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MAKING IT IN E-LUXURY:

HOW CAN LUXURY NICHE BRANDS LEVERAGE FROM (AND BREAK INTO) LUXURY E-TAILING TITANS?

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Abstract

Over the last two decades, luxury multibrand pure players made a huge contribution to the rapid acceleration of the online luxury market. This digital development simultaneously propelled the emergence of personal luxury goods niche brands in the industry's competitive landscape.

By analysing multiple luxury multibrand e-retailers, this study concludes that although it is not easy to break into these platforms, brands can leverage from Net-a-Porter and Farfetch in their image building process by receiving positive brand equity and brand awareness. Amazon, whilst being a good driver of sales, should be avoided due to its deteriorating potential to a brand's image.

Keywords: Luxury; E-Commerce; Luxury Distribution; Farfetch; Net-a-Porter; Amazon

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AMZ: Amazon

FF: Farfetch

LNB: Luxury Niche Brand

NAP: Net-a-Porter

INTRODUCTION

Distribution constitutes an essential role in the world of luxury business – as a major aspect of any brand's structure, it could lead the company to the achievement of its potential success as well as to its downfall, if handled inadequately (Kapferer and Bastien 2009, 194).

For many years, the luxury industry has been reluctant to adapt to digital innovations and the online channel, based on scepticism regarding its ability to succeed in a business heavily dependent on the brick and mortar sensorial experience and serendipity.

In this competitive space, a big part of the business belongs to luxury multibrand pure players who have pioneered, influenced, and benefited from the rapid development of the luxury e-channel, gaining ground in what was previously exclusive to the physical realm.

The COVID-19 pandemic has accentuated this channel's importance, making it a life raft for many emerging brands. Combined with changes in consumer behaviour as well as cultural shifts, it has become imperative that strong luxury brands embrace the digital arena in order to prevail.

The same cultural shifts and changes in consumer preferences has prompted the rise of luxury niche brands, whose business is built upon a tech-savvy generation of affluent consumers who are highly engaged and demand quality, distinctiveness, and craftsmanship (Cerini 2019).

This research's aim is to understand and propose how luxury niche brands, highly reliant on the digital channel for growth and consolidation, can break into luxury multibrand pure players and leverage from their success. Thus, based on their leading roles in the industry, Net-a-Porter, Farfetch and Amazon will be analysed in order to establish which is more capable of strengthening a brand's possibility of "making it in e-luxury".

CONTEXTUAL BACKGROUND

1. DEFINING LUXURY BRANDS

In order to address this work project's topic, one must first understand what constitutes a luxury brand. Defining luxury is challenging, as there is no consensus on what it means. For this reason, the conceptualization of the New Luxury paradigm proposed by da Silveira (2020a) will be applied as the definition that best describes a luxury brand in this complex industry.

According to this recent approach, for a brand to reach the luxury position it is required to address 2 components: Substance and Symbol. Substance refers to the tangible dimension of the brand, that is, its individual function (e.g., consumer experience or individual pleasure). Symbol, on the other hand, is the intangible dimension of the brand – mainly, its status. This social function is categorized into 2 profiles: as a Low- or High-Profile social statement.

The definition of luxury is therefore impacted by the Substance-Symbol duality, subjecting it to the perception of individuals, contexts, and cultures: "(…) *what is luxury for some is not luxury for others*: *to each their own luxury*" (Kapferer and Bastien 2009, 38).

2. THE LUXURY CONSUMER & DISTRIBUTION

The luxury consumer is getting younger and is spending more: 35% of 2019's luxury sales were made by digital-native-Millennials, which by 2025 are expected to make up 45%; Generation Z purchases, although only representing 4% of the 2019 sales, are predicted to grow up to 40% by 2035. Brands have been adjusting their business models in all levels to leverage this new tech-savvy luxury segment – especially the Millennial HENRYs (High-Earners-Not-Rich-Yet) (Casale et al. 2019), embracing digital channels and adapting their distribution to a "*phy-gital omnichannel environment*". (de Montgolfier 2020; D'Arpizio and Levato 2020).

Throughout the last 2 decades, changes in consumer behaviour led the luxury e-commerce market to grow exponentially in terms of importance by itself, representing 12% of the overall personal luxury goods purchases in 2019 (de Montgolfier 2020; D'Arpizio et al. 2018). By 2025, it is expected to grow up to 30% as a channel (D'Arpizio and Levato 2020) and as a driver of offline sales – in 2018, it influenced nearly 80% of the global personal luxury goods purchases (Achille et al. 2018) and by 2025, "*nearly all luxury purchases will be influenced by online interactions*" (D'Arpizio et al. 2018, 3).

The COVID-19 global pandemic has accentuated this importance, as in a very short time, the entire global luxury industry had to adapt to the new paradigm. Although the luxury market declined by 25% in the beginning of 2020 due to global slowdown in luxury goods consumption – especially in Asia –, the online channel showcased positive performance (D'Arpizio and Levato 2020). E-commerce became a key channel to maintain sales as consumers embraced online shopping as a replacement for brick and mortar – a behavioural change that, even in an uncertain evolution of the market, is expected to linger after the health crisis (Amed et al. 2020). The online channel is expected to accelerate, becoming the main instrument for personal luxury goods purchases (D'Arpizio and Levato 2020), surpassing, while enhancing and reshaping, the offline in-store experience, thus establishing a true synergy between the physical and digital channels (Lazzaroni et al. 2020).

3. Luxury Niche Brands

A niche brand is defined by not being known by many but demonstrating a high level of loyalty by the few who recognise it, explaining their appeal within industry insiders. These brands usually carry a small assortment, have few employees, and hold a limited production capacity. According to Wang (2016), these brands' main audience is looking for benefits that big brands in the market fail to fulfil. Because many luxury brands are losing their exclusivity by going mass market, these niche labels' competitive advantage lies in introducing a sense of novelty and exciting personality in both the experience and products it provides (Cerini 2019).

"*Your niche is your specialty*", and this is how niche luxury brands are able to gain space in the market: by offering a unique positioning that tends to the needs of one specific clientele, instead of attempting to please the broader spectrum. Especially relevant amongst younger consumers, who do not want mass-produced luxury items, these consumer-centric luxury brands often provide a genuine and authentic personality that – by resonance – establishes a deep, intimate, and enduring connection with its clients (That Agency 2019). This is the case of digital-savvy Millennials, who represent a promising slice of the personal luxury goods market and who look for different and original brands, whose core values match their own (Casale et al. 2020).

4. e-LUXURY: LUXURY GOES DIGITAL

Despite the *annus horribilis* faced by the industry, living in time when technology is no longer a positive supplement to an organization but rather an essential part of the business, means that companies must adapt in order to not only survive, but flourish (Accenture 2019).

The relationship between the internet and luxury brands is a complicated one, as their core characteristics are incompatible with one another: misusing this medium has the potential to dilute a brand's status by removing the feelings of exclusivity and weakening the "luxury dream", leading many brands to shy away from the web. Ergo, it is imperative that luxury brands capitalize and incorporate it in their organizations (Kapferer 2015), seeing as digital habits play an increasingly significant role on the industry's clients' decision-making process.

"*The essence of Luxury strategy is control*", and this is how brands guarantee quality along the value chain. The internet can pose a threat to this control, as it makes brands more exposed (Kapferer 2015) – it is for that reason that brands must ensure a meticulous and careful selection process of how to introduce its digital presence and incorporate it in its strategy.

When it comes to operating online, brands have the option to implement their own direct-to-consumer (D2C) as a distribution channel and/or introduce their products into full- or off-price multibrand e-tailers, marketplaces or department stores' e-commerce websites (da Silveira 2020b). The focus of this study will be on full-price luxury multibrand e-tailers and marketplaces, websites carefully crafted to meet the requirements of luxury brands and its consumers (Derville and Kapferer 2018b).

