

PHYGITAL LUXURY

AI and Omnichannel Strategies Redefining Fashion Marketing

Dr. Serra ÖZSOY KARAGÜLLE



DUJAR

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Book Overview

This book examines the convergence of physical and digital environments in the luxury fashion industry, a development often described as the phygital paradigm. Drawing on theories of consumer behavior, brand management, and strategic marketing, it explores how artificial intelligence and omnichannel integration are reshaping the production, communication, and consumption of luxury.

Rather than focusing on specific technologies that may quickly become outdated, the book centers on enduring questions related to human desire, identity formation, and the symbolic meaning of luxury. Within this perspective, technology is considered a contextual factor rather than the core argument of the analysis.

Foreword

On Luxury, Tehcnology, and the Things That Do Not Chnage

For more than a decade, the luxury industry has repeatedly faced the same question in conferences, corporate discussions, and strategic planning: What does it mean to be a luxury brand in the digital age?

At first glance, the question seems straightforward. However, its real difficulty lies not in understanding the digital environment but in defining luxury itself. A meaningful answer requires a clear and rigorous understanding of what luxury truly represents. This involves looking beyond marketing messages or periods of commercial success and examining the deeper role luxury plays in human life. Luxury is connected to desire, identity, and self expression, and people often define themselves partly through their relationship with it. Any serious discussion of luxury in the digital age must begin with this deeper understanding, yet many discussions of digital transformation overlook this fundamental issue.

This book approaches the question with a strong theoretical perspective. It examines phygital strategies, artificial intelligence, and omnichannel systems through a deeper exploration of the nature of luxury, including its psychological, cultural, and symbolic dimensions. By doing so, the book provides practical value while maintaining intellectual clarity. It does not claim that technology will automatically solve the challenges facing luxury brands, nor does it suggest that technology will inevitably damage the foundations of luxury. Instead, it argues that the outcome depends on the values and judgment of those making strategic decisions.

Ultimately, technology functions as a tool that reflects the intentions of its users. Its impact depends on the priorities and principles of the people

who guide luxury brands. The brands most likely to endure are those led by individuals who remain committed to the human aspects of luxury, including beauty, craftsmanship, personal attention, and the rare experience of being genuinely understood by a brand.

This book is written for those who approach the future of luxury with that level of responsibility and care.

Dr. Serra ÖZSOY KARAGÜLLE

İzmir, 2026

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Introduction

The Luxury Paradox in the Digital Age

"Luxury has always been defined by tension between desire and inaccessibility, between tradition and innovation. The digital revolution has not resolved this tension. It has intensified it."

The Paradox

Luxury and the digital age appear, at first glance, to be uneasy companions. Luxury has traditionally relied on exclusivity, scarcity, and carefully managed interactions between a rare product and a select consumer. In contrast, the digital environment is characterized by openness, abundance, broad accessibility, and the reduced distance between producers and consumers. Despite these differences, the two spheres have now intersected in ways that cannot be reversed. As a result, luxury brands across the world must confront the tension between preserving their traditional identity and responding to the expectations of a digital society.

This book argues that the brands shaping the future of luxury will not be those that reject digital transformation, nor those that adopt technology without reflection. Instead, successful luxury brands will be those that integrate technology thoughtfully, with restraint and with a clear understanding of the values that define true luxury. Technology itself does not create luxury. Rather, it strengthens or weakens qualities and desires that already exist within a brand.

In the future, the so called phygital luxury brand, which blends physical and digital experiences, will not be defined simply by advanced artificial intelligence or perfectly integrated channels. Its true distinction will lie in

the richness of the human experience it offers. This experience must be meaningful and consistent across all touchpoints, communication platforms, and moments of interaction between the brand and its audience.

What This Book Offers

This book is not intended to be a guide to digital marketing tactics. It does not evaluate social media platforms, analyze advertising campaigns, or attempt to predict the next technological trend. Such topics change rapidly and often become outdated within a short period of time. Instead, the book provides a long lasting strategic and theoretical framework. Its aim is to offer a way of understanding the relationship between luxury and digital transformation that remains relevant regardless of which technologies emerge or disappear.

At the center of this framework is the argument that luxury possesses a stable core structure. This structure can be understood through four enduring pillars: Authenticity, Scarcity, Mastery, and Narrative. These elements have remained consistent across different historical periods, cultural contexts, and economic systems. For this reason, any digital or phygital strategy, the use of artificial intelligence, or investment in integrated customer channels should be assessed according to how it affects these four pillars. Strategies that strengthen them support the essence of luxury. Strategies that weaken them cannot be considered true luxury strategies, even if they appear technologically advanced.

The analysis in this book draws on insights from several academic disciplines, including sociology, semiotics, phenomenology, brand theory, and organizational strategy. Instead of relying on real world brand case studies, which are often incomplete and quickly become outdated, the book uses a set of carefully developed hypothetical luxury houses. These

fictional brands appear repeatedly throughout the text to illustrate key theoretical ideas. They are designed to resemble real luxury companies in terms of their challenges and dynamics. Their purpose is to function as analytical models that help clarify broader principles rather than to document specific historical examples.

How This Book Is Organized

The book is organized into six chapters and a conclusion, each addressing a key aspect of luxury in the digital age. Chapter 1 introduces the theoretical foundation of the book and presents the DNA of luxury through the Four Pillars framework: Authenticity, Scarcity, Mastery, and Narrative. This framework guides the analysis throughout the book. Chapter 2 explores the phygital shift and examines how the boundary between physical and digital experiences has become increasingly blurred in luxury consumption. Chapter 3 discusses the role of artificial intelligence in luxury, focusing on personalization, creative processes, brand communication, and ethical considerations.

Chapter 4 redefines omnichannel as a brand philosophy rather than simply an operational system and introduces the Seven Touchpoints of the luxury consumer journey. Chapter 5 analyzes the contemporary luxury consumer, highlighting performative consumption, value driven choices, and generational differences. Chapter 6 brings together the key ideas of the book and presents the Phygital Luxury Matrix along with three strategic imperatives for luxury brands. The conclusion summarizes the central arguments and reflects on the future of luxury in a digitally connected world.

A Note on Timelessness

Throughout this book, priority is given to principles rather than examples and to lasting frameworks rather than short term tactics. The aim is that a reader who returns to it several years from now will still find its central ideas relevant, even if the technologies discussed have evolved or been replaced.

This aspiration reflects the philosophy of the finest luxury brands themselves. The goal is not simply to respond to the needs of the present moment, but to create something that retains value, meaning, and integrity over time.

"This book is not about what luxury is doing with technology. It is about what luxury must never allow technology to undo."

Chapter 1

The DNA of Luxury: What Never Changes

1.1 The Anthropology of Desire: Luxury Across Time and Culture

Luxury is not a recent phenomenon limited to modern capitalism, industrial production, or the European fashion system. Instead, it appears repeatedly across different historical periods and cultural contexts. Anthropological and historical research shows that nearly all documented societies have produced and valued goods that go beyond basic functional needs and operate within a symbolic sphere.

Historical examples illustrate this continuity. The trade of lapis lazuli in ancient Mesopotamia, the silk monopolies of imperial China, the sumptuary regulations of Renaissance Florence, and the modern market for Swiss mechanical watches all demonstrate the persistent presence of luxury. Even though watches are no longer necessary for telling time in the age of smartphones, they remain highly valued as luxury objects. This persistence suggests that luxury cannot be understood only through practical utility or economic development.

The widespread presence of luxury also indicates that the desire for it is not irrational. When considered beyond simple functional criteria, luxury plays important social and psychological roles. Luxury goods and experiences communicate status, express identity, signal belonging to particular social groups, and help maintain or negotiate social hierarchies. At the same time, they provide aesthetic and emotional satisfaction that comes from rarity, craftsmanship, and exclusivity.

In this way, luxury fulfills symbolic and social purposes that can be just as meaningful as the practical uses of ordinary goods. For many individuals, these symbolic roles, including recognition, distinction, and identity formation, may represent some of the most important functions that objects can have.

Theoretical Anchor: Veblen's Conspicuous Consumption (1899)

In The Theory of the Leisure Class, Thorstein Veblen introduced the concept of conspicuous consumption, arguing that people often purchase and display goods not for their practical use but for the status they signal. He observed that in modern industrial societies, wealth replaced hereditary aristocracy as the main marker of social standing. As a result, visible and sometimes wasteful expenditure became a key way for the new economic elite to communicate their position. In Veblen's view, the luxury object is fundamentally a social signal: its value lies less in what it does than in what it communicates about its owner. More than a century later, Veblen's framework remains a foundational starting point for analyzing luxury consumption.

Yet Veblen's analysis, while foundational, is incomplete. It accounts for the social function of luxury, the outward signal but does not fully address the intimate, personal dimension of luxury desire: the pleasure of the object itself, independent of the audience. A collector who acquires a rare first edition of a Proust novel and keeps it unshown in a private library is not engaging in conspicuous consumption. Yet she is undeniably a luxury consumer. The desire for luxury, it turns out, operates simultaneously on two registers: The social (What does this object say about me to others?) and the personal (What does this object mean to me, for myself?). Any complete theory of luxury must account for both.

"The luxury object is both mirror and window: it reflects the self the consumer wishes to project, and it opens onto a world of beauty, craft, and narrative that the consumer wishes to inhabit."

Pierre Bourdieu's sociological framework offers an important extension of Thorstein Veblen's ideas. In *Distinction: A Social Critique of the Judgement of Taste*, Bourdieu argues that consumer choices; including choices related to luxury are never simply individual expressions of personal preference. Instead, they are shaped by what he calls *habitus*: the internalized set of dispositions, tastes, and aesthetic sensibilities that individuals develop through their social background and life trajectory.

Within this framework, taste is not something natural or inborn. It is learned, socially conditioned, and closely connected to class position. What people find beautiful, refined, or desirable reflects their education, upbringing, and social environment. In this sense, the ability to appreciate, desire, and properly engage with luxury goods is itself a form of capital; What Bourdieu terms "*cultural capital*". This form of capital distinguishes those who possess the relevant knowledge and sensibility from those who do not.

This perspective has significant implications for luxury marketing in the digital age. If the appreciation of luxury depends on cultural capital, something acquired through education, exposure, and socialization then the increasing digitization of luxury raises an important question: can cultural capital be effectively conveyed through a screen? Can the kind of aesthetic formation that enables a consumer to genuinely understand the craftsmanship of a bespoke shoe or the intricate construction of a couture gown be recreated in a digital environment?

These questions are not merely theoretical. They represent a central strategic challenge for luxury brands as they design and refine their phygital strategies. As luxury increasingly operates across both physical and digital spaces, brands must consider whether and how digital platforms can transmit the depth of knowledge, sensibility, and embodied experience that traditionally underpins luxury appreciation. This issue will reappear throughout this book as a key theme in understanding the future of luxury.

1.2 The Semiotics of Luxury: What Luxury Communicates

To understand luxury is, in many ways, to understand how meaning is created and communicated. A luxury object is not defined solely by its material qualities or practical use; it is a signifier; a material object that carries meanings beyond its physical function. For example, a crocodile leather handbag may serve the same practical purpose as any other bag: it holds personal items. Yet its price, which may be many times higher than that of a functionally similar product, cannot be explained by utility alone. Its value rests on what it represents: the craftsmanship involved in its production, the heritage and reputation of the brand, the social world it evokes, and the forms of distinction and aspiration it signals.

The work of Roland Barthes, particularly in *Mythologies* (1957) and *The Fashion System* (1967), provides a useful framework for understanding this process. Barthes showed that clothing and fashion operate as systems of signs, structured in ways comparable to language. Garments and accessories do not merely cover the body; they communicate meanings that are culturally produced and socially recognized.

Within such a system, luxury objects can be understood as “marked” terms. In linguistics, a marked term carries additional meaning compared to a more

neutral or “unmarked” term. The ordinary bag signifies function. The luxury bag signifies function plus status, taste, heritage, and aspiration. It contains an excess of meaning beyond its practical role. This surplus of meaning helps explain the surplus of price: consumers are not paying only for materials and labor, but for the symbolic value embedded in the object.

Theoretical Anchor: Benjamin's 'Aura' and Its Digital Implications

Walter Benjamin's essay 'The Work of Art in the Age of Mechanical Reproduction' (1935) introduced the concept of 'aura' ; The quality of authenticity, uniqueness, and presence that belongs to an original work of art and that is inevitably lost in reproduction. Benjamin was writing about photography and film, but his analysis applies with striking precision to the challenge facing luxury brands in the digital age. The luxury object possesses aura: the aura of the unique, the handmade, the temporally embedded, the irreplaceable. Digital reproduction; whether through high-resolution imagery, virtual try-on, or AI-generated design, raises the question of whether the aura of luxury can survive digitization. Benjamin was pessimistic. The luxury strategist must be more inventive.

The semiotic codes through which luxury communicates meaning are not random or endlessly adaptable. They are structured over time, shaped by history, and they tend to reinforce one another. Luxury does not signify in an arbitrary way; it relies on recognizable and culturally established codes.

Among the most important of these codes are provenance (where and by whom the object was made), craftsmanship (the skill, care, and time invested in its production), scarcity (its limited availability), heritage (the brand's historical depth and continuity), and connoisseurship (the specialized knowledge required to fully appreciate it). These elements do not operate separately. They strengthen each other. An object produced by a house with a long history, crafted with exceptional skill, released in limited quantities, and

understandable only to those with cultivated taste carries strong symbolic authority. Its power lies in the coherence of these reinforcing signals.

This has clear strategic implications for luxury brands operating in a phygital environment. Digital initiatives cannot be evaluated only in terms of technological innovation or reach; they must also be assessed in terms of how they affect these core semiotic codes. A digital strategy that deepens perceptions of provenance, highlights craftsmanship, maintains scarcity, strengthens heritage, and encourages connoisseurship enhances the brand's symbolic power. By contrast, initiatives that make the brand appear overly accessible, standardized, or easily reproducible risk weakening its meaning.

As later chapters will demonstrate, many luxury brands have invested heavily in digital tools with considerable technical sophistication but insufficient sensitivity to these semiotic dynamics. The result has often been not strategic innovation, but symbolic dilution.

1.3 Old Luxury, New Luxury, and the Permanent Tension

The history of luxury can be understood as a constant tension between two opposing forces: exclusivity and aspiration. Luxury must remain exclusive enough to signal distinction and high status, yet it must also remain visible and desirable to those who do not yet possess it. This tension is not a weakness in the system; it is what sustains the luxury economy. If exclusivity disappears, the object loses its symbolic power. If aspiration disappears, it loses demand. The central challenge for luxury brands, therefore, is to maintain the right distance; close enough to stimulate desire, distant enough to preserve prestige.

This dynamic was analyzed by Michael Silverstein and Neil Fiske in 2003 through their concept of the “New Luxury.” They described the rise of products that offered relatively high quality at more accessible price points, targeting middle-class consumers who desired luxury but could not afford traditional high-end goods. This “masstige” (mass prestige) segment significantly expanded the luxury market. At the same time, it complicated the definition of luxury itself, as broader accessibility risked weakening the category’s association with exclusivity.

In the digital age, this tension has intensified. Online platforms have democratized access to luxury imagery and brand narratives: anyone can visit the website of Chanel or Hermès, and anyone can watch a couture runway show via livestream. However, this widespread visibility has heightened the desire among ultra-high-net-worth individuals for even greater rarity, privacy, and discretion.

As a result, the luxury market has become increasingly bifurcated. At the upper end, elite consumers seek objects and experiences defined by extreme scarcity and minimal public exposure. At the aspirational end, consumers pursue more accessible forms of luxury that provide symbolic status without requiring extraordinary wealth. These two segments demand fundamentally different phygital strategies, as each relates to exclusivity, visibility, and access in distinct ways.

"The democratization of luxury content has created a paradox: as luxury becomes more visible, it must become more invisible. The truly exclusive has retreated beyond the reach of any screen."

It is important to emphasize that this market bifurcation does not signal the disappearance of a coherent concept of luxury. Despite differences in income levels and consumption patterns, the same core desires continue to shape luxury demand: the desire for beauty, craftsmanship, narrative depth, and social distinction. These motivations are present across the entire luxury spectrum.

What varies is not the underlying desire itself, but the way it is expressed and the semiotic codes through which it is communicated. Different segments encounter and interpret luxury through different forms, price structures, and symbolic signals.

The framework outlined in the following section seeks to identify these enduring principles; the structural constants that define luxury and to show how they operate across all consumer segments and price points.

1.4 The Four Pillars of Enduring Luxury: A Proposed Framework

Drawing on the theoretical traditions reviewed above; Veblen's social signaling, Bourdieu's cultural capital, Barthes's semiotics, and Benjamin's concept of aura this section proposes a synthesizing framework: The Four Pillars of Enduring Luxury. These four pillars represent the constants of luxury across all eras, cultures, and market contexts. They are the criteria

against which any luxury strategy including any phygital strategy must be evaluated.

Pillar I: Authenticity

Authenticity is the first and most fundamental pillar of luxury. A luxury object must be what it claims to be: Genuinely made with the skill, materials, and care that its price and positioning imply. Authenticity in luxury is not merely a legal or technical matter, it is an experiential and moral one. The consumer of genuine luxury is paying, in part, for the assurance that the object's story is true: That the leather was sourced as claimed, that the hours of hand-stitching were actually performed, that the design emerged from a genuine creative vision rather than a market research exercise.

In the digital age, authenticity has acquired new dimensions and new vulnerabilities. Digital platforms have made it easier than ever for brands to construct elaborate narratives of heritage and craftsmanship and correspondingly easier for consumers to scrutinize and challenge those narratives. A brand whose claims of authenticity cannot withstand digital transparency will find that the very tools it uses to communicate its story become instruments of its undoing. Authenticity, in the phygital era, must be substantive, not merely narrative.

