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MARZIO COLOMBI

**UNDERSTANDING THE LUXURY
INDUSTRY'S MARKETING AND
COMMUNICATIONS STRATEGIES**

A case study on the watchmaking industry

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Mémoire présenté à la Faculté de traduction et d'interprétation
(Département de traduction, Unité d'italien) pour l'obtention de la
Maîtrise universitaire en traduction et communication spécialisée
multilingue.

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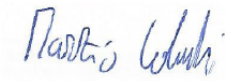
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Abstract: In an increasingly globalised context, companies operate internationally, and thus, must target customers who differ in terms of culture, geography, and language. It is imperative for companies to consider these differences when they develop their strategy to enter foreign markets and build relationships with customers. The luxury industry, in which customer relationships are crucial, is no exception. The aim of this study is to analyse the international marketing strategies of the luxury watchmaking industry to understand how these companies tackle cultural adaptation, as well as how multilingual communications and translation fit into their strategies. Marketing and international marketing literature, as well as marketing practices in the luxury industry, are analysed in order to identify trends and commonly used models. Moreover, the role of translation will be examined and optimal processes to be implemented will be presented. A descriptive study will be conducted to discover how companies adapt their strategies, as well as how translation is integrated into such strategies. We suggest that the industry adopts a highly standardised approach with regard to marketing strategies, which seems to be reflected in communication and translation choices. This standardisation may be linked to the industry's need for international consistency in terms of brand image and identity, as well as to the homogeneous target demographic. With regard to translation, the processes implemented may also explain this standardisation, an aspect that should be researched further.

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Introduction

We currently live in a world where geographical and temporal barriers have been removed to a large extent by technology, which has led to the creation of an ever-increasing number of companies that operate worldwide. Globalisation has allowed companies to come into contact with potential customers and different target audiences distributed all over the world. In this context, translation and multilingual communication have gained importance because they enable companies to address these audiences more appropriately and effectively. These activities play a fundamental role in the global expansion of these companies, and their value has been constantly increasing over recent years. In Europe, the main market for translation and multilingual communications, this value is comparable to that of the publishing industry, and is only seven times smaller than that of other headline business fields such as the legal sector (Jemielity, 2018, p. 534). This highlights the fact that translation and multilingual communications have become increasingly important in corporate communications.

When companies decide to expand their business and start operating in foreign markets, they plan for all eventualities and develop a strategy. Companies carry out their marketing activities with a view to planning their actions, understanding how they can succeed in the markets in which they wish to operate, and putting their strategies into practice. This represents an extremely complex process involving different disciplines, such as economics, sociology, communications and psychology. When a company decides to develop a marketing strategy for a foreign market, the concept of international marketing becomes relevant.

In planning their expansion to new markets, which can be significantly different in many ways (language, culture, economy, habits, etc.), it is very likely that companies include translation in their international strategy, since they will have to communicate with different audiences.

This study will attempt to put all of these pieces together in order to understand how international marketing strategies are developed and how translation fits in this process. We will focus on a specific field, namely the luxury watchmaking industry. Beyond personal interest, the luxury industry was chosen in particular because of its fascinating

specificities and the importance of paying attention to the client, which is also likely to represent a feature of communications.

After exploring literature with the aim of presenting the main theoretical concepts related to marketing and international marketing, marketing practices in the luxury industry will be analysed in order to identify the main characteristics of the industry. This theoretical knowledge will then be applied to the luxury watchmaking industry we will proceed with a descriptive study aimed at analysing and understanding the international marketing strategies of these companies. A more detailed look analysis of communications and multilingual communications strategies - the set of activities in which translation is employed – will then be carried out.

Given the great attention paid to clients, our hypothesis is that the luxury watchmaking industry applies international marketing strategies and, in turn, targets its communications according to the region concerned. In our research, we will attempt to determine the accuracy of this hypothesis, or whether the strategies employed in the industry are more standardised and global.

This paper mainly aims to provide an introductory study that could constitute the basis for future research regarding international marketing and communications in the luxury industry. Furthermore, by analysing translation as a tool used in international communications strategies, we will attempt to explain why translation cannot be considered a stand-alone activity. In this regard, we will also explain why it is imperative to carefully plan the translation process, as well as integrate this process into the overall marketing and communications strategy, in order to ensure that it is in line with the identity of the company.

1 Marketing strategy

In order to better analyse the marketing and communications strategies of the luxury watchmaking industry, it is important to clarify all the terms and concepts related to these activities. Therefore, in this first chapter we will start exploring the literature and discussing all the main notions linked to marketing, starting with some definitions and a description of the main common practices. We will then describe the most important stages in conceiving a marketing strategy and we will conclude the chapter talking about branding.

1.1 What is marketing?

Marketing is a very vague term that is often misunderstood. Non-experts tend to associate the term with advertising, selling, persuasion, or even deception. In this first section we will to debunk certain common myths and misconceptions related to marketing and provide several definitions and explanations of this concept.

1.1.1 Some misconceptions

As mentioned above, the concept of marketing is often misunderstood. We will now focus on two common misconceptions highlighted by Kotler (1999), namely the one that perceives marketing as selling (and also, as advertising) and the one that perceives it as an activity that is only carried out by the company's marketing department.

We often hear that marketing persuades consumers to purchase goods and services, and that this activity influences our purchasing behaviour. For this reason, we tend to associate the idea of marketing with that of selling and advertising. In fact, it is true that marketing decisions are also made to influence us and to increase companies' sales. However advertising and communication do not only form part of the marketing process and strategy. Drucker (2013, p. 91) states that "the aim of marketing is to make selling superfluous." The marketing process undeniably starts well in advance of the act of purchasing and selling, and ends longer after its conclusion. It is an activity that aims to create products that consumers like and need, and the process continues after the product

has been sold, since the management team has to find new customers, improve the product and learn from sales results (Kotler, 1999).

The second misconception identified by Kotler concerns the idea that marketing is an activity that is carried out in a single department. As we will see in the following section, the whole company must work in the same direction to achieve marketing goals, not just the marketing department. The marketing department may be “where much of the marketing thinking and work take place” (Kotler, 1999, p. 19), but, as we will see, notions like “customer satisfaction” and “fulfilling customers’ needs” are essential notions that must drive and be considered by the whole company.

1.1.2 Understanding the basis of marketing

1.1.2.1 First definitions

We will start our attempts to define marketing by considering two definitions. According to Kotler *et al.* (2008, p. 7), “marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others”.

The notions of “need”, “want” and “social” are crucial here, since they imply that the company must analyse the market and consider customers in order to develop a successful marketing strategy. Only by studying customers can the company understand what they need and want. This definition also concerns creating and exchanging value, meaning that the marketing process aims to create *value*.

We can define value as the degree to which a customer can satisfy a need with a certain purchase and the level of well-being associated with such a purchase (McEachern, 1998). Kotler *et al.* (2008) define value as the difference between all of the values received by the customer, which can be tangible (such as specific features and functionalities) and intangible (such as personal satisfaction, prestige, status, etc.), and the price that they paid for the product. Thus, value increases if the customer is more satisfied, if they receive more value, and if the price is lower than that of an equivalent good offered by competitors. Jeannett and Hennessey (1995) also emphasise that the adoption of a market concept involves focusing on the market and customer orientation.

Moreover, the entire organisation must adopt this marketing approach and its aim to satisfy the customers.

The pertinence of these four aspects, particularly market focus, customer orientation, customer's satisfaction and the adoption of the approach at a corporate level, is highlighted here once more.

We have now understood that marketing is an approach that guides the company and focuses on the customer. In order to be successful, the company must study the market so that it can understand customers' wants and needs. Its purpose is to satisfy these customers' needs, as well as to attract new customers by creating and offering them superior value compared to competitors (Kotler *et al.*, 2008; McEachern, 1998). The integrated dimension of marketing is also underlined, and refers to what was discussed above: marketing is an activity that guides the entire company, meaning that all departments must work in the same direction in order to satisfy the customer. A company may have the best marketing department, but if the rest of the organisation cannot respond to customers' expectations appropriately (for instance, if the customer service team cannot solve customers' problems or if quality standards are not met during the production process), marketing goals will not be achieved (Kotler, 1999).

The final and most important aspect is that the company must try to build strong relationships with its customers, so that they will continue to purchase the company's products and services on a long-term basis, and hopefully recommend them to other customers (referrals) (Kotler *et al.*, 2008).

Kotler *et al.* (2008, p. 29) discuss "customer equity", that is "the total combined customer lifetime values of all of the company's customers." This notion is essential in understanding the importance of building good relationships with customers. If the company is able to create superior value for the customer, the customer will make purchases and remain loyal to the company. At this point, the company can receive value in return from the customer's acts, namely purchases and recommendations. "Creating value for customers is the foundation for every successful business system. Creating value for customers builds loyalty, and loyalty in turn builds growth, profit and more value" (Reicheld, 1996; quoted in McEachern, 1998, p. 481).

In a nutshell, marketing is a social and managerial process that aims to create value for customers by understanding and satisfying their needs and wants. Customer

satisfaction leads to the building of good customer relationships that will increase the potential value captured by the company in terms of profits and customer equity. “The function of marketing is to earn profits from the satisfaction of human wants and needs.” (Jeannet and Hennessey, 1995, p. 70)

1.1.2.2 Needs and wants

The importance of a market’s needs and wants has already been underlined. However, it is important to clarify the difference between these two concepts, since they are decisive factors that guide the company’s activity, and given that confusing the two may lead to poor marketing decisions.

Kotler *et al.* (2008) help us to better understand these concepts. On the one hand, *needs* are defined as “states of felt deprivation” (Kotler *et al.*, 2008, p. 8) and are not the result of marketing. Human beings have needs that must be satisfied, and these needs can be classified as physical (e.g. food), social (e.g. affection), and individual needs (e.g. knowledge).

On the other hand, *wants* consist in how people satisfy their needs and they are influenced by geography, culture, and individual taste and personality. This difference is easier to understand with the help of some examples. Everyone needs to move around. For instance, people leave the house to purchase goods or travel to work, but someone living in a big city has different wants compared to someone living on a desert island or in a mountainous area. The resident of the big city may be interested in efficient public transport, while the resident of the desert island or the mountainous area may prefer a boat or an off-road vehicle, respectively.

Geographical conditions influence our wants, that is, the way that we try to satisfy our needs. Culture also plays a major role in defining our wants. For example, we satisfy our hunger (need) in different ways depending on our country of origin (geography is also important in this case), with different dishes and ingredients (wants). As Jeannet and Hennessey (1995, p. 70) state:

Children born anywhere in the world have the same essential needs for food, shelter, and clothing. But as they grow, children will develop desires for nonessential things. The development and priority of these *wants* are based on messages from families and peers and thus are said to be a result of the culture.

1.1.2.3 Towards the conception of the marketing strategy

After having discussed the definition of marketing and its characteristics, it is now clear that marketing is a process that is carried out with customers in mind that aims to create value for them in exchange for profitable relationships and value for the company. In this section, we will focus on the conception of a marketing strategy and the various stages of this process. Kotler *et al.* (2008) divide the process into five stages. The company must first analyse the market in which it wants to operate in order to understand its specificities and customers' needs and wants.

Since the market is heterogeneous and it is impossible to satisfy everyone's needs, the company must segment the market so as to create different groups of consumers with similar characteristics and purchasing habits and decide which of these segments will become its target market(s).

The second stage of the process is to devise a marketing strategy that takes into account the target market. The company must develop a plan that will allow it to create and provide value to consumers and satisfy their needs and wants. The concept of *satisfaction* is crucial in this case, and it should be noted that consumers will decide for themselves whether they are satisfied or not, based on their perception of quality and satisfaction.

The company can then develop a realistic plan. Consumers not only have needs and wants, but also expectations that need to be fulfilled. If the company promises to provide a certain value, its goal is, at the very least, to provide it and, if possible, to exceed customers' expectations. The more satisfied the customer is with the offer, the easier it is to build a strong and profitable relationship with them.

The third stage is to put into practice what was planned in the second stage, that is to create an "integrated marketing programme that delivers superior value" (Kotler *et al.*, 2008, p. 7). The last two stages consist in building strong relationships with good customers, that is, loyal customers who better react to marketing activities and can promote the brand and products, so that the company can capture more value from their relationships, and, ultimately, for the company.

In the upcoming sections, we will analyse these stages in more depth, but we will conclude this section with a discussion on an even more consumer-oriented marketing approach: societal marketing (Kotler *et al.*, 2008).

1.1.3 Societal marketing: a wider and longer-term approach

The concept of *societal marketing* represents an evolved form of the marketing approach. If marketing focuses specifically on customers' needs, societal marketing originates from the following question: "Is a firm that satisfies the immediate needs and wants of target markets always doing what's best for consumers in the long run?" (Kotler *et al.*, 2008, p. 19). This concept particularly concerns the company's efforts to increase not only customer satisfaction, but also the well-being of society. It is an approach that certainly represents a challenge for the company because it cannot only reason in terms of short-term profits, it must also account for other factors, such as consumer wants and society's interest (Kotler *et al.*, 2008).

This concept has become more and more important and companies began developing plans to increase their contribution to society's well-being. A good example of this practice, at least as far as Switzerland is concerned, is McDonald's. Over recent years, this fast-food chain has drastically changed its attitude towards society, and its actions have undergone significant changes. For example, the company decided to solely use Swiss meat for its burgers, which demonstrates its willingness to contribute to the country/region's economy. Moreover, thanks to its Foundation, McDonald's helps families and children faced with medical conditions. The colour of its logo was also changed to green to underline the company's efforts to ensure environmental sustainability. Furthermore, the company undoubtedly benefits from this strategy, since its reputation is enhanced and reinforced. McDonald's is now more than just a company that sells unhealthy fast food; it also contributes to the economy, helps families with sick children and strives to help save the planet¹.

Another evolved form of the societal marketing concept is what Kotler *et al.* (2008) call *sustainable marketing*. The main difference between societal and sustainable marketing is the time frame. While societal marketing tends to focus on society's immediate or shorter-term well-being, "sustainable marketing counters today's consumption against that of future consumers and future society as a whole" (Kotler *et al.*, 2008, p. 20). Investors, customers, civil society, partners and even states are

¹ This example comes from the course "*Théories et stratégies de la communication*" of the Faculty of Translation and Interpreting of the University of Geneva. The course was held in 2017 by Prof. Olivier Galibert and Prof. Lucile Davier.

increasingly calling on companies to assume social responsibility and ensure sustainability (Béji-Bécheur, 2014). This is why the majority of companies now have corporate social responsibility plans, which usually involve three pillars: economic, social and environmental sustainability.

Economic sustainability is based on the principle that controlled growth and profits are essential in creating healthy economies. Similarly, in order to be socially sustainable, companies must respect the law, human rights, ensure good working conditions, etc. Meanwhile, environmental sustainability concerns preserving natural resources, reducing emissions, limiting consumption levels, etc. In order to increase the effectiveness of its efforts, the company must consider and reduce its impact on these three areas (Arrigo, 2018; Béji-Bécheur, 2014).

As mentioned above, companies can also profit from corporate social responsibility actions, since they enhance their reputation, which may be considered an intangible asset. In fact, Béji-Bécheur (2014) suggests that there is a positive correlation between sustainability and profits; on the one hand, these actions lead to increased productivity, while better financial results are associated with the improved image. Béji-Bécheur focuses solely on the luxury industry, but we also expect this relationship between sustainability and profits to apply to most other industries.

The two concepts discussed in this section represent an even more consumer-oriented approach that companies can adopt so as to improve their margins and better serve society.

1.2 Segmentation, targeting and positioning: the holy trinity of a successful marketing strategy

1.2.1 Strategic plan

Before tackling these three concepts, it is worth mentioning that behind every marketing strategy is the long-term project of a company. Before starting to segment the market and target customers, the company must devise a *strategic plan* that will guide it in the long term and on which all future marketing strategies will be based. Since discussing strategic marketing and strategic planning is not the main purpose of this

paper, we will only explain these aspects briefly to ensure that there is a relatively complete framework on which to build our discussion.

Companies must establish shorter- and longer-term plans. What interests us here is the strategic plan, which is a long-term plan established by the company that will guide its actions and marketing efforts. Kotler *et al* (2008) provide a complete explanation of this aspect to which we will refer in our brief overview. The strategic plan of a company starts with defining of the company's *mission*, which "states the purpose of the company" (Kotler *et al.*, 2008, p. 130).

This mission is presented in the form of a mission statement, which should guide the whole company and can be slightly adapted by the company. In order to determine a mission, the company may try to answer certain questions, such as "What business are we in?" "Who are our customers?" "What sort of business are we?" (Kotler *et al.*, 2008, pp. 131–133). Although these questions may appear to be simple, they are quite complex to answer. It is crucial, however, that the management team responds well to them.

The mission must be realistic for the company, and does not have to be too broad or too specific. The company then sets certain long-term goals for the whole company, all departments, etc. It is imperative that these goals are clear, so that they can guide all the actions of the organisation. The company can then conduct a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis by studying the environment in which it will operate and, based on this analysis, it will decide what to include in its portfolio of activities (Kotler *et al.*, 2008).

The SWOT analysis is an analytic tool developed in the second half of the 20th century by academics, which is used by managers to devise strategic plans for the company. It essentially consists in analysing "internal strength and weaknesses [...] which can include image, structure, access to natural resources, capacity and efficiency, and financial resources" (Helms and Nixon, 2010, p. 216), and in identifying opportunities and threats, which can include customers, macroeconomic factors, regulations, competitors and social changes (Helms and Nixon, 2010). Based on this analysis, the company can devise its strategic plans and define its goals, as well as determining in which to continue investing and which should be abandoned.

The company then chooses its growth strategies, of which are four, according to Kotler *et al* (2008): market penetration, product development, market development and diversification.

- Market penetration consists in attempting to increase sales with existing products in existing markets. According to Shaw (2012), penetration can be used both to enter a new market, usually starting with a low price and strong promotional efforts, or to progress in a market;
- Product development consists in introducing new products, or at least, new variations of products in an existing market. This can be done by adding new models, colours, product lines, etc. (Ansoff, 1957; cited in Shaw, 2012). Shaw also discusses brand expansion while also referring to adding more services associated with a product, such as free delivery;
- Market development consists in “identifying and developing new market segments for current company products” (Kotler *et al.*, 2008, p. 146). This market growth strategy is referred to as segment expansion by Smith (1956; cited in Shaw, 2012);
- Diversification consists in introducing new products or starting new businesses in new markets.

Following the conception of the strategic plan, the company starts to develop marketing strategies and plans for each activity in order to provide value and build relationships with customers. This process can be divided into the definition of the target market and the creation of a marketing mix (Oxenfeldt, 1958; cited in Shaw, 2012), that is, all of the marketing activities that in fact provide value and help build relationships. In order to define the target market, the company must segment the whole market, target the most interesting segments and position itself in the market.

1.2.2 Segmentation

1.2.2.1 Definition and origins

The idea of *segmentation* is fairly straightforward: the market is extremely heterogeneous, and a company cannot satisfy all of the needs and wants of the entire market. As explained by Croué (2012), companies used to focus, during the early phases of industrial capitalism, on increasing the production of a single good in order to cut costs and sell the product at the lowest possible price. Consequently, companies tended to specialise in a single (or very few) good(s), without variations and thus, the supply was extremely standardised. Companies then began to diversify their offers by producing similar goods to increase profits.

However, these companies noticed that they were unable to multiply their sales using this method, given that different customers purchased different products. For this reason, they began to devise strategies based on a classification of consumers, which is essentially what segmentation entails. Segmentation “permettait de mieux exploiter les ressources de l’entreprise et de profiter de toutes les opportunités qu’offre le marché de masse, alors qu’elles n’étaient pas complètement exploitées” (Croué, 2012, p. 265).

Segmentation and differentiation are two fundamental concepts that are always present in marketing literature (Shaw, 2012), which highlights their importance in the development of marketing strategies and the way that companies behave in the market.

In the market, different consumers have different preferences and wants. Since it is not possible to conquer all consumers, the market must be segmented, that is, it needs to be divided into different sub-markets (segments) based on various criteria so as to create small groups of consumers that are more homogeneous (Shaw, 2012). For instance, a company might divide the market according to consumers’ age and develop different offers for young people, adults and elderly people. These three groups are more homogeneous than the entire market and consumers within these segments possess more alike characteristics.

1.2.2.2 Segmentation criteria

Kotler *et al.* (2008) present a fairly complete set of criteria that are commonly used to segment the market. They suggest that four main types of criteria exist – geographic, demographic, psychographic and behavioural criteria – which all influence wants and purchasing habits.

- Geographic criteria can vary in scale and include groups of countries that can be big or small, single countries, as well as the climate (cold, warm, tropical, etc.), and density (urban vs. rural territories). For example, people living in a cold environment are less likely to be interested in Bermuda shorts than people living in a tropical environment;
- Demographic criteria include age, gender, income level, job, race, nationality, etc. These are the most commonly used criteria. One reason for this is that consumer needs and wants, as well as purchasing habits are strictly related to demographic variables. Another reason is that these criteria are relatively easy to measure (Kotler *et al.*, 2008);
- Psychographic criteria divide the market according to social class, personality and lifestyle;
- Behavioural segmentation “divides buyers into groups based on their knowledge, attitudes, uses or responses to a product” (Kotler *et al.*, 2008, p. 415). Companies might divide buyers based on how frequently they use/purchase a product, when they purchase it, their degree of loyalty to a product/brand, etc.

Other than presenting these sets of criteria, Kotler *et al* (2008) specify that there are certain requirements that segments must meet in order to be usable: they must be measurable, accessible (“the market segments can be effectively reached and served.” (Kotler *et al.*, 2008, p. 423)), substantial (segments must be large enough or profitable), differentiable, and actionable (the company can design programmes to serve these segments).

In their literature review, Pires *et al.* (2011) identify further requirements segments have to meet. The first requirement is identifiability, that is, it must be possible to clearly

identify which characteristics make the segment unique. The second requirement is the segment's responsiveness, which refers to the idea that the segment must only respond to marketing actions dedicated to it. The third requirement is the segment's stability, that is, behaviour within a segment must remain stable over time. The authors also allude to the economic sustainability of a segment.

Companies do not tend to use a single segmentation criterion or segmentation type, instead opting for different combinations of criteria in order to discover potentially profitable and exploitable segments. Although this is theoretically possible, companies most often find it extremely difficult in reality to create useful and effectively usable segments due to their inherent heterogeneity. It is therefore imperative to use different segmentation variables simultaneously with the aim of creating smaller and more homogeneous segments, while constantly accounting for the substantiality requirement (Pires *et al.*, 2011).

It is worth mentioning that the market evolves over time, as do consumers and companies, and this can lead to the creation of new market segments. Croué (2012) identifies two main sources of new segments, one being a consequence of company's actions and the other being the result of social change. As far as the first source is concerned, companies have the possibility of – and interest in – creating new segments, both by differentiating their offer and innovating. This represents a competitive advantage that they can exploit to increase profitability; by being able to operate in a new segment, they do not need to compete against other companies. By creating a new segment, the company reduces competition and can become the benchmark in this new segment or the standard-bearer for a particular product. This may reinforce its reputation as an expert in the segment, and may prove profitable in the long term (Cahill, 1997).

The second source of segments is simply social change. Society evolves, as do interests, preferences and wishes. For instance, new generations are more concerned about environmental sustainability than older generations, which could represent a new segment for companies to exploit.

Some of the newest challenges for marketers concern globalisation and will be covered in more detail in the next chapter. They are essentially linked to the standardisation of purchasing habits and wants, given the global exposure of customers to all products and services from different countries through the Internet. According to

some authors, such as Ko *et al.* (2012, p. 1565), for example, “these phenomena are blurring cultural differences and homogenizing consumers’ tastes and preferences around the world”. This can lead to new form of segmentation or to no segmentation at all, which consists in a global marketing approach.

In a nutshell, segmentation is the first step in defining the target market, which is crucial in designing a customer-oriented marketing strategy. After dividing the whole market into more homogeneous segments based on criteria that are interesting for the company, the segments on which it wishes to focus, and to which it strives to provide value, must be selected. This process is referred to as targeting. Segmentation (as well as targeting) allows the company to better allocate its resources by focusing only on the most profitable and interesting segments, which leads to greater profitability (Yankelovich, 1964; cited in Pires *et al.*, 2011).

1.2.3 Targeting

1.2.3.1 Definition

After dividing the whole market into smaller segments and sub-segments of consumers, the company must choose which segment(s) it wishes to serve. By focusing its marketing efforts on a smaller target market, the company tries to appeal to customers that match the company’s criteria in order to attract them and build relationships with them.

A *target market*, as defined by Cahill (1997), is essentially the segment(s) to which the company addresses its marketing messages. We can extend the concept of marketing messages to marketing action. The target market represents the main segment that the company wishes to understand and to which it strives to propose its value. Kotler *et al.* (2008, p. 424) define the target market as “a set of buyers sharing common needs or characteristics that the company decides to serve.”

Before selecting the target market, the company must evaluate the segments to determine which is most suitable. According to Kotler *et al.* (2008), the company must consider at least three major aspects in this evaluation. It first must evaluate the segments’ size and growth, as well as their attractiveness. It must also consider its objectives and resources. With companies varying in terms of size, resources and field, each company

must consider its personal situation, since this can deeply influence the choice of target market and the adopted strategy. For instance, it may be very difficult for a brand-new small company to enter a strongly developed segment in which many competitors operate, since it may lack the resources to successfully compete. Thus, even if a segment is growing rapidly, this does not mean that a company should focus on it *a priori*.

1.2.3.2 An overview of the main targeting strategies

When choosing the target market, that is, choosing one or more segments to serve, the company can pursue different strategies, which are clearly outlined in Kotler *et al.* (2008). A company might decide to adopt a mass-market strategy, which consists in developing an undifferentiated offer for all buyers, irrespective of differences between segments. As Shaw (2012) indicates, although mass marketing may not be the most effective strategy, it can be effective for some large companies that sell specific goods such as commodities, which are difficult to differentiate. According to him, a mass-market strategy, as a market introduction strategy, may represent a great alternative; the company could effectively implement its marketing tools with a view to penetrating the market. However, this is mostly suitable for larger companies with strong resources.

Although it may prove more expensive, the second strategy suggested by Kotler *et al.* (2008), which they coin segmented strategy, consists in choosing a small number of segments and in developing specific offers for each of these segments. By adopting this strategy, the company has the possibility of targeting its efforts more effectively and developing offers in an attempt to better satisfy customers.

Another option suggested by the authors, which according to Porter (1985; cited in Shaw, 2012) may be suitable for small companies when attempting to enter the market, is niche marketing, which consists in focusing on a very small segment. Larger companies might overlook these segments, which paves the way for smaller companies to achieve a strong position and become experts in these segments.

The last of these strategies is referred to as micromarketing, which “is the practice of tailoring products and marketing programmes to suit the tastes of specific individual and locations” (Kotler *et al.*, 2008, p. 428). This involves developing specific offers targeted to extremely small and precise geographical areas, or even to single consumers, which leads to a strong personalised and differentiated offers. An example of this strategy

would be the bespoke tailoring market or certain exclusive services in private banking, for instance.

This idea of adapting the product/service to a single customer essentially encapsulates the entire marketing philosophy, and in some cases, this endeavour can be pursued without particularly eschewing economies of scale. Thanks to new technologies, it is increasingly common for companies to offer some form of personalisation on their website, which ranges from adding a name to a reusable bottle and choosing its colour, as the company Chilly's offers, to selecting almost every single car part, as Porsche offers.

As mentioned above, the importance of evaluating segments by simultaneously considering the company's specificities needs to be stressed. The evaluation is based on resources, possibilities and objectives, and must be realistic.

After defining the target market and the strategy that it wishes to adopt, the company can reflect on how to differentiate its products from those of its competitors and how to position them on the market.

1.2.4 Positioning

1.2.4.1 Definition

Different segments may be targeted by different companies, meaning that there is competition within a segment and that buyers have the possibility of choosing between different offers. Thus, positioning is key, and so is differentiation – a concept strictly related to positioning. As Croué (2012) affirms, positioning is a process that leads to the differentiation of a company's products and services compared to those of the competition. Positioning attempts to answer the consumer's question: "Why should I buy your product instead of that of the competition?"

As Kotler *et al.* (2008) suggest, positioning is a complex process because it is the customer that positions a company's good within the variety of products that they can purchase, and based on their impressions, feelings and emotions. However, the company may attempt to guide customers by providing a desired positioning for their products. Kotler *et al.* (2008) stress the importance of positioning because it reflects the company's understanding of the market and customers' needs and wants. If the company truly understands its target market, it can provide more value than the competition. As Shaw

(2012) indicates in his literature review, differentiation and identifying a distinct positioning is crucial in a highly competitive market or segment, and there are some areas in which this is possible, for instance, by changing a product or packaging, offering different services, changing the price or changing location.

Kotler *et al.* (2008) propose a fairly complete set of dimensions with which the company can experiment so as to differentiate its offer, and some of which correspond to many of those identified by Shaw. These dimensions are as follows:

- product: the company may differentiate itself through certain characteristics of the product, such as its design, its quality, its packaging – or lack of – etc. The degree to which a product can be differentiated depends on the product itself, since it is more difficult to differentiate commodities, for example, than clothes or cars;
- service: the company might propose its additional services, such as its excellent customer service, express delivery, its reactivity, etc.;
- channels: the efficiency of distribution and extent of coverage can be used by a company as competitive advantages. For instance, one of the reasons behind Zara's success is its ability to coordinate its distribution channels in order to ensure efficient and effective distribution internationally;
- people: companies can differentiate themselves through their employees and trainees. They can guarantee a superior purchasing experience thanks to their sellers, and can establish their positioning around this feature;
- image: image is extremely important. A company's brand image might impel a customer to purchase their product rather than one of their competitors'. This is most certainly the case in industries such as the luxury industry, which is all a matter of brands (Chevalier and Mazzalovo, 2008). Images convey messages and values, and benefit the customer by defining their identity.

The company can experiment with these dimensions to discover certain competitive advantages on which it wishes to establish its positioning. For example, it can differentiate itself by having the best product design, the best quality, a highly efficient express delivery service or a strong image. Brand positioning, which is related to brand image, is

extremely important (Fuchs and Diamantopoulos, 2010). These authors suggest that it is worth distinguishing between strategic market positioning and brand positioning. While the former mainly refers to the status of a company compared to its competitors in a particular market, the latter refers to consumers' perception of products and brands. Fuchs and Diamantopoulos (2010) also assert that companies may make an effort to convey a precise brand positioning and brand image, that is, the intended brand positioning, which is typically based on strategic market positioning. It is the consumers, however, who form their own perceptions of a brand or a company. The company attempts to convey a certain image through advertising to influence buyers' perceptions, but these messages are interpreted by consumers subjectively. A brand can be positioned through tangible (style, quality, etc.) and intangible (emotions, imagery, etc.) attributes.

1.2.4.2 Positioning strategies

Following the analysis of these dimensions, the company selects one or several competitive advantages that it wishes to propose so as to position itself on the market and choose its positioning strategy. According to Kotler *et al.* (2008), there are five positioning strategies from which companies can choose. They can opt for the following:

- more for more: a better product, higher quality and a higher price to cover the cost. This conveys a strong image, but it can be easily challenged by companies claiming to offer the same product for a lower price;
- more for the same: companies may attempt to offer better and higher quality products than the competition for the same price;
- the same for less: attempting to offer the same level of quality as the competition, but for a lower price, may represent a good strategy. This is the most effective strategy to employ when competing against companies that wish to position themselves by offering more for more;
- less for much less: there are products for which buyers are willing to sacrifice quality in exchange for a lower price;
- more for less: this constitutes the ideal strategy, but it is extremely difficult to put into practice, especially in the long term, since "offering more usually costs more" (Kotler *et al.*, 2008, p. 444).

According to Croué (2012), positioning is in fact based on price and image. We have already discussed the importance of branding and image, which encapsulate values, emotions, identity claims, etc., and the five positioning strategies discussed by Kotler *et al.*, which demonstrate that price is always a factor that is influenced by every single change. With everything revolving around price, it is irrelevant whether a company improves the quality of a product or decreases its focus on such a product; even if the quality is higher, consumers will compare the value propositions of different companies.

We discussed three key concepts on which a marketing strategy is based, namely segmentation, targeting and positioning (STP). Because of the heterogeneity of the market, companies cannot serve every buyer, and thus, must select specific segments on which to focus. After choosing the segments to target, the company attempts to position itself on the market by proposing its competitive advantages. At this point, the company must develop a plan that aims to provide the promised value to customers. In literature, this plan usually takes the form of a marketing mix, which is a set of tools at the company's disposal to provide value.

1.2.5 Opposing views on segmentation, targeting and positioning

Although segmentation, targeting and positioning are practices that are mostly recognised for being essential in the development of a marketing strategy, some criticism can be found in literature, especially in relation to the subjective dimension of segmentation and segment analysis.

As defined by Ko *et al.* (2012, p. 1566), “marketing segmentation is the process of subdividing a heterogeneous market into homogeneous groups of customers *who respond to marketing activities in the same way* [our italic]”. It is therefore clear that segmentation is only useful to marketers as long as it provides groups within which consumers react in the same way to marketing actions, as Hoek *et al.* (1996) reiterate. According to critics, marketers make subjective decisions when collecting and analysing data and variables. Segments cannot be clearly identified using data. As a result, they are often identified based on decisions made by marketers, and thus, can be considered entities. Marketers cannot be certain whether a segment actually exists and can be effectively exploited, since

the data can be interpreted in many different ways, meaning that marketers could potentially identify an infinite number of segments. If a segment does not actually exist, it will not react to marketing stimuli, and thus, be useless.

Deciding which base to analyse, choosing between different analysis techniques and determining the number and composition of the segments represent subjective decisions that might not be verifiable. Thus, the results only represent one of many possibilities (Hoek *et al.*, 1996). In addition, the stability of a segment, which represents one of the exploitation requirements that we discussed above, is also taken for granted by marketers. However, according to Hoek *et al.* (1996), many studies suggest that segments rarely remain stable over time.

Moreover, according to Wright (1996), there is no empirical evidence that there are similar preferences within a particular segment and that targeting these segments is more profitable than other approaches. He suggests that marketers tend to take the validity of this method for granted and that they use it as if it were almost an axiom. In his article, he proposes three main criticisms: he identifies problems related to both segment identification and the logic of targeting, and suggests that research tends to falsify evidence.

As far as segment identification is concerned, Wright seems to agree with Hoek *et al.* (1996) (who are also cited in Wright's article), since he underlines the fact that analysing segments, and making decisions with regard to their number and composition, are arbitrary decisions when it comes to identifying and selecting these segments. Moreover, like Hoek *et al.*, he tends to disagree with the idea that segments remain stable over time.

Wright states that there is no particular evidence in literature that targeting specific segment is logical, thus leading him to question the logic of targeting altogether. His point is that even if a company develops a marketing mix for a specific segment, all other segments are also exposed to the same marketing mix.