A research conducted by McKinsey & Co. and the Altagamma Foundation (2014) concluded that multibrand e-tailers play a central role in the initial consideration stage of the consumer decision journey as product-oriented sources of information: 39% of respondents recur to full-price and 34% to off-price multibrand e-commerce platforms as a preferred source of online research – more than the brands' official websites (31%). Therefore, and in order to leverage on this fact, some luxury brands are placing their products on these multibrand online players as a way to reach a wider audience and build an image (Woodworth 2018).

As a means to prevent brand erosion, it is crucial that brands carefully select the correct platform to place their products, ensuring that the sale space is aligned with the brand's own identity: "*There is no Luxury brand without selective distribution*." (Derville and Kapferer 2018a).

To better understand the potential of such multibrand e-tailers, this work project will focus on the legacy e-commerce players: Net-a-Porter (wholesaler), Farfetch (marketplace) and Amazon (a hybrid between both models), based on their everlasting success (see Appendices 1 and 2).

NET-A-PORTER | "*A hybrid between a store and a magazine delivered digitally*" (YNAP 2020), Net-a-Porter (NAP) was launched in 2000, becoming the pioneer in luxury multibrand e-retailing. It currently represents the largest online fashion store (wholesaler), providing established and emergent brands with an "*interactive shop window to the world*" (Amed 2016). Carrying over 800 brands, it is a destination for consumers with a keen eye for luxury niche brands (see Appendix 3). Especially relevant in the US, UK and Australia – and with a surprisingly high market share in China – (see Appendix 4). Its original wholesale business model is used as a canvas for all luxury multibrand e-retailers (Amed 2016).

FARFETCH | Established in 2007, Farfetch (FF) is a multibrand marketplace, connecting over 2.5m active consumers to more than 1.300 luxury retailers worldwide. The platform carries at least 3.000 brands, granting it the title of the "*most extensive selection of luxury on a single platform*" (Farfetch 2020). With special relevance in the US, Russia, and the UK (see Appendix 4), FF prevails as the place-to-go for high-profile luxury consumers (see Appendix 3).

FF reached unicorn status in 2015, and was valued at $6.2 billion in 2018, when it went public (The Fashion Law 2018), demonstrating how disruptive big tech can be to the luxury industry.

AMAZON | Founded in 1994, Amazon (AMZ) has become one of the 4 most powerful tech companies worldwide. Simultaneously an e-wholesaler and a marketplace, representing the leading apparel retailer in the U.S. (Danziger 2020), the e-comm giant has set the bar in terms of customer experience, evoking the "Amazonification" of consumers' expectations in terms of quality of service when shopping online (Fenili 2020, 43:09). A hybrid between different business models, AMZ is an algorithm-driven company, meaning that it capitalizes over its users' data for service optimization.

After years ambitioning an expansion into luxury, in 2020 the e-comm giant introduced Luxury Stores (see Appendix 5) – an area exclusive to its US app, accessed via invitation only, by its prime members, designed to attract big and up-and-coming luxury brands.

ADDRESSING THE WORK PROJECT TOPIC

1. METHODOLOGY

Based on the secondary data, it is possible to affirm that luxury multibrand channels are an integral cog of the modern-day luxury machinery, thus raising the question: "*How can luxury niche brands leverage from (and break into)*" these channels (i.e. NAP, FF and AMZ)?

Due to Yin's (2018, 98) theory that a multiple-case research design allows for better analytical benefits in terms of in-depth knowledge, this work project is built upon the experiences of 8 brands – chosen for (1) being a personal luxury goods niche brand and (2) having items for sale in at least one of these e-tailers – aiming to clarify why decisions "*were taken*, *how they were implemented*, *and with what result*." (Schramm 1971, as cited in Yin 2018, 44).

In order to gather insights on the e-tailers' business specificities and overall image, a qualitative research was conducted in the form of semi-structured in-depth interviews to both the case study subjects, as well as consumers, further complemented by a content observational analysis:

Table 1 – Research Methodology

Semi-Structured In-Depth Interviews		Observational Analysis
Brand Insights	**Consumer Insights**	
Overall, 185 luxury niche labels (matching the pre-set criteria) were contacted for potential interviews (see Appendix 6). Only 22 brands turned into leads, eventually resulting in 8 (see Appendix 7) online synchronous semi-structured in-depth interviews (Appendix 8). Subsequently, these interviews were fully transcribed to facilitate their analysis.	A total of 26 individuals (see Appendix 9) who had purchased at least one personal luxury good item in the past year, from one of the e-tailers in question (see Appendix 10) agreed to an online synchronous semi-structured in-depth interview (see Appendix 11). These interviews were fully transcribed, to facilitate the analysis of the platforms through the consumers' perspective.	A structured content observational analysis was carried out for 30 days (14/11 – 13/12 2020), to dynamically evaluate LNBs' visibility and how they were being marketed in each e-players' online channels (for observation grids, see Appendices 12 – 14).

2. RESEARCH INSIGHTS

2.1. BRAND INTERVIEWS

2.1.1. BREAKING INTO THE TITANS (See Appendix 15) **|** Going into one of these luxury multibrand platforms could be regarded as an industry secret. Because of the lack of information around this topic, the Founder of Unreal Fields decided to tempt fate by cold calling all the contacts she could find for the big multibrand channels, but was left with no answers:

> *"Most of my experience was knocking on the doors of big e-commerce platforms, and it was extremely difficult. Even when they have a specific contact for their buying team, you still don't get an answer. (...) It is like applying to a job and never hearing back from the recruiter."* (Founder, Unreal Fields)

Therefore, the first aspect to address is: as a LNB, how do you break into one of these platforms? Breaking into Net-a-Porter seems to be the most challenging case. Known for its fastidiously curated array of brands, which makes it stand out from its competitors, it is not surprising that it represents the hardest one to penetrate, with highly selective buyers as gatekeepers. 6 of the 8 interviewed LNBs are being sold in this platform and through their testimony it became evident that there are 2 main gateways: the most likely to succeed is partnering with a specialized fashion agency (5/6); the second is cold calling (1/6) – a method whose success will depend largely on other factors.

For the co-founders of Agua Bendita (a Colombian premium swimwear brand), NAP was an ultimate dream, but similarly to the experience of Unreal Fields:

> *"We were continuously contacting them. We were desperate thinking: how do we get these people involved with us? It was impossible."* (Co-founder, Agua Bendita & Agua by AB)

Their tenacity led them to a British-American fashion agency, specialized in introducing small personal luxury goods brands and independent designers into the international landscape.

For Agua Bendita, as well as Brand A, Brand B, Brand C, and Wandler, this type of fashion agencies played a major role in their introduction process. These businesses are specialized in every core pillar of the luxury operation: from the early stages of product development and collection building to their presentation in showrooms and distribution strategy crafting, not only do they have an established network with buyers from online and offline stockists, but they also offer expertise in terms of the type of merchandise that these players look for. Brand C, a California luxury apparel label introduced at NAP in 2019, explains that:

> *"A sales agency is crucial. But even if you work with an agency, you still need the right pieces. It is hard to capture the buyers' attention, but it is even harder to impress them."* (Sales Director, Brand C)

Agua Bendita's co-founders were told by their agency that their products were not appropriate for a luxury platform:

> *"We figured out that the product is the main element. You cannot have a product in AMZ and present it to NAP and expect an offer."* (Co-founder, Agua Bendita & Agua by AB)

Consequently, together with the agency, they decided to pursue their luxury ambition by designing an entirely new consumer-driven luxury brand from scratch: Agua by AB. The brand was then introduced at the agency's showroom and instantly accepted by NAP, as well as other notable department stores. However, hiring a fashion agency requires a big initial capital expenditure, which can be straining to an independent niche brand. Therefore, the alternative possibility is to cold call these players. Considerably more complicated, it can still be achieved if the brand in question has the type of assortment – with the expected qualities – they look for.