Pillar II: Scarcity

Scarcity is the mechanism through which luxury creates and sustains desire. The luxury object that is available to anyone, at any time, in any quantity, ceases to be a luxury object. Scarcity in luxury operates on two levels: real scarcity (genuine limitation of supply, as with a bespoke commission that requires months of artisanal labor) and perceived scarcity (the impression of limited availability that brands create through selective distribution, controlled production volumes, and waitlisting).

To illustrate the strategic power of scarcity, consider the hypothetical case of Maison Ardenne – a fictional heritage house founded in Lyon in 1887, specializing in hand-produced leather goods. Maison Ardenne employs twelve master leather workers, each producing no more than three bags per month. The house releases a single seasonal collection, with a total production of approximately four hundred pieces. The waiting list for the most sought-after styles runs to eighteen months. This scarcity is not accidental, nor is it a supply chain failure. It is the product itself. The waiting list is not an obstacle to purchase – it is an essential element of the luxury experience, a period of anticipation and desire that deepens the eventual satisfaction of possession.

The phygital challenge for Maison Ardenne and for brands like it is to extend the experience of scarcity into the digital realm without either diluting it (by making digital access too easy) or misrepresenting it (by creating an impression of digital scarcity that does not correspond to genuine limitation). This challenge has no simple solution, but it is one that the most sophisticated phygital strategies are beginning to address.

Pillar III: Mastery

Mastery refers to the exceptional skill, expertise, or curation that distinguishes the luxury object from its mass-produced equivalent. In the context of fashion and accessories, mastery encompasses the technical skills of the artisan – the hand-sewn seam, the hand-lasted shoe, the hand-finished buttonhole – as well as the conceptual and aesthetic vision of the designer, the sourcing expertise of the materials buyer, and the curatorial intelligence of the buyer who selects the right pieces for the right markets.

Mastery communicates itself to the informed consumer through a quality of presence – a density of detail, a rightness of proportion, a sureness of

execution that distinguishes the genuinely masterly from the merely expensive. This quality of presence is among the most difficult dimensions of luxury to translate into digital experience, since it depends fundamentally on physical encounter: the weight of the fabric in the hand, the precision of the watch's movement under magnification, the smell of new leather in a well-appointed boutique. The development of phygital strategies that can communicate mastery convincingly through digital media is one of the central technical and creative challenges of contemporary luxury marketing.

Pillar IV: Narrative

Narrative is the fourth and perhaps most distinctively modern pillar of luxury. Every great luxury brand is, at its core, a story, a coherent, emotionally resonant account of who made this, why they made it, what world it belongs to, and why that world matters. The narrative of a luxury brand connects the consumer not merely to a product but to a history, a set of values, an aesthetic vision, and a community of like-minded individuals who share the same sensibility.

The power of narrative in luxury is well documented in the marketing literature (Fog et al., 2010; Kapferer, 2012), but its implications are often underestimated. Narrative is not merely advertising it is the framework within which all other pillars acquire meaning. The craft of Maison Ardenne is meaningful because of the story of its founding, its continuity across generations, its relationship to a specific place and tradition. The scarcity of its pieces is meaningful because the narrative explains why: Twelve artisans, three bags per month, four hundred pieces per season. Authenticity and mastery are verifiable facts but they acquire their emotional resonance only through narrative. In the phygital age, narrative

must flow seamlessly across all channels, maintaining its coherence and emotional power whether it is encountered in a boutique, on a website, in an editorial, or in a social media post.

1.5 The Evaluative Standard: Applying the Four Pillars

The Four Pillars framework is not intended simply to describe luxury; it is designed to evaluate it. Its function is to offer a clear and theoretically grounded standard against which any luxury marketing strategy can be judged. The key question it poses is straightforward: Does a given strategy whether a channel, technology, or initiative reinforce or weaken the Four Pillars?

A phygital strategy strengthens a luxury brand when it enhances perceptions of authenticity, manages scarcity thoughtfully in digital environments, communicates product mastery in emotionally compelling ways, and maintains a coherent narrative across all touchpoints. When these elements are aligned, the strategy remains consistent with the logic of luxury, regardless of the specific technologies involved.

By contrast, a strategy becomes damaging when it compromises authenticity through misleading digital representation, erodes scarcity through overexposure, fails to convey craftsmanship convincingly, or fragments the brand narrative across platforms. Technical sophistication alone cannot compensate for symbolic inconsistency.

In the chapters that follow, this framework will be applied systematically. Each technological tool, channel decision, and consumer insight will be assessed through it. The Four Pillars should not be understood as a simple checklist, but as an analytical lens, a structured way of evaluating luxury strategy while

keeping the defining characteristics of luxury central to every strategic decision.

Illustrative Summary: “Maison Anaise” and the Four Pillars

Maison Anaise, a hypothetical example, offers a clear illustration of how the four pillars of luxury can work together. The brand’s authenticity is based on verifiable craftsmanship. Each bag is produced by identified artisans, and their biographies are included in the brand’s communication. This transparency reinforces the sense that the products are genuinely crafted rather than mass produced.

Scarcity is also presented in a meaningful way. The waiting list for the bags is not framed as a problem of limited supply, but as a natural result of the brand’s careful production philosophy. This explanation links scarcity directly to the values of the house.

Mastery is communicated through openness and access. Clients who visit the atelier are able to observe parts of the production process, allowing them to witness the skill and precision involved in the creation of each product.

The narrative of the brand connects these elements together. The story of a leather house in Lyon that has been managed by the same family for four generations provides historical depth and emotional meaning to the brand’s authenticity, scarcity, and craftsmanship.

Any digital strategy adopted by Maison Anaise must strengthen these four pillars. If digital initiatives undermine them, they risk weakening a brand identity that has taken 137 years to develop.

Chapter Summary

This chapter has introduced the main theoretical foundation of the book. By drawing on the ideas of Veblen and Bourdieu in sociology, Barthes in semiotics, and Benjamin in aesthetic philosophy, it has shown that luxury should not be understood simply as a matter of price or product type. Instead, luxury is a system of meaning that responds to lasting human needs such as identity building, social signaling, and the desire to own objects that are beautiful, skillfully made, rare, and authentic.

The Four Pillars of Enduring Luxury, which are authenticity, scarcity, mastery, and narrative, will guide the rest of the book. Every phygital strategy, artificial intelligence application, and omnichannel initiative discussed in later chapters will be evaluated according to these four principles. The key question remains the same throughout. Does a strategy truly serve the human desire for luxury, or does it only present mass market thinking in the language of luxury?

The answer does not depend on technology itself. It depends on how deeply brands understand their consumers, culture, and their own history when using that technology. In this sense, the essence of luxury has not changed. Only the way it is expressed has evolved.

CHAPTER TWO

The Phygital Shift: Dissolving the Physical-Digital Boundary

"The store is no longer a place. It is a feeling one that must be consistent whether you encounter it on a cobblestone street in Paris or on a four-inch screen in Shanghai."

Having established the four enduring pillars of luxury—authenticity, scarcity, mastery, and narrative; this chapter turns to the question of how luxury is experienced. It asks how luxury is lived and felt, and how that experience is changing as the line between the physical and the digital continues to disappear.

The term “phygital,” a combination of “physical” and “digital,” is now widely used in marketing. Often, it is applied loosely to describe anything from a QR code inside a boutique to an augmented reality try-on feature. In this chapter, however, the concept is examined more carefully. Instead of treating it as a trend or a buzzword, it is approached as a serious strategic idea. The chapter explores its theoretical foundations, its specific meaning in the context of luxury, and the principles that guide its thoughtful use.

The central argument is clear: In luxury, phygital integration is not mainly a technical problem. It is a question of experience. The challenge is not simply how to connect online and offline channels—that is an operational or logistical issue. The real challenge is how to create an experience that

feels coherent, meaningful, and emotionally powerful across every platform and touchpoint.

True luxury carries emotional depth and symbolic richness. It communicates status, heritage, craftsmanship, and story. To preserve this weight across both physical and digital spaces requires more than technology. It requires careful design, consistency, and sensitivity to how meaning is perceived. This is a far more demanding goal and one that many brands are still struggling to achieve.

2.1 From Multichannel to Phygital: A Conceptual Evolution

Over the past thirty years, retail channel strategy has changed step by step. Each stage has tried to solve the same basic problem: How to keep the brand experience consistent while the media environment becomes more complex. Every new stage improved on the previous one but each also created new problems that the next stage attempted to fix.

The first stage, “single-channel retail” was not really a strategy. It was simply the reality of the time. Before the internet, luxury brands mainly existed in one place: the physical boutique. Print advertising and, occasionally, mail-order catalogues supported it, but the boutique was the true center of the brand experience.

Everything inside it expressed the brand: the interior design, the staff, the lighting, the scent, the music. These elements were not just decoration; they made the brand tangible. When a customer entered a luxury boutique in the 1970s, they stepped into a carefully designed world. Every detail was controlled to communicate the brand’s identity and values.

The second stage, “multichannel retail” began with the rise of the internet and the rapid growth of digital platforms. Brands suddenly operated in many spaces at once: physical boutiques, e-commerce websites, social media accounts, digital advertising, and later mobile applications.

In the multichannel model, these channels were usually managed separately. Retail teams handled boutiques. E-commerce teams managed the website. Marketing teams controlled social media and digital campaigns. While this approach expanded the brand’s reach, it often led to inconsistency. The brand could feel different, sometimes very different depending on where and how the customer interacted with it. The experience became fragmented rather than unified.

Theoretical Anchor: Channel Integration and Brand Consistency (Verhoef et al., 2015)

Peter C. Verhoef and his colleagues, in their influential 2015 study on omnichannel retail, highlighted the gap between consumers’ expectations of a seamless cross-channel experience and the fragmented reality within many retail organizations. Customers expect to move smoothly between stores, websites, and mobile platforms, yet companies often manage these channels separately.

They argued that true omnichannel integration requires more than technical coordination, such as shared inventory systems or unified customer data. It demands an organizational shift in which the consumer experience, rather than individual channels becomes the central focus of management.

This insight is especially important in luxury, where consumers’ expectations are exceptionally high and inconsistencies between physical and digital experiences are particularly visible.

The third stage, “omnichannel retail” reflected the understanding that fragmented channels were harming both brand equity and customer satisfaction. The omnichannel model aimed to unite all channels at an operational level: Shared inventory systems, unified customer data, consistent pricing and assortment, and coordinated communication across touchpoints.

For mass-market retailers, this was a major improvement. For luxury brands, however, it was necessary but not enough. Operational integration, for example, recognizing a customer’s basket both online and in-store is a basic requirement. It is a standard of competence, not a source of distinction.

The fourth stage, “phygital” moves beyond operational alignment toward experiential fusion. A phygital brand does not simply coordinate its channels; it removes the sense of separation between them in the consumer’s mind. When a customer explores a luxury brand online and then visits its boutique, she should not feel that she has switched channels. Instead, she should feel that she has entered more deeply into the same coherent world, discovering new layers of richness, regardless of the medium.

*"Omnichannel asks: Are our channels connected?
Phygital asks: Is our world coherent? The first is a
technical question. The second is a philosophical one."*

This distinction between simple channel connectivity and true world coherence lies at the heart of the phygital approach in luxury. It changes how brands must think about their digital strategy, their physical spaces, and how these two relate to each other.

In luxury, digital investments cannot be treated as separate projects or independent channels. Instead, every digital element must be designed as part of a larger experiential world. This world is fully expressed in the physical boutique but is gradually revealed and extended through digital media.

The goal is not just connection, but consistency of meaning. Each touchpoint whether online or offline should feel like an entry into the same carefully constructed universe.

.2.2 Understanding Luxury as Lived Experience

Before we can design phygital luxury experiences, we must first understand what a luxury experience truly is at the level of the consumer's lived, sensory, and emotional encounter with the brand. This requires a phenomenological perspective. The focus is not only on what is purchased, but on how it is felt, embodied, and remembered.

The philosopher Maurice Merleau-Ponty argued in his 1945 work on phenomenology that human experience is fundamentally bodily. We do not encounter the world as detached minds processing information. We experience it through our bodies, through our senses, and through our physical presence in space. Our past interactions with the world also shape perception. This idea is especially relevant to luxury, which at its most powerful is a deeply sensory experience.

Consider what happens when a sophisticated customer enters a high level luxury boutique. The experience begins even before she steps inside. The exterior of the building, the quality of the signage, the presence of a doorman, and the view through the glass together create a unified first impression. This first impression already communicates quality and exclusivity.

Inside the boutique, the sensory environment becomes richer. The lighting, the temperature, the scent, the weight of the door handles, the texture of surfaces, the sound level, and the spacing between displays are all carefully designed. These elements work together to create what Arnold Berleant calls an aesthetic field. This is an immersive environment that shapes how everything within it is experienced.

It is within this aesthetic field that the luxury object is encountered. The price is justified not only by the material object itself, but by the total experience surrounding it. The customer is not simply buying a bag, a watch, or a dress. She is buying an experience of the object, shaped by atmosphere, craftsmanship, and the full symbolic meaning of the brand.

Theoretical Anchor: Pine & Gilmore's Experience Economy (1998)

*B. Joseph Pine II and James H. Gilmore argued in their influential book *The Experience Economy* that advanced economies have moved beyond producing goods and delivering services toward staging experiences. These experiences create value not only through what is offered, but through how they make people feel. They are memorable, engaging, and emotionally meaningful.*

Luxury retail has long operated in this way. It has always been an experience business. The product alone is not the full value. The atmosphere, the interaction, and the emotional impact are equally important.

The phygital challenge is to create experiences of the same richness and memorability across both physical and digital touchpoints. Achieving this requires more than technical expertise. It requires what can be called theatrical intelligence: the ability to design and stage experiences that feel immersive, coherent, and emotionally powerful in every medium.

This phenomenological perspective leads to an important strategic insight. The goal of phygital luxury is not to copy the physical boutique in

digital form. Such replication is neither fully possible nor necessarily desirable. Instead, the task is to create digital experiences that express the same level of care, intention, and sensory depth as the boutique, while using the unique possibilities of the digital medium.

In a physical boutique, light, scent, material, and spatial design work together to form an immersive aesthetic environment. In the digital space, different tools must be used. Image quality, sound design, interface structure, movement, and narrative rhythm become the elements that shape perception.

The aim is to build a digital aesthetic environment that clearly belongs to the same brand world as the boutique. It does not need to reproduce the exact sensory qualities of the physical space. It must instead convey the same coherence, refinement, and emotional intensity through digital means.

2.3 The Luxury Flagship as Phygital Theater

The physical flagship boutique remains the highest expression of the luxury brand's phygital world. It is not simply a place to purchase products. It is the brand's most powerful medium, the environment where the four pillars of luxury are expressed most clearly and completely. For this reason, the development of the luxury flagship in the phygital era should not be understood as technology replacing experience. Instead, it is about technology enriching and extending the experience.

The most advanced contemporary luxury flagships can be understood through the idea of the "empty space," a concept introduced by the theatre director Peter Brook. An empty space is a setting filled with potential, brought to life by the encounter between performer and audience. In the

same way, the flagship boutique becomes meaningful through the meeting between the brand's world and the individual consumer.

The architecture, product displays, staff, and increasingly technology all serve this encounter. The purpose is not efficiency. It is transformation. The consumer who enters the boutique should leave with a deeper understanding of the brand's world, a stronger personal connection to its narrative, and greater confidence in the meaning carried by its objects.

Hypothetical Illustration: Atelier Novarique, Paris: The Phygital Flagship

Consider Atelier Novarique, a fictional French couture house that has redesigned its flagship on the Rue du Faubourg Saint Honoré as a truly phygital environment. The redesign follows one clear principle. Every digital element must deepen the physical experience, and every physical element must be strengthened by digital intelligence, without technology ever feeling visible or intrusive.

When a visitor enters, a staff member greets her. Before this encounter, the staff member has received a discreet briefing in the back office. The information includes previous purchases, browsing history, stated preferences, and notes from earlier visits. An AI system organizes this information into a narrative profile rather than a simple list of data. Instead of statistics, it provides context. For example, it might note that Madame Laurent has admired a winter coat in deep bordeaux for several weeks, visited the boutique twice last season, purchased a silk blouse from the autumn collection, and mentioned that she will attend an important formal event in December.

This knowledge is not used to pressure the client into buying. It is used to serve her more thoughtfully. The goal is to create the genuine sense that the maison remembers her as an individual.

Inside the boutique, a softly illuminated digital installation functions as a memory wall. When a registered client approaches, it presents a curated

selection of archival campaign images, artisanal process films, and editorial material aligned with her aesthetic preferences. This is not advertising. It is a gesture of hospitality, an invitation to explore the brand's world more deeply.

At the rear of the boutique, in the atelier room, clients can observe an in house seamstress at work through a floor to ceiling glass partition. Beside the glass, a subtle digital display presents information about the garment in progress. It shows the hours invested in each stage, the origin of the fabric, and the name and background of the seamstress. The technology reveals the mastery behind the object. The transparency of the space confirms its authenticity

The Atelier Novarique model illustrates a fundamental principle of phygital luxury design: Technology should be felt, not seen. The consumer's experience of the boutique should be one of exceptional personal attention, sensory richness, and narrative depth, not of technological novelty. The AI, the digital surfaces, the data systems all of these should be as invisible as the electrical wiring. What should be visible is their effect: A staff member who knows you, an environment that responds to you, a brand world that reveals itself progressively as you engage with it.

"The best phygital luxury experience is one in which the consumer never thinks about the technology at all. She thinks only about how extraordinarily well she has been understood."

2.4 Digital Extensions of Physical Luxury

Beyond the flagship boutique, the phygital luxury world extends across multiple digital touchpoints. Each of these must be designed to carry the same experiential depth and symbolic meaning that define the brand in its physical space. The challenge is not simply to be present on digital platforms, but to translate the brand's quality, refinement, and narrative power into each specific medium.

