

Travel Report for Sten A. Olsson Foundation Scholarship 2019: Iris Minö & Louise Granström

Firstly, we would like to highlight our deepest gratitude to Sten A. Olsson Foundation who has granted us a generous grant during the spring of 2019. The scholarship was used to travel to Paris, London, Stockholm and Copenhagen in order to collect the data to our master thesis. In total, nine different face-to-face interviews were performed abroad with companies and industry experts. The reason why we wanted to conduct the research abroad is simply due to the fact that the luxury goods market, which we have investigated in, is rather limited in Sweden. Thus, only one company in the report originated from Sweden and the rest abroad.

Purpose and Background of Thesis

The luxury market has encountered several challenges which has forced the industry to endure great transitions in the past two decades. In particular rapid technology transformation and changing customer preferences have influenced the competitive landscape. Thus, imposing on contemporary corporate strategies. By 2025, 100% of luxury purchases will be influenced by an online interaction and social media channels have hence been considered as an important way to establish relationships with consumers. Furthermore, social media is no longer only acting as a sales and communication tool, it can also be utilized for co-creation with customers in the product development (PD) process in the luxury industry. The case studies in our research therefore aim to reveal how luxury goods companies are utilizing customer involvement through social media in their PD process. Thus, the report has a strong focus on analyzing the perceived challenges and benefits concerning the investigated subject.

Based on this, the following main research question was formulated:

- ***How is social media used as a tool to facilitate customer involvement in the product development process in luxury goods companies?***

In addition, three sub-questions were formulated in order to broaden the understanding and to better analyze the main research question:

- *How is customer involvement utilized in the product development process?*
- *What are the benefits and challenges of using customer involvement in the PD process in luxury goods companies?*
- *What are the benefits and challenges of using customer involvement through social media in the PD process in luxury goods companies?*

Findings and conclusion

The empirical findings demonstrate that customer involvement is used to some extent in the following phases: idea, validation, launch and post launch. Furthermore, social media is mainly serving as an *informal* source of information, in the idea and post launch phases, where the customer is passively involved. However, it has been concluded that due to utilization of social media customer involvement has increased among the majority of the companies. Furthermore, several challenges and benefits were identified with using customer involvement and the utilization of social media in the PD process. The perceived challenges of using social media may be the reason for why it is not utilized in a formal way to a greater extent. However, in addition, the empirical findings also reveal several industry characteristics that highly influence the degree of customer involvement and customer involvement through social media.

Originality

The results contributes to a better understanding of how luxury companies are utilizing customer involvement through social media in the product development process which has not

been done before. This research hence contributes to expanding the existing and modest knowledge in the academical field but also to help luxury goods companies to understand how other companies are addressing this phenomenon and what key aspects to reflect upon. We are therefore very grateful that Sten A Olsson Foundation has enabled us to conduct this study which has allowed us to generate added value to both companies and to the academic field.

Description of stay in Paris, London and Copenhagen

Paris and London is among the most prominent luxury fashion cities in the world and were hence perfect places for us to collect our main data. Also, it is important to mention that the luxury goods industry is a complex one that puts a great emphasis on its heritage, brand value and DNA of the brand. Thus, by travelling abroad and having face-to-face interviews we were able to get a sense of the true culture and history of the different brands. To exemplify we were able to visit Boucheron's (brand belonging to the luxury goods group Kering) Maison on 26 Place Vendôme in Paris. We were given a guided tour and discovered its 161 years of History and Innovation.



The study also includes two Scandinavian brands, Malene Birger and J.Lindeberg. We got the opportunity to visit the CEO of Malene Birger at their Headquarter in Copenhagen.



Picture outside the HQ of Malene Birger. After interview with J.Lindeberg

Additionally, down below are some other pictures that were taken during our trips.



Interview with industry expert



Interview with Ted Baker



Interview with industry expert



Outside of S.T. Dupont's store in Paris