Consequently, the justification for the action might be lacking. In this regard, we feel that the authors in support of this criticism fail to understand a fundamental aspect. As Cahill (1997, p. 10) stresses in his article, which represents a direct response to Wright's article, a target market "is, at its most basic, simply the market or submarket (such as a segment) at which the firm aims its marketing message(s)." The idea behind

STP is not that a company must develop a different strategy for each customer, but that it should focus on a particular group of buyers that have similar characteristics in order to better serve them and build strong and profitable relationships with them. The company attempts to create an offer that should perfectly suit a segment, but it is even better if other buyers are interested in this offer and buy the product. Targeting a segment simply means that a company dedicates most of its efforts and resources to serve a particular target market, but these efforts can also be effective if used on other customers.

The third of Wright's criticisms concerns the fact that he barely found any empirical evidence in support of his strategy in his literature analysis. Products are in fact purchased by people belonging to different segments and loyal customers only represent a small proportion of all buyers, meaning that their importance is relative. Cahill disagrees with this view and refers to studies suggesting that loyal customers, even if they only represent a small proportion of all customers, can significantly contribute to a company's profit, and thus, are extremely important. It might be difficult to find these customers, but it is worth trying. As he states:

That is what target marketing is all about: defining who it is that we want to attract for customers - and striving to ensure that these will be the loyal, high-profit customers [...]. And, at least as important, defining who it is that we do not care to attract. For target marketing at least implies that there are customers whom we do not wish to target, that we will serve if possible but will make no special effort to serve - and that there may be individuals whom we do not wish to serve at all. And that is all that a target market consists of - and truly all that target marketing is. (Cahill, 1997, p. 11)

Despite these criticisms, STP are still widely used and presented in marketing manuals and literature. We will therefore use them here, as well as to achieve the overall aim of this paper. However, we believed that alternative perspectives should be provided for the sake of completeness.

1.3 The marketing mix: when the marketing strategy comes to life

Following all of the theoretical and analytical work, the company implements its marketing strategy in order to provide the promised value. In other words, it must develop a marketing mix for its target segments.

In his literature review, Shaw (2012) provides a summary of the origins of the marketing mix. This notion is believed to have first appeared in the late 1940s, before later being developed by various authors. The marketing mix consists in utilising the elements at the company's disposal to implement its marketing strategy, and essentially encompasses all of the instruments and tools that the company can use to implement its value proposition.

In the 1960s, McCarthy finalised this notion, reducing it to the 4Ps: product, price, place (distribution) and promotion. These constitute the tools with which the company must experiment in order to provide the promised value. The entire implementation process of the marketing strategy also consists of these four elements. The idea of the mix is that the company must calibrate and vary the composition of the mix in order to “formulate the most profit-maximizing marketing mix.” (Kotler, 1999, p. 94)

The company must make decisions related to the product that it wishes to offer and its characteristics, the price at which it wishes to sell the product, how and where it wishes to distribute the product, and how to promote the product and the company.

We will now go into more details for each component of the marketing mix in order to enhance our knowledge of these concepts.

1.3.1 Product

The first component is the product, which constitutes the base of the marketing strategy, the marketing mix and the entire company. Kotler *et al.* (2008, p. 500) propose a detailed definition of the word “product”. According to them, a product is

anything [...] offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. Products include more than just tangible goods. Broadly defined, products include physical objects, services, persons, places, organisations ideas or mixes of these entities.

If we deconstruct this definition, we will find certain familiar concepts, especially those of “offer” and “satisfaction of wants and needs”, meaning that the core ideas of marketing are present in this definition. Moreover, we discover that the notion of product not only includes traditional physical products, but also services, people, places and organisations' ideas. It is irrelevant whether a company offers pencils, financial services, drivers or managerial consultancy, as far as marketing theory is concerned, since all of

these items fall under the “product” component category of the marketing mix. In addition, the authors assert that companies attempt to differentiate their offer, and thus, often provide additional services and, in particular, experiences. They attempt to attract customers and build relationships with them not only by selling a product, but also by creating a special brand experience. This is most certainly the case in the luxury segment, as we will discuss later in this paper.

The authors discuss the three levels of a product. The first level entails the benefit of the product, that is, the main reason behind the customer purchasing it. The second level is the product itself, with its design, its features, its packaging and its quality. The third level, which has become increasingly important, is referred to as “augmented product” by authors, and includes all of the additional benefits and services offered by the company. We can imagine a company that offers unlimited customer service free of charge, or invitations to events.

Based on this deconstruction of the product, we understand that a product is much more than a composition of different features. Consumers do not buy a Mercedes or BMW just because they need a car. In the development of its product strategy, the company must make decisions related to all of these attributes in order to deliver a product that satisfies the customer. It must consider the customer’s needs, and the product’s design, style and features, as well as all of the additional services that differentiate its offer and could be used to attract new customers and build relationships with existing customers. By experimenting with these characteristics, the company attempts to gain competitive advantages from which it can benefit in the market.

1.3.2 Price

Price is the second component of the marketing mix that we will address. This component is highly significant, with it being the only component that generates revenue rather than inducing costs (Kotler, 1999; Kotler *et al.*, 2008). Moreover, it is the most flexible component of the marketing mix, since it can be easily changed (Kotler *et al.*, 2008).

Kotler *et al.* (2008) provide a comprehensive overview of the pricing strategy and all of its characteristics and features. As the authors indicate, the price must fit somewhere in between the company’s costs and the customer’s perceived value of a product. If the

price is too high, the customer will refrain from purchasing it, and if it is too low, the company will lose money. In both Kotler (1999) and Kotler *et al.* (2008), a distinction is made between cost-driven pricing and value-driven pricing – two strategies that the company can adopt.

Cost-driven pricing consists in setting the price based on the company's costs, and then adding a target profit value. If the company follows this strategy, it sets the price and must then convince the customer that this is the right price. Meanwhile, value-driven pricing focuses on the customer. The company attempts to estimate what price the customer will be willing to pay for the product, before adapting its products and services accordingly so as to provide value. It should also be noted that the product, as we have just discussed, constitutes more than simply a set of features, and that other factors also determine the perceived value. People do not reserve rooms in luxury hotels simply because they require a room for the night, but because they are willing to pay this price, which, in their opinion, is justified by other factors, such as the service, the atmosphere, the prestige, etc.

If the company succeeds in determining the perceived value of its product, it can make a healthy profit. The authors suggest that there are also other factors that impact on the price, such as the competition's strategies, demand elasticity, the company's goals and the product's cycle. For instance, if the company wishes to commercialise a new product, it may choose between two strategies: market-skimming pricing and market-penetration pricing (Kotler *et al.*, 2008; Shaw, 2012).

The former strategy consists in launching a product at an extremely high price so that only people who can afford it will purchase it. Different customers have different price sensitivities. The company can then decide to gradually decrease the price to reach more customers. The second strategy consists in launching a product at a very low price in order to penetrate the market, reach as many buyers as possible and gain market shares. According to Shaw (2012), this strategy can also be used to boost the sales of existing products in a market in which the company already operates, as well as to penetrate a new market with an existing product.

The price component also includes discounts, bundles, and methods of payment (credit card, pro rata, etc.). The company might decide to charge the same price for a product in all locations, or to differentiate it based on the location. It can also add

accessories, and even decide to adjust the price by offering discounts (such as quantity discounts, seasonal discounts, etc.), segmenting the price based on customers or the product, changing the price for psychological reasons (for example, to convey the idea of a certain level of quality), etc. (Kotler *et al.*, 2008).

1.3.3 Place

After deciding how to conceive of the product, and what price to charge for it, the company must decide how it will make the product available to customers. Distribution (“place”, the third P) is essential and stresses the importance of the company’s customer orientation, an approach that must be adopted, as we have already indicated, by the whole organisation.

The company must manage its supply chain and distribution network in order to provide the promised value. There are several ways to make a product available to consumers. New technologies have brought about a wide range of new possibilities that facilitates companies’ efforts to operate and distribute products internationally. E-commerce is a non-traditional way to expand a company’s activity beyond national borders because websites can be accessed from potentially anywhere in the world, and meaning that products and services can be sold worldwide (Crou  , 2012).

The Internet can therefore be considered a new distribution channel. It has also given rise to many new types of companies with various business models. As far as goods are concerned, Dell represents a good example of a company that sells (almost) all of its products online and whose activity is based on an online business model. It is very difficult to find Dell’s laptops in physical stores, and even all of its services associated with the product, such as customer service, are online, or at least the process starts online (Kotler *et al.*, 2008).

Meanwhile, as far as services are concerned, the Internet has constituted the basis for the development of a limitless series of online services, and thus, for the founding of many new and varied types of companies. Google, Amazon, Facebook, eBay, and Uber are among a long list of new companies to have been founded and experienced rapid growth thanks to the Internet. Selling products online cuts costs, and thus, constitutes the logic behind low cost airlines, for instance.

There are also several options with regard to selling products in a physical store. The main possibilities in this respect are direct selling (the company has its own physical stores), relying on retailers or establish a franchise (Kotler *et al.*, 2008). In the case of retailers, of which the company may have several, act as intermediaries. An intermediary tends to cause an increase in price, of course, by definition, but it may be worth considering other costs associated to brand stores and franchising.

A franchise is “a contractual association between a manufacturer, wholesaler or service organisation (a franchiser) and independent businesspeople (franchisees) who buy the right to own and operate one or more units in the franchise system” (Kotler *et al.*, 2008, p. 888). In other words, the franchiser bestows upon the franchisee the right to open a store in which the franchiser’s products are sold, usually in exchange for fees, royalties and a share of the profits (Kotler *et al.*, 2008). The franchiser provides products, assistance, and brand identity, which is crucial. It is essential that brand stores and franchises, meanwhile, convey a coherent image and provide a comprehensive experience in all locations. The experience of customers entering a store in New York, for example, must be equivalent to the experience of entering the same store in Europe or in Asia. The stores must be similar in terms of appearance, image, and the service provided. The company must train its staff so that it can provide the desired level of service and experience (Kotler *et al.*, 2008).

1.3.4 Promotion

The last component of the marketing mix is promotion, which includes a variety of activities that aim to promote and advertise products and brands. As Kotler (1999, p. 106) suggests, promotion “covers all those communications tools that can deliver a message to a target audience.” He then identifies different classes that compose the communication mix, namely advertising, sales promotion, public relations, sales force and direct marketing. In his review of the promotion mix, Shannon (1996, p. 56) adds some elements and defines the fourth P as

the communication function of the marketing mix and in this role [it] is a critical component in any marketing program. Components of the promotion mix are used to provide information to the various groups and individuals with which an organization interacts.

According to him, promotion elements aim to influence stakeholders' behaviour so that they develop a positive attitude towards the organisation, change their stance on a problem, and continue carrying out profitable actions for the company, such purchasing products or services.

The various components of the promotion mix outlined by Kotler (1999), which are, once again, advertising, sales promotion, public relations, sales force (or personal selling, according to Shannon (1996)), and direct marketing (or direct response marketing, according to Shannon (1996)), are often found in literature. However, these components have been criticised by several authors (Shannon, 1996) for their lack of precision in clearly distinguishing between these activities. Sales promotion in particular represents a source of debate, as it is often considered a sort of residual category that includes elements that do not fall under other categories (Shannon, 1996).

Moreover, some authors include publicity (word-of-mouth) as a separate element, as Shannon (1996) does in his redefinition of the promotion mix. The main contribution of this redefinition is the author's suggestion that companies use the promotion elements for two different purposes: "as primary components and as support components" (Shannon, 1996, p. 60). While primary components aim to persuade the buyer and generate an action (such as the act of purchasing a product), the aim of support components is to generate attention, desire, interest, etc. It must also be noted that the various components of the promotion mix can be used both as primary and support components, with each component possessing a main function. Before analysing the various promotion mix elements, it is worth considering recent and ongoing technological changes in the communication and marketing environment. Following this brief digression, we will analyse all of the components of the promotion mix in order to better understand them and identify their main characteristics and implications.

1.3.4.1 How technology shapes the communication environment

The marketing environment has evolved, and continues to undergo drastic changes. Nowadays, companies possess new and different tools via which they can communicate with their audiences. It is thus extremely important that companies adopt an integrated communication strategy, that is, all forms of communication leaving the company must be consistent with the marketing strategy and the company's goals, image and voice

principles. Integrated communication is “the concept under which a company carefully integrates and coordinates its many communications channels to deliver a clear, consistent and compelling message about the organisation and its products” (Kotler *et al.*, 2008, p. 697).

The digital revolution has profoundly changed the field of communication and promotion. Thanks to new means of communication, geographical and temporal barriers have shrunk with the proliferation of ICT, since these technologies enable the instant transmission of a message, potentially worldwide. While transmitting a message in the past from London to Tokyo may have taken days, if not weeks, this can now be done in a matter of seconds, whether via email, a phone call or a social media post. Similarly, communication is now much cheaper. This brings enormous advantages for companies and marketers, who can use these technologies to more easily disseminate various messages, even in different formats, such as written messages, promotional videos, video interviews, podcasts, etc.

The benefits that the Internet has brought to marketing communications are immeasurable, and it is no coincidence that the vast majority of companies, of all sizes, have a website. As Chevalier and Mazzalovo (2008) affirm, the Internet is a media that brings together benefits of various traditional communications and promotion activities, such as the printing press, public relations, television and radio.

The speed of communications may also prove extremely problematic for companies, especially if a negative message that could potentially damage the company’s reputation is disseminated. For this reason, these technologies must not be neglected and it is imperative that close attention is paid to everything that circulates via the company’s channels (website, social media accounts, etc.) and other external channels (forums, influencers’ accounts, independent magazines, etc.). One major advantage of this digital revolution is that it facilitates internationalisation (Mercanti-Guérin, 2014) thanks to the removal of temporal and geographical barriers.

A company can operate worldwide simply by having an online store and being based in a single country. It can disseminate messages and advertising online, and reach customers in their home country with its messages and products. Moreover, new technologies allow companies to track customers, understand their habits, tastes and interests, and manage their relationships with them more effectively. When we browse

the Internet, or use applications and services, providers, search engines and other companies collect our navigation data and store them in immense databases. There is a specific reason behind companies collecting these data, with this activity requiring significant investment in infrastructure.

Companies mainly collect these data for marketing purposes. Thanks to these data, more information about their customers is at the company's disposal, thus enhancing their understanding of their customers, which, in turn, helps them better understand their customers' needs and tailor their products and services more effectively. As far as communication is concerned, these technologies are essential because they enable companies to target their messages more precisely and address customers who are likely to be interested in their offer. These data are sold to advertisers, since they can utilise this data to create and disseminate more precise, targeted, and thus, more effective messages, or used in-house. In fact, "marketers can create their own detailed customer databases and use them to target individual customers with offers designed to meet their specific needs" (Kotler *et al.*, 2008, p. 33).

Companies can also use these data to manage their relationships with customers more effectively. The data of customers (and prospects) data are stored so that the company knows when a particular customer celebrates their birthday, and thus, send them a personalised message. They can see what customers purchase and attempt to enhance their trust by offering them special discounts, products, additional services, etc. It is also very common for stores to have fidelity cards, which are increasingly migrating to electronic versions, to reward loyal customers.

Information and communications technologies have profoundly changed the way that companies operate when attempting to understand customers' needs and wants and with regard to communicating and providing value. ICT have also changed the behaviour of customers.

Nowadays, customers use the Internet to find information about their interests, and products and services, before purchasing them. Consumers are increasingly informed and discussions on the quality and features of products, as well as reviews and articles about such products, are held on various field- or product-specific forums. Awareness of this phenomenon is key and special consideration must be given to what customers seek and say on the Internet.

Customers play an active role in the value creation process (Kozinets *et al.*, 2014). Companies must therefore take this relatively new behaviour into account and attempt to benefit from such behaviour. For instance, by collaborating with online magazines, influencers, blogs, etc. (de Lassus, 2014a), they can disseminate positive messages, promote their brands and products, and, more importantly, listen to the opinions of customers, influencers and online journalists in order to better understand public expectations, and thus, fulfil such expectations.

The marketing landscape has evolved, and continues to evolve today. It is important to continuously keep abreast of the most significant changes with a view to learning how to benefit from such changes when developing a marketing strategy.

We will now discuss the various components of the promotion mix in more detail.

1.3.4.2 Advertising

Advertising is an effective strategy to raise awareness, create an image and increase brand acceptability (Kotler, 1999). It can be defined as all forms of paid communication of ideas, products, services, brand, etc. While advertising has traditionally only involved mass media, it now involves other media, such as social media, targeted advertising on the Internet and applications, online magazines, etc. (Shannon, 1996).

Advertising enables the company to reach a large number of consumers, but it can also be more targeted if the messages are disseminated on specialised media (for example, via specialised magazines), or if the aforementioned new tracking technologies are employed. The main advantage of advertising is that it makes reaching a large number of consumers, even internationally, relatively inexpensive (Shannon, 1996). The message should be original, effective, arouse emotions and attract customers. The style should reflect the voice principles and brand image of the company.

When attempting to apply Shannon's distinction between primary and support components to advertising, we can affirm that advertising is mostly used as a primary component, since its main aim is to influence the behaviour of customers. However, a distinction can be made: in the case of inexpensive goods, advertising is mainly used as primary component to trigger a purchase, but when it comes to more expensive and complex consumer purchases, it is often used as a support component for personal selling (Shannon, 1996).

1.3.4.3 Public relations

Public relations (PR) concern

building good relations with the company's various publics by obtaining favourable publicity, building up a good corporate image and handling or heading off unfavourable rumours, stories and events. (Kotler *et al.*, 2008, p. 760)

According to the authors, the main activities associated with public relations are press relations, investor relations, product publicity, lobbying and public affairs. These activities aim to create a good corporate image with positive actions, such as sponsorship or charity work, and by enabling other organisations to recognise these efforts. As Shannon asserts (1996), the aim of public relations is to influence the public's attitude towards the company and to enhance the perceived image of the organisation.

Another field for which PR are responsible is the management of corporate and image crises. As we discussed in our digression on societal marketing, corporate image is an extremely important asset for companies nowadays, which can have a decisive impact on sales. The main reason for this is that the public demands that organisations and companies be good corporate citizens (Shannon, 1996). Effectively managing public relations is therefore essential if a company that wishes to survive, and protect and promote its image. PR mainly performs a supportive role, and is not used as a primary component. This is because it represents an activity that does not usually trigger a specific action among buyers.

1.3.4.4 Sales promotion

"Sales promotion is the most diverse and most difficult component to identify and describe" (Shannon, 1996, p. 64). It includes several elements that are used for different purposes. Sales promotions include all activities that aim to increase sales of a product in the short term, such as discounts, coupons, gifts, samples, rebates, participation in trade shows, etc. (Kotler *et al.*, 2008; Shannon, 1996).

However, some authors, like Shannon (1996), also include activities whose goal is to increase sales in the long term, such as image creation activities (for example, sponsorships).

Nevertheless, we believe that these longer-term activities are more related to PR, given that they aim to enhance and develop the positive image of the company. For the purpose of this paper, we will define sales promotions as actions whose goal is to increase short-term sales.

Sales promotions activities perform a supportive role in other primary components, such as participation in trade shows, for instance. The presence of sales promotions at these events is usually accompanied by direct contact between the buyer/prospect and the sales force, which is used here as primary component (Shannon, 1996). However, when it comes to coupons, discounts, etc. we would argue that sales promotion is used as a primary component because it attempts to directly influence buyers' behaviour.

1.3.4.5 Personal selling

Personal selling has traditionally involved face-to-face communication, but given recent technological advancements, we could define this practice more broadly as direct interaction between a customer or prospect and a member of the sales force. This may occur in person, but also over the phone or via other media (Shannon, 1996).

The sales force also constitutes an important element of the communication mix, since it is in direct contact with customers and can promote the brand and its products directly to them. According to Shannon (1996), personal selling can be considered the most effective way of communicating and promoting thanks to the direct interaction between the buyer and the member of the sales force. This interaction allows the two parties to provide and receive instant feedback and to adjust their communication strategies.

However, a competent sales force requires a sound recruitment program, excellent training, an in-depth knowledge of products and the brand, and positive incentives to work hard, which proves rather expensive (Kotler *et al.*, 2008). Personal selling is used as a primary component for high-end, expensive and higher margin products because, as previously mentioned, costs are high and such products are purchased less frequently than lower-end and inexpensive goods, where personal selling performs a more supportive role in relation to advertising (Shannon, 1996). This explains why the sales force fulfils a major role in particular industries, such as the luxury industry, as we will discuss in upcoming chapters.

The sales force helps to provide an excellent experience and can be instrumental in the building of strong and profitable relationships. Thanks to being in direct contact with them, the sales force understands the company's customers better than any other person or department. For this reason, it is essential to train the sales force so that it is prepared to serve customers, adapt their communication and sale strategies according to the customer and the situation, and provide an invaluable experience in line with corporate values, as well as brand image and identity.

1.3.4.6 Direct marketing

Direct marketing is an activity that consists in closely targeting communication to specific customers in order to cultivate a relationship or encourage a profitable action for the company (Kotler *et al.*, 2008).

This activity involves sending marketing materials directly to customers' homes or e-mail addresses, or contacting them by phone. However, Shannon (1996) indicates that it is difficult to distinguish between direct marketing and simple advertising using this definition. According to him, the main goal of direct marketing is to receive an *immediate* response from the customer that could initiate the transaction.

A classic example is directly placing an order over the phone or via e-mail. The idea beyond direct marketing is to directly reach the customer "at home". New technologies have also brought about changes in the way that direct marketing is carried out. For instance, newsletters and catalogues (physical and digital) are sent to people's homes, and in particular via e-mail.

Direct marketing is the most recent component of the promotion mix and can be extremely effective in particular industries, with it potentially being cheaper than advertising. Another advantage is that the impact of direct response marketing can be measured more precisely (Shannon, 1996). Since direct marketing aims to trigger immediate responses, it is mainly employed as a primary component, and can be used for all sorts of products (Shannon, 1996).

1.3.4.7 Publicity

In addition to the five aforementioned components of the promotion mix, Shannon (1996) also includes publicity, defining this component as a form of non-personal

communication directed to the masses, which, most importantly, is free. Publicity essentially entails word-of-mouth advertising. Since publicity is free, companies do not control this form of communication. Rather, publicity originates from a neutral source, and thus, is automatically is more authentic and reliable (Shannon, 1996).

Publicity could be included in public relations, given that it refers to the image and reputation dimension handled by the company. However, we believe that publicity should be treated as a separate element of the promotion mix so as to underline its importance. Thanks to the Internet and new technologies, word-of-mouth can proliferate extremely quickly, and it represents a new way (or, at least, a traditional, but now more powerful way) for the company to disseminate specific news and information. Although publicity is not directly controlled by the company, it can be influenced by the company, with many companies often initiating the process by issuing press releases, for example, which are then disseminated by the media (Shannon, 1996).

Word-of-mouth can also be devastating if negative information is being circulated. It is therefore imperative to manage all disseminated information and respond rapidly, as we will demonstrate in the next paragraph.

1.3.5 The influence of the product's cycle

To conclude this brief presentation of the marketing mix, another aspect to which we have previously alluded must be underlined, that is, the concept of a product's cycle. Depending on the phase of this cycle, which consists of market introduction, growth, maturity and decline (Kotler *et al.*, 2008; Forrester, 1959; cited in Shaw, 2012), the company may adjust its strategy and slightly modify its marketing mix. At the beginning, depending on the size and resources of the company, a mass-market or niche market strategy might be ideal, but this may later cease to be the case.

When the company grows, it may decide to expand its segments, lines of products or brands, which involves changing the marketing mix, or even developing new marketing mixes for the new products or segments. During the maturity phase, growth decelerates. The company may stabilise its marketing mix or change it in an attempt to differentiate its offer, for example, by improving quality or altering the price.

As Shaw (2012) affirms, a harvesting strategy may also be interesting, which consists in generating profits as long as the product sells before closing the activity. The

last phase is the decline phase. Sales decrease at this point and the company struggles to cover costs. If the company remains the only actor on the market selling the product, it may be profitable, but this is only possible without the presence of competition and demanding low prices (Shaw, 2012).

We provided an overview of the concepts of marketing mix, which, as we are aware, could be further developed. Nonetheless, we presented all of the notions that we found relevant for the purpose of this paper. We will now consider certain criticisms for the sake of completeness, before discussing a new trend in marketing communications and the concept of branding.

1.4 Is the concept of marketing mix still valid?

Since its introduction, the 4Ps model has been the most prominently discussed model in literature, especially with regard to education (Hyman, 2004). However, this model has also been subject to criticism, of which we will discuss some of the most common.

Hyman (2004) summarises certain criticisms of the 4Ps model. Although some of these criticisms fail to account for the context in which the 4Ps model is used, namely marketing management, and despite the model being deemed useful, which is probably the most important aspect, several authors have attempted to revise and improve it.

Like all models, it is undeniable that this model could be improved. It has been deemed inadequate and insufficiently precise, and thus, attempts have been made to review and adapt it to specific industries, such as financial services and the pharmaceutical industry. Another criticism mentioned in Hyman (2004) is that the model lacks effectiveness and completeness with regard to education, since it fails to cover other marketing activities and fields such as marketing ethics.

Some of these criticisms appear to be valid, given that all models can be improved or specifically adapted for different scenarios, but the 4Ps must be considered a general tool that can be used in all situations. We disagree, however, with the idea that the model is overly focused on the product at the expense of the customer because, as we have already demonstrated, the marketing mix is the result of a careful analysis of the market, which aims to identify customers' needs and wants. For this reason, the marketing mix

and the product are conceived *based on the company's perception of customers' wants and needs*.

A relevant scenario for which the 4Ps model proves problematic is the digital world. In his article, Constantinides (2002) criticises the model for being overly focused on the physical industry. In his opinion, it is not customers who are found at the core of the model, but the product. In addition, the model does not sufficiently consider the interactivity dimension, which is key in the digital market by making the customer relevant and enhancing the concept of personalisation.

Furthermore, while different departments carry out the various activities involved in a marketing mix in a physical business, this is not the case for an online business. This could be questionable, however, given its strong dependence in our opinion, on the activity and size of the company. As we have highlighted in the previous sections, the marketing mix must be conceived with the customer in mind rather than the product. The digital market undoubtedly has its specificities, but this does not imply that the 4Ps model must be completely rejected.

In any case, this model remains the most prominently discussed model in literature and is useful, as previously mentioned. For this reason, we will use this model in this paper.

1.5 Storytelling, a new trend in marketing communication

In a context characterised by an overabundance of marketing messages, advertising and other forms of communication, companies have started to find new ways of promoting their products and brands and communicating and building relationships with customers. An interesting increasingly important phenomenon in marketing communications is *content marketing*, or *storytelling*.

As Mosley (2014) states, advertising is no longer sufficient nowadays, since consumers are exposed to an overwhelming quantity of marketing messages and do not want companies to try selling them products. In order to increase their revenue, companies have begun searching for interesting and appealing stories to tell, though which they can

create new associations between their brand, and specific values and images that could differentiate their offer and influence the behaviour of consumers.

It has become more important than ever to build strong brands and tell stories (Mosley, 2014), that is, the essence of content marketing, which entails “the generation of a rich flow of engaging and shareable content, which matches a wide variety of target audience needs and interests, while simultaneously building desired associations with the brand” (Mosley, 2014, p. 189).

According to Pulizzi (2012) and Mosley (2014), content marketing represents a long-standing idea, but this approach has only recently become significant with the advent of certain social and technological developments. Pulizzi (2012) suggests that three barriers have recently been overcome. In the past, messages would need to be published in a well-known newspaper or broadcasted by a major and trusted television channel to be considered reliable and credible. Nowadays, however, this is no longer necessary. Companies can disseminate messages that are accepted by the audience, which becomes engaged in the conversation, thus overcoming a second barrier: the recruitment of talented content creators.

Nowadays, companies are able to hire more talented employees to produce compelling messages. In fact, talented writers and journalists used to avoid working for non-media companies, but this is no longer the case. These creative communication experts are therefore at the company’s disposal, and as Pulizzi (2012) affirms, companies can increasingly act as though they were media companies.

Technological progress has allowed us to overcome a third barrier; it is possible to create and disseminate content with limited investment. As we will later explain, the Internet has majorly contributed to the development of content marketing and represents the main medium through which these messages are disseminated.

Mosley (2014) stresses this idea when he identifies four technological trends that have led to the development of content marketing. The first of these trends is the advent of social media, which have become a major source and channel to access and disseminate information and to “maintain brand vitality and relevancy” (Mosley, 2014, p. 187).

The second of these trends is personalisation, that is, “the increasing demand and ability to deliver content that is personalized to the needs and characteristics of the

individual media consumer” (Mosley, 2014, p. 188). Consumers expect to receive information that they find useful rather than simply slogans that try to persuade them.

The third of these trends is the ability to create and share content online and the tolerance for low-quality content, provided that high authenticity and credibility compensate for the lack of quality. This has led to a preference for continuous user-generated content as opposed to content and campaigns created by corporations.

The fourth of these trends is gamification. New generations have become accustomed to gaming technologies and digital interaction while growing up, which is essential in relation to content marketing. When companies disseminate their storytelling, they are seeking feedback and interactions with the audience, hence the creation of content that requires users to click on certain buttons or carry out certain actions, such as visiting a website, contacting someone to receive more information, commenting, etc. We will discuss the different types of content marketing later in this section.

The transition towards storytelling has led to the adoption of a pull strategy, compared to the classical push strategy, which is represented, for instance, by traditional advertising. Thus, rather than trying to sell products to consumers directly, companies focus on creating content that consumers find interesting, appealing, entertaining and useful. Consumers must stumble upon this content, which must be as credible as possible, while searching for specific information: “Content marketing must persuade people to freely consume advertising content” (Wall and Spinuzzi, 2018, p. 138).

Therefore, rather than creating content to directly advertise a product or a brand, companies try to introduce themselves in order to influence the behaviour of consumers. As Mosley (2014) affirms, if companies wish to appear humorous, they must make consumers laugh instead of claiming to be funny. With this type of content, customers draw their own conclusions and are not told what to believe by the company.

Many media can be used for content marketing. Companies can create newsletters, microsites, podcasts, videos, PR, blogs, social media posts, webinars, and much more (Mosley, 2014; Wall and Spinuzzi, 2018). Advertising can also be employed, but it must be adapted to content marketing. Advertising must therefore tell an entertaining and compelling story that may inform consumers about a product or raise brand-awareness without the direct goal of selling. It should be noted that consumers might not necessarily recognise or be searching for a product or a brand, but that they might be seeking useful

information, which must be provided (Mosley, 2014). Another important point to underline is that, as mentioned, when companies disseminate these messages, they are seeking interaction.

One of the most important forms of interaction is the further dissemination and sharing of a message. Thus, the reason behind creating appealing content is to encourage people to share it. This can be extremely useful for companies because it decreases the cost of disseminating a message and leads to an automatic improvement in targeting, given that consumers share content with people who they believe might be interested in the brand and/or product (Mosley, 2014). Alternatively, a company could use PR activities to disseminate information via a press release, which is then freely distributed by traditional media, and hopefully, by other consumers as well.

While the direct goal of marketing is not to sell, it is, of course, the ultimate goal. For this reason, Wall and Spinuzzi (2018) describe content marketing as “selling without selling”. The authors stress the importance of the coordination and consistency of all content marketing messages and media. The idea of an “integrated communication strategy” is also key with regard to storytelling, since all of the different media and messages must be consistent in providing the same entertainment, useful information and engagement, so that consumers can approach the brand, better understand it, and perhaps, ultimately identify with it and purchase products (Wall & Spinuzzi, 2018).

Another important aspect highlighted by Mosley (2014) is that content marketing can also be used to improve brand image and reputation by painting the picture of a company that is an excellent employer and corporate citizen.

It is common, for instance, that companies share their employees’ stories in the form of video interviews or blog posts in which these employees share their thoughts on the working environment and the company as a whole. They usually praise their employer, and share impressions and inside stories. Alternatively, the company can create appealing job offers, or, like Google, “gamify” them. Mosley (2014) states that Google posted a job offer in the past that required certain analytical and programming skills to be accessed and correctly viewed. Once the candidate had decrypted the message, which happened to be a link, it could access the job post and apply for the vacant position. This form of content requires considerable engagement and interaction.

1.6 Branding

When a company starts to operate on the market and launches its first products or services, it has a very important decision to make: their branding strategy. Branding is a very important aspect in marketing and the strategy chosen can influence the company's activity in the long term.

There are several options when it comes to branding. For instance, the company may decide to sell a product under a specific brand, to create new brands for new products and lines of products, to develop already branded lines, or to sell all of its products under a single brand, which can also be the name of the company.

This concept has become increasingly relevant in business. As Kapferer (2009) explains, in the 1980s, a significant transition took place concerning marketing. Prior to that, when a company acquired another company, the amount paid would be based on the results of the company to-be-bought. However, henceforth, the value of acquisitions increased considerably. This is because companies began to realise that they were not simply purchasing factories and means of production, but also strong brands. “Dans le premier cas, il s’agit d’acheter une capacité de production, dans l’autre, une part de l’esprit et du cœur des clients” (Kapferer, 2009, p. 11) Brands had become a company's assets, very important assets indeed. However, what do we mean by “brand”? As Kotler *et al.* (2008) assert, a brand is much more than simply a symbol and a name.

A brand encompasses the perceptions and emotions of all consumers with regard to a product or company, as well as what the company or product represents for them. A brand is an asset that plays a major role in building strong and profitable relationships with customer, hence the need for companies to manage and create strong brands. Kotler *et al.* (2008) and Kapferer (2009) discuss brand equity, which can be defined as the effect of knowing the brand on the consumer, and which translates as how much more a customer is willing to pay for a brand.

Thus, creating strong brands and managing them well can yield greater results if these brands help the company build relationships. However, the power of brands does not only depend on internal factors. The importance of brands varies depending on the level of risk involved in the purchase of a specific product. The higher the risk, the more important the brand.

When a consumer purchases a sheet of paper or pencils, they tend to ignore the brand. However, when confronted with some forms of risk, which can be physical (e.g. safety concerns when purchasing a car), social (we tend to create our own identity through symbols and brands), economic (the high price of the good), or qualitative (when purchasing a good that must last), brands become increasingly important and the consumer pays close attention to them in an attempt to reduce the risk (Kapferer, 2009).

A brand can be perceived as a company's promise to deliver certain tangible, intangible, hedonist, visible and invisible attributes (Kapferer, 2009). The brand is the company's promise to deliver "a specific set of features, benefits, services and experiences consistently to buyers." (Kotler *et al.*, 2008, p. 525) For these reasons, Kapferer's hypothesis seems valid: when the risk is high, consumers tend to pay close attention to brands and their promise of consistent attributes in order to reduce the various types of risks. In addition, Kapferer (2009) identifies nine functions of the brand:

- finding function (*fonction de repérage*), which guides customers during the purchasing process;
- practical function (*fonction de praticité*), which helps the consumer to save time during the purchasing process;
- guarantee function (*fonction de garantie*), which guarantees stable quality everywhere;
- optimisation function (*fonction d'optimisation*), which ensures that the consumer is buying the best product in that category;
- personalisation function (*fonction de personnalisation*), which enables the consumer to find comfort in the image that it projects on others;
- permanence function (*fonction de permanence*), which enables the consumer to find satisfaction in the long-standing proximity and intimate relationship that it shares with the brand;
- hedonist function (*fonction hédoniste*), which enables the consumer to find satisfaction in the brand's aesthetics, its design, usage, etc.;
- stimulation function (*fonction de stimulation*), which makes life more exciting through the brand;

- ethical function (*fonction d'éthique*), which enables the consumer to find satisfaction related to the responsible and sustainable behaviour of a brand/company.