One success example is of the 134-year-old Portuguese luxury niche brand Claus Porto. In 2018, the brand had the objective of developing its own online business as well as expanding into other channels, one of them being NAP. Because they had not established any type of communication beforehand, they were at a loss as to what the action plan would be. The brand's now ex-digital director decided to gather the contact information of everyone who was involved in NAP and Mr Porter's buying process. The brand creatively came up with a strategy: instead of solely sending an e-mail showcasing their interest in partnering with the e-tailer, they would also mail each of the individuals a sample of their product as a way to introduce their brand in a more appealing way. Luck seemed to have been in their favour:

> *"What got us into NAP was the fact that the Mr Porter's CEO was already familiar with, and used, the brand. When he received our email, he automatically gave the buyers the green light to place us in both websites – before the samples even reached their hands."* (Ex-Digital Director, Claus Porto)

Nonetheless, it just proves that having the right product is indispensable, as NAP is a selective curator that scouts specialized high-quality luxury brands.

Similarly, breaking into Farfetch is not a straightforward task:

> *"Their (FF's) Key Account Manager told us to enter the platform through a boutique, as they only partnered with brands directly if they had a significant number of sales."* (Founder, Unreal Fields)

Known for its disruptive business model, the peculiar way FF deals with brands stands out: if you are an established brand, you are able to work with FF directly through their the e-concession model, which is a rental of a space (a shop-in-shop) inside their website, but fully controlled by the brand, similar to physical department stores' retail concession; on the other hand, if you are a LNB who wishes to be present in its e-comm ecosystem, you must enter one of its third-party retailers. Still, after joining via a boutique, all subsequent business is dealt directly between the wholesaler and the platform:

> *"Some of the small retailers we worked with were at FF. That's how we got into their website at first. It was somewhat an externality. We don't deal with them directly."* (CEO, Wandler)

Through the insights gathered from the 3 interviewed brands that are amongst their *Designer A-Z* list, FF (discreetly) establishes direct partnerships with niche brands through Browns Fashion, the family-owned fashion boutique known for "*identifying new fashion talent*"

(Blinkley, 2015). Acquired by FF in early 2015, Browns is part of its "Store of the Future" project: a way to experiment with the blending of the physical and digital channels:

> *"We are sold at Browns Fashion, online and offline. (...) I think that by agreeing to be at Browns, we automatically agree to be at FF as well."* (Founder, Brand B)

The process of going into Browns Fashion, by itself, is similar to NAP's. Because of the selective curation process, agencies once again become an entry facilitator – as states the founder and fashion designer of Georgian Brand B:

> *"We work with a fashion sales and PR agency. We were introduced to the buyers (of NAP) through them, as well as to the ones from other e-commerce platforms like Browns Fashion and Moda Operandi."* (Founder, Brand B)

Moreover, product quality and brand positioning are once again key factors for success.

Despite failing to enter neither NAP nor FF, Unreal Fields' founder did not consider breaking into Amazon, as she perceived it to be depreciative for the brand's image. Going into AMZ was not a part of the initial strategy for neither Claus Porto nor Agua Bendita, but a reactionary compromise, as both were being sold in the marketplace by third parties:

> *"Claus Porto was facing a big issue at the time in the US by having many unauthorized vendors selling our products in the marketplace (...) This represented a huge threat."* (Ex-Digital Director, Claus Porto)

> *"Our clients were selling our items in the marketplace. The brand image was not correct, and the service was not the best. However, it really was out of our hands."* (Co-founder, Agua Bendita & Agua by AB)

In the case of Claus Porto, based on the product quality and sales numbers in the platform, the brand was directly invited by the buyers at AMZ to join their Premium Beauty department (see Appendix 16). After initially turning it down, as the platform was not aligned with its positioning, the brand strategically decided to accept the offer:

> *"By entering AMZ directly as a brand, it allows you to specify which suppliers can sell our products in that market, and consequently clean up all the others. The decision to enter AMZ Premium Beauty was strategic, to clean up all these unauthorized sellers."* (Ex-Digital Director, Claus Porto)

Agua Bendita, on the other hand, worked with ProColombia (a governmental agency that helps national companies in their expansion cross border), as a way to get into the platform. This decision had the same motivation behind it:

> *"We decided to do it directly, in order to regain control. AMZ would clean out all unauthorized sellers in the US on request. That was the main advantage." (Co-founder, Agua Bendita & Agua by AB)*

2.1.2. MODUS OPERANDI | Net-a-Porter is a personal luxury goods wholesaler (see Appendix 17), meaning brands are its suppliers, commits upfront to a large amount of assortment and generates revenues from selling the products and "*marking it up by a factor of 2.2 to 2.5*" (Sherman, 2021). If a brand managed to overcome the previous obstacle of bypassing the buyers' selectivity, they will be offered a very alluring (in monetary terms) exclusivity agreement – which would bound the brand's online distribution to their website. However, as the Founder of Brand A states, "*exclusivity is a very dangerous matter. It wouldn't allow us to grow.*"

They will then meticulously choose the styles they want to sell and place different orders, with different quantities, for each of their 3 distribution centres (America, Asia Pacific, and Europe) based on the data on consumer preferences and specific cultural specificities of each market. Brands are then given a 30-day window to deliver the order. The founder of Belgian apparel Brand A confesses that for a small brand, this order processing operation can be overwhelming:

> *"Shipping to small stores is fine, because you just put it in a box and send it to them. But big players are insane, and NAP tops it all. (...) It is really a lot of work to get the collection out, especially for us since we have a small structure.* (Founder, Brand A)

However, this is where the brand role ends. Once the order arrives in their logistic centres, NAP has full control over the stock. They then proceed to photograph, style, and list the items in their modern-day shop window. When a consumer places an order, they are the ones responsible for packing and shipping it, as well as providing the customer support (as well as post-purchase service). As Claus' Porto's ex-digital director emphasizes:

> *"These websites (NAP and Mr Porter) oversee the distribution. They have a very strong logistic process. It is all about the quality of the service."* (Ex-Digital Director, Claus Porto)

This more traditional arrangement presents several challenges on the retailer's side, as it requires intensive working capital for holding and managing the inventory, but "*(...) in terms of influx of cash, it is major for a small brand.*" (Founder, Brand A).

Born as an alternative to this traditional and predominant business model in the luxury industry, Marketplace-unicorn, Farfetch (see Appendix 18), on the other hand, bridges the gap between boutiques (rather than brands) and consumers, worldwide. As aforementioned, unless a brand is mature enough to be able to land an e-concession deal, brands don't negotiate with FF directly. In the case of luxury niche brands, boutiques send their items to FF in order to be photographed, placed and promoted in their global marketplace, all for a 25% offset commission rate over the sale (Kansara, 2017), which is usually reflected on the listed price of the product. FF is then responsible for the customer service, in-platform transaction management, post-purchase support and returns' processing.

Once an order is placed through the platform, an algorithm identifies the nearest partner store with the selected item in stock; the boutique then receives the order and ships it directly to the final consumer. Through this strategy, FF is cleverly bypassing the costs associated with inventory management and logistics by turning its partner retailers into its worldwide distribution centres, which can also drastically reduce the delivery time of the orders.

