory, individuals emulate the consumption patterns of other individuals situated at higher points in the hierarchy.

Trigg (2001), in his study of conspicuous consumptions, explicates the concept as the following:

“Veblen's theory of conspicuous consumption is based on the evolution of a leisure class whose members are not required to work, but appropriate a surplus produced by those who do work, the working class. Once societies start to produce a surplus the relationship between private property and status becomes increasingly important. "It becomes indispensable to accumulate, to acquire property, in order to retain one's good name" (Veblen, 1899). A hierarchy develops in which some people own property and others do not. To own property is to have status and honor, a position of esteem in this hierarchy: to have no property is to have no status” (p.100).

Festinger (1957) expresses that there is a tendency of engagement in social comparison to evaluate one's own standing in society. In that sense, people look to external reference information, such as what others acquire, to judge the merit of their own acquisitions (Hsee, Yang, Li, & Shen, 2009). Therefore, people look to others to see how they are doing, in terms of relative wealth, power and status (Morrin, 2013). When an individual feel powerless, he tends to increase his desire for products that confer social status, as a compensatory mechanism (Rucker & Galinsky, 2008).

In this perspective of social purchase motivation, Berger and Ward (2010) affirm that possessions can signalize aspects of one's identity, including those related to wealth, power and social status. Therefore, brands become symbols to society and they help individuals to construct their self-concepts. According to Kirmani (2009), brands allow consumers to achieve their self-identity goals, and signal to others their actual or desired identities. In other words, because people want to construct the image they want to transcend to others, they use brands as the tool to create significance and symbolic meanings of their possessions. Thus, luxury brands are real examples of self-desire goods and symbols that communicate to others.

Another motivation that drives consumers into the luxury sector is the differentiation that they create between them, which also follows the social perspective. Veblen (1899) identifies two main forms in which an individual can display wealth and differentiation; extensive leisure activities, and lavish expenditure on consumption and services. According to Han, Nunes and Dreze (2010) there are two types of consumers: “patricians” and “parvenus”. The

first group has a lower need for status and the second one has strong motivations to dissociate them from the less affluent members in society. “Patricians” are consumers with more cultural capital and they prefer subtler brand signaling. Therefore, they are more discrete and want to preserve their image while staying in high status, and they believe that people who belong to this group will recognize who also belongs to it. On the other hand, “parvenus” prefer less expensive, but “louder” products with more-prominent brand logos; they need to show off their acquisitions in order to be satisfied with them.

Overall, purchasing motivations of consumers are related to their luxury goods consumption, but different consumers might have different motivations when perceiving luxury goods or same consumers might consume different luxury goods for different motivations (Ghosh & Varshney, 2013). So, by understanding the motivations of purchasing actions, now it is necessary to study the act of consumption into the luxury market, which is the result from the desire and so called preferences. The following sessions explore the concept of consumption in the specific sector, so then, it can be explored and understood how today’s consumer perceive and purchase luxury goods.

2.3.2 Luxury Consumption

Atwal and Williams (2009) reviewed the literature of luxury consumption to discuss the importance of today consumptions trends, and some conceptual frameworks were revealed. First, the authors cited the work developed by Vigneron and Johnson (2004) that presented the concept of differentiation between non-personal and personal-oriented perceptions. According to the authors, non-personal-oriented perceptions refer to perceived conspicuousness, uniqueness and quality. This kind of consumption is directly linked to western luxury consumption in the 1980s and 1990s, which was motivated primarily by status-seeking and appearance. On the other side, the personal-oriented perception is directly linked to acquisitive luxury, which has been attributed to contemporary luxury consumption in emerging markets such as Brazil.

Dubois and Duquese (1993) state that luxury goods are acquired for what they symbolize, which is argued to be consistent with personal-oriented perceptions: the hedonic consumption and extended self-personality models. In addition, Atwal and Williams (2007) argue that this reflects a mindset change on how luxury is valued from a transactional relationship to a holistic experience.

In the context of luxury goods, conspicuous consumption is related to two aspects of luxury products. The first one is related to exclusivity; traditionally, luxury goods are not owned by many and hence are considered exclusive (Ghosh & Varshney, 2013). Secondly, the brand or product should be seen or identified by others (Bourne, 1957). Vigneron and Johnson (1999) argue that conspicuous motivation may be more visible for publicly self-conscious people who use luxury goods as a status symbol to show-off their wealth. This type of consumers also put a greater importance on high prices (Ghosh & Varshney, 2013).

As Vigneron and Johnson (2004) discuss: “the consumption of luxury brands may be important to individuals in search of social representation and position. This means that social status associated with a brand is an important factor in conspicuous consumption” (p.490). Contemporary consumers use consumption to make statements about themselves, to create identities and to develop a sense of belonging (Atwal & Williams, 2009).

In addition, Holt (2002) argues, in the context of marketing, that it is generally acknowledged that consumption has become a defining feature of postmodern societies. According to Atwal and Williams (2009), in postmodern society, people have become fascinated by signs, and as a result, they exist in a state where signs and images have become more important than what they actually stand for. The result is that consumers in contemporary society consume the imagery, and do not focus on what the images represent or mean in reality.

In fact, according to Atwal and Williams (2009): “In a new age with new consumers, we need to shift away from a features and benefits approach, as advocated by traditional approaches, to consumer experiences. We need to consider new concepts and approaches that capitalize on the opportunities offered by these new consumers” (p.4). Thereby, the next session discusses this new consumer that emerged and how it is segmented.

2.3.3 Today’s Luxury Consumer

“Because of today’s high supply of luxury brands, consumers have seized the ultimate power and are no longer loyal to a single brand; they are well-informed and can pick and choose exactly what they want, and consequently have a critical attitude and sky-high demands” (Okonkwo, 2007, p.36)

According to Okonkwo (2007), there are two major segments of luxury consumers in Western societies; the first is named ‘traditional luxury consumers’, who belong to the upper class and revere the traditional and well-established brands, and second, the ‘new luxury consumers’. In this new segment, it is hard to create segmentation because they do not belong

to a single social class or culture. The author suggests that most of them can nevertheless be characterized, broadly, by certain post modernistic tendencies, such as individualism, reflexivity, a need for self-staging and self-expression, as well as a strong focus on personal and hedonistic needs. Chevalier and Mazzalovo (2008) propose some specific traits:

“Luxury consumers are first of all eclectic, meaning that they have high expectations, want to stand out and signal professionalism and modernity through their appearance (p.173)... besides this, consumers look for luxury products with hedonistic and aesthetic value rather than functional, which means that they aim for personal pleasure more than anything else” (p.155-156).

Additionally, there is a confrontation between different generations that is occurring in luxury more than in anywhere else (Atwal & Williams, 2009). Each generation has precise and different relationships with luxury; what used to be age concerned is now increasingly being driven by behaviors. Those greater and greater differentiations are driven by the background evolution of social, political, and economic factors (Atwal & Williams, 2009). Thereby, a full and complete revival of hedonism can be expected from this different generation’s interaction.

The abrupt change in terms of consumer behavior modifications is making companies adapt their marketing strategies, influencing driving and being driven by the market, improving and increasing the scope of the most sophisticated, integrated communication strategies (Kapferer, 1998). In fact, luxury brands use tools such as advertising, public relations and sponsorship (Morrin, 2013). In addition, companies are widening their range, in order to reach more consumers, by creating new market segments and are adapting their advertising to each target. Therefore, next it is explored the segmentations developed by different authors.

2.3.4 Today’s Luxury Segmentation

In luxury, several authors such as (Hader,2008; Dubois & Laurent, 1995; Silverstein & Fiske, 2003) have developed studies of segmentation, according to the ability of consumers to purchase luxury goods. Dubois and Laurent (1995) have presented in their work the distinguishing of three different segments according to the access of the consumers to luxury brands: first, there are affluent people who have unlimited access to luxury brands; second, there are excluded people who have no access to luxury brands; and third, the excursionists who have intermittent access to luxury brands.

With the concept of the democratization of luxury consumption, some authors presented different segmentation analysis. Dubois and Duquese (1993) suggest that the market for luxury brands might be divided into two segments: while some luxury brands act as standards of excellence, other luxury brands act as social symbols. However, according to Hudders, Pandelaere and Vyncke (2013):

“Due to the democratization of luxury consumption, and because most luxury consumers are excursionists (Stegeman, 2006), traditional segmentation methods using income as main segmentation variable are no longer sufficient. In addition, for targeting purposes, it is important for luxury marketers to distinguish different segments of consumers according to their perception of luxury brands as this determines which aspects (e.g. excellent quality or exclusivity) of luxury brands need to be emphasized in marketing campaigns” (p. 392).

In another perspective, Kapferer (1998) developed segmentation for consumers based on their motivations to purchase luxury brands. In this study, there are four consumer segments that differ from one another in the relative importance they attach to each luxury brand characteristic. In the first segment, consumers attach great importance to the beauty of the object, the excellence of the product and its uniqueness. In the second segment, consumers underscore the importance of creativity and sensuality. The third segment attaches great importance to the beauty and magic of the product and its classic value. And lastly, in the fourth segment, it is listed the uniqueness and the exclusivity of the product as the most important components.

And lastly, Dubois, Czellar and Laurent (2005) developed a measurement for luxury consumption in which the authors distinguish three segments that appear to have a different attitude concerning luxury consumption. The first segment, the elitists, believes that luxury is preserved for the happy few that are able to own luxury brands and, additionally, possess the requisite cultural capital to fully appreciate those luxuries. The second segment, the democrats, believes that luxury might be attained by many people. And the third segment, the distance segment, believes that luxury is a different world to which they do not belong. Hudders, Pandelaere and Vyncke (2013) analyzed this measurement format and concluded that “this distinction between democrats and elitists suggests that consumers indeed differ in their opinion about the attributes that characterize luxuries” (p.396).

In conclusion, the whole analysis of the consumer’s motivations, preferences and reasons were introduced in order to understand the consumption habits from today’s luxury industry. The deep research was developed to signalize the different types and segmentations of the

consumers and their behavior from today, which characterized the different target markets, including the Brazilian market itself. As Atwal and Williams (2009) argue “changes in contemporary consumer behavior in western societies have led to the emergence of a new meaning and perception of luxury”(p.339). And as Truong (2010) discusses:

“Nevertheless, it seems clear that strategies based on both conspicuous values and self-directed pleasure will be more efficient in Western societies. This study calls for an adaptation of luxury marketing strategies across markets. Ideally, practitioners should segment their markets into identifiable groupings of intrinsically and extrinsically orientated consumers, and design campaigns that address the dominant values and aspirations in that specific market (p.667)... Market studies on luxury consumption must use specific socio-psychological segmentation methods to elicit consumer motivations” (p.668).

2.4 Contextualizing Luxury Retail

As the luxury sector has evolved dramatically over the decades, so did the luxury retailing segment in a strategic perspective. According to Dion and Arnould (2001), because of the massification of the luxury sector, luxury retail began to intensify different distribution methods and formats. For instance, the number of store in Shopping Centers has increased significantly, online platforms started to be used as distribution channels and the concept of shop-in-shop started to be developed. Moreover, according to the authors, it has occurred an evolution in the methods of production; there was a shift from craft production to mass production. Additionally, the authors pointed out a change in the structure of inventories, which started to depend on financial results from accessories that became target products for a wider clientele.

The outcome of this new mass retail strategy is directly linked to the legitimacy of the luxury brands (Dion & Arnould, 2001). In fact, the luxury universe has been long defined as exclusive, distinct, singular and superior (Kapferer & Bastien, 2009). Although, due to the fact that mass production reduces the perception of those elements, it emerged an impasse of how to deal with this threat. It is evident that retail experience became very influential to the development of the whole retail strategy field. According to Bodamer (2010), experiential retailing relies on the creation of environments that engage people’s senses. Even more, it allows consumers to participate on a much higher level of the development process – from the creation of the product to the brand image itself - such as the one practiced in stores.

According to Partenrs (2006), the most important attributes of luxury retail to consumers are the product and the shopping experience, followed by accessibility, price and service. Therefore, luxury brands must develop strong strategies involving the product and the shopping experience itself, because consumers value it at most and are essential, when they decide to purchase luxury goods.

A research developed by Manning and Bodine (2012) shows that consumer experience improves consumer loyalty and increase revenues. Thereby, it is unquestionable that developing a strong consumer experience through retail channels is extremely important. This is justified by the fact that consumers have high expectations about the ambiance, the products and personal service, which are provided through luxury retail stores (Manning & Bodine, 2012). Therefore, it is necessary to develop an exceptional experience. In order to do that, it is necessary to have well-trained employees, good product knowledge, high skill techniques of sales and well-designed systems and processes (McDermott, 2014) .

To better understand how brands can create an efficient luxury retail strategy through the development of an efficient experience, it is necessary first to define what luxury retailing is. Moreover, since distribution channels are essential to the whole retail strategy (Chevalier & Mazzalovo, 2008), it is necessary to present also the different distribution formats, which have been utilized in the luxury sector. Hence, the next two sessions cover these topics, in order to complement the experiential concept that is connected to the research question.

2.4.1 Definition of Luxury Retailing

According to Hoffmann and Coste-Manière (2012), luxury retailing refers more to the act of selling goods in individual quantities, than the location from which it is sold. The place where the good is sold is of key importance, because it is where the act of purchase takes place and it is also an actual point of contact with the consumer. The store is undoubtedly the most powerful communication tool of a luxury brand, because it acts as showcase for the product while simultaneously offers the consumer an interactive and multisensory experience (Kapferer & Bastien, 2009).

The luxury store forms an integral part of the brand; this is why design is considered of primary importance in retailing, and why the same concepts and atmosphere are normally applied to every boutique around the world to create the same consumer experience. The goal of the store is to present the luxury product as an objet d'art, a factor which explains the

frequent involvement of prestigious designers and architects that shows the intimate relationship between luxury and art, and how luxury brands are promoters of culture and aesthetic trends (Kapferer & Bastien, 2009).

In the field of luxury retailing industry, Quintavalle (2012) has studied different aspects of retail and describes that there are four pillars that must be considered when strategizing retail decisions in this industry: (1) location, (2) layout, (3) multisensory experience and (4) merchandizing. Regarding location, prestige is the key factor: being allocated in important locations is necessary and is strategic to communicate the brand's positioning and personality, toward competitors also (Quintavalle, 2012). Second, layout, the free-flow design and loop are two of the most popular layout schemes used in luxury boutiques. The circulating patterns are also designed to encourage the independence during the visit; so consumers do not feel pressure from the staff members, which is called impersonal selling. Moreover, design of multi-floor stores is very common in luxury boutiques; the idea is based on the right trade-off between accessibility and exclusivity.

Thirdly, Quintavalle (2012) explains that the necessity of developing a multisensory experience is based on the idea that luxury retailing aims to immerse consumers in the experience to generate positive emotions, so the first visit to the store is remembered and the brand perception is influenced accordingly. In order to create this experience, some strategic concepts are applied to create the attractiveness of the environment, including the activeness of the five senses. As Quintavalle (2012) states, the first sense: sight, which is the visual aspect, is influenced by colors, lights, size and decoration. Colors influence the perception on the spaces and volumes; lights influence the perception of shapes and volumes and help to enhance characteristics of the displayed product; size is the statement of the brand's power; and decoration projects the art and expertise of the brand.

Secondly, the sense of hearing is explored as part of the environment and should be complementary to both brand personality and purchasing act by accompanying and not disturbing the consumer (Quintavalle, 2012). Additionally, the sense of touch allows consumers to feel the luxury product before purchasing, and this is fundamental in the luxury experience. And moreover, smell and taste are also important to enrich the store experience; it must have coherence and resonance (Quintavalle, 2012).

And the last pillar, merchandizing, has the important role of pushing the products into the market, while finding a compromise between apparently opposite needs (Quintavalle, 2012).

It is necessary to create the desire feeling of the consumers, so they feel attract to purchase the luxury good.