We notice that some functions are more closely related to the purchasing dimension, which includes all quality and economic aspects, while other functions are more closely related to the personal and hedonist dimension. We understand, here, that the emotional component is extremely important in relation to branding.

1.6.1 Brand positioning

As Kotler *et al.* (2008) assert, brand positioning represents a key aspect when positioning brands in the minds of consumers at different levels: the attributes (features, characteristics, etc.), benefits (which can be functional and emotional, such as safety, quality, and performance), beliefs and values (stronger brands tend to emphasise this dimension).

Brands are associated with emotion, and strong brands uphold values and beliefs that arouse passion, surprise, enthusiasm, etc., and personality (brands have personality, that is, an image and a way of communicating). Brand characteristics become competitive advantages in the brand positioning on which the company can capitalise in order to achieve greater results and boost product sales. In its positioning, the brand underlines what it does best or better than the competition, with all intangible aspects being vitally important (Kapferer, 2009). The company must consistently communicate the brand positioning to consumers, but advertising is insufficient on its own; the company must manage its brand and brand experience by paying close attention to all channels through which customers engage in contact with the company, namely websites, stores, the sales force, etc., and the brand experience (Kotler *et al.*, 2008).

The brand represents an element indicating both consistency and differentiation. A brand enables the company to differentiate its offer by delivering specific values and attributes inherent to the brand. These features automatically differentiate the company's offer from that of the competition and allow the company to make the product its own (Kapferer, 2009).

However, the brand constitutes a set of values, a personality and features representing its essence, and thus, must remain stable. The brand has a mission and must be intelligible in the field in which it operates. All products, services and actions of the company must respect the values and personality of the brand. This does not mean that a brand is static, but that it must be able to evolve without losing too much of its identity or core values, or losing them too quickly. A company boasts a personality, physical characteristics, is in keeping with a cultural environment and disseminates the culture of its country. All of these elements are extremely important and must be effectively managed in order to build strong brands (Kapferer, 2009).

In this first chapter we explored the literature to better understand all the major concepts related to marketing. After a brief introduction and definition of marketing, we tackled the topic of the marketing strategy and we presented the most important models found in the literature, namely the segmentation-targeting-positioning model and the 4Ps. Likewise, we have decided to conclude the chapter with a brief analysis of branding. In this chapter, we have laid down the theoretical foundation for the following chapters, in which we will discuss international marketing and marketing in the luxury industry.

2 International and global marketing

The modern world has become smaller, and this shrinking process remains ongoing from a marketing perspective. Companies can connect with customers and partners worldwide while simultaneously facing global competition. Countries are more interconnected than ever before. Traditionally, the home market of a company was considered as a safe market, since employees were not required to learn new languages and companies were not required to manage business in countries with different legislation and governments with a different level of stability (Kotler *et al.*, 2008).

However, faced with increasing global competition, companies may also decide to start operating in foreign countries, or outsource certain activities abroad. If a company goes international, it must start planning its international strategies, a process requiring careful analysis of the markets in which it wishes to operate and the development of new marketing strategies aimed at conquering these markets.

International and global marketing are the fields on which we will focus in this chapter. First, we will continue our literature review by providing some definitions of both concepts and explaining their origins and specificities. We will then focus on some specific challenges faced by international marketers when developing international marketing strategies. Moreover, in the final section, we will discuss communications strategies in an international environment, and introduce the dimension of translation and multilingual communications by focusing on a particular activity linked to multilingual and multicultural marketing and advertising, namely transcreation.

2.1 What are global and international marketing?

In order to understand what it is typically meant by the terms global and international marketing and the difference between these two concepts, we will start by providing several definitions of international marketing. The two definitions proposed are from Keegan (1989) and Terpstrat (1978) respectively, both of which were quoted in Croué (2012, p. 36).

Keegan defines *international marketing* as “un processus qui vise à optimiser les ressources et axer les objectifs d’une organisation à travers les opportunités d’un marché

globale”. Meanwhile, Terpstrat defines it as “l’exécution au moins d’une des tâches du marketing, au-delà des frontières nationales”.

In these definitions, there are some useful elements. Albeit quite simplistic, Terpstrat’s definition is very practical and straightforward because it emphasises the fact that a company must also carry out marketing activities in new markets when going international. As we will see, these activities may need to be adapted to the new context.

Keegan’s definition contains more elements that are worth analysing. Firstly, it stresses that an organisation must establish certain objectives at a corporate level and, secondly, that the global market offers opportunities that the company must consider when planning its development.

Based on these considerations, we will define *international marketing* as the process of developing or adapting marketing strategies for foreign markets in order to reach specific corporate goals. This process must start with an analysis of the specificities of the market and the expectations and wants of the customer. Based on the results of the analysis, the company may decide to use the same marketing mix for the new market or adapt certain elements of it in order to better meet customers’ expectations and better satisfy its target segments.

In the introduction to this chapter, we also briefly mentioned the concept of *global marketing*. Jeannet and Hennessey (1995) suggest that global marketing is a branch of international marketing, and that it refers to a specific way of operating internationally, which consists in adopting a standardised marketing approach worldwide.

In order to better understand this concept, Croué (2012) and Jeannet and Hennessey (1995) provide the historical context that explains the origins of the global marketing approach. Following the Second World War in particular, a process of offer standardisation was initiated worldwide, which was driven by globalisation and the position of the US as leader in the global economy. US firms began to expand their businesses across countries, leading not only to the standardisation of supply, but also demand, since marketing can also impact on cultures, and thus, on demand (Kotler *et al.*, 2008).

The strategy adopted by US firms essentially consisted in standardising their offer, practices and activities in every country in order to cut costs and benefit from economies of scale. As Kotler *et al.* (2008) indicate, global companies tend to perceive the world as

a single market, thus focusing on similarities rather than differences. This global marketing approach represents the most-effective strategy (Jeannet and Hennessey, 1995).

We may agree on the fact that successfully adopting a standardised global marketing approach should result in greater profits (Ko *et al.*, 2012), but, as Jeannet and Hennessey (1995) and Croué (2012) highlight, this approach gradually became less effective for two main reasons. Firstly, global companies were faced with increasing competition, especially from emerging markets, where manufacturing costs are much lower, meaning that a cost-cutting strategy was no longer effective and that companies needed to start finding new ways to compete. Secondly, particularly following the fall of the Berlin Wall, sensitivity towards cultural and national identity rose significantly. Consequently, consumers started avoiding products that were designed without considering the specificities of their country and culture, and that were considered imposed by other countries, especially the U.S. (Croué, 2012).

Jeannet and Hennessey (1995) highlight an ambiguity in this regard: although it is true that globalisation has led to a standardisation of supply and demand, and that expectations have become similar worldwide, this rise in cultural and national identity claims demonstrates that cultural differences matter, and thus, must be considered. Critics of globalisation claim that this process will lead to cultural homogenisation and result in countries losing their cultural identities. However, globalisation is not a one-way process. Although it is true that the presence of Western and U.S. products, and values in particular, is widening, it is also true that, in the Western World, we use products from other countries and are closer than ever to other cultures (Kotler *et al.*, 2008).

Since global marketing is no longer always suitable, at least in the case of many industries, companies must find new ways of differentiating their offer and competing against competitors from emerging markets. According to Croué (2012), companies can capitalise on innovation to create new segments with a view to avoiding competition with companies with lower costs of production, or they can use marketing to differentiate their offer by taking into account the specificities of countries and cultures, and by adapting their marketing mixes. The author suggests a more ethnological approach in order to better understand the culture of the target market and make alterations to the offer to

create the impression that it was specifically developed for a particular country. This strategy is known as the global-local strategy.

Ideally, these changes to the marketing strategy should have minimal impact on costs. This form of adaptation is necessary and perfectly in line with the marketing approach, since all activities performed by the company must start from the understanding of the market and the consumers' expectations in terms of products, price, communication, etc. In the first chapter, we discussed how wants are determined by culture, meaning that, logically, culture is an element that must be considered in order to create an appropriate offer aimed at satisfying customers and their expectations.

Cultural differences are elements over which the company can and must assume control when it wishes to operate worldwide. There are other external elements, however, over which the company has no control such as laws. According to Jeannet and Hennessey (1995), and Croué (2012), the success of international marketing strategies depends on several factors:

- characteristics of the market: climate, macroeconomic factors, a country's level of economic development, the size and population of a country, culture (language, habits, taboos, customs, traditions, expectations, etc);
- industry conditions: level the market maturity in a country, level of competition, the varying prices of local substitutes;
- marketing institutions: distribution infrastructures, presence of mass merchandisers (supermarkets, etc.);
- legislation: standards, tariffs, prohibitions, influence of religion, etc.;
- religious diversity: presence of different religions, relationship between different religions, etc. Religion influences the behaviour and values of consumers.

As we can see, certain elements can be directly considered by the company, while others are simply specificities of the market over which the company has no control.

In brief, we can perceive international marketing as a continuum in terms of marketing strategy adaptation. At one extreme is global marketing, with its strong standardisation and its cost-cutting approach, which develops what Kotler *et al.* (2008) refer to as a standardised marketing mix for all markets. At the other extreme is the

marketing approach, which aims to adapt practices and activities, and create specific marketing mixes for different countries or regions in order to conceive of a better offer that could satisfy the company's target segments.

This approach leads to the creation of several adapted marketing mixes (Kotler *et al.*, 2008). In doing so, the company adopts a global-local strategy, that is, it tries to benefit from economies of scale as much as possible by making alterations to its offer that have as minimal an impact on costs as possible. The changes may be necessary and unrelated to the company's willing (laws, regulations, local practices), or may be considered useful in order to better perform on the market and satisfy local customers. These changes may be driven by culture, habits, customs, religion, etc. and their effectiveness depends on how they are implemented and the type of product.

Following this short presentation and definition of global and international marketing, we will now focus on certain challenges faced by international marketers and how they can manage differences between cultures.

2.2 The challenges of international marketing

2.2.1 International segmentation, targeting and positioning: several key aspects to consider

The importance of segmentation, targeting and positioning (STP) has already been underlined when developing a marketing strategy. In an international environment, however, several key aspects must be highlighted, in our opinion, since they influence the process of adapting and devising a marketing strategy for a different market. Each market has its specificities that must be considered.

According to Croué (2012), a company has two possibilities in relation to international segmentation. It can either make a distinction between the local and foreign market, using the same segmentation and adapting certain variables (e.g. income), or it can create a new segmentation. Alternatively, the company can seek similar segments abroad and treat them identically to segments used in the local market. This is known as *undifferentiated segmentation*. It is indeed possible that the same segments are also present in other countries, but this is not always the case, with, perhaps, the same form of

segmentation only being appropriate for countries belonging to the same economic environment. The same segments may not exist in other countries because of the low level of economic development (which means lower income), different habits, different legislation, climate, etc. Other aspects that may determine international segmentation are innovation and sociological evolution, which help to create new segments, and geopolitical events, which cause migration and create ethnic diversity within countries, and, in turn, potentially lead to a form of internal international segmentation. These elements, as well as the level of competition and the maturity of the market, help the company choose the new markets in which it wishes to operate.

Traditional segmentation criteria are no longer sufficient, and companies focus considerably on criteria related to lifestyle, in particular in emerging markets, where younger generations are increasingly seeking a western lifestyle. In any case, the idea should be to find segments similar to those used in the home market first, since this increases profitability.

As Ko *et al.* (2012) observe, the company should do its utmost to discover global segments in order to obtain better results. It is not impossible to believe that these segments exist because globalisation has actually led to the standardisation of demand and habits. It is therefore useful to focus on similarities as opposed to differences, where possible.

After identifying similar segments or developing a new segmentation strategy, the company must decide which segments it wishes to target. In the case of global segments, the answer is obvious. Meanwhile, for other cases, Croué (2012) suggests two strategies. The company may act as an innovator, which means finding an unknown customer who may be interested in the product and potentially “promote” it, or as a follower, and decide if it wishes to target the same segments as the competition or differentiate.

Positioning must be adapted to values and expectations of consumers. It can underline certain specific attributes, such as the origin of the product or its image. As discussed in the previous chapter, positioning essentially consists in choosing which competitive advantages the company wishes to put forward and emphasise, and these may vary depending on the market. Moreover, given the strong competition, the company may decide later to reposition its offer, and it must make this decision for all of the markets in which it operates (Croué, 2012).

As previously mentioned, culture plays a major role in defining if and how to adapt a marketing strategy. In the following section, we will provide a definition of culture and present a model that classifies different cultures. This model is useful in understanding differences and similarities between cultures and how to use cultures in marketing.

2.2.2 How culture matters

It has already been established that culture represents an essential element that international marketers must consider, since consumers wish to access the universal purchasing model, while also expecting companies to pay attention to culture-specific attributes. For this reason, companies have to study and understand different cultures in order to develop an offer which is as close to the customer as possible (Croué, 2012). “Building cultural empathy in this way helps companies to avoid embarrassing mistakes and to take advantage of cross-cultural opportunities” (Kotler *et al.*, 2008, p. 950).

Before we tackle this complex topic, it is worth attempting to define *culture*. According to Kotler *et al.* (2008, p. 948), culture can be defined as “the learned distinctive way of life of a society.” According to the authors, the cultural dimension includes aspects such as religion, social organisation, customs, traditions, values, aesthetic systems and language. Croué (2012) and Jeannet and Hennessey (1995) also stress the importance of values, taboos, traditions, language, religion, customs, art, etc. All of these elements are present in a cultural environment and influence people’s representations and ways of acting, thinking and purchasing.

Intercultural studies have often attempted to classify different cultures based on their similarities and differences in order to create models that could help better understand them. These models can also be used in international marketing, so as to develop culture-targeted marketing strategies, or in international management, when managing employees from all over the world or holding meetings with executives from different countries.

We will now present the 6-D (dimensions) model developed by Geert Hofstede. Hofstede defines culture as “the collective programming of the mind distinguishing the members of one group or category of people from others” (Hofstede Insights, n.d.a). This model is also cited in Croué (2012), but only four dimensions are presented. On the

Hofstede Insights website (Hofstede Insights, n.d.b), there is a comprehensive description of the six cultural dimensions defined by Hofstede.

The model includes six cultural dimensions that “represent independent preferences for one state of affairs over another that distinguish countries (rather than individuals) from each other” (Hofstede Insights, n.d.a). It should be noted that a score is used to measure these dimensions, and that this score is relative and used as a means of comparison with other countries. This is a form of generalisation, of course, given that we are all individuals who can display differences in behaviour. However, the model proposes a classification of countries that provides some sort of indication of cultural differences and behaviours. The six dimensions identified are: power distance; individualism vs. collectivism; masculinity vs. femininity; uncertainty avoidance; long-term orientation vs. short-term orientation; and indulgence vs. restraint.

Power distance “expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally” (Hofstede Insights, n.d.a). This dimension essentially measures tolerance towards inequality. There are cultures in which individuals accept the unequal distribution of power and the fact that everyone has their position in the hierarchy, which is not questioned and respected (Croué, 2012). For instance, in Japan and Korea, power distance is greater than in the U.S., where lower-ranked employees tend to have the right – and feel inclined – to challenge their superior’s decisions and suggest alternatives. This dimension is extremely important with regard to managing employees internationally.

The degree of individualism measures the extent to which people believe to belong to a group. In individualistic societies, people are only expected to take care of themselves or their family. However, in collectivist societies, people tend to share group values, customs and beliefs, and their interests are subordinated to those of the group. This dimension is both useful in the management of people and advertising. For instance, advertising the efforts of a company to support the local economy and well-being may prove more effective in countries with a higher degree of collectivism. Moreover, slogans referring to the nation or specific groups may prove effective.

For the masculinity vs. femininity dimension, the presence of so-called masculine values, such as achievement, heroism, material rewards and competition, is compared to that of so-called feminine values, including preference for cooperation (instead of

competition), modesty, caring for the weak, etc. Negotiations between people originating from masculine cultures will be more complex (Croué, 2012).

“The Uncertainty Avoidance dimension expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity” (Hofstede Insights, n.d.a). In other words, this dimension measures how a culture deals with uncertainty and risk. Cultures with low scores for this dimension tend to live relatively worry-free, since they acknowledge that uncertainty may lead to opportunities. Conversely, cultures with high scores tend to avoid uncertainty at all costs. This dimension is particularly relevant for marketing because it is reflected in the rigidity of legislation. Cultures with low scores tend to live more freely and impose less regulations, whereas regulations tend to be stricter in countries with high scores (Croué, 2012). As we have already established, legislation constitutes one of the most important factors to consider in relation to international marketing, since it determines whether a particular product or service can be sold in a specific country, for example. Thus, if a company sells a service involving a particular risk, it may have to proceed with caution in cultures where uncertainty is most often avoided.

The following dimension also proves highly useful in relation to international marketing and can also be used for promotional purposes. Countries differ in the way that they handle progress and change. Short-term orientation cultures tend to uphold traditions and norms and perceive societal change as potentially dangerous. On the contrary, long-term orientation cultures embrace change and progress. Therefore, a promotion strategy focusing on traditional values, and which, in turn, manifests cultural empathy and proximity may prove more effective in countries with a short-term orientation. However, in long-term orientation cultures, the promotion strategy should focus on the innovation and change dimensions. This dimension is also reflected in the level of acceptance of novelties and progress.

The last dimension is the degree of a country's indulgence, that is the “gratification of basic and natural human drives related to enjoying life and having fun” (Hofstede Insights, n.d.a). Cultures that are more indulgence-oriented tend to live more freely and to enjoy pleasures of life. On the contrary, more restraint-oriented cultures tend to uphold social norms (and potentially legal norms) aimed at impeding these behaviours and regulating this gratification of needs. This dimension can also prove extremely useful in

marketing because it can help the company to determine whether the product or service it wishes to commercialise would fit within the cultural framework of a country. It also helps the company to establish whether the product would be accepted or if consumers would tend to reject it due to their social, religious and legal norms impelling them to reject objects that increase pleasure.

This classification is highly pertinent and provides an overview of certain differences between cultures. It may be argued that culture does not always correspond to a country, and this assertion is true. However, they tend to coincide, at least globally. Moreover, if we compare countries according to this model, we will notice that there are many similarities between countries in the same part of the world, which also allows us to predict under which category a particular culture would fall.

This model, albeit inexplicitly, alludes to certain elements that we discussed earlier, such as legislation, religion, level of economic and technological development, and customs and traditions. These elements represent key components of a cultural environment and could strongly influence people's behaviour, expectations, and reactions to marketing activities. Religion constitutes a major dimension of culture for the following reasons: religion defines people's values and behaviour; religion may be associated with particular customs and traditions; legislation may be based on religion; and religion may influence people's perception of progress. For instance, it is far more difficult to sell alcohol in a Muslim environment than the West because of religion, and people in Christian countries tend to spend more money around Christmastime even if they do not identify as Christians, since it has become a sort of tradition.

All these dimensions that define a cultural environment must be considered when developing a marketing strategy, given that a careful analysis of these aspects may lead to the creation of a more effective and more target-oriented marketing strategy that creates an offer and provides an experience which satisfy the target segments. Based on this careful analysis, the company must determine how it wishes to adapt its marketing mix. It can modify its four components of it, as well as the branding strategy.

2.2.3 Marketing mix adaptation

When it comes to adapting the marketing mix, the company may work on each of the four components.

The product most likely represents the starting point of the entire process. If a company decides to start operating worldwide, it must decide with which product it wishes to begin. According to Kotler *et al.* (2008), the company has three options: it can attempt to sell the same product worldwide, it can adapt an existing product, or it can develop a completely new offer. The international product strategy is influenced by many factors, such as laws, customs and traditions, taboos, culture, climate, geography, etc. A product may not be commercialised in a particular country because of these factors, and thus, it is necessary to integrate the sociocultural and socioeconomic characteristics of the foreign country into the product strategy (Croué, 2012). The company must decide with which product or line(s) of products it wishes to enter a market and attempt to adapt the offer. In terms of the product, it may be worth considering, for instance (Croué, 2012):

- its price: purchasing power varies between countries, and thus, the product may need to be adapted in order to lower the price;
- its packaging: habits vary between countries. There are countries where consumers purchase larger or smaller packages. There are countries where consumers are more sensitive to environmental issues, and thus, it may be necessary to dispense with packaging;
- its aesthetics and design: design represents a major competitive advantage. Culture defines aesthetic standards and different cultures afford different meanings to colours: for example, grey products are considered cheap in China, whereas U.S. consumers perceive them to be premium products;
- its functionalities: different countries have different needs. These also may be influenced by geography or the climate, rather than simply the culture.

In terms of price, the company must consider the purchasing power of consumers, which is linked to economic development. If the initial price is too high, it must attempt to lower it, which may require modifications to be made to the product. It is important not to create the impression that the company is commercialising a lower-quality product (Croué, 2012). Local costs and tariffs also impact on prices.

As far as distribution is concerned, the company must decide how it wishes to make the product accessible to consumers. It may decide to open stores, use the franchising

option or simply sell its products online. The level and quality of infrastructure may vary depending on the country.

Moreover, the promotion mix must be adapted. This probably constitutes the most challenging element of the marketing mix because the company must consider all specificities related to the local culture and socioeconomic environment (Croué, 2012). Given that we are most interested in this element of the marketing mix for the purpose of this paper, we will specially dedicate a section to international communication and advertising.

The last element worth mentioning is the branding strategy. As Croué (2012) affirms, the brand represents the main identification element of both a product and company. It can enhance value for the consumer and can create representations. The brand arouses emotions, and this must even be the case internationally (Jeannet and Hennessey, 1995). The company must decide with which brands it wishes to enter the market and if it wishes or needs to adapt them.

The company can create a new brand or can use a global brand in order to be internationally recognised. It is essential to pay close attention to the name of the brand, since it must be easy to pronounce and its meaning in the local language must be verified. Moreover, the effect of the name of the brand on consumers must be similar to that in the original market, which often proves challenging given that a brand is created in a particular setting and context (Jeannet and Hennessey, 1995).

There are many advantages and disadvantages associated with the adaptation of a brand: the main advantage is that, if the brand is adapted correctly, it may be more effective in terms of creating value for customers and transmitting corporate values and specific representations that will determine its success. The main disadvantage, however, is that a large variety of brands created for different markets may negatively impact on the global image of the company, which may appear inconsistent (Croué, 2012). In fact, the corporate brand is crucial because the company upholds values and a vision that it wishes to transmit. The corporate image should be consistent worldwide, and its values and vision must also be transmitted through a company's products. While product brands may vary, they must remain coherent with the corporate brand, which must be consistent worldwide (Croué, 2012).

2.3 International communications and advertising

2.3.1 Main challenges

International communications and advertising represent extremely complex tasks. In addition to all of the challenges of intra-national communication, international communications and advertising are confronted by different languages, cultures, habits, traditions, customs, taboos, etc. This is due to the fact that the sender and the recipient belong to different cultural environments (Jeannet and Hennessey, 1995).

Communication is essential in creating and transmitting a product or brand image, sharing product features and explaining selling conditions, among other things, with good and effective communication potentially representing a strong competitive advantage. International communications require the adaptation of messages to the local language and culture while remaining consistent with the corporate objectives, strategy and voice (Croué, 2012). According to Kotler *et al.* (2008), the first decision that a company must make is whether to use a standardized communication and promotion strategy or to adapt messages to the local culture.

A global strategy is, of course, more efficient because it allows economies of scale, and thus, reduces costs. Moreover, it is extremely difficult to create strong advertising campaigns, hence why the company may wish to optimise costs and use the same campaigns internationally (Croué, 2012).

However, as we have already established, culture is pertinent and must be considered. For this reason, it is common that marketers develop global strategies but local programmes (Kotler *et al.*, 2008). When communicating beyond national borders, it is crucial to consider several aspects related to legislation, culture, common practices, taboos, etc. For instance, ethical codes and legislation concerning advertising may differ from those in the home market, or marketers may need to consider differences in values, cultural characteristics and common practices when using and selecting media. For example, in Scandinavia, billboards are barely used due to the region being in darkness for several months of the year (Croué, 2012). Furthermore, the main and most evident aspect to consider is language. Even if a company decides to adopt a global approach, it is likely that it will have to translate at least part of its communications.

According to Croué (2012), culture creates a way of thinking, a mental scheme according to which we tend to develop opinions related to practices, words, messages, etc. Therefore, it is crucial to understand culture in order to communicate more effectively. In this definition proposed by Croué, Hofstede's concept of "programming" features once more.

Another element to consider is that, when a company wishes to enter a new market, a strong image is essential, which can only be built through communications and promotion, such as events, sponsorships, products launches, and so on. This image must be present in each country and for each product, and represents a strong competitive advantage. This proves challenging, with the company needing to strike the perfect balance between adaptation and corporate brand coherence.

The other components of the promotion mix are also significant, and their use may vary depending on the habits and practices of a country (Jeannet and Hennessey, 1995).

2.3.2 Language

Language represents a key component of culture. Knowledge of the language facilitates understanding of the culture, since culture is expressed in a certain way through language. For this reason, knowledge of the language of the target market is essential and can determine the success of an advertising campaign by better satisfying a certain culture in terms of communication (Jeannet and Hennessey, 1995).

The language barrier constitutes the first challenge faced by international marketers because language represents the primary means of communication. Companies face a long-term struggle if they choose not to translate their content, and they may eventually decide to carry out this activity in-house, or by turning to an agency.

Translation is an activity that involves risk, and this risk is often underestimated. Not every message is translatable, at least according to the understanding of most people when they hear the word "translation". It can therefore be difficult to find fully effective translations and messages for the target culture. This is particularly true for brands. However, accurate translations can help companies achieve better results (Jeannet and Hennessey, 1995). Even though English is the lingua franca of business and is spoken by almost every executive in the world, many people do not speak this language.

In any case, using the language of the customer also marks a sign of respect and signals an attempt to adapt to customers' needs. There are companies that tend to produce advertisements in English so that they can be used in every country, but this is not necessarily the best option (Crou  , 2012). According to Jeannet and Hennessey (1995), international marketing adaptation was synonymous with translation at first. Nevertheless, a need for more complex, efficient and effective communication later emerged after it became clear that the main errors in international advertising were related to language and culture.

Given the higher level of culture targeting, marketers began to realise that the translation processes needed to be improved due to the specificities of advertising and marketing content. To indicate this different and supposedly more focused approach and perspective adopted during the translation process of marketing texts, a new discipline was born, namely *transcreation*.

2.3.2.1 Transcreation

Transcreation is an activity that started to gain popularity during the mid-20th century (Imbescheid, 2017), and concerns the cultural adaptation of marketing messages. The term appears to have been born in the literary context and already featured in some texts dating back to the 17th century (Katan, 2016, cited in Calvo and Mor  n-Mart  n, 2018). However, advertising agencies started using the term transcreation in the 1990s to refer to the activity of transferring advertising content from one language and culture to another (Imbescheid, 2017).

Transcreation rapidly became an independent branch of translation, and was used in international advertising and marketing to underline the fact that the translation of this kind of content required special attention to be paid to several aspects, such as communications objectives, cultural specificities, the market of the target culture, etc. Over the past few years, transcreation has also been discussed by many scholars, and a some research has been conducted on the topic (see e.g. Black, 2014; Imbescheid, 2017; Katan, 2015; Malenova, 2017; Seo, 2018). Moreover, transcreation is now mentioned in standards such as the ISO 17100, which covers the domain of translation (Calvo and Mor  n-Mart  n, 2018).

As mentioned, transcreation can be defined as the linguistic and cultural adaptation of advertising and marketing messages, and is often considered as a separate and independent activity from “simple” translation (Benetello, 2018; Calvo and Morón-Martín, 2018). Benetello even claims that advertising content cannot be translated, only transcreated. We will discuss whether this discussion is appropriate later.

The need for transcreation emerged from the need to translate advertising, which Benetello (2017, p. 238) defines as “the contemporary application of rhetorical techniques aimed at persuasion”, which also explains why the term was adopted from the literary context. Slogans, that is, “rich, succinct messages expressing the core ideas and values of a company or organisation, product, or brand” (Calvo and Morón-Martín, 2018, p. 138), constitute a key component of advertising.

With the increasing need for adaptation brought about by international exposure, these texts appeared to be extremely difficult to translate because of several elements contained within them, such as cultural elements, puns, and emotional resources (Calvo and Morón-Martín, 2018). The content needed to be equally as effective in the target language as in the source language, which, from a theoretical perspective, means adopting more target-focused approaches that refer to functionalist theories such as the *skopos* theory.

According to functionalism, the role of translators is to transfer a text into a target culture so that it serves the function for which the translation was requested (Reiss, 1984). Translators can therefore make changes to the target text that they deem necessary and the source text is only referred to as a *brief*. This seems particularly relevant for marketing and advertising content. According to the literature, this type of content is deeply rooted in a particular culture and language, meaning that it is essential to make use of several translation techniques in order to create an equally effective target text. Thus, changes and adaptations are encouraged if deemed necessary.

Scholars who consider transcreation a separate activity to translation, like Benetello (2018) and Calvo, and Morón-Martín (2018), support the idea that translators should be allowed and encouraged to distance themselves from the source text if they consider it essential for the creation of an equally effective translation. This the exact principle behind functionalism, according to which the source text almost loses its importance, and thus, serves as a reference provided by the client with specific instructions (i.e., the brief),

which indicate the requirements that the translated text must fulfil. The purpose of this brief is to provide the translator with specific instructions to carry out the job, thus limiting the translator's freedom. In fact, even transcreators must respect the client's needs in terms of project scope and objectives, corporate voice, brand identity, etc. (Calvo and Morón-Martín, 2018).

Given the freedom commonly attributed to transcreation, the concept of creativity is widely discussed in articles covering this topic. In fact, the translation of slogans and pieces of advertising usually requires transcreators to find more creative solutions than in traditional translation. This often leads to the creation of a completely new copy in which we cannot find any element of the source text (Benetello, 2017). The term *transcreation* actually refers to the idea of creating something new when transposing something to another culture. For this reason, creativity is often associated with transcreation, which is even considered a more creative form of translation. For instance, Calvo and Morón-Martín (2018, p. 131) suggest that when transcreating, "the translator/localiser will be translating creatively at some point to such an extent that the process becomes transcreative".

Another difference between transcreation and translation highlighted by Calvo and Morón-Martín (2018) pertains to the process leading to the creation of deliverables. In the case of translation, the client will usually only receive one translated text. This is not the case for transcreation, however. Clients often receive multiple solutions to analyse before choosing which one they prefer. In this context, and given the changes that often occur when transcreating, the transcreators' ability to support and justify their choices and hold face-to-face meetings to explain the process that led to the creation of the new text is crucial (Jemielity, 2018). In addition, while in translation the text is often simply translated and reviewed, mostly by people working individually, transcreation is a highly collaborative task, like many tasks in other creative industries, which is also stressed in the literature (Benetello, 2017; Jemielity, 2018).

According to Calvo and Morón-Martín (2018), transcreation represents a new approach to the notions of source and target text, notions that must be reconsidered from a functionalist perspective. In order to produce high-quality deliverables, transcreators need to develop their language and copywriting skills and cultural sensitivity, and gain an in-depth understanding of the market in which the translated copy will be used

(Benetello, 2018). Another definition and explanation of transcreation is proposed in Imbescheid (2017, p. 39)

Die Aufgabe der Transkreation ist die Anpassung/Adaption von Inhalten für Zielgruppen in anderen Kulturen. Das Ausgangsmaterial muss dabei nicht nur in sprachlicher und inhaltlicher, sondern auch in kultureller und funktioneller Hinsicht adaptiert werden. Es geht darum, die emotionale Wirkung, die Gefühle und die Idee des ursprünglichen Konzepts im Zielmarkt so zu vermitteln, dass sie bei der Zielgruppe Anklang finden und dort die gleiche Reaktion wie im Ursprungsmarkt auslösen. Die Anpassung an den zielkulturellen Kontext kann bedeuten, dass Inhalte in der Zielsprache gänzlich neu geschrieben werden müssen. Die Transkreation umfasst demzufolge nicht nur die Tätigkeit des Übersetzens, sondern auch des Textens/Copywritings. Auch nicht-textliche Elemente wie Bilder, Symbole, Farben etc. müssen berücksichtigt und u. U. angepasst werden, um bei der Zielgruppe im Zielmarkt die gleiche Wirkung zu erzielen [...] Das Ziel ist dabei, die Inhalte so zu übertragen, dass die vom Auftraggeber definierten Werbeziele mit der zielsprachigen Version möglichst erreicht werden. Die adaptierte, „transkreierte“ Fassung sollte nicht als Übersetzung identifizierbar sein, da sie im Zielmarkt im Wettbewerb steht mit Werbebotschaften, die direkt in der Zielsprache entstanden sind.

This quote stresses the fact that transcreation is a form of translation specifically used in marketing and advertising. The source text serves as a brief, but can be completely rewritten in the target language. In doing so, the attempt is to reduce the influence of the source text on the actual translation. The goal is to create a culturally and linguistically effective message that recreates the emotions and reactions of the original message, without appearing to be a translation. The transcreation of a message does not only involve text, but also graphic elements such as images, colours and graphics, especially in today's world where companies communicate through different media and create multimodal content (Rike, 2013). Cultural adaptation therefore entails far more than simply changing and translating a message, since a piece of advertising consists of many different elements that contribute to the success (or failure) of the message. Transcreators consider all these different elements.

In order to facilitate understanding of the concept of transcreation, several examples of translations in which the source text has barely been transferred to the target text will follow. The source text and target text are different, and some alterations were made to achieve the same effect on the target audience. The first example is taken from a brochure released by the Swiss bank Banque Cantonale Vaudoise (BCV, n.d.), in which its online

trading platform, TradeDirect, is presented². The source language at BCV is French, and the brochure was translated into English and German. The three versions of its main slogan are as follows:

- French: “Le trading en direct”
- English: “Trade right, trade smart, TradeDirect”
- German: “Direkter traden”

In this example, the three versions clearly followed the same brief, but significant changes were made to the message and style in order to better adapt the slogan to the different target audiences. The English example is the clearest out of the three.

The second example is the renowned jingle of the German confectionery company Haribo. Three versions of this jingle are the following:

- German: “Haribo macht Kinder froh, und Erwachsene ebenso”
- English: “Kids and grownups love it so, the happy world of Haribo”
- Italian: “Haribo è una bontà, che si gusta ad ogni età”

In this example, we notice that close attention was paid to the melody of the jingle and the rhyming scheme. The meaning of the three versions is extremely similar and it is evident that the authors followed a common brief. However, they paid close attention to both the melody and the rhyming scheme in order to create an effective marketing message in different languages. In other words, they did not limit the translation task to the mere transfer of information.

We decided to discuss transcreation because it clearly demonstrates how companies can adapt their marketing communications and advertisements to different target cultures. This form and level of adaptation may be required, especially when addressing distant cultures with considerably different values, representations, traditions and, of course, languages.