Having a lower risk associated with their business makes FF more flexible in terms of selectivity, justifying the over 3.000 brands they currently have listed.

In this specific player, besides brands not having control over their label and its representation, Claus Porto's ex-digital director underlines that the logistics process can also represent a threat:

> *"In terms of marketplaces, there are major issues in terms of shipping and guaranteeing the quality of the handling, which is the case of FF."* (Ex-Digital Director, Claus Porto)

E-commerce algorithm-driven giant Amazon is a hybrid, working multiple business arrangements simultaneously: a marketplace model, a wholesale model (SOA – Selling on Amazon), and a consignment model (FBA – Facilitated by Amazon).

Any retailer can become a seller on AMZ's marketplace (see Appendix 19), but this can be dangerous for premium or LNBs, as it can entice brand-control and representation issues.

The alternate models offer brands the possibility of selling directly, as a label. The SOA model (see Appendix 20), used by Claus Porto, is a wholesale arrangement. This means that AMZ places orders, just like any other stockist. Contrary to NAP, AMZ provides a shorter, 7-day delivery window which can be "*quite challenging for smaller brands*" (Ex-Digital Director, Claus Porto). AMZ's wholesale model's terms are also very strict:

> *"If non-compliant with any of the terms, there are penalizations. It is 100% a more complex system, with a lot of punishments, that requires a continuous observation and work."* (Ex-Digital Director, Claus Porto)

In this arrangement, brands ship the order and AMZ is responsible for all stages: from creating the listings (jointly with the brands), to managing the logistics and providing customer care, later collecting its profit in the form of marking up the items it sells. This model presents AMZ with the same challenges any other wholesaler would have.

AMZ's consignment (FBA) model – based on their expertise in logistic operations – (see Appendix 21) is the arrangement that grants brands more control, justifying Agua Bendita's strategic choice. The retailer is responsible for taking care of the logistics, listings, and dealing with all customer support moments. The difference is that in this model, the brands own and control the stock, having a "loan" agreement with the retailer:

> *"We allocate a certain number of products in their warehouse and they take care of the logistics. We are the ones who decide what and how much they will be selling, as well as the pricing and promotion strategy."* (Co-founder, Agua Bendita & Agua by AB)

AMZ provides access to real-time inventory levels, making it easier to prevent excess assortment and out of stock situations. Brands, at the same time, are responsible for creating and maintaining their brand's shop-in-shop and product pages, as well as optimizing their internal positioning, with the correct communication and image (see Appendix 22). While not having to worry about their short order delivery window, applicable in their wholesale model, brands still have to abide by the same strict terms.

According to Agua Bendita and Agua by AB's co-founders, FBA's main profits come from charging storage and "fulfilment" (service) fees, as well as a 16% commission over the sales (15% referral rate + 1% variable closing fee).

This is, evidently, AMZ's model that represents less risk for both the brand and the e-tailer.

2.1.3. Working With Legacy (see Appendix 23) **|** Lastly, and equally important, working with these players as a luxury niche brand represents different sets of outcomes.

In terms of equity and awareness, there is a consensus between the 7 interviewees that luxury multibrand e-retailers are extremely valuable:

"Being in one then opens many doors, and it is easier to get into other ones. It is a domino effect. If one approves of your design, then the rest is more likely to follow." (Sales Director, Brand C)

Net-a-Porter is acknowledged as a business propeller for the niche brands it carries. Brand A's founder compares it to a "*a seal of approval*", which positively contributes to brands' positioning as it is recognizable, worldwide, as a luxury platform. Claus Porto's ex-digital director explains, however, that while NAP may be advantageous in terms of marketing, brand positioning and brand awareness:

"In terms of numbers, I don't think it (NAP) is very rewarding. It represents a very small number of the overall sales, especially when compared to AMZ." (Ex-Digital Director, Claus Porto)

This positive contribution to brand awareness is also valid for Farfetch, which (similarly to NAP) is responsible for a big portion of the brands' qualified social media visitors (who are prone to buy from, and engage with, the brand) and direct sales (through their own direct-to-consumer channels).

Amazon, on the other hand, is not perceived as an asset when it comes to equity building, but it is described by both Claus Porto and Agua Bendita as a powerful machine in terms of sales:

"The advantage is that it makes a lot of sales, around 4-5x more than NAP and Mr Porter, combined, while only selling our brand in one market (US)." (Ex-Digital Director, Claus Porto)

When it comes to internal visibility, brands can be promoted organically by the platforms. In the case of NAP, the co-founder of Agua by AB states that if the "*brand is profitable or its assortment is appealing to the client*", brands can have their products added to gift guides or be asked for sample products to be in their photoshoots, which are then published in their editorials and social media, or even at Porter Magazine.

Visibility at data driven FF can also be organic, depending on the products' success. However, boutiques can also negotiate promotion (independently from the brand). Even though brands are tagged on their social media posts, the boutique will be promoted in the description. Nonetheless, it still contributes considerable awareness to the label depicted.

The most common case, though, is that "*your brand is just sitting there*" (CEO, Wandler), and to avoid this situation, a brand can buy visibility packages, which will guarantee internal promotion in the e-business. On average, for both platforms, these packages could cost anywhere between 10 to 20.000€, granting a placement in the homepage for a day or the presence in an e-mail blast. Therefore, paid visibility is a big investment, which many are not able to afford, especially considering that these luxury platforms are not typically profit engines. The ex-digital director of Claus Porto explains that paid promotion "*is a big source of revenue for these platforms*".

AMZ's organic visibility, on the other hand, can be enhanced through Search Engine Optimization (SEO). Because the algorithm dictates brands' internal rank:

> *"The key to be successful and have visibility is to have the right listings, perfect product pages and a good brand page. Failing at this means being invisible."* (Co-founder, Agua Bendita & Agua by AB)

However, building upon the data requires a considerable amount of work and specialized knowledge. A brand can also acquire promoted visibility, but this is a substantial expense – the difference is that on AMZ's case, this investment is likely to translate into conversions.

In respect to the control of the pricing strategy, brands are not allowed to dictate which price the retailers must follow. Brands may suggest a recommended retail price, correspondent to their overall strategy. In the case of NAP and AMZ (SOA), brands' proposed prices are customarily respected. FF tends to mark it up, as they add a commission percentage to the price.

Lastly, unsold inventory can also be an inconvenience with stockists. Nevertheless, neither NAP nor AMZ have a contractual caveat regarding buyback for inventory excess. At NAP, products are marked down until they are sent down the pipeline to off-season websites of the same group (The Outnet and YOOX). Although potentially damaging for a brand's image, Brand A's founder states that going to discounted platforms is positive in a sense, "*as it gives people who couldn't afford it before the possibility to access the brand*."

2.2. CONSUMER INTERVIEWS

When analysing the consumer interviews, it is evident that there are two distinct clusters of individuals, characterized by their (luxury) consumer decision journey. With these different behaviours in mind, the interviewees were segmented into two groups (see Appendix 24): the Luxury Connoisseurs and the Trend Conscious. The first segment, composed by 14 of the 26 interviewees, favours discreet luxury items and brands, as well as originality and novelty (79%):

> *"I use these websites to look for unique, high quality, low-key items. These items are usually from smaller and exclusive luxury brands, which are not cheaper, but definitely not as flashy as the big ones."* (F, 23 – Luxury Connoisseur, UK)

To these consumers, luxury items represent a low-profile social statement that allows them to differentiate themselves from others in an inconspicuous manner (64%). They contemplate durability and versatility when looking for luxury items, opting for investment pieces (36%):

> *"I don't necessarily like to wear what everyone else is wearing. This is one of the reasons I look for pieces in the luxury segment. I am looking for niche products. I am not driven by brands, but rather the quality and design."* (F, 23 – Luxury Connoisseur, DE)

Lastly, when browsing through multibrand e-retailers, this consumer-type appraises the styling and tends to prefer those that relate to their personal style and sense of aesthetics (57%).

