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SELLING LUXURY WRIST WATCHES ONLINE. A CONTENT ANALYSIS OF WEB SITES

1. Introduction

The use of new media, together with traditional media, has become the core of business competition nowadays.

However, the challenge of communicating and selling luxury goods online is enormous. The luxury e-consumer's experience is different from the traditional shopping experience. Luxury goods are characterized by their sensory nature and their purchase requires a high aesthetical appreciation and the use of several human senses such as vision, hearing, smell and touch. As a consequence, the sales process demands human and physical store presence, which does not exist in the online environment.

2. Objectives

The aim of this research paper is to analyze the online communication strategies presented in web sites of 19 manufacturers of luxury wrist watches, in order to identify the marketing positioning of each brand. In addition, the general features, the communication and interactivity options and the sales possibilities available throughout the web site were also measured.

3. Literature review

The luxury brand

The creation and development of online luxury brand strategies is a growing area of interest and importance to scholars and branding practitioners.

The conceptualization of luxury began with Adam Smith (1776), who divided consumption into four categories: 1st) necessary - to maintain life; 2nd) basic - for normal growth and prosperity of people and communities; 3rd) affluence - goods not essential for growth and prosperity; and 4th) luxury - goods in limited supply, difficult to procure and/or very expensive.

Even though a variety of definitions for luxury products has been proposed, the most accepted ones belong to Dubois, Laurent, and Czellar (2001), Lipovetsky (2002), Vickers and Renand (2003), Castarède (2005), Lipovetsky and Roux (2005), Allèrés (2006) and Kapferer & Bastien (2009). More recently, Heine (2012) suggests that luxury brands are associated in the mind of the consumer to a high price level, quality, aesthetics, rarity, extraordinariness and a high degree of non-functional characteristics.

In short, the relevant literature around the definition of luxury brands has addressed the following concepts: 1st) quality (Husic and Cicic, 2009; 2nd) prestige (Juggessur and Cohen, 2009; Vigneron and Johnson, 2004); 3rd) exclusivity (Berthon, *et al.*, 2009); 4th) affordability (Truong, McColl, and Kitchen, 2009); 5th) individual meaning (Kapferer and Bastien, 2009; Tynan, McKechnie, and Chhuon, 2010); and 6th) social meaning (Berthon, *et al.*; 2009; Kapferer and Bastien, 2009).

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According to Dubois (1992), the marketing of luxury brands contradicts the common rules of marketing. The new rules may be described as the “paradoxes of the luxury marketing”: 1st) the Communication Paradox claims that an increase in the luxury brand awareness does not necessarily lead to growth, but rather to a decrease in demand, and 2nd) the Distribution Paradox states that increasing sales volume reduces the rarity effect and destroys the image of the luxury good.

Selling luxury brands on the internet

In the new context of the information technology advancements, the Internet has become the foundation of e-commerce (Keeney, 1999) and has emerged as the key driver of growth and profitability of companies (Sawhney and Zabin, 2002). It has become an important tool in strategic marketing planning (Sheth and Sisodia, 1999). Thus, marketing managers must have the ability to target e-consumers using virtual stores and enabling buying options online (Roy and Ghose, 2006). More recently, Bjørn-Andersen and Hansen (2011) have developed a longitudinal study for assessing web sites and social media of luxury fashion brands. Contrary to their research findings in previous studies (2006, 2008) they concluded that the majority of brands were selling online in 2010. Additionally, the companies had increased the adoption of social and interactive web 2.0 tools since 2006.

4. Methodology

Web sites have taken on a prominent role in online communication and as a distribution channel. The home page, the entrance to the web site, serves multiple purposes, namely the presentation of the product, its benefits and the communication of its positioning to the e-consumer. The thematic content analysis was used as a quantitative and qualitative research method. The corpus consisted in the textual and visual contents presented in the sample's web sites for the study of the general features, the communication and interactivity options and the sales possibilities. Regarding the identification of the brand positioning strategies only the homepages of the web sites were accessed.

The sample of the luxury wrist watches' brands was chosen according to the following sources and rankings: 1st) Heine's (2012) World Luxury Brands Directory; 2nd) The World Luxury Association Top 100 List; and 3rd) Chrono24 - Chronolytics 2012 (the biggest online site selling wrist watches). Due to the fact that some manufactures were repeated on two or three rankings the selection process led to a final sample of 19 different brands, namely A. Lange and Sohne, Audemars Piguet, Blancpain, Breguet, Breitling, Cartier, Ebel, Franck Muller, Glashutte Original, IWC Schaffhausen, Jaeger Le Coultre, Omega, Officine Panerai, Patek Philippe, Piaget, Rolex, Tagheuer, Vacheron Constantin and Zenith.