However, analysing the aforementioned specificities of transcreation, including a high level of creativity, cultural adaptation, distance from the source text, the degree of effectiveness, we realise that they do not represent the prerogative of transcreation,

² The brochure can be downloaded here: <https://www.bcv.ch/Particuliers/Produits/e-banking/TradeDirect/Documents-utiles>, accessed on the 15th April 2020.

because they are also essential to translation. Furthermore, some of the difficulties identified in transcreation, such as puns, humour and neologisms (Calvo and Morón-Martín, 2018) are identical to those found in translation. Even multimodality cannot be considered a prerogative of advertising, since the vast majority of content nowadays is multimodal (Gambier in Gambier and Munday, 2014).

So, the question arises: is transcreation actually different from translation? And, if so, how? In the following section, we will provide some more food for thought on transcreation and we will attempt to solve this dilemma, that is widely discussed in literature.

Some more food for thought: transcreation vs. translation

The introduction of a new term that attempts to define a supposedly new activity in the field of translation is always controversial, especially because these terms are often used as opposed to translation. Transcreation is only one of the latest terms to have been introduced, after transediting, transadaptation and versioning, for example (Gambier and Munday, 2014; Schäffner, 2012).

As Calvo and Morón-Martín (2018) assert, even the introduction of the term “localisation”, which can now be considered as a well-established term and discipline, generated concerns and debate among scholars. On the one hand, the proponent of this term found that the activity of localisation needed to be considered separately from translation, because it requires different skills related to programming, IT, etc. On the other hand, some scholars believed that all these new terms simply diluted the concept of translation, reducing it to a practice merely involving word-for-word transposition, if these terms are used as opposed to translation (Gambier and Munday, 2014; Schäffner, 2012), which is, of course, a dangerous oversimplification.

The same applies to transcreation: it may be argued that every transfer of a source text into a target culture requires cultural adaptation, which involves changes in the target text (if necessary), cultural sensitivity, knowledge of the target context and achieving the text’s objectives. This means that transcreation would simply be a synonym of translation, or that it could be considered as “properly done” translation.

In the translation industry in particular, the term transcreation is used to refer to the translation of advertising, and translation companies often describe how this process

differs from translation (Pedersen, 2014). However, is transcreation actually different to translation? To what extent is this the case? In order to understand if transcreation can be truly considered as a separate service to translation, we will discuss several key considerations in the following paragraphs.

In literature, opinions on transcreation vary. For instance, Jemielity (2018) refers to transcreation when describing the perfect setting and conditions required by a translation service in order to produce high-quality content that can be valuable for the client (or the company, since he states that these conditions are only possible in an in-house setting).

Some of the characteristics of this perfect environment are a high level of specialisation, the possibility and ability to hold face-to-face meetings with the client in order to justify and explain the choices made, and creativity, in the sense of being able to reduce the influence of the source text if this results in an ineffective translation solution.

We will focus here on face-to-face-meetings and creativity, aforementioned concepts that we must discuss in more detail. Creativity is strictly related, once again, to the functionalist idea that translators should make all the changes that they deem necessary so that the target text satisfies the client's requirements and achieves the translation's objectives.

However, we believe that the notion of creativity is not to be understood as simply distancing the target text from the source text, but as a means of transferring responsibility for the choices made by the translator onto the translator themselves. This means that a high-quality translation does not need to be creative in the sense that it is considerably different from the source text, but that it needs to serve the same purpose as the source text, and thus, all changes deemed necessary are encouraged. This is underlined by the fact that the text types mentioned by Jemielity also encompass more "traditional" corporate communications texts, such as press releases and corporate letters, and rather than simply advertising content, which usually enables, and even requires a higher degree of intervention (Jemielity, 2018).

As a result, translators should be considered experts in multilingual and intercultural communication, and they should be bold enough to create a text that they consider effective for the target audience. They should be ambitious and avoid translations closer to the source text, which are less fluent and idiomatic, simply because

“that is what the source text says”. It is essential that translators assume such a responsibility in order to produce high-quality deliverables.

As Rike (2013) suggests, translators should be considered cultural mediators and consultants. They therefore require direct contact with clients so as to justify their choices, which proves extremely difficult, especially if the client also happens to be the author of the source text. It is highly likely that an author will not approve of the changes made by a translator, but translators must be able to justify their choices and convince the client that the interventions are appropriate and improve the effectiveness of the text.

This involves some risk, of course, for which the translator must be held responsible. Jemielity discusses the idea that transcreation can be considered a “properly done translation” in the perfect translation service, especially since he suggests that this way of working is desirable for every text type, and he underlines that these business processes can only be implemented in an in-house translation department. In this case, transcreation appears to be synonymous with translation (or even, of well-performed translation), rather than a separate activity, even though the author discusses certain useful and enlightening considerations.

Benetello (2017, 2018) offers a different perspective on transcreation, which consists in considering this activity as the translation of marketing texts. The author suggests that marketing and advertising content cannot be translated, only transcreated, meaning that transcreators only tackle this kind of content.

According to this perspective, transcreation does not need to be particularly creative or generate deliverables that are extremely different from the source text. On the contrary, it may be useful, or even requested by the client, to translate a slogan by keeping it consistent and similar in each language so that the corporate identity remains consistent worldwide (Benetello, 2017). Creativity is not a criterion that can be used to define transcreation because translation is also a creative process, *per se*. Rather, transcreation refers to the types of texts translated. This also explains why transcreators often need to provide and discuss several solutions: this is essentially what happens when creating advertising and other marketing content.

As Benetello (2017) stresses, the translation of marketing content may even require the creation of a new copy to be used in a specific market. As a result, the translation

process for this kind of content requires meetings and multiple deliverables, as well as knowledge of the market and respect for the corporate brand and identity.

However, the author seems to consider transcreation as a considerably different activity to translation. Benetello (2018) attempts to prove that transcreation is different from translation by demonstrating that the error categories of an evaluation grid commonly used in translation would not work for transcreation, and that certain errors found in a translation would even be encouraged in a transcreation project. The grid includes the following categories:

- wrong term;
- syntactic error;
- omission;
- addition;
- word structure/agreement error;
- misspelling;
- punctuation error;
- miscellaneous error, which covers all errors that do not fall under any of the aforementioned categories.

In our opinion, this method is questionable because the requirements that a translation must satisfy strongly depend on the text type, the setting, the client, etc. Thus, the evaluation grids used may vary according to the situation.

For instance, the same grid would not be used for both a literary and technical translation project, since the requirements are different for both. In the literary translation project, terminology would be much less important than in the technical translation project.

Moreover, it should be noted that the errors considered good solutions by Benetello in a transcreation project are committed intentionally, that is, they do not technically constitute errors. For example, she claims that in transcreation some grammar mistakes or misspellings can be necessary to create an effective message, but it is also likely that linguistic errors would be intentionally included in a language manual. Likewise, when translating a dialogue involving a character with poor language skills, and thus, who commits linguistic errors while speaking, spelling mistakes would most likely be tolerated

in the target text. As is the case in transcreation projects, translators intentionally commit these errors in their translation because the texts require their presence. Nonetheless, no one would argue that some of these activities do not constitute translation tasks.

Furthermore, as previously mentioned, although other authors such as Pedersen (2014) and Schäffner (2012) seem to recognise that the introduction of new terms may increase awareness of particular aspects related to specific situations in the practice of translation, they question this trend in the translation industry of creating new labels to define supposedly different activities. This is because it leads to the devaluation of the term translation, which can also have negative sociological and professional consequences. As a matter of fact, when analysing the definition of transcreation proposed by translation agencies and reported in Pedersen (2014), transcreation is seemingly considered as a process which is more creative, and which goes beyond translation, which, consequently, is reduced to a simple word-for-word rendering of linguistic content. The danger here is that translation may therefore be considered as an inferior activity that “becomes disadvantaged if added value is given to roles bearing other labels” (Munday in Gambier and Munday, 2014, p. 22).

Towards a more pragmatic take on transcreation

Following all these considerations, we would like to merge Jemielity’s (2018) and Benetello’s (2018) viewpoints, and we will attempt to propose a definition of transcreation that we deem realistic, appropriate, pragmatic, and non-discriminating. We will then consider transcreation as a form of specialised translation, i.e. the translation of advertising and marketing content. Although the exclusive association of transcreation with the domain of advertising and marketing is perhaps questionable (see Gaballo, 2012), in the industry this term seems to refer mainly to the translation of this kind of content, as indicated by Pedersen (2014).

Despite the term transcreation being often used to separate this service from translation, as previously mentioned, we believe that considering translation and transcreation as two independent activities is nonsensical, because transcreation, like translation, consists in transferring a text from one cultural environment to another.

However, as legal translation differs from financial and literary translation in terms of processes, practices, methods used to find solutions, and the knowledge required by

the translator, so does the translation of advertising and marketing content. By considering transcreation as a subfield of translation that covers marketing content and corporate communications, it is abundantly clear that transcreation is, in essence, translation. However, we also highlight that the translation process for this type of content is different in that it requires specific skills (copywriting skills, marketing knowledge, knowledge of the market, understanding of branding, etc.).

Although the setting described by Jemielity (2018) may prove useful for every translation, it is essential in carrying out the translation of marketing content in particular, since it enables direct contact with the client and dialogue, and bestows upon translators the level of responsibility required to carry out the task ambitiously. We disagree with the claims of Calvo and Morón-Martín (2018) and Gaballo (2012), who affirm that a translation can be defined as transcreation if it reaches a high level of creativity.

In spite of the fact that these almost newly created texts are extremely fascinating and compelling from a theoretical and culture/language-enthusiast perspective, we should not forget that similarly rendering a slogan in all languages also represents a specific choice made by a company. This decision is made for the various reasons that we have already discussed, and may also depend on the field in which the company operates. It is undeniable that certain texts require different approaches and varying degrees of distance from the source text, but solely considering these texts as transcreation would excessively glorify this activity and belittle the work of marketing translators who are tasked with providing “simpler” solutions (as well as that of translators working for other industries). Like transcreation, terms such as localisation or interlingual subtitling should not be used as opposed to translation, given that translation subsequently loses its meaning (Schäffner, 2012). Rather, these disciplines reflect the extraordinarily complex and fascinating world of translation and should be used to underline certain difficulties or specificities of particular scenarios.

The universe of translation does not enable the establishment of clear boundaries between situations, which also explains why these terms should not be used as opposed to translation. In the case of a slogan to be translated and published on the website of a large bank, which contains some financial terminology, the need for different skills and the convergence of several activities, namely transcreation, localisation and financial translation, is evident. This explains why knowledge of the market and the field, as

advocated by Jemielity (2018), is crucial, providing the translator with certain essential skills to perform the task.

Besides, not every translator is capable of working on a financial, literary or legal text, and the same applies to marketing and advertising content; not every writer can be a copywriter, so not every translator can effectively tackle this content. For this reason, we believe that transcreation should be considered as a form of specialised translation that requires specific skills and field-specific knowledge to be performed correctly.

As was the case with localisation and audiovisual translation, transcreation appears to have gained recognition despite debates over its nature. This is reflected in the fact that transcreation has been integrated into programmes offered by various translation faculties, such as the Faculté de Traduction et d'Interprétation of the University of Geneva and the TeCreaTe project of the Spanish Universidad Pablo de Olavide (Calvo and Morón-Martín, 2018).

Regardless of the different viewpoints on this service, we welcome this change because it reflects the needs of the industry, and allows institutions to better train future language professionals and provide more accurate information on the current market situation. The concept of transcreation may be useful in the translation industry to highlight the need for translators to take more risks and be bolder in their approach, since they are intercultural experts who should not be afraid of distancing themselves from the source text if this is necessary in order to produce a high-quality translation.

In this chapter, we provided an overview of the main characteristics and challenges related to international marketing, with a particular focus on international communications and the role of translation. In order to complete our relevant literature review, we will discuss certain specificities of the luxury market in the following chapter with the aim of identifying common practices pertaining to the marketing strategy and communications.

3 Marketing strategies in the luxury industry

In the final chapter of our literature review, we will discuss some of the main specificities of marketing practices in the luxury industry, since our analysis will focus on this industry. Firstly, we will attempt to define the term “luxury good” and identify the main differences between luxury and normal goods. Secondly, we will present some of the industry’s characteristics with regard to the development of marketing strategies. Thirdly, we will discuss certain alternatives to the segmentation-targeting-positioning (STP) and 4Ps models that can be used in the luxury industry.

3.1 What is a luxury good?

The price of a luxury product is considered before any other aspect; they are extremely expensive. However, the high price of a product does not necessarily indicate its luxuriousness. As Kapferer (2009) affirms, it is inappropriate to define luxury using an economic approach because tangible variables, such as price, quality and the price gap between mass-market and luxury goods, only partly indicate the luxuriousness of a product. As we will see, there are other aspects and dimensions to consider that define whether a product is in fact a luxury product.

Chevalier and Mazzalovo (2008) suggest that a luxury brand is a selective and exclusive brand that delivers more emotional and creative value to the customer compared to normal brands. This is of course reflected in the products offered by the brand. According to them, a luxury product displays three main characteristics:

- The product is bestowed with a strong artistic component, meaning that it must exude aesthetic excellence and be considered a work of art. Every luxury object “devient presque un bijou en soi” (Kapferer, 2009, p. 81).
- The luxury product represents the result of artisan knowledge. When customers purchase a luxury good, they wish to purchase the creation of a particular artisan, ideally the company’s founder, who created the product by hand. These ideas of creation and creativity are critical in this industry, since the vast majority of companies were founded by “un créateur de génie” (Kapferer, 2009, p. 82), and this dimension should be present in every

object. Even though industrial production is also present in the luxury industry, this fact is often concealed, or, at least, not promoted, since this revelation would damage the image of the brand, and thus, cause it to lose its magic. Despite this, most luxury industries continue to offer products that are created, assembled or finished by hand (for example, in luxury watchmaking).

- Chevalier and Mazzalovo also claim that a luxury product must be international. A luxury product must be considered as such at the international level. It is essential for brands to be present in the main luxury cities because it may appear as though they are not appreciated in the cities in which they do not operate or own boutiques. While they must possess an international profile, their national identity must be strong; it forms part of their image and identity, and may represent of the reasons why customers purchase a certain product (see also Vigneron, 2014). As Kapferer (2009) suggests, the luxury brand tends to shine and be consistent in its image and identity worldwide. All these elements contribute to the creation of the identity of the brand, which is probably the most important element to promote and share, as we will discuss later.

As far as differences between luxury and normal goods are concerned, Chevalier and Mazzalovo (2008), and Briot (2014a), add that, while a normal product is conceived and purchased for a specific purpose, a customer purchases a luxury product because of the higher quality and the artisanal dimension associated with luxury goods. In purchasing a luxury good, the customer also purchases the cultural and traditional component associated with the brand, which they then shared with others. In this sense, a customer does not consume a luxury product, but lives alongside it (Chevalier & Mazzalovo, 2008). This even applies to more experiential products (i.e. services), such as luxury restaurants and hotels; reservations at luxury restaurants or hotels are not made for their practical purpose (that is, to eat and sleep), but for the whole experience that they offer. In other words, these products are lived.

We have already mentioned that a high price is essential in relation to luxury products. However, there is another extremely important aspect to consider, namely

rarity, which is of course linked to price. A luxury product must be rare, and thus exclusive, expensive, and highly desirable (Chevalier & Mazzalovo, 2008). A product must be known and its rarity must be ensured. It must be difficult to find and purchase, for instance, by setting a high price and using a selective distribution network, as well as offering products exclusively in the brand's boutiques (Chevalier and Mazzalovo, 2008; Micolau and Monneyron, 2014). This represents an opposite approach to common practices in other sectors, and requires limited production and availability of goods (Kapferer, 2009).

These represent the main features of luxury products, and, as we have seen, their emotional aspect is crucial. A luxury product is highly charged with symbolic and emotional value for the customer, which constitutes one of its main differentiating factors. With this aspect in mind, we will discuss the most distinctive trait of the luxury industry in the following section and its impact on promotion and communications strategies.

3.2 Luxury: a matter of brands

The greatest differentiating factor of the luxury industry compared to other industries is the importance and the power of brands. Chevalier and Mazzalovo (2008) stress that the luxury industry is a matter of brands and that brands represent the main reason why customers are willing to pay extra for a particular good. Vigneron (2014) adds that the luxury industry could not exist without brands and that companies must invest in them because of their considerable power.

The brand embodies the company's values and, as is the case for most luxury brands, the founder's values, mission and philosophy. Luxury brands often coincide with the founder's name, highlighting the symbolic and emotional dimension linked to history, tradition, craftsmanship and art. Through the brand, the company can transmit its emotional value and promote its heritage, which defines its positioning strategy (Briot, 2014b).

An interesting perspective on brands is proposed by Kapferer (2009), according to whom the creation of a brand occurs when the founder disappears. When the founder leads the company, there are no limits to their creativity and the possibilities of expressing this creativity. On the contrary, when the founder disappears, it is necessary for the

company to perform a company and brand analysis in order to identify the founder's values, ethics and vision, so that it can consistently continue its activities.

The founder and history of the brand belong to a larger set of elements that are extremely important to companies and on which their value is mostly based, namely its heritage. This heritage includes historical places, buildings, objects, the brand's history and milestones, the founder and expertise. When a customer purchases a luxury product, they have purchased part of this heritage, since products must embody these aspects, values and symbols. It takes time for a company to build its heritage, and this time also represents a key component of the heritage itself, as well as of the brand, because it highlights the long journey upon which the company has embarked and its role in the industry (Briot, 2014a). This is why the vast majority of companies in this industry are hundreds of years old and clearly highlight this fact.

The importance afforded to heritage represents a fundamental characteristic of luxury brands, representing the main focus of companies' communications and promotional efforts. However, young luxury brands originating from the U.S. in particular are an exception (although this trend is no longer specific to the U.S.); given their recent creation, these brands do not possess a heritage on which they can rely to facilitate their promotional efforts. They therefore employ different strategies that essentially consist in creating their own story (Kapferer, 2009).

We can therefore assume that the brand constitutes the most important asset of the company. It also performs specific functions, five of which are identified in particular by Vigneron (2014). In his article, he also divides the luxury market into three segments, namely the *masstige* (luxury for the masses) segment, the premium segment and the high luxury segment. Based on how they perform in carrying out the different functions, brands can be classified according to these three segments. The five functions are:

- ostentation: purchasing a luxury product represents a sign of wealth and economic and social success. The more expensive a brand is, the more luxurious and prestigious it tends to be;
- identity claim: brands represent social markers. Individuals express their identity with the goods that they purchase. Through brands, individuals express their belonging to certain groups. Even brands themselves attempt

to separate clients from non-clients through price, distribution, etc. (Kapferer, 2009);

- distinction: consumers try to separate themselves from specific groups through brands. Brands must create microsegments and ensure their exclusivity. Rarity is an essential component of this process;
- affection: luxury brands satisfy sensorial and emotional needs. They provide physical and mental pleasure. Luxury brands create emotions, and the majority of people purchase luxury products for their own pleasure. A luxury good constitutes a source of multisensory pleasure (Kapferer, 2009). This is why communications in the luxury industry focus to such a large extent on this sensorial and emotional dimension;
- utilitarianism: because of high price of their products, attention to detail, commitment to perfection and the extremely high standards they must meet in order to survive on the market, luxury brands tend to produce better and higher quality products. They also place a great deal of emphasis on innovation and craftsmanship. The quality attributed to luxury brands is also influenced by their place of origin. Likewise, the brand can benefit from its geographical location if the company originates from a country or a region renowned for its level of expertise and quality in a particular field (for example, Swiss brands with regard to watchmaking, Italian brands in relation to the fashion industry). This link to the past is extremely relevant in the luxury industry, but must be accompanied by innovation and adaptation. As Kapferer (2009) suggests, one of the main challenges for brands is to seduce and retain today's young customers and not rely solely on older generations. Innovation and the definition of quality standards are therefore essential.

Thus, brand image and reputation are extremely important, and companies take great care of their brands knowing the fundamental role that they play. The brand and its image must be improved, particularly through communications and promotion activities, such as sponsorships, partnerships and corporate communications. Before addressing certain interesting and useful practices carried out in the luxury industry with regard to

communications and promotion, we will briefly discuss the life cycle of the luxury brand and its impact on branding decisions.

3.2.1 Luxury brand's life cycle

Like any brand in any industry, luxury brands undergo several phases in their lives, which are explained in detail in Chevalier and Mazzalovo (2008). Because of the essential role that brands play in this industry, each one of these phases can affect branding decisions.

The brand firstly comes to life, which corresponds to the creation phase. According to the authors, a successful brand usually originates from the ambitious project of a talented individual, namely the project of the founder. If they believe to have something innovative and unique to offer, the project becomes a reality, and products are produced and sold. A brand can be successful and enter the market if it can offer something innovative and different. During this initial phase, the brand starts its journey and becomes increasingly notorious.

Following this initial phase, a brand enters a growing phase that encompasses both quantitative and qualitative attributes and can lead to geographical and product expansion, meaning increased visibility and presence. This growing phase can also result from a general expansion of the entire field.

With regard to geographical expansion, the company faces all the difficulties related to international marketing that were detailed in the previous chapter. Conquering foreign markets represents a complex task that may require different forms of adaptation, even in terms of products sold and communications.

As far as product expansion is concerned, it is imperative that the company remains consistent and that all new products lines are coherent with the brand's values, image, vision and identity. This consistency is easier to achieve if the brand's values are conceptual and refer to lifestyle, for example. During this phase, brands slightly redefine and adjust their strategies, but without losing their core values. They do not reposition themselves, but may be required to adapt their strategies and identities in order to make themselves appeal to a wider and more varied audience. This cannot be considered repositioning because the changes made are discrete and do not affect the brand's core identity and customers. However, in order to expand the products offered, the brand may

attempt to study its identity, and identify elements that can be developed and used to justify product expansion.

This is followed by the maturity phase, during which the growth rate decreases and is low. In normal industries, companies attempt to differentiate their products, but this may not be feasible in the luxury industry. Instead, there is the possibility to create sub-brands targeting different customer segments, but the challenge here is to ensure that customers will also embrace the main brand's values. The authors stress the importance of anticipating the maturity and decline phase (the next phase) in order to be prepared to deal with such phases. The decline phase corresponds to the loss of market shares and a decrease in sales. Chevalier and Mazzalovo (2008) present three possible scenarios. The first is a long decline (i.e. several years of decrease in revenue), which is only possible if the company possesses many resources. If the company does not succeed in finding a good recovery strategy, the brand may even cease to exist – the second scenario. The company exhausts its resources and the brand is either purchased or disappears. The third scenario pertains to the recovery of the brand. The brand can decide to reposition itself and attempt to offer its products to different customers. In fact, if a company is undergoing the decline phase, it usually means that the brand and the products no longer attract customers, who lose interest. For this reason, drastic changes may be necessary, which may involve creating a new identity, a new image and new values in order to attract new customers. An example provided by Chevalier and Mazzalovo (2008) is that of Gucci, which recorded a turnover of 140 million euros in 1992 and 2.1 billion euros in 2001. During its decline phase, the brand abandoned its traditional values related to high-quality craftsmanship and the Italian tradition and lifestyle, and associated its image with “l'univers des swingles hollywoodiens, noctambules mondains” (Chevalier and Mazzalovo, 2008, p. 147).

3.3 Communications strategies

As previously mentioned, communications also fulfil a significant role in the luxury industry, especially with regard to disseminating the brand's image, values and heritage. Advertising and communications contribute to the creation of the brand's myth and narrative (Kapferer, 2009). Moreover, communications, through the elements of the promotion mix, help create a customer experience and trigger emotions. By promoting

the brand and its products, the company highlights its competitive advantages, which tend to be linked to its history and image.

3.3.1 Storytelling based on heritage

Storytelling represents a key element of the communications strategies of luxury brands, and the stories told are essential (Briot, 2014b). With its storytelling, the company creates its symbolic universe and strengthens its brand. According to Briot (2014b), there are many similarities in the storytelling of luxury brands: the main theme is usually the origin of the brand and the contributions its founder gave to the industry. This allows for a powerful story to be told, since this theme encompasses many important elements that prove useful to a luxury brand, namely its longevity, its craftsmanship and expertise, and its values. Given the associations between the brand and its founder, a personality embodying all the main traits and values of its founder is attributed to the brand.

Briot (2014b) identifies different trends in the storytelling of luxury brands, but the vast majority of them pertain to the founder and its history. This is particularly important for heritage brands, which tend to stress the value of their heritage through their communications activities in several ways. These include highlighting the expertise and craftsmanship dimensions, and almost sacralising and insisting on their link with the historical places related to the brand, which, in the case of buildings, can even be transformed into museums in order to better promote the company's role in the development of its particular field. Alternatively, visits of the brand's historical *ateliers* (workshops) may be organised (Dion, 2014).

Beyond creating a magic and symbolic brand universe, the company attempts to inform (the idea of content marketing) and astound the customer (Briot, 2014b). The sacralisation of important places concerns countries, cities and even buildings. Historical places, as previously mentioned, are extremely important in the luxury industry because they form part of the heritage of a brand. Thus, countries and cities that have played an instrumental role in the history of the field, and that are directly related to the brand, are promoted and sacralised. Places of origin are also used as competitive advantages, especially if the country or region to which a company belongs is renowned for a particular type of product or form of expertise.

For instance, Switzerland is renowned for its strong watchmaking tradition, and thus, Swiss watchmaking companies automatically possess a sort of competitive advantage that they can use in their promotion strategies. This also applies to France and Italy with regard to fashion. When customers purchase luxury products, they also purchase part of this history, expertise and place. This aspect is also highlighted by Croué (2012), who explains that the link to the place of origin is essential, and, in turn, is promoted worldwide because it represents a strong and often decisive competitive advantage. When customers purchase a Parisian *foulard*, they also desire a piece of “frenchness”, that is, they are also purchasing the origin of the product and the brand.

Therefore, as the author indicates, it is difficult for a luxury company to price a good in a foreign market, since the price must be sufficiently high to ensure consistency worldwide. However, if customers consider this price too high, there is even the possibility that they will wait to visit the country from which the brand originates and purchase the product there. This would contribute to the luxury experience sought by customers when purchasing such goods. Nevertheless, overly insisting on the country of origin may be counter-productive, because, as previously mentioned, luxury brands must appeal to customers worldwide, meaning that being overly ethnocentric may damage the brand (Vigneron, 2014). A good balance must therefore be struck.

In addition to the geographical component of a brand’s heritage, another crucial dimension in terms of promoting the brand is its expertise, level of innovation and contribution to the development of its field. With regard to storytelling, the content created must inform, impress and, ultimately, attract customers. Therefore, almost every brand describes specific milestones in the history of its field and the role that it has played in its communications. More generally speaking, several milestones in the brand’s history will be presented to underline its longevity, skills, quality and importance. We will now provide some meaningful examples to illustrate this practice.

3.3.1.1 Chanel’s video recorder

On the website of the highly acclaimed French fashion brand Chanel, there is a section called *Inside Chanel* (Chanel, n.d.)³. This section represents a great example of

³ <https://inside.chanel.com/it/gabrielle-chanel-and-cinema>. Accessed on the 23rd of May 2020.

how content marketing can be created and disseminated. The section consists of several videos created by the brand that trace the chapters (that is how these videos are called) of the brand's history and present its most important milestones and figures. For instance, the very first video is dedicated to the iconic fragrance Chanel No. 5, which is followed by a video of the fragrance's most famous ambassador, Marilyn Monroe. Other videos follow, presenting the founder and other key figures that contributed to the history and development of the brand, other iconic products, places, expertise, etc. There is even *The Vocabulary of Fashion*, a video that defines Chanel as a reference for the field, by highlighting its crucial role in defining rules and schemes in the fashion industry. It describes various iconic products and explains their origin, focusing on the role played by Chanel in their creation and/or development.

As previously mentioned, this series of videos embodies the very essence of content marketing because it includes entertaining and informative content that customers may find useful, since actual information is provided. The content also aims, of course, to promote the brand through highlighting its importance and heritage. The language used is extremely interesting, with everything being narrated as though it were some sort of poem. The tone and the soundtracks are alluring, and the words are carefully selected to create an engaging description that elevates the brand to the pinnacle of the field by emphasising the role it has played in its evolution. The use of this particular type of language demonstrates how brands attempt to create their universe and trigger the consumer's emotions.

3.3.1.2 Damiani's heritage and philosophy

Damiani is a major Italian jewellery house with two sections on its website that once again demonstrate how storytelling in this field is based on heritage and expertise. There are two sections on the brand's website entitled *Heritage* (Damiani S.p.A., n.d.a) and *Damiani Diamonds* (Damiani S.p.A, n.d.b). The former is self-explanatory; on this page, the brand presents its history, its milestones, some iconic pieces, its origins, its founder (after whom, in this case, the brand is named), etc. Certain key historical figures who were once Damiani customers, such as Queen Margherita, are also mentioned. This clearly demonstrates its extreme competence and quality. Referring to famous customers is a strategy to which Briot (2014b) also refers. The *Heritage* section is therefore both

informative and entertaining. The *Damiani Diamonds* section is also extremely fascinating, which describes *The 10 Cs of a Damiani Diamonds*: carat, cut, colour, clarity, craftsmanship, custom made jewellery, certificate, change option guarantee, coverage, and conflict- and child labour-free. With this simple concept, the brand created a page that embodies its overall philosophy and describes all its main practices. This informative content provides information about terminology (carat, cut, clarity, colour), which helps the customer understand what they are purchasing, as well as why the brand's products are so valuable. Information on the brand and its practices – craftsmanship, custom made jewellery, certificate, change options, warranty – is also provided, which underlines the brand's expertise and the quality of its products in every aspect. Moreover, the brand's philosophy (conflict- and child labour-free) is also discussed on this page. On just two webpages, the brand presents its heritage and provides useful and captivating information to customers about its role in the industry and the quality and essence of its products and services. These elements are used, as previously explained, as competitive advantages. The language and style used are similar to those employed by Chanel, which helps to create a luxurious and alluring atmosphere.

3.3.1.3 The world of Bentley

We will also analyse certain pages on the website of the British luxury car manufacturer Bentley (Bentley Motors, s.d.). The website design is minimalistic, with just two main menus, one of which is *World of Bentley*. *The Bentley Story* can be found under this menu, which contains a wide variety of content related to the brand's heritage. This section also presents and describes the brand's most iconic models, and discuss their origin. There is also information about key figures that have shaped the company's identity and reputation, starting with the founder, Walter Owen Bentley. In addition, the *People and Expertise* section provides information on innovations, production processes, design and craftsmanship. This content, which is presented so that it is compelling, can prove particularly useful for customers who wish to enhance their knowledge of the brand, its products and its achievements, as well as the automotive industry in general. The language used also contributes in this case to the creation of a magical atmosphere that guides the reader/customer through the history of the brand and along the trail of its heritage.

3.3.2 The integration of technologies

The world of luxury has traditionally been reluctant to integrate new technologies, especially the Internet. As de Lassus (2014a) observes, this might be due to the fact that the Internet is incompatible with the luxury ideas of exclusivity and rarity. In fact, internet content and information can be accessed by anyone, which eliminates its exclusivity. This is especially true in relation to the purchasing act, a topic that will be specifically discussed later in this paper.

Despite this, new technologies have become so important these days that the luxury field had no choice but to embrace them, and companies discovered that they could even use them to more widely share their story and increase its power. Every company now has its own website and multiple social media pages that resemble newsletters (de Lassus, 2014a) and through which they disseminate their messages. With regard to communicating and sharing the company's history and messages, new technologies can be extremely powerful instruments that enable the increasing exposure and an even more effective diffusion of content. Thanks to these instruments, companies have been able to afford more value to their expertise and history, as well as reinforce their storytelling and make it available to an even wider audience (de Lassus, 2014a) (it is not a coincidence that the examples provided above originate from companies' websites). As the author stresses, in order for digital communication and media to be effective, they must be consistent with the brand's identity, and it is essential for the company to adopt an integrated communications strategy, an aspect to which we already referred in previous chapters.

Moreover, the issue related to the idea of exclusivity can be overcome by creating separate digital spaces reserved for specific customers, for example. This requires good management of customer relationships, which may also benefit from new technologies. With customer relationship management systems and customer experience management systems in place, companies can build and maintain their customer relationships more effectively (de Lassus, 2014a).

A specific domain in which technology still struggles to assert any form of influence is online selling. Although customers can now purchase goods online pertaining to many different luxury industries (for example, Louis Vuitton offers the possibility to purchase

products online, as well as the luxury American fashion company Celine), this is not a rule of thumb, since the purchase of a luxury good represents an experience the brand must ensure. De Lassus (2014a) claims that luxury customers are used to human interaction, and, for this reason, online selling will never replace personal selling. This is because an experience is associated with a brand and is inherent to the luxury purchase. In addition, special and exclusive services may also be offered alongside the purchase of a particular product, such as special assistance and invitations to events. Nevertheless, e-commerce represents a reality that even the luxury industry will end up embracing given its endless possibilities. The challenge for brands is not only to replicate the same brand experience offered in physical stores, but also to provide some forms of this experience in the digital world. In order to better understand what is typically meant by the term “luxury experience,” a concept that encompasses several dimensions and involves all the senses, we will provide several examples and explanations in the next section of this paper.

3.3.3 The purchase: a luxurious experience

The purchase of a luxury good is different from that of normal goods; luxury goods are not usually purchased because they are required, but because of what they mean (Wiedmann et al., 2013). After defining the concept of luxury customers, we will discuss the topic of luxury experience, exploring several strategies used by brands to ensure a memorable and captivating experience. We will then tackle the very current and earlier mentioned topic of e-commerce in the luxury industry.

3.3.3.1 Luxury customers

Before addressing the sales experience topic, it is worth dedicating a short section to the definition of the luxury customer. As Chevalier and Mazzalovo (2008) suggest, the luxury customer is fairly easy to identify and locate, since this category of consumers tends to be extremely homogeneous, internationally speaking. Given the strong similarities between luxury customers and the importance of brands, which leads to the need for international consistency, luxury companies typically adopt more global marketing approaches compared to other industries (Croué, 2012).

Despite the relatively global nature of the luxury consumer, the figures reported by the authors show that there are differences between countries in terms of products purchased and opinions. For instance, when the book was written in 2008, 30-40% of luxury Italian and French *prêt-à-porter* purchases were made by Japanese customers, while, for example, American customers tended to purchase a wider variety of products. In China, men are more likely to purchase luxury products, which explains why brands offering products designed for men in this country can penetrate the market more easily. Moreover, Japanese culture does not welcome fragrances and perfumes for various reasons, hence the low sales of these products in Japan. Meanwhile, fragrance and perfume sales are extremely high in the U.S., where purchases account for 30% of global fragrance sales. Opinions on luxury goods also vary depending on nationality. In some countries, like France, customers display a positive attitude towards luxury products, while in others, like Australia, consumers tend to display a more negative attitude towards luxury, or even reject it altogether (Chevalier and Mazzalovo, 2008).

