Omni-Channel Communication Strategies as A Way to Create Consumer Value

- Evidence from Luxury Fashion Retailers in Mainland China

Introduction

The ways that adopted by luxury fashion retailers to promote their brands and communicate with consumers and consumers’ lifestyles, particularly consumption behaviour, have being dramatically changed by the fast growth of technology, especially in relation to the Internet and increasingly advanced electronic mobile devices (Chaffey and Ellis-Chadwick, 2016). The Internet user has reached 800 million in mainland China, and it has already accounted for one fifth of global users (Bonetti et al., 2017). Moreover, because of the fast growth and strong performance of (online) new world media, the question of ‘whether online new-world media will replace traditional media’ (evidenced by the decline of many printed media outlets) has been debated (Verhoef et al., 2015). Therefore, omni-channel communication strategies, rather than multi-channel communication strategies, are increasingly important for luxury fashion retailers to respond to fast changing consumer lifestyles, and to create additional value for target consumers in China.

Purpose

Despite a great number of prior empirical studies have focused on digital marketing, e-commerce, and multi-channel marketing strategies, the omni-channel communication strategies are still under developed (Herhausen et al., 2015). Therefore, within the ‘Promotion’ of retailer ‘Marketing mix’, this study aims to examine the impact of online
media towards traditional media through exploring luxury fashion retailers’ omni-channel communication strategies in mainland China.

**Methodology**

This paper seeks to understand ‘How’ (how did the luxury fashion retailers adopt omni-channel communication strategies, e.g. what methods/tools did they employ) and ‘Why’ (why did they choose certain methods/tools in their omni-channel communication strategies) research questions, it adopts an interpretivist qualitative approach through using multiple case study research methodology. Twelve participating retailers (across a range of countries of origin, retail formats and ownership structures) are recruited from the members of world-leading professional luxury fashion organisations, including Comité Colbert (France), Fondazione Altagamma (Italy), the Walpole and the British Fashion Council (UK), and the Council of Fashion Designers of America (US). The cover letter, mailed to their head offices, explains the purpose of the case studies and invites them to participate. In order to fulfil confidentiality agreements, all the participating retailers’ and interviewees’ names are coded. The primary data are collected through twelve qualitative in-depth executive interviews (interview questions are showed in Appendix 1). The secondary data are collected through document search and analysis, including participated retailers’ annual reports (published in their websites) and marketing reports (published by reputable organisations, e.g. McKinsey, Bain etc.). The data are analysed through thematic analysis.

**Finding & Discussions**

Traditional media, especially printed media such as magazines and billboards are still dominating luxury fashion market (Kent et al., 2016). Indeed, increasing numbers of luxury
Retailers have recruited professional journalists and invested to publish their own-branding lifestyle magazines, and define their own product category, to raise brand awareness, strengthen their lifestyle brand image, and create more value for consumers (Kapferer, 2015). For fashion magazines, retailers must localise their promotion/advertising strategies. Popular fashion magazines such as Vogue, ELLE and GQ are not as popular as their local/Asian competitors in China, not only because of their higher prices and relatively limited distribution, but also due to their lack of in-depth local knowledge (Liu et al., 2016).

A brick-and-mortar store, especially a flagship store, plays a vital role for luxury fashion retailers’ omni-channel communication strategies (Moore et al., 2010). As well as distributing products, stores also are regarded as an expression of retailers’ invisible brand identities, to raise brand awareness and consumer value through high standard in-store service, advanced technology facilitates, and creative and aesthetic architecture (Bai et al., 2017). Other offline techniques for communication strategies include packaging, colour, TV commerce, charity sponsorship, and the effect of celebrity (Jiang and Wei, 2012). However, choosing appropriate celebrities (as brand ambrosias or guests for public events) is not straightforward, because a public relation team with solid local knowledge is required (Zhan and He, 2012). Additionally, an efficient and effective customer relationship management system is necessary.

As well as direct online marketing, via email marketing and search engine optimisation, luxury fashion retailers’ official website and online stores directly create values for consumer through providing full details of brands and products, and providing high standard customer services (Verhoef et al., 2015). In mainland China, retailers must localise
their online communication strategies which, for instance, employ Baidu, Weibo, and WeChat, because popular Western online social media such as Google, Facebook and Twitter are all banned in China (Bai et al., 2017). Through these social media platforms, retailers can interact and communicate with actual and potential consumers, and monitor and understand consumer reviews of their experiences of products and shopping (E-word of mouth), so that create more value for consumers.

In summaries, in order to create more values for consumers, luxury fashion retailers, under an internationally consistent brand identity, should focus on lifestyle brand image and emotional connections with actual and potential consumers through omni-channel communication strategies.

**Contribution**

In the context of mainland China, this study, from the perspective of international retailing, innovatively explores luxury fashion retailers’ omni-channel communication strategies in order to create more value for consumers, and contributes to building greater understanding of retailers’ adaptations of promotion in their marketing mix to the market.

**Research limitations & outlook**

The findings of this exploratory study are generated from luxury fashion retailers in mainland China. Therefore, subsequent studies are expected to provide greater depth understanding of omni-channel communication strategies for in different sector (i.e. large-scale multinational supermarket chains) and in other geographic markets.
Reference


Appendix 1  Interview questions

1. Do you think traditional media is still important for your company in mainland China?
   ➢ If yes, what kinds of traditional media you are using, and why?
   ➢ If no, why?

2. As well as media, is there anything else important for your company’s offline communication and promotion?
   ➢ If yes, what kinds of methods you are using, and why?
   ➢ If no, why?

3. I believe online communication is increasingly important and popular in the current market, especially in mainland China. Are you using any methods/tools for your company’s online communication and promotion?
   ➢ If yes, what kinds of methods you are using, and why?
   ➢ If no, why?

4. It is known that there are strong policies influences in mainland China, do your company need to adapt your (offline and online) communication methods there?
   ➢ If yes, how did your company overcome the difficulties, and why?
   ➢ If no, why?