This section explores four of the most important digital extensions of the luxury phygital world: Augmented reality, digital fashion presentations, social commerce, and owned digital platforms. Each represents a different way of engaging the consumer, and each requires careful design to ensure that the brand's identity remains coherent and emotionally resonant across environments

Augmented Reality: Promise and Peril

Augmented reality, which places digital images into the consumer's physical surroundings through a smartphone or similar device, offers luxury brands an appealing opportunity. It allows a client to see how a piece of furniture might look in her home, how a lipstick shade might appear on her face, or how a watch might sit on her wrist. At its best, AR creates a bridge between digital exploration and physical purchase. It reduces the psychological distance between the screen and the self, which has long been a limitation of online commerce.

However, AR carries particular risks in the luxury sector. Luxury objects gain much of their value from their material presence. The weight of leather, the shine of metal, and the movement of silk are central to their appeal. Even the most advanced AR image cannot fully communicate these qualities. It can represent shape and color, but not substance.

For some categories, such as eyewear, cosmetics, or certain types of jewelry, this limitation may be acceptable because visual appearance is the primary concern. In other categories, such as leather goods, outerwear, or tailored garments, the gap between digital image and physical reality may create misunderstanding. The experience may either raise expectations that the product cannot meet or fail to convey the level of quality that justifies its price.

The strategic conclusion is clear. In luxury, AR should be used where it removes real friction from the decision process without distorting the object's essential qualities. It should function as a tool for discovery and orientation, not as a substitute for physical encounter. Ideally, it should guide the client toward the boutique, where the full sensory experience can be realized.

Digital Fashion Presentations: Democratization or Dilution?

A possible resolution to this tension lies not in returning to secrecy, but in redesigning the digital presentation so that it does not merely document the physical event. Instead of simply streaming a runway show as it unfolds in the room, brands can create digital formats that are conceived specifically for the screen. In this approach, the digital audience is not treated as a secondary viewer of a live event, but as the primary audience of a distinct experience.

Some brands have already experimented with this direction. During the pandemic period, houses such as Gucci and Balenciaga presented collections through short films, immersive digital environments, and narrative driven formats rather than traditional runway shows. In these cases, the digital medium was used creatively rather than passively. Camera movement, editing, sound design, and storytelling became expressive tools. The result was not a diminished runway, but a different kind of cultural event.

From a strategic perspective, the principle is clear. If a fashion presentation is simply transmitted, its sensory intensity will inevitably decline. If it is reimagined for its medium, it can generate a new form of aura. The physical salon offers immediacy and social proximity. The digital platform can offer intimacy of camera, narrative control, and global simultaneity.

The challenge for luxury brands is therefore not whether to broadcast, but how. Digital reach must not feel like mass exposure. It must feel like privileged access. Carefully designed digital invitations, time limited streams, interactive elements, and layered content can help preserve a sense of occasion. In this way, aspiration is expanded without entirely dissolving exclusivity.

The goal is not to choose between intimacy and scale, but to orchestrate both. When thoughtfully executed, the digital fashion presentation can extend the brand's cultural presence while still protecting the symbolic scarcity on which luxury depends.

Theoretical Anchor: The Paradox of Luxury Democratization (Kapferer, 2015)

Jean-Noel Kapferer has written extensively about what he calls the luxury paradox. This paradox describes the tension between two opposing needs. On one side, a luxury brand seeks wider cultural visibility in order to build aspiration. On the other side, it must protect real exclusivity in order to preserve its symbolic power. Kapferer argues that this tension cannot be solved once and for all. It can only be managed. A luxury brand must continually adjust the balance between being visible and remaining selective. It must reveal enough of its world to stimulate desire, while keeping enough distance to maintain meaning and rarity. Digital platforms intensify this challenge. By their nature, they favor broad exposure and constant visibility. For luxury brands, this creates an unprecedented test. The task is to participate in digital culture without surrendering the scarcity and symbolic depth on which luxury depends.

Social Commerce: Conversion Versus Aspiration

Social commerce, which integrates purchasing directly into social media platforms, creates one of the sharpest strategic dilemmas of the phygital era for luxury brands. The commercial argument is clear. When consumers discover a product while scrolling through their social feed, they can purchase it instantly without leaving the platform. This reduces friction, shortens the consumer journey, and increases conversion rates. Revenue is generated at the exact moment desire appears.

However, this efficiency stands in tension with the nature of luxury desire. Luxury is not meant to be purely impulsive. Ideally, it involves anticipation, reflection, consultation, and often a physical encounter with the object. When a luxury item is purchased instantly in response to a social media prompt, the transaction may be smooth, but the experience is reduced. The consumer receives the product, yet she may not receive the depth of experience that justifies its price and meaning.

For the brand, this shortcut carries symbolic risk. If high value objects can be acquired as easily as everyday goods, the perception of rarity and significance may weaken. The manner of acquisition should reflect the value of the object itself.

This does not mean that luxury brands must withdraw from social commerce. Instead, they must approach it with discipline. They can limit social commerce to more accessible lines rather than core pieces. They must present products in a way that maintains visual and narrative quality. Most importantly, they should define social commerce as a point of discovery and initiation within the broader consumer journey, not as the primary channel for acquiring the most prestigious and highest value creations.

2.5 The Dangers of Phygital Misalignment

The previous sections have highlighted the potential of phygital luxury. When physical and digital experiences are intelligently integrated, they can deepen engagement, expand the brand's world, and strengthen the Four Pillars. However, a balanced analysis must also address the risks. Poorly designed or rushed phygital strategies can damage brand equity, weaken consumer trust, and erode the very qualities that give luxury its meaning.

The most serious risk can be described as phygital misalignment. This occurs when a brand's digital presence contradicts, rather than supports, the values expressed in its physical spaces. Instead of reinforcing the same world, the two environments send different signals.

Such misalignment is more common than it might appear, even among heritage brands with strong marketing expertise. Digital platforms are often managed by teams that operate with different priorities, aesthetic standards, and performance metrics than those responsible for boutiques and brand communication. When efficiency, speed, and short term conversion dominate digital strategy, the result can be an online presence that feels inconsistent with the refinement, restraint, and symbolic depth cultivated in the physical boutique.

Hypothetical Illustration: Maison Valyar: A Case of Phygital Misalignment

Consider Maison Valyar, a fictional Belgian leather goods house with a ninety year heritage of exceptional craftsmanship. Its six boutiques, located in major cities around the world, are widely admired for their refined design. The spaces are minimal and precise. Lighting is carefully controlled. Sales advisors complete a two year training program before serving clients independently. The

physical experience communicates discipline, rarity, and mastery. Under pressure from shareholders to increase digital revenue, the e-commerce team introduces a more aggressive strategy. Retargeted advertisements follow visitors across the internet after they leave the brand's website. A sale section is added to the online store, offering end of season products at a thirty percent discount. Social media content is posted multiple times per day across platforms in order to maintain visibility and drive engagement.

At first, the results appear successful. Website traffic rises. Conversion rates improve. Online revenue grows. From a purely digital performance perspective, the strategy seems justified.

However, brand research conducted eighteen months later reveals a different outcome. Measures of exclusivity, craftsmanship, and heritage decline among both loyal clients and aspirational audiences. Several longtime clients express a similar concern. The brand feels too visible and too easily available. It no longer feels rare. The physical boutiques have not changed. Their quality remains intact. Yet their meaning has been weakened by digital signals that communicate accessibility, frequency, and discounting. The digital strategy has introduced values that contradict the discipline and restraint embodied in the physical spaces. In this case, phygital misalignment has not strengthened the brand. It has undermined it.

The Maison Valyar example highlights a crucial principle. In luxury, digital channels are never separate from the rest of the brand. Consumers experience them as part of the same identity expressed in the boutique, the campaign, the product, and the service. If digital platforms communicate values such as constant availability, high volume, or discounting, these signals affect the entire brand. The impact is not limited to online perception. It reshapes how the boutique and the products themselves are interpreted.

When digital communication contradicts the brand's luxury positioning, the inconsistency spreads across all touchpoints. The physical

environment may remain unchanged, but its meaning is altered by the surrounding digital context. In luxury, coherence is essential. A single discordant signal can weaken the whole.

A related risk can be described as algorithmic intrusion. This occurs when digital interactions feel obviously automated and impersonal in a category that depends on the perception of personal attention and human discernment. Luxury brands are built on the idea of care, judgment, and selective engagement. When communication feels mechanical or aggressively data driven, that illusion is broken.

For example, a retargeted advertisement that follows a consumer across the internet after she has visited a luxury website may be commercially logical. Yet in symbolic terms, it resembles a sales advisor chasing a client down the street. It may increase short term visibility, but it undermines dignity and restraint. In luxury, how a brand pursues attention is as important as whether it gains it.

"In luxury, how you sell is as important as what you sell. A retargeted advertisement is not a luxury interaction. It is a contradiction in terms."

The discipline of phygital luxury design, properly understood, requires that every digital interaction reflect the same standards as the finest physical boutique. Every advertisement, every email, every social media post, every chatbot response, and every product recommendation must be created with care and intention.

This means applying the same restraint, the same aesthetic judgment, and the same respect for the consumer's intelligence and dignity that

define the in store experience. Digital communication should not feel rushed, automated, or excessive. It should feel considered and deliberate.

This is a demanding expectation. It requires patience, coordination, and strong governance across teams. Yet for a true luxury brand, no lower standard is acceptable. The coherence of the brand depends on it.

2.6 Principles of Phygital Luxury Design

The analysis developed in this chapter makes it possible to outline a set of design principles for phygital luxury. These principles are intentionally independent of any specific technology.

They do not depend on particular platforms, tools, or technical solutions. Instead, they focus on deeper questions of meaning, coherence, and experience. As technologies change and new platforms emerge, these principles remain relevant.

Their purpose is to guide decision making at a strategic level. They help ensure that every innovation, regardless of form, strengthens rather than weakens the experiential and symbolic foundations of the luxury brand.

Principle 1: The Digital Must Earn Its Place in the Brand's World

Every digital element within a luxury brand's phygital ecosystem must earn its place. Its inclusion should be justified by a clear contribution to the brand's experiential quality.

The key question is not whether a digital feature is technically possible. Nor is it only whether it promises commercial gain. The more important question is whether it truly belongs in the brand's world. Does it deepen the experience? Does it communicate mastery? Does it extend the narrative in a meaningful way?

Digital tools that strengthen the brand's atmosphere, values, and symbolic depth should be implemented with clarity and confidence. Those that do not fit, even if they are innovative or profitable in the short term, should be declined. In luxury, coherence matters more than novelty.

Principle 2: Coherence Over Comprehensiveness

For a luxury brand, selective excellence is more powerful than constant visibility. It is better to operate in a limited number of digital channels at an exceptional level of quality than to appear everywhere with average execution.

The pressure to maintain activity across every available platform is commercially understandable. Digital culture rewards frequency and scale. Yet for luxury, this logic can be strategically harmful. When presence expands beyond the brand's capacity to maintain refinement and control, quality inevitably declines.

A brand whose Instagram reflects true aesthetic discipline, whose website offers depth and elegance, and whose e-commerce experience meets the highest standards of service and packaging possesses a stronger phygital identity than a brand active on twenty platforms with diluted content. In luxury, restraint signals confidence. Ubiquity often signals the opposite.

Principle 3: Technology Should Serve the Human Moment

The ultimate purpose of every phygital luxury investment is to create a better human moment. It should lead to an encounter that is more informed, more personal, and more emotionally meaningful between the brand's world and the individual consumer.

Technology becomes valuable in luxury when it strengthens this encounter. It can support staff with deeper knowledge of the client. It can help create environments that respond intelligently to individual

preferences. It can maintain narrative continuity across channels so that the consumer feels recognized and understood.

However, when technology replaces genuine human exchange with automated interaction, the result is not progress but erosion. Efficiency alone does not create luxury. If the human dimension is reduced, the brand is not investing in its future. It is weakening the very source of its distinction.

Principle 4: Scarcity Must Be Managed Across Channels

The management of scarcity, one of the Four Pillars of luxury, requires conscious discipline in the phygital environment. Digital platforms naturally promote abundance. They allow endless visibility, constant repetition of content, and broad access to products. Left unmanaged, this abundance can weaken the perception of rarity that luxury depends on.

For this reason, scarcity must be actively designed into the digital presence. Luxury brands can create limited access digital events that feel selective rather than open to all. They can offer exclusive content to registered or invited clients. They can curate their online assortments instead of presenting every available product. Most importantly, they should avoid the discounting tactics and promotional urgency commonly used in mass retail to stimulate demand. In luxury, restraint signals value. Scarcity should not disappear in the digital space. It should be carefully maintained, even when technology makes limitless exposure possible.

Principle 5: Measure What Matters, Not What Is Easy to Measure

Traditional digital marketing metrics used in mass markets, such as click through rates, conversion rates, and cost per acquisition, are not suitable as the main measures of success for luxury phygital strategies. These metrics focus on how efficient a transaction is rather than on the quality of

the customer experience. Luxury brands need to develop and confidently use different types of metrics that reflect what truly matters. These include the richness of the customer experience, the strength of the emotional connection to the brand, the long term growth of brand value, and the lifetime value of the customer relationship.

Even though these measures are more difficult to create and apply than standard digital analytics, they are ultimately the most meaningful indicators of success.

Chapter Summary

This chapter has explored the phygital shift, which is the gradual merging of physical and digital experiences, from the perspective of luxury. It has argued that bringing physical and digital elements together in luxury is not mainly a technical issue. Instead, it is about creating experiences across all channels that carry the full emotional meaning and symbolic value of true luxury.

The chapter has followed the development from single channel retail to phygital retail. It has examined how luxury is experienced and what this means for digital design. It has also explored how the physical flagship store is evolving into a phygital space and reviewed the opportunities and risks linked to digital tools such as augmented reality, digital fashion shows, and social commerce.

Five key principles for phygital luxury design have been introduced. Digital elements must earn their place in the brand's world. Coherence is more important than completeness. Technology should support meaningful human moments. Scarcity needs to be carefully managed across different channels. Success should be measured by the quality of the experience and long term brand value rather than by short term sales metrics.

The next chapter focuses on the role of artificial intelligence in luxury fashion marketing. It examines how this powerful technology can be used in ways that support, rather than weaken, the Four Pillars and the phygital design principles discussed here.

CHAPTER THREE

Artificial Intelligence in Luxury Fashion Marketing

"The question is never whether a machine can do what a human does. The question is whether, in doing it, the machine preserves what makes the doing human."

Among all the technological changes influencing luxury fashion marketing, artificial intelligence is both the most powerful and the most often misunderstood. It is also highly important for long term strategy. Its uses range from simple tasks such as automated inventory forecasting and advertising optimization to more advanced systems that analyze the aesthetic preferences of large numbers of consumers and generate design ideas that can sometimes resemble the work of trained designers. Between these two extremes lies a wide area of opportunity, risk, and strategic decision making that is still not fully explored.

This chapter studies artificial intelligence in luxury fashion marketing not as a list of tools, but as a set of strategic and philosophical questions. The main argument is that the key issue is not what artificial intelligence is able to do, but what it should do. This is especially important in luxury, where value depends on human experiences that artificial intelligence can support but cannot fully replace. The four pillars introduced in Chapter

One, which are authenticity, scarcity, mastery, and narrative, provide the framework for evaluation. Each application of artificial intelligence discussed in this chapter will be examined through these pillars.

The chapter focuses on four main areas, which are personalization, the creative process, brand communication and storytelling, and ethics. Together, these areas cover the main current and future effects of artificial intelligence on luxury fashion marketing and help shape the strategic principles that will guide the frameworks presented in Chapter Six.

3.1 The Personalization Paradox: Scaling Intimacy Without Losing It

Personalization has always been one of the clearest signs of true luxury service. It appears when a couturier remembers that a client prefers a slightly higher armhole and does not like visible seams. It appears when a sommelier recommends a wine from a small producer in Burgundy that perfectly suits the client's taste and the evening's menu. It also appears when a sales advisor prepares, before the client arrives, a few pieces she will certainly love and one that may pleasantly surprise her. These actions show deep knowledge, attention, and care. They go beyond simple transactions and build real relationships.

The business challenge for luxury brands is that this level of personalization requires time and effort from skilled people, which makes it difficult to expand. For example, if a brand has twelve excellent sales advisors and each manages two hundred close client relationships, then only about two thousand four hundred clients can receive truly personalized service. Beyond this point, the quality of the relationship usually weakens unless the brand finds a way to expand the advisors' knowledge and attention without losing depth.

This is where artificial intelligence supported personalization offers value. Its role is not to replace the judgment of the luxury advisor, but to support and extend it. By studying behavioral data such as purchase history, browsing habits, social media activity, responses to past communication, and even seasonal patterns, artificial intelligence can help build a detailed taste profile for each client. This profile reflects their aesthetic preferences, lifestyle context, and buying motivations. It allows the human advisor to serve the client in a more informed, personal, and effective way than would otherwise be possible.

Theoretical Anchor: The Concept of 'Mass Personalization' (Pine, 1993)

*In 1993, B. Joseph Pine II introduced the idea of mass customization in his book *Mass Customization. The New Frontier in Business Competition*. He described it as the ability to provide products and experiences that are tailored to each individual while still operating at a scale and cost similar to mass production.*

His framework clearly anticipated the opportunity that artificial intelligence now offers luxury brands. With the support of artificial intelligence, brands can provide the same level of intimacy and personal attention that was once possible only through traditional client relationships, but to a much larger group of clients.

However, Pine also pointed out an important challenge. Brands must expand personalization without making it feel mechanical or impersonal to the customer. This challenge is even more significant in luxury, where the value of the experience depends strongly on the feeling of genuine human care.

The difference between artificial intelligence that strengthens luxury and artificial intelligence that weakens it does not depend on how advanced the technology is. It depends on how it is used and designed. The main

question is whether artificial intelligence supports human judgment or replaces it.