On the other hand, the second group is allured to recognizable and trendy products, logos, and patterns (75%). The Trend Conscious consumer is more likely to go after well-known luxury and is risk averse when it comes to trying out new luxury brands (83%):

> *"I would never risk paying so much for a brand I am not familiar with. It is not like shopping at Zara."* (F, 23 – Trend Conscious, CO)

Luxury to these individuals represents a way to showcase their affluence, while simultaneously standing out from others with lesser means (41%):

> *"If I am going to spend so much on an item, it has to be something that others recognize as expensive. Otherwise, what's the point?"* (F, 23 – Trend Conscious, PT)

Paradoxically, this segment is composed by bargain hunters, who are subscribed to sales alerts and actively browse multibrand e-retailers in the hopes of finding a good deal (91%):

> *"I visit them (multibrand e-tailers) a lot to see if they have good deals going on or if I can get what I want with a promo code."* (M, 27 – Trend Conscious, UK)

Interestingly, these two segments showcase a clear preference when it comes to NAP and FF. Luxury Connoisseurs predominantly identify NAP as their preferred multibrand e-retailer, and are more likely to dislike FF:

"I believe NAP to be much more exclusive, especially compared to FF - which I see as being very mainstream and not at all selective." (F, 24 – Luxury Connoisseur, PT)

Au contraire, the Trend Conscious are advocates of FF as the best luxury multibrand destination, and have a less positive perception of NAP:

"NAP is more formal, whilst FF is young and cool: FF is definitely for the 'cool kids around the block', whilst NAP is for corporate people in their forties." (F, 23 – Trend Conscious, PT)

Unsurprisingly, both segments come together with a common belief: AMZ is not a luxury destination (100%). Both the Luxury Connoisseurs and the Trend Conscious question the e-retailer's credibility as a luxury seller.

2.2.1. EXPERIENCE | In order to assess the additional advantages these legacy multibrand online players contribute to LNBs, it is also fundamental to further analyse their value in the consumers' perspective.

Insights provided by those who have shopped at NAP (20/26) (see Appendix 25) show that the e-player is a "cult classic", successful at emulating the luxury experience online (70%):

"They provide this message of luxury and prestige, not only with their items, but in terms of website, packaging, etc. - all extra value for free. It is the best service one can get with such platforms." (F, 23 – Luxury Connoisseur, DE)

Its sophisticated packaging was referred by 100% of those who have used it. The editorial-feel (45%) of the overall content and styling (55%) of the platform also makes it positively emerge over others in the consumers' minds:

"The styling at NAP is unquestionably classier. It effortlessly showcases luxury - it is beautiful. They do it so well - it is almost cross-selling, you know?" (F, 23 – Luxury Connoisseur, UK)

Their curated assortment is highly evident (65%) as a valued aspect of the platform. Altogether, these qualities contribute to the consumers' perception of NAP as a credible industry player (65%) that provides the best value for money (40%):

"There are good brands being introduced every minute. At least NAP is a credible source that shows only what is worth considering. I trust their buyers 100%. They are a filter to everything that is coming up." (F, 23 – Luxury Connoisseur, PT)

Although with low evidence, some individuals referred NAP's EIP (Extremely Important Privileges) loyalty programme as a good reproduction of the luxury experience online – an invitation only loyalty scheme, eligible only for those who spend over 10.000€ in a 1-year period in their e-business. This programme guarantees access to a private personal shopper, complimentary next-day delivery, invitation to private sales and early access to collections, as well as exclusive discounts.

Consumers struggle to point out a negative aspect for either NAP's platform or overall service (85%). Although in low evidence (15%), the shipping costs for orders that do not reach the free shipping threshold was mentioned as the service's least positive facet.

Farfetch (see Appendix 26) stood out with high evidence (83%) in regard to its short shipping and delivery time, as well as its platform's user-friendly design (56%). Consumers also highlight as a competitive advantage *Farfetch Access* (33%) – a 5-tier loyalty programme in which, at the moment of the first purchase, no matter the amount, any customer automatically becomes a member. Being a member gets them notified regarding new deals and early invitations for sales:

> *"I am a Gold member, so I am constantly notified about their new drops. It is the type of information that allows me to keep up with the freshest trends."* (M, 27 – Trend Conscious, UK)

FF's "cool" and "trendy" Edits' feel was also showcased with a moderate evidence of 33% as a favoured quality by its users.

There is a consensus regarding what are some of FF's negative qualities. One major evidence (100%) is that FF's packaging is not at the same level as other luxury players:

> *"When you purchase something online, the overall luxury feeling is lost. So, to me, packaging is important, and FF's packaging is not conveying luxury at all - it is very underwhelming. Other brands are definitely doing packaging better than FF."* (M, 23 – Luxury Connoisseur, BE)

Also mentioned by most of those who shop at the marketplace (94%) is the pricing. Consumers perceive FF as being overpriced, applying a dynamic-pricing strategy, and selling the same items as other retailers with a higher mark-up:

"I do not like their dynamic pricing. If there is a discounted pair of shoes, size 8 could cost you one hundred euros more than a size 9. It is very frustrating to realize that the discount does not apply to your own size." (M, 27 – Trend Conscious, DE)

Additionally, consumers pointed out the absence of free shipping and the costs associated for the delivery service as an inconvenient aspect of FF's business (83%):

For some, multibrand e-tailers are a filter that pre-screen the correct assortment. There is moderate evidence (44%) that FF is not performing this task, due to carrying an overwhelming number of brands and products, which can make some consumers shy away from the platform:

"I don't love their (FF's) selection - it is quite broad. I also feel like their website is very scattered, and not at all easy to browse through." (F, 24 – Luxury Connoisseur, AU)

Finally, but also in moderate evidence (33%), consumers draw attention to FF's digital marketing strategy, which can be invasive and misleading:

"Looking for something at FF is the same as looking for a flight on Google without using a private tab. You will be followed by their ads for weeks." (M, 25 – Luxury Connoisseur, BE)

When it comes to Amazon (see Appendix 27), all interviewed luxury consumers highlight it is a platform for books, as well as household and miscellaneous items, with the best deals and a short delivery time (100%). However, as a luxury platform, there is overwhelming evidence (100%) that AMZ lacks the credibility to ever be considered a luxury player. There is also a strong (69%) link between the e-commerce giant and luxury counterfeit goods:

"I didn't even know AMZ carried designer items, because I always thought that if you get a designer item from them, it is most likely fake." (M, 23 – Luxury Connoisseur, BE)

Finally, most consumers (81%) also seem to perceive AMZ as an unstylish destination, preferring any other platform for fashion items:

"(...) I would rather spend 20 euros more for the same product but buy it from a nice platform than to purchase it from AMZ." (F, 23 – Luxury Connoisseur, UK)

2.2.2. PERCEPTION OF LUXURY NICHE BRANDS (see Appendix 28) **|** Consumers were asked to share what their first impression of an unrecognized LNB in these platforms would be, as a way to evaluate the equity they emanate to small brands. An unknown LNB at Net-a-Porter is associated with luxury (80%), high quality (65%) and exclusivity (45%):

" I associate them (unknown brands) with high-luxury and exclusivity. They are typical brands that do not need to be recognised, because they go for a more low-profile strategy." (F, 24 – Luxury Connoisseur, PT)