The official sites were identified by the brand name and the “.com” domain of the Google search engine. The data were retrieved on the 19th of April 2013 between 8 am and 11 pm. It should be noticed that several brands showed diverse web site content and layouts on different days, usually in alternating days. As a consequence, the collected data could have been different if measured one day before or after.

The content analysis was based on an *a priori* and *a posteriori* classification system. Two authors, comparing the different findings and discussing them, identified the categories conjointly. In order to test the outcome, the web sites were shown to the third author who confirmed the categories and the classification criteria.

The analysis shows an acceptable level of validity and reliability since an inter-rater Scott's *pi* coefficient of 92% was found for the analysis of the entire web site and of 83% for the homepages.

5. Results

In terms of the general features present on the ensemble of the web sites' pages all 19 luxury wrist watch manufacturers explain the "History of the brand" and include an option to "Choose the Language". The category "News" (announcement of new collections and events, opening of a new boutique) is an element used by 16 companies. E-consumers' data gathering is a strategy that leads to the planning of successful relationship marketing campaigns: all web sites allow the user to "Login" (as press, owner, member or visitor); 13 of the web sites use "Surveys" (to ask questions, to request catalogues) and 11 offer the possibility to "Subscribe newsletter". "Search Engine Optimization" ensures users to look for a specific product in 8 web sites.

The possibilities presented to e-consumers to "Contact" the company are via telephone (12 web sites), by e-mail (5) and by filling out a specific form (13). "Customers Services" is offered by 15 brands, while only A. Lange und Sohne, Audemars Piguet, Patek Philippe and Tagheuer allow a client to do its own "Watch Registration". Manufacturers facilitate media relations by offering data, and photos, amongst others, through the "Press room", although the press must log in to have access. Last, but not least, "Career" is a feature which is present in 11 luxury wrist watches web sites.

Web sites' communication and interactivity tools are a way in which the manufactures of luxury wrist watches can involve the e-consumers, in order to compensate the lack of physical contact with the goods and the seller. The "Pop-up" button is available in 5 web sites; 12 resort to "Drop-Down menus"; 18 use "Flash Graphics"; 4 have "Music"; only Patek Philippe gives the possibility to see the product on a "360° View". "Augmented Reality" is not used; 16 brands make use of "Videos" to show products; "Forum" is presented by Glashutte Original, IWC Schaffhausen and Vacheron Constantin. Brands give also the possibility to "Sign-up" in order to: 1st) write a "Review of the product" (Ebel); 2nd) to "Receive Newsletter" (8); 3rd) to receive a "Personalized advice" (Cartier and Ebel); and 4th) to "Become a member" in order to be able to create and share wish lists and to buy watches (7). "Applications for Android and i-phone" are other possibilities made available by 10 manufacturers; "Gadgets" like wallpapers, screensavers, and images by 9. In total, 14 web sites allow the possibility to share data directly in the social networks, especially in "Facebook" (14), "Youtube" (14), "Twitter" (11), and "Google+" (6). The web sites of Rolex and Jaeger Le Coultre show also links to Asiatic social networks ("tudou.com"; "weibo.com"; "youku.com" and "douban.com"). Finally, links for blogs are available in 3 web sites. Jaeger Le Coultre is the only brand to use Instagram.

The discussion amongst scholars and practitioners concerning the sale of luxury goods online is very vivid. The best way to find answers is to look directly at the brand's online selling features.

A total of 17 wrist watch manufacturers provide information in the form of "e-Catalogues" (extensive description of the products and the collections), 4 of them give the possibility to download it as an "e-brochure" and 5 allow downloading the "Technical Data" of products.

Only Cartier, Ebel and Tagheuer sell their luxury products online providing detailed information about "Prices", "Packaging and Postage", "Dispatching" and "Secure Transaction Declaration"; however, the first two brands only dispatch the product to the United States of America. Ebel has an "Advisory Shopper" which can be reached by phone, by chat or by e-mail.

Since the homepages are the gateway to the web sites for the following analysis only the homepages were studied.

The marketing positioning of the luxury wrist watches' brands was firstly measured on hand of 4 dimensions: emphasis on traditional values, aesthetics, emotions and technology. From the set of 19 brands under study, 13 publicized emotions, 6 technological features, 7 aesthetic elements, and only 3 the manufacturers' historical tradition. Altogether, 10 brands had a unique positioning based only on one dimension, namely A. Lange und Sohne on traditional values; Franck Muller, and Vacheron Constantin on Aesthetics; Breitling, Ebel, Jaeger Le Coultre, Officine Panerai and

Patek Phillipe on emotions, and Breguet and Tagheuer on technology. Only Audemars Piguet tried to position its brand along the 4 dimensions and no brand along 3. The two manufacturers that involve the e-consumer emotionally through high impact communication tools, showing an introduction video on their sites, are Omega and Patek Philippe: the first brand's video is accessible on-demand and the other starts automatically.