When a recommendation system gives suggestions directly to the customer, for example by saying that based on your purchase history you may also like certain items, it functions as a typical mass market tool. It signals that there is little or no human attention involved.

In contrast, when artificial intelligence provides insights to a skilled human advisor, who then decides what is relevant and how to use that information, it becomes a luxury tool. The advisor applies professional judgment by choosing what to use, what to ignore, and how to turn the data into a truly personal interaction. In this way, artificial intelligence expands human intelligence rather than replacing it.

Hypothetical Illustration: Groupe Ceremoniale: AI-Powered Clienteling

Groupe Cerelli is a fictional luxury group that owns four different houses in haute couture, leather goods, fine jewelry, and haute parfumerie. As its client base grew quickly, especially among new luxury consumers in Asia and the Middle East, the group realized that its traditional client relationship model could not expand without losing quality. This model depended on long term personal relationships between advisors and clients, which are difficult to scale.

To address this, the group introduced an artificial intelligence system called the Connaissance platform. The system was not designed to communicate directly with clients. Instead, its purpose was to support advisors by giving them deeper and more detailed knowledge about each client's preferences, life context, and possible future needs.

The platform brings together information from several sources. These include purchase history across all four houses, online browsing behavior, responses to past communications, social media signals where permission

has been given, and observations recorded by advisors during previous interactions. Based on this information, the system creates a quarterly portrait for each client. This portrait is written as a narrative text rather than as data charts. It describes the client's current aesthetic preferences, any important life changes, and three to five suggestions for how the advisor might strengthen the relationship in the coming months.

Importantly, this portrait is meant to guide thinking, not to give instructions. Advisors are trained to treat the information as they would treat notes from a well informed colleague. They are encouraged to question it and combine it with their own personal knowledge of the client. In this approach, artificial intelligence supports the human advisor, and the human advisor continues to serve the client. The sense of luxury is therefore maintained.

Eighteen months after introducing the system, the group reported clear improvements in client retention and average transaction value. Most importantly, interviews with clients showed better perceptions of service quality. Some clients said they felt unexpectedly understood during their interactions with advisors. They experienced a level of attention and anticipation they had not expected from a brand serving so many people. None of them connected this experience to technology. Instead, they credited the people they interacted with.

The Groupe Cerelli example shows what can be called the luxury personalization principle. In luxury personalization, artificial intelligence should support human responses, not replace them with machine driven ones.

The client should not feel that they are receiving a suggestion from an algorithm. Instead, they should experience the thoughtful judgment of a person. This judgment becomes stronger, more aware of context, and more tailored to the individual because it is supported by the knowledge provided through artificial intelligence.

"The goal of AI in luxury service is not to make the machine seem human. It is to make the human seem extraordinary."

There is another important issue related to personalization that needs careful consideration, which is privacy. The level of behavioral analysis required for artificial intelligence driven personalization involves tracking browsing habits, purchase history, social media activity, and aspects of personal context. This can represent a meaningful intrusion into a person's private life. In mass market settings, this is often accepted in exchange for convenience. In luxury, however, it raises deeper questions about the relationship between the brand and the client.

Strong luxury relationships are built on discretion, trust, and mutual respect. When a client shares personal information with a luxury advisor, she does so with the expectation that it will be used to serve her better. She does not expect it to be used simply to sell more efficiently, shared with others, or to create a sense of being constantly monitored.

For this reason, luxury brands using artificial intelligence for personalization must be extremely thoughtful in how they explain their data practices, how they protect the information they collect, and how they ensure that being known feels like genuine care rather than surveillance. Legal requirements such as data protection regulations set the basic standard. Luxury expectations demand a higher level of responsibility.

3.2 AI and the Creative Process: Augmentation, Authorship, and the Question of Taste

The use of artificial intelligence in creative work is one of the most philosophically complex topics in this book. When artificial intelligence supports areas such as logistics, personalization, or customer service, the main questions are about balance. These include how much human judgment should remain and how to manage the relationship between algorithmic suggestions and human decisions.

However, when artificial intelligence becomes part of the creative process, the questions become deeper. When it helps generate designs, suggest color palettes, shape silhouettes, or draft collection stories, it raises fundamental issues. These include what creativity truly is, who can exercise it, and how the meaning of a luxury object may change if its creation is not entirely human.

To examine this properly, it is important to distinguish between different ways artificial intelligence can be used in creative work within luxury fashion. On one side, artificial intelligence can act as a data processing tool that supports human creativity. In this role, it analyzes trend data, consumer sentiment, and cultural signals to give designers better context for their own decisions. On the other side, artificial intelligence can function as an independent creative agent that produces full design proposals including form, fabric, color, and proportion with little or no human involvement. Between these two extremes are several collaborative approaches that raise their own strategic and philosophical questions.

Theoretical Anchor: Walter Benjamin's 'Aura' Revisited: AI and Mechanical Re-imagination

Walter Benjamin's idea of aura refers to the sense of authenticity, history, and uniqueness that belongs to an original work of art. He argued that this quality is lost when art is mechanically reproduced. He was mainly concerned with photography and film, where copies are made from an original work.

Artificial intelligence generated design creates a different and more complex challenge. It does not copy an original object. Instead, it produces designs that may not have any original version at all. A garment created by artificial intelligence has no single authentic source and is not directly linked to a human act of creation shaped by personal history or sensitivity. In this sense, it can be seen as lacking aura from the beginning, not because it has been copied, but because it was never unique in origin.

For luxury brands, whose value depends strongly on the idea that each object expresses a human vision and is shaped by human skill, this issue is not only theoretical. It has real commercial and existential importance.

These ideas have important strategic consequences. When artificial intelligence is used as a creative support tool, it fits well with luxury values. It can provide designers with deeper data, detect cultural changes earlier, and highlight new aesthetic preferences among consumers. In this role, it does not replace human creativity. Instead, it helps the designer make more informed and precise decisions. The final design still reflects a human vision, while artificial intelligence simply enriches the context in which that vision develops.

The situation becomes more complex when artificial intelligence is used to generate full design proposals that the designer then reviews, adjusts, or selects. In this case, the designer's role may shift from creator to curator. This creates uncertainty about authorship. It becomes unclear

whether a collection expresses a human creative vision or reflects patterns drawn from a large body of past designs processed by the system.

This issue is especially important in luxury. The story of creative authorship plays a central role in brand value. The designer who shapes a luxury house, whose personal style and creative identity can be recognized in its work, is more than a commercial figure. She represents the human presence that gives the brand's creations meaning and symbolic strength. If this human creative center is replaced by an artificial system, the brand does more than change how it produces designs. It changes its very nature.

Hypothetical Illustration: Studio Mirabelle: AI as Creative Collaborator

Studio Mirabelle is a fictional modern luxury fashion house that has created what its creative director calls a creative dialogue with an artificial intelligence system developed together with a technology research institute. The system, known internally as Muse, is trained on the studio's full creative archive. This includes past collections, sketches, fabric samples, mood boards, and research gathered over twelve years. As a result, it has a deep understanding of the studio's unique aesthetic identity.

The creative director uses Muse at the early stage of developing each collection. She provides it with a brief that includes concepts, cultural references, and creative directions. In response, the system offers visual ideas such as mood elements, color relationships, silhouette suggestions, and texture combinations that align with both the brief and the studio's design history. These ideas are not complete designs and are never shared outside the studio. They serve as private creative support that helps shape the director's thinking.

In later stages, the creative director works only with her human team, including pattern makers, textile experts, and studio assistants. The final collection is created entirely through human skill and judgment. Muse contributes to the creative environment but does not design the collection itself. The authorship remains clearly human, and the sense of authenticity is preserved.

Studio Mirabelle does not mention Muse in its public communication. This choice is intentional and appropriate. The collection is the work of the creative director and her team. The tool that helped shape her thinking remains as private as her personal sketchbooks.

AI in Trend Forecasting: Pattern Recognition Versus Cultural Intelligence

One of the most important commercial uses of artificial intelligence in luxury fashion is trend forecasting. This involves identifying new aesthetic directions, cultural movements, and changes in consumer preferences that may influence future seasons. Traditionally, this work has been carried out by specialized agencies and internal cultural analysts. They rely on observation, travel, social interaction, and aesthetic sensitivity to interpret emerging signals. This process depends strongly on human judgment and the ability to understand patterns within a broader cultural context.

Artificial intelligence offers a different approach. It can process large amounts of digital information such as social media images, search behavior, editorial content, customer reviews, and runway photography. It can detect emerging patterns in consumer taste earlier than human teams and trace how trends spread across different markets, social groups, and price levels with a high level of detail.

These abilities have clear strategic value. However, they also have limits that are especially important in luxury. Artificial intelligence works by analyzing existing data and projecting future developments based on past patterns. It cannot predict true cultural breaks, which occur when a major shift in mood or values changes aesthetic expectations in a fundamental way.

These moments of change are often where leading luxury designers make their greatest impact. A designer may sense, through deep cultural awareness that cannot be fully captured by data, that a new direction is emerging. By creating a collection that expresses this shift before it becomes visible in measurable patterns, the designer shapes the future rather than simply responding to it.

"AI can tell you where culture has been and where it appears to be going. Only a human being can tell you where it needs to go and take it there."

3.3 AI in Brand Communication and Storytelling

In luxury, brand communication is not only about sharing information on products or services. It is about continuously building and protecting a meaningful world. This is a coherent and emotionally engaging universe in which the brand's creations gain their full significance. Every campaign image, editorial piece, digital post, and written message helps shape this world. The strength of a brand depends on how consistent, high quality, and authentic these contributions are. Without this, communication may create noise instead of real value.

Artificial intelligence is now able to produce content such as images, videos, and text that can sometimes appear similar to content created by humans. This creates both opportunities and risks for luxury brands. The opportunity lies in speed, lower cost, and the ability to produce content at a larger scale. The risk lies in the fact that luxury communication depends on more than technical skill. Its true impact comes from human creative understanding, which reflects not only how the brand appears, but also what it represents, what it values, and why it is meaningful.

AI-Generated Visual Content: Aesthetic Possibility and Ethical Limit

The rise of artificial intelligence tools that can create highly realistic fashion images has brought both excitement and concern to the luxury industry. From a technical point of view, these tools are impressive. They can produce campaign style images of models wearing garments that do not yet exist, place them in locations that have never been photographed, and simulate lighting that would normally be very costly to achieve. These capabilities can be used in practical ways, such as helping designers visualize how a garment might appear in a photo before it is produced, or creating digital campaign content for social media.

However, a luxury brand that fully replaces human created visual communication with artificial intelligence generated images makes a serious strategic mistake. The difference between the two goes beyond visible quality. A great luxury campaign image is not just a record of a garment shown on a model in a setting. It is the result of collaboration among creative professionals such as the photographer, art director, stylist, model, and creative director. It reflects their individual vision and the cultural context in which the image was produced.

Because of this, such an image carries a sense of authenticity that comes from human creation. An artificial intelligence generated image, no matter how technically refined, does not contain this same depth of origin. It is produced through calculation rather than through a human creative process. For luxury brands, this distinction matters. Perceptive consumers can sense the difference, and relying too heavily on artificial images can weaken the emotional strength of brand communication.

Theoretical Anchor: Roland Barthes and the 'Grain of the Voice': Applied to AI Content

*In his essay *The Grain of the Voice* from 1972, Roland Barthes introduced the idea of “grain” to describe the sense of human presence that can be felt in a musical performance. This grain reflects the performer’s physical and personal identity, which gives even a technically perfect performance a unique human character. Barthes contrasted this with what he called “pheno song,” which refers to technically skilled performances that convey the structure of the music but lack the deeper presence of the performer’s individuality.*

This distinction can also be applied to luxury brand communication. The strongest luxury content carries grain. It reflects the presence of a real human creative mind shaped by personal experience and sensibility. By contrast, content produced by artificial intelligence, no matter how technically refined, does not contain this human trace. It can reproduce the visible features of luxury communication, but it does not carry the human depth that gives those features their full meaning.

This does not mean that artificial intelligence has no useful role in luxury visual communication. It can be valuable when it supports the human creative process rather than replacing it.

Appropriate uses include helping with pre production visualization, creating background elements, and handling image retouching that would otherwise take too much time. It can also support the personalization of digital content. For example, the same campaign image can be shown with different background settings that suit different audiences. In this way, individual consumers are better served without affecting the creative integrity of the main image.

Conversational AI and the Digital Advisor

The use of conversational artificial intelligence, such as chatbots and virtual assistants, in luxury retail is both highly practical and strategically sensitive. From a business perspective, the reason is clear. Luxury brands receive large numbers of customer inquiries about products, availability, sizing, delivery, care, and repair. Answering these questions through human staff can be time consuming and costly, while artificial intelligence can often respond quickly and accurately.

However, the expectations in luxury are more complex. When a customer contacts a luxury brand, she is not only asking for information. She is beginning or strengthening a relationship. The way the brand responds reflects how it values its clients and how much attention it gives to each interaction. It also signals whether the brand truly operates as a luxury house or simply offers expensive products. A response that is timely, accurate, and warm supports the luxury experience. A response that feels mechanical does not.

For this reason, the main challenge in designing conversational artificial intelligence for luxury is not technical but related to character. The system must communicate in a tone, style, and rhythm that match the brand's identity. It should feel consistent with the atmosphere of the brand's

boutiques, its editorial voice, and the approach of its human advisors. Achieving this requires more than strong language processing. It requires a deep understanding of the brand's voice that is carefully developed, continuously refined, and regularly reviewed.

Hypothetical Illustration: Maison Ardenne's Digital Correspondent

Maison Ardenne, the fictional leather goods house from Lyon introduced earlier, receives about three hundred digital inquiries each day through its website and social media. Most of these questions relate to product details, waiting list updates, care advice, and repair services. A smaller but important number concern bespoke commissions, which are both commercially valuable and deeply personal.

Maison Ardenne approaches conversational artificial intelligence in line with its broader belief that technology should support human relationships rather than replace them. The brand has introduced an artificial intelligence assistant called Correspondant. This system manages high volume inquiries that are mainly informational. It communicates in a tone that reflects the brand's written style. Its voice is calm, knowledgeable, warm without being overly familiar, and precise without sounding distant. Correspondant does not identify itself as a machine, nor does it claim to be human. It speaks as Maison Ardenne, representing the house's care for its clients.

When an inquiry involves bespoke work, important repairs, or personal meaning such as a special occasion or emotional connection to a piece, Correspondant flags the conversation for human follow up. It replies by confirming that a member of the house will respond within the hour. In this way, technology manages routine volume while human advisors handle meaningful relationships. The boundary between the two is defined not by how complex a question is, but by how personally significant it is.

AI for Social Listening and Cultural Intelligence

One of the most overlooked uses of artificial intelligence in luxury brand communication is social listening. This involves analyzing online conversations, cultural discussions, and customer opinions to better understand the environment in which the brand operates. Artificial intelligence can review large amounts of digital content such as articles, social media posts, reviews, and forum discussions. It can detect changes in consumer values, new aesthetic interests, shifting cultural meanings, and possible risks to reputation much faster than human teams alone.

For luxury brands, this ability is very valuable. Their success depends on staying closely aligned with the cultural expectations of their audience. A brand that can recognize new associations forming around its image, or detect a potential reputational issue before it becomes serious, is in a stronger position than one that relies only on periodic research or media coverage.

However, the real challenge lies in interpreting the information. Social listening systems can produce more data than communication teams can easily manage. The value does not come from the data itself, but from the insights that human analysts can develop with its support. The key is for the brand to turn these insights into actions that match its identity and communicate in a way that feels appropriate to its character.

3.4 Ethical Dimensions of AI in Luxury Fashion Marketing

The ethical aspects of using artificial intelligence in luxury fashion marketing are not secondary to strategy. They are a central part of it. In an industry where value depends on trust, authenticity, and strong human

relationships, the way technology is used cannot be separated from business success.

If a luxury brand uses artificial intelligence in ways that raise ethical concerns, it does more than create a risk to its reputation. It weakens the very foundations on which its value is built.

Algorithmic Bias and the Exclusion Problem

Artificial intelligence systems learn from past data. In the fashion industry, this past data reflects long standing patterns of inclusion and exclusion. Information gathered from years of media, retail behavior, and consumer research often contains biases related to race, body type, age, and culture. When artificial intelligence is trained on this data and used for recommendations, personalization, or creative work, it can repeat and even strengthen these biases.

For luxury brands, this is not only an ethical concern but also a strategic one. Today's luxury consumers, especially younger ones, expect brands to act responsibly. If a brand's artificial intelligence appears to favor certain groups or fails to reflect the diversity of its audience, the brand risks more than reputational harm. It may find that its technology approach no longer aligns with the values of its customers.

To address this issue, luxury brands need both technical and organizational efforts. They must carefully select and review the data used to train artificial intelligence and regularly test systems for bias. At the same time, the teams managing these systems should include diverse perspectives to help identify and challenge bias when it appears.

Transparency and the Right to Know

Luxury brands cannot avoid the question of whether clients should know when they are interacting with artificial intelligence, whether through a

conversational assistant, a personalization system, or a content creation tool. Regulations, especially in the European Union, are increasingly moving toward requiring disclosure when artificial intelligence is used in commercial interactions. However, the responsibility of luxury brands extends beyond simply meeting legal requirements.

The relationship between a luxury brand and its clients depends on trust. Clients expect honesty about what the brand offers and how it operates. If a brand allows clients to believe they are speaking with a human advisor when they are actually interacting with artificial intelligence, this creates a form of deception. While it may lead to short term commercial benefits, such as slightly higher conversion rates, it risks damaging the long term trust that is essential to luxury relationships. This is not only an ethical concern but also a strategic one.

Theoretical Anchor: Trust as a Luxury Asset: Luhmann's Systems Theory

In his work on trust published in 1979, sociologist Niklas Luhmann explained that trust helps reduce the complexity of social interactions. It allows people to act with confidence that others will behave in consistent and reliable ways, without needing constant proof of that reliability.