A common automatic assumption is that luxury products are only purchased by rich individuals. Although it is undeniable that economic wealth is strongly associated with luxury due to the high prices requested and the ostentation and identity claim functions for which luxury goods are purchased, it is also clear that people do not need to be billionaires to afford a Louis Vuitton bag. According to a study discussed in Chevalier and Mazzalovo (2008), 63% of the population in developed countries has purchased at least one luxury product in the last 24 months. This is mostly due to the affective function of luxury goods: consumers do not purchase in order to consume them, but to live alongside and take care of them. Therefore, it is hardly surprising that even ordinary people purchase luxury goods to celebrate important events and moments in life, such as a university degree, a first job, or an important birthday.

Customers belonging to this customer segment are called *excursionnistes* [excursionists] by Chevalier and Mazzalovo (2008). As stated by the authors, the term was introduced by Bernard Dubois and Gilles Laurent in 1999. For these customers, the purchasing act resembles a trip, a visit to a museum. When they enter a boutique, they expect to enter a different universe in which they can find extremely high-quality products and service. They are aware that they will need to spend a large amount of money, but decide to do so anyway to celebrate a particular moment with a special purchase. They

are aware that the purchase represents an irrational act, but they are nonetheless willing to carry out the purchase in order to experience something different and memorable. They are seeking a gratifying and multisensory experience. This is what customers expect from luxury brands, which must implement all kinds of marketing strategies to ensure this experience, and which starts from the main places where transactions take place, namely boutiques and so-called flagship stores (Chevalier and Mazzalovo, 2008).

3.3.3.2 Boutiques and flagship stores

Since the majority of luxury products purchases seem to occur in physical stores, it is fair to say that boutiques and flagship stores are the main sales channels for brands. Thus, there are several aspects to consider when discussing these places.

As their name suggests, they constitute the temples of the brand. Flagship stores must embody and transmit the entire identity and values encapsulated by the brand, as well as disseminate messages and the brand image. These stores represent powerful non-verbal communication tools that help the company to attract and retain customers and create an appropriate experience for them (Arrigo, 2018).

As mentioned at the beginning of the chapter, it is important for luxury brands to be physically present worldwide. The choice of location for the opening of a flagship store represents a crucial decision, which is often influenced and guided by the activities of the competition. It is therefore common to find streets or districts in major cities where the presence of luxury brands is extremely strong. Brands usually need to be present in these locations to target and attract the attention of customers. It may prove more effective to open a small boutique in one of these places than to open a larger boutique on a less significant street (Chevalier and Mazzalovo, 2008). In addition, it must be stressed that flagship stores should be conceived as places in which customers can find the best expression of a brand's identity. For this reason, everything and everyone, from the furniture to the sales force, is carefully selected so that the brand experience offered is consistent worldwide (Meiche, 2014).

The sales force has already been mentioned several times, and plays a major role in the creation of a memorable experience for customers through its direct contact with them. Therefore, good training and incentives for the sales force are essential in ensuring that it delivers this memorable experience and is motivated to build relationships with

customers. Salespeople are trained to understand customers' needs and adapt their approach accordingly. They attempt to build strong and almost personal relationships with them, which is almost more important than the purchase itself (Chevalier and Mazzalovo, 2008). Furthermore, in order to experiment with the rarity dimension of luxury goods, brands may even decide to open pop-up stores that recreate the same brand experience as regular stores, but with a new and temporary appeal (de Lassus, 2014b).

In conclusion, stores and sales forces represent an essential component of the brand experience, which is difficult to create and involves all five senses.

3.3.3.3 A multi-sensory experience

The *luxury experience* takes place in flagship stores and boutiques, which represent powerful communication tools that are used to attract and retain customers, thanks to their visual impact and the experience that they provide (Arrigo, 2018). In these buildings, the magical universe of brands is created and a wide variety of resources are implemented in order to create what Wiedmann *et al.* (2013) define as a multi-sensory experience. With this kind of experience, brands can create "superior customer-perceived value" (Wiedmann *et al.*, 2013, p. 60) and display characteristics typically associated with luxury, such as high quality, exclusivity and aesthetics. By triggering the senses, brands arouse positive emotions that make the purchasing experience memorable.

Sight is one of the most important senses because it is the first one that we use when coming into contact with the external world, and thus, triggers emotions. For this reason, the layout of the store and the way that items are displayed in the shop are carefully considered with the aim of attracting customers and increasing sales in mind (Meiche, 2014). The visual aspect of the store is dictated by the brand identity, which influences the overall layout and, for instance, the choice of furniture and decoration. Space management is also crucial: these stores tend to be extremely spacious with few products on display, which are often placed in display cases at hand/eye height and cannot be touched (Meiche, 2014). The display of products in luxury boutiques is therefore similar to that of items in museum exhibitions. This is due to the artistic dimension of luxury goods, which, as such, arouse emotions and are therefore considered works of art.

Hearing and smell can also be used to improve the experience. Music is known for its ability to change people's mood, and thus, is used to influence behaviour. For instance,

relaxing background music is usually played in boutiques so that customers extend their visit (Wiedmann et al., 2013).

The importance of smell is related to the fact that it triggers emotions and the recall of memories. For this reason, smells can be used to reinforce brand memory by spraying a particular fragrance in the store (Wiedmann et al., 2013).

Touch also represents a powerful sense to exploit. It is often the case that a visit to a boutique represents customers' first opportunity to touch products. This sense is important in understanding the physical characteristics of a product and trying it on. Moreover, boutiques tend to be "soft", due to the use of carpets rather than harder and cooler materials, which would make customers walk faster. Thanks to this "softness", customers feel inclined to extend their visit because they believe to be well taken care of and feel comfortable. Temperature is also a very important aspect to consider (Wiedmann et al., 2013).

Taste constitutes another dimension of pleasure that can be used to improve the customer experience in a boutique. For instance, boutiques might be equipped with bars in which customers are invited to consume a drink or snack, which allows them to extend their visit. This approach was recently adopted by Breitling (Branstrator, 2019).

By creating this multi-sensory experience, brand attention, memory and experience can be significantly improved, which customers seek.

3.3.3.4 The role of technologies and e-commerce

Despite the massive growth of e-commerce in every industry, it is not a very popular distribution channel in the luxury industry, despite the fact that brands are now offering this purchasing possibility. Technology has long formed part of the boutique experience, with screens and particular systems to exhibit products, but online selling is a more recent phenomenon. This is mainly explained by the fact that luxury customers do not look solely for a product, but for an overall experience, which is difficult to replicate online. The industry has already fully embraced the Internet with regard to communications and promotion, as we discussed earlier, but not so much in terms of selling. However, times are changing rapidly and brands are now increasingly migrating towards this new distribution channel.

As Mercanti-Guérin (2014) suggests, this transition is more challenging than in other industries because luxury brands must offer more, and the experience we described in detail in the previous section is difficult to replicate online; triggering the senses online is not an easy task. Despite all these difficulties, many brands now offer online selling and have adopted different philosophies. For instance, some brands make their entire catalogue available online, whereas others only sell specific products. Brands have realised that the Internet offers a new range of possibilities and advantages from which they can benefit, particularly with regard to internationalisation, customer relationships, and the fight against counterfeiting (Mercanti-Guérin, 2014). In fact, official websites ensure greater control and a more effective response to falsified goods, which are omnipresent online, and allow companies to transmit their messages and sell products to every country, provided that their website and marketing strategy are appropriately internationalised, as we discussed in the previous chapter. The industry can also collect information about customers more easily and effectively, and, thanks to CRM, they can maintain their relationship with clients. For instance, several companies provide online concierge services that can help customers during the decisional and buying processes, and even afterwards.

To conclude, Mercanti-Guérin (2014) presents the hypothesis that, as a consequence of this rise of e-commerce, a new paradigm is emerging in the luxury industry. E-commerce has democratised luxury goods, which are now more accessible and easier to find and purchase on second-hand platforms. This can lead to a shift in habits and perceptions of luxury products, which will simply be considered “normal” objects without this emotional and experiential dimension. Consequently, consumers will treat these products as though they were normal goods, and, in turn, such products will be sold much more frequently. Based on this perspective, physical and digital retail could then become two distinct selling channels dedicated to different segments of customers. There may no longer be a need to replicate the physical experience online, hence the reason for the continued existence of boutiques. We may agree that the idea of luxury has been democratised and that goods are often purchased as though they were normal objects, but we do not believe that the search for a luxury experience and human contact will disappear, especially in the high luxury segment, as indicated by de Lassus (2014a).

3.3.4 The importance of corporate social responsibility

These days, one of the main ways that a company can improve its image is by drawing attention to its corporate social responsibility (CSR), which we discussed in the opening chapter. As explained by Béji-Bécheur (2014), even brands in the luxury industry (and maybe in this industry *in particular*, given its extensive use of “controversial” materials, such as leather or precious metals), have developed CSR plans that are then promoted to highlight their efforts towards collective well-being.

Corporate social responsibility can be used as a competitive advantage and the luxury industry has traditionally been criticised for some of its practices concerning raw materials and working conditions abroad (Arrigo, 2018). For this reason, brands are now prohibiting or recycling fur, promoting local artisans and using local and sustainable raw materials. Moreover, brands increasingly work with suppliers that offer sustainable and good working conditions (Arrigo, 2018).

At first sight, luxury and sustainability are incompatible: while sustainability stresses the importance of using resources responsibly and sparingly, luxury goods are extremely expensive and almost unnecessary by definition. However, these two worlds are more compatible than one might imagine. The luxury industry focuses on creating extremely high-quality objects that can last forever. In addition, these objects are also, and mostly, purchased for emotional reasons, which is why they are often handed down from generation to generation. This dimension of conservation is compatible with that of sustainability and is perfectly in line with the luxury idea of preserving resources and expertise (Arrigo, 2018; Béji-Bécheur, 2014).

An improved reputation and image are essential because brands are the most important asset of a company, but brands only exist thanks to loyal customers. For this reason, companies focus on building strong relationships with customers and managing them effectively through the different marketing and communications activities that we discussed earlier (Vigneron, 2014).

In the previous section, the importance of flagship stores for a company's sales has been stressed. However, as Arrigo (2018) states, flagship stores can also be used to promote a company's social and sustainability efforts. Flagship stores represent key communication channels that can be used to inform customers about the brand's practices

and philosophy in relation to CSR. Events can be organised in stores in order to present a company's projects with regard to sustainability, and even the design of a store and the way that it is furnished can help transmit messages. For instance, a new building can be built in accordance with strict environmental standards and furniture could be manufactured using sustainable resources (for example, wood from sustainable forests). In this particular scenario, it is clear that the role of the sales force goes beyond "simple" selling. Staff members are in direct contact with the public and can promote the company's CSR and sustainability projects.

The importance of corporate social responsibility is also underlined by the presence of several foundations and associations linked with different companies. The Fondation Hans Wilsdorf (Hans Wilsdorf founded Rolex), the Tiffany & Co. Foundation, and the Fondation Louis Vuitton represent several examples of companies' affiliated institutions that contribute to the improvement of social, cultural and environmental conditions worldwide.

After discussing certain significant specificities of the luxury industry that influence marketing and communications strategies in particular, we will conclude this section of the review of relevant literature by providing an alternative to the 4Ps model that was developed specifically for this field.

3.4 Reconsidering the 4Ps model

As we explained in the first chapter of this paper, traditional marketing is based on an understanding of the market and customers. Companies analyse the market in order to understand what customers need and want so that they can determine how to satisfy them and ensure their loyalty to the company. However, given the importance of brands and their identity, this strategy may not be very appropriate for the luxury industry. Dubois (1998, cited in Chevalier and Mazzalovo, 2008) claims that in the luxury industry, companies do the opposite of companies operating in other fields. Vigneron (2014) also stresses this point: the traditional STP strategy may be appropriate for the masstige luxury segment, which happens to be more similar to standard segments than higher luxury segments. The author suggests that companies operating in the luxury industry tend to adopt a positioning-segmentation-targeting strategy rather than a traditional STP strategy. In fact, the positioning of luxury brands does not represent a choice made by the company,

but it depends on the brand, since its positioning must be consistent with the brand image, its history and the founder's vision and philosophy. As Kapferer (2009) asserts, luxury brands represent the outcome of an internal project, namely that of the founder, which is then continued by the company and the brand when they disappear.

Luxury brands do not respond to a particular demand. Rather, they are used to express creativity. Subsequently, we may assume that luxury brands are slightly more independent from the market compared to companies operating in other sectors. In fact, there are more options available to luxury brands in terms of how they can operate, and it is very rare for them to be strongly influenced by the competition. These brands possess their own proper programme, a proper vision and aesthetic codes (Kapferer, 2009), to which they attempt to remain loyal during the course of their life. Brands are so important in this industry that they may even dictate certain rules. It is undeniable that demand and customers remain essential in the development of luxury companies, which would not exist without them. Companies are not fully independent in the sense that their offer must satisfy certain customers, and the relationships shared with customers are crucial. Complete freedom may not be allowed, but there is a higher level of independent decision-making.

Given this level of importance afforded to the brand, the relevance of the 4Ps model is questionable. As Chevalier and Mazzalovo (2008) explain, this model was devised in a context of weak competition in which brands did not play a decisive role. Over time, the importance of brands has grown significantly, making the model obsolete. The importance of brands has led to a conceptual shift: the product is no longer the centre of the company's activities. This role is now attributed to the brand, which has become "un projet de signification, dont le produit n'est qu'une des manifestations" (Chevalier and Mazzalovo, 2008, p. 253). In fact, the authors seem to question the 4Ps model regardless of the industry; the more influential the role played by a brand in an industry, the less effective and appropriate the 4Ps model tends to be. Since the luxury industry is probably the industry in which brands are most powerful, the 4Ps model may be inappropriate. For this reason, the authors propose a different brand-centric model, which they have dubbed the *communication chain* (*chaîne de communication*).

3.4.1 The communication chain

The model presented by Chevalier and Mazzalovo (2008) is based on the premise that everything starts from a brand project, namely the intention of a company to create and propose something specific. The brand project represents the first link of the communication chain and encompasses all aspects that are typically present in products and all the other forms of expression of the brand (dubbed *manifestations de la marque* by the authors). These are the sensorial dimension, which includes aesthetic values, colours, forms, etc., and the intelligible dimension, which encompasses the brand's ethics, values, vision, etc. The importance of the brand project consists in highlighting the fact that the brand identity is not defined by consumers, but that it represents the result of the company's efforts. Consumers only influence the brand identity at a later stage.

The second link of the chain includes all the forms of expression of the brand, that is, all the means by which the brand comes into contact with customers. The authors divide these expressions into six categories:

- traditional communications activities: advertising, PR, events, etc.;
- signature system: logo, labels, packaging, etc.;
- points of sale, offices and factories: architecture, visual aspect, sales staff, shop windows, decorations, expertise, etc.;
- products: quantity, categories, colours, materials, style, quality, price, etc.;
- behaviours: social and environmental activities, ethics, etc.;
- customers: customers usually belong to specific groups, which ultimately represent the brand.

The company can experiment with these instruments in order to deliver its offer and its superior brand value. The management team of the company calibrates these different instruments by following several different strategies, which may result in a more – or less – integrated and consistent approach. Messages transmitted through different forms of expression may complement each other, be identical, or even be unrelated and inconsistent, which is, of course, undesirable. Through these forms of expression, the brand is presented to the market.

The third link of the communication chain corresponds to perceptions of different customers of the brand and the associated products. It is unarguable that these representations are influenced by previous activities, which constitutes the main advantage of this model: rather than perceiving brand identity as something that is only dictated by customers, the model suggests that the company controls it as much as possible.

Furthermore, these different perceptions regarding the brand image and the social representations of the brand lead to the purchasing act, provided that the customer embraces the values and vision to which the brand is committed and transmits.

3.4.1.1 Why *communication* chain?

The idea behind the name of this model is that all the forms of expression of the brand described above represent means by which the brand expresses and presents itself to the public. According to this perspective, all these *manifestations de marque* represent means of communication. Through these forms of expression, the brand achieves all the main objectives of communications, namely to inform, attract, arouse desire, create a positive image, etc. However, these efforts alone are insufficient, since, more importantly, the brand has to make sense. If a brand does not make sense, that is, it is not well conceived and does not really have its place in the market, it is difficult to create an identity that can be transmitted through the forms of expression of the brand. On the contrary, if a brand does make sense, it is easier to convey its identity via its forms of expression, through which the brand is presented and promoted to the public, enabling customers to evaluate the brand and its offer so that they can decide whether they approve of the brand. If a brand makes sense, the public can embrace the vision, ethics, values and aesthetic codes embedded in its forms of expression. This idea is in line with concepts discussed earlier in this paper, namely the fact that traditional communications activities do not represent the only means by which a brand, and its image and identity, are promoted. Every form of expression of a brand constitutes a form of communication used to promote the brand's values, vision, etc. Each one of these activities serves the traditional purposes of communications (to inform, entertain, trigger emotions, reflect the brand's values, etc.). Through these activities, the brand project is presented to the market

and the perceptions of customers are influenced in order to allow them to embrace its philosophy and identity.

The communication chain constitutes an interesting model that highlights the role played by identity, ethics, the brand's aesthetic and its forms of expression in creating the meaning of brand's sense. This model tackles marketing from a different perspective that may prove useful in analysing decisions made by companies. However, given the practicality of the 4Ps model, we believe that it cannot be entirely replaced. This is because the two models can be employed simultaneously, depending on the type of analysis to be performed, and they may also complement each other. On the one hand, the 4Ps model emphasises the importance of the market and the idea that customers decide if a brand/product/company has a place in the market. On the other hand, the communication chain underlines the active dimension in the creation of a company/brand. Companies make offers on the market because they have a project in mind and believe they have something to offer that may appeal to consumers. They are not simply responding to a specific demand, but attempting to create something new in which they believe. For this reason, we will often refer to both models in our analysis.

In the opening chapters of this paper, we have covered all the relevant aspects related to marketing, international marketing and the peculiarities of the luxury industry. In every chapter, particular attention was paid to communications, since this dimension will represent the core of our analysis. We will now present our case study.

4 International marketing strategies in the luxury watchmaking industry

4.1 Introducing the case study

Having carried out the theoretical groundwork in our literature review, we will now proceed by presenting a case study aimed at analysing international marketing strategies in the luxury watchmaking industry.

Even though this field has already been the subject of marketing studies (see e.g. Pop and Zottu-Z, 2016) and conferences (see Bashutkina, 2016, 2018), a more general study focusing on marketing strategies as a whole in this particular field seems to be lacking. In addition, it appears that the role played by multilingual communication and translation in this field has not yet been addressed. This analysis has two main goals.

Firstly, international marketing strategies will be analysed in order to determine whether the practices discussed in the literature review correspond to the reality in this field. Even though the study will not be limited to communications strategies, these will constitute its main focus, since our aim is to identify the role played by translation/transcreation in the overall marketing strategy. Thus, we will attempt to understand how the companies selected for study adapt (if applicable) their marketing strategies to different countries and how they communicate, more specifically, which media they use and the main topics that they cover. We will then analyse how translation fits into these communications strategies, which languages are involved and how content is translated.

The second main aim of this study is to pave the way for future research focusing on both the watchmaking industry and the role of translation as an international adaptation tool for corporate communications, with the latter needing to be integrated into the communications strategy and not perceived as a stand-alone activity. In academia, translation is often studied as a stand-alone activity disconnected from everything else. However, by adopting a marketing perspective and considering translation as a tool, we wish to highlight the fact that this activity should be considered an essential element of a company's corporate communications strategy, and that translation should be considered

in the decision-making process. Translation forms part of the overall communications strategy, and, subsequently, should be compliant with aspects such as branding and corporate voice. This automatically rejects the idea of translation representing a separate, stand-alone activity.

As a sort of introductory study, this paper will provide a general overview of the subjects mentioned in order to cover as much information as possible and serve as a starting point for future research.

4.2 Methodology

The entire analysis will be structured around the four Ps of the marketing mix, meaning that each component will be analysed to understand how companies implement them. Although the limitations of this model have been highlighted in the literature review, it will be used because of its simplicity and practicality. We believe that this model is perfect for structuring an introductory analysis, since it can be easily adapted to cover all the topics that will be discussed later. However, given that our study will focus on the luxury industry, the communication chain model will also be used as a complementary model. This model will allow us to analyse several elements from a different perspective, and thus, effectively test this model.

In addition to dividing the analysis into four sections (i.e. the 4Ps), we also decided to divide the luxury watchmaking industry into three main segments, mainly based on price. With this industry being so vast in terms of the number of companies operating within it and the differences between these companies, we believe that implementing this form of segmentation will prove useful in determining whether there are similarities or differences within segments with regard to their marketing strategy. A select number of brands were chosen for each segment to limit the scope of the study and focus on brands that we consider most representative of the segment to which they belong. These segments are defined as follows, using the classification proposed by Vigneron (2014):

- **high-luxury segment:** this is the most exclusive segment and includes companies that offer products at the highest prices (within the brands considered for the study). Brands in this segment also happen to be some of the oldest and most historical *maisons*. The brands selected for this segment

are Patek Philippe, Audemars Piguet, Vacheron Constantin, Breguet and Blancpain;

- **premium segment:** this segment includes brands that offer products at a lower average price. The brands selected are Rolex, IWC, Breitling and Omega;
- **masstige segment:** this segment includes brands that offer products at an even lower price, but that we still consider (as well as themselves) as luxury brands. As we will see, one of their aims is to make luxury products accessible to everyone, hence the appropriateness of the terms “masstige” (luxury for the masses). The brands selected are Baume & Mercier, Frédérique Constant, Longines and Maurice Lacroix.

During the selection process involving these brands, we decided to focus on Swiss companies for two main reasons. Firstly, Switzerland is widely considered as the world’s leading country for watchmaking, both in terms of quality and quantity. The most renowned and significant brands are based in this country, and the Swiss-made label continues to hold importance. Secondly, since all the companies chosen are based in the same market, there are no differences between them with regard to the home market and foreign markets. The home market of all of these companies is Switzerland, and other countries and areas represent the foreign markets of each of these companies. This criterion should ensure a degree of consistency and could prove useful in drawing comparisons between them, since it eliminates differences between countries and markets.

Furthermore, we decided to select brands with significant production levels. We therefore excluded all small independent brands, such as MB&F, F.P. Journe, Philippe Dufour, Uhrwerk, Czapek, and many others. These are companies with small teams, or, in some cases, one-man operations, such as Philippe Dufour. Moreover, both their production and marketing budgets are limited, especially because of their size. We are referring here to watchmakers that often offer bespoke services and products, are in direct contact with only a small number of customers, and thus, produce an incredibly small number of products (Corder, 2019). For example, Philippe Dufour produces his watches alone, the creation of a single watch can take up to thousands of hours of work, and it is

extremely difficult to purchase one of these watches (Watchfinder & Co., 2020a). In a sense, these brands represent at best the essence of a luxury brand, since their products essentially represent the result of an artistic project undertaken by the founder, and the traditional and artisanal dimensions are present. However, by being so independent and producing so little, their marketing strategies are most likely different and they represent a niche segment that would need to be analysed on its own. Due to their uniqueness, they were excluded from this study.

Based on these premises, we will conduct our analysis using a descriptive approach in order to attempt to answer the following questions:

Q1: Which level of adaptation is adopted by Swiss luxury watchmaking companies for their international marketing strategies? In our literature review, we defined a spectrum when classifying the degree of standardisation of marketing strategies across countries. At one extreme are standardised global strategies, while marketing strategies that are carefully adapted based on the market are found at the other, leading to a wide range of differences existing between countries: where do the strategies of Swiss luxury watchmaking companies fit on this spectrum?

Q2: What role does translation play in the international communications strategies of these companies? What are the main target languages? What is – or is not – translated? What kind of transcreation is found?

4.3 Analysing marketing strategies

As mentioned in the introduction of this chapter, the analysis will be structured around the four Ps. Each one of these components will be analysed and certain considerations pertaining to the different segments will be presented.

4.3.1 Price

The first component that will be analysed is price. This P defines the positioning strategies for companies and contributes to the creation of several well-defined segments.

For this reason, price is the main criterion that we used to define our three segments. Before conducting the actual analysis, certain clarifications must be made.

Firstly, although the companies analysed are all watchmaking companies, some of them also offer other kinds of goods, such as jewellery (for instance, Omega and Breguet) or accessories (for instance, Blancpain also offers writing instruments). In order to ensure that all of these companies could be compared, we decided to focus exclusively on watches – the main products offered by these companies. In fact, comparing different types of goods with inherent differences in price may be misleading.

Secondly, price is evidently determined by different criteria. For this reason, certain high-end watches in the masstige segment may cost more than base models in the high-luxury segment if they are composed of a precious metal or more refined, for instance. Nevertheless, we believe that segmentation based on price is key, since, as we will see, boundaries can be identified relatively easily by analysing the price ranges of the different brands more closely.

Finally, it should be noted that the prices reported in this study are currently listed (second half of 2019 - first half of 2020) on the brands' official websites or included in physical price lists collected from brands boutiques of these brands. These prices may differ from current prices if this paper is consulted at a later date. Individual retailers could also set different prices.

In the high-luxury segment, prices usually start at around CHF 9,000-10,000, but it is also possible to find cheaper products in some cases. For instance, Breguet offers a product for less than CHF 10,000 (CHF 9,200; ref. 3800ST/92/9W6), but the prices of the vast majority of its products exceed this threshold. Vacheron Constantin's least expensive watch on its website costs CHF 12,100 (ref. 4600E 000A B442). Patek Philippe offers a series of lady quartz watches at around CHF 11,000 (ref. 4910/10A), and they are some of the cheapest, if not, the cheapest watches offered by the company.

It is worth noting that quartz technology is mainly a feature of very cheap watches that is not usually appreciated by watch enthusiasts due to the lack of associated mechanics, tradition and craftsmanship, thus lowering the price. Selling a quartz watch at that price therefore indicates the strength of the brand.

As far as the highest prices are concerned, all these brands offer products for several hundreds of thousands of Swiss francs. For instance, the highest price displayed

publically for a watch by Blancpain is CHF 480,000 (ref. 0233-6232A-55B), while this figure stands at CHF 350,000 (ref. 6104R-001) for Patek Philippe. It should also be noted that brands in this segment often avoid indicating the price of certain watches, revealing it solely on request.

The premium segment offers watches at a lower average price. For each one of the brands selected, several options under the CHF 10,000 threshold can be found, and there are often watches available for less than CHF 5,000. For instance, the lowest price charged by IWC is CHF 4,600 (ref. IW327010, IW327003, IW324008, and others), while the lowest price set for Omega and Breitling products is less than CHF 3,000 (Breitling ref. A74389111G1X1, Omega Constellation Quartz ref. 123.10.24.60.51.002).

The highest prices in this segment are lower, but it is possible to find watches worth more than CHF 100,000, such as IWC's Da Vinci Tourbillon Rétrograde Chronograph (ref. IW393101), which is sold at a retail price of CHF 110,000. Moreover, the price of certain watches is not indicated on the brand's website, and thus, is only available on request (for example, the Rolex Sky-Dweller 326935).

In the masstige segment, there are watches starting at around CHF 600-CHF 700. Each brand has base models starting at less than CHF 1,000. Some examples of watches in this category are Baume & Mercier Classima 10563 (CHF 990), Longines Présence L4.320.4.12.6 (CHF 750), and Frédérique Constant Classics Carrée Ladies FC-200MC16 (CHF 650).

As is the case with brands in the premium segment, even masstige brands offer particular pieces for extremely high prices, which are sometimes even higher than those of the base models of high-luxury brands'. For instance, Frédérique Constant offers a Classic Tourbillon Perpetual Calendar Manufacture (ref. FC-975S4H9) worth CHF 29,995. The price of this watch is justified by the complexity and variety of the complications (i.e. functions of the watch), the material of which it is composed (there are variations in precious metals such as rose gold), and the fact that it represents a 30-piece limited edition watch. Another example is Baume & Mercier, which sells a Clifton Baumatic 10470 in precious metal and with several complications for CHF 22,900.

4.3.1.1 International pricing

In order to compare international price strategies, we attempted to discover how products are priced in different markets.

We proceeded as follows: in some cases, the brands' websites are localised in different languages and for specific countries. For instance, the websites of Vacheron Constantin, Breitling and Baume & Mercier allow the potential client to select the language and country (with its corresponding currency). In this way, it is relatively simple to compare prices in different countries. In other cases, changing the language does not automatically change the location of the user. For instance, if the websites of Blancpain or Patek Philippe are accessed from Switzerland, the prices will be indicated in Swiss francs, regardless of the language selected. In these cases, a Virtual Private Network (VPN) was used in order to change the location identified by the website and simulate access from another country. In the table below (table 1), we reported the prices of one product per brand in five different countries: Switzerland, United States, Japan, the Netherlands and Italy. These countries were chosen in order to compare prices applied in three different continents, as well as within the EU. Moreover, when available, the price for the Chinese market was indicated. We will frequently refer to China in this study, because this immense country represents the most important market for the Swiss watchmaking industry (Thompson, 2020), and, by being an emerging market with significant differences in terms of purchasing power compared to the other countries mentioned, it will be interesting to see whether prices are adapted and how. In the table, all prices were converted into Swiss francs in order to make the comparison easier. Exchange rates vary continuously, of course, and this can even lead to significant differences in price. However, we believe that it is worth proceeding with this comparison in order to provide a first overview of the topic. The exchange rate used – that registered on 20 June 2020 – will be indicated in the table.

It is important to underline the fact that prices usually include various taxes such as VAT, but this is not the case in every country. For instance, prices for the U.S. market do not usually include taxes, since they vary between states. For this reason, US prices are usually slightly lower than prices in other countries.

Table 1 International pricing

Segment	Brand	Model	Price CH	Price IT (EUR 1=CHF 1.06)	Price NL (EUR 1=CHF 1.06)	Price US (USD 1=CHF 0.95)	Price JP (CHF 1=JPY 112)	Price CN (CNY 1=CHF 0.13)
High luxury	Patek Philippe	Calatrava (ref. 5196J-001)	CHF 18,400	CHF 20,495 (EUR 19,250)	CHF 17.611 (GBP 18.729) ⁴	CHF 19,877 (USD 20,870)	CHF 21,465 (JPY 2,409,000)	-
	Audemars Piguet	Code 11.59 (ref. 15210BC.OO.A002CR.01)	CHF 27,000	CHF 29,489 (EUR 27,700)	<i>Boutique exclusive, the price is not indicated</i>	CHF 25,523 (USD 26,800)	CHF 27,445 (JPY 3,080,000)	CHF 28,280 (CNY 210,000)
	Vacheron Constantin	Overseas Chronograph (ref. 5500V/110A-B148)	CHF 30,300	CHF 33,002 (EUR 31,000)	CHF 32,786 (EUR 30,800)	CHF 26,954 (USD 28,300)	CHF 29,210 (JPY 3,278,000)	CHF 30,974 (CNY 230,000)
	Breguet	Classique 7147 (ref. 7147BB/29/9WU)	CHF 21,000	CHF 22,677 (EUR 21,300)	CHF 22,461 (EUR 21,100)	CHF 20,477 (USD 21,500)	CHF 22,839 (JPY 2,563,000)	-
	Blancpain	Fifty Fathoms Bathyscaphe (ref. 5000 0130 B52A)	CHF 12,000	CHF 12,967 (EUR 12,180)	CHF 12,858 (EUR 12,080)	CHF 12,248 (USD 12,860)	CHF 12,448 (JPY 1,397,000)	-
Premium	Rolex	Explorer II (ref. 216570)	CHF 7,900	CHF 8,463 (EUR 7,950)	CHF 8,409 (EUR 7,900)	CHF 7,953 (USD 8,350)	CHF 8,409 (EUR 7,900) ⁵	-

⁴ Surprisingly, when we accessed the website with the VPN set to the Netherlands, the price was indicated in GBP. We used the following exchange rate: GBP 1=CHF 1.17 (20 June 2020).

⁵ The website does not show prices in JPY.

	Omega	Globemaster annual Calendar (ref. 130.33.41.22.01.001)	CHF 8,500	CHF 8,623 (EUR 8,100)	CHF 8,516 (EUR 8,000)	CHF 8,048 (USD 8,450)	CHF 8,821 (JPY 990,000)	-
	Breitling	Navitimer B01 Chronograph 46 (ref. AB0127211B1P1)	CHF 7,900	CHF 8,198 (EUR 7,700)	CHF 8,239 (EUR 7,740)	CHF 8,267 (USD 8,680)	CHF 8,919 (JPY 1.001.000)	CHF 7,999 (CNY 59,400)
	IWC	Pilot's Watch Chronograph Top Gun (ref. IW389101)	CHF 8,450	CHF 9,156 (EUR 8,600)	CHF 9,048 (EUR 8,500)	CHF 7,429 (USD 7,800)	CHF 9,017 (JPY 1,012,000)	CHF 8,389 (CNY 62,300)
Masstige	Longines	The Longines Master Collection (ref. L2.910.4.78.3)	CHF 2,110	CHF 2,044 (EUR 1,920)	<i>Price not available for this specific country</i>	CHF 2,309 (USD 2,425)	CHF 2,705 (JPY 303,600)	CHF 2,437 (CNY 18,100)
	Maurice Lacroix	Aikon Automatic (ref. AI6008-SS001-330-1)	CHF 1,590	CHF 1,692 (EUR 1,590)	CHF 1,692 (EUR 1,590)	CHF 1,800 (USD 1,890)	CHF 1,764 (JPY 198,000)	-
	Frédérique Constant	Flyback Chronograph Manufacture (ref. FC-760DG4H6)	CHF 3,995	CHF 3,928 (EUR 3,690)	CHF 4,146 (EUR 3,895)	CHF 3,805 (USD 3,995)	<i>Price not available for this specific country</i>	CHF 4,807 (CNY 35.900) ⁶
	Baume & Mercier	Clifton Baumatic 10518	CHF 2,900	CHF 2,981 (EUR 2,800)	<i>Price not available for this specific country</i>	CHF 2,847 (USD 2,990)	CHF 3,234 (JPY 363,000)	CHF 2,976 (CNY 22,100)

⁶ We could not find the exact model on the Chinese version of the website, so a variation of it was selected for reference purposes (ref. FC-760N4H6).

Generally speaking, prices in the countries included in the study are extremely similar across all segments. There are undoubtedly some differences, but we believe that these can be attributed to taxes and variations in exchange rates. More marked disparities between prices are present in some cases, however, with a comparison of Switzerland and Italy serving as an example, but these disparities may be explained by a 10% difference in VAT between the two countries; there is around a 10% difference in the price of these brands/products in these two countries. There are certain exceptions to this rule, with the products of Longines and Frédérique Constant being less expensive in Italy than in the home market, for instance.

It should be noted that prices also vary within the EU in some cases. However, even in this particular case, price differences may be explained by different taxes. For example, while VAT stands at 22% in Italy, a rate of 21% is charged in the Netherlands. This small difference in VAT translates into a small price gap between these countries.

Price remains consistent, even when Asian countries are considered, despite purchasing power in these countries arguably being lower than in Western countries. This applies to China in particular. Although prices in Japan and China tend to be similar to the original prices set in Switzerland, they may be slightly higher, most likely due to export costs. There are once again some exceptions to this trend, of course, with the products of IWC being cheaper in China than in Switzerland, for example. However, this small difference could be explained by exchange rate variations.