In sequence, in order to develop the luxury retailing strategy, it is necessary to present different distribution formats, so the right strategy can be developed and applied. Therefore, the next session explores the different retail formats that are embedded into the luxury sector.

2.4.2 Distribution formats in Luxury

Luxury retailing involves some aspects such as suppliers, distribution channels, sales strategy, physical design and arrangements, development of sensory senses in point of sales (Chevaier & Mazzalovo, 2008; Quintavalle, 2012; Dion & Arnould, 2001). In the case of distribution, its definition is based on the accessibility and forms of reaching the market. According to Quintavalle (2012), it is possible to reach consumers through physical and/or virtual mode.

The retail formats developed for the luxury industry can be classified into two variables: channel – indicating the level of control operated by the brand, this can be direct or indirect; and typology – addressing several goals that retailing covers within the strategy of the luxury brand (Quintavalle, 2012). According to Chevalier and Mazzalovo (2008), the ideal model is represented by the brand owning, managing and selling exclusively its own shops. This strategy ensures complete control of the image, stock, pricing, consumer experience, brand communication and protection. However, since this control demands high economic efforts, some brands found the solution to rely in between with a mixed system. The exhibit 2 below illustrates distribution formats currently used in the luxury industry:

DISTRIBUTION FORMATS	
Direct	1. Flagship stores
	2. Monobrand selling points
	3. Shop-in-shop
	4. Factory outlet center (F.O.C)
	5. Temporary store
Indirect	6. Multibrand sales point
	7. Department stores
	8. Corner
	9. Duty-free shop
	10. Franchising network

Exhibit 2 - Distribution Formats

Source: Adapt from *Luxury in Action: Retailing in the luxury industry* (2012).

In the direct format, there are five different strategic approaches that luxury brands use (Quintavalle, 2012). As the exhibit 2 illustrates it includes: (1) Flagship stores, (2) Monobrand selling points, (3) Shop-in-shop, (4) Factory outlet center (F.O.C) and (5) Temporary stores. Flagship stores are characterized by a wide exposure area located in the most prestigious area and with a wide range of the brand products, including unique and highly specialized pieces granting full mark ups and profits. The main goals are consumer communication, evocation of the brand values and maximization of product visibility. For instance, those stores are located in prestigious streets in different parts of the world, such as in Fifth Ave. in New York, Champs Elysees in Paris, Bond Street in London, and Via Montenapoleone in Milan.

Secondly, monobrand selling points are located in main tourist areas and major cities, characterized by smaller selling areas and lower realization costs; they are affordable not only to big brands, but also to small and medium enterprises. The main goal is market coverage and turnover maximization, as well as the collection of market and consumer information.

Thirdly, shop-in-shop are monobrand points of smaller selling areas located inside multibrand department stores; layout and atmosphere are the same worldwide to offer the same brand experience, and full product range is generally displayed. Management, logistics and staff costs are covered by the company owning the brand.

In sequence, factory outlet center (F.O.C) is characterized by a wide exposure area and several directly managed monobrand boutiques that offer unsold and damaged products, items of the previous season or out of production, collections of samples, end of collection models or from fairs and exhibitions, and second-choice products. Those centers are generally located outside cities, but closer to urban conglomerates; the choice is driven by socio-demographic logics and by the need to protect the brand.

And lastly, the temporary stores are selling points opened and directly managed by the brand for a limited time period and the goal is to engage the consumer, communicate the values, reinforce the brand image and create sense of exclusivity.

On the other side, there are indirect distribution formats, as the Exhibit 2 illustrates, which, in the luxury industry, are represented by five main channels: (1) Multibrand sales point, (2) Department stores, (3) Dedicated space or corner, (4) Duty-free shop, and (5) Franchising network. Multibrand sales point featured a wide range of selected brands positioned on higher-level prices. Its strengths are the specialization of the assortment, the high level of consumer service, the well-established image in the area.

Department stores are characterized by a large surface in which premium brands cohabit with private labels with an accessible offer, and are established in the main streets of towns despite their notable size. They display products in various areas under concessions. This strategy has an advantage in terms of lower investments in communication to reach their consumers. For instance, some examples of department stores around the world are: Harrods in London, Galleries Lafayette in Paris and Neimann Marcus in USA.

Dedicated space or corners are exposition areas opened to the consumer, where the offer of one specific brand is displayed on available space. Assortment and atmosphere are the responsibility of the brand, while the sales personnel are sponsored by the storeowner. For instance, Sephora, the French company from the group LVMH - Moët Hennessy Louis Vuitton uses this concept, and a new entrant in the Brazilian market, The Beauty, a division from Grupo Boticario is applying the same concept.

Duty-free shop is an intermediary situated in transit areas such as airports, large train stations, and arrival and departure terminals of cruise ships. It is a channel for conquering the occasional and the traditional consumers, who travel for work and may have idle time to use in browsing and watching.

And lastly, franchising network is when a franchisor company grants to another company the franchise, in exchange for sales royalties the right to use its own commercial formula and know-how within a defined geographical area in accordance with defined regulations and a given sign or brand. The franchisor acts as a channel leader by dictating commercial policies to the franchises who, on the other hand, take full advantage by benefiting from the already established loyalty of the consumers of the brand.

As it was previously mentioned, due to the changes in the structure of luxury retailing, others aspects rather than distribution formats have evolved recently. In that sense, when strategizing in luxury, there are different commercial policies that are fostered by brands. Each of them is developed based on the positioning of the brand and how it wants to be perceived. According to Quintavalle (2012), commercial policies seek a trade-off between recreating distance with the consumer and maximizing profits, the former obtained through high prices, no discounts and limited quantities, whereas the latter is obtained through stock clearance that is almost always accompanied by consistent reductions.

The author enumerates six common commercial policies of the luxury industry: (1) Custom made, (2) Scarcity, (3) Limited editions, (4) Sales, (5) Private sales, and (6) Outlet. Custom made are products that are made for a specific consumer and that increase the attributes of exclusivity and handmade. Scarcity is the creation of an offer that is intentionally lower than the demand. Limited editions are special sold for a limit time frame or in limited quantities. Sales are organized by the manufacturers concurrently at the end of every season and mainly presented in the fashion industry. Private sales are organized for closed and small groups of consumers that can feature either pre-season collections at full price or pre-season sales. And outlet are sales proposed by the brand in channels outside the normal retail centers; it is a post-sale concept, in which brands try to profit from previous collections that are no longer produced.

In conclusion, the chapter of literature review explored the main concepts that compose the proposal of the present study, including: luxury, experiential marketing, consumer behavior and consumption motivations, and retail. Relevant authors and researches were exposed, in order to create the base for the research development. Next, it is presented the chapter of methodology that explains the choices and assumptions included in the study.

3 METHODOLOGY

According to Silverman, (2005), the choice of a methodology reflects the “overall research strategy” of the author. In that sense, this chapter explores the type of research that was developed to answer the research question proposed. In order to do that, next it is justify the type of research that has been chosen, which is a qualitative research based on a case study. It is defined also the design of the research including relevant information about case study development theory, what are the steps for the case study analysis including the design description, the participants included, the procedures followed and how they were conducted, and finally, it is presented the definition of the data analysis.

3.1 The choice of an Qualitative and Exploratory Research based on a Case Study

According to Malhotra (2010), the objective of an exploratory research is to explore or examine a problem or situation to provide knowledge and comprehension. The author explicates that an exploratory research can be used for different proposes, such as: to formulate a problem or to define a problem with more accuracy; to identify alternatives courses of actions; to develop hypothesis; to isolate variables and key-relations to an additional analysis; to have a better perception on the problem approach; and, to establish priorities for additional researches.

Exploratory research is an adequate methodology, when little is known about the studied topic and when the researcher wants some flexibility while exploring the issue (Polonsky, 2011). According to Malhotra (2010), in an exploratory research the objective is to explore ideas and clarifications, which is characterized as flexible and versatile researches. Additionally, the author points out different methods that can be applied: survey of experts, pilot-surveys, case study, secondary data and qualitative research.

Analyzing the characteristics of an exploratory research, this dissertation is based on this approach, since it is considered a valid approach to answer the research question proposed. This is justify by the fact that exploratory research is appropriated to the better understand and improve a specific topic. According to Malhotra (2010), it provides useful insights on the reasons things are happening and how they are happening, and can, thus, serve as a base for further research. And finally, this methodology has been preferred, because of the flexibility of the research process.

The method that has been chosen from the different methods presented previously of exploratory research is a qualitative research based on a case study. According to (Malhotra, 2010), qualitative research is based on specific situations such “as small number of non-representatives cases” (p.139). Moreover, this method allows flexibility to the collection of the data, but it is necessary to provide some structure that will guarantee interesting and valuable insights.

When considering a case study methodology, Yin (2010) has a vast experience in the field and must be integrated as a reference for the theoretical and development of the case analysis. According to the author, a case study is defined as: “the case study is an empirical inquiry that investigates a contemporary phenomenon in depth and in its real life context, especially when the boundaries between phenomenon and context are not clearly defined” (p.39).

Yin (2010) considers that there are five components that must be included in the research project of a case: (1) the question of the study, considering how, why and which in this study is the research question; (2) the assumptions, which are based on the review of the literature; (3) the unit of analysis that includes the methods that are applied for answering the research question; (4) the logic that creates significance to the data and the assumptions; and (5) the criteria’s to interpret the findings. The present study integrates those components as the following Table 2 shows:

Components of the Research Project	
1. Research question	Which are the possible different perceptions that brands and consumers have of the luxury consumption experience?
2. Assumptions	<p>1. Experiential Marketing: Luxury requires: Experience, Exclusivity, Engagement and Emotion;</p> <p>2. Consumer and Consumption: Post Modern consumers are emotional beings concerned with achieving pleasurable experience; Changes in Consumer behavior in Western Societies have led to the emergence of a new meaning and perception of luxury;</p> <p>3. Luxury Retailing: Experiential retailing relies on the creation of environments that engage people's sense</p>
3. Unit of analysis	Luxury Experience in Pastry segment in Brazil
4. Connection of data and assumptions	<p>1. Theoretical Model developed</p> <p>2. Multiple sources: documents, interviews, direct and indirect observation</p>
5. Criteria's to interpret findings	Theoretical prepositions, development of case description, use of qualitative and quantitative data, and examination of rival explanations

Table 2 - Components of Research Project

Source: Own elaboration

As the Table 2 presents, the first component is the research question, which is the base of the research. The question is responsible for the direction that the study should follow, in order to be able to answer it; therefore all case studies must be driven by the study question. In that sense the present study is based on the following question: Which are the possible different perceptions that brands and consumers have of the luxury consumption experience?

Secondly, the assumptions of the case should cover each component and proposition that integrates the scope of the study. Since the present study aims to explore the field of luxury experience, the assumptions that were considered in the analysis were taken from theoretical studies, which have researched and explored those fields. For the present study, as the Table 2 shows, three propositions were considered relevant for answering the research question. Those propositions are classified into three different fields that have been studied in several

luxury researches: experiential marketing, consumer behavior and consumption motivations, and retail; all related and focused in the development of a luxury experience, the assumptions are the following:

1. *Experiential Marketing theory: Luxury requires: Experience, Exclusivity, Engagement and Emotion* (Stankevicture, 2013);
2. *Luxury Consumer and Consumption theory: Post Modern consumers are emotional beings concerned with achieving pleasurable experience; Changes in Consumer behavior in Western Societies have led to the emergence of a new meaning and perception of luxury* (Atwal & Williams, 2009);
3. *Luxury retailing theory: Experiential retailing relies on the creation of environments that engage people's sense* (Bodamen, 2009).

Additionally, considering the third component of a case study, the unit of analysis is related to the fundamental problem of defining what the case is. In other words, what have motivated the interesting of the researcher to initiate the case study. Therefore, the definition of the unit of analysis must take into consideration the concrete form that is the base for the research. In the present study, the unit of analysis is an organization that is considered a concrete unit for case study analysis, and more precisely it has been chosen from a luxury experience pastry organization: Pati Piva.

The connection of data and assumptions is the component that indicates in advance the steps of data collection and analysis of the research. For the present study, there are two main factors that define the linkage of the theory and the application: the theoretical model that was developed for this case study, which is detailed in the next chapter, and the collection of multiple sources for the further analysis, including: documents, interviews, direct and indirect observation. The type of sources and the construction of the collection are presented in the following sessions with more detail facts.

Lastly, the criteria's to interpret the findings integrate the following aspects: theoretical prepositions, development of case description, use of qualitative and quantitative data, and examination of rival explanations. The explanation of the interpretation is explored in the session of data analysis.

3.2 Design of a Case Study and Procedures

According to Cosmos (1983), there are four forms designed for a case study: single case with unique unit of analysis; multiples cases with unique unit of analysis; single case study with multiple units of analysis; and, multiple cases with multiples unit of analysis. The present study explores the first type of case study research: a single case with unique unit of analysis. The explanation of the unit of analysis is developed in the following sessions with the presentation of the model that is the base for the case study.

According to Yin (2010), a single case study represents a critic case that tests a theory or a model. The objective of a single case is to capture the circumstances and the conditions of a daily situation. Therefore, in order to answer the question of the present research, the single case analysis was chosen to represent the methodology of the study. The single case has unique unit of analysis, however with multiple fields of exploration that includes three theoretical perspectives: (1) Experiential Marketing, (2) Consumer and Consumption, and (3) Retailing. The explanation of the unit of analysis is detailed in the session of the definition of the model for application in the case study.

Additionally, according to Yin (2010), multiple evidence sources guarantee a high quality level for analysis in a case study. There are five main sources: (1) Documents, (2) Files records, (3) Interviews, (4) Direct observations, (5) Indirect observations made from the researcher. The present study has collected evidences from multiple sources and integrated the data collected, in order to develop in-depth analysis, such as interviews, direct and indirect observations in the stores.

As previously mentioned, qualitative researches explore problems that have limit previous ideas about the result of the investigation. This kind of research is appropriate to uncertainty situations, in which the conclusive results can differ from the expect findings. In order to investigate the problem, two methods of collections of data can be applied: primary and second data. This dissertation uses primary data, which is the data directly originated by the researcher during the investigation of the case through interviews, and also secondary data from documents and file records.

Additionally, qualitative research has two different classifications of procedure: direct and indirect (Malhotra, 2010). For the present study both procedures were used, in order to enrich the content of the research. Regarding the direct approach, it is focused in the technique in-

depth interviews with multiple consumers and the owner of the company. According to Malhotra (2010), interviews are relevant for a qualitative research, as they allow the researcher to gather very specific information on given situations being really insightful. They permit the identification of best practices and extensive information on the interviewee's perception of an issue and their reaction to it. In addition, Malhotra (2010) indicates in-depth interviews for situations that the consumer experience of the product is sensorial, which affects the state of humor and the emotions.

Patton (1987) identifies three types of interviews for qualitative research: informal conversational interview, interview guide approach and standardized open-ended interview. The second type of interviews has been chosen for this methodology. In that sense, the interviews were conducted in a semi-structure approach; it was presented questions for the interviewees as a guide for the study, but it was given space for them to explore the topic as they wish, and even to aggregate other topics as they felt it was relevant. This approach was chosen to avoid suggesting an idea or an interpretation of the topics that it was discussed, so, the interviewee had space to create its thoughts. In addition, the development of the guideline was to guarantee the preservation of the fluidity of the exchange, and as Patton (1987) argues in this interview structure it is covered different topics, and issues are pre-defined under an outline format.

However, during the interview, the wording of the questions and ordination were adapted to the interviewee's reactions, so the different topics could be more explored, according to the knowledge and experience of who was interviewed. According to Patton (1987), this pre-defined outlines allows a higher level of comprehensiveness of the collected data, than with informal conversation, as it acted as a form of standardization of the interviews' results, and at the same time, the led interviews are still quite conversational and situational, which is an asset in an exploratory research. All interviews were recorded, so than the analysis of the content could be explored.