Farfetch also showcases a positive aura for such brands, as consumers are likely to perceive it as high quality (83%) and cool (50%). It is interesting to highlight that at FF, brands are more likely to be associated with premium (61%) brands rather than luxury (30% – 7/18):

"As FF has so many things, there are a lot of premium brands there as well... I'd associate it with premium quality, not luxury." (F, 23 – Trend Conscious, PT)

Finally, and as expected, being placed at Amazon seems to have a deteriorating effect on the LNB's image on consumers' minds, being perceived as non-luxury (100%) and associated with counterfeit (69%) and cheap goods (62%):

2.3. OBSERVATIONAL ANALYSIS

In order to understand in a deeper sense the promotional strategy of these online players when it comes to LNBs, an observation was carried out for a 30-day period, where it became evident that to **Net-a-Porter** (see Appendix 12), niche brands are a significant element of its communication strategy, frequently sharing the front stage with the industry's most prominent names in both website and social media (i.e. Instagram). Throughout the timespan, at least 1 niche brand was featured (and tagged) via a post or a story 18 out of the 30 days at its main account and 21 out of the same period at Porter Magazine's. LNBs' designs were also amongst the goods presented in the home pages of NAP's website and app 20 days out of the interval. Moreover, both showcased sections ("What's New" and "Gifting") in which niche brands were promoted daily. *Net-a-Porter.com* also carries 2 always-on niche-focused categories in its navigation menu. **Farfetch** (see Appendix 13) also includes niche brands in its communication but focuses mainly on promoting better-known labels. All through the observation, a LNB was displayed in a social media post 14 days. FF's website and app demonstrated to reserve the home page spotlight to the big names, only including secondary and tertiary labels 10 days out of the 30. Nonetheless, there was at least 1 niche brand every day of the observation span in their "New In" and "Gifts" sections. Both the e-comm platform and app showcase one category dedicated to niche labels, where they are permanently visible.

Amazon does not promote LNBs (see Appendix 14): the labels communicated in its social media accounts are mass and non-luxury. Throughout the period, LNBs were displayed 3 times as announcements of new additions to Amazon Luxury Stores. As regards to *Amazon.com* and the US version of the app, luxury niche labels were not presented in the home pages of neither the Fashion nor the Beauty departments. However, in "Amazon Premium Beauty", luxury niche brands occupied a big portion of the home page every day of the observation. Amazon Luxury Stores does not carry a specific section for niche brands, but it displayed them on its landing page throughout the entirety of the observation.

DISCUSSION

In an industry of winners and losers, where a big portion of small businesses does not generate profit (highly accentuated by the pandemic), a strategic and optimized distribution strategy is fundamental for a brand's long-term prosperity. Throughout this research, it became evident that multibrand e-retailers are powerful marketing engines for LNBs, providing worldwide exposure and visibility, which they can leverage from and establish their image upon.

When choosing the specific platform, the conducted research has shown that there is no linear way of going into a legacy e-commerce player – you do not necessarily choose where to be.

Net-a-Porter is an industry household name. With the printing press influence in its DNA, and being the original catalyst for online luxury, it is perceived as an authority over other comparable platforms. As the carried research demonstrated, it represents the most challenging platform to break into. Despite not being the most profitable channel, doing business with this titan means carrying less risk. The insights further demonstrate it to be a high contributor of brand equity and awareness. NAP also proved itself an advocate for LNBs, organically placing them in a limelight position cross-channel. The research showed that most consumers' attitude towards the retailer is positive, associating it with credibility and a superior e-luxury experience.

The insights collected through the primary research also show that Farfetch may be the easiest platform to break into. By working with one of its partner boutiques, a LNB is bound to be added to the website's listings, as it is not as meticulously selective. The *quid pro quo* is losing all brand control – by being placed in an ocean of too many luxury and premium labels, which could potentially wash out a niche brand's distinctiveness.

The research showed that despite consumers' apprehension concerning some of its features and service aspects, niche brands can still leverage from being in this marketplace in regard to positive brand equity and exposure, even if FF demonstrates favouritism towards big brands in terms of visibility – in conformity with the preferences of its clientele.

Throughout the analysis, it also became clear that Amazon represents a dilemma. Depending on the business model the brand wants to work with, entering this player can be simpler. However, there is no benefit for a LNB to go into AMZ – nor for the platform itself, as it is driven by the algorithm, boosting what generates a considerable amount of sales.

Of the 3 titans, this is the most likely to generate profit. Still, the insights gathered indicate that this platform does not contribute to the image building of LNBs. It is evident that being on AMZ is damaging in the consumer's perspective, as they do not recognize it as a luxury player.

It is possible to argue that bigger, in this case, is not better. Consumers conveyed an appreciation for selective curation when it comes to browsing and shopping at multibrand platforms: a too broad assortment can make the retailer lose its *raison d'être*.

The research also determines that entering and being in one of these titans is a big investment. Whether paying for the services of fashion agencies in an initial stage or allocating capital in promotion throughout, these operating expenses can yield a low net profit margin. In an optimist scenario, a LNB might be left with flat revenues, as it would essentially reinvest its earnings.

Given the arguments presented, it is safe to affirm that multibrand e- players are highly valuable. A route-to-market strategy combining them would therefore be the most rewarding.

Nonetheless, it is imperative that these brands do not rely entirely on these platforms, as it was demonstrated through the research that they do not generate much profit, but rather leverage from them in a complementary sense, while using the D2C model as the main source of revenue. It is concluded that, the titan that provides the most leverage opportunity is Net-a-Porter, whose customer base (luxury connoisseurs) seems to be most receptive to this type of niche luxury products. If a brand manages to win over its buyers, this platform's reputation and positioning have proved to be extremely advantageous, providing a "seal of approval". This strategy could also be complemented by partnering with smaller stockists that work with Farfetch, as being in both platforms could advance the niche brand's equity even further. Because of the risk it represents towards a LNB's image, Amazon should be abstained from, having been proven essential only when a brand needs to regain control from unauthorized sellers.

RESEARCH LIMITATIONS

Throughout this research, 6 limitations were encountered: (1) Reaching LNBs that would be willing to discuss their experience with the e-tailers in question – In future research, the brand sample size should ideally be expanded as well as encompass the experience of brands operating at Amazon Luxury Stores; (2) Brands' representatives were unwilling to disclose detailed financial information, which made it difficult to further predict the profitability potential of the channels; (3) The consumer sample was unbalanced, dominated by a mostly female and young age group (18-24) of luxury consumers – In future research the consumer sample should be demographically diversified; (4) All interviews were carried out digitally, which impacted their flux; (5) Despite continuous attempts, this research did not manage to reach fashion agencies – whose in-depth insights would be enriching to acquire further information on their provided services and rates. Further research should try to incorporate it; (6) Comparing Amazon with purely luxury platforms may have accentuated its non-luxury status in consumers' perspective. Further research could focus exclusively on luxury pure players, including other big names.

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MAKING IT IN E-LUXURY:

HOW CAN LUXURY NICHE BRANDS LEVERAGE FROM (AND ENTER) LUXURY E-TAILING TITANS?