In each segment, the highest prices can be found in Japan, and there is often a significant difference in prices in Japan compared to Switzerland. For example, Breitling's watch costs CHF 1,000 more in Japan than in Switzerland.

In brief, we can conclude that these companies adopt an extremely standardised global approach with regard to pricing and positioning. Although variations exist, these differences are insignificant, especially considering that these prices are extremely high. Taxes and exchange rates seem to justify most of these price differences. As mentioned in the literature review, the reasons behind adopting this standardised approach towards pricing could represent the willingness of the luxury watchmaking industry to maintain a consistent positioning worldwide with a view to adding value to the brand and creating a global image. The fact that these brands appeal to extremely wealthy individuals who tend to share similar habits worldwide may also justify the decision to adopt a

standardised approach internationally (Chevalier and Mazzalovo, 2008). Considerable price adaptation would therefore oppose this idea. Although companies selling mass-market goods may be more inclined to slightly decrease prices in countries with lower purchasing power, companies operating in the luxury industry refrain from doing so; in the luxury industry, prices remain consistent, and even, increase in other markets, most likely to cover costs.

4.3.2 Product

If we adopt the communication chain approach (detailed on p. 87), products can be considered as one of the most important forms of expression of the brand. These forms of expression not only enable the brand to make profits, but also represent communication tools that create impressions in the external world, thanks to its different aesthetic, functional, qualitative and availability characteristics. Products represent essential tools through which the brand establishes a relationship with customers.

In this section, we will focus on the watches offered by the various selected brands and determine whether there are trends, similarities and differences within and between brands and segments with regard to their product offer. We will then compare the offer of these brands in the home market and in foreign markets to determine whether any form of product adaptation exists, or if the offer is standardised and a global approach has also been adopted for this marketing mix component.

Before proceeding with our analysis, we will define and clarify certain terms. We will start by dividing watches into two main categories, namely dress watches and tool watches. Dress watches represent the most classic and elegant timepieces. They are typically endowed with a leather strap as opposed to a steel bracelet or rubber strap, they tend to be simplistic (even though they may also have complications), and they are suitable to wear for formal occasions.

On the contrary, tool watches are more casual and sporty, and were originally designed to be worn by professionals while working. They therefore serve a specific function and were intended to serve as tools rather than accessories. The most common types of tool watches that we will consider in our analysis are:

- dive watches: these are believed to accompany explorers during their underwater missions. They are highly water-resistant and usually have a

large moving bezel to measure the time spent underwater. They tend to be quite large to improve their legibility and the use of the bezel underwater. They are also typically endowed with luminescent hour indicators to ensure legibility in the dark. The most famous examples of this type of watch are the Rolex Submariner⁷ and the Omega Seamaster 300m⁸;

- pilot's watches: these are developed with pilots in mind and are typically of military heritage. They are also quite large, often displaying a large crown, since the model was designed to be used with gloves. They also display clean and easy-to-read dials. A great example of watches falling under this category are those in IWC's Pilot's Watches collection⁹, which include several models inspired by military aviation;
- sport watches: these can be considered sporty dress watches. As we will discuss later, this type of watch was developed quite recently following the release of the Audemars Piguet Royal Oak¹⁰ in the 1970s. These watches are usually composed entirely of metal and can be worn on a daily basis thanks to their tendency to be robust;
- racing watches: these watches derive from the world of racing, and thus, are imbued with a prominent racing theme. Designed to time races, they are endowed with a chronograph function. Many of these watches are related to the field of car racing, such as the Rolex Daytona¹¹ and the Tag Heuer Monaco¹².

These represent the main kind of watches that we will consider in our analysis. Although these watches are not used as tools nowadays, they were designed to be used in various situations in the past.

We have also already discussed the concept of complication. Certain watches are equipped with movements that provide additional information to the time. Some watches

⁷ <https://www.rolex.com/watches/submariner.html>, accessed on 31 October 2020.

⁸ <https://www.omegawatches.com/en-gb/watches/seamaster/diver-300-m/product>, accessed on 31 October 2020.

⁹ <https://www.iwc.com/ch/en/watch-collections/pilot-watches.html>, accessed on 31 October 2020.

¹⁰ <https://www.audemarspiguet.com/en/watch-collection/royal-oak/>, accessed on 31 October 2020.

¹¹ <https://www.rolex.com/watches/cosmograph-daytona.html>, accessed on 31 October 2020.

¹² <https://www.tagheuer.com/gb/en/collection-monaco/collection-monaco.html>, accessed on 31 October 2020.

indicate the time in different time zones, while some are equipped with many other features, including a chronograph, a minute repeater and a perpetual calendar. These functions evidently contribute to the greater complexity of the movement of the watch, and thus, the watch overall, as well its higher price.

4.3.2.1 Watch categories

The watch typologies produced by brands constitute a differentiating factor. On the one hand, in the high-luxury segment, brands tend to focus primarily on dress watches, even if they produce extremely complex watches. For example, Patek Philippe promotes nine standard collections on its website (Patek Philippe SA, n.d.), six of which only include dress watches, even though these watches are extremely complex and display various complications. Despite these characteristics, they represent elegant, classic timepieces that would not fall under any tool watch category.

Vacheron Constantin offers one sporty collection out of a total of eleven standard dress watch collections (Vacheron Constantin, n.d.). Only one of the collections offered by Breguet can be considered a tool watch collection, since it includes pilot's watches (the Type XX-XI-XX collection). Breguet also offers the Marine collection, which is associated with the brand's past as the chronometer supplier for the French Navy (Montres Breguet SA, n.d.).

On the contrary, brands belonging to the premium segment seem more focused on tool watches and each one of these brands offers at least several different versions. For instance, Rolex offers two main collections: the Cellini and Oyster collections. The former mainly features dress watches, while the latter, which is undoubtedly the most popular, features a wide variety of tool watches: dive watches, racing watches, pilot's watches, watches for explorers and scientists, etc. (Rolex SA, n.d.).

IWC also offers three collections of tool watches: the Pilot's Watch, Ingenieur and Aquatimer collections (IWC Schaffhausen, n.d.).

The same applied to Breitling, which offers six tool watches out of seven collections. This brand is renowned for its pilot's watches, offering four collections of this type of watch. It also offers two dive watches collections, as well as a collection dedicated to contemporary professionals (Breitling, n.d.a).

We argue that this major difference is attributable to the history and origin of these brands. High-luxury brands are centuries old (for example, Blancpain and Breguet were founded in 1735 and 1775 respectively, while Patek Philippe started its journey in 1839) and used to create timepieces for the aristocracy and the upper class, which were not interested in tool watches.

A brand that does not follow this dress-watch trend is Audemars Piguet, which, despite offering some classic dress watches, focuses primarily on the Royal Oak, the model that saved the brand in the 1970s and marked the creation of the luxury steel sport watch segment (Mazzardo, 2017).

In the 1970s, the Swiss mechanical watchmaking industry was threatened by the rise of more precise and cheaper quartz movements originating predominantly from Japan. At that time, Audemars Piguet was at risk of bankruptcy and decided to attempt to conceive of a completely new product. In 1972, the company presented the Royal Oak, the first luxury sport watch composed of stainless steel. This represented an extremely bold move given the extremely high price set for the watch, which was more expensive than products composed of precious metals offered by competitors (Mazzardo, 2017).

The Royal Oak led to the creation of a new segment, becoming an icon in watchmaking, and thus, saving the company from decline and making it one of the most important *maisons* in the field (for more details, see Mazzardo, 2017). Audemars Piguet is now mostly associated with the Royal Oak, but the brand recently released a completely new collection dubbed Code 11.59, which features relatively complex dress watches.

Meanwhile, brands in the premium segment were founded in different contexts with different projects. For instance, Hans Wilsdorf, an entrepreneur as opposed to a watchmaker, founded Rolex at the beginning of the 20th century. His goal was to offer professionals tools that they could use while working. For this reason, there are many tool watches in the Oyster collection dedicated to different professions (Watchfinder & Co., 2020b).

Breitling's website (Breitling, n.d.b) informs visitors that it used to focus on the development of chronographs for practical reasons. For instance, chronographs proved useful in measuring speed or patients' heartbeat in hospitals. The brand also focused on creating watches for pilots.

The most interesting aspect of this segment is that the image of each brand is often associated with a particular field, or at least, an area of expertise. As previously mentioned, IWC and Breitling are renowned for their aviation-related heritage, Omega is highly acclaimed for its Speedmaster and the moon landing, while Rolex is particularly celebrated for certain specific models, such as the Submariner, the Daytona or the GMT Master II, which all constitute sporty tool watches. As we will see, this link to particular fields influences communications strategies.

The masstige segment is different from the other two segments in that the watches produced in this segment are mostly heterogeneous. Many dress watches feature in this segment, but brands also produce various sport and tool watches. For instance, Frédérique Constant offers a wide range of types of watch (Frédérique Constant, n.d.), Baume & Mercier's most popular models are dress watches (Baume & Mercier, n.d.), and Maurice Lacroix's best-selling watch is a sport watch (Maurice Lacroix, n.d.).

The analysis of the brands' portfolios led to the interesting discovery that Frédérique Constant has dubbed one of its collections "Horological Smartwatch". As the name suggests, this collection features timepieces with analogue dials and several smartwatch functionalities, such as notifications, a sleep tracker, and automatic time adjustment when changing time zones. It is very rare for a luxury company to offer a connected watch. In fact, we found two other companies that offer genuine smartwatches, rather than connected watches with an analogue dial. These two companies – Tag Heuer (with its Tag Heuer Connected) and Hublot (with its Big Bang E, released in June 2020) – would be classified as premium and high-luxury brands respectively if they had been included in the analysis. This discovery is noteworthy because it suggests that even the smartwatch industry is influencing the more conservative luxury mechanical industry.

It is also worth mentioning that every brand regularly produces limited edition watches.

4.3.2.2 Technical features

Products offered by the three segments can also be differentiated in terms of technical features. The first major difference is the choice of materials. Precious metals dominate the portfolios of high-luxury brands, while they are less prominent in lower segments. In certain cases, high-luxury brands even use more exotic and rarer materials.

An example of a watch composed of such materials is the Villeret Métiers d'Art Binchōtan by Blancpain¹³; the dial is composed of *binchōtan*, a Japanese charcoal obtained using a century-old technique.

In lower segments, steel is more prominent, and PVD, a cheap coating technique, is sometimes employed in the masstige segment. This difference in materials seems logical: high-luxury brands are more prestigious and focus on refined and elegant dress watches, hence the use of more precious metals and stones. Premium brands offer tool watches, for which steel is the obvious choice. However, tool watches are also now offered in precious metals, since they are no longer purchased for their original purpose. Masstige brands offer a good mix of precious and standard materials.

Movements constitute another differentiating factor. The higher the segment, the higher the percentage of in-house movements produced by brands. The ability to produce in-house movements lends prestige, value, and exclusivity to companies and highlights their level of expertise. In the high-luxury segment, this practice is extremely common, because brands are centuries old and have gained immense technical experience during their history, which has been characterised by numerous innovations and inventions.

The production of in-house movements is prominent in the premium segment, but third-party movements are also present, which can be modified by brands to fit their purposes and meet their standards.

Meanwhile, the masstige segment is characterised by the strong presence of quartz movements, which are quite rare in the two higher segments. However, even in this segment, companies produce their own movements, with Baume & Mercier and Frédérique Constant serving as examples. For instance, Frédérique Constant produces around thirty manufacture movements. This high-end practice has entered the lowest segment, and these brands are interestingly positioned, since they offer many features commonly found in higher segments, but for lower prices.

¹³ <https://www.blancpain.com/en/news/villeret-metiers-dart-binchotan>, accessed on 31 October 2020.

4.3.2.3 Craftsmanship

Beyond expertise and quality, craftsmanship plays a fundamental role, as previously mentioned during our discussion in the third chapter of this paper on the artisanal component of luxury goods found in Chevalier and Mazzalovo (2008).

In luxury watchmaking, skilled watchmakers assemble products by hand, a reality highlighted by brands themselves. This is especially the case for the decorations involved in the creation of a watch. A wide variety of different techniques and decorations are used in this industry to refine products, and the vast majority of finishing is done by hand.

Each of the brands selected refer to this dimension of craftsmanship. Patek Philippe even mentions that the human touch represents an irreplaceable skill¹⁴. However, decorations do not represent a prerogative of the high-luxury segment, despite being best expressed in this segment.

For instance, in Frédérique Constant's catalogue states that each visible part of the watch is carefully decorated (which most likely means that the non-visible parts are not) and that the vast majority of these decorations are made by hand. Maurice Lacroix also offers certain examples of high-level decoration, particularly with regard to the Masterpiece collection, which features skeletonised dials, for example¹⁵.

This artisanal dimension is present and promoted by all brands, since they all represent luxury companies, but technology is also integrated into the production process.

Beyond the artisanal dimension, Chevalier and Mazzalovo (2008) also mention the artistic component of luxury goods. The high-luxury segment represents the segment in which this artistic component is more visible, especially through certain special collections offered by brands. In fact, it is not rare in this segment to discover certain special collections including pieces characterised by the use of special techniques or decorations worthy of a piece of art. For instance, Vacheron Constantin offers a collection dubbed *Métiers d'Art*, which is presented as follows:

¹⁴ <https://www.patek.com/en/company/savoir-faire>, accessed on 22 June 2020.

¹⁵ https://www.mauricelacroix.com/eu_en/watches/watches-masterpiece, accessed on 31 October 2020.

Celebrating decorative techniques applied in watchmaking and jewelry, the watches in the Métiers d'Art collection find their inspiration in art, history, and culture. Enhanced by the Manufacture's master craftsmen, these genuine works of art demonstrate a creativity that is open to the world and know-how that has been passed down from generation to generation.¹⁶

In this presentation, we understand that the Métiers d'Art represents a special collection dominated by the artistic dimension. Those pieces display various highly refined decorative techniques, such as engraving, painting, or enamel.

Other examples are the Rare Handcrafts collection by Patek Philippe or Blancpain's Métiers d'Art collection, which feature masterpieces decorated and painted by hand by skilled artists. This level of artistic and craftsmanship expertise is only found in this high-end segment of watchmaking and embodies the quality and *savoir faire* of these companies.

Decorations are not limited to dials and cases; they also extend to movements. A clear example of this is Blancpain's Grande Décoration, which forms part of the Métiers d'Art collection. The movements of this watch are decorated according to different themes, such as the Great Wall of China¹⁷, Thailand and the Aztec Calendar. These constitute examples of finely engraved and decorated movements, and such products can only be found in this segment.

Generally speaking, we would conclude that decoration is present in lower segments, but less systematically, especially with regard to movements.

4.3.2.4 Quality

As established in previous paragraphs, quality is a major focus of luxury brands. This is not surprising because, as we discussed in the literature review, luxury goods tend to be of higher quality than mass-market goods. With regard to watchmaking and the high-luxury segment in particular, brands insist on the quality of their product, and the fact that they highlight the artisanal and made-by-hand dimensions is related to this aspect.

¹⁶ <https://www.vacheron-constantin.com/en/watches/metiers-d-art.html#tab=0>, accessed on 22 June 2020.

¹⁷ https://www.montres-de-luxe.com/Blancpain-Villeret-Grande-Decoration-la-premiere-en-version-45-mm-en-boutique-uniquement_a5429.html, accessed on 31 October 2020

Certifications are commonly used to assess the quality of a product. These can be created by the brand itself, as is the case for the Patek Philippe Seal, or awarded by independent institutions, such as the Geneva Seal (*Poinçon de Genève*), the Swiss Federal Institute of Metrology (METAS), or the Official Swiss Chronometer Testing Institute (COSC certification). Through these certifications, brands attempt to stand out from competitors, thanks to the quality of their products. In order to obtain these certifications, products must meet extremely high standards in terms of functional and aesthetic quality.

Moreover, brands also test their watches in-house, and even, in some cases, under extreme conditions. Rolex falls into this category, which tests its tool watches by simulating real-life conditions in which the watch would be used, such as underwater at high pressure or in exposure to strong magnetism.

4.3.2.5 International product strategy

After selecting certain aspects related to products and discussing the various approaches adopted by brands and segments, we attempted to compare each brand's offer in Switzerland with their offer abroad. In order to do so, we adopted the same methodology used to compare prices and mainly used official brands' websites and specialised online magazines, such as Hodinkee and A Blog to Watch. If it was not possible to select a country on the brands' websites, we used a VPN to simulate access from another country. Moreover, certain foreign physical catalogues were available, which we consulted.

After comparing the offer of all the brands in several countries, we concluded that, even with regard to this marketing mix component, the strategy adopted is predominantly global. This means that the same products are sold in almost every country in which brands operate and that no significant forms of product differentiation exist. However, there is a common practice worth mentioning that represents a means of adapting products to a certain market: the commercialisation of country-specific limited-edition models.

As mentioned in previous paragraphs, the majority of the brands presented regularly offer limited editions of specific models. This creates rarity and exclusivity – two highly important aspects of the luxury industry – making the product desirable and difficult to purchase. These limited editions are typically created to celebrate special events or anniversaries.

Moreover, this limited-edition strategy can also be applied to more country-specific celebrations. Limited editions sometimes celebrate country-specific events, such as Chinese New Year, despite being sold worldwide (for example, Vacheron Constantin's Métiers d'Art The legend of the Chinese zodiac collection), while other watches may also be created for specific countries. Below are certain examples of country-specific watches from different segments:

- in 2012, Patek Philippe released a special Nautilus, “a limited edition Patek Philippe 5101/100 10 Day Tourbillon in a totally hand-engraved 18k white or rose gold case” (Adams, 2012). This watch was produced to celebrate the opening of a prestigious Patek Philippe boutique in Shanghai and was created specifically for the Chinese market. The brand also presented some special pocket watches to mark the occasion (Adams, 2012);
- in January 2020, Audemars Piguet released the Royal Oak Perpetual Calendar China Limited Edition, which, as the name suggests, is a limited edition created for the Chinese market. It is interesting to note that only 88 pieces were made, since the number 8 represents a lucky number in Chinese culture (Pulvirent, 2020a). Thus, this watch clearly represents an example of cultural adaptation;
- in 2016, Vacheron Constantin released the Traditionelle Day-Date And Power Reserve Limited Edition for North America. Only 30 pieces were produced, which were priced at \$45,000 and sold exclusively in North American boutiques (Forster, 2016);
- to pay tribute to its military heritage, Breitling released the Chronomat 44 Limited Edition US Veterans Tribute in 2011. The “sales proceeds of the 50 watches will go to benefit the Fischer House Foundation charity” (Adams, 2011), a charity that helps families of soldiers undergoing medical treatment. The watches were only available at Breitling's boutiques in New York City and Aventura (Florida);
- in 2019, Omega released the Speedmaster Exclusive Boutique New York Limited Edition, a series of 399 watches to celebrate the Big Apple. The watches were engraved with the iconic skyline of the city and were only

available for purchase in the two Omega New York boutiques (Pennington, 2019);

- in 2018, Longines introduced the HydroConquest U.S. Exclusive Limited Edition, a watch with a more American touch compared to the regular model. This model is described in Forster (2018a);
- in 2018, Longines released another limited-edition watch, namely the Longines Aviation Watch Type A-7 USA Limited Edition, which celebrated Longines' military heritage. This watch paid "homage to a vintage timepiece supplied by Longines to the American Army Air Corps in 1935" (Hodinkee Shop, 2018).

As demonstrated, the practice of creating limited edition watches exclusive to specific countries is common across all the selected brands and segments, and has been carried out for years. This practice can be perceived as a form of international product adaptation because it appeals to country-specific values and cultural aspects. Moreover, it represents a form of product adaptation compatible with the need of the luxury industry to maintain an international image and the consistency of its identity.

By employing this strategy, brands can maintain a standardised offer across markets, as well as release more specific models to satisfy the needs and expectations of a particular market. Moreover, beyond celebrating events and the heritage of the brand, this strategy can also be used to improve the brand image and as a CSR-focused activity, as was the case for the Breitling US limited edition for veterans, for example.

In brief, the luxury watchmaking industry can be differentiated in terms of product categories, technical features, level of craftsmanship, etc. Brands belonging to higher segments seem to focus more on elegant dress watches and provide superior decoration and artistic touches. Brands belonging to the premium segment focus significantly on high-quality tool watches, for which art and decoration are less important, despite both being present. Furthermore, the mass segment offers various types of watch, usually with inferior technical features and which are less refined. However, certain brands offer extremely valuable watches displaying characteristics inspired by higher-end segments.

With regard to the international product strategy, the brands' offer is standardised across markets. This is most likely explained by the fact that luxury brands should appeal

internationally, their need to maintain consistency worldwide, and the importance of remaining loyal to their identity and origins, as was the case with the pricing strategy. The brand is homogenously represented worldwide. However, certain country-specific products may often be created that represent a form of international product adaptation.

4.3.3 Distribution

In this section, we will analyse the distribution channels of these brands in order to understand how, where and why they supply their products. Before proceeding with this descriptive analysis, attention must be drawn to certain aspects.

We will only refer to official distribution channels authorised by brands and which can be found on the various official websites. We will focus solely on the primary market, since this represents the only market over which the brands are at least partly in control. In this analysis, we will focus on three main aspects.

Firstly, we will determine the importance of boutiques and flagship stores to these different segments by answering the following questions: are there segments in which they hold greater importance, and why? What percentage of these segments consist of boutiques and official retailers? How are these flagship stores set up?

Secondly, we will address the topic of online selling in order to determine which trends exist in the various segments. Is online selling actually used, and in which segments?

Thirdly, we will attempt to determine the presence of these brands. Are they present worldwide, or in certain specific areas?

By analysing this third P, we will be able to understand how companies organise their distribution channels.

4.3.3.1 Physical stores

A common trend emerges when analysing the various websites. Each brand has at least set up physical stores in the most important cities, relying on external distributors and authorised retailers in the rest of the world.

As Chevalier and Mazzalovo (2008) assert, luxury brands must be present internationally in order to be perceived as appreciated, important and prestigious. One of

the main aspects stressed is that they should be present in luxury cities, and this is most certainly the case. All brands are physically present in cities such as London, Geneva and Paris, and the vast majority of them possess stores in New York, Tokyo, Shanghai, etc.

However, it appears that less importance is afforded to flagship stores and brand-specific boutiques in lower segments. Masstige segment companies tend to possess a small number of flagship stores and their distribution network is mainly centred around external distributors and retailers.

These retailers may be stores that focus on luxury products, while also selling products of brands from other higher segments (for example, Gübelin and Bucherer in Switzerland), or they can be retailers that focus on lower-end brands and products. As an example, the products of all four masstige brands considered in this analysis are sold by the Swiss bijouterie boutique Christ¹⁸. This is undoubtedly a lower-end store in which brands belonging to other segments cannot be purchased.

Moreover, the Swiss department stores Manor and Globus offer some of these products. As the name of the segment suggests, these brands offer luxury for the masses, and the masses do not only visit high-end and overly extravagant luxury boutiques. This constitutes a means of being in closer proximity to the end customer. However, since they remain luxury companies, higher-end retailers also sell their products. This confers prestige and exclusivity on the brand.

Nevertheless, the distribution networks present in the high-luxury and premium segments are much more exclusive, especially in the former. These networks take the form of a higher number of flagship stores and a smaller number of carefully selected retailers. A more exclusive distribution network creates rarity and exclusivity, which represent extremely important aspects of brands in the luxury industry.

If it is only possible to purchase products in several places, they automatically become rarer. For example, some companies offer certain products exclusively in their boutiques, such as Breguet¹⁹ or Audemars Piguet²⁰. This encourages customers to visit boutiques if they wish to see the products first hand and purchase them.

¹⁸ https://www.christ-swiss.ch/fr/montres/homme/c/m_0202, accessed on 26 June 2020.

¹⁹ <https://www.breguet.com/en/timepieces/boutique-exclusive>, accessed on 25 June 2020.

²⁰ <https://www.audemarspiguet.com/en/watch-collection/code1159byap/15210BC.OO.A002CR.01/#!/welcome>, accessed on 25 June 2020.

We suggest that the main reason behind physical stores holding greater importance in higher segments is that brands aim to provide customers with an invaluable experience. In an interview, Thierry Stern, the current President of Patek Philippe, said that “the Internet is a very good tool to be educated, yes, but it’s not the right tool to sell a Patek Philippe” (Forster, 2018b). In the interview, Stern stresses the importance of going to see and trying on a watch before purchasing it. By visiting a boutique, the customer can experience the true nature of a Patek Philippe first-hand and ask the carefully trained staff questions about the product. Similarly, Rolex claims on its website that

Nothing beats experiencing first-hand the meticulous details, the balanced weight, the comfort and simply the feel of a Rolex. With the necessary knowledge, skills and technical know-how, official Rolex retailers are best suited to guide you through the range of available models, advise you on all the technical aspects of our watches and help you make the choice that will last a lifetime.²¹

This quotation encompasses several important aspects worthy of discussion. As previously mentioned, the importance of the brand experience in the choice of the product and the importance of physically visiting a brand’s boutique are emphasised. This is described as the only way to truly appreciate the brand and its products. The experience of visiting the brand’s boutique is unlike that of visiting any other boutique: in the brand’s boutique, you can experience the true feel of a Rolex, which is completely different to the feel of other brands’ products.

Furthermore, the role played by the know-how of retailers, that is, its staff members, is stressed. As discussed in previous chapters, appropriately training staff members is essential in the luxury industry, since they are in direct contact with clients, and thus, better-placed to understand customers’ needs and build strong relationships with them. This is most certainly the case in reality. Moreover, the brand stresses that its products are only available at official retailers selected to form part of its distribution network, thus increasing its exclusivity and ensuring its authenticity and quality.

In order to provide an appropriate brand experience, brands take care of the set up and organisation of their points of sale because they must be consistent with the brand identity and image, given that they constitute forms of expression of the brand according

²¹ <https://www.rolex.com/watch-care-and-service/buy-rolex-watch.html>, accessed on 26 June 2020.

to the communication chain approach. For this reason, everything is carefully analysed and the internal organisation, furniture, themes, etc. are also extensively planned.

Patek Philippe represents a great example of a brand attempting to provide an appropriate brand experience, with arguably the most selective distribution network out of the brands studied. As advertised on their website, the brand possesses three Patek Philippe Salons in Geneva²², London and Paris, as well as two Maison Patek Philippe in China²³, in Beijing and in Shanghai. These stores represent the only stores in which the entire Patek Philippe collection is displayed²⁴, truly representing the essence of a flagship store. They represent brand temples, places that customers can visit to live the full brand experience, even if they do not make a purchase. As mentioned on their website, there are also collector lounges in these stores where brand enthusiasts can spend their time living their passion and discussing their passion.

From the pictures, it is undeniable that the set up and environment is perfectly in line with the brand's identity thanks to its extremely elegant and luxurious nature. As we have seen in the literature review, boutiques tend to be extremely large and spacious, enabling customers to move around at ease and enjoy their visit. Within the boutiques, there are display cases in which the products are carefully positioned. The experience resembles entering both a museum and a palace, as well as travelling in time.

Moreover, the location and premises in which brands open their boutiques are crucial. For instance, the Patek Philippe Salon in Geneva is located in the historical building in which it started its operations. This building is charged with emotional and symbolic value, sacralising the historical locations associated with the brand. Thanks to these special boutiques, the brand is able to create an equally special multi-sensory experience for customers.

The new boutiques opened by Breitling constitute another good example of this practice. The company recently underwent thorough rebranding following the appointment of Georges Kern as CEO of the company in 2017 (Bredan, 2018), with an overhaul of the entire image of the brand and its forms of expression. The brand has

²² <https://www.patek.com/en/retail-service/patek-philippe-salons/geneva>, accessed on 31 October 2020.

²³ <https://www.patek.com/en/company/news/the-maisons-patek-philippe-in-china>, accessed on 31 October 2020.

²⁴ <https://www.patek.com/en/company/news/the-maisons-patek-philippe-in-china>, accessed on 25 June 2020.

experimented with a new urban contemporary concept with regard to its boutiques, which includes motorbikes, surfboards and exposed bricks.

Moreover, the brand opened a new concept boutique in Zurich with an integrated bistro bar (Branstrator, 2019). The idea behind this to provide customers with an incentive to spend more time in the boutique and extend their visit. As mentioned, the furniture and set up are more in line with Breitling's new urban and modern identity. The brand is also experimenting with new concepts similar to that to which we have just referred.

4.3.3.2 Online selling

While physical retailing holding greater importance and being more valued in higher segments, this is most certainly not the case for online selling. In the high-luxury segment, e-commerce is highly unpopular, despite the fact that certain companies within this sector offer their products online. On the website of Vacheron Constantin, the official four so-called "online boutique partners" feature among the official retailers listed, namely Hodinkee, Net à Porter, Mr Porter, and the Net-A-Porter Tmall Flagship store.

Through these online retailers, the latter of which focuses on the Chinese market, customers can buy a selection of the brand's timepieces. Although the entire catalogue is not available online, some products are, meaning that e-commerce is starting to become established in this segment. Other brands in this segment do not sell online such as Patek Philippe.

However, at the time of writing this paper, 2020, the world is facing the COVID-19 pandemic, which has affected all countries and industries. In this context, brands operating in all fields have been forced to adapt their strategies in order to survive, including certain brands in the luxury watchmaking industry. As Tse (2020) states in her article, Patek Philippe has authorised retailers to sell its watches online. This evidently represents an extreme, but necessary measure to implement for a conservative brand such as Patek Philippe during this uncertain time.

However, given the ever-increasing importance of the web and of e-commerce over recent years, it will be interesting to see how this pandemic will shape the distribution strategies of the luxury industry, especially in this segment. Perhaps the pandemic has accelerated a revolution that would inevitably have taken place anyway. Only time will tell whether this is the case.

E-commerce is becoming increasingly important and widespread in lower segments. In the premium segment, online selling represents a reality and all brands, except Rolex, offer this possibility, albeit not in all countries, which can be considered a form of market adaptation. There are perhaps specific reasons, however, related to sales volumes, infrastructure, etc. that justify the decision to make this service available in certain countries and not others.

For instance, Omega, which had already made this purchasing option available in the U.S. and the U.K. in the past, also decided to launch its e-commerce platform in Europe in 2020 (Swatch Group, 2020). Despite this development of the digital platform, the article stresses that the brand is also continuing to expand its network of boutiques because they are considered essential component of the brand experience.

With regard to the masstige segment, each brand offers this possibility on its website and the number of countries for which this service is available is larger than the premium segment. For example, Baume & Mercier offers online selling in ten countries, while Longines makes this service available in eight countries. These numbers are slightly higher than those of companies in the premium segment.

Thus, we can affirm that online selling is more developed and common in this segment. This is logical given the efforts of this segment to appeal to the masses and its similar behaviour to that exhibited by non-luxury companies. Nevertheless, it should be noted that, even in this case, brands do not always offer their entire collection online, with certain products still only being available for purchase in store. This applies to certain models in Maurice Lacroix's Masterpiece collection, for example.

Before drawing our conclusions regarding the distribution strategies of the masstige segment and underlining the similarities and differences between segments, we will address an interesting topic related to distribution and production, namely the limited production of luxury steel sport watches by Patek Philippe and Rolex in particular.

4.3.3.3 Creating rarity and exclusivity through limited supply

In the luxury watchmaking industry, there has been a trend of increasing interest in – and desire (and, subsequently, demand) for – luxury steel sport watches made by Patek Philippe, Rolex and, to a lesser extent, Audemars Piguet. In this section, we will discuss these companies' practices aimed at creating rarity and exclusivity and increasing desire

and demand for luxury steel sport watches. The topic will be only briefly discussed, with Adam's (2018) article offering a more complete overview on this situation.

As previously mentioned, demand for luxury steel watches, especially those produced by Rolex and Patek Philippe, has massively increased over recent years. This extremely high demand has led to a generalised shortage of these products worldwide. Customers are constantly being placed on waiting lists, which may be up to several years long. These watches are therefore sold at extremely high prices on the secondary market, which are much higher than official retail prices.

While this shortage of steel watches may appear to represent the logical consequence of a high demand for such watches, given the insufficient supply, this is not really the case in reality.

As explained by Adams (2018), this shortage appears to be a precise strategic choice made by the brands. Even the President of Patek Philippe, Thierry Stern, declared that the company is intentionally limiting its production of steel watches (Forster, 2018b; Thompson, 2019a). The reason behind this is extremely fascinating from a marketing perspective. Patek Philippe has gained acclaim for its dress watches composed of precious metals. This represents a very specific trait of the brand, and Stern declared that he does not intend to increase the proportion of steel within the collection knowing the resulting damage that would be caused to the brand. He perceives this growing interest in steel watches as a simple trend that will end, but he will not overproduce steel watches, meaning that production will always be limited. One of his quotes is presented below:

Tomorrow, if I decide suddenly to produce 40,000 watches in steel, it's over. You can go out of the store, and you will not be able to sell it for this price anymore. [...] It is a dangerous matter. This is something we need to be very careful about. Many years ago, IWC was producing gold watches. Then they had problems, and they fabricated everything in steel. They tried to come back to gold, and they could never do it. Once you lower the price with steel, it is very hard to come back. [...] So, I don't want this with Patek. That's why I took the decision many years ago to say 'Let's limit it.' I am limiting the steel versions, mostly the Nautilus. That's really the one that everybody is looking for. Why is it so expensive? It's simply because there are just a few of them. At our level, steel has always been very rare. Today, I have to be very tough on the quantity. Because I don't want to see steel taking over the lead in the whole collection in terms of material. So we have to be vigilant. (Thompson, 2019a)

This quote provides a clear, real-life example of the importance of the brand in this industry. The brand's integrity is so essential that companies are willing to renounce short-term profits.

By limiting the production of the most requested models, companies create rarity and exclusivity, and thus, make these products difficult to purchase. Subsequently, desire for these products increases, ensuring long-term profits. Moreover, since customers would exit the store without having made a purchase, brands and retailers can offer other more expensive models composed of precious metals, since their retail price will remain lower than that of steel watches on the secondary market. In fact, this shortage of steel watches has translated into increased sales of gold watches (Thompson, 2019b).

These practices demonstrate the need for luxury brand to operate, at times, in the exact opposite way to mass-market companies, which must take a great deal of care over their brand. These brands are voluntarily limiting the production, distribution, and thus, the availability of the most demanded products in order to maintain levels of enthusiasm and preserve the brand's integrity. This highlights the fact that luxury brands are more independent from common market rules and do not need to operate purely to satisfy the needs of customers, as the traditional marketing theory suggests. There are many specificities related to this field.

After analysing the distribution strategies of the selected brands, we can now draw some conclusions.

A trend is emerging in terms of physical stores. Based on our analysis, it seems that physical retailing and brand experience hold great importance in higher-end segments, but very little importance in lower-end segments. In fact, the higher the segment, the more important the brand experience and the presence of exclusive and appropriately organised boutiques and flagship stores. In the masstige segment, there is a stronger presence of third-party retailers.

