Chanel opts out of fashion's love affair with online shopping

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It's a physical struggle in these skirts, but we always shop in store. Haute Couture News, CC BY-SA

In the world of luxury fashion, Chanel stands apart from the crowd. But it's not the designs that make it different. The French luxury brand is one of the last few major labels that does not sell its clothes online.

The Chanel online store is only available in certain countries and even when you can access it, you can buy fragrances, make-up and skincare products but not clothes. It's not clear if this is a deliberate strategy but it may well be. Selling online is, in many ways, incompatible with selling luxury goods.

This isn't eBay, you know

While practically every other retail industry rushed to set up online, many luxury brands initially held back. The very idea of displaying expensive products on a website was unappealing because of the need to present them as quality items and the high expectations of customers that come with spending large amounts of money. Why would clients pay thousands of pounds for a dress or suit online, without being able to try it on or benefit from the service and the store experience that comes as part of buying a designer outfit?

But two companies – Net-à-Porter and Yoox – changed the perception of selling luxury fashion online in the 2000s and, gradually, other brands followed their lead. In 2008, a Forrester study of 178 luxury firms showed<u>a third</u> were selling their goods online. Prada opened its first online store in 2010, and at that time, around 50% of the luxury firms were <u>selling online</u>.

Some companies, such as the French brand Hermès, adopted a progressive strategy, starting by selling accessories before expanding into a fuller range of products. Others, like the British luxury brand Burberry, started selling their entire range of products online immediately. But Chanel still doesn't join the party.

Not the right fit

Just because people are used to buying online doesn't necessarily mean the format is right for everyone. It's difficult to recreate the unique aspects of the store experience or atmosphere online and these are particularly important elements in the purchase of designer clothes. High-end brand consumption goes beyond the sale of a product. The service is an inherent part of the process. The quality of advice and the emotional feeling that occurs throughout the buying process in store does not exist online.



So glamourous, I had to have a lie down. Mannequins in a Parisian branch of Chanel. Christ Waites, CC BY

Véronique Tran, a professor of organisational behaviour at ESCP Europe Business School, told me, "Online stores lack the emotional bond that typically connects consumers with the brand when they shop in retail stores."

Launching an online store also means losing a certain amount of control over the type of customer who buys your products. By carefully choosing the location of physical stores, luxury brands have had a certain degree of control over the type of clientele they attract. Bond street in London, for example, has long been seen as a haunt for the rich and famous. The internet is for anyone, and most people can shop online.

The main risk faced by luxury brands if they decide to sell online is brand hijacking. The industry still remembers how displeased Burberry was when its products became associated with what it perceived to be the<u>wrong kind of clientele</u> in the UK in the late 1990s and early 2000s. Few want to relinquish the control that protects their brand from dilution in this way.

Beyond this is the risk of losing exclusivity. The value of luxury brands resides in the fact they offer goods that are not available in large quantities. The very idea that goods are available online and can be bought from anywhere in the world is a significant breach in the psychological illusion of scarcity and exclusivity that underpins the luxury market. This could be especially true in Asian markets, where customers pride themselves of having visited a luxury store to purchase goods.

Despite all these problems, online luxury stores can be a valuable alternative for consumers. They offer convenience in that you can shop outside working hours, reduce time spent in store and remain anonymous while browsing. Tran said online stores can also help nourish the emotional bond as customers can check products online in preparation for making a purchase in a physical store. They can even help "prolong the dream and fuel the desire" for luxury goods from a particular fashion house.

Chanel is, in some respects, missing out by not selling online and it's not impossible to have the best of both worlds. To hold on to its reputation for exclusivity, it could sell online to existing customers only, almost like an extension of its store services. Another solution would be to make the online store a premium service by letting customers choose items that could be customised at home by a tailor.

But even then, it could not be said to have joined the internet revolution. The difficult relationship between high-end brands and online retail shows that e-commerce is not as straightforward as setting up a website and letting people buy your stock. Even Net-à-Porter hasn't convinced Chanel to make the switch. Maybe it's right to play it cool. Just like Coco said: "In order to be irreplaceable one must always be different."