In luxury, this idea helps explain why trust is not just beneficial but essential. Luxury consumers invest not only money, but also time and emotional commitment, based on the belief that the brand will keep the promises implied by its image and values. When that trust is weakened, including through misleading uses of artificial intelligence, the impact goes beyond harming a relationship. It threatens the very foundation that allows the relationship to exist.

Environmental Responsibility and the AI Cost

The technology needed to train and run large artificial intelligence systems requires a great deal of energy. Training a single advanced language or image generation system can use as much energy as the lifetime carbon emissions of several cars. When these systems are used continuously for personalization, recommendations, and content creation across a global luxury brand, they add a lasting environmental impact to the brand's operations.

This impact is closely linked to the sustainability promises that many luxury brands now highlight as part of their identity. A brand that promotes environmental responsibility while expanding energy demanding artificial intelligence systems may face growing questions about its credibility. This risk is likely to increase as more informed consumers become aware of the environmental effects of artificial intelligence.

The solution is not to avoid artificial intelligence altogether. Instead, brands should be transparent about its environmental impact and work to reduce it. This can include using renewable energy, choosing more efficient technologies, and focusing on applications that offer real value. It is also important to include the environmental impact of artificial intelligence in the brand's broader sustainability reporting and communication.

Data Sovereignty and the Luxury Client

A luxury client's personal data, such as purchase history, behavior patterns, stated preferences, and communication with the brand, is one of the most valuable resources a luxury house holds. When artificial intelligence analyzes and uses this information, it is essentially drawing value from the closeness of the brand client relationship. This creates a strong responsibility for the brand. It must protect the data, use it only in

ways the client would accept, store it securely, and allow the client real control over how it is used.

This responsibility goes beyond legal data protection rules. It is rooted in the same values that define luxury itself. These include respect for the individual, commitment to meaningful relationships, and the recognition that client trust is not something to be exploited but something to be honored. A brand that handles personal data with the same care and discretion it applies to every part of the luxury experience shows a deeper understanding of artificial intelligence. It recognizes that the value of the technology depends on the values guiding its use.



"The luxury brand that deploys AI without ethical intelligence has confused capability with wisdom. In luxury, as in all things that matter, wisdom is the rarer gift."

Chapter Summary

This chapter has explored the role of artificial intelligence in luxury fashion marketing across four areas, which are personalization, creative work, brand communication, and ethics. The main argument is that the key issue is not what artificial intelligence can do, but what it should do. This decision must be guided by the lasting values of luxury and the Four Pillars introduced earlier.

In personalization, the principle is that artificial intelligence should support human judgment rather than replace it. The client should experience a person's understanding, strengthened by artificial intelligence, rather than a simple automated suggestion. In the creative process, the principle is that human authorship must remain central. Artificial intelligence can provide useful context, but it cannot replace the unique human vision that gives luxury objects meaning. In brand communication, the principle is that human creative presence must remain visible. Artificial intelligence should assist this presence, not take its place. In ethics, the principle reflects the core values of luxury itself, which include honesty, respect, and the protection of client trust.

These principles are not barriers to adopting artificial intelligence. Instead, they define how its use can create real value both commercially and culturally. A luxury brand that follows them can use artificial intelligence to enhance its strengths. It can become more personal in its service, more informed in its creativity, more consistent in its communication, and more trustworthy in its relationships.

The next chapter shifts the focus from technology to strategy. It examines how the idea of omnichannel must be rethought in a luxury context and how the principles discussed here can guide a unified approach to managing the brand across both physical and digital environments.

CHAPTER FOUR

Omnichannel as a Philosophy, Not a Tool

"A luxury brand does not have channels. It has one world and many ways of entering it."

Over the past decade, the idea of omnichannel has become very common in retail strategy, yet it is still often misunderstood. In simple terms, omnichannel refers to creating a smooth and consistent experience across all customer facing channels. While this technical definition is widely accepted, its deeper meaning is less clear in the luxury context. In luxury, integrating channels is not only an operational task. It must also meet higher expectations related to experience and brand philosophy.

This chapter argues that, for luxury brands, omnichannel is mainly a philosophical issue rather than a technical one. The key question is not just how to connect different channels, but how to maintain a consistent brand world across every interaction. This world is shaped by the brand's values, its aesthetic style, its story, and its quality standards. Achieving this requires a different way of thinking that starts with the customer's experience and the brand's identity, rather than with technology.

The chapter develops this idea in four parts. First, it explains the difference between operational omnichannel and philosophical omnichannel in luxury. Second, it introduces a new framework called the Seven Touchpoints of Luxury Omnichannel, which outlines the full journey of the luxury customer across different interactions. Third, it explores the importance of human connection in digital environments. Finally, it discusses how success in luxury omnichannel should be measured, using criteria that differ from those used in mass market retail.

4.1 Redefining Omnichannel for Luxury: From Operations to Philosophy

The idea of omnichannel first developed as a response to practical challenges in multichannel retail. Customers often faced difficulties such as being unable to return an online purchase in a physical store, loyalty points not transferring across platforms, or service staff lacking access to a customer's online purchase history. Addressing these issues through shared inventory systems, integrated customer data, and consistent pricing improves the overall shopping experience. In mass market retail, solving these problems can provide a strong competitive advantage.

For luxury brands, however, addressing these operational issues is only the starting point. It is a basic requirement rather than a strategy. When a luxury customer can return an online purchase in a boutique, the service is efficient, but not necessarily luxurious. True luxury service goes beyond removing inconvenience. It creates a unified experience that reflects the brand's identity in every interaction, so that no matter how the customer engages with the brand, the experience clearly belongs to its unique world.

Theoretical Anchor: The Concept of Brand World Coherence (Kapferer, 2012)

Jean Noël Kapferer's brand identity prism suggests that a strong brand is defined not only by consistent visuals or messaging, but by a coherent brand culture. This culture includes shared values, aesthetic codes, and ways of interacting with consumers that shape every expression of the brand. Kapferer sees brand culture as the deepest part of identity. It is the hardest for competitors to copy and the most powerful source of differentiation.

In an omnichannel environment, this means that every point of contact must reflect the same culture. Whether a client encounters the brand in a flagship boutique, on social media, through delivery packaging, or during after sales service, the experience should carry the same character and level of quality. Achieving this consistency is not only a matter of communication. It requires alignment across the organization and a clear understanding of the brand's underlying philosophy.

The difference between operational omnichannel and philosophical omnichannel can be understood through a simple example. Imagine two luxury brands facing the same situation. A high value client has explored the brand's website, added several items to a wish list, and then visits a boutique without making a purchase.

An operationally omnichannel brand makes sure that the boutique advisor can see the client's online wish list and refer to it during the visit. This helps avoid suggesting items the client has already considered. However, this use of data mainly supports the goal of encouraging a purchase.

A philosophically omnichannel brand uses the same information in a different way. The advisor considers what the wish list reveals about the client's taste, possible needs, or emotional motivations. She reflects on what the client may be looking for but has not yet identified. Instead of

using the data simply to sell, the advisor uses it to understand the client better and to create an in store experience that builds on the journey that began online.

In this approach, the interaction becomes a meaningful conversation rather than a transaction. It strengthens the client's connection to the brand, whether or not a purchase is made.



"Operational omnichannel eliminates the seams between channels. Philosophical omnichannel makes the seams invisible because the world is whole."

This distinction affects how luxury brands should plan their omnichannel investments.

Technical investments such as shared data systems, integrated inventory, and consistent pricing are essential. They represent a basic level of competence and should be in place.

However, the investments that truly set a luxury omnichannel experience apart are not technical but human and cultural. These include training teams, strengthening professional judgment, and building a deep understanding of the brand's identity among everyone involved in shaping the experience across different channels.

4.2 The Seven Touchpoints of Luxury Omnichannel: A Framework

A luxury client's relationship with a brand is not made up of separate transactions. It develops over time, sometimes across many years. This journey includes different stages, each playing a unique role in shaping the relationship and requiring a thoughtful omnichannel approach.

The Seven Touchpoints of Luxury Omnichannel offer a way to understand this journey. They do not form a strict sequence, and not every client will move through each stage in the same order. Instead, they describe the different ways a client and a brand may interact, and what each interaction demands from the brand.

I. Discovery: The First Encounter with the Brand's World

Discovery is the first moment of awareness. Today, clients may encounter a brand through social media, search results, or recommendations from others. While the brand cannot control where discovery begins, it can ensure that all its own channels present a consistent and immersive world.

II. Aspiration: The Period of Longing Before Purchase

Aspiration is the period of desire before any purchase. In luxury, this phase may last a long time. The brand's role is not to push for quick sales but to deepen interest through meaningful content that reflects its craft, story, and cultural context.

III. Initiation: The First Direct Interaction

Initiation occurs when the client first engages directly with the brand. This could happen in a boutique, through a digital inquiry, or with a first purchase. At this point, the brand must match the expectations created through earlier experiences.

IV. Consultation: The Deepening of the Relationship

Consultation is when the client seeks advice or guidance. In luxury, this is a central moment where expertise and personal attention are shared. Digital tools can assist, but meaningful consultation often requires human interaction.

V. Acquisition: The Experience of Purchase

Acquisition is the purchase itself. In luxury, this is part of a broader relationship rather than the final goal. Whether in store or online, the experience should feel thoughtful and aligned with the brand's identity.

VI. Aftercare: The Relationship After Acquisition

Aftercare includes services such as repair, maintenance, and ongoing communication. Rather than being treated as a cost, it is an opportunity to reinforce the brand's commitment and values.

VII. Belonging: Integration into the Brand's Community and Heritage

Belonging is the deepest stage. Here, the client becomes part of the brand's community, sharing its values and identity. Digital spaces can support this by offering exclusive content and experiences that make clients feel genuinely recognized.

Together, these touchpoints describe how luxury brands can build lasting relationships across both physical and digital environments.

Framework Summary: The Seven Touchpoints Applied

The Seven Touchpoints framework should not be treated as a process to move through step by step. Instead, it is a map of relationships that a brand must fully understand and support.

Each touchpoint places a different responsibility on the brand's omnichannel approach. Discovery requires a consistent brand world across every channel. Aspiration requires nurturing desire without turning to overt promotion. Initiation requires that the first direct interaction matches the expectations created earlier. Consultation requires access to real human expertise when deeper understanding is needed. Acquisition requires that the act of purchase feels like part of an ongoing relationship rather than a simple transaction. Aftercare requires continued care beyond the sale. Belonging requires the creation of a meaningful community that inspires lasting loyalty.

A luxury brand that delivers quality and consistency across all seven touchpoints truly fulfills the deeper vision of omnichannel.

4.3 The Irreducible Role of Human Connection in Digital Channels

A key principle of luxury omnichannel strategy is the balance between digital tools and human connection. It is often assumed that technology can replace human interaction through automated advisors, personalization systems, and digital services. However, relying on this idea risks weakening what luxury depends on most, which is trust and loyalty.

Digital tools are important in luxury, but their role is to support human judgment, not replace it. Certain interactions, especially those that are personal, consultative, or emotionally meaningful, require human understanding and empathy. These qualities cannot be fully reproduced by technology.

Luxury brands must recognize where human involvement is essential and ensure that automation does not replace it in moments that shape relationships.

Theoretical Anchor: The Concept of 'Warm Data' and Its Limits for AI (Bateson, 1979)

The Gregory Bateson introduced the idea of “The difference that makes a difference” to explain the kind of meaningful understanding that can be lost when complex human situations are reduced to numbers and data. In this context, what can be called warm data refers to the relational, emotional, and contextual information that comes from real human interaction.

Artificial intelligence systems are not well suited to capture this type of knowledge. A luxury advisor who has worked with a client over several years understands far more than purchase patterns. She knows the client’s preferences, how her tastes have changed, and how personal experiences influence her decisions. She can also sense subtle emotional cues that guide how she should engage with the client.

This understanding cannot be fully represented through behavioral data alone. It comes from sustained attention, memory, and personal connection. It forms the basis of truly meaningful luxury service.

Clienteling in the Digital Age: Enabling Human Excellence

Clienteling is the practice of building strong, long term relationships with individual clients through personal attention, thoughtful outreach, and a deep understanding of each client’s preferences, lifestyle, and needs. It has always been one of the most powerful tools available to luxury sales advisors. At the same time, it is difficult to scale, depends heavily on individual skill, and can be disrupted when staff members leave.

Digital clienteling tools such as CRM systems, artificial intelligence based client insights, and digital communication channels can help luxury brands strengthen this practice. They can support advisors in working more effectively and help maintain continuity in client relationships even when teams change. However, this benefit depends on how the tools are used. They must support the advisor’s judgment rather than replace it, and they

should strengthen the client's connection with the brand rather than tie it only to a specific individual.

Hypothetical Illustration: Maison Thierria: The Digital Clienteling Programme

Maison Thierria is a fictional luxury house that offers ready to wear, leather goods, and fine jewelry, with boutiques in fourteen cities around the world. The brand noticed that the quality of its client relationships varied across locations. In long established markets, experienced advisors built strong and lasting connections with clients. In newer markets, advisors who had known their clients for a shorter time found it harder to create the same depth of relationship.

To address this, the house introduced a digital clienteling programme called *Mémoire*. Its goal was to help newer advisors build stronger relationships more quickly and to maintain continuity when staff changes occurred. *Mémoire* is not a traditional customer database. Instead of focusing only on transactions and basic data, it allows advisors to record meaningful observations about each client. These include preferences mentioned in conversation, personal context shared by the client, reactions to products shown during visits, and how tastes have evolved over time.

This creates a shared and evolving portrait of each client that can be accessed by advisors across the brand. When a client visits a boutique in a different city, the local advisor can draw on this deeper understanding, not just past purchases. This allows the client to feel recognized by the house as a whole, rather than by a single individual.

The programme has improved client satisfaction and retention, especially in newer markets. More importantly, it has influenced the internal culture of the advisory teams. Advisors now see their work not only as building personal client lists, but as contributing to a shared understanding that supports the client's relationship with Maison Thierria across time, locations, and changes in personnel.

The Maison Thierra example highlights an important principle in luxury omnichannel strategy. The most valuable digital investments are those that support and strengthen human relationships, which are at the core of luxury.

Technology that helps advisors become more informed, more consistent, and better able to maintain meaningful relationships is a true luxury investment. Technology that replaces human advisors with automated interactions is not.



"The luxury brand's most valuable digital asset is not its platform or its data. It is the quality of the human relationships that its digital investments enable."

The Role of Private Digital Spaces in Luxury Omnichannel

A less explored but important aspect of luxury omnichannel strategy is the use of private digital spaces. These are carefully curated online environments available only to selected clients, where they can access content, experiences, and opportunities that are not offered through public channels.

The idea behind these spaces reflects a familiar luxury practice. In the physical world, brands host invitation only events such as private previews, atelier visits, or exclusive dinners to strengthen relationships with their most valued clients. These experiences are limited by location and capacity. Digital environments make it possible to extend this sense of exclusivity to more clients while still preserving intimacy and distinction.

The challenge is to create true exclusivity in a digital setting that is naturally open and accessible. This requires strict access management so that only invited clients can enter, as well as content that is genuinely meaningful and unique. If the space simply repeats public material or uses standard promotional approaches, it will not create a sense of belonging. Instead, it will feel like an ordinary marketing channel rather than a privileged experience.

4.4 Measuring Omnichannel Success in Luxury: The Right Metrics

Measuring the success of an omnichannel strategy is more complex in luxury than in mass market retail, and the consequences of measuring it incorrectly are more serious. The metrics commonly used in mass market settings, such as conversion rates, click through rates, cost per acquisition, and return on advertising spend, are not suitable for luxury. They focus on the efficiency of transactions and encourage improvements that prioritize speed and sales outcomes. In luxury, improving transactional efficiency at the expense of experience quality does not lead to success. Instead, it risks damaging the brand.

More appropriate measures for luxury focus on what truly creates value. These include the quality of the customer experience across all touchpoints, the strength and stability of the client's emotional connection with the brand, the long term development of brand value, and how these relational qualities are reflected in customer lifetime value and referral behavior.

Theoretical Anchor: Customer Lifetime Value in the Luxury Context (Reinartz & Kumar, 2003)

Research by Werner Reinartz and V. Kumar on customer lifetime value, or CLV, showed that the most valuable customers are not always those who make the biggest single purchases. Instead, they are the ones who build long term relationships with a brand. These clients return over time, recommend the brand to others, and remain loyal even when faced with competing offers.

In luxury, this insight is particularly important. A high net worth client who has maintained a genuine relationship with a brand for twenty years brings far more value than occasional high spending customers who have not formed a lasting connection.

When CLV is carefully measured in a luxury context, it should include not only direct purchases but also referrals, long term loyalty, and the positive influence that devoted clients bring to the brand's reputation. In this way, CLV becomes a meaningful commercial measure for evaluating omnichannel strategy.

Beyond customer lifetime value, luxury brands also need measures that reflect the qualitative aspects of the omnichannel experience. These are elements that cannot be fully captured through numerical behavior data alone. Several methods can be useful in addressing this need.

Brand Intimacy as a Strategic Metric

The concept of brand intimacy, developed by the brand strategy firm MBLM and influenced by ideas from Attachment Theory, refers to the depth of the emotional connection between a consumer and a brand. It measures how strongly a brand becomes part of the consumer's identity and everyday life.

Research on brand intimacy has shown that luxury brands often achieve higher levels of emotional connection than brands in many other sectors.

This emotional bond is a strong predictor of long term loyalty. In many cases, it predicts loyalty more effectively than traditional measures such as satisfaction or simple preference.

For luxury brands, measuring brand intimacy can therefore provide valuable insight. Qualitative studies, relationship depth surveys, and long term client interviews can reveal how consumers actually experience their relationship with the brand. These approaches help brands understand the emotional quality of their omnichannel interactions in ways that standard digital metrics, such as traffic or conversion rates, cannot capture.