Zenith's slogan point to both directions since the "star", that is mentioned, is also part of the logo.

Table 1
Marketing Positioning of Wrist Watch Brands

Brands	T	A	E	C	Branding / Slogan	Main message
A. Lange und Sohne	X				Brand	Heraldic bearing
Blancpain		X	X		Brand	Sophistication, Social Responsibility
Breguet				X	Brand	"High frequency and magnetic pivot"
Cartier		X	X		Brand	Sophistication, Opulence
IWC Schaffhausen			X	X	Brand	Adrenaline, "Perfect craftsmanship"
Jaeger Le Coultre			X		Brand	Social responsibility
Omega			X	X	Brand	Perfection
Piaget		X			Brand	"Exceptional design"
Rolux	X		X		Brand	Founder, Personalized service
Brands	T	A	E	C	Branding / Slogan	Main message
Vacheron Constantin		X			Brand	Piece of art
Audemars Piguet	X	X	X	X	"To break the rules you must master them"	Exhibitionism, Ostentation
Breitling			X		"Instruments for professionals"	Professional flying, Pilots
Ebel			X		"Ebel. For me."	Spoiling, Vanity
Franck Muller		X			"Master of complications"	Complexity
Glashutte Original		X	X		"Celebrating women"	Appreciation of women, elegance, style
Officine Panerai			X		"Panerai through passion, design, innovation and history"	Adrenaline
Patek Phillipe			X		"You never actually own a Patek Phillipe – You merely take care of it for the next generation"	Complicity between father and son, rite of passage
Tagheuer				X	"Swiss luxury watches for men and women"	Precision engineering
Zenith			X	X	"Follow your own star" [brand]	Contact with untouched nature

Note: T – Tradition; A – Aesthetics; E – Emotions; C – Technology

From the ensemble of 19 sites, exactly 8 brands mentioned their geographic origin (1 Germany, 3 Switzerland and 4 Switzerland-Geneva). In total, 1 web site's homepage was presented in German, 1 in French, 4 in Portuguese (the internet was accessed in Portugal) and 13 in English; Breitling made use of two languages at the same time (English and Portuguese) and Cartier publicized only with images and no text.

Some luxury wrist watches were advertised merely by their brand (9) and others under a specific slogan (10). There seems to be a consistency between the assessments of the 4 dimensions, the branding / slogan and the main message for every wrist watch under study, except for Tagheuer, which positioning is based on the technology dimension and the slogan is neutral and targets luxury ("Swiss luxury watches for men and women"). Two brands, namely Blancpain and Jaegar Le Coultre, promote social responsibility; the latter one makes of it its only positioning.

From the 19 luxury brands under analysis, only A. Lange und Sohne is not explicit about the target. On the whole, 4 brands are addressed only to men, 6 just to women and 8 to both genders. Furthermore, 9 wrist-watch manufacturers show their collections on the web site's homepage: IWC Schaffhausen leads this ranking with 9 different collections, followed by Officine Panerai with 5 and Ebel with 4. Jointly, the set of these 3 brands represent 2/3 of the total amount of collections presented (18 male and 9 female). It is interesting to notice that the male collections represent the double amount of female collections, despite the fact that the female and male targets were chosen by the brands in exactly the same extent. Regarding the number of visual images, 13 photos of men and 8 of women were found.

The positioning of 8 brands is linked with a specific context or target characteristic: Breitling and Zenith with aviation, Officine Panerai with sailing-boats and regatta, IWC with luxury sports, Cartier with jewelry, Vacheron Constantin with Art and Glashutte Original aims directly at "independent women".

The photos of the luxury wrist watches are displayed by the manufacturers using different framings: 63 photos show the whole-length wrist watch, 7 only partially the watch face, 12 mechanisms are revealed by half the manufacturers and 10 micro-sized details of the product. Blancpain, Breitling and Glashutte Original display only whole-length photos and Tagheuer presents just one unrecognizable detail. Rolex is the brand that invests on detail photos over other framings. Half of the manufactures exhibit their products with static photos, while the other half promote 49 photos using slideshows, which represent 53% of the total amount of images shown. The wrist watches are displayed in a vertical perspective by 15 brands, horizontally by 6 and diagonally by 10 brands. Only IWC Schaffhausen includes a photo showing the back of one wrist watch and Jaegar Le Coultre the side.