Additionally, indirect observation was also qualified for the collection of evidence in this study. The indirect methodology was based on observations made by the researcher considering the behavior of the consumers and the perceptions noticed in all data collection processes, and the visits to the brand's stores. In other words, the indirect methodology was an interpretation from the situations presented and faced by the interviewer during the sessions and also in the visits to the stores. For the observation method in the stores, a guide

was developed based on the theoretical model, so, the analysis would have valued, and critical perspective could be integrated in the case analysis; the guide is presented in the Appendix C. The visits to the store were conducted between 22nd of September of 2014 and 18th of October of 2014; the indirect observations were qualified in all brand stores.

According to Yin (2010), the data collection should respect three principles: (1) the use of multiple sources evidence, as previously detailed, (2) the necessity of the creation of a solid data base including notes, documents, tables and narratives, and (3) it should follow an evidence engagement, respecting the following steps: case study report → case study data base → specific references of the data base → case study protocol → case study questions. Therefore, the present study respected the principles and controlled the process of data collection.

3.3 Participants – Sample and Selection Criteria

According to Malhotra (2010), there are four elements, when defining the sample of participants: (1) it is necessary to define the period of time, in which the research is conducted, (2) to define the extensions of the research, (3) the unit of the sample, and (4) the elements that are targeted. The present study was developed in a specific time that was defined and arranged previously with the luxury brand; the extensions of the research was in the city of São Paulo in the boutique and stores of the Pastry luxury brand; the sample was composed by the owner of the brand and the brand consumers; and the target elements were defined by the case study model developed for the research.

The participants of the research were divided into two groups: the owner of the brand, which created and developed the Pastry brand, and second, the consumers that purchase luxury goods in the store and live the luxury experience. This approach was chosen because the research question aims to understand how the alignment between both perspectives is.

The selection criteria for consumers interview was developed based on the availability and willingness of consumers to participate the research: 10 consumers were selected on this process and answered the questionnaire developed for the study, 50% of the sample were randomly selected, meaning that the researcher did not know them previously; the contact with them was developed through other consumers that already know them and introduce them. Those consumers are all female between the ages of 24 and 54, all have at least Bachelor degree and all belong to the upper middle class of the city of São Paulo. In order to

be qualified for the sample, all consumers were previously analyzed based on their connection with the brand, meaning for how long they are customers and how frequently they buy products from the brand.

The field research was divided into two phases: First, it was interviewed the owner of the brand in the Atelier on the 30th of August of 2014 with a guide previously prepared, the content is presented in the Appendix A. Additionally, on the 23rd of October of 2014, a second meeting was arranged with the brand's owner to discuss remained issues that emerged after the first meeting.

In the second phase, interviews were conducted with the brand consumers that were divided into two groups: (1) consumers that responded the semi-structure questionnaire by Skype; and (2) consumers that answered the questionnaire by email. This phase was developed during the period of 1st of September of 2014 and 25th of September; the consumer's guide questionnaire is presented in the Appendix B. Both groups answered the questionnaire, but in the case of the first group the topics were explored and other elements were discussed, because a dialogue was created with them. The first group was composed by 4 consumers and the second group by 6 consumers. The sample includes all female consumers between the ages of 24 and 54 years old, who buy products directly in the stores and also make orders for delivery. The following Table 3 illustrates the interview's consumer profile divided by the two groups, indicating their ages, educational background and for how long they are consumers of the brand:

Table of Interview's Consumer Profile						
Code	Age	Graduation	Level of Education	Consumer for how long?	Date of Interview	Method of Interview
C.1	24	Management	Master in Economy	9 years	8/30/2014	Skype
C.2	25	Management	Master In Int1 Management	11 years	7/9/2014	Skype
C.3	27	Engineer	Bachelor	4 years	5/9/2014	Skype
C.4	51	Computer Science	MBA	6 years	6/9/2014	Skype
C.5	54	Psychology	Bachelor	more than 15 years	31/08/2014	Questionnaire by email
C.6	24	Designer	Bachelor	6 years	31/08/2014	Questionnaire by email
C.7	25	Management	Bachelor	7 years	19/09/2014	Questionnaire by email
C.8	24	Engineer	Bachelor	3 years	7/9/2014	Questionnaire by email
C.9	25	Management	Master In Int1 Management	8 years	31/08/2014	Questionnaire by email
C.10	33	Management	Bachelor	10 years	24/09/2014	Questionnaire by email

Table 3 - Interview's Consumer Profile
Source: Own elaboration

3.4 Data Analysis

According to Yin (2010), the analysis of the case study should integrate four strategies: theoretical propositions; development of case description; use of qualitative and quantitative data; and, examination of rival explanations. All strategies were previously covered in the previous sessions and were explained how it would be conducted, in order to maintain the integration and the quality of the study. What is explained next is a more detailed and theoretical approach of how the data analysis process was controlled.

According to Malhotra (2010), the processes of data analysis begin with the examination of the material collected. As the author argues, it is necessary (1) to verify the quality of the questionnaire, (2) to edit the data collected, (3) to make codification when applicable, (4) to transcribe the data, (5) to eliminate incomplete data, so that (6) to select the appropriate strategy of data analysis. Therefore, the present study followed the steps after the collection

of the data through the interviews, so by doing that, it was possible to analyze the data more precisely.

The data analysis was conducted following the strategy presented by Malhotra (2010), in which it was first analyzed the characteristics of the data collected considering the history, philosophy and profile of who has been interviewed. In that sense, all the data collected was listened and transcript, therefore, the interpretation could be more easily explored. The interviews and questionnaires were analyzed and compared, and then, it was possible to make conclusions and answer the research question.

The analysis was structured into three segments as it is detailed in the following sessions. All interviews were digitalized and divided into the three sessions. After this process all interviews were put together into the sessions, so, the analysis could be more explored.

The detailed procedures of the analysis are presented in the introduction of the chapter of analysis and results. In the methodology session, it was presented a briefly concept of the analysis. The justification of this presentation method is based on the idea that, first, it is necessary to explain the model developed for the study, in order to demonstrate how the interviews and questionnaires were analyzed. Therefore, next, it is presented the model developed for the case study investigation.

4 MODEL DEVELOPED FOR THE CASE STUDY INVESTIGATION

As previously mentioned, the methodology is based on a theoretical model, which has been developed for this research, considering important academic contributions in the fields that have been studied. The model is presented in the following Exhibit 3:

EXPERIENTIAL MARKETING	CONSUMER/CONSUMPTION	RETAIL
<p><i>Luxury requires: Experience, Exclusivity, Engagement and Emotion (1)</i></p> <p><u>Creation Process: Transformations (2)</u></p> <p>(1) Personal Activity (2) Customer Engagement</p> <p><u>Creation Process: Value Opportunities</u></p> <p><i>Experience Realm Model (2)</i></p> <p>(1) Customer Participation (2) Connection of environmental relationship</p> <p><u>Experienced-Based Marketing (3)</u></p> <p>(1) Interactivity (2) Connectivity (3) Creativity</p>	<p><i>Post Modern consumers are emotional beings concerned with achieving pleasurable experience; Changes in Consumer behavior in Western Societies have led to the emergence of a new meaning and perception of luxury (3)</i></p> <p><u>Consumer Behavior (Preferences) (4)</u></p> <p>(1) Traditional (2) New Consumer</p> <p><u>Consumption Motivations (5)</u></p> <p>(1) Personal <i>Hedonic Purchase (6)</i> - Pleasure - Self-conscious</p> <p>(2) Social <i>Conspicuous Purchase (7)</i> - Differentiation - Compensatory mechanism - Social Status</p> <p>↓</p> <p>- Psychological experience - Product usage</p> <p>↓</p> <p>- Symbolic meaning - Significance</p>	<p><i>Experiential retailing relies on the creation of environments that engage people's sense (8)</i></p> <p><u>Dimensions of Shopping Experience (9)</u></p> <p>(1) Services (2) Products</p> <p><u>Stores as integral part of the brand (11)</u></p> <p>(1) Communication tool (2) Showcase of the product (3) Interactive offers</p> <p><u>Retail Strategying (10)</u></p> <p>(1) Location (2) Layout (3) Multisensory Experience (4) Merchandizing (5) Distribution format</p>

(1) Stankevicture, 2013; (2) Pine & Gilmore, 2011; (3) Atwal & Williams, 2009; (4) Okonkwo, 2007; (5) (Dubois & Duquese, 1993; Trigg, 2001; Silverstein & Fiske, 2003; T sai, 2005; Truong, 2010; Ghosh & Varshney, 2013; Panchout, 2013); (6) (Hirschman & Holbrook, 1982; (7) Veblen, 1899; (8) Bodamen, 2010; (9) Partens, 2006; (10) Quintavale, 2013; (11) Kapferer & Bastien, 2009

Exhibit 3 - Model Developed for the Case Study Investigation

Source: Own elaboration

The Model aims to explore different aspects that compose a luxury experience considering the following pillars: (1) Experiential marketing, (2) Consumer and consumption, and (3) Luxury retailing. The content of the analysis is justified by several studies developed by different authors that have explored different fields, as it was presented in the literature review. The exploration and investigation of the content is based on the statement of those authors that have developed important studies with valid contribution for the area. Next, it is presented the definition of each pillar and the content that has been chosen for analysis, as a parameter for the justification of the model construction.

4.1 Experiential Marketing

First, regarding experiential marketing, three articles were main contributors for the definition and construction of this pillar. To begin with, Stankevicture (2013) explores one

definition of the concept of the new luxury. The present study considers that the definition of luxury discussed by the author has greater relevance for the case study: “luxury requires substantially different considerations, specifically the four Es: experience, exclusivity, engagement and emotion” (p.248). Additionally, because experiences are created to fulfill personal needs, they occur within any individual, who has been engaged on an emotional, physical, intellectual, or spiritual level (Pine & Gilmore, 2011).

Secondly, Pine and Gilmore (2011) were responsible for the creation and development of the term experiential marketing, thereby, its presence it is also necessary. According to the authors, experiences have necessarily emerged to create new value and satisfy the personal desires of each consumer. Moreover, the authors explained that in experiential marketing, the consumer is at the center and when he buys an experience, he pays to spend time enjoying a series of memorable events. Therefore, the present model considers two important creation opportunities presented by the authors. First, regarding value opportunities, it includes the model of experience realms, which was previously detailed in the literature review. And secondly, it considers the importance of transformations, which creates a new level for the experience.

Lastly, the model considers the study presented by Atwal and Williams (2009) who have researched the field of luxury brand marketing, considering that the experience is at the center of the process, which emphasizes the importance of interactivity, connectivity and creativity, when creating the experience.

4.2 Consumer Behavior and Consumption Motivations

The second pillar, consumer and consumption, was developed based on two statements presented by Atwal and Williams (2009), which are:

- (1) Post Modern consumers are emotional beings concerned with achieving pleasurable experience;
- (2) Changes in Consumer behavior in Western Societies have led to the emergence of a new meaning and perception of luxury.

Additionally, the authors argue that “consumption of luxury goods cannot be understood without considering the consumers of luxury and their characteristics. There are many aspects of consumer characteristics, which impact their consumption choices” (p.339).

Considering both statements, two concepts emerged in the definition of the model. The first statement was directly linked to the concept of consumer behavior and preferences, and the second linked to consumption motivations. Regarding consumer behavior, Okonkwo (2007) was considered the author to be included in the model, because the author developed his study in the field of luxury branding and the exploration of trends, tactics and techniques. The author has defined two types of consumers, which are the traditional consumers and the new consumers. By this segmentation, the author was able to explore the behavior and the preferences of each category. Therefore, the model utilizes his segmentation, as a base for the definition and exploration of luxury consumers of the case study.

Secondly, considering consumption motivations different authors (Dubois & Duquese, 1993; Trigg, 2001; Silverstein & Fiske, 2003; Tsai, 2005; Truong, 2010; Ghosh & Varshney, 2013; Panchout, 2013) were included in the definition of the model, because there are many aspects of consumer characteristics that impact their consumption choices and all of them have explored different perspectives. Mainly, the authors have explored two fields: personal purchase motivation or so called hedonic purchase motivation, and secondly, social purchase motivation or so called conspicuous purchase motivation. Each of the authors has chosen one aspect of the different reasons of what motivates people to buy luxury products.

In the perspective of hedonic purchase motivations, the authors have discovered that consumers are motivated mainly by pleasure and self-conscious. Those consumers foster psychological experiences and are concerned with the product usage. On the other hand, in the perspective of conspicuous purchase motivation, the authors have discovered that consumers are interested in differentiation, meaning that the luxury products are symbolic and represent their preference in front of the society. Moreover, for these consumers, luxury products are a compensatory mechanism that creates social status for them. Those consumers are mainly concerned with symbolic meaning experience and product significance.

In both perspectives, there are two dimensions that are presented in all analysis: the motivation of shopping experience and the significance of the products. If it is considered both perspectives, it is undeniable that the concept of retail is directly connected to the exploration of the concept and the content. Therefore, the last pillar is based on the concept of luxury retailing and is explored next.

4.3 Retail

Bodamer (2010) has studied retail in an experiential perspective and mentioned two important perspectives for luxury retailing - place and people; the present model is based on the statement provided by the author:

- (1) *Experiential retailing relies on the creation of environments that engage people's sense*

His study illustrates the importance of engagement, when developing experiential retailing. For the author, the construction of retail channels must be linked to the environmental experience that is offered. Retail channel is classified, by the author, as the place where the engagement happens. In one perspective, the place can be defined as a store, this is where the consumers receive the luxury service and can experience the brand through the building, architecture, music, odors, decorations, light, logos and esthetics of the staff (Chevalier & Mazzalovo, 2008). Therefore, it is unquestionable that the place is essential for luxury retailing.

Considering that luxury retailing has different perspectives, Partners (2006) has developed a research to explore the most important dimensions of the shopping experience in a luxury retailing perspective. The findings concluded that services and products are the main concerns of the consumers. Thereby, by analyzing and exploring the retailing luxury concept, those two dimensions were included in the model.

As previously mentioned, the store is an integrated part of luxury retailing. As Kapferer and Bastien (2009) define: the store is an integral part of the brand and there are three important aspects considering the store: (1) it is a communication tool, where people are directly connect to the brand; (2) it is the showcase of the product, where it is created the experience environment and the consumer can feel and touch the products; and (3) the store provides interactive offers. Since the authors have made important contribution for luxury market, their findings were considered relevant for the model.

Lastly, the concept of strategizing retail was integrated to the model. The justification is based on the description presented by Quintavalle (2012), who has studied the luxury retailing industry. The author presented that strategizing retail decision in the industry includes four aspects: the location, layout, multisensory experience and merchandizing. The location is an important strategic communication tool. The layout introduces the importance

of creating the right design that creates the image of the brand. Multisensory experience creates the attractiveness of the environment and activates the five senses of the consumers. And, merchandizing is important for pushing products into the market. Additionally, another aspect was integrated to the model: distribution formats. The inclusion is based on the idea of retail luxury strategy presented by Dion and Arnould (2001), who described that the new luxury sector with massification has created new luxury retail formats to intensify the relationship with different consumers and preferences.

With the presentation of the model, now it is necessary to introduce the case that has been chosen for the present study. The next chapter is dedicated to the case introduction, brand history, brand business model, and the brand segment. So, then, it is possible to present the analysis of the case and main results concluded.

5 CASE STUDY

The selection of the case study was based in the definition criteria presented by different authors that have studied the luxury universe. According to Chevalier and Mazzalovo (2008), to be considered in the luxury universe a brand must satisfy three elements: it must have a strong artistic element, it must be the result of craftsmanship and it must have a global brand reputation. The brand satisfies the three elements, as it will be presented: all products have an artistic element differentiation and are all tailor-made, and the brand is known internationally, although it does not have business abroad.

Additionally, as stated by Kapfner and Bastien (2009), luxury means exclusivity and rarity. Pati Piva has created its own Atelier that transmits exclusive access channel that only few consumers can reach and afford it. Even though the brand has shopping center stores; the business Atelier transmits the ideology of a luxury brand. And lastly, as the authors argue, luxury can be defined by a social stratification, in which consumers have high expectations and demand for a unique and exclusive product and/or service. In that sense, Pati Piva products are unique and exclusive, they are developed according to each consumer demand as it will be explained next.