APPENDICES

HIAGO ARAÚJO ALVES

Work project carried out under the supervision of:

Christophe Yann Philippe Maincourt

21-05-2021

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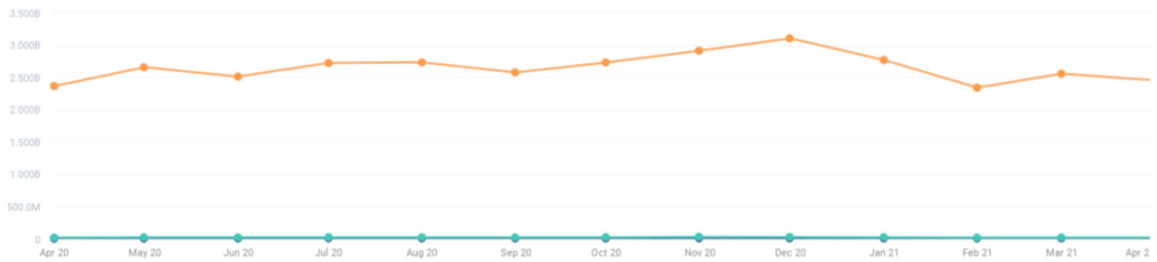
Appendix 1. NAP Vs. FF Vs. AMZ (US): Website Engagement

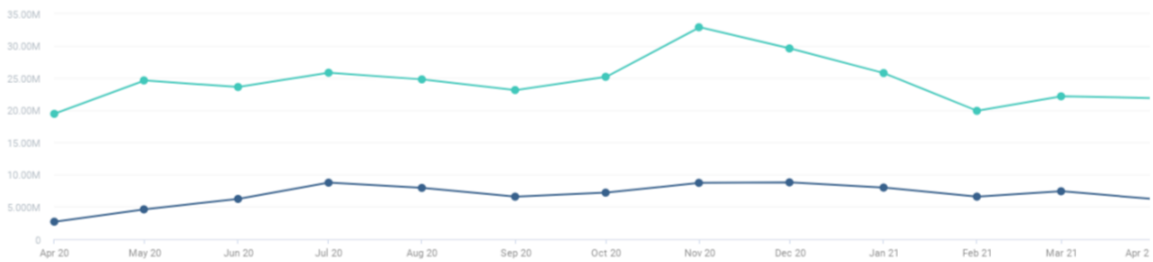
Desktop & Mobile	Net-a-Porter	Farfetch	Amazon (US)
	net-a-porter.com	farfetch.com	amazon.com
Monthly Visits	6.923M	24.52M	2.664B
AVG Monthly Unique Visitors	4.035M	14.01M	501.8M
Visits / Unique Visitors	1,72	1,75	5,27
Visit Duration	00:03:39	00:03:18	00:07:05
Pages per Visit	4,85	4,02	8,81
Bounce Rate	52,79%	56,19%	36,22%

Source: WP Author, based on data from SimilarWeb PRO (Apr 2020 – Apr 2021). 2021.

Appendix 2. NAP Vs. FF Vs. AMZ (US): Website Monthly Visits



Amazon (*amazon.com*)



Net-a-Porter (*net-a-porter.com*) | Farfetch (*farfetch.com*)

Source: SimilarWeb PRO. Data from 1-year period (April 2020 – April 2021). 2021.

APPENDIX 3. NAP Vs. FF: Top 50 Organic Search Terms (Brand Names)

#	Search Term	Brand Size	Low/High Profile	Total Traffic Share	Traffic	NAP	FF
1	Gucci	Big	High	2,40%	86 655	9,5%	90,5%
2	Veja	Medium	Low	1,56%	56 411	69,1%	30,9%
3	Self Portrait	Medium	Low	0,88%	31 725	57,5%	42,5%
4	Rolex	Big	High	0,86%	31 001	0,3%	99,7%
5	Gentle Monster	Medium	High	0,83%	29 878	1,7%	98,3%
6	Anti Social Social Club	Big	High	0,77%	27 777		100,0%
7	Bottega Veneta	Big	High	0,76%	27 420	34,2%	65,8%
8	Nike Jordan	Big	High	0,75%	27 206		100,0%
9	Stussy	Big	High	0,75%	27 076		100,0%
10	Yeezy	Big	High	0,73%	26 194		100,0%
11	Kenzo	Big	High	0,71%	25 620	9,2%	90,8%
12	Amina Muaddi	**Niche**	Low	0,68%	24 566	42,8%	57,2%
13	Off White	Big	High	0,65%	23 615	1,0%	99,0%
14	Raf Simons	Medium	Low	0,65%	23 486	0,8%	99,2%
15	Nike Off White	Big	High	0,64%	23 225		100,0%
16	Heron Preston	Medium	High	0,62%	22 290	0,5%	99,5%
17	Common Projects	**Niche**	Low	0,61%	21 906	3,5%	96,5%
18	Rhude	**Niche**	Low	0,59%	21 313	2,0%	98,0%
19	Palace	Medium	High	0,52%	18 624	0,1%	99,9%
20	Balenciaga	Big	High	0,51%	18 541	17,2%	82,8%
21	Axel Arigato	**Niche**	Low	0,50%	18 015		100,0%
22	Palm Angels	Medium	High	0,48%	17 500		100,0%
23	Vetements	Big	High	0,47%	16 951	19,2%	80,8%
24	Ami Paris	**Niche**	High	0,47%	16 948		100,0%
25	Orseund Iris	**Niche**	Low	0,47%	16 871	100,0%	
26	By Far	**Niche**	Low	0,46%	16 639	65,0%	35,0%
27	Bape	Big	High	0,44%	15 720	3,1%	96,9%
28	Dion Lee	**Niche**	Low	0,41%	14 679	51,9%	48,1%
29	Christopher John Rogers	**Niche**	Low	0,40%	14 411	100,0%	
30	Zimmerman	Medium	Low	0,39%	14 257	64,2%	35,8%
31	Acne Studios	Medium	Low	0,39%	14 128	40,9%	59,1%
32	Supreme	Big	High	0,39%	14 125		100,0%
33	Skims	Medium	Low	0,38%	13 811	100,0%	
34	Moschino	Big	High	0,38%	13 699	13,4%	86,6%
35	Dior	Big	High	0,36%	12 935	0,4%	99,6%
36	Guidi	**Niche**	High	0,36%	12 888		100,0%
37	Cecilie Bahsen	**Niche**	Low	0,32%	11 646	60,1%	39,9%
38	DSquared2	Big	High	0,32%	11 529		100,0%
39	A Cold Wall	**Niche**	High	0,32%	11 505		100,0%
40	Cartier	Big	High	0,30%	10 966	13,8%	86,2%
41	Golden Goose	**Niche**	Low	0,30%	10 769	42,3%	57,7%
42	Christian Louboutin	Big	High	0,28%	10 273	88,5%	11,5%
43	Valextra	**Niche**	Low	0,28%	10 151	62,7%	37,3%
44	Hunza G	**Niche**	Low	0,27%	9 919	81,7%	18,3%

45	Comme des Garçons	Medium	High	0,24%	8 611	3,9%	96,1%
46	andersson bell	**Niche**	Low	0,23%	8 298	81,9%	18,1%
47	MaxMara	Big	Low	0,22%	8 097	49,4%	50,6%
48	MSGM	**Niche**	High	0,22%	8 063	0,9%	99,1%
49	Sporty and Rich	**Niche**	Low	0,21%	7 660	70,2%	29,8%
50	Agolde	**Niche**	Low	0,21%	7 485	64,8%	35,2%