The Aspiration Index: Measuring Cultural Capital

A complementary metric may be described as the aspiration index, which refers to the degree to which a brand is desired by consumers who do not yet purchase it. In the context of luxury, as discussed in Chapter 1, the desire of non purchasing aspirants constitutes a structural component of brand value. The exclusivity enjoyed by a limited number of consumers gains meaning through the broader desire of many others. Consequently, an omnichannel strategy that converts aspirants into purchasers while simultaneously reducing the number of aspirants, by making the brand appear overly accessible, excessively promotional, or too ordinary, may generate short term commercial gains but risks long term strategic loss. Monitoring the aspiration index through brand tracking studies and cultural sentiment analysis enables luxury brands to assess whether their omnichannel strategies strengthen or weaken the aspirational desirability that underpins their value.

Referral Quality as a Relationship Indicator

In luxury, referral represents the highest expression of client loyalty and the most commercially valuable form of acquisition. A client who refers her friends to a luxury brand is not merely providing a commercial service; she is placing her own reputation and sense of taste behind the brand's quality. For this reason, the quality of referrals, rather than simply their volume, together with the caliber of the clients they introduce and the depth of their eventual engagement with the brand, serves as a powerful indicator of the success of an omnichannel strategy in building genuine relational loyalty.

Measuring referral quality requires longitudinal tracking. Referred clients must be followed throughout the development of their relationship with the brand, with attention given to the depth of their engagement and the extent to which their behavior reflects the loyalty profile of the referring client. This process is more complex than measuring referral volume, yet it represents the more meaningful measure because it captures not only the commercial outcome of the referral but also the relational quality of the loyalty that produced it.

Hypothetical Illustration: The Measurement Framework of Groupe Aurora

Groupe Aurora is a fictional luxury conglomerate that has developed a proprietary omnichannel measurement framework called the Relationship Quality Index (RQI). This framework is designed to capture dimensions of relational value that standard digital analytics cannot adequately measure. The RQI synthesizes four components: client tenure, defined as the average duration of active client relationships weighted by engagement depth; brand intimacy scores, gathered through quarterly qualitative research conducted with a stratified sample of the client base; referral

quality ratings, assessed through longitudinal tracking of referred clients; and the aspiration differential, defined as the gap between the brand's aspiration score among non purchasing audiences and its satisfaction score among existing clients. This final component functions as an indicator of whether the lived experience of the brand corresponds with the promise it communicates.

The RQI is reviewed quarterly by the group's executive committee together with standard commercial metrics. It functions as an explicit counterbalance to short term revenue pressures. When a proposed digital marketing initiative generates strong projected conversion metrics but carries the risk of weakening the aspiration differential, for example by presenting the brand as more promotional or accessible than its positioning allows, the RQI framework provides the analytical language needed to explain and defend the decision not to implement the initiative.

The framework does not eliminate the influence of commercial pressure on brand decisions. However, it ensures that the relational cost of commercially driven choices becomes visible and measurable. In doing so, it requires that such costs be consciously acknowledged and accepted rather than incurred unintentionally.

*"In luxury, what you measure is what you manage
and if you measure only transactions, you will
eventually have nothing left but transactions."*

Chapter Summary

This chapter has developed the argument that omnichannel strategy in luxury should be understood not simply as an operational framework for integrating channels but as a philosophical commitment to maintaining coherence within the brand's world across every point of consumer contact. The distinction between operational omnichannel and philosophical omnichannel, in other words the difference between the elimination of friction and the creation of coherence, represents the central conceptual contribution of this chapter.

The Seven Touchpoints framework offers a comprehensive map of the luxury consumer journey, beginning with discovery and moving through aspiration, initiation, consultation, acquisition, aftercare, and belonging. This framework provides luxury brand strategists with a tool for evaluating both the completeness and the quality of their omnichannel presence across the entire relational arc. Each touchpoint places specific and qualitatively distinct demands on the brand's strategy. As a result, each stage must be managed with the same level of care, precision, and refinement that characterizes the experience offered in the brand's finest physical boutique.

The discussion of human connection within digital channels further reinforces the central argument of this book that technology in luxury achieves its highest value when it strengthens the quality of human relationships. This occurs through clienteling tools that enable advisors to act with greater knowledge and consistency, through private digital environments that cultivate genuine exclusivity and intimacy, and through

the careful preservation of the human line, meaning the commitment to ensuring that interactions requiring genuine relational engagement are ultimately guided by human intelligence.

Finally, this chapter has proposed a framework for measuring success in luxury omnichannel strategy that extends beyond purely transactional indicators. Instead, it focuses on relational dimensions that determine the long term value of the brand. These dimensions include brand intimacy, the aspiration index, and referral quality. Together, these elements are synthesized within the Relationship Quality Index, which provides a mechanism for making the relational cost of commercially driven brand decisions visible and therefore manageable.

The following chapter turns to the consumer herself. It examines the characteristics, values, and behavioral patterns of the contemporary luxury consumer, and considers the implications of her emergence for the omnichannel and phygital strategies that brands must develop in order to serve her effectively..

CHAPTER FIVE

The New Luxury Consumer: Identity, Values, and Digital Performance

"Today's luxury consumer does not simply purchase a brand. She performs it, questions it, and holds it accountable in public and in real time."

The preceding chapters have examined luxury from the perspective of the brand. They have focused on identity, strategy, technology, and distribution channels. This chapter shifts the focus to the consumer, the individual whose desires, values, and behaviors ultimately determine whether any luxury strategy succeeds or fails. Understanding the contemporary luxury consumer cannot be reduced to demographic profiling. It requires a deeper analysis of the psychological, sociological, and cultural forces that shape how luxury is desired, acquired, displayed, and evaluated in a period defined by widespread digital transparency.

This chapter develops three interconnected arguments. First, the contemporary luxury consumer can be understood as a performative consumer. Her relationship with luxury objects is closely connected to the digital environments in which those objects are displayed and to the social audiences that observe them. Second, she is increasingly values driven. Luxury brands are evaluated not only according to product quality but also

according to the ethical principles and social responsibility they demonstrate. Third, she is part of a generationally segmented market. Differences between luxury consumer groups are not only demographic. They are also philosophical, reflecting different understandings of what luxury represents, what it communicates, and what responsibilities luxury brands must assume in order to remain meaningful.

5.1 The Performative Consumer: Luxury on the Digital Stage

The sociologist Erving Goffman, in his influential book *The Presentation of Self in Everyday Life*, proposed that social life can be understood as a form of performance. Individuals construct and present versions of themselves to different audiences depending on the situation. In doing so, they manage the impressions they create with the strategic awareness of actors performing on a stage. Goffman developed this framework in the context of face to face interaction. Yet his analysis anticipates many of the dynamics of self presentation in the age of social media. In digital environments, the stage has become visibly mediated through images and videos, the audience has expanded to a global scale, and the performance can be recorded, stored, and evaluated through measurable reactions such as likes, shares, and comments.

Luxury objects have long functioned as performative elements in Goffman's sense. They operate as symbolic props within the presentation of identity. Consumers select and display them not only for their functional qualities but also for what they communicate to others about taste, status, and belonging.

What has changed in the digital era is the scale and permanence of the stage. In Goffman's original context, individuals performed primarily before people physically present in their immediate social environment.

The contemporary luxury consumer performs before a much larger and more diverse audience. Her social media following may include hundreds or thousands of observers. These audiences do not encounter the performance briefly or accidentally. Instead, they view, revisit, and evaluate it over time within a permanent digital archive.

Theoretical Anchor: Goffman's Dramaturgical Theory in the Digital Age (Goffman, 1959; Bullingham & Vasconcelos, 2013)

Erving Goffman introduced the concept of impression management to describe the deliberate and strategic ways individuals present themselves in order to influence how others perceive them. Later scholars have applied this idea to social media behavior. Research by Liam Bullingham and Ana Cristina Vasconcelos in 2013 showed that individuals tend to reproduce their offline identity performances online with a high degree of consistency. While they adapt their self presentation to the possibilities offered by digital platforms, their underlying identity goals remain largely the same.

For luxury brands, this continuity has important strategic implications. The consumer who expresses identity through luxury objects in physical social settings is likely to perform that same identity through the same objects in digital spaces. A handbag, watch, or piece of jewelry therefore functions not only within face to face interactions but also within online self presentation.

As a result, luxury purchases are increasingly imagined from the beginning as objects that will appear in both environments. The product is chosen not only for its physical presence but also for how it will be represented in images, videos, and posts shared across digital platforms.

The implications for luxury marketing are considerable. If luxury purchases are increasingly imagined with digital display in mind, if consumers select a bag, a dress, or a watch partly according to how it will appear in photographs, how it will be perceived on screen, and what it will communicate to a digital audience, then luxury brands must evaluate their products and communications in more than purely physical terms. They must also consider digital legibility, meaning the ability of the object to

communicate value, craftsmanship, and cultural positioning within the visually crowded environment of the social media feed.

This does not suggest that luxury brands should design products specifically for platforms such as Instagram. Rather, it means that the semiotic codes through which luxury communicates, including authenticity, scarcity, mastery, and narrative as discussed in Chapter 1, must remain recognizable both in direct physical encounters and in digital representations.

In a marketplace where many consumers first encounter a luxury object through a screen, the ability of the product to communicate meaning through images becomes increasingly important. Objects whose qualities can only be fully appreciated through touch may struggle to convey their value in digital contexts where visual perception is the primary mode of engagement.



"The luxury object now lives two lives: One in the hand of its owner, and one in the feeds of her audience. Both lives must be designed for."

There is, however, a countervailing development that luxury brands must also recognize. Among some of the most sophisticated luxury consumers, a deliberate rejection of visible digital performance has emerged. The phenomenon often described as stealth wealth refers to the preference for luxury objects whose quality is recognizable only to those with the knowledge to appreciate it and that display little or no visible branding. This preference can be understood as a response to the perceived excess of conspicuous display in digital culture.

For this consumer, luxury is defined partly through its resistance to broad visibility. The value of the object lies in the fact that it remains largely unrecognized by the general public and is appreciated mainly by individuals with refined knowledge and similar aesthetic sensibilities. In this context, the performance of luxury does not disappear. Instead, it becomes more selective. The audience is no longer a large digital public but a small group of peers whose judgment and cultural understanding are respected.

The strategic implication for luxury brands is not to choose between the digitally expressive consumer and the discreetly exclusive one. Rather, brands must design products and communications that speak to both forms of luxury expression. An object that communicates understated quality to the informed observer while still maintaining a clear visual presence in images can satisfy the full range of expectations that characterize the contemporary luxury consumer.

5.2 The Values-Driven Consumer: Ethics as Luxury

Perhaps the most significant shift in luxury consumer behavior over the past decade has been the increasing importance of ethical values in shaping luxury brand choice. Across numerous consumer studies, particularly among younger luxury consumers, there is growing evidence that many are willing to pay premium prices for brands whose ethical credentials relate to environmental sustainability, fair labor practices, supply chain transparency, and responsible corporate governance. These expectations reflect standards that earlier generations of luxury consumers did not consistently apply to their purchasing decisions.

This development reflects more than a simple change in consumer preference. It signals a broader reconceptualization of what luxury

signifies. For the values-driven luxury consumer, luxury is no longer defined only by rarity, craftsmanship, or aesthetic excellence. Instead, luxury is understood as the possession of objects that are not only beautiful and rare but also ethically justified. Within this framework, an object produced through exploitative labor practices, regardless of its visual or material quality, cannot fully qualify as a luxury object. It instead represents a form of moral compromise.

Similarly, a brand that cannot account for the ethical implications of its production processes and supply chains risks weakening its claim to true luxury status. In this context, luxury increasingly implies a standard of integrity. Brands are expected not only to create exceptional products but also to demonstrate responsibility and accountability throughout their operations.

Theoretical Anchor: The Concept of 'Ethical Luxury' (Bendell & Kleanthous, 2007)

Jem Bendell and Anthony Kleanthous, in their report Deeper Luxury (2007), were among the first researchers to examine the relationship between luxury consumption and ethical values. Their work highlighted an important shift within the luxury market. They argued that the long-standing lack of attention to sustainability and social responsibility in the luxury industry was becoming increasingly difficult to maintain from a commercial perspective.

According to Bendell and Kleanthous, a new generation of consumers was beginning to influence the market. These consumers were generally well educated, globally informed, and more aware of social and environmental issues. They were also more willing to hold brands accountable for their practices, especially through the growing influence of social media. As a result, ethical considerations such as environmental responsibility, fair labour practices, and transparency were becoming part of the decision making process when purchasing luxury goods.

Bendell and Kleanthous suggested that successful luxury brands in the future would be those that integrate sustainability into their core values rather than treating it as a limitation on their business activities. In their view,

sustainability could complement the traditional principles of luxury, including high quality, craftsmanship, and authenticity. By aligning ethical responsibility with these established values, luxury brands could strengthen their identity and remain relevant in a changing consumer landscape.

The strategic challenge for luxury brands lies in the expectations of values driven consumers. These consumers are often not satisfied with the type of symbolic or superficial sustainability initiatives that have frequently characterized the industry's response to growing ethical concerns. Such initiatives may include limited capsule collections produced with recycled materials, carbon offset programmes, or sustainability reports that emphasize ambitious future targets while providing limited transparency about current practices.

Contemporary consumers are increasingly sophisticated and digitally empowered. They have access to a wide range of information sources and are able to critically evaluate the claims made by brands. Unlike earlier generations of consumers, they can easily verify whether sustainability statements are credible. Within a short time, they are able to access investigative journalism, reports produced by non governmental organizations, and independent supply chain assessments.

As a result, these consumers are capable of determining whether a brand's sustainability narrative reflects genuine commitment or merely superficial communication. This increased transparency places greater pressure on luxury brands to ensure that their sustainability strategies are meaningful, consistent, and supported by verifiable practices.

Hypothetical Illustration: Collectif Verde :Radical Transparency as Luxury Strategy

Collectif Verde is a fictional sustainable luxury collective that produces limited edition ready to wear garments using fibers sourced from regenerative agriculture. The brand is founded on the belief that genuine luxury and genuine sustainability are closely connected. According to this philosophy, both concepts reflect a shared commitment to quality, authenticity, and respect for the materials and people involved in the creation of finely crafted products.

The marketing strategy of Collectif Verde is based on a principle of radical transparency. Every garment is produced through a fully documented supply chain. This process begins with the farms where the fibers are cultivated and continues through the spinning mills and weaving houses before reaching the atelier where the final garment is assembled. Rather than providing this information only upon request, the brand integrates it directly into the product itself.

Each garment contains a unique code that connects to a digital platform. Through this platform, consumers can access a complete record of the product's production process. This record includes video documentation of each stage of manufacturing, information about the individuals involved in production, and independently verified data regarding environmental impact.

The garments are positioned at high luxury price levels and are released in limited quantities. Despite the premium pricing, each release typically sells out within a few days. The brand maintains a relatively small but highly loyal customer base that continues to expand primarily through personal referrals. Collectif Verde does not rely on conventional advertising strategies, does not offer discounts, and does not aim for mass visibility. Instead, the brand's marketing approach is centered on the transparency and authenticity of its products. In this model, the value of luxury is closely associated with integrity and trust.

The Collectif Verde model represents an intentionally extreme example. It is not expected that every luxury brand can or should adopt radical transparency as the central element of its marketing strategy. However,

the model highlights an important principle that is relevant to all luxury brands operating in a market increasingly shaped by values driven consumers.

Authenticity in sustainability should not be understood simply as a communication strategy. Rather, it must be embedded within the fundamental structure of the business model. Sustainability claims that are not supported by real practices are unlikely to remain credible for long.

In the contemporary digital environment, consumers have greater access to information and stronger tools for evaluating brand behaviour. As a result, brands that attempt to promote sustainability without genuinely implementing it are more likely to be exposed. The reputational damage that follows such exposure can be significant. In many cases, the cost of losing consumer trust may exceed the financial and operational investments that would have been required to implement meaningful sustainability practices from the beginning.



"For the values-driven luxury consumer, the most important question about a beautiful object is not who made it, but how."

5.3 Generational Segmentation: What Luxury Means to Different Cohorts

The contemporary luxury market does not serve a single, homogeneous consumer group. Instead, it includes several distinct consumer cohorts whose relationships with luxury differ in important ways. These differences influence the reasons individuals purchase luxury goods, the meanings they associate with luxury, the experiences they expect from luxury brands, and the values they apply when evaluating them.

Understanding these variations is strategically important for luxury brands. Consumers do not approach luxury in the same way, and their expectations of brands are shaped by their social context, cultural influences, and life experiences.

Although generational segmentation can be overly simplistic when applied too strictly, it remains a useful framework for examining these differences. By considering how different generations engage with luxury, brands can gain insight into changing consumer motivations and adapt their strategies to respond to evolving market expectations.

High-Net-Worth Millennials: Digital Natives with Heritage Appetite

The wealthiest members of the Millennial generation, commonly defined as those born between 1981 and 1996, represent one of the fastest growing segments of the luxury market in terms of spending. As the first generation of luxury consumers to grow up with widespread access to the internet, their purchasing behaviours are strongly shaped by digital familiarity. They typically conduct extensive online research before making purchases, interact with brands through social media platforms, and expect digital experiences that are efficient, intuitive, and integrated across different channels.

At the same time, this strong engagement with digital technology exists alongside a clear appreciation for qualities that digital environments cannot fully replicate. Many affluent Millennial consumers place significant value on craftsmanship, heritage, material quality, and the depth of storytelling associated with brands that possess a credible history. For this group, digital accessibility does not replace traditional markers of luxury but instead complements them.

High net worth Millennial consumers therefore do not perceive a conflict between digital convenience and artisanal authenticity. Rather, they expect both elements to be present within the same brand experience. They are also

capable of distinguishing between brands that genuinely embody these qualities and those that merely present them through marketing narratives. As a result, they may tolerate certain imperfections in a brand's digital experience if the physical quality of the product is exceptional. However, they are far less likely to accept deficiencies in product quality from a brand that relies primarily on highly polished digital marketing.