Pati Piva is a luxury Pastry brand that was created in 1995 in Brazil by Patricia Piva, who is a pharmacist that transformed her passion for cooking pastry into a business model. The brand was created in the period that international luxury brands entered the country and importation became an economic and business mode. The Brazilian economic scenario was facing a transformation of market openness, the president, by that time, created a new currency to stabilize the market, the economy and the hyper-inflation: the Real Plan. The plan created the possibility the entrance of foreigner market, by attracting foreigner direct investments and the introduction and commercialization of international brands.

Pati Piva brand is known as a tailor-made business model that creates personalized cakes, chocolates, pastry and sweet for events in an Atelier located in a noble neighborhood in the city of São Paulo; and the brand also has shopping stores located in different luxury shopping centers the city of São Paulo. The stores are located in five different areas: one store in Shopping Higienópolis, Shopping Cidade Jardim, Shopping Iguatemi, Shopping JK – Iguatemi and one store in the famous luxurious street of the city, Rua Oscar Freire.

The brand has a vast line of products all tailor-made. The cakes are known by their good taste and presentation, and sweets are characterized by careful presentation. Chocolates are creations of exotic, unique and raw ingredients that results in a blend of international standard of quality. Additionally, the brand offers innovative products such as gift that are personalized and special made to private events by using techniques to create personal items with names, messages or logos. In parallel, the brand has a second line composed of a select line of teas and special coffees, and also salty products such as quiches, sandwiches and soaps; all this items are offered in the stores. The following Figure 1 illustrates a sample of products of Pati Piva:



Figure 1 - Pati Piva Products

The brand is famous in the luxury universe of weddings, ceremonies and special events. Additionally, the brand has own stores that provides ready products for consume to consumers, and also packages to take away and gift boxes. The brand is known for its quality and differentiation that provides unique products and experience. The brand provides every season different and innovative products to satisfy different desires from consumers. The clientele is classified into three segments: consumers that make orders to special events, daily consumers that go to the stores and also corporate consumers that order personalized products lines for events or special gifts.

5.1 Pati Piva History

Pati Piva graduated in Pharmaceutics and used to work in that field before creating the brand. When she got married, she moved to the United States with her husband to do her doctor's degree. There, she has discovered the passion for cooking deserts, she has always appreciated sweets. By that time, in 1995, in Brazil the reality was another, the importation was closed

and the country did not have access to foreigner products, as it was previously discussed. So, when she moved to the United States, she has discovered a new world: she had access to cooking books and she discovered new ingredients, flavors and learnt cooking skills. During the years she stayed in the United States, she gained a lot of experience and learned different recipes; she used to cook to her university colleagues and they really appreciated the products.

When she returned to Brazil, Pastry segment was very limited, only few brands did exist and the knowledge was very robust. By that time, it was Christmas holidays and she did not know what to give as gifts to her family. So, she decided to cook and make baskets filled of chocolates, pastry and deserts. As a result, Pati Piva has transformed her knowledge into luxurious chocolates and deserts, so, she founded her brand by creating gifts to her friends and family and the success was immediately.

Everybody liked their gifts and she had a sister in law that, by that time, owned Daslu Shopping - a luxury retail chain that entered the country and introduced foreigner luxury brands, such as Chanel, Cartier and others - that proposed to her to open her own brand, because the products were great and they would make success. So, Pati Piva accepted the invite and started to sell her products. Her sister in law had a business view and she suggested her to announce the brand in different channels and events. After that, the brand launched, growing day by day and it became a famous luxurious Pastry brand in Brazil. Pati Piva started her business in a period that the luxury market in Brazil was growing fast due to the market and economic openness to foreigner companies and investments.

With the great repercussion, orders have quickly started; what was a hobby became a full time job. Pati Piva started to produce cakes and deserts for big events and weddings, and today, she has her own Atelier, where she creates different and personalized products, and also several stores in strategic locations in the city of São Paulo, as previously mentioned. As a result of that unexpected process, she argues: *“I realized that nominating the brand by my name created value to the brand and this created knowledge into the consumers mind and association with my products”*. (Owner)

5.2 Pati Piva Business Model: Consumer at First Place

Pati Piva prefers to welcome her consumers personally in her Atelier to better comprehend their necessities and desires. The brand is very concerned about details; her team and

employees developed a vast line of products of personalized products, for instance, wedding cakes, deserts, chocolates, small sweets.

Pati Piva was a pioneer in the Pastry field in Brazil; she has always been concerned about new ingredients, products and cooking methods that emerged in the market. However, what really stands out on her brand, it is the concern to please the consumers in the best way and to achieve their expectations.

5.3 Luxury Pastry Segment in Brazil

Luxury Pastry segment in Brazil has significantly grown in the last couple of decades. As Pati Piva states: *“The Pastry segment is growing every day, consumers are becoming more aware of the products and are more demanding, because they are learning more about Pastry. Nowadays, everybody is aware about different products and they want new products every time. I believe that the competition prepares the market, more offers are presented and the demands increase.”* (Owner).

The accessibility to information and awareness of very limited in that field, as she explicates *“When I started, there was no internet; this is a huge evolution. Nowadays, everybody has access to information right away, this has created a whole new market that is more aware and can be connected from anywhere at any time. The last couple of decades had made a huge difference, the consumer now has access to everything, back then, it was way more limited and people were not aware of the Pastry segment.”* (Owner).

The current scenario shows that the Pastry segment in Brazil has evolved in the last couple of decades and as the owner says, this is a continuous process that is directly connected to the information era, more than ever people has access to different information in different formats.

With the definition of the methodology, the creation of the case model and the introduction of the case study, it was possible to collect the data and analysis the interviews content and indirect observations. The collected data were compared between three dimensions: brand, consumer’s and researcher perspective, and the main results were signalized. The following chapter presents the main results.

6 ANALYSIS AND RESULTS

In order to explore and connect the model created and presented in the previous chapter, the case study analysis was developed based on the same structure of the case model. Therefore, the results were divided into three segments: (1) Experiential Marketing, (2) Consumer behavior and Consumption preferences, and (3) Retail. Each segment presents the main results collected from the multiple sources of the case study and it is summarized into sections following the premises of the model. In that sense, each segment has sections that presents an overview of the exploration of the theme based on the statements of each concept. The following Table 4 illustrates structure of the result analysis:

Case Study: Result Analysis		
1. Experience	2. Consumer Behavior/ Consumption Motivations	3. Retail
1.1 Luxury experience definition	2.1 Consumer Behavior Preferences	3.1 Dimensions of Shopping Experience in the Store
1.2 Luxury Brand significance	2.1.1 Product: Emotions when choosing and buying	
1.3 Creation Process	2.1.2 Brand identification	3.2 Retail Strategying
1.3.1 Customer engagement perception		3.2.1 Localization
1.3.2 Creation Process: Personal Activity	2.2 Consumption Motivations	3.2.2 Layout and Display
1.3.3 Experience Realm Model	2.2.1 Motivations based on brand perception	3.2.3 Multisensory Experience
1.4 Buying experience	2.2.2 Hedonic: Self-Interest	3.2.4 Merchandizing
1.5 Luxury Experience requirements:	2.2.3 Conspicuous: Social and Status	3.2.5 Distribution Formats
1.5.1 Exclusivity		
1.5.2 Connection of environment relationship		
1.6 Experience Based Marketing:		
1.6.1 Interactivity		
1.6.2 Connectivity		
1.6.3 Creativity		

Table 4 - Case Study – Result Analysis Structure

Source: Own elaboration

Considering the content of the Table 4 and the multiple sources collected, the results were classified and analyzed into three perspectives: brand, consumers and researcher perspective. In the case of the brand, it was considered the interview made with the owner of the brand and the available information that were collected reflecting the brand's market position. and multiple documents sources in the press released, such as the brand website and electronic newspapers. For the consumers perspective, in-depth and semi-structure interviews were

analyzed and also the questionnaires answered by the consumers. And lastly, for the researcher perspective, indirect observation of the consumer and brand behavior were considered, and also the visits made to the stores and the *Atelier*. The results are presented in an analytical text format illustrated by quotations of the original interviews.

6.1 Experience

In experiential marketing the consumer is at the center, the premise for the present study analysis was based on the definition provided in the research model: “*luxury requires substantially different considerations, specifically the four Es: experience, exclusivity, engagement and emotion*”. Therefore, the analysis of the case is based on the exploration of those aspects.

6.1.1 Luxury Experience

The definition of luxury experience explored in the literature review defines that luxury brands must create rareness and exclusivity, when developing an experience (Kapferer & Bastien, 2009). In that sense, the experience is explored by the presentation of the product, the moment lived in a store and the creation of a desire or dream. Additionally, it was presented that brands must create unique moments, because consumers are becoming more selective every day, thereby, brands must create innovative methods of engaging consumers. Considering those definitions, it was explored how Pati Piva and its consumers understand what luxury experience is.

On the brand perspective of Pati Piva, the concept of luxury experience has always been an important aspect in the building process and image development of the brand. The business is focused on consumer preferences based on their wishes and desires, in order to create and deliver a tailor-made product and service. For Pati Piva, the consumer is at the center of the decision making process; the brand tries to understand what the consumer wants for each occasion. So, then, the brand is able to create and develop products that will fulfill such requirements.

The brand aims to create a pleasant experience to the consumers based on two premises: products and environment. Regarding products, the idea is to create different and innovative products. And, regarding environment, the brand aims to create and expose a pleasant environment, in which consumers can have a good experience. The core business is to develop very special moments for important events, for instance, a wedding that is a unique

moment in a person's life, and the brand feels very responsible in that process. Pati Piva states that the brand cannot fail, if something is not right, the consumer will not be satisfied and this error will be remembered for the rest of their life. In that sense, the brand feels that it plays an important role in such moments and must deliver a perfect experience. As the owner states:

“As part of the experience, the consumers interact actively in the building process, they come to the Atelier and the experience starts. The process is the following: the consumer books an hour with my representatives in the Atelier and my representatives assist the consumers. If they need any help I am here to assist, the consumers like when I am directly involved in the process; they feel special, they say it is a magical moment. What we do is to present some ideas according to what we think will satisfy the consumer and the consumer gives opinions and helps creating the whole event. In my opinion, I am here to serve the consumer, so, the decisions must come from them, an experience involves their active participation and I truly perceive this idea here with my brand”. (Owner).

On the consumer's perspective, luxury experience is noticed and understood by each consumer in a single matter, meaning that the perception differs from each of them. However, what is common for all consumers is the definition of experience being an interaction and a process of living and feeling. For instance, for some consumers, the experience is something intangible that occurs in a short period or situation, in which the individual experiences a luxury product and is involved with it; this creates a positive memory. For others, luxury experience is directly linked to pleasure. As the consumers argue, experience is always connected to their perceptions and moments lived. For instance, as stated by consumers, the perception of experience is:

“Experience for me is directly linked to service, I think the experience is connected to the store where you can taste or prove a product. You create a relationship with the place, how you are served. Sometimes, the store is the experience itself.” (C3). In another definition: *“Experience is how I feel when I go somewhere, the products I taste, how the staff treats me, I think it is a sum of different elements. The sights are also important and the way you feel considering the environment you are.”*(C2).

In conclusion, the definition of luxury experience on the brand's perspective is based on the consumer's preferences, and it is created to satisfy their desires. On the consumer's perspective, luxury experience has different significance perspectives. However, for all

consumers, experience is directly connected to interaction and emotions. In order to better understand the meaning of luxury experience, the importance of exploring the brand significance emerged in the case development after the consumers stated that their luxury experience perception is directly linked to their emotions in relation to the brand; therefore, next it is presented the results.

6.1.2 Luxury Brand Significance

Brand significance is directly linked to the image of the brand; thereby, Pati Piva places high effort to transmit the image that the brand aims to represent. In order to create this image, all administrative processes are centralized on the owner. The brand philosophy is that a personalized service must be developed by the brand in all stages, most of the business, nowadays, are outsourcing different services, and this phenomenon is producing a distorted image perception that forces brands to shut down. This is due mainly because the concept of the business changes and the brand loses control of its ideology. In that sense, consumers see and notice the modifications and that creates a different brand imagine, which has a negative impact to the brand.

In luxury, as previously stated, the owner of the brand is the essence of the business; therefore, the brand ideology must be connected to the owner's preferences. Pati Piva knows that and follows this idea. For instance, Pati Piva coaches and trains all employees by herself, and every manual is developed by her. Every time she visits the stores, she writes down everything that must be corrected and after she gives a feedback to the employees. In her opinion, she cannot hire somebody to do that or outsource the service, she knows that she is the image of the brand and her perceptions are unique, nobody will ever have the same perspectives.

Pati Piva's significance is noticed by consumers as a luxury brand that is known not only by its quality, but mostly by the sophistication of the ambient, the packages and the presentation of the products. For some consumers, being in a Pati Piva store represents a relaxing time, in which they enjoy a delicious desert. As stated by different consumers, what the brand means to them is:

"The brand represents quality, beauty and creativity... For me, the brand represents a Brazilian Pastry brand with high quality and unique taste." (C9).

“I always associate the brand to deserts, they are very good. I also associate to weddings, even more because I am currently planning my own wedding and I know she has a strong brand in this field. I also associate to quality; everything that I have tasted is great, not only because of the taste, but also because of the experience in the store and the good presentation of the products.” (C3).

“For me, it is a mixture of luxury, sophistication and something very tasty, a pleasant environment and pretty. It is a charming brand compared to other brands. You feel enchanted when you go to a store. Therefore, if you link a pleasure and taste you associate to the brand which is famous, this enhance the interest of people to go to the stores, which has a pleasure environment. Everything is very tasty, and in my opinion, it is a strong brand for several reasons. As I have heard a lot about the brand, it stays on my mind; I always associate to a pleasure environment, with tasty products, pretty logo and pleasure colors to the eyes.” (C4).

Thus, brand significance is the reflection of brand image. For Pati Piva, the creation of the image is due through the personalization of the service and products, and it is essential that the owner transmits what the brand stands for. For consumers, brand significance must satisfy their preferences, and in the case of Pati Piva, it represents sophistication and quality, considering products and also the service.

6.1.3 Creation Process

The Creation process is composed by two elements: consumer engagement and personal activity. As previously presented in the theoretical chapter, in order to be successful in the creation process, consumer perception must be at the center. In consumer engagement perspective, it is necessary to emphasize the importance of co-creation by integrating the consumer and the appreciation of creating their own experiences; in other words, consumer has important participatory role in the process. Additionally, consumer engagement must be created in multiple dimensions, including multisensory experience, personal meaningfulness, intensity and duration of the experience, and the importance of the environment in the process. Thus, an experience engages the consumer in different levels and dimensions, and their perception of the whole act has a great value to the brand and its success. In that sense, it was analyzed how consumer engagement perception is noticed by the brand and most important by the consumers; the results are presented next.

6.1.3.1 Consumer Engagement Perception

It was observed that on the brand perspective, in the creation of the consumer relationship, it is necessary to serve very well the consumer. In order to do that, the brand values that it is important to talk to the consumers and understands what they are looking for, so than, the brand can show the products that will fit best their preferences. As the owner explicates: *“I believe that when a consumer thinks about the brand, they are looking not just for the products, they want more: they want a personalized service. The consumer is looking for something unique and special; it is a very important event or ceremony that they will host, so we truly focus in the consumer’s desires.”*(Owner).

On the consumer perspective, it was noticed that they value to be engaged in the buying process, mainly because they are looking for experience when buying a luxury item; consumers like to be well served and to interact in the whole buying process. For consumers, being engaged it is necessary, when they are looking for something that is intangible, such as luxury items, which are differentiated by higher value. As consumers argued, the relevant aspects of the engagement perception were identified by the following statements:

“In general, I think it is important to be engaged, you are more conscious of what you are buying. Being engaged makes a difference in the final result, I feel more satisfy and sometimes the employees give me nice suggestions that enhance my experience. It is very important to have a well trained staff that can answer any question, explain everything and be helpful.” (C4).