As far as online selling is concerned, the opposite applies. Since the experience is not as important for brands in lower segments, online selling is more present and developed. On the contrary, higher-end segments remain reluctant to offer online selling. However, the 2020 COVID-19 pandemic may well have accelerated the transition towards e-commerce. In a recent interview on theWatches.tv (2020), the CEO of Zenith, Julien Tornare (Zenith is a company that would fall into the premium segment category

in our study), claimed that the Swiss watchmaking industry has always been reluctant to engage in e-commerce. This is because he believes that the industry has had too much respect for products and luxury. However, in the current global context, he and his team have decided to accelerate the transition towards e-commerce, launching the company's online selling platform. However, he stresses that the industry must strike a balance between physical stores and e-commerce, since these two different platforms can complement one another.

To conclude this chapter, we will now analyse the promotion strategies of these companies in order to understand how they communicate and the role played by translation in their communications.

4.3.4 Promotion

To conclude this analysis of marketing strategies in the watchmaking industry, we will now analyse the final P: promotion. As mentioned in the opening chapter, this P involves many different activities aimed at promoting products and brands, arousing desire, informing customers, etc. Since there is a relatively large number of promotional activities, only certain activities were selected for the purposes of this analysis with a view to focusing on some particularly interesting and relevant activities and concepts previously tackled in the literature review. This is the P in which translation and multilingual communications are involved, with end of this section being dedicated to these activities.

We will start by analysing the various media used by luxury watchmaking companies to disseminate their messages. We will distinguish between physical and digital media and attempt to understand how these media are used and the type of content conveyed. We will then examine companies' storytelling more closely, focusing on the dimensions of branding and heritage. The importance of storytelling and heritage in the luxury industry was indicated in the literature review. We will therefore seek real examples of this practice in order to determine the extent to which it is implemented and which aspects are emphasised. Then, we will analyse certain interesting campaigns, as well as CSR actions and the corresponding communications. We will end this section by attempting to understand how companies implement their promotion strategies internationally, focusing on the role played by transcreation in this process.

4.3.4.1 Media

Generally speaking, presence of brands in the luxury watchmaking industry in traditional media, such as TV, radio, and newspapers, is limited, if not non-existent. They are only present in some specialised magazines, such as the *Great Magazine of Timepieces* or the Genevan *The Watches Magazine*. There are some exceptions, however, such as Rolex, which has often been promoted via television advertisements during tournaments or other sporting events sponsored by the brand. Brands tend to use digital channels or the physical material that they produce. While digital media and content is extremely easy to find online, physical media are more difficult to collect. In some cases, it is possible to order physical copies of certain documents through the brands' websites, such as catalogues or magazines (for example, from the websites of Breguet, Omega and Blancpain), but this is extremely rare. In order to collect as many physical documents as possible, we visited the boutiques and flagship stores of several brands in Geneva and requested certain materials (catalogues, magazines, brochures, etc.). In this way, we were able to find current (i.e. 2019-2020) physical material that had been produced specifically for customers. We will now examine these media in order to understand the content conveyed. For this first section, we will proceed with a general overview without systematically making a distinction between segments. However, if certain considerations pertaining to a particular segment are deemed relevant, they will be addressed specifically.

Physical material

The main types of physical material that we managed to collect were catalogues and magazines. These two media have two main objectives, namely to present the brand and the company, as well as the portfolio of products.

Catalogues often include a section in which the company and the brand are presented and their history, achievements, heritage, practices, etc. are described. Moreover, we can very often find other brand-related content, such as CSR actions, collaborations, values, etc. For example, Blancpain dedicates a chapter in its catalogue, dubbed *The World of Blancpain*, to a description of its devotion to artisanship, its environmental commitments, and its relationship with the automotive industry.

The connection between brands and other fields is particularly present in the premium segment, because, as mentioned in previous sections, brands are often strongly associated with specific fields of expertise, sports, art, etc. For instance, IWC's catalogue starts with a presentation of the relationship between the brand and the world of aviation, which, in turn, leads to the presentation of the Pilot's Watches collection.

When comparing all the catalogues, it appears that the higher the segment, the greater the importance afforded to this information. In fact, there are even catalogues of companies in the masstige segment we even find catalogues that refrain from describing the company and the brand in great detail, instead focusing more on products (for example, Longines and Maurice Lacroix).

With regard to magazines, this heritage component is much more present, with this media being used to present particular anecdotes and insights regarding the manufacturing of products or the history of company and founder. For example, the copy of the *Patek Philippe Magazine* at our disposal (volume 11, number 8), includes several interviews with iconic figures at the company and articles written by external authors that explore the brand, its values, its history, etc. There are also articles dedicated to the general history of watchmaking.

In terms of presenting products, catalogues typically feature all the collections of the brand, which are introduced with a brief description followed by a list of all the timepieces alongside their technical specifications. An interesting aspect that differentiates more experienced and prestigious brands is the section dedicated to in-house movements.

As discussed in the analysis of the product strategy, many companies develop and build their own movements in-house, adding value to the brand and proving its competence and expertise in the field. In some cases, especially in the high-luxury segment, a specific section of the catalogue will feature these in-house movements (for instance, Patek Philippe, Vacheron Constantin, IWC). Even though this is mainly common in the high-luxury segment, the Baumatic's in-house movement is presented in great detail in Baume & Mercier's catalogue, thus highlighting the importance of this aspect in the industry.

Models are also presented in magazines, but these media tend to focus on specific models, describing and explaining them in much greater detail. In issue 19 of Blancpain's

magazine *Lettres du Brassus*, the brand presents the *Binchōtan* technique discussed in the product analysis, as well as a new model that they had released featuring an extremely complex movement, the Villeret Tourbillon Heure Sautante Minute Rétrograde. With this explanation of the techniques employed and the technical features of its in-house calibre, the company informs and entertains the reader, celebrates the brand for its achievements and demonstrates its expertise. It demonstrates the extent of its capabilities to the reader and justifies its status as a high-end watch manufacturer.

An interesting and common theme discussed in every magazine is the link between the brand and certain art forms. For instance, in the copy of the *Patek Philippe Magazine* that we have collected, different models are also compared to specific paintings and other works of art by which they were inspired. Blancpain compares the watchmakers' attention to detail, care and precision to that of chefs working in high-end cuisine, which is considered as a form of art.

In Breguet's magazines, there are numerous articles related to artists and musicians. This practice is very much expected from the luxury industry. Products are not simply perceived as tools, but are viewed as creative inventions that represent the result of a founder's artistic and creative project.

From the communication chain perspective, all forms of marketing material should be considered forms of expression of a brand. This means that, in the process of creating this marketing material, brand identity must be considered. Publications produced in the high-luxury segment provide great examples of the need to consider brand identity.

Since this material must represent the brand, its values and its image, these characteristics should also be present in the physical objects themselves. In this segment, various carefully conceived publications convey a sense of quality and attention to detail.

An example of this is the physical copy of Blancpain's magazine. The product resembles a normal magazine, but certain particular aspects indicate its high quality. For instance, its cover features the watch that we mentioned above, a dress watch with a dial that reveals parts of the movement, namely the tourbillon, and which displays a small window for the date. For this reason, the cover depicts the dial and the perforations present in the real dial are also displayed on the cover. In other words, actual perforations have been made on the cover, enabling the reader to see the first page below, which, in turn, represents the movement itself. Moreover, the cover boasts many different textures, parts

of which are raised, inducing an extremely pleasant sensation under the fingers. When opening the magazine, lucent pages printed on high-quality paper can be found that feature detailed, large and high-resolution images.

Another example is provided by Patek Philippe. On its website, there is a page dubbed *Collectors Library*,²⁵ which features several books and publications dedicated to various topics, such as specific models, the history of the brand, etc. All these publications represent hefty, carefully produced books that impress the reader thanks to the various materials and textures used, as well as the quality of the cover. Some of them are presented in aesthetically pleasing boxes and appear to represent old and precious books.

By stimulating different senses (for example, sight and touch), as is the case in boutiques, the company attempts to arouse emotions and provide a complete experience. Moreover, it shows that quality is considered in every aspect of its activities, not only in its watches. When flicking through the book, it is clear that readers are embarking upon a real journey to discover the brand and its universe.

Digital channels

In 2020, digital channels can be considered the primary communication channel used by every company, and the luxury industry seems to have also followed this trend as well. As discussed in the literature review, technology has also influenced the luxury watchmaking industry, and thus, it is hardly surprising to see digital communications channels playing such an important role. The main channels that will be discussed in this section are companies' websites and social media.

The official website of a company can be considered its global information centre and a window that promotes the brand. On these websites, all information concerning companies, brands, products, CSR, social media accounts, news, etc. can be easily found.

With regard to the luxury watchmaking industry, all websites are extremely similar in terms of their content.

Every website includes a section dedicated to the history of the company and the founder, its values, the manufacturing process, etc. Through these sections, the brands present themselves to the public and attempt to differentiate themselves by telling unique

²⁵ <https://www.patek.com/en/company/library>, accessed on 2 July 2020.

stories and highlighting the main milestones achieved by the founder and the company, as well as its inventions and contributions.

Likewise, all these websites present the different collections and products offered by the respective brands. On these websites, customers can find all the models available alongside detailed descriptions of their technical features, history, price, etc.

Every brand dedicates different pages to its various services, campaigns, ambassadors, CSR actions, etc.

The online presence of brands transcends beyond their official websites. Nowadays, like companies in every other industry, luxury watchmaking brands are also widely present on social media. The vast majority of them are present on all major platforms (Facebook, Twitter, Instagram, YouTube and LinkedIn). However, a highly distinctive aspect of this industry is that every brand selected is present on at least one Chinese social medium, either Weibo, WeChat or Youku. As we are aware, Western social media cannot be accessed and used in China because due to government censorship. Thus, if a company wishes to operate in the Chinese social media environment, it must create an account on a dedicated Chinese platform.

The content published by brands on social media varies considerably, with information on products, articles, collection descriptions and anecdotes, for example, among other things. These platforms are often used to disseminate messages and news published on the official website and the specificities of every social media are used wisely. An example of an astute social media campaign was that launched by Patek Philippe on Instagram. Once a month at 18:39 (the company was founded in 1839), the brand publishes an article under the *Patek Philippe Episodes* series, through which various chapters of the brand's history are traced (this campaign will be further analysed in the next section). These episodes are then shared on Instagram, capitalising on the specificities of this social medium, that is, its focus on pictures and videos, and the layout of the company's profile²⁶.

This example demonstrates how the characteristics and features of this social medium are used to disseminate information. According to the description of the Instagram account, the main focus of the brand is to trace the history of the brand and certain special models by sharing these episodes. However, we clearly see that it is not a

²⁶ <https://www.instagram.com/patekphilippe/>, accessed on 31 October 2020.

simple link to the main content on the website, but material specifically developed for this particular channel. Every tile includes different types of content (pictures, videos), and, together with accurate descriptions, this content leads the customer through the entire series of episodes.

In addition, companies most often use their social media account to share third-party articles regarding the brand, such as reviews published in specialised magazines and blogs in particular²⁷. This practice proves effective because the brand shares external perspectives on itself or its products, and independent voices tend to be more trustworthy than the company itself.

The role played by social media and other digital channels in marketing is increasingly important, as we have highlighted several times in this study. Even the luxury industry has embraced these tools and companies have integrated them into their promotion strategies. This has particularly been the case during this rather peculiar year. The watchmaking industry has been adversely affected by this year's COVID-19 pandemic, given the cancellation of all major luxury industry trade fairs. There are usually several annual events in the industry, during which brands present their new products, such as Baselworld and Watches & Wonder (the former Salon Internationale de la Haute Horlogerie). Due to this situation, fairs and brands were forced to find other ways to showcase and present their new products (see e.g. Hodinkee, 2020; Pulvirent, 2020b), and of course, digital channels and social media have held greater importance in this context. Many brands have launched various campaigns and introduced several hashtags to promote their new products online. For instance, Blancpain regularly publishes posts about its new products on several social media using the hashtag #Blancpain2020²⁸. The same strategy was adopted by Breguet²⁹.

Certain brands, such as Breitling³⁰, have also decided to organise events and presentations, streaming them through their official digital channels.

²⁷ An example of this practice by Audemars Piguet: https://www.linkedin.com/posts/audemars-piguet_code-1159-by-audemars-piguet-selfwinding-activity-6677162159790673920-ksrI, accessed on 31 October 2020. Link to the review: <https://monochrome-watches.com/code-1159-by-audemars-piguet-selfwinding-chronograph-review-price/>.

²⁸ <https://www.facebook.com/Blancpain/photos/a.147540061987462/3869768719764559>, accessed on 31 October 2020.

²⁹ https://www.linkedin.com/posts/montres-breguet-sa_breguetnovelties2020-boutiqueexclusive-ref7038-activity-6683813853232447488-z4Vf, accessed on 31 October 2020.

³⁰ https://www.linkedin.com/posts/breitling_breitling-activity-6656269412678672385-HNfw, accessed on 31 October 2020.

It should be noted that masstige brands seem to use social media more frequently and similarly to non-luxury brands, regularly posting pictures with descriptions and interacting with users using a more relaxed, direct and informal tone. Baumer & Mercier is a brand that often operates this way³¹.

We therefore argue that social media are used by companies in the luxury watchmaking industry, which is most likely explained by differences in brand identity, and reflected in aspects such as the corporate voice.

4.3.4.2 Storytelling definitely based on heritage

In addition to the discussion in the literature review surrounding the importance of history and heritage in the communications strategies adopted by companies in the luxury industry, several real-life examples of the practice of storytelling based on heritage were also provided earlier in this paper. In this section, this topic will be addressed more precisely and systematically, and certain examples will be provided for each segment. Moreover, we will focus on content marketing in particular, that is, content created to be interesting, entertaining, useful and informative, and used by companies to present their brands and competitive advantages. In fact, given the great importance afforded to branding in the luxury industry, companies attempt to differentiate themselves through their history and heritage.

In this section, we will focus on two main elements of heritage, namely the origins and founder of the company, and the sacralisation of important historical locations. We decided to provide examples originating from digital sources for three main reasons. Firstly, we aimed to demonstrate how companies capitalise on these communications tools. Secondly, we intended to explain how companies manage all different digital tools (website, social media, etc.), and how these tools are integrated into their communications strategy. Thirdly, the aforementioned platforms not only enable the creation of a wide variety of content types (video, text, audio, etc.), but also provide tools that ensure a higher level of interactivity of this content compared to a “simple” text published in a physical magazine.

³¹ <https://www.facebook.com/BaumeEtMercier/posts/10158824903113783>, accessed on 31 October 2020.

Origin and founders

The origin and founders of the company feature in the communications of every segment. More often than not, the founders are almost sacralised, and the role that they and their company played in the development of watchmaking is emphasised to highlight their competence, pioneering spirit, creativity, etc. Content marketing represents the perfect way of telling these stories, since, as we have already discussed, content marketing consists in creating entertaining and useful content for the target audience.

One common tool used to narrate the history of a brand is the timeline, which features on several websites in various forms. Timelines are widely used thanks to their effectiveness. Through timelines, customers are able to understand the role played by the company, and its founders and current owners, in watchmaking, as well as discover or enhance their knowledge of field-specific concepts such as mechanical movements. This content is therefore extremely useful. Patek Philippe, Breguet and Longines constitute good examples of how a timeline can be used.

On Patek Philippe's webpage *The History of Patek Philippe from 1839 until today...*³², there is a timeline highlighting the most significant milestones achieved and innovations conceived by the brand during its history. Although this page is not very detailed, it is easy to browse and allows the brand to draw attention to important models, innovations, special customers, prizes, etc.

As far as Breguet is concerned, the section³³ dedicated to the history of the brand is also organised around a timeline, that is, the user can select different periods and discover the history of the company. The content is divided into four sections for each period: milestones, distinguished patrons, writers, and inventions.

In the milestones section, elements such as the founding of the company, important models, prizes and innovations, are listed, highlighting the instrumental role played by Breguet in the industry. The distinguished patrons' section alludes to several key historical figures to have owned a Breguet, including Napoleon Bonaparte, Queen Marie-Antoinette and Winston Churchill. The fact that these figures were once Breguet customers adds value to the brand, further highlighting its expertise and competence. The writers' section includes quotations from illustrious writers, such as Victor Hugo or

³² <https://www.patek.com/en/company/history#1839-1877>, accessed on 3 July 2020.

³³ <https://www.breguet.com/en/timeline>, accessed on 31 October 2020.

Stendhal, about the watchmaker. Furthermore, the inventions section includes all major inventions created by Breguet that have shaped the industry such as the tourbillon. Some of this content is then disseminated through social media, as is the case with Breguet's inventions³⁴.

The last example that we will discuss was taken from the website of Longines, which represents an unconventional take on the standard timeline. Beyond the usual section pertaining of the history of the brand and the founders, the website of Longines features a section dubbed *Longines on this day*,³⁵ in which users can browse through the history of the brand and discover anecdotes and key moments during the history of the company. An anecdote is shared for each day of the year, and it is also possible to discover what happened in the past on the same day as the website visit. The interface requires the user to drag and drop the set of tiles containing the anecdotes, thus enabling the exploration of different and more curious aspects related to the history of the brand.

This example demonstrates how digital media can be used to create different forms of content marketing that could potentially increase its effectiveness and require a form of interaction on the part of the user. Users will most likely tend to browse through the anecdotes to discover more about the brand, or they may even wish to discover what happened on the day of their birthday. As discussed in the literature review, interaction may prove highly significant and lead to the wider dissemination of content.

Great attention is also paid to the description and narration of the life and journey of the companies' founders, who are sacralised. The first example of this was taken from Rolex's website, which highlights the instrumental role played by its founder, Hans Wilsdorf³⁶. The founder is described as an innovator with a pioneering spirit who led the company according to these values. Wilsdorf is described as a person who experienced an extremely difficult childhood, and who started his company from scratch. However, thanks to his perseverance and engagement, he was able to create a highly successful business and make a telling contribution to the industry with his many innovations. All of his milestones and records are listed, and his aim to create tool watches for different professions is highlighted. The user is informed that the founder of Rolex focused on

³⁴https://www.linkedin.com/posts/montres-breguet-sa_bregueteepisode-activity-6655869401230901249-llc-/, accessed on 31 October 2020.

³⁵ <https://www.longines.com/185years/on-this-day>, accessed on 3 July 2020.

³⁶ <https://www.rolex.com/about-rolex-watches/hans-wilsdorf.html>, accessed on 3 July 2020.

creating accurate and reliable tools that could be used by professionals under extreme conditions and in various specific fields. Through this webpage on Rolex's website, the user discovers the history of the founder of the company and encounters a great deal of useful information concerning the performance of Rolex watches and their technical features.

Another example we would like to provide originates from the website of Audemars Piguet, which dedicates an entire section to the founders of the *maison*³⁷. Even in this example, the founders are almost sacralised, and described as innovative, forward-thinking and creative individuals who started a company that has considerably influenced the industry.

However, the main reason behind discussing this example is that Audemars Piguet continues to be owned and run by members of the founders' family. This aspect is strongly emphasised because it clearly demonstrates a connection between the past and the present. The current owners are perceived and described as the heirs of the founders, who run the company using the same pioneering and traditional approach towards watchmaking.

The fact that this is a family-owned business is constantly reiterated, as is also the case for other *maisons*. For instance, Patek Philippe has been run by the Stern family for generations, and descendants of the founding family of Frédérique Constant currently manage the company. This stresses the importance of history; the fact that the journey of the brand is being continued by descendants of the founding family triggers emotions and encompasses the idea of transferring skills and passions from generation to generation, as is the case with luxury goods.

The next example to which we will refer was taken from the website of Breitling, which includes all the aforementioned elements; the history of the brand is presented and the company's founder and his descendants are sacralised. Moreover, the strong link between the brand and the field of aviation is evident in the content published on the website. The history section on the website of Breitling³⁸ is organised according to several phases in the journey of the company, some of which correspond to the generation change at the top of the organisation, thus stresses family-run business dimension. This section

³⁷ <https://www.audemarspiguet.com/en/made-in-le-brassus/independence/>, accessed on 3 July 2020.

³⁸ <https://www.breitling.com/ch-en/since1884/>, accessed on 3 July 2020.

describes the fact that the brand used to focus primarily on chronographs, since these tools were highly in demand at the time in different fields, including the fields of military and aviation. The contribution made by the brand and its founder (and his family) to the development of the chronograph are highlighted³⁹, and there are several explanations and anecdotes associating Breitling to the field of aviation⁴⁰.

Later in the timeline, the brand also lists achievements concerning other fields for which it produces collections.

Moreover, Patek Philippe presents Patek Philippe Episodes to promote its history⁴¹. The description of the respective page is as follows: “Discover the rich history of Patek Philippe, told in a series of regularly updated thematic episodes, which present the life and products of the manufacture, from its creation in 1839 to today.” The concept here is quite simple. Through publishing thematic content on a regular basis, the brand narrates the origins, history and the main milestones of the company. Different themes are discussed: history, special models (for instance, the Grandmaster Chime), movements (such as chronographs and complications), campaigns (including the Generations campaign), new collections, art (including gemsetting, decorations and craftsmanship), among others. Through these regular posts, users can find useful information and better understand the brand. As we have seen, these articles are then disseminated via social media (in this case, Instagram is the main platform used), demonstrating a form of integration between different media.

In this section, real-life examples of how corporate communications in this industry constantly refer to companies’ past, heritage and founders have been provided. Many other examples could have been provided, since heritage also includes other elements, such as expertise and craftsmanship (for instance, brands often describe production and decorative techniques), but we believed that these examples, which focus on the history of the brand and its founders, clearly indicate the social media-related practices of companies in the luxury industry. These examples also demonstrate how companies use different media to disseminate their message. It is also worth reiterating that we have collected certain examples of the integration of communications strategies adopted by certain companies.

³⁹ <https://www.breitling.com/gb-en/since1884/part-2/>, accessed on 31 October 2020.

⁴⁰ <https://www.breitling.com/gb-en/since1884/part-4/>, accessed on 31 October 2020.

⁴¹ <https://www.patek.com/en/company/about-time>, accessed on the 3rd of July 2020.

In brief, storytelling is a widely used and highly appropriate practice in the luxury watchmaking industry. Promotion strategies often focus on telling the story of a brand and on differentiating the brand from the competition by sharing anecdotes and milestones that set the brand apart from its competitors. This strategy proves highly effective, given the emotional and symbolic dimensions of luxury goods, which are not simply purchased by customers to be used, but also to be enjoyed, and, in a sense, to allow them to possess part of the brand's story themselves. These stories enable brands to inform customers, who can find useful information about the industry and the different brands and products, as well as enhance their knowledge of the industry.

The sacralisation of iconic locations

The sacralisation of iconic locations in the history of brands represents a widely adopted promotion in the luxury industry, and the watchmaking industry is no exception. A clear example of this is represented by the "Swiss made" label, which continues to hold importance. This is evidently associated with the major role played by Switzerland in the development of the field, with Swiss brands automatically gaining a sort of competitive advantage over brands originating from other countries. However, beyond Switzerland, there are many other examples of the integration of this dimension of territoriality into the communications strategies of brands.

Companies tend to emphasise the location in which they are based, especially if their location is renowned for its long watchmaking history and tradition. As far as watchmaking is concerned, the most common places mentioned are Geneva and several towns in the Vallée de Joux in the Jura mountains. These locations boast a long watchmaking tradition, with many important companies being founded there, and where they continue to be based today.

This element of heritage is exploited in several ways. There are brands that simply highlight the fact that they are based in a particular location, around which they tell their story, while others integrate this dimension in other ways. For instance, Blancpain offers a collection named after the town where the company was created, namely Villeret, in the Vallée de Joux. On its website, certain sections explain the importance of the Vallée de Joux in the history of watchmaking. Another example is Breguet, a company founded in

Paris in the Quai de l'Horloge, which also happens to be the name of the company's official magazine.

Audemars Piguet also stresses this fact on its website:

The Vallée de Joux, birthplace of Audemars Piguet and cradle of high-end Swiss watchmaking, is an awe-inspiring, ruggedly beautiful region nestled in the Jura Mountains, north of Geneva. The natural resources of the Vallée de Joux – specifically the forests, water, ice and rocks from which iron ore could be extracted, provided the means for the watch industry to evolve and thrive. To this very day, the raw nature of this majestic region with vibrant views of the clear night sky, has served as inspiration for watchmakers. Watch mechanisms are indeed representations of the passage of time as dictated by astronomy, and nature has always inspired the development of time measurement devices.⁴²

This constitutes a perfect example of the importance afforded to iconic locations, since the valley is described as an idyllic, magical place where nature inspires creative people (i.e. watchmakers), enabling them to produce incredibly refined products. By reading the description and seeing the images, the reader imagines this beautiful place where time seems to have stopped and skilled artisans work at their benches to create incredible timepieces, following century-old techniques and traditions. The birthplace of the company is elevated to a sort of paradise and source of inspiration. This practice is common in every segment.

Another common practice discussed in the literature review is that of celebrating and affording value to emblematic buildings. The most common way of doing so is to convert some of these buildings into museums, or to open museums in historical and iconic locations. Many museums have been inaugurated to celebrate brands in the watchmaking industry. For instance, Patek Philippe, Audemars Piguet, Omega, IWC, and Longines have all opened museums in which their history is presented, and many of these museums are located either in historical or emblematic buildings associated with the brands, or in cities or towns that are closely linked to the history of the brand. Moreover, certain brands also open their factories and workshops to the public, essentially transforming them into museums that brand enthusiasts can visit to enter its world and experience its activities first-hand.

Even though the opening of museums does not technically constitute a form of content marketing, we decided to include this activity in this section because it is related

⁴² <https://www.audemarspiguet.com/en/made-in-le-brassus/origins/>, accessed on 5 July 2020.

to the promotion of the heritage of brands, and given the fact that these locations are aimed at telling stories. In fact, museums usually focus either on the history of the brand or that of watchmaking in general (or both, as is the case with the Patek Philippe Museum, for example). Thus, museums can be perceived as marketing tools or forms of expression of a brand used to tell stories capable of informing and entertaining visitors, which is essential the goal of content marketing.

4.3.4.3 Some interesting campaigns

Every communication and promotion activity constitutes a form of brand expression that, as such, embodies all values of the brand and its overall identity. For this reason, even with regard to campaigns, brands attempt to create projects that respect the identity and history of the brand, as well as remain loyal to its values. To illustrate this idea, we will discuss three interesting campaigns in this section in order to highlight this search for consistency.

Patek Philippe's "Generations" campaign

In Pulvirent (2016), there is a brief description of the origin of this legendary watchmaking campaign, which he describes as “watchmaking’s most iconic advertisements”. The fact that this campaign has been repeatedly used since 1996 is impressive in itself, and highlights the potential timelessness of a well-conceived campaign that is extremely loyal to the values of the brand.

The campaign is composed of black and white images containing a parent and a child in intimate and extremely personal situations. The two taglines are:

- “Begin you own tradition”;
- “You never actually own a Patek Philippe. You merely look after it for the next generation”.

The idea was to avoid adopting a product-centric approach and focus more on people and emotions in particular. It was necessary to create stories and messages that would be loyal to the brand’s values of craftsmanship, tradition, family and longevity, and to its identity as a creator of emotions. Several adjustments have been made to the campaign over the years, such as the introduction of visuals focusing on the mother-

daughter relationship to promote women's watches, but the core concept has remained unchanged (Pulvirent, 2016).

Initially, watches did not even feature in the advertisements, since the campaign was mainly intended to trigger emotions through the image of an ideal father-son relationship, of which customers could only dream (Pulvirent, 2016).

While the word "luxury" has never been explicitly used in the advertisements, many characteristics of this industry are present in these advertisements. The company's most iconic tagline, "You never actually own a Patek Philippe. You merely look after it for the next generation", most certainly portrays the idea that purchases of luxury items are charged with emotion, and that such items are purchased to be enjoyed and accompany customers in their lives. These objects are charged with so much emotional value that they are maintained and passed down from generation to generation, living alongside every owner. The story of a watch starts with the individual who purchases it, and then continues with the passing-down of the product onto future generations. This mirrors the story of a family-run business, which starts with an individual who then passes down their expertise and values onto future generations to continue this story.

The other tagline of the company is also highly significant. Previous Patek Philippe campaigns were characterised by the use of celebrities and ambassadors, but Leagas Delaney, the agency in charge of the Generations campaign, discovered that customers were not interested in the story of someone else, but their very own story.

For this reason, this emotional campaign invites customers to start their own tradition and journey.

Intimate, personal, subtle, and highly emotional, this campaign demonstrates the importance of deciding against following the trends (i.e. ambassadors) and creating something unique and authentic that could represent the brand's values *in toto*. Proof of this strong connection with the brand identity is represented by the longevity of the campaign. As Pulvirent (2016) explains, the child featuring in the first advertisement could now be a parent. The campaign has been used for a generation, and the story continues.

The language used in these taglines should also be analysed. While being extremely simple, the brand can create an almost idyllic and marvellous atmosphere using just several words. The words chosen are elegant and high-register. For instance, the word

“merely” in the famous tagline represents an astute choice, since it immediately enables the demographic of educated art, craftsmanship and watch enthusiasts to be targeted. The brand could have chosen a different word, but “merely” immediately elevates the message to a higher level, which is, of course, in line with the prestige and history of the *maison*, as well as its luxury dimension.

This approach is also reflected in the images, which depict a specific demographic. All models are well dressed, elegant and classy and represented in quite luxurious locations and houses. Even in the latest advertisements, in which models are depicted in more intimate and casual situations, the elements of elegance, prestige, a high level of education and good taste that seem to characterise Patek Philippe’s customers are present. For these reasons, we argue that the target client is relatively easy to identify.

Vacheron Constantin’s “One of not many” campaign

Vacheron Constantin adopted a different approach with its “One of not many” campaign⁴³. With this campaign, the brand celebrates its excellence and uniqueness as one of few high horology companies. As such, the brand emphasises its competence and its place in an industry in which human values, quality, the transfer of knowledge, craftsmanship and innovation are key and rightly lauded.

For this campaign, the brand has selected a series of ambassadors associated with different collections. The idea was to find talented and unique individuals that excel in their field. For this reason, a talented Chinese female *Haute Couture* creator, a photographer and explorer, a “musical-craftsman”, an innovative designer and a creative musician and composer were selected. Each one of these ambassadors represents an innovator in their field, just like Vacheron Constantin is in its own.

The link that the brand wishes to establish between itself and art is quite evident. Each one of the ambassadors can be considered an artist in their own right. This link to art is also reinforced by two collaborations, one with the *Musée du Louvre* and the other with the Abbey Road studios. These both represent highly prestigious (i.e. one of not many), historical institutions that have played extremely important roles in their respective fields, and which can be considered unique. Perfectly consistent with the theme

⁴³ <https://www.vacheron-constantin.com/en4/manufacture/one-of-not-many.html>, accessed on 31 October 2020.

of the campaign, these collaborations highlight the link between Vacheron Constantin and art, as well as its role as one of the leading companies in watchmaking.

Breitling's "Squad on a mission" campaign

This campaign⁴⁴ is probably the most interesting one because of the way that it has been planned, articulated and created. As mentioned in previous chapters, Breitling has undergone thorough rebranding over recent years, at the centre of which is this campaign. The concept behind this campaign is once again extremely simple and involves various "squads" consisting of three people that act as ambassadors for specific collections. However, there are certain aspects worth analysing.

Firstly, the squad idea is inspired by the heritage of Breitling, more specifically from its association with the world of aviation. Pilots typically fly in squads, the concept around which this campaign is structured. Secondly, the brand did not wish to associate itself with activities and people that are unreachable for customers (such as Formula 1, for example), instead deciding to choose sports that can be easily practiced by ordinary people, such as surfing and the triathlon. An aviation squad features, of course, but this is quite unique in that it also features an astronaut and a drone pilot, a cinema squad and an explorer squad. The brand decided to create squads for each one of the brand's worlds, namely air, water and land.

As is the case with Vacheron Constantin, the brand selected ambassadors that excel in their respective fields, as an analogy to the role played by Breitling in its own field. These squads are not only used to promote the brand, but also actively participate in various activities (missions), particularly CSR activities. For instance, surfer squad member has started a company that produces sustainable clothes (and now straps for the brand). The triathlon squad also participated in a competition in South Africa in 2019 to support Qhubeka, a charity that attempts to provide bicycles to African communities with limited transportation options.

This latest example highlights the importance of branding, as well as how heritage fits into communications strategies and can be reinterpreted to create up-to-date concepts and content. This campaign is perfectly in line with the brand's identity and values, and reinforces its image.

⁴⁴ <https://www.breitling.com/gb-en/campaigns/squad-on-a-mission/>, accessed on 31 October 2020.

All the campaigns analysed stress the importance of telling stories and selling emotions, which constitutes a common trait of the entire luxury industry, despite its typically greater presence in higher segments. It is also clear that the creation of a campaign does not constitute a stand-alone activity; it must be contextualised within the universe of the brand and integrated into the overall communications strategy. It is imperative to establish connections between advertisements, products, values, and branding, as well as to put into practice out what the slogans imply.

4.3.4.4 Corporate social responsibility

Before addressing the topic of international communications strategies, we will analyse several CSR practices carried out in the watchmaking industry.

While it could be argued that luxury and sustainability are incompatible, this is not entirely true. On the webpage dedicated to the social efforts⁴⁵ of Rolex, the brand's concept of "perpetual spirit" is presented. The idea is that Rolex possesses a clear vision of the role it wishes to play in shaping and improving society so that future generations will benefit from its efforts. "Our watches are built to last. So is our contribution to future generations." Rolex claims that luxury and sustainability could be compatible, since both focus on longevity and a long-term approach. On the one hand, luxury goods, albeit not a necessity, are built to last, and could in fact stand the test of time thanks to their quality. On the other hand, sustainable contributions are made to improve the society for the future.

As mentioned, CSR activities include all efforts made to achieve environmental, social and economic sustainability, of which there are many noteworthy examples in each segment. Baume & Mercier dedicates a detailed description to its sustainability strategy on one its web pages⁴⁶. The main cornerstones of this strategy are ethical business practices, the supply chain and the environment, long-term community partnerships and employee engagement, and accessibility. As we can see, these pillars pertain to all three dimensions of sustainability. Social sustainability is reflected in accessibility and employee engagement, economic sustainability is integrated into ethical business

⁴⁵ <https://www.rolex.org/en>, accessed on 7 July 2020.

⁴⁶ <https://www.baume-et-mercier.com/gb/en/the-maison/our-commitments.html>, accessed on 7 July 2020.

practices and the supply chain, and environmental sustainability constitutes a key component of the environment dimension. Being a good employer, using resources wisely and promoting reasonable growth through the provision of good working conditions all constitute examples of CSR practices.

Brands in the luxury watchmaking industry are involved in a wide range of projects, initiatives, collaborations and sponsorships.

It should be noted that different brands focus on different aspects of sustainability, with there usually being a link between the brand identity and the sustainability actions carried out or supported by these brands.

For instance, Breguet is involved in many collaborations, sponsorships and partnerships with the artistic world, and contributes to the organisation of several cultural events and exhibitions, such as the Glyndebourne Festival and the Great Mountains International Music Festival & School. This is linked, of course, to the artistic dimension of the brand and its heritage⁴⁷.