Gen Z Luxury Consumers: Cultural Credibility Over Heritage

The oldest members of Generation Z, generally defined as those born between 1997 and 2012, are beginning to enter the luxury market, primarily at its lower price tiers. Even at this early stage, their purchasing behaviour and brand preferences are influencing the strategic priorities of many forward looking luxury brands. In several important ways, Generation Z consumers differ from their Millennial predecessors.

For Generation Z, heritage alone is not automatically regarded as a source of distinction. The fact that a brand has existed for more than a century does not necessarily guarantee their interest or admiration. Instead, this generation tends to value cultural credibility. They respond to brands that appear genuinely connected to contemporary cultural discussions that are meaningful to them. These discussions often involve issues such as identity, sustainability, creativity, and social justice.

A heritage brand can still appeal to Generation Z if it demonstrates authentic engagement with these topics. When a brand shows that it understands and participates in current cultural conversations in a meaningful way, it can build loyalty among younger consumers. However, brands that rely solely on their historical legacy without demonstrating present relevance are less likely to attract the attention of this generation.

Generation Z is also particularly sensitive to perceived inauthenticity. Having grown up in an environment saturated with sophisticated marketing messages, many members of this generation have developed a strong ability

to identify inconsistencies between what brands claim and what they actually practice. If a company promotes diversity in its advertising campaigns without reflecting this commitment within its organizational structure, or if it promotes sustainability without credible evidence in its supply chain, these inconsistencies are likely to be noticed.

In such cases, the result is not simply a lack of interest. Generation Z consumers may actively reject brands that they perceive as inauthentic. Moreover, their responses are often expressed publicly through digital platforms and social media channels, where they communicate with considerable fluency and influence. As a result, brand credibility and genuine alignment between values and practices have become increasingly important in engaging this generation of luxury consumers.

Theoretical Anchor: The Concept of Cultural Capital in the Digital Age (Holt, 1998; Williams, 2002)

Douglas Holt's concept of consumer cultural capital helps explain Generation Z's relationship with luxury. Cultural capital refers to the knowledge and sensibilities that allow consumers to recognize and express appropriate taste within their social environments.

For Gen Z, this cultural capital is not primarily formed through inherited taste or elite education, as described in Pierre Bourdieu's original theory. Instead, it develops through active engagement with digitally mediated cultural conversations within peer communities.

Luxury brands that participate authentically in these conversations and generate meaningful cultural relevance are able to accumulate cultural capital among Gen Z consumers. By contrast, brands that fail to engage meaningfully risk becoming culturally invisible, regardless of their heritage or price points.

The Ultra-High-Net-Worth Consumer: Where Luxury Remains Analog

At the highest level of the luxury market, among ultra high net worth consumers, the influence of digital dynamics is considerably weaker. For these consumers, the most expensive products of luxury houses represent only a small portion of their available wealth. Their purchasing decisions are therefore less influenced by social media visibility or cultural credibility signals.

Instead, their motivation centers on the absolute quality of the object and the depth of their personal relationship with the brand. This relationship is largely maintained through direct and personal interaction rather than through digital channels.

Ultra high net worth consumers typically engage with luxury brands through senior advisors, private events, and bespoke services that are rarely communicated publicly. These services are often available only to clients who already have an established relationship with the brand. Digital platforms serve only a limited role, often functioning as a secondary means of communication between personal interactions.

For luxury brands, the strategic implication is that digital activity must be carefully managed when serving this segment. While digital communication can support brand visibility, it should never undermine the sense of exclusivity and individualized attention that defines luxury at the highest level. Maintaining this balance is essential to preserving the personal relationships that ultra high net worth clients value most.

"The most valuable luxury consumer in the world is not on Instagram. She is at dinner with her advisor, discussing next season's bespoke commission."

Chapter Summary

This chapter has examined the contemporary luxury consumer through three main perspectives. These include the performative relationship with luxury in the digital age, the growing importance of ethical integrity in luxury value, and the differences in expectations across generational groups.

The performative consumer, influenced by Goffman's concept of social performance and the visibility created by social media, requires luxury brands to design products and communication that function both in physical settings and in digital spaces. At the same time, brands must recognize the increasing interest in discreet forms of luxury among more experienced consumers. The values driven consumer expects luxury brands to demonstrate genuine ethical responsibility. In this context, authenticity in sustainability has become as important as authenticity in craftsmanship. The generationally differentiated consumer landscape also requires brands to balance different expectations, including the appreciation for heritage among affluent Millennials, the emphasis on cultural credibility among Generation Z, and the preference for personal relationships among ultra high net worth consumers.

These profiles should not be understood as separate or mutually exclusive groups. Many luxury consumers display characteristics of more than one profile at the same time. Instead, these perspectives serve as analytical tools for understanding the complexity of contemporary luxury consumption. Together, they define the environment in which phygital strategies must operate and highlight the human context that technological systems, omnichannel initiatives, and strategic frameworks are ultimately designed to support.

The final chapter of this book brings together these insights in the form of a practical strategic framework known as the Phygital Luxury Matrix. This framework is intended to help luxury brands of different sizes and histories develop effective phygital strategies that align with the expectations and values of today's luxury consumers.

CHAPTER SIX

Building a Timeless Phygital Strategy: A Framework

“Strategy without values is mechanics. Values without strategy is aspiration. The luxury brand requires both, together with the ability to distinguish clearly between them.”

This final chapter brings together the theoretical arguments, analytical frameworks, and strategic insights developed throughout the previous five chapters and translates them into a practical strategic model for phygital luxury. The model is intentionally technology neutral. It is based on enduring principles rather than specific platforms, and on values rather than tools. Its purpose is to support luxury brand strategists, whether working in established heritage houses or emerging independent labels, across fashion, accessories, and related luxury sectors, as they navigate the complex decisions involved in phygital transformation.

The chapter is organized into four parts. The first introduces the Phygital Luxury Matrix, a two axis strategic framework designed to help brands evaluate the effectiveness of their current phygital strategies and determine areas that require further development. The second outlines three strategic imperatives that should guide all phygital decisions within luxury organizations. The third translates these imperatives into practical principles for implementation. The final section examines the organizational conditions necessary for success, including corporate

culture, talent, and governance structures. Without these foundations, even the most well designed strategic framework is unlikely to produce meaningful results.

6.1 The Phygital Luxury Matrix: A Strategic Positioning Tool

The Phygital Luxury Matrix is a two axis positioning framework that enables luxury brands to evaluate the quality of their phygital strategy along the two dimensions that matter most. These dimensions are the degree of fidelity to the brand's essential DNA and the depth of integration between physical and digital experience.

Each axis represents a spectrum that ranges from low to high. The intersection of the two axes produces four strategic quadrants, and each quadrant reflects a distinct strategic profile as well as a different set of strategic implications.

Framework Definition: The Two Axes of the Phygital Luxury Matrix

Axis 1. Brand DNA Fidelity (vertical): This axis refers to the degree to which a brand's phygital strategy preserves, expresses, and strengthens its core identity. This identity is defined by the Four Pillars of authenticity, scarcity, mastery, and narrative. High fidelity indicates that every digital initiative, every channel decision, and every technological deployment clearly reflects the brand's world. Low fidelity indicates that digital initiatives have introduced elements such as promotional mechanisms, mass market aesthetics, or impersonal automation that conflict with the brand's luxury positioning.

Axis 2. Experience Integration (horizontal): This axis refers to the degree to which a brand's physical and digital touchpoints are genuinely integrated into a coherent and seamless experiential environment, rather than simply coordinated operationally or functioning in parallel without meaningful connection. High integration means that the consumer experiences the

brand as continuous and consistent regardless of the channel through which the brand is encountered. Low integration means that physical and digital channels appear as separate and inconsistent expressions of a brand that has not yet fully developed a coherent phygital identity.

Quadrant I: Digital Theater: The Strategic Ideal

High Brand DNA Fidelity and High Experience Integration. A brand that occupies this quadrant has achieved the phygital ideal. Its digital presence clearly reflects its brand world, and its physical and digital channels are integrated so deeply that the consumer's journey through them feels like a progressive deepening of a single and coherent experience rather than a sequence of transitions between separate channels. Technology is employed in support of the brand's values rather than in conflict with them. A consumer who encounters the brand in a digital environment already experiences a sense of entering the boutique before physically arriving.

At present, very few luxury brands fully occupy this quadrant. It represents an aspiration that requires continuous investment, strong organizational alignment, and a level of creative intelligence that is challenging to sustain at scale. Nevertheless, it is the direction toward which every luxury phygital strategy should be oriented and the standard against which each phygital decision should be assessed.

Quadrant II: Digital Decoration: The Comfortable Trap

High Brand DNA Fidelity and Low Experience Integration. A brand located in this quadrant has preserved the integrity of its identity across its digital presence. Its social media communication is aesthetically refined, its website reflects elegance, and its digital messaging aligns with its luxury positioning. However, it has not achieved genuine integration between its physical and digital environments. A consumer who has spent weeks exploring the brand through digital channels may arrive at the boutique

and discover that her previous interactions are unknown, that her digital history is not recognized, and that the in store experience, even if excellent in itself, remains disconnected from the digital journey that preceded it.

This quadrant represents the most common position among established luxury brands. Many of these brands have invested in maintaining high digital quality but have not yet achieved meaningful integration between channels. The situation can appear comfortable because the brand's identity remains intact. However, it also represents a significant missed opportunity. A consumer whose interest and aspiration have developed through extended digital engagement expects to encounter a brand in the boutique that already understands her preferences and history.

Moving from this position to the ideal quadrant requires primarily organizational investment. This includes the development of effective data infrastructure, comprehensive staff training, and a cultural shift within the organization that allows consumer knowledge to move seamlessly across digital and physical channels.

Quadrant III: Digital Disruption: The Dangerous Compromise

Low Brand DNA Fidelity and High Experience Integration. A brand located in this quadrant has invested extensively in channel integration. Its data systems function smoothly, its inventory is unified across channels, and the consumer journey appears technically seamless. However, in the process of achieving this integration, the brand has weakened its essential character. Although the channels are connected, the experience that flows through them no longer reflects the qualities associated with luxury. Pricing becomes promotional, content is produced in high volume but with limited refinement, and consumer interactions rely on automation rather than personal engagement. In this situation, the brand has solved

the operational challenge of omnichannel integration while creating a strategic problem of brand erosion.

This quadrant represents the most dangerous position for luxury brands. Short term commercial indicators such as conversion rates, digital revenue, and operational efficiency may appear strong, while the brand equity that supports long term value is gradually being undermined. The Maison Veldthorpe case discussed in Chapter 2 illustrates this position clearly. In that case, the strategy was technically competent and commercially beneficial in the short term, yet strategically damaging to the brand over time.

Quadrant IV: Digital Neglect: The Declining Position

Low Brand DNA Fidelity and Low Experience Integration. A brand located in this quadrant has neither preserved the integrity of its digital expression nor achieved meaningful integration across its channels. Its digital presence may appear inconsistent, outdated, or in direct contradiction to its luxury positioning. Its channels operate in isolation, and the consumer journey is fragmented and often frustrating. In this situation, the brand is not only missing a strategic opportunity but is also losing competitive ground to brands that have invested in phygital quality and coherence.

The transition from Quadrant IV to Quadrant I requires the most substantial investment and the most profound organizational transformation. Yet this position can also present a significant opportunity. A brand that commits seriously to the phygital ideal from a position of digital weakness may undertake this transformation with a clear sense of purpose. It also has the advantage of building its phygital strategy from fundamental principles rather than adapting to the constraints and compromises of an existing legacy digital infrastructure.

Matrix Self-Assessment: Four Diagnostic Questions

1. Does every element of our digital presence, including each post, email, website page, and chatbot interaction, clearly reflect the world and identity of our brand? (DNA fidelity test)
2. When a consumer who has engaged extensively with our digital channels visits our boutique, does she experience a continuation of her journey and feel that the brand already recognizes her? (Integration test)
3. Do our performance metrics measure what truly matters, such as the quality of relationships, the level of brand intimacy, and client lifetime value, or do they focus mainly on indicators that are easier to quantify? (Measurement integrity test)
4. If our most discerning client encountered our digital presence without knowing which brand it belonged to, would she immediately recognize it as the expression of a luxury brand of the highest order? (Brand register test)

6.2 The Three Strategic Imperatives

The Phygital Luxury Matrix offers both a diagnostic tool and a strategic orientation. The Three Strategic Imperatives establish the governing principles. They represent value level commitments that should guide every decision a luxury brand makes when implementing its phygital strategy.

These imperatives are derived directly from the theoretical and analytical arguments developed in the preceding chapters. They are formulated at a level of abstraction that allows them to remain applicable regardless of the specific technologies, channels, or market contexts in which they are applied.

Imperative 1: Preserve the Aura

Technology in luxury should always lead to a human moment rather than replace it. This imperative is grounded in the analysis of luxury experience presented in Chapter 2, which emphasizes that the highest

expression of luxury occurs when a person feels genuinely known and understood. The most meaningful luxury experience arises when a human advisor anticipates a client's needs and demonstrates a depth of understanding that creates a sense of personal recognition. Artificial intelligence, omnichannel integration, and digital personalization therefore have their greatest value when they enable people within the brand to create such moments more consistently, more intelligently, and for a broader group of clients than purely human processes would permit.

Applying this principle in practice requires luxury brands to define with clarity which interactions can appropriately be supported by automated or digital systems and which require human intelligence, empathy, and presence. The boundary between these forms of interaction is not fixed. It varies according to the client, the context, and the nature of the exchange. Nevertheless, this boundary must be consciously managed, and it should be drawn in favor of human attentiveness rather than digital efficiency. When uncertainty arises, the appropriate choice for a luxury brand is to prioritize the human interaction.

Imperative 2: Design for the Human Moment

Technology in luxury should always lead to a human moment rather than replace it. This imperative draws on the analysis of luxury experience developed in Chapter 2. It rests on the understanding that the highest expression of luxury occurs when a client feels genuinely known and understood. The most meaningful luxury experience emerges when a human advisor anticipates a client's needs and demonstrates a depth of understanding that creates a sense of personal recognition. Artificial intelligence, omnichannel integration, and digital personalization have value in luxury only when they enable

people within the brand to create such moments more consistently, more intelligently, and for a greater number of clients than purely human processes would allow.

The practical application of this principle requires luxury brands to determine clearly which interactions can appropriately be supported by automated or digital systems and which require human intelligence, empathy, and presence. This boundary is not fixed. It changes according to the client, the context, and the nature of the interaction. However, the boundary must be actively managed and should always be drawn in favor of human attentiveness rather than digital efficiency. When uncertainty exists, the appropriate decision for a luxury brand is to prioritize the human interaction.

Imperative 3: Build for Decades, Deploy for Today

Luxury brands operate on generational timescales. The decisions made about brand positioning, aesthetic identity, and client relationships today will shape the brand's value for decades. A phygital strategy that optimizes for the next quarter's conversion rate at the expense of long term brand equity cannot be considered a luxury strategy. It represents commercial short term thinking applied within a luxury context. Every phygital decision should therefore be evaluated in terms of its implications over ten years rather than its performance over ninety days.

This imperative also carries a clear practical implication. Luxury brands should adopt digital technologies later rather than earlier. The pressure to be first in deploying new platforms, advanced artificial intelligence, or innovative digital experiences is characteristic of mass market competition and does not apply in the same way to luxury. A luxury brand that allows time for a new technology to mature, observes how its cultural associations develop, and assesses whether its quality

can align with luxury standards before adopting it is not acting conservatively. It is acting strategically. By contrast, a brand that adopts every emerging technology immediately out of concern about being left behind risks associating itself with novelty rather than timelessness, an association that is fundamentally inconsistent with the values of luxury.

“The luxury brand that pursues every digital trend will capture none of them with dignity. The brand that proceeds deliberately, guided by clear values, will reach the future with its identity preserved.”

6.3 Implementation Principles: From Strategy to Practice

Strategic imperatives must ultimately be translated into concrete operational decisions. The following implementation principles provide the connection between the Three Strategic Imperatives and the everyday choices through which a luxury brand’s phygital strategy is carried out in practice. They are presented not in order of priority, since each is essential, but according to the sequence in which they can be most effectively addressed.

Principle 1: Begin with the Consumer Journey, Not the Technology

The starting point for any phygital initiative should be a precise understanding of the consumer journey. This includes identifying where the consumer encounters the brand, what she experiences at each touchpoint, what she needs or expects at each stage, and where the existing experience falls short of the standard associated with luxury. Technology

should respond to a clearly defined consumer experience question. It should not be introduced before that question has been properly understood.

A brand that invests in augmented reality without first determining whether its consumers genuinely wish to explore products through virtual interaction demonstrates a misunderstanding of priorities. The same is true of a brand that introduces an artificial intelligence chatbot without first understanding the level of service quality its clients expect in digital communication. In such cases, the brand has mistaken technological capability for genuine relevance.

Principle 2: Audit Every Digital Touchpoint Against the Brand's DNA

Before any phygital initiative is launched, every digital touchpoint it creates or influences should be evaluated against the Four Pillars. The brand should ask whether the initiative reinforces authenticity, manages scarcity appropriately, communicates mastery in a way that creates emotional resonance, and sustains or extends the brand's narrative in a coherent manner.

This evaluation should not be carried out by the digital team alone. It requires the participation of the brand's creative leadership, its most experienced client facing staff, and ideally a small group of the brand's most discerning clients. The individuals most capable of recognizing when a digital initiative fails to meet luxury standards are those who are closest to the brand's core values and most attuned to the expectations of its most demanding consumers.