“Engagement is relevant. The buying process requires a personal engagement and a connection with the product. Moreover, it is important because I buy to give as a gift and I want the gift to satisfy who is receiving.” (C5).

“I think it is very important to participate. For instance, last week I went to a Pati Piva store because I wanted to buy a nice gift and I was well served, the employee was very kind. I thought it was really nice to be engaged in the buying process for several reasons: to discover which product will fit best my interests, to discover the different prices, if the product will satisfy who is receiving the gift, therefore I think we always should be engaged in the process. When I have to buy a nice gift I always think about the brand.” (C4).

However, the engagement process is not well noticed by all Pati Piva consumers in the store. As stated by one consumer: *“I think it is important to be engaged, but I do not think that the buying process in their store is good, sometimes they are very confused and sometimes when it is very crowded, they do not service the consumers well they are not trained for such situations.”* (C6). This statement shows that creating engagement in a not exclusive environment can be a challenge, and a harmed service can damage the consumer perception. Therefore, the engagement process in store must be very carefully developed.

In the store, the engagement relationship is noticed as an indirect process, meaning that there is no active engagement of consumers in the creation process. Although, it was observed in the store, that some aspects can influence the consumer engagement perception when shopping: menu presentation, employee’s service, products disposition and presentation. The menu enables the consumer to choose the products that will fit best their interests, when they choose to sit down and enjoy a moment. The employee’s service creates the connection between the consumer and the brand; they are responsible for the assistance and explanations. Lastly, the disposition and the presentation permit an exposition of the possible choices that the consumer can make.

The difference of direct and indirect engagement is explicated by the comment one of consumer: *“The relevance of being engage depends on the moment; sometimes I know what I want so I do not need to be engaged in the process. Nowadays, because I do not have time and I know her products I think it is more practical to go to her stores and order what I want without any interaction. However, if I have a big event I think it is necessary to be engaged in the process, to go and taste the products, ask questions and suggestions. When I need something for an event I send an email explaining the event that I will have and they call me back with suggestions and options of what will fit best the event. Normally I choose the traditional items, I think they are more classical and my guests will prefer.”* (C1).

6.1.3.2 Personal Activity

Personal activity has greater impact in the perception of the consumer, because it creates differentiation, exclusivity, individual attention and self-satisfaction. On the brand perspective, a personal activity guarantees the differentiation of the business. Considering Pati Piva business, personal activity is developed directly in the Atelier and indirectly in the stores, meaning that the personalization in the Atelier has a deeper significance; consumers

are able to interact and receive a service only for them, and also to participate in the making process of products.

In the specific case of Pati Piva, it was noticed that personalization of the service is more evident in the delivery service or in the Atelier, as previously mentioned. The representatives ask details of how the consumer wants the products. In the Atelier, there is a list of available ingredients and flavors which consumers can choose from it and also can create new products as they wish. In another perspective, at the stores, there is a personalized service for each consumer, but in a standard level, meaning that the consumer cannot create its own product, they can only choose from what is offer.

There is an evident distinguish of the personal activity creation process in the different distribution formats, as the owner explicates: *“I could serve my consumer in the store, it is a pleasant environment, however it is not exclusive, the consumer likes to come to the Atelier. In the Atelier everything must be nice presented, not accessible and most important must create a mysterious environment that creates the shopping desire in the consumers.”* (Owner). However, in the stores, the perception of personal activity is not the same as in the Atelier; the service is considered more standardized, all consumers are well served and all employees are trained to answer all questions and demands.

In a luxury experience, consumers demand personalized service. For them, it is essential to know what they are buying since they are paying a higher price, so, they expect a differentiation, and the service is one part of what they pay, when buying a product. As stated by one consumer: *“I would like to know what I am buying since I am not buy something industrialized that I can find anywhere else.”* (C5).

A personalized service guarantees the consumer satisfaction and positive association, which creates the desire of coming back. As one consumer argues: *“A personalized service makes me return to the store where I had a good experience, not only because of the product, but also because of the attention the staff gives me. Nowadays, this kind of service is rare and it should be more explored”*. (C4). Another interesting aspect that emerged from a couple of interviews is that for consumers having a personalized service in the store is a plus in the experience; they feel special and at some level they feel closer to the brand.

6.1.3.3 Experience Realm Model

Considering the experience real model presented in the literature review, it was studied how Pati Piva is classified in the experience process. The model considers two dimensions: (1) consumer participation (active or passive) and (2) consumer connection or environmental relationship (absorption or immersion). The first axis measures the involvement of the consumer measuring the level of inter-activity, and the second axis measures the intensity considering the perception of consumer's emotions in the interaction process. The model presents four dimensions of experience: (1) Entertainment, (2) Esthetic, (3) Escapist, and (4) Educational. The following Exhibit 4 illustrates the model and the main results observed:

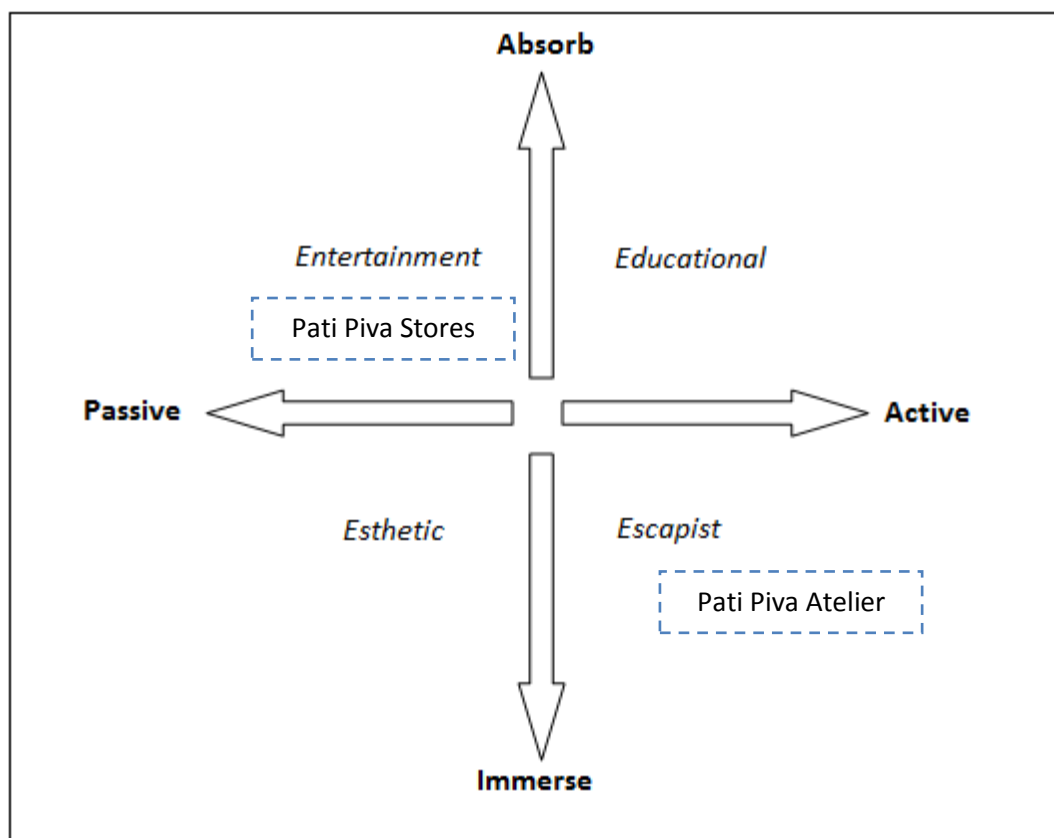


Exhibit 4: Experience Real Model applied to the case
Source: Own elaboration

Considering the model, it was observed that Pati Piva can be classified into two different sectors due the different formats that the brand has. First, in Pati Piva Atelier, it was concluded that Pati Piva is located in the fourth quadrant: escapist, there is a high and active involvement and immersion in the interaction process. Escapist experiences involve high immersion, consumers that foster for this kind of experiences are completely immersed in the experience and as actively involved participants. This position is justified by consumers

personally influence in the performance of the experience and because there is a high level of physical participation in the experience.

However, if it is considered the experience at the stores, Pati Piva is classified in the first quadrant: entertainment. Entertainment experiences are characterized by passive absorption through senses. The dimension of entertainment focuses on the strategy to approach and attract the modern consumers of today, for instance, in Shopping Malls. Pati Piva stores position is justified by that consumer's involvement is not as active as in the Atelier, there is a level of passive interaction, they are not fully involved in the creation process, the products are already there presented and they interact with mainly through the environment and the service can be noticed. Additionally, consumers inherit the experience, they are not directly immersed in the process; they bring the experience into their mind from a distance.

6.1.4 Buying Experience

Buying experience is a complex element that brands must face every day in the business management. More than ever, consumers foster for experiences, when purchasing a luxury good. Nowadays, consumers do not make impulsive purchase, they want more than just products, and they want the whole experience. Therefore, luxury brands must delivery what the consumers want and expect, and by doing that, they can maintain their business by facing the specific demands.

The perception of the buying experience is extremely relevant in the brand perspective. For Pati Piva, the consumer is at the center, the activities are developed based on what they request, so the buying experience perception is positively noticed by them. For instance, in the stores, if a consumer is not satisfied with something, the brand thinks it is important to give immediate attention to solve the problem. In that sense, the brand is concerned about consumer's wishes at first place, as the owner states: *"Sometimes, it is not even the case, but as the owner, I prefer to correct a mistake and satisfy the consumer. For instance, once a lady forgot the chocolate package on the car; what we did: we sent a new box to her. It is a small detail very simple that does not cost anything for us, but is important for the consumer; we want to make them satisfy."* (Owner).

The shopping experience, in the consumer's perspective, is composed by two elements: a good service in a nice environment and also the quality of the products. As states by one consumer: *"The shopping experience is composed by different elements, just a quality*

product do not satisfy by interest, because there are other brands that sell good products. So, if I am not well served and I do not feel good in the environment, I will not see any differentiation and this will not be a shopping experience for me. Additionally, a well trained staff makes the difference, the employee makes you feel different, you see the additional value in the experience; just nice products will not delivery what I am looking for, and all elements must be considered.” (C4).

During the visits to the stores, it was observed that the consumer’s treatment is always standardized. This is necessary to not create a differentiation perception among them; they must feel equally treated, but highly well served due to the luxury experience that they are looking for. In other words, for them a luxury service must be differentiating, but it cannot be differently perceived among them. In the owner’s perception, professionalism must be maintained in all stages of the buying experience, mainly because the treatment is perceived by every individual in any daily situation.

Additionally, it was observed that in the stores four elements are relevant in the buying experience process: good service, quality of products, product presentation and quality of furniture. Products are indeed one of the most important aspect of the experience, without a good product there is no good experience. In the environment, colors have an important role; consumers state that the colors of the brand bring them peace. Additionally, special details and employee’s assistance create positive significance for the experience, the consumer notices as a plus, for instance, how an order is delivered at the table, considering the product presentation on high quality dishes. As stated by one consumer:

“The service is simple, but sophisticated; all employees are professionals and very educated, they all follow the same procedures and patterns. The dishes have high quality, I associate them to luxury products, and the disposition of the products in such dishes creates a better perception of my whole experience.” (C5).

The buying experience perception based on brand image is another valued aspect noticed. Managing a brand image is a challenge for every brand, prejudice and distorted impressions are created by consumers that are not aware of the brand significance. The construction of the brand image is a daily activity that must be consistent, so, the consumer can build and maintain a unique association to the brand. Considering the importance of brand image, the owner has the following opinion about the relevance in the buying process:

“I always tell my employees to smile, be kind and receptive because there are consumer that have the curiosity to go to a store, but they do not because they think it is too luxurious and inaccessible. So imagine, if a consumer finally enters the store and they have a bad experience they will never return and will keep the negative association. This is very common in the luxury sector, people enter the store and the employees serve unequally the consumers depending on how they are dressed, how they behave and they judge people by appearance. This is very negative and creates an unpleasant perception and also the experience is compromised, the consumer will not feel well in the store, and because of that, a potential sale can be destroy. So I always say to my employees: you must be very careful and treat everyone equally, a misjudgment can ruin the service, you can lose a sale because you treat someone wrong. This is very complicated and must be very carefully managed.” (Owner).

In order to understand the brand image perception of the consumers, the brand considers some measures efficient for this process; an important tool that measures the consumer’s satisfaction is the internet. Nowadays, the web channel has strong impact in the daily life of the society. People are fostering more than ever for experience in the buying process. All daily transactions are becoming less personal every day. One of the reasons for that is pointed out by consumers as the technology era, in which the internet shopping became common and in this channel there is no direct experience.

For instance, in Instagram, if consumers are not satisfy with the experience or even the product, they post a comment that in a short time will be seen by thousands of people. Therefore, the internet became a very influent communication channel that must be monitored. Additionally, these channels are an important tool for consumer’s feedback; over the internet the brand is able to solve problems. Pati Piva’s brand is very concerned to this communication channels and gives high attention to such comments. If something harmful shows up, the brand immediately tries to solve the problem, in order to minimize the negative impact that the comment could create to the brand’s image. For the brand giving attention to a not satisfy consumer is necessary and essential.

6.1.5 Luxury Experience Requirements

In luxury experience definition, it was presented that there are two requirements that must be developed by brands in order to create a pleasant experience. First, there is the concept of exclusivity, in luxury exclusivity is essential, and without it, consumers do not positively notice the brand. Second, environment places a strategic position in the luxury experience development; the connection of the environment to the consumer's perception must be constantly pursued by the brand. Both concepts are explored now in Pati Piva's perspective and in consumer's perception.

6.1.5.1 Exclusivity

In the brand's perspective, exclusivity is essential. For the owner, every consumer wants to be unique: exclusivity is the key for creation differentiation. As the owner says: *"Every bride wants to be unique, and sometimes I create new products for such events as the consumer order. The consumer feels special when I create an exclusive product for her event, when I delivery their wishes they feel very happy."*(Owner).

In the consumer's opinion exclusivity is a key factor in the luxury segment, mainly because exclusivity aggregates value to the product that justifies the higher price. In their opinion, products cannot be accessible to all and must be differentiated by the quality. In luxury, differentiation is essential, therefore a luxury product must be exclusive. Additionally, creating exclusivity is relevant because the market has a lot of competition and is full of releases, so who creates exclusivity aggregates value and is able to get the consumer's attention. In a competitive scenario, in the consumer's perception, products are more and more standardized and look like the same from one store to the other, so having something exclusive is a differential and very positive for the brand.

However, in another perspective, it was observed that exclusivity is not a relevant aspect for all consumers, when they are fostering a product, or service or experience. This is justify by the fact that some consumers are already involved and connected with the brand and they know what to expect from the products and services, so for them, when they go to a Pati Piva store they already know what they want and they prefer a direct service, not necessarily exclusive.

6.1.5.2 Connection of Environment Relationship

The connection of the environment in the relationship with the consumer plays an important role in the brand perspective. The environment is relevant in the luxury experience, because it creates unique moments that are not tangible assets. Mainly, for Pati Piva, the environment has a crucial and symbolic meaning when influencing the consumer's decision, and also contributes to the satisfaction and the consumer perception and decision in the buying process. At Pati Piva, all environments are well planned, for instance, at the stores everything is white and neutral, and that highlights the product that is what the brand wants to put on evidence.

The brand's strategy is to have a neutral environment, where it is possible to adapt and play with layouts that will highlight what the brand wants to present and offer to the consumer. Additionally, because the ambient is neutral, the brand is able to play with display; for instance, the brand is able to show selective products in different seasons that better composed the image that the brand wants to transmit in the stores. Moreover, the environment is directly linked to the product, so, they must be synchronized.