Blancpain, meanwhile, is committed to supporting marine conservation efforts⁴⁸. In order to support such efforts, the brand finances studies and expeditions. This commitment is related to the Fifty Fathoms, which is considered the first modern diver watch.

Rolex is strongly associated with the world of sport, producing several tool watches for different sporting activities, such as sailing, diving and racing. The brand therefore collaborates with several sporting events, for some of which it acts as the official timekeeper, such as the U.S. Open (golf)⁴⁹.

Another way that certain brands participate in CSR activities is through their foundations. The Audemars Piguet Foundation was founded in 1992, for example, which aims to protect and preserve forests worldwide. To this end, it has funded several projects and collaborated with other institutions in order to promote sustainability and environmental protection⁵⁰.

⁴⁷ <https://www.breguet.com/en/house-breguet/partnerships#>, accessed on 24 October 2020.

⁴⁸ <https://www.blancpain.com/en/blancpain-universe/blancpain-ocean-commitment>, accessed on 24 October 2020.

⁴⁹ <https://www.rolex.com/world-of-rolex.html>, accessed on 24 October 2020.

⁵⁰ <https://www.audemarspiguet.com/en/experience/foundation/>, accessed on 7 July 2020.

Moreover, the Frédérique Constant foundation is involved in various actions aimed at improving education or combating cardiovascular disease, for example⁵¹.

In brief, CSR activities are also widely present in the luxury watchmaking industry. Nowadays, probably more than ever, customers are more sensitive to sustainability-related issues, and companies are almost obliged to take action in order to express their concern and portray themselves as corporate citizens. CSR actions are then promoted, representing a key component of brands' communications strategies.

Following our discussion on common themes and strategies adopted in the promotion activities of the watchmaking industry, we will now determine whether, and how, these forms of communications are adapted for international audiences. We will start to address the topic by focusing primarily on the concepts and content of communications. The role of translation will then be analysed to determine which languages are involved, as well as what content is translated. We will also provide examples of slogans in different languages that demonstrate how transcreation (which, as we believe necessary to reiterate, has been defined as the translation of marketing content) is carried out.

4.3.4.5 International communications

As we have seen, these brands operate worldwide, meaning that they must develop communications and promotion strategies that can be disseminated at an international level. As is the case with the other Ps that we have analysed, standardisation also appears to be the approach adopted for promotion. As far as content is concerned, home and foreign markets are mostly homogenous. With regard to language, however, this is not the case, but we will start by focusing on content before addressing the topic of language and translation.

It is hardly surprising to find this level of homogeneity in the communications strategies of these companies; every aspect revolves around the brand. Since a company is represented by a single brand, it must remain consistent internationally given its international dimension, and since the majority of the content present in these companies' communications is related to the brand (heritage, history, locations, etc.), the content must

⁵¹ <https://frederiqueconstant.com/pages/charity>, accessed on 24 October 2020.

remain similar and consistent worldwide. If companies overly adapted their communications strategies, they would run the risk of damaging the brand and its identity, or of creating several different versions of the same brand, which might prove catastrophic for the company. As far as Swiss watchmaking is concerned, customers also desire a piece of “Swissness”, hence the clear insistence in corporate communications on historical locations – Switzerland and the Vallée de Joux.

In brief, as is the case with the other Ps, the level of standardisation is relatively high for branding and corporate identity reasons, and thus, we argue that brands continue to adopt a predominantly global approach towards these activities. However, this does not mean that all forms of adaptation are excluded. It is evident, in some cases, that companies decided to take into account cultural and social differences in order to create more effective communications. We will focus on two practices: the first pertains to the choice of ambassadors or collaborations, while the second one consists in adapting communications to the sociocultural differences that characterise different markets and cultures.

Ambassadors and collaborations

It is not easy to choose ambassadors. Beyond finding a figure that shares the same values as the brand, and which is compatible with the entire branding and communications strategy, brands must reflect on the potential influence and effectiveness of ambassadors in the various markets in which they represent the brand. Some examples of common practices are outlined below.

There are brands that select a fixed series of ambassadors and use them worldwide. The problem with this strategy lies in the fact that these figures may not be renowned internationally, but this may also arouse greater curiosity among customers. An example of this strategy is Vacheron Constantin and its ambassadors. The focus of the “One of not many” campaign was to discover new affirmed talents, which of course implies that they may not necessarily be renowned internationally. However, some ambassadors may be more popular in certain areas of the world, and thus, may prove more effective.

Breitling adopted a different strategy in terms of its “Squad on a mission” campaign. As mentioned, ambassadors are divided into several squads featuring talented individuals. As the CEO Georges Kern claimed himself in an interview (Judge, 2018), this squad

concept offers an infinite number of possibilities because the company can decide to create squads based on different criteria, including geography. Kern discussed the possibility of creating different squads in the interview, which represents a means of adapting communications and ambassador strategies to a specific market. The brand has already implemented this strategy to a certain extent. While squads typically consist of three individuals, the cinema squad is an exception. In addition to the international cinema stars Brad Pitt and Charlize Theron, and the more niche actor Adam Driver, the squad also features the Hong Kong-based actor Daniel Wu. As revealed in the interview, Breitling had only recently started operating in China, where a big event was organised there to mark the occasion. Daniel Wu, an extremely popular actor in China given his origins, and with whom Chinese customers can identify themselves more easily, was in attendance. Thus, he is most likely more effective as an ambassador in China than, for instance, Adam Driver. The idea of bringing Wu to China (the only other cinema squad member present at the event was Brad Pitt) was most likely not a coincidence, instead representing an astute strategic decision.

It is also worth analysing a collaboration between brands and individuals concerning Audemars Piguet. As mentioned in the product analysis, the brand released a limited-edition Royal Oak exclusively for the Chinese market in January 2020. The interesting aspect of this story is that the watch itself was developed in collaboration with an important young Chinese collector, Austen Chu (better known as Horoloupe on Instagram). As Friedman (2020) states, this was the first time that the brand had collaborated with a collector to develop a product, an extremely uncommon practice throughout the industry. Given his Instagram page, and his influence and passion for the brand, Audemars Piguet decided to produce a limited edition watch for the Chinese market. Austen Chu proposed that the brand produce this watch himself, and the brand's decision to collaborate with a Chinese collector to create a limited edition watch for the Chinese market is most likely not coincidental. It was most likely a wise and carefully considered choice made by the brand with a view to capitalise on the collector's understanding of the target market and the target demographic.

Social and cultural change

When communicating, companies take into account sociocultural changes and differences. This applies to Patek Philippe's "Generations" campaign explained above. As previously mentioned, the campaign has been running for over twenty years and has undergone several changes aimed at ensuring that it remains up-to-date and effective. Since the advertisements focus on real-life family situations, and the social concept of family has evolved considerably since 1996, certain adjustments were necessary. In 2019, when the campaign was last updated, a Patek Philippe Episode was dedicated to this update, which clearly explained the adjustments made⁵². The first aspect to have been adjusted to reflect the social evolution of the brand and the image of men and fathers. While in the past men were often depicted in more detached situations, such as travel and learning, the focus has now shifted towards the father-son relationship, with these figures being depicted in more intimate and personal situations to demonstrate the changed approach towards parenthood among contemporary men. However, the most interesting aspect of these marketing campaigns in terms of our analysis is the fact that brands are prepared to adapt the imagery used for different markets. For example, male parent figure is portrayed next to one or two children, depending on the country in which the advertisement will be used. This evidently reflects the different social habits and traditions in different markets, and represents an attempt to be in closer proximity to the target audience and the target culture. As the brand itself confirms, it is the first time in the history of the campaign that it has carried out this type of adaptation:

This highly emotional focus is strengthened by the fact that the male model was photographed with his own children. "His children" in the plural, *because for the first time and depending on the market*, the motif presents one or two youngsters, making it possible to place a stronger emphasis on the coming generation⁵³. [our italic]

These examples show that even in the more standardised and conservative luxury industry, there is room for cultural adaptation and that this practice may bear fruit. If a conservative brand such as Patek Philippe is prepared to adapt its 20-year-old award-winning campaign to specific markets, the industry clearly accounts for the cultural specificities of its market, not only adapting its communications strategies linguistically,

⁵² <https://www.patek.com/en/company/news/generations-campaign>, accessed on 7 July 2020.

⁵³ <https://www.patek.com/en/company/news/generations-campaign>, accessed on 7 July 2020.

which is already a common practice, but also visually. Small changes can be necessary in order to demonstrate cultural sensitivity without revolutionising the entire communication and promotion strategy, and, above all, without running the risk of damaging the brand, negatively affecting its international image or leading to inconsistency.

It should be noted that all models featured in the campaign's advertisements are Caucasian. Although these advertisements are disseminated worldwide, the brand has not yet considered the idea of adapting this visual component. The main reason for this may be related to the fact that Patek Philippe, like all main watchmaking companies, is a reality anchored in the western world, meaning that these models are closer to the brand's reality, tradition, context, identity and image than models belonging to other ethnic groups. However, we cannot dismiss the prospect of the brand eventually deciding to adapt this communications component in the future.

In any case, the most common form of international adaptation remains translation, since language remains the main medium through which brands communicate. All brands translate their content, and we will conclude this paper by analysing translation and transcreation in this industry.

4.3.4.6 The role of translation

As mentioned, language represents the most important medium through which brands communicate, and thus, constitutes the most essential aspect of international communications requiring adaptation. In this section, the role of translation and transcreation in the international communications of brand will be analysed. We will start by focusing on the languages into which the content is translated in order to determine which are the most popular and whether there are differences between brands and segments. We will then discuss certain examples of the transcreation of slogans and other content that we deem significant, and which demonstrate the approach adopted by the industry towards translation. We will also discuss certain issues related to the brands' translation processes and take into account other considerations regarding the topic. Since digital media (the official website in particular) constitute the main communications tool used by brands in the luxury watchmaking industry, we will focus on these media in this section.

Languages

After analysing the digital media used by brands to communicate worldwide, we argue that translation represents a valued in the industry, given that many brands in this industry have translated their official websites into many languages. While the brands' social media accounts, as a whole, only post content in English, their websites are translated into multiple languages. Among the most common languages chosen are English, German, Italian, French, simplified Chinese, traditional Chinese, Japanese, Spanish, Russian and Korean. Some brands, however, have translated their website into more languages than those aforementioned, including Polish, Portuguese and Dutch. Nevertheless, Rolex has translated its website into more languages than any other company analysed, which is available in twenty languages, including languages such as Hebrew, Hindi, Bahasa Indonesia and Bahasa Malaysia. There do not appear to be any systematic differences between segments. The choice of languages made by single brands is most likely related to the countries in which they are most interested in terms of sales and customers.

It should be noted that some brands, such as Vacheron Constantin, Maurice Lacroix and IWC, allow the user to select countries or regions. However, we argue that this choice most likely represents an e-commerce-related choice rather than a translation-related choice. These brands often offer customers the possibility of purchasing products online or indicate the price of products in the local currency of the client. In order to display all this information correctly, the website must recognise from which country it is being accessed. In future research, it would be interesting to determine whether this categorisation by country and region also involves regional linguistic differences.

It is also worth mentioning that some of these websites allow the user to select the country and language. However, in some cases, certain languages cannot be selected, despite being spoken in the country from which the site is being accessed. For instance, IWC's website is available in Italian only if Italy is selected as the country, despite Italian also being spoken in Switzerland, for example. This is particularly strange, given the status of Italian as one of the official languages of Switzerland and the fact that the brand already translated content into this language. The reason for this peculiarity is most likely related to cost.

Transcreation

In the second chapter, we discussed certain terminological and conceptual issues related to the word “transcreation”, defining this practice as the translation of marketing content. We distanced ourselves from authors who define transcreation as “creative translation” or “free translation”, and who consider this activity as independent from translation. In this section, we will analyse the translation of certain marketing content and the choices made in order to understand how transcreation is used in the luxury watchmaking industry.

We will start our analysis by examining the English, French and Italian versions of an extract from Audemars Piguet’s website in three languages.

The Vallée de Joux, birthplace of Audemars Piguet and cradle of high-end Swiss watchmaking, is an awe-inspiring, ruggedly beautiful region nestled in the Jura Mountains, north of Geneva. The natural resources of the Vallée de Joux – specifically the forests, water, ice and rocks from which iron ore could be extracted, provided the means for the watch industry to evolve and thrive. To this very day, the raw nature of this majestic region with vibrant views of the clear night sky, has served as inspiration for watchmakers. Watch mechanisms are indeed representations of the passage of time as dictated by astronomy, and nature has always inspired the development of time measurement devices.⁵⁴

La Vallée de Joux, berceau d'Audemars Piguet et de la Haute Horlogerie suisse, est une région aux paysages grandioses nichée dans les montagnes du Jura, au nord de Genève. Les ressources naturelles de la Vallée – ses forêts, cours d'eau, formations glaciaires et rocheuses riches en minerai de fer – ont permis la naissance et l'essor de l'industrie horlogère. Aujourd'hui encore, les horlogers s'inspirent de la splendeur de cette nature brute où les étoiles prennent une clarté singulière. Les mécanismes horlogers représentent le passage du temps tel qu'il est dicté par l'astronomie, et la nature a toujours servi de modèle pour le développement de dispositifs de mesure du temps.⁵⁵

La Vallée de Joux, luogo d'origine di Audemars Piguet e culla dell'Alta Orologeria svizzera, è una regione maestosa dalla bellezza selvaggia nel cuore del Massiccio del Giura, a nord di Ginevra. La valle vanta risorse naturali (nello specifico, foreste, acqua, ghiaccio e rocce da cui si estraggono minerali di ferro) che hanno favorito lo sviluppo e il successo dell'industria orologiera. Ancora oggi, la natura incontaminata di questa maestosa regione, che offre cieli limpidissimi e panorami notturni mozzafiato, rimane un'inesauribile fonte d'ispirazione per gli orologiai. I meccanismi che animano gli orologi rappresentano indubbiamente lo scorrere del tempo scandito dai ritmi

⁵⁴ <https://www.audemarspiguet.com/en/made-in-le-brassus/origins/>, accessed on 9 July 2020.

⁵⁵ <https://www.audemarspiguet.com/fr/made-in-le-brassus/origins/>, accessed on 9 July 2020.

astronomici, e la natura ha sempre ispirato lo sviluppo dei dispositivi per la misurazione del tempo.⁵⁶

We will use this example to address the topic of corporate voice and style. Translation does not only involve words and messages, and thus, the target text perfectly conforms with the communications strategies of the brand, and, in turn, respects the identity of the brand, as well as its corporate voice and style. In this extract, the origins of the brand and the Vallée de Joux are described, with the latter portrayed as a wonderful, idyllic region surrounded by nature, which has inspired watchmakers and Audemars Piguet for centuries.

The style used is extremely flamboyant and poetic. The valley is described as a sort of Garden of Eden, and linguistic choices such as “awe-inspiring”, “majestic region”, and “vibrant views” convey this idea. As we can see, this style and atmosphere is maintained across all three versions of the description, suggesting that great attention has been paid to these aspects. For transcreation to be properly carried out, these elements are essential and translators must be aware of them. For this reason, we argue that transcreation, if properly done, should be integrated into the communications strategy, so that translators can familiarise themselves with the branding and corporate identity.

Moreover, while all pieces of information are present in all versions of the extract, certain images were slightly changed to create an idiomatic and effective target message. For instance, in English version says “vibrant views on the clear night sky”, whereas the French and Italian versions say “les étoiles prennent une clarté singulière” and “cieli limpidissimi e panorami notturni mozzafiato”, respectively. In the French version, the focus has shifted towards the stars, while the English and Italian versions focus on the sky. The Italian description involves two elements, namely the clear sky and the breathtaking views. While these images differ slightly across the three versions, the overall atmosphere and style remains consistent across the three languages, with the corporate voice adopted for the entire website section remaining consistent, regardless of the language used.

We have identified different practices with regard to the transcreation of slogans and other marketing content in this industry, for which we will provide some examples. In some cases, slogans are not translated, and thus, only used in English. Longines’

⁵⁶ <https://www.audemarspiguet.com/it/made-in-le-brassus/origins/>, accessed on 9 July 2020.

“Elegance is an attitude” and Maurice Lacroix’s “Your time is now” and “Be your Aikon” represent three examples of this practice. These slogans are only used in English, and the reason for this may simply be that the brand wishes to use the same slogan worldwide in order to maintain a high degree of consistency on an international level. When customers see Longines’ slogan, they immediately associate the tagline to the brand. This strategy may prove powerful and is also used in other industries (for example, Nike’s slogan “Just do it”). This approach is also adopted by Vacheron Constantin for its campaign slogan, namely “One of not many”, and by Breitling for its “Squad on a mission” campaign. This decision may also be explained by the fact that brands expect their target clients to be highly educated and understand English.

In other cases, there are slogans and descriptions that are fully translated into multiple languages. It was not easy to find slogans from these companies, since this type of message is usually seen in advertising, of which luxury watchmaking companies produce very little. Most advertisements produced only feature text related to the technical characteristics of the product. However, there were certain examples referring to specific products or collections, for which the messages transmitted were mostly consistent and the translations of which closely mirrored other-language versions. Below are some examples from different brands (table 2):

Table 2: Examples of translated slogans

Brand	English	Italian	French
Patek Philippe	You never actually own a Patek Philippe. You merely look after it for the next generation.	Un Patek Philippe non si possiede mai completamente. Semplicemente, si custodisce. E si tramanda.	Jamais vous ne posséderez complètement une Patek Philippe. Vous en serez juste le gardien, pour les générations futures.
Blancpain	Innovation is our tradition	L’innovazione è la nostra tradizione	L’innovation est notre tradition
Rolex	The watch of the open seas	L’orologio di chi ama il mare	La montre du grand large

	The watch with everlasting appeal	L'orologio che attraversa le epoche	La montre qui traverse les époques
Vacheron Constantin	Simplicity in a noisy world	Una semplicità eloquente	Une simplicité éloquente
Longines	A definition of elegance	Una definizione di eleganza	Une définition d'élégance

As previously mentioned, all these examples represent close translations, with the different language versions echoing one other. We are aware that there is much debate surrounding the appropriateness of the use of the literal-vs.-free translation dichotomy, and this debate will be addressed later in this study. In any case, it is objectively true, as far as we are concerned, that it is possible to determine the closeness of a translation to the source text, so we will use this dichotomy for the time being.

This trend appears to mostly dominate companies' multilingual communications. As we have mentioned, content is translated into a wide variety of languages, but these translations can often be described as close translations, at least with regard to the languages that we understand – English, Italian, French and German. It would be interesting to see if this also applies to other languages.

If this level of standardisation and proximity to the source text can be expected for more descriptive and informative content, given the importance of these messages with regard to the factual information that they convey, we were surprised, initially, to discover that this degree of standardisation is also present in other forms of marketing content such as slogans. Given the high degree of customer orientation and attention to detail, we expected a higher distance from the source text in order to create more culture-specific messages in the different target markets.

However, after analysing practices in the luxury industry and better understanding these companies, we believe that remaining close to the source text is explained by the desire to maintain the consistency of content worldwide, as well as a global approach and image.

It must be stressed that we are not criticising the decision made by brands to opt for close translations. Rather, this is purely an observation. The fact that we expected different translation choices does not imply that recreations of messages would be more

suitable or effective. It simply means that, before addressing the topic in depth and studying the industry, we believed that brands were more intent on differentiating their communications more significantly, given the need to build strong relationships with customers worldwide who belong to different cultures. However, this research has helped us realise that one of the most important characteristics shared by luxury brands is the need to maintain a consistent international image and identity.

Moreover, it has already been indicated that luxury customers, despite potential cultural differences, tend to be extremely similar worldwide, which would also explain this translation choice. Luxury customers are easily identifiable and localisable, since they are all extremely similar and mainly purchase luxury products for the same reasons, such as to celebrate an event (see chapter 3.3.3.1). Moreover, with regard to higher segments in particular, clients tend to be quite wealthy and their lifestyle, education, expectations, etc. are fairly standardised worldwide.

Furthermore, the brands' slogans mentioned above, as well as many others, tend not to be too culturally marked, which decreases the need for a complete recreation of the message.

This trend appears to be present across segments, and also involves physical media. The content present in the magazines that we have studied is identical, and even small slogans, descriptions or taglines are translated quite literally.

Despite the fact that all the messages listed in table 2 echo one another, and that the examples of transcreation provided are similar, the style and voice were maintained consistently. For example, the three versions of the famous Patek Philippe tagline are extremely similar, and the tone and style are consistent across all three versions. All of these versions successfully create the atmosphere required to transmit its emotional and intimate message, with certain linguistic choices in each version helping to achieve this goal.

In the Italian translation, for instance, the tagline is split into three parts, while there are only two sentences in the French and English versions. These pauses bestow a particular rhythm upon the slogan, which helps recreate an emotional and poetic atmosphere.

Another interesting element is the use of the future tense in the French translation. This choice is interesting because the brand is seemingly warning the customer that it is

not even worth trying to possess a Patek Philippe, since it is inevitable that they will ultimately pass the product down to the next generation.

Vacheron Constantin's slogan is also worth mentioning. The message remains consistent across the three versions, but while the English version focuses on the contrast between the world, which is complicated and noisy, and the collection, which is classic and simple, the Italian and French versions personalise the collection, suggesting that it conveys a strong message despite the simple models that feature.

Thus, even if brands opt for close translations, interesting solutions may be found and multilingual versions may still prove effective. Companies seemingly prefer to use more culturally neutral messages that can be kept similar worldwide. This may also be due to the international appeal of the messages transmitted by these brands, which convey values and ideals shared by the entire target audience, which, as previously mentioned, is extremely homogeneous in terms of lifestyle, habits, expectations, representations, etc., despite possible cultural differences.

Nevertheless, it is possible to find messages that are entirely recreated during the transcreation process, or even find local elements that are preserved in the target languages.

An example of an entirely recreated message was taken from IWC's website, which pertains to the title of an article focused on the concept of *Grande Complication* (which indicates a very complex movement that features a precise set of complications).

If we compare the Italian ("La vetta più alta dell'arte orologiera"⁵⁷), French ("Quand une complication devient Grande"⁵⁸) and English ("When a complication is Grande"⁵⁹) titles, we can observe that Italian message was completely recreated. While the English and French messages include an allusion to the horological concept of *Grande Complication*, this reference was omitted from the Italian version and replaced by information focusing on this technical achievement, as well as the competence and expertise of the brand.

⁵⁷ <https://www.iwc.com/it/it/articles/experiences/when-a-complication-is-grande.html>, accessed on 31 October 2020.

⁵⁸ <https://www.iwc.com/fr/fr/articles/experiences/when-a-complication-is-grande.html>, accessed on 31 October 2020.

⁵⁹ <https://www.iwc.com/it/en/articles/experiences/when-a-complication-is-grande.html>, accessed on 31 October 2020.

Another example originates from a sort of banner on the website of Baume & Mercier, where a new collection of colourful straps is presented.

The messages are:

- English: “On the road to summer: freshen the look of your timepiece with a free, colourful and interchangeable strap”⁶⁰;
- French: “Aux couleurs de l’été: couleurs et style s’invitent sur les bracelets”⁶¹;
- Italian: “In viaggio verso l’estate: un gioco di colori e stili... Anche nei bracciali!”⁶²

As we can see, the second parts of the Italian and French messages are extremely similar, but the English message is completely different. We can assume that the source language in this case is French because the company is based in Geneva and given the similarities with the Italian version, which is most likely based on the French slogan.

If this is actually the case, the English message was completely recreated during the transcreation process. The style is more direct, and the audience is explicitly invited to purchase a strap. The company seems to address customers directly, which mostly likely represents the most idiomatic choice in English. The product is also described in more detail than in the other two messages, which focus more on style. It is interesting to note the fact that these straps are free (i.e. if a watch is purchased, the customer receives an additional strap) is mentioned in the English version. On the contrary, the first part of the message (“On the road to summer”) is preserved in the Italian version, but is extremely different in the French version.

It is also worth noting that local concepts are preserved in the different foreign-language versions. As we are aware, the local dimension is key in relation to luxury products, hence why local elements associated with the brand identity are maintained in the target-language versions.

The first example originates from the history section on Baume & Mercier’s website⁶³. At the very beginning of its story, the brand explains that the two founders opened a *comptoir horloger* in the Swiss Jura. This concept of *comptoir horloger* is

⁶⁰ <https://www.baume-et-mercier.com/en/home.html>, accessed on 10 July 2020.

⁶¹ <https://www.baume-et-mercier.com/fr/home.html>, accessed on 10 July 2020.

⁶² <https://www.baume-et-mercier.com/it/it/home.html>, accessed on 10 July 2020.

⁶³ <https://www.baume-et-mercier.com/en/the-maison/history.html>, accessed on 10 July 2020.

maintained in the French version, accompanied by an explanation in brackets (“watch dealership”). This also happens in the Italian, German, and Spanish versions. However, this cultural element has not been included in the Portuguese version, which contains a supposed equivalent (*balcão relojoeiro*), with an explanation in brackets.

The second example of this practice was taken from another history section, but this time on Longines’ website⁶⁴. In all linguistic versions of the website, the brand maintained the term *établissage* in French. This is a very particular term; according to the Larousse online dictionary, it means “assemblage d’une montre à partir des pièces détachées”⁶⁵. Thus, this term specifically refers to a watchmaking practice, and, as we discover on Longines’ website, Swiss watchmakers worked in this exact way at the time that Longines was founded. Watchmakers used to work at home and delivered their work to the company for which they used to work. This term does not even feature in the Petit Robert dictionary. This concept may be considered highly culturally-specific and inherent to Switzerland, and thus, is most likely maintained in different translations to preserve this geographical and origin-related component.

In this section, we analysed various practices related to transcreation and managed to identify certain trends. A literal/close approach towards translation appears to be most commonly adopted for content in the luxury watchmaking industry (again, the appropriateness of the dichotomy will be addressed later), and we managed to identify some interesting translation choices. We will now proceed with a new section, in which several issues related to translation will be addressed.

Translation issues

Although, generally speaking, translation seemingly represents an invaluable activity in the luxury watchmaking industry, there are certain examples of a lack of relevant quality assurance and quality evaluation, as well as inconsistency. In this section, we will focus on Italian, since it is our first language.

By inconsistency, we are referring to the failure to systematically translate all content into multiple languages. While in some cases this may be related to the specific

⁶⁴ <https://www.longines.com/en-gb/company/presentation/longines>, accessed on 10 July 2020.

⁶⁵ <https://www.larousse.fr/dictionnaires/francais/%c3%a9tablissage/31242?q=%c3%a9tablissage#31172>, accessed on 10 July 2020.

communications strategy, as is the case, for instance, with the Patek Philippe Episodes discussed earlier, which are only published in English and shared via Instagram, other cases suggest issues with the processes implemented by single brands.

The first example is the Italian page on Breitling's website, on which the Squad for mission campaign is presented⁶⁶. While the descriptions of some squads are fully translated, the main page and the page dedicated to the aviator squad are both in English. This shows inconsistency and creates the impression that the job was left partly completed. We have been monitoring the pages for some months now, and the situation remains unchanged. It is worth noting that Italian is the only language to which this problem pertains.

There are also brands who do not translate specific sections of their website. For example, Frédérique Constant does not translate its news section, which is only available in English, and certain articles on the news section on IWC's website have not been translated.

Another example pertains to an Italian menu on Longines' website, in which there are some typographic errors that are most likely "imported" from English.

Under the section "Il marchio"⁶⁷, there are certain issues related to capitalisation and pluralisation. In Italian, only the first letter of the first word of a sentence or title can be capitalised (unless every word represents a proper noun, for example). In this menu, capitalisation is incorrectly employed in two cases: "Profilo Dell'azienda" and "Risorse Umane". Even though this problem is not critical, it indicates a certain degree of neglect with regard to the website localisation process. Moreover, "Films" is written with an S, despite the fact that an S is never used to indicate the plural form of a noun in Italian. This error seems, once again, to have been imported from the English text.

Beyond these examples of inconsistencies and errors, which are most likely explained by inattention, there are more serious linguistic errors.

On the Italian webpage on Breitling's website dedicated to the description of the Surfer Squad⁶⁸, the brand describes Kelly Slater, one of its ambassadors, as a female American surfer. The problem is that Kelly Slater is a man, and there even are pictures of the squad on the page proving this point.

⁶⁶ <https://www.breitling.com/it-it/campaigns/squad-on-a-mission/>, accessed on 10 July 2020.

⁶⁷ <https://www.longines.com/it-ch/universo>, accessed on 10 July 2020.

⁶⁸ <https://www.breitling.com/it-it/campaigns/squad-on-a-mission/surfer/>, accessed on 10 July 2020.

Translation errors can also be seen on another page, a page presenting certain manufacturing processes⁶⁹. There are two linguistic errors on this page. Firstly, in the title “Ossessione della qualità”, the preposition used is incorrect, since the grammatically correct version should read “Ossessione per la qualità”. Secondly, a masculine adjective describes the proper noun Breitling in one passage, despite companies usually being considered as feminine nouns in Italian.

These linguistic errors are more serious than the typographic inconsistencies found on Longines’ website, and suggest that the translation was not carried out by a native speaker, who would not have written “della” or used a masculine adjective to describe a company. With regard to Kelly Slater, we argue that there is even the possibility that machine translation was used. This is because Kelly represents a proper noun that may also refer to a woman. Similarly, a machine translation software cannot look at images for context. A human translator would have at least noted that the description did not match the image depicting the three surfers. In any case, all these examples show that translation and quality assurance processes have not been properly implemented, thus seriously damaging the brand’s communications.

A global approach towards transcreation, but why?

The standardisation of messages, consistency and the adoption of a global approach appears to represent the general rule, even for transcreation. The need to maintain a consistent international image and identity most likely impels companies to opt for closer translations, and thus, adopt a global communications strategy, although certain examples of the adoption of an opposing strategy have been provided.

As previously mentioned, we have used the literal-vs.-free translation dichotomy in this section, but we are aware that this dichotomy is not the most appropriate in relation to translation, because it fails to account for many key concepts.

When analysing a translation or a translation process, we tend to ignore many factors and actors involved in the entire process, and that contribute to the final result, by simply thinking in terms of literal and free translation. Some of these factors represent the needs of clients, communications strategies, the objective of the text, the text type, the target client of the company, etc. While we argued that it is objectively true to be able

⁶⁹ <https://www.breitling.com/ch-it/madeby/>, accessed on 10 July 2020.

make a distinction between literal/close and free translations, the most important aspects to consider are the reasons behind translation choices.

As we have stated, we are not criticising the target text and or suggesting that free translations are more important when referring to literal translation, because it is the client who ultimately decides which translation solutions best suit its needs, communications and promotions strategy.

However, when confronted with generalised, close translations, the translation processes discussed in Jemielity (2018), and which are presented in the second chapter, come to mind. It is worth determining whether this approach towards translation represents the result of companies' and industries' needs, or whether it is related to the processes implemented. In other words, are these companies genuinely creating and requesting standardised multilingual messages in order to maintain the consistency of their communications worldwide and disseminate messages that do not include particular cultural elements, or is this a consequence of a lack of contact between the brand and translators? If the second scenario applies, the ideal conditions for the production of high-quality translated texts suggested by Jemielity (2018), in which translators must take the risk of modifying texts and messages in order to create more culture-specific target texts, are not met. In fact, if this contact between translators and the brand is not present (which mostly means that the translation task is outsourced), translators will not be able to justify their choices and they will probably adhere too closely to the source text in order to avoid risks.

There are industries with other types of customers, and in which more personalised and culture-specific communications are more appropriate, but this does not appear to be the case in the luxury industry for the reasons discussed in this study. This is because this industry seemingly represents an industry that attempts to create culturally neutral and global messages enabling a generalised standardisation of communications. However, in future research, it may be useful to analyse the translation processes implemented by single brands in more detail in order to understand how they approach this task and the conditions and requirements set for translators. Regardless of translation choices, we have highlighted several significant translation errors that indicate that there is room for improvement, especially in terms of quality evaluation.

Conclusion

The main idea behind this study was to analyse the international marketing strategies adopted by companies in the luxury watchmaking industry and to understand the role played by translation and multilingual communications in such strategies.

With this idea in mind, we explored literature to understand basic marketing principles, various perspectives on the topic and several models that can be used to plan and analyse marketing strategies such as the 4Ps model.

We then extended our research efforts by considering marketing activities abroad, and analysed several elements and difficulties facing companies in foreign markets, which are strongly linked to the differences between countries and the target demographic in terms of geography, society, culture, etc., and which might require forms of adaptation to the marketing mix.

A distinction between global and international marketing was made in order to emphasise the fact that it is possible to construct a spectrum indicating the extent of international adaptation of the marketing strategy. We paid particular attention to the promotion component of the marketing mix, since translation and multilingual communication fit into this component, and we discussed how these activities can be integrated into companies' planning, as well as how they need to be integrated into their marketing strategies. Various aspects of translation were tackled, and a pragmatic definition of transcreation was proposed following the discussion of certain theoretical issues.

After analysing the specificities of the luxury industry, in our study, we also analysed the international marketing strategies adopted by companies in the luxury watchmaking industry in order to respond to our research questions.

We first came to the conclusion that international marketing strategies in this industry are positioned near to the "global" end of our spectrum of adaptation. For every P of the marketing mix, an identical strategy was adopted in every country. We came across certain forms of adaptation of marketing mix components, such as the production of country-related limited-edition models, and the presence of different forms of distribution in specific countries such as e-commerce. We argue, however, that these strategies are characterised by a high level of standardisation across markets, which is

probably due to the industry's need to maintain a strong and consistent image and identity worldwide, and to the homogeneity of target customers in terms of habits, representations, taste, etc.

The homogeneity of customers is particularly reflected in brands' international pricing strategies, which are barely adapted to the various countries, since it is assumed that the purchasing power of clients is similar irrespective of their country of residence.

Our segmentation has proven reasonable, since it allowed us to highlight certain trends that characterise brands belonging to each segment with regard to each P, and to identify differences between the three segments.

We focused on the Promotion P to analyse the companies' promotion and communications strategies to understand how translation fits into these strategies. We observed that although this activity is widely used in the industry given the international context of operation, and despite the variety of cultures targeted by these companies, similarity and cultural neutrality of messages and communications are maintained in every market. This may be explained once again by the need to maintain a consistent international image and identity, as well as the desire to create a strong and universal brand that can convey ideas and values shared by this homogeneous target audience. This approach is reflected in the translations produced by the industry, which in most cases are extremely similar and echo one another. However, even in this case, we were able to find some exceptions, providing certain examples of messages that were recreated in various languages.

This study paves the way for future research. The translation processes implemented in the luxury watchmaking industry could be analysed in much more detail to understand how translation is carried out, if the translations that we found represent the consequence of the processes involved (i.e. a lack of contact and communication between the company and translators), or if these translations have been produced as the company intended. It would be interesting to select several brands and analyse their processes to respond to this question.

Moreover, other aspects related to international marketing and the luxury industry could be addressed. Each P could be analysed in greater depth, and research could be extended to other brands from other countries, and even to other luxury industries, such as the fashion industry, high-end hospitality and restaurants and the automotive industry.

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