Manufacturers promote their products preferably with product photos (92) instead of photos presenting people (21). In terms of celebrities, Breitlings' wrist watches are endorsed by David Beckham and John Travolta, Omega by Daniel Craig and Piaget; on the other hand, endorses Melody Gardot and one of her musical concerts.

Other photos were presented in the homepages, to be exact about boutiques, events and jewelry; Rolex also portrayed its founder. The remaining visual elements are related to the already mentioned context evoked by each of the 8 brands.

6. Discussion and conclusions

In general, every web site can be analyzing through different perspectives: 1st) the measurement of the performance in terms of customer satisfaction and buying intention (Muylle, Moenaert, and Despontin, 2004; Zviran Glezer, and Avni, 2006); 2nd) the identification of graphical and technical features from the developers/designers perspective (Auger, 2005; Jennings, 2000) ; and 3rd) the identification of the creation of value from the point of view of the owner of the brand (Ghandour, Benwell, and Deans, 2011; Huizingh *et al.*, 2007; Quaddus and Achjari, 2005). Little research has

been done over the last decade on the latter one, the approach angle chosen for the present paper: the focus lays on the potential of following a specific brand strategy online.

Regarding our study, almost all brands make use of the potentialities of the web site as a powerful marketing tool. The majority of manufacturers recur to the same general features. Even so, only 4 brands give the possibility to the e-consumer to register the luxury wrist watch he possesses.

Contrary to Riley and Lacroix (2003) study results, that luxury brands' web sites are neither interactive nor entertaining, in our research we found that web sites' communication and interactivity tools were used on a large scale to involve e-consumers. Barely 4 brands try to seduce through music and only Patek Philippe presents the luxury good in a 360° view. Data is commonly shared in the social networks, mostly in Facebook and Youtube; Rolex and Jaeger Le Coultre include also Asiatic social networks.

Concerning the online sale of luxury wrist watches, even though the majority of the web sites provide information about the collections in the form of e-catalogues and some on technical data, only 3 brands sell their luxury goods online, namely Cartier, Ebel and Tagheuer. The results challenge the study of Hansen and Bjørn-Andersen (2010) that concluded that the majority of luxury brands were selling online since 2010.

The analysis of the web sites' homepages revealed that from the 4 brand positioning classification categories identified, to be exact, tradition, aesthetics, emotions and technology, in average, 1 or 2 were used by each brand; only Audemars Piguet tried to position its luxury products along 4.

Most manufacturers appeal to emotional values. Omega and Patek Philippe use introduction videos on their sites: Patek Philippe focuses its communication on profound values like the close relationship between a father and his son and the emancipation process of the latter (rite of passage). Half of the manufacturers use as a branding strategy their own brand; the other half a specific slogan consistent with the elected positioning along the 4 dimensions.

Men and women were targeted in equal proportions by the 19 manufacturers, although the double amount of male collections were shown in comparison with female ones and the same happened with photos of men over photos of women. Moreover, the manufacturers prefer to advertise using photos of wrist watches (92) instead of photos with people (21).

The luxury brands have been struggling with the dilemma of interacting with its target online whilst simultaneously maintaining the exclusivity of the brand. Recalling Dubois (1992), the marketing and selling of luxury brands must follow the "paradoxes of the luxury marketing": The luxury e-consumer's buying behaviour is different online in comparison with the traditional shopping experience. The main characteristic of luxury wrist watches is its sensory nature requiring physical store presence, which does not exist in the virtual world. According to Kapferer and Bastien (2009), a luxury product that is for sale on the Internet, can no longer be considered, according to the definition, a luxury product. Even so, Cartier, Ebel and Tagheuer challenge this statement by selling online.

In contrast, communicating luxury through the internet seems to be acceptable and maybe even advisable for the planning of successful marketing campaigns.

Further research should focus on consumers' behaviour, audience studies and the reception of messages.

Only time will tell if the internet is a blessing or a curse for luxury goods.

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ABSTRACT

Luxury brands have been traditionally sold in boutiques allowing the physical proximity with the consumer and therefore the use of sensory marketing tools. This paper analyses the way in which luxury wrist watch companies recur to new media to communicate and sell their products. Among the several new media available, web sites have taken on a prominent role. The online brand communication strategies, including the brand's positioning, of 19 luxury wrist watch manufacturers were identified on hand of its web sites by using the thematic content analysis methodology, as a qualitative and a quantitative measurement instrument. Additionally, each web site was measured in terms of types of general features displayed, the communication and interactivity options and the sales possibilities.

Keywords: e-consumer, web sites, luxury wrist watches, content analysis.