For the owner, the classic and traditional is the essence; they are never outdated. Since the beginning of the brand, the logo has never changed, the idea is always the same; the brand fosters a pattern that shows to consumer stability and creates a unique image and brand association.

In the consumer's perspective, a nice environment creates a pleasant shopping experience that enhances the desire to buy; this is observed in the following consumer's statements: *"If the environment is pleasant, I will buy something even if I did not premeditate and wanted before, it becomes a moment of desire. Additionally, if the environment stands out in comparison to others, that will positive influence the exposition of the brand and also of the products"* (C2).

"The environment totally influences my choices and emotions, it is a well-being feeling. Pati Piva has a brand and an environment that are very positive and I enjoy buying on the stores, the place is very pretty, I feel good when I go there. Certainly I feel better going to one of her store rather than other Patisseries in the Shopping Mall. There are other Patisseries stores but I prefer hers, a Pati Piva store is more comfortable and they get my attention with the visual and environment disposition." (C4).

Additionally, it was observed that the consumers noticed differences between environments: *“When I go to the store in Shopping Cidade Jardim, I feel I have a great experience, I sit outside the store to enjoy a cup of coffee and eat a desert and I feel great. The environment they present creates a pleasant atmosphere; I think the store is well positioned. However, there are other stores, for instance in Shopping Higienópolis and Shopping Iguatemi, that I do not feel the experience, the environment is too crowded and noisy, I think there is no luxury in that place. In my opinion, there are stores that are more exclusive that creates a luxury environment, such as in Shopping Cidade Jardim, but other stores do not create this environment.”* (C1). Therefore, all brands must be very careful when creating multiple environments, everything must be aligned and create a standardized environment, in which consumers will not notice discrepancies.

6.1.6 Experience Based Marketing

Experience based marketing includes three elements: interactivity, connectivity and creativity. It was observed that interactivity is created by the connection of the consumers with the employees. Connectivity is directly linked to products and the brand itself. And creativity is noticed mainly by new products release. In that sense, the composition of the experience is based on the product presentation in the stores, because for consumers the products do not differ from brand to brand in the luxury segment; all have the same quality.

6.1.6.1 Interactivity

Interactivity is very important for the brand, it is necessary that all employees are able to answer consumer’s questions in the store, and that they are able to explain to the consumer all products details. Additionally, it is essential that every employee is communicative, because the consumer feels more satisfy, when they experience a personalized service. For the brand, this is differentiation; mechanic service cannot be applied in the business. Consumers like when they come to the stores and the employees already know their names, what they want, the way they like to be serve; they appreciate and value that, and they feel more satisfy.

Employees must be very careful to consumer behavior, because there are some consumers that do not like interaction in the store. So, employees must be very sensitive and notice, what is the best approach to interact with a consumer, when they enter into the store. In the consumer’s opinion, it is good when the employee presents himself as available, but let the

consumer free to ask questions whenever they want, they prefer when employees are not invasive, as a consumer stated: *“Interaction is important, but not in all situations, sometimes I just go to buy something quickly that I already know what you want, but it is always good to have somebody available if I need any explanation. There are some cases that I need more explanation, for instance when I order for an event, in such case, I need a more detailed explanation and active interaction.”* (C3).

In the consumer’s opinion, interaction is important in Pati Piva stores, mainly because the brand has different and exotic products that consumers do not know what they are. In their opinion, Pati Piva is different; the products are decorative, and usually the consumer do not know what is inside and which flavor they have, so, it is necessary that somebody explains what each product is.

6.1.6.2 Connectivity

Connectivity creates consumer’s emotion and identification with the brand. In the brand perspective, it is possible to notice such connections in the internet through Instagram; the consumers always post that they are on a Pati Piva store and what they are eating. This kind of activity shows the identification that consumers want to show to others that they feel connected to the brand.

In the consumer perspective, connection is relevant, because consumers expect a good service, a peaceful and nice environment. The connectivity with the brand is one of the most important aspects in the buying process, since the product, the experience and the service must reflect what the consumer foster and expects. In their opinion, everything counts, when they create their perception of the brand and they create a connection feeling.

Additionally, connectivity is relevant, because Pati Piva is in a very specific luxury segmen; consumers must notice the aggregated value added to the product: they are eating a desert, but not only a desert; it is a sophisticated one that has different ingredients. In that sense, the connection with the brand is directly linked to the action of eating the product, so, the consumer must appreciate it at the first place.

6.1.6.3 Creativity

For the brand, creativity is very important, mainly because the presentation of new, personalized and different products is crucial. Pati Piva has a new release every season in the stores. For instance, in Eastern besides all traditional products that consumers demand, there are new products that consumers like to give as gifts. In the brand perception, when consumers buy for self-consume they like traditional products, but when they want to give a gift they like to buy a new release, because Pati Piva's consumers are frequent and they give gifts every year, so new products gives different options and create multiple alternatives.

Creativity is very present in Pati Piva stores, the products have different packages and in the store the consumer is able to see what is inside of each package. because they are presented in different formats. For instance, deserts are cut in half, so consumers can see what is inside; there are tags identifying every product. As commented by one consumer: *“This kind of presentation is rare to see in stores nowadays. By doing that, Pati Piva creates exclusivity, because the consumer knows what to expect, in other cases you do not know what is inside the product and you can have unpleasant surprise, you can drop in your clothes or the product was not what you was expecting. Additionally, the gift packages are well done, it looks like jewelry boxes, it creates a pleasant experience for who is receiving the gift, and they feel very special. Something curious, I have never noticed that in the store there are salty products, I discovered that not long ago, I think the brand is innovating and this is very positive”*. (C4).

In the consumer's opinion, creativity is very important, so the higher price of a luxury product can be justified; they must feel the differentiation in the experience. Creativity creates the desires of experiencing the new and or different constantly. In the consumer's opinion: *“Creativity is relevant and is a differentiation of Pati Piva, consumers foster for personalized products. In my opinion, Pati Piva consumers want products that differs from the traditional ones that you can find everywhere, the aspect of creativity and different products indeed is a differentiation”*(C1)... *Being creativity is very relevant in the current market because other brands are full of new products and releases. Therefore, in order to compete in the market is essential to create new products and captive the interests of the consumers.”* (C2).

Creativity is the key factor in the service at the Atelier. For Pati Piva, creating new products guarantees her success and consumers foster for new and personalized items. When they go to the Atelier, they expect that they will have special and exclusive products in their events;

therefore, creativity must be reinvented every day in the daily activities and service delivery. The importance of the Atelier is noticed in the following consumer's observation: *"I think creativity is very important, mainly for Pati Piva that in general creates products for events and weddings; a cake will never be exactly the same of another cake. The products that are ordered are personalized according to the consumer desire. In my opinion, creativity is the most important aspect; I think Pati Piva products will always have a differentiation."* (C3).

In conclusion, it was observed that the various attributes of luxury experience, brand significance, creation process, buying experience and experience based marketing appointed by interviewees from both perspective – brand and consumers- are consistent with the concepts found in the literature on the subject and described in the theoretical framework of this study. The variations in the definitions of luxury experience of each participant reveal different individual motivations for consumption that will be explored in the next session. This differentiation of perception may result in different behaviors of consumption, so, the importance of defining in advance the concept of personal luxury experience. Additionally, considering brand significance consumers are concern not only by quality, but also by sophistication of the ambient, the packages and the presentation of the products. Regarding the experience creation process, the item of engagement was considered by direct and indirect, meaning that the type of environment influences the consumer's perception and willingness of participating in the process. Moreover, the case demonstrates that there is an evident differentiation of the personal activity creation process in the different distribution formats.

In addition, considering the elements studied in the luxury experience: (1) exclusivity creates differentiation and aggregates value to the product, which justifies the higher price, (2) connection of environment relationship influences consumer's preferences when buying, (3) interaction is necessary because the brand has different and exotic products that consumers cannot identify only by looking, (4) connectivity aggregates value to the product, and (5) creativity justifies the higher price of a luxury product, consumers notice the differentiation in the experience.

6.2 Consumer Behavior and Consumption Motivations

Consumer behavior and consumption motivations were analyzed based on the statements presented in the research model:

- (1) Post Modern consumers are emotional beings concerned with achieving pleasurable experience;
- (2) Changes in Consumer behavior in Western Societies have led to the emergence of a new meaning and perception of luxury.

6.2.1 Consumer Behavior Preferences Based on Profiles

As previously mentioned, there are two major segments of luxury consumers in Western societies: traditional consumers and new consumers. The first segment is composed by who belongs to the upper class and revere the traditional and well-established brands. For the second segment, there is no single definition of who belongs to this classification, because they do not belong to a single social class or culture. However it is suggested that such consumers are driven by modernistic tendencies, such as individualism, reflexives, self-staging and self-expression necessities. Considering both segments, it is evident that the luxury perception of consumers is no longer what it used to be: new profiles have emerged and brands must adapt their business to attend different demands; people's needs and expectations have changed and they will continue to evolve.

When analyzing the different profiles of consumer preferences, it was noticed that Pati Piva has the two types of consumers: traditional and new luxury consumers. Those nominations were previously explained in the theoretical chapter: the traditional segment is related to the concept of nobles following the traditions and belonging to a specific segment of the society. On the other hand, the new luxury is the so called burgees, a new group that emerged with the history and economy evolution. The distinguishing is not very clarified, but the evolution of the society illustrates the two consumers profile segments. Each segment demonstrates specific preference when buying Pati Piva products; these differences are presented in the following sessions.

In the process of analysis, it was observed a new profile of consumers that has emerged in the new era: enterprises consumers. As the owner explains, those consumers are much alike wedding consumers, meaning that they are very exigent. Their requests demand high personalized and quality products, and more important, everything must be tailor-made. As the owner commented: *"Companies demand specific items for events in short notice. In general, big corporations contact the brand directly, others contact through an agency. The enterprises are demanding consumers, and, in some cases, they need specific packages and*

colors that I must produce from the scratch. In the case of weddings, I already have the necessary ingredients and packages, so I can present from what I have, however, in the case of enterprises, I need to create everything new for each request. For that reason, enterprises orders must be well planned because the costs are higher and I need to buy everything in advance to deliver the orders.” (Owner).

In all profiles, there is a common sense of perception that the product is directly connected to their preferences choices. Although, the difference between their perceptions is based in the significance of what the products represent and stand for. In that sense, the next session explores the preferences choices based on the product’s consumer perception.

6.2.1.1 Product: Emotions When Choosing and Buying

In the emotional consumer’s perspective, there are some feelings that emerged when a Pati Piva consumer buys a product: pleasure, happiness and satisfaction. For instance, it is a pleasant experience, when consumers taste and enjoy a good product that has a nice visual. Additionally, there is the emotion, satisfaction and pleasure of buying a quality product; it is a personal pleasure, and unique moment. The products are both for self-consume and for gifts; consumers feel they have made a good shopping experience, and that they will certainly give a nice gift. Moreover, in their perception, the products are tailor-made and not in large scale, therefore they are exclusive, fresh and high quality. When the product is consumed, it is a relaxing moment, in which consumers feel a happiness sensation that fulfills their immediate desires.

Pati Piva consumers always expect to taste delicious and different products that must add value to their experience. Those consumers are looking for something else, not just a product. In the stores, products are more standardized, but there is a vast option of products and sometimes new products are presented. In the brands opinion, all stores must be standardized; they cannot differ from each other. It is necessary to have a level of excellence, that shows quality and pattern; the service and products must have a level of quality. On the other hand, in the Atelier more value can be added, since the structure behind the service is more flexible and personalized products can be created. As the owner says: *“Products are more flexible, they can be personalized to each consumer, and in that case, the differentiation is the glamour.” (Owner).*

6.2.1.2 Brand Identification

Consumers identify their selves with the brand, because of different factors, such as: differentiation, high quality, nice design and presentation, exclusivity, strong image, organization, well-being sentiment, beauty and sophistication. The brand is concerned about details that call the attention of consumers. As the consumers argue, they buy the products not only because of the taste, but also because of the visual that has an important role. In that sense, the presentation and the details are very important.

6.2.2 Consumption Motivations

Besides consumers preferences, it was explored the concept of consumption motivations. The difference between concepts is that preferences are directly connected to personal perception; consumption motivations are involved to external perceptions, and not only personal preferences. In that sense, it was explored the motivations based on brand perception, self-interest and status recognition. The following sessions present the main results observed.

6.2.2.1 Motivations Based on Brand Perception

Pati Piva's consumers foster for experiences that fulfill their desires based on three elements: product, brand and experience; every aspect integrate the motivation of the consumers. Additionally, there are different motivations why people buy luxury products. Pati Piva's consumers demonstrate different reasons based on product and brand perspective: high quality, great presentation, different and innovative products, tasty, to give as a gift, personalized products, reputation, good service, traditionalism, security and uniqueness. Consumers trust the brand and they are certain that what they expect they will receive.

As the owner explicates: *"There are two types of consumers: the one that wants to show to others and the one that buys for self-pleasure. For instance, a consumer requested me to put the logo of the brand in the package of all products of the event. On the other hand, there are consumers that do not want to show off, they are more reserved. Although, something that I have noticed is that quality is essential for all consumers."* (Owner).

For some consumers, brand perception justifies the shopping experience of buying a luxury item. The brand has a higher significance for such consumers, as the owner explains: *"I have consumers that value having Pati Piva in their wedding, even if they cannot afford it easily."*

But for them, this is essential, so they make the effort and save money only to make their wishes to come true. For them, it is a special moment and in that moment it is essential for them a Pati Piva product.” (Owner).

Additionally, there are consumers that based their motivations on image perception; they create their own brand significance even before they have an experience with the brand. In that sense, the consumer creates an expectation and prejudice that transformed their previously perception, when they actually get into contact with the brand. In the owner words: *“Sometimes, when a consumer meets me, she feels surprised, because she had a different idea of me. In some situations, a consumer thinks I am a luxurious person, but I am simple and receptive. I think this happens because people have a previous judgment/image and they think that the brand is something inaccessible and exclusive, something that luxury indeed transmits.”(Owner).*

6.2.2.2 Hedonic: Self-Interest

One of the purchase motivation perspectives is based on self-interest, the so called hedonist consumers, which are more concerned about pleasure. Such consumers buy luxury goods to treat themselves, with little or no desire to signal status or wealth; products represent the emotional benefit of the purchase. Thus, the hedonic perspective includes the psychological experiences that accompany product usage, and the hedonic responses may be viewed as the essence of the usage experience. In that sense, it was explored the hedonic profile of Pati Piva consumers.

In personal perspective, it was observed that there are consumers that foster for self-pleasure, in which the product must have quality. Consumers buy for themselves and they want a psychological experience that includes self-satisfaction. Consumers in this category are concerned with the product they are consuming, and also the act of eating something delicious. They do not care about what is around them, it is a unique moment that they enjoy the pleasure of having a desert.

In the personal interest’s perspective, people buy the product because of the convenience, nice environment, good products and experience, quality, visual, as a compensation mechanism or a reward, as symbolic meaning to present in a event. As one consumer mentioned: *“When the brand opened the store at Rua Oscar Freire I was very curious to see*

the new store, so I went to the street only to see the store, even if the street has other luxury brands I went specifically to see the new store.” (C4).

6.2.2.3 Conspicuous: Status

In the social orientation perspective, or the so called conspicuous consumption preferences, consumers desire to differentiate themselves from the rest by acquiring, displaying and consuming conspicuous goods. Consumers in that category value external reference information, such as what others acquire to judge the merit of their own acquisitions. In other words, the consumer looks to others to see how they are doing, in terms of relative wealth, power and status. In the social category, brands become symbols to society and they help individuals to construct their self-image, they allow consumers to achieve their self-identity goals, and signal to others their actual or desired identities.