Principle 3: Invest in Human Excellence Before Digital Infrastructure

The most common error in luxury digital transformation lies in the sequence of investment. Many brands invest heavily in technological infrastructure such as data platforms, e commerce systems, and artificial intelligence tools before investing sufficiently in the human capability required to use these tools effectively. The result is advanced technology operated by people who

are undertrained, undervalued, and inadequately supported. This combination frequently produces experiences that are technically competent but lack the human quality expected in luxury.

A luxury brand should reverse this sequence. The first investment should be directed toward training, talent development, and the organizational culture that enables people to use digital tools with the judgment, sensitivity, and creativity that luxury requires. Once this human foundation is established, the brand can then develop the digital infrastructure that strengthens and extends that human excellence.

Principle 4: Build Proprietary Data Relationships

Luxury brands that depend on third party platforms such as social media companies, e commerce marketplaces, and advertising networks for their most intimate consumer relationships are building on foundations they neither own nor control. The consumer data that moves through these platforms is, in practical terms, controlled by the platform operators. The conditions under which luxury brands can access and use this data are determined by the commercial priorities of those operators, which may not align with the long term strategic interests of the brand.

For this reason, luxury brands should invest in developing direct and proprietary relationships with their consumers. This includes building owned email lists, establishing direct digital communication channels, collecting first party data through loyalty programmes and service interactions, and creating private digital environments that allow the brand to cultivate its most important client relationships within spaces it fully controls.

Principle 5: Govern Phygital Strategy at the Brand Level, Not the Channel Level

The organizational structure of many luxury brands reflects a legacy of channel silos. Separate teams are responsible for retail, e commerce, marketing communications, and digital operations, each operating with its

own performance indicators, budget allocations, and operational priorities. This structure is fundamentally incompatible with a truly integrated omnichannel philosophy. When the e-commerce team focuses on maximizing conversion, the retail team concentrates on client experience, and the marketing team prioritizes reach, the result is an inevitably fragmented consumer journey. Each team follows incentives that do not fully align with the unified consumer experience that phygital luxury requires.

For this reason, phygital strategy must be governed at the level of the entire brand. This typically requires the presence of a senior executive with clear responsibility for the quality and coherence of the consumer experience across all channels. Such leadership is not simply a matter of organizational preference. It represents a structural condition necessary for achieving genuine phygital excellence.

Hypothetical Illustration: Maison Ardenne's Phygital Transformation : A Strategic Narrative

Maison Ardenne, the fictional leather goods house from Lyon that has appeared throughout this book, offers a fitting final illustration. When the house's fourth generation director inherited a brand defined by exceptional craftsmanship but almost no digital presence, she chose to begin its phygital transformation not with a technology audit but with a workshop focused on the consumer journey. She invited twelve of the brand's most valued clients, individuals who had been purchasing Maison Ardenne pieces for between five and twenty years, and asked them a single question. She asked them to describe in as much detail as possible every moment when Maison Ardenne had made them feel genuinely known.

The responses were revealing. None of the twelve clients referred to digital interactions, largely because there had been almost none. Instead, they described physical encounters. One client remembered an advisor who recalled, three years later, that she preferred the interior pocket of her bag positioned on the left. Another spoke of a handwritten card that arrived on her birthday, referencing a conversation they had previously had about her

daughter's wedding. Another recalled an invitation to visit the atelier, arranged without any commercial objective, simply so that a long standing client could observe the bag she had ordered while it was being made.

The director used these reflections to establish the standard by which every future phygital initiative would be judged. Each initiative had to answer a clear question. Did it create a digital equivalent of being remembered, of receiving the handwritten card, or of being welcomed into the atelier? If the answer was yes, the initiative belonged within Maison Ardenne's phygital strategy. If the answer was no, then regardless of how technologically advanced or commercially promising it appeared, it did not belong.

Four years later, Maison Ardenne's digital presence remains modest when compared with the broader luxury industry. The brand operates a carefully curated website, a private client portal available only through invitation, and a digital clienteling platform that equips advisors with detailed knowledge about each client they serve. The house does not advertise through digital channels and maintains no public social media account. Digital revenue represents only a small portion of its total revenue. However, its client retention rate, measured as the proportion of clients who make a second purchase within three years of their first, has increased by twenty three percentage points since the transformation began.

Maison Ardenne's phygital strategy does not demonstrate digital ambition for its own sake. Instead, it illustrates digital clarity. Technology has been used deliberately and precisely in service of the brand's deepest values, strengthening what was already exceptional without introducing elements that do not belong within the brand's identity.

6.4 The Organizational Conditions for Phygital Excellence

The frameworks, imperatives, and principles developed in this chapter represent necessary conditions for achieving phygital excellence in luxury. However, they are not sufficient on their own. Even the most carefully designed strategic framework will fail if the organizational conditions required to implement it effectively are absent.

This final section therefore identifies three essential organizational conditions that support the successful realization of a phygital luxury strategy. These conditions are culture, talent, and governance. Each plays a critical role in ensuring that strategic principles are translated into consistent and meaningful practice across the organization.

Culture: The Brand as a Living Value System

The culture of a luxury brand, defined by the values, beliefs, and behavioral norms that shape how its people think, decide, and act, is the most fundamental determinant of its phygital quality. A brand whose culture is genuinely aligned around the primacy of the consumer experience, the uncompromising standard of quality, and the long term stewardship of its identity will make stronger phygital decisions than a brand whose culture is driven by short term commercial pressure, regardless of how sophisticated its strategic frameworks may appear.

Establishing and sustaining a culture of phygital excellence requires, above all, consistent alignment between leadership behavior and the brand's stated values. When senior leaders set aside brand DNA considerations in favor of immediate commercial targets, they communicate to the organization that the brand's values are aspirational rather than operational. This occurs, for example, when an e commerce discount is approved despite the damage it may cause to brand equity, or when low quality digital content is published simply to maintain a posting schedule.

By contrast, leaders who consistently act in accordance with the brand's values reinforce a culture capable of sustaining excellence over time. When they decline the discount, postpone content that does not meet the required standard, and prioritize long term brand integrity over immediate gains, they demonstrate that the brand's principles guide real decisions.

Such leadership builds the organizational culture necessary to support phygital excellence.

Talent: The Human Architecture of Phygital Luxury

The people who design, execute, and sustain a luxury brand's phygital strategy represent its most important phygital asset. Although this idea is widely acknowledged, it is often insufficiently supported by investment. A luxury brand requires within its phygital function a rare combination of capabilities. These include a deep understanding of the brand's values and aesthetic identity, strong technological fluency, sophisticated insight into consumer behavior, and the creative intelligence necessary to translate these elements into experiences that meet the standards of luxury.

Such a combination of capabilities is uncommon. It cannot be achieved simply by recruiting digital marketing specialists from mass market retail backgrounds and expecting them to intuitively understand the nature of luxury. Nor can it be achieved by hiring individuals with strong brand sensibilities and expecting them to manage the complexity of digital systems without adequate technological expertise.

The most effective organizational model is based on genuine integration. Teams should combine expertise in luxury brand culture with strong digital competence. These teams must be united by a shared commitment to the brand's values and a common understanding of the consumer experience the brand seeks to create.

Governance: Accountability for the Whole

The governance structures through which a luxury brand makes its phygital decisions reveal the practical expression of its strategic values. These structures determine who holds authority over specific decisions, who is accountable for outcomes, and how tensions between commercial objectives and brand quality are resolved.

When governance gives the digital team authority over channel decisions without subjecting those decisions to brand level review, the result is likely to resemble the Quadrant III outcome. In such cases, the brand may achieve strong technical integration while gradually losing coherence with its own identity.

By contrast, a governance structure that requires creative leadership oversight of digital initiatives, mandates a brand DNA evaluation before implementation, and assigns a single senior executive responsibility for the quality of the consumer experience across all channels is more likely to produce the Quadrant I outcome over time. In this structure, digital ambition remains aligned with brand integrity, allowing the brand to pursue technological advancement while preserving the standards that define luxury.



"Strategy concerns the decisions a brand makes. Culture reveals how people act when no one is observing. A luxury brand requires both, and the courage to ensure that they are fully aligned."

Chapter Summary

This chapter has brought together the book's arguments into a comprehensive strategic framework for phygital luxury. The Phygital Luxury Matrix offers a diagnostic tool for evaluating a brand's strategic position along the dimensions of Brand DNA Fidelity and Experience Integration. The Three Strategic Imperatives, Preserve the Aura, Design for the Human Moment, and Build for Decades, Deploy for Today, establish the value based principles that should guide every phygital decision. The Implementation Principles translate these imperatives into practical operational guidance. The organizational conditions of culture, talent, and governance form the human foundation without which no strategic framework can be effectively realized.

The Maison Ardenne narrative used as the chapter's central illustration is intentionally chosen. It presents a brand of modest scale but exceptional craftsmanship and clear values that, through careful reflection, recognizes that its phygital strategy should not be defined by breadth but by precision of purpose. The path taken by Maison Ardenne will not necessarily mirror the phygital journey of every luxury brand. However, every luxury brand should approach its transformation with the same clarity of values, the same discipline of self examination, and the same dedication to the human moments that give luxury its deeper meaning.

The concluding section that follows does not introduce new arguments. Instead, it draws together the central theme of the book: the enduring human desire that luxury seeks to fulfill and the considerable challenge of serving that desire thoughtfully in the digital age. It concludes with a reflection on what it means to build a luxury brand that is truly worthy of that desire.

CONCLUSION

Technology Changes. Human Desire Does Not.

"Ultimately, luxury is not defined by what a person owns, but by the feelings that accompany ownership and by what those feelings reveal about the individual's identity."

The Thread That Runs Through Everything

This book began with a question about technology and ultimately arrives at a question about humanity. The phygital transformation of luxury, characterized by the increasing integration of physical and digital experiences through artificial intelligence and omnichannel strategies, represents one of the most important commercial and cultural developments of the present era. However, its significance is not primarily technological. Its true importance lies in its human dimension.

The central argument developed throughout these six chapters is that luxury has always responded to enduring human needs. These include the appreciation of beauty, the desire for distinction, the ownership of objects that carry meaning beyond their practical function, and the experience of relationships that recognize individuals through genuine attention and care. Such needs remain as relevant in the digital age as they were during earlier periods of luxury production, such as the era of the Parisian ateliers or the Florentine goldsmiths. What has changed is

the environment in which these needs must now be addressed. Contemporary luxury operates within a context characterized by greater transparency, immediate global connectivity, rapid technological advancement, and consumers who are more informed, more demanding, and more attentive to ethical values than previous generations of luxury clients.

Luxury brands that recognize this continuity are better positioned to navigate the phygital era. By understanding digital transformation as a new context in which longstanding human motivations continue to operate, these brands can adapt with clarity and confidence. In contrast, brands that focus excessively on technological developments without maintaining a clear understanding of the human purposes that luxury serves may risk losing strategic direction. In such cases, sophisticated digital systems may be developed without meaningfully supporting the deeper values and experiences that define luxury.

"The medium has changed. The message, which includes beauty, belonging, mastery, and truth, has remained constant and will continue to endure."

The Book's Central Arguments: A Final Synthesis

Chapter 1 established that luxury is a system of meaning built on four enduring pillars: Authenticity, scarcity, mastery, and narrative. These pillars have remained consistent across centuries, cultures, and economic systems. They are not simply marketing concepts but the fundamental conditions that enable luxury to meet human desires for identity, distinction, and beauty. Any phygital strategy must therefore be evaluated in relation to these principles.

Chapter 2 introduced the concept of the phygital shift, defined as the gradual integration of physical and digital experiences. In the context of luxury, this shift represents not only a technical challenge but also a phenomenological one. The central issue is not merely connecting digital and physical channels but preserving the full richness of the luxury experience across them, including its sensory depth, symbolic meaning, and ability to create moments of beauty and significance.

Chapter 3 examined the role of artificial intelligence as one of the most influential forces shaping contemporary luxury marketing. The chapter argued that the value of artificial intelligence in luxury depends on how it is used. When applied to enhance human expertise, improve personalization, and support creative decision making, it can strengthen the luxury experience. However, when it replaces human judgment, automates relationships, or produces content without meaningful human input, it risks undermining the qualities that define luxury.

Chapter 4 reconsidered the concept of omnichannel strategy, presenting it not only as an operational framework but as a commitment to coherence. This involves maintaining the integrity of the brand experience across every stage of the consumer journey. The chapter emphasized that moments requiring human intelligence, empathy, and presence must be supported by digital systems rather than replaced by them.

Chapter 5 explored the contemporary luxury consumer through three perspectives. First, the consumer acts as a performative self within the digital environment of social media. Second, the consumer evaluates brands through ethical and value based criteria that were less prominent in earlier generations. Third, the luxury market is shaped by generational differences, with each cohort expressing distinct expectations and priorities. Together, these perspectives define the human context within which phygital strategies must function.

Chapter 6 brought these ideas together in a practical strategic framework. This framework includes the Phygital Luxury Matrix for strategic positioning, three strategic imperatives to guide decision making, a set of implementation principles for operational practice, and the organizational conditions of culture, talent, and governance that enable successful execution.

Questions That Remain Open

No book of this scope can claim to answer every question raised by its subject. Important questions remain open, not because the analysis is inadequate, but because this field is still evolving and intellectual honesty requires recognition of the limits of current knowledge.

One important question concerns the continued development of immersive digital technologies, including spatial computing, haptic interfaces, and sensory simulation. These technologies may significantly reshape the phenomenology of luxury experience. If digital systems are eventually able to simulate qualities such as the weight of leather or the drape of silk, they may reduce the gap between digital and physical encounter that has been identified in this book as one of the central challenges of luxury in the digital age. The future development of these technologies will determine whether the argument presented in Chapter 2 needs to be reconsidered or further strengthened.

A second question relates to the expanding secondary market for luxury, including resale, rental, and authentication platforms. Consumers who acquire luxury goods through these channels engage with the object itself without necessarily engaging with the brand's intended experience. This raises important questions for phygital strategy. It becomes necessary to ask what phygital luxury means for the second owner and how the Seven Touchpoints apply to a consumer journey that begins not with brand discovery, but with the object already in circulation.

A third and more fundamental question concerns the future of authenticity in an age of advanced artificial intelligence. As artificial intelligence becomes increasingly capable of generating content, designing objects, and simulating forms of human interaction that appear indistinguishable from those created by people, the concept of authenticity may require significant reconsideration. It is necessary to ask whether an object can still be considered authentic if its design was produced by an algorithm, and whether a relationship can be considered genuine if its emotional warmth was generated by a language model.

These are not merely abstract questions. They are likely to shape the next phase in the development of luxury, a phase that remains open and has yet to be fully defined.

A Final Orientation: Five Questions for the Practicing Strategist

1. Does our phygital strategy truly serve the desires and expectations of our consumers, or is it primarily designed for our own operational convenience?
2. Would our most discerning clients immediately recognize every digital touchpoint as clearly belonging to our brand and reflecting the same standard of excellence they expect from our physical experience?
3. Are we using technology to enhance meaningful human interactions, or are we relying on it to reduce the effort and investment required to create them?
4. Do the metrics used to evaluate our phygital strategy measure what genuinely contributes to long term brand value, or do they focus mainly on indicators that are easier to quantify?
5. Looking ten years ahead, will the phygital decisions we are making today strengthen the brand we are responsible for stewarding, or will they gradually weaken its identity and value?

A Final Word

The title of this conclusion, *Technology Changes. Human Desire Does Not.*, is not intended as a rejection of technological progress or digital innovation. Rather, it emphasizes the importance of maintaining perspective. This perspective places the human being, and the enduring needs that shape her relationship with luxury, at the center of every decision about how luxury is created, communicated, and experienced in the digital age.

The brands that will shape the future of luxury will not necessarily be those with the most advanced artificial intelligence, the most technically integrated channels, or the most elaborate phygital systems. Instead, they will be the brands that use these tools in the service of a clear purpose. That purpose is the creation of objects, experiences, and relationships that make individuals feel genuinely understood. Successful luxury brands will demonstrate an ability to recognize their clients' desires, respect their identities, and express mastery, authenticity, and narrative depth in ways that justify lasting trust.

These principles have always defined the essence of luxury. They will continue to do so in the future. The phygital transformation does not alter these foundations. Instead, it increases the importance of applying them with care and clarity. For the brands that are able to do so, the opportunities created by this transformation are significant, as are the rewards of maintaining excellence in a changing technological environment.

"The future of luxury belongs to the brands that understand that no technology, however powerful, is a substitute for the one thing that cannot be automated: Genuine care for another human being."

Directions for Further Research

The Directions for Further Research

1. Phenomenology of immersive digital luxury experience

Future research could examine how emerging technologies such as haptic interfaces, spatial computing, and advanced sensory simulation may transform the experience of luxury in digital environments. Particular attention should be given to whether these technologies can reproduce the sensory richness that has traditionally defined luxury encounters with physical objects.

2. Phygital luxury in the secondary market

Another important area concerns the expanding resale, rental, and authentication economy. Research could explore how omnichannel and artificial intelligence strategies might be extended to consumers who encounter luxury products through secondary markets, while ensuring that the core brand equity of the primary market is preserved.

3. Artificial intelligence governance in luxury

As generative artificial intelligence becomes more widely used in creative development, personalization systems, and brand communication, there is a growing need for ethical and governance frameworks. Further research could address how luxury brands can deploy artificial intelligence responsibly while protecting authenticity, creative integrity, and consumer trust.

4. The sustainability and luxury relationship in the phygital era

Future studies may also investigate how digital transparency tools, such as blockchain verification and supply chain traceability platforms, can support credible sustainability claims. Research could examine how transparency itself may evolve into a value associated with contemporary luxury.

5. Cross cultural perspectives on phygital luxury

Finally, further research should consider how the frameworks presented in this analysis apply beyond Western markets. Investigating luxury consumption patterns in regions such as Asia and the Middle East may provide valuable insights into how cultural contexts shape the interpretation of luxury, digital engagement, and brand value.

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