In social perspective, it was observed that status is at the center of consumer preferences when shopping. Such consumers seek the social pleasure, they want to differentiate themselves from others, and they believe that the product is a compensation mechanism. In that sense, they want social status recognition, and there is a symbolic meaning of the brand and also of the product. In that category, as the owner commented: *“There are consumers that wants to show the logo of the brand, the status is important for them, for sure, there are consumers that will communicate that the products in their event is a Pati Piva, they want to be recognized, they want to show and expose the brand.”*(Owner).

Most of Pati Piva’s consumers have shown mixture preferences when shopping; even if they want to show off the product, they are also looking for self-pleasure, as the owner says: *“My consumers buy my products because they think they are good even if they want to show; it is no sacrifice to feel good about them.”* (Owner). For them, there is a strong status concept, however, this is not important when they decide to purchase such items, they buy because they like the products. What is most common is to give as gifts; consumers think it is a high quality product for a gift.

However, there are some consumers that think that the status is a part of the product, for instance, when they host an event they think Pati Piva’s product creates a differentiation to the items of the event, it makes a difference. It is not about taste, it is about the presentation of the products. The product represents a part of the decoration of the event. But even for

such consumers, it is not about belonging to a group, it is about the representation and status of the product; the association is to quality and recognition. As the owner explains: *“In weddings, sometimes the consumers want to show that is a Pati Piva product, ones more others, it depends on the consumer. But for sure, there are consumers that feel proud on saying that their marriage has Pati Piva items. Even a souvenir from the marriage, there is a symbolic meaning, the consumers develop the product as they wish, it is not any product, there is a personalized touch, it was made for that occasion only, and it is a special event and, therefore, it creates a symbolic meaning.”*(Owner).

In conclusion, the results presented in the consumers preferences and consumption motivations are consistent with the concepts presented in the literature review. Indeed, there are two main profiles of consumer behaviors and motivations divided into hedonic and conspicuous segments. However, in the case study it was more evident that brand consumers are more concerned with their self-pleasure than social status. Additionally, brand identification and product preference are key factors in the decision making process of consumers, when purchasing luxury goods. It was also presented that emotions drive consumer’s motivations and preferences. In the case study it was noticed that different elements such as differentiation, high quality, nice design and presentation, exclusivity, strong image, reorganization, well-being sentiment, beauty and sophistication influences and creates the identification sentiment among the brand clients. And lastly, it was observed that the environment influences the consumer’s perception and drives their motivations. Therefore, the next session explores the concept of shopping experience and tries to understand which elements are important in the creation of the luxury experience.

6.3 Retail

Luxury retail has the role of creating the connection of consumers to the brand, in a physical perspective. As luxury has evolved over the decades, luxury retail became a strategic tool for the sector; luxury retail began to intensify different distribution methods and formats. Additionally, it is evident that retail experience became very influential to the development of the whole retail strategy field, and it allows consumers to participate in a much higher level of the development process – from the creation of the product to the brand image itself - such as the one practiced in stores.

Luxury retailing analysis is based on the statement presented in the research model: *Experiential retailing relies on the creation of environments that engage people’s sense.* The

exploration of the theme is centralized in people's engagement in the luxury experience buying process, considering the dimensions of shopping experience and luxury strategizing, including five key elements: localization, layout, multi-sensory experience, merchandizing and distribution formats.

6.3.1 Dimensions of Shopping Experience in Stores

The first dimension explores the consumer engagement experience in the stores. It was observed that stores stand for the brand presentation, the creation of the image and as a communication tool. Pati Piva's stores transmit to its consumers a sophisticated environment that they associate the brand to luxury and high quality.

In order to understand the dimensions of the shopping experience in store, first, it was necessary to understand the reason why Pati Piva included in the business model the store distribution format. The owner explained that the shopping experience in stores was created because of chocolate products. As she explicates, chocolate is an immediate product for consume, so if there is a direct channel to dispose the products the sales increase. Since the beginning of Pati Piva brand, chocolate was one of the main products, the brand has already the perception of the importance of creating multiple channels to offer the products. As the owner states: *"Eastern is the most important season in my sector, around 80% of the sales happens in the week of the festive. The consumers buy the products before leaving the city to travel in the holiday. Nobody buys chocolate eggs in advance, only if it is for self and immediate consume, they usually buys in the week of the holiday to give as gifts. Consumers want to go to the stores and find the right products right away, so the distribution format as the store is the ideal selling point in such occasions, it is an immediate shopping choice."*(Owner).

As part of the shopping experience, the store is considered a communication tool, as the owner says: *"I believe that the image of the brand is due mainly to the quality and the experience that is exposed in the stores and in the Atelier. In Shopping Malls, a person that is walking around and faces the store will be curious to see what is inside, and this contributes to the communication that we want to transmit. Additionally, the internet became an indirect communication tool that is directly connected to the stores; consumers like to post that they are on our store, this is a great form to communicate."*(Owner).

Considering retail channels in which luxury products are sold, for consumers, the most important and relevant aspects are service and environment. In that sense, when consumers go to a Pati Piva store, it is essential for them that they are well served by the staff, including an individual service, in which they interact, when they are selecting and choosing their product's preferences. Additionally, the environment plays an important role in the process, consumers seek for a pleasant environment including a nice presentation and disposition of the products, the quality of the products, cleanness and freshness and nice packages for gifts.

As one consumer stated, Pati Piva has differentiation in the stores that it is noticed by her consumers in positive aspects: *"The visual and the design of the products are very important, for instance, I only see in her stores a product display and showcase in which the products are very well presented, because you can see what is inside of each product, so you know actually what you are buying and you will not have any surprise afterwards, normally negative ones that I have in other places."* (C4). The following Figure 2 illustrates the presentation of Pati Piva's packages:



Figure 2 - Presentation of Product's Packages

6.3.2 Retail Strategizing

Retail strategy considers five elements: (1) localization, (2) layout, (3) multisensory experience, (4) merchandizing and (5) distribution formats. Localization in luxury is a strategic tool that communicates the brand's position and personality. Layout considers the layout of the boutiques and stores, and is responsible for the control of accessibility and exclusivity. Multisensory experience creates the immersion of the client into the environment experience which creates attractiveness and the activeness of the five senses. Merchandizing is responsible for the creation of consumer's desire feeling. And lastly, distribution formats

defines the accessibility channels that the brand aims to achieve and transmit. Next it is presented the main results collected from the interviews capturing the perception of each element in the strategic perspective.

6.3.2.1 Localization

Localization must be strategic analyzed by luxury brands, when positioning themselves. In Pati Piva's case, because the brand is known as a sophisticated pastry brand, the store must transmit an image that represents this consumer's perception. The localization is fundamental in the creation of the environment. It is necessary to place stores in line with the brand proposition. As the owner says:

"I cannot open a store anywhere; we need to make correct choices and not to damage the brand image. There is a question of appreciation and depreciation of the brand, and the localization influences this directly. In some situations, some places could even have potential consumers, however, opening a store in such places would damage and devalue the brand. I have received several propositions that I had to decline to open stores in different locations, but they were not aligned to the brand proposition. It is necessary to make a choice; you need to know which level of recognition and prestige you want to create for the brand. In luxury prestige is essential, you need to keep a level of inaccessibility, when the consumer wants to buy, they will go to the brand and not the opposite way, a high level of accessibility damages the brand. I have already received proposition of retail chains channels for the brand, but I have declined, because I know this would have change the concept of the brand and I do not want that, I must be very careful about location."(Owner).

For all consumers, the localization of the retail channels is very important, when they buy a luxury product. For them, the brand must position itself in places where it clearly reflects the type of consumer that the brand wants to target. Mostly luxury consumers are concentrated in centers, in which all luxury retail channels have stores; therefore, Pati Piva stores must be placed in these same addresses. Although, consumers state that when they want to buy a Pati Piva gift, they go to the locations that the stores are placed.

Additionally, because Pati Piva is in the sector of food retailer, it is essential that the brand places the stores in strategic places, in which consumers will consume the immediate product on the right time. Consumers approve that the stores are located in Shopping centers, in their

opinion, it is practical to have a coffee and eat a desert, while they are shopping or after a meal. However, it was observed that there are differences between the stores. Consumers argued that the level of experience in some locations is different from other places. For instance, there is a higher level of shopping experience perception in 3 stores: Shopping Cidade Jardim, Higienópolis and Oscar Freire. But on the other hand, the shopping experience perception in Shopping Iguatemi and Higienópolis is damaged. Even if all places are located in luxury locations, there is the sentiment that those two places must be better presented.

On the other hand, consumers that buy in the Atelier commented that they are willing to go long distance to have their personal service, they feel special. As one consumer stated: *“When I am hosting an event, I like to go to the Atelier, there I feel very special and unique, I think it is worth it to go a farther distance, the payback is pleasant.”* (C5). In that sense, it is possible to separate the location strategy into two segments: the stores and the personal service in the Atelier. In the first segment, the stores must be placed in strategic places, where consumers have more frequent contact with the brand and buy when they are in the Shopping Malls, it is an opportunity to target more consumers and must be more accessible. In the second segment, the Atelier places a differentiation channel in which it creates inaccessibility that consumers are willing to pay a higher price to have a personal service for events.

6.3.2.2 Display and Layout

The display and layout of the store are fundamental and very important. It was observed that the disposition of the products, the presentation, the colors and the organization are well planned by Pati Piva. Every aspect is related to layout, everything is coordinated, standardized and has the same visual language. As Pati Piva argues: *“I cannot create different environment, pattern is necessary. I am the responsible for all display, everything is done by me, including packages, and some are even tailor-made. Since the beginning of the brand, I thought it was important to personalize every aspect of my brand, including the logo, packages and all accessories of the stores. I am a very esthetic person, in my perception some items are very emblematic and must be well developed, for instance, my flower are very important for the brand image. Nowadays different brand tries to copy my products, but I know that my products are mine. Copies will always exist just like other luxury brands, there are so many copies of Louis Vouitton bags, but you know which one is real or fake.”*(Owner).

The environment can influence the consumer's choice, because of the way you present the products. Pati Piva explains: *"What I do expose or not will reflect what I sell. Moreover, if a product is not selling consumer orders it in the saloon, other consumers will start to be curious about the product and will start to order it too; this is also a way of exposition, and consumers tend to see what other tables are ordering before making their choices. Besides that, depending on the way the products are disposed in the stores this will reflect if it will sell more or less, so we need to monitor the sales to arrange the products in the best format to sell more."*(Owner).

When considering display and layout consumers pointed out some relevant aspects considering the visual and product presentation: *"The visual is the strongest aspect of Pati Piva, she should keep investing on it."* (C8)... *"The layout is great, it is possible to see all products and they have identification tags. It is interesting that the decoration changes depending on the occasion"* (C6)... *"It is fantastic, the layout of the stores is well structure, and everything on the store is pleasant to look: the disposition of the products, the colors, logo of the brand"*. (C7). In that sense, it was concluded that strategic layouts facilitates the buying process decision, the consumers notice the differences and changes that are presented.

Layout influences the shopping experience; clean layout helps the consumer to visualize the products when they are making their preferences choices. In such environments, there is the concern to show and display the products in a format that the consumer chooses the product by the visual impulse. Pati Piva's layout creates a serenity sentiment and the products disposition outlines the quality. The presentation and product disposition showcase are standardized in all stores, so the consumer knows what to expect in every store. The store's layout is composed by a white and clean counter where the products are exposed in a glass showcase, there is also shelves with packages and products presentation and outside the store there are tables where consumers sit and make their orders. The stores transmit a quiet and sophisticate environment as the following figures shows:



Figure 3 - Table Disposition in Oscar Freire Store



Figure 4 - Product's Presentation in the Counter



Figure 5 - Shopping Higienópolis Counter and Shelve Disposition

6.3.2.3 Multisensory Experience

In the brands perspective, the multisensory experience is necessary; the products cannot be only tasty, if the presentation is not good. In service, sometimes a product is not better than another, but through a good service and other aspects the consumer chose a brand and not another, even if the product from another brand is better. So, the composition of all elements creates the perception of the consumer experience. In the owner's opinion: *“The taste of two exact products is the same, however, if one has a better presentation it captures more the attention of the consumer; people eat with their eyes not only with their mouths. Besides that, it is an experience to have a cup of coffee in a pleasant environment, with good smell, it is different from only good coffee, there is no ambient and the experience is not the same. The store must have a pleasant, attractive, receptive environment that creates a positive experience. In my segment, the presentation and the taste are the most important aspects, however, it cannot be only tasty it must have a nice environment that captures the interest of the consumer, in an unpleasant environment the products became bad, this damages the consumer perception.”*(Owner).

Pati Piva products are directly related to multisensory experience; the five senses are very important, the experience begins long before the consumer consumes the product and eats it. At first, the visual and smell stand out, but all senses are relevant. It is important to have a harmony between the senses. Sometimes you taste a product that has a pretty presentation, but the other senses do not work. The harmony of all senses are extremely important, one completes the other. As one consumer commented: *“When I go to a Pati Piva store, I do not want to leave; there is where I want to be.”* (C4).

In the consumer's perception at the stores, multisensory experience noticed by the smell of chocolates, and this attracts the consumers. Additionally, the stores have nice layout and presentations; they are pretty and well organized. The presentation, taste and feeling are well explored in her stores, although the smell could be more explored. Tasting a product is very important when there is a new product in the store. Moreover, the visual is also important, a nice presentation is essential.

6.3.2.4 Merchandizing

Pati Piva understands the role of merchandize in the luxury segment, not communicating directly is better than to eradicate more information than necessary to consumers. Therefore, the brand tries to create a tailor-made image through its merchandize. As the owner states: *“It is necessary to create presentation and merchandize aligned with the brand proposition. For instance, in my segment, it would not fit a LED TV in the stores. In our type of business, it is necessary to have a whole visual planning, there is a specific letter, the right decoration and the right product disposition.”*(Owner).

It was observed that merchandizing does not play an important role in the retail strategy in consumer’s opinion. Consumers think that Pati Piva do not create and display merchandizing in the stores, for them, it is an exchange of experience between consumers and also of word of mouth. As one consumer stated: *“The merchandize of Pati Piva is the exchange of experience between consumers, it is not directly connected to the brand. I think her consumers do not want that, they prefer a close environment that is not full of information and merchandize.”* (C8). However, what is important for them is the explanation of seasonal products, when they go to the stores, but they do not want receive that kind of information outside the store; consumers foster the information and not the opposite way.

6.3.2.5 Distribution Formats

Pati Piva has three distribution formats: (1) Atelier, (2) delivery orders and (3) store channels. The Atelier is the core business of Pati Piva, it is a close and restrict distribution channel, and it represents the idea of a studio. Before there were Pati Piva stores only her Atelier consumers knew the brand; it was an exclusive and restrict channel. Considering the luxury history evolution, the Atelier can be compared to the boutiques of high couture that were an elitist channel mainly in the 19th century. However, with the creation of the stores, the brand achieved a new level of recognition; the brand captured more consumers that taste and prove products on the store that, after, demands service from the Atelier and delivery orders for events.

An interest aspect pointed by the owner is a new format that has emerged nowadays: *“There is a phenomenon of events planners, nowadays, a person do not organize an event without an advisory. Because the consumers do not have time, we send our products to their houses or*

work; this became a new format of communication and service. We need to adapt to the consumers demands, and to the style and distribution format that they prefer.”(Owner).

It was observed that there is a main difference between the distribution formats. The store is a direct channel in which consumers can buy immediate products, and in the Atelier consumers order products in advance for an event. As the owner explicates: *“In the Atelier, people order the products in advance, they plan a wedding or an event and they choose the products in advance. On the other hand, consumers that will go to a dinner in a friend’s house prefer to go to a store and buy a ready gift, this is a more immediate sell, there is no planning. In other words, the sell in the Atelier is more personalized and planned, and in the stores is a more immediate and direct sell, the consumer demand a ready product and mainly buy as gifts. The delivery orders do not have an immediate request; this is the main difference between the two distribution formats.”(Owner)*

In the consumer’s opinion, different distribution formats are important, because the brand offers different services. If consumers go to the store, they want an immediate product, but if they request an order for an event, they want a different service with other procedure more personalized. In their opinion, it is relevant to have multiple distribution formats channels, because it creates more options. Pati Piva does that, other brands only have one format or another; having options aggregate value, and mainly in this sector, it is important to have options, because the demands are different from consumer to consumer. Additionally, the possibility of making personalized orders to be delivered for events, with personal packages and quantities, is one of the differentiations that is noticed in Pati Piva service, and, in the Atelier, the consumer notices being part of the decision making process, something that aggregates value to their buying experience.

In a product perspective, it was observed that in the Atelier everything is personalized, but in the stores the range is more limited, there is a higher flow of consumers and it is a more accessible channel. In the stores, the products are more accessible, everyone can buy a cup of coffee or a desert, so the store is an entry product channel of the brand.

Additionally, it was observed that in the stores, even if the consumers have never visit the Atelier, they already consider the brand very good. Those consumers believe that the store is in that format because of the Atelier; they create an image of what the Atelier looks like. The stores are presented in a format that represents the Atelier, this creates a personalized environment, where consumers can associate the different distribution formats.

As previously mentioned, in the consumer's opinion, it is important to have different formats, because if people do not know the brand, it is through the stores that they will be aware of the brand. However, most of the consumers argue that there is a gap between different formats, in their opinion, there is no connection between the distribution formats of Pati Piva, the Atelier is a separated business from the store format. Most of people are not aware that behind the brand in the Shopping Centers there is the Atelier and the delivery order service. As one consumer stated: *"I did not know I could make orders. Another day I tried to access the website through my Ipad and I could not enter the website, because I work with technology that got my attention. The brand should invest in the online format, nowadays, everything happens on the internet."* (C4).

In another consumer's perspective, the stores should provide the option of making orders, the channel should provide the accessibility to the delivery channel. However, as the consumer explicates there is no connection: *"I think it should have a link between the store and the orders, once I try to request an order in the stores and I was not able to do it; they instruct me to call and make the order by phone. I thought this was bad because I was in a Pati Piva store, so I should be able to request an order, it does not matter which distribution format is, they should be connected."* (C1).

Lastly, a consumer pointed out that multiple distribution formats must create a communication channel that links the services provide in all formats, including the internet. As the consumer explicates: *"I think it is interesting that Pati Piva has multiple distribution formats, but the brand must better connect the formats, for instance, when you go to a store I should be able to identify that I can order products through another channel. Additionally, the website should create an exposition of the different formats available. And the order service should be more communicate. All distribution formats must communicate the same idea and must be aligned, so the consumer can associate the brand to the service"*. (C3).

The results presented regarding luxury retailing are consistent with the concepts presented in the literature review. It was observed that for consumers the most important and relevant aspects are the service and environment. As part of the shopping experience, the store is considered a communication tool and consumers noticed differentiation in the brand's store compared to other brands. It is highly valued the visual and design of the products and its dispositions in the stores. Indeed, retail strategizing became an important tool for luxury brands, when creating luxury experience. The case study has presented that retail formats are

directly linked to the brand image as a creation tool of communication which transmits sophistication and high quality, two essential elements in luxury. As the literature has already revealed, retail channels are noticed by consumers based on two factors: quality of service and environment presentation.

Considering the five elements of retail strategizing, the case has shown that location is directly connected to the brand proposition; the stores must create and transmit the correct brand image. However, it was observed that there are differences between stores; consumers noticed that different locations create and transmit different experiences. Secondly, layout and display is responsible for influencing consumer's choice, because product presentation, disposition, colors and organizations are strongly noticed by consumers. Moreover, multisensory experiences must be created in the stores, five senses are extremely important for consumers, as it was observed, consumers state that the experience starts long before the actual consume of a product; all sense must be aligned in order to create a pleasant perception.

On the other hand, merchandizing does not play an important role in the consumer's opinion, because the brand is luxurious it should not create merchandize, the brand itself has the strangeness of creating brand image without displaying merchandize in stores, actually consumers are against those kind of activities in their stores. And lastly, considering distribution formats, it was observed in the case that different formats create different accessibility, stores are for immediate consumer and the Atelier and delivery orders are a more restrict channel. Although, consumers prefer to have options and different formats, they argue that multiple channels create more accessibility without harming the brand image because all channels are well management. However, consumers noticed that the different formats do not connect to each other and that should be developed, the brand must transmit create communication between formats.

7 CONCLUSIONS AND LIMITATIONS

The proposition of the present study was to investigate, in which way the way the fit (or misfit) between brands and consumers could be assessed. Therefore, both perspectives were analyzed through the interviews, as it was detailed in the methodology and analysis chapters. From the perspective of the brand, it was expected to discover, if the brand construct the brand experience strategy based on products, retail channels, consumer engagement or other forms. Moreover, it was explored the concept of the five senses, which is connected to the development of an experience considering how this approach is developed by the brand and if, at all, are consumers engaged in the process. Additionally, it is expected to understand how the luxury pastry segment in Brazil is approaching consumers and understanding the market based on the specific case of Pati Piva.

As it was previously mentioned, the concept of consumer experience is evolving, but the explanation of consumer experience remains vague. Therefore, this research expected to contribute to the explanation of the causes and motivations that are behind the desire of the consumer experience of the brand consumers. Additionally, as the luxury experience literature reveals, the service quality and consumer satisfaction may actually be declining. This phenomenon is been explained as the result of the service and quality that falls well below their expectations. Therefore, it was expected to analyze, if there is a discrepancy between the perception of the brand of the case study and the brand consumer, and if so, to what extend this is affecting the whole experience.

In resume, the present study aimed to make a contribution for both actors of the luxury market: brand and consumer. The theoretical concepts must be translated to the experience itself, and this dissertation expected to clarify some aspects that are still unknown and explored. As a result, it was observed that there are variations in the definitions of luxury experience of each participant that may result in different behaviors of consumption. Considering the exploration of the concept of brand significance, it was observed that the brand consumers interviewed are concerned not only with quality, but also with sophistication of the ambient, the packages and the presentation of the products.

In relation to experience creation process, the type of environment influences the perception of the consumer interviewees and willingness of participating in the process. Moreover, the case demonstrates that there is an evident differentiation of the personal activity creation

process in the different distribution formats of the brand. Considering the elements studied in the luxury experience, the case has presented that exclusivity creates differentiation and aggregates value to the product, which justifies the higher price. The connection of environment relationship influences consumer's preferences when buying. Interaction with consumers is necessary, because the brand has different and exotic products that consumers cannot identify only by looking. And lastly, connectivity aggregates value to the product and creativity justifies the higher price of a luxury product.

Regarding consumer behavior and consumption motivations, the case study has presented that there are brand consumers that are more concerned with their self-pleasure than social status. Brand identification and product preference are key factors in the decision making process of the brand's consumers, when purchasing luxury goods. Additionally, it was found that different elements such as differentiation, high quality, nice design and presentation, exclusivity, strong image, reorganization, well-being sentiment, beauty and sophistication influences and creates the identification sentiment among the brand consumers interviewed. And lastly, it was observed that the environment influences the consumer's perception and drives their motivations.

Considering luxury retailing, the case has shown that for the brand consumers the most important and relevant aspects are service and environment, visual and design of the products and its dispositions in the stores are highly valued. Moreover, it was observed that retail strategizing indeed became an important tool for the brand, when creating luxury experience; the different retail formats represents the brand image as a creation tool of communication, which transmits sophistication and high quality; two essential elements in luxury.

In retail strategizing, the case has presented that location must be directly connected to the brand proposition; the stores must create and transmit the correct brand image in order to create a unique perception. Secondly, layout and display are responsible for influencing the brand consumer's choice, because product presentation, disposition, colors and organizations are strongly noticed by the brand consumers, when they go to shop. In multisensory experiences, the five senses are extremely important for consumers and they must be aligned, as it was observed that the experience starts long before the actual consume of a product, however, considering the case, the sense of visual and taste stands out in the consumer perception.

On the other hand, merchandizing does not play an important role in the consumer's opinion, because the brand is luxurious, so, it should not create merchandize; the brand itself must have the strangeness of creating brand image without displaying merchandize in stores. And lastly, considering distribution formats, consumers of the brand prefer to have options and different formats such as the ones offered by the brand of the case study. The brand consumers argue that multiple channels create more accessibility without harming the brand image, because all channels are well managed.

7.1 Study Implications

The present study aimed to explore ways to detect the alignment between managers and consumers expectations of the experience based on the specific case study that could present results which could be inferred to the specific case of the brand of Pati Piva. The implications of the research are directly connected to the exploration of concepts that belongs to the luxury universe in terms of comparing perspectives. In that sense, some pertinent findings were discovered. For instance, in relation to the luxury experience itself, engagement is one important aspect that both consumers of the brand and the brand owner perceive, when developing or living an experience. The findings presented that involvement is created in multiple dimensions, including the development of multisensory experience, personal meaningfulness, intensity and duration of the experience, and the importance of the environment in the process. Thus, an experience engages the brand consumer in different levels and the owner is concerned about consumers perception of the whole act, because creates great value to the brand and its success.

Luxury experience involves multiple levels as it presented in the case. Therefore, by exploring the different elements and concepts considering different perspectives, the results show a more detailed comparison analysis that permits further investigation. In that sense, this research aimed to develop a model that could explore multiple concepts that integrates the experience. Several authors have developed researches on this field and the consolidation of different concepts permitted an in-depth analysis of different concepts at the same time considering multiple perspectives. However, some limitations are evident on the study, and they are explored in the next session.

7.2 Study Limitations and Future Study Suggestions

The present study was limited to explore a specific case considering only female consumers between 24 and 54 years old from Class A – luxury mainly consumers - in the city of São Paulo. This choice may result in a distinct behavior observed in other segments and ages that consume luxury brands. The perception of luxury experience, consumer behavior and luxury retail may vary, if other consumers were chosen. Additionally, the brand perspective limits the concept perception; other brands may evaluate the concepts differently. Moreover, due to the fact that the interviewees are from a particular segment of the São Paulo society – upper middle classes - and has a similar level of education/knowledge and principal of values, the results may present the opinion of a small cluster of the society that belongs to the luxury segment.

The findings of this study raised additional questions that provide opportunities for future research. Regarding luxury experience, a deeper exploration of brand significance could provide different methods and perspectives of value perception in the experience creation process. Moreover, in the consumer's profile perspective, it would be interesting to explore the new consumer segment discovered in the field of corporate demands.

Because the pastry segment is still in its infancy in the present scenario, future studies could explore the evolution of the consumers and brand perception of this evolution. Additionally, future study could try to understand the reason that motivates consumers to purchase luxury products from particular brands due to their perception of the luxury experience. Lastly, considering retail strategy in stores, it would be interesting to investigate how brands could better communicate their brand image projection in order to align the consumer's perception of the brand image.

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APPENDIX

APPENDIX A: INTERVIEW GUIDE (BRAND OWNER):

- How was the brand created? How was developed and consolidated the brand?

- What is the relevance of the Pastry Luxury segment in Brazil?

a. EXPERIENCE

What is the consumer experience in your opinion?

Do you believe that experience was relevant in the building process of the brand?

What does the brand considerer relevant in the creation of consumer relationship? How does the brand create relationship with your main consumers?

In the creation process of the brand and products was the brand concern with the consumer involvement?

Are personalized service and consumer engagement relevant for the brand? Why?

Are exclusivity, engagement and emotion important in the value creation of the product for the consumer?

Do opportunities create value to the brand? How does the brand see an opportunity and develop it?

Serving the consumer of the Atelier is a differential? What is the relevance of the Atelier in the process?

What does the brand understand by the following aspects considering value creation to the consumer?

- Exclusivity

- Engagement

- Personalized Activity

- Consumer participation in the buying process

- Environment connection in the relationship

- Interactivity
- Connectivity
- Creativity

b. CONSUMERS AND CONSUMPTION

In your opinion, what does the consumer value more when they buy a product?

Does the consumer foster for an experience that fulfills their personal desires? What is the brand's consumers looking for when they get in contact with the brand: the product, the brand or an experience?

What does the brand represent for the consumer: status, quality or to show the brand to others?

Who is the main brand's consumer? Are the brand's consumer traditional luxury consumers or new luxury consumers? Can the brand differentiate the consumer's profile? Does the brand create different services for different consumers?

In the consumer's preference and consumption motivations there are consumers that foster for personal pleasure that demand quality products, personal usage, psychological experience and personal satisfaction, do the brand's consumers fit this profile? And why?

On the other hand, there are consumers that foster social pleasure that differentiates them from the others. For these consumers the product is a compensation mechanism, there is a symbolic meaning of the brand and the product, do the brand's consumers fit this profile? And why?

c. Retail

Does the environment influence the consumer's choices?

How the environment does affect the consumer's engagement and sensation?

What is the role of the Atelier? How did the brand create the stores? Did the brand have any concerns with environment in this process?

Is the store a communication channel of the brand? And why?

What does the brand understand by the following aspects considering the environment creations?

- Localization
- Layout
- Multisensory Experience
- Merchandizing
- Distribution Formats

Is there any other relevant aspect?

APPENDIA B: INTERVIEW GUIDE: CONSUMERS

Name, Age

How long are you a consumer?

a. EXPERIENCE

What is luxury experience for you?

What does the brand means for you? What does it stand for?

Do you think it is important to be engaged in the buying process? If yes, why?

A personalized service is a differential or necessary? Why?

Do you believe there is an experience in every sale?

Of the following items, which are relevant for you when you foster a product, service or experience? And why?

- Exclusivity: differentiate and exclusive products;
- Engagement: interaction in the buying process;
- Personal activity: personalized service in each sale;
- Environment connection relationship: the environment influence consumer's choices and emotions;
- Interactivity: it is important that the employees interact with the consumer during the shopping, explain the products and answer the questions;
- Connectivity: the consumer notice that is emotionally connected and identifies with the brand;
- Creativity: products release, personalized and the consumer notice the differential in the experience.

b. CONSUMER AND CONSUMPTION

What do you feel when you buy a product from the brand?

Do you identify yourself with the brand? And why?

Why do you buy a product from this particular brand?

Do you buy the brand's product to satisfy your personal interests? If yes, in which aspects?

Do you buy the brand's product to belong and participate of a social group? Status is important for you?

c. RETAIL

When you visit a brand's store what is relevant for you? What do you consider important in the buying process?

Do you consider relevant the following items when you visit a brand's store? And why?

Evaluate the following aspects:

- Store Location;
- Display and Layout of the stores: product disposition and presentation, colors and organization;
- Multisensory Experience: the five senses;
- Merchandizing: merchandize and product presentation in the stores;
- Distribution Formats: stores, delivery order and personalized service in the Atelier.

Is there any other relevant aspect?

APPENDIX C: STORE SCRIPT EVALUATION

a. EXPERIENCE

Do the consumers consider important the experience inside the stores?

Does it exist a personal service for each consumer?

How consumers are engage in the store when shopping?

What is the participation of the consumer in the buying process?

Do consumers feel exclusive when shopping in the stores?

What is the level of participation of the consumer vs. environment connection relationship?

Does it have interactivity, connectivity and creativity in the experience creation in the stores?

How is this process?

What is the relevance and impact of the environment connection in the consumer's relationship? Does it influence the shopping experience

b. CONSUMER AND CONSUMPTION

- Evaluate service and courtesy of employees.
- Are there different consumer's profiles in the store?
- What are the consumer's preferences when shopping in the stores?
- Do the consumers demonstrate the motives for shopping in the brand store?
- Do the consumers buy the brand's products because of the brand status?
- Do the consumers foster for products to satisfy their personal interests?

c. RETAIL

Is the store a communication tool of the brand? If yes, why?

Is the localization important for the brand?

Do Layout and decoration influence the consumer purchase?

Does the consumer foster for an experience beside the products when shopping in the store?

How is the presentation and disposition of the products?

- Layout;
- Colors;
- Multisensory Experience;
- Merchandizing;
- Distribution Formats;

Shopping experience: Service vs Products: what is the most relevant aspect in the store?