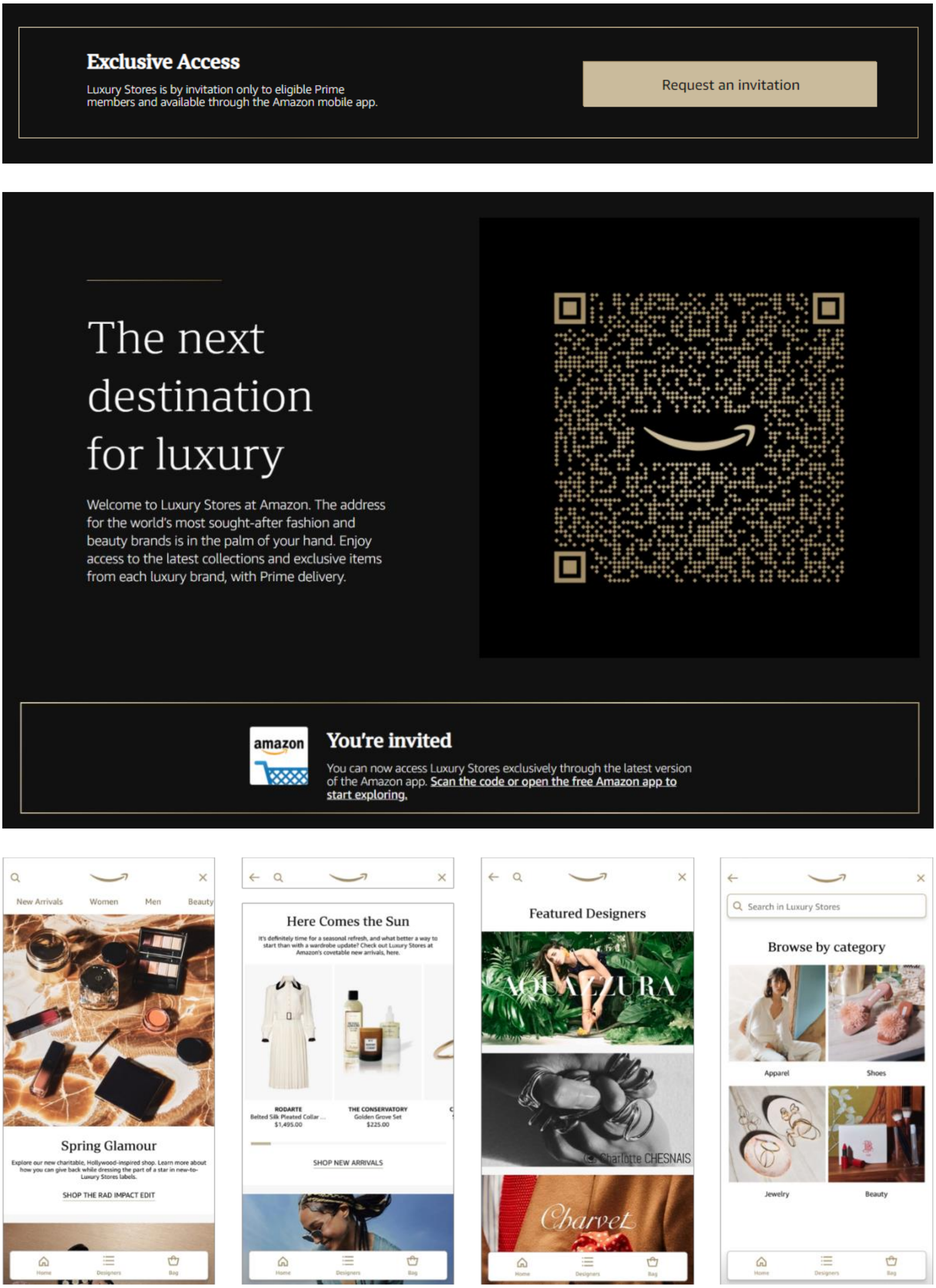
Source: WP Author, based on data from SimilarWeb PRO (Apr 2020 – Apr 2021). 2021.

APPENDIX 4. NAP Vs. FF: Traffic Shares (By Country)

#	Country	Traffic Share	NAP	FF
1	United States	27,3%	37,8%	62,2%
2	United Kingdom	10,4%	41,4%	58,6%
3	Russia	7,1%	5,6%	94,4%
4	Germany	5,0%	17,8%	82,2%
5	Australia	4,7%	29,2%	70,8%
6	Brazil	3,3%	4,1%	95,9%
7	France	2,8%	28,3%	71,7%
8	Italy	2,6%	12,3%	87,7%
9	Korea, Republic of	2,5%	15,3%	84,7%
10	Canada	2,3%	26,0%	74,0%
11	Hong Kong	2,2%	28,3%	71,7%
12	Japan	2,1%	4,7%	95,3%
13	Netherlands	1,9%	10,9%	89,1%
14	Spain	1,3%	17,4%	82,6%
15	Mexico	1,3%	4,9%	95,1%
16	Denmark	1,3%	19,3%	80,7%
17	Ukraine	1,1%	9,6%	90,4%
18	Sweden	1,0%	15,1%	84,9%
19	Portugal	1,0%	12,5%	87,5%
20	Taiwan	1,0%	23,5%	76,5%
21	Switzerland	0,9%	26,6%	73,4%
22	China	0,9%	89,1%	10,9%
23	Poland	0,8%	12,4%	87,6%
24	Singapore	0,8%	22,6%	77,4%
25	India	0,7%	12,5%	87,5%
26	United Arab Emirates	0,6%	30,3%	69,7%
27	Turkey	0,6%	15,9%	84,1%
28	Austria	0,6%	13,6%	86,4%
29	Belgium	0,6%	19,3%	80,7%
30	Romania	0,6%	11,7%	88,3%
TT % of Worldwide Market		**89,4%**		

Source: WP Author, based on data from SimilarWeb PRO (Apr 2020 – Apr 2021). 2021.

APPENDIX 5. Amazon Luxury Stores: Access & Layout



Source: Amazon US (Luxury Store). 2021.

APPENDIX 6. List of Contacted Luxury Niche Brands for Potential Interviews

#	Brand Name	NAP	FF	AMZ	Date	Reply
1	16Arlington	X	X	—	21/11/2020	No
2	Aaizél	X	—	—	21/11/2020	No
3	Abra	—	X	—	05/12/2020	Yes
4	ACLER	—	X	—	21/11/2020	No
5	A-Cold-Wall	X	X	—	12/11/2020	Yes
6	Aehva	X	—	—	02/12/2020	No
7	African Botanics	X	—	—	21/11/2020	No
8	Agnelle	X	X	—	21/11/2020	No
9	Agua by Agua Bendita	X	—	—	24/11/2020	Yes
10	Akris	X	X	—	23/02/2021	No
11	Alanui	X	X	—	23/02/2021	No
12	Aleksandre A.	X	X	—	24/11/2020	Yes
13	ALEXACHUNG	X	X	—	21/11/2020	No
14	Alice Cicolini	X	X	—	14/12/2020	No
15	Alighieri	X	X	—	14/12/2020	No
16	Alix NYC	X	X	—	14/12/2020	No
17	Allies of Skin	X	—	—	24/11/2020	Yes
18	Allude	X	X	—	20/11/2020	No
19	Amanda Harrington	X	—	X	24/11/2020	Yes
20	Amanda Lacey	X	—	—	02/12/2020	No
21	Anatomē	X	—	—	23/02/2021	No
22	Anderson’s	X	—	—	24/11/2020	No
23	Andrea Fohrman	X	X	—	21/11/2020	No
24	Andrea Lyamah	X	—	—	07/01/2021	No
25	Andrew GN	X	X	—	09/03/2021	No
26	Anemos	X	X	—	09/03/2021	No
27	Anna Quan	X	X	—	21/11/2020	No
28	AREA	X	X	—	01/02/2021	No
29	AS29	—	X	—	29/11/2020	No
30	Baracuta	X	—	—	28/11/2020	Yes
31	Bernadette	X	X	—	26/11/2020	No
32	Bite Studios	X	X	—	26/11/2020	No
33	Boramy Viguier	—	X	—	26/11/2020	No
34	By Alona	—	X	—	20/11/2020	No
35	By Far	X	X	—	29/11/2020	No
36	Byredo	X	X	X	10/11/2020	Yes
37	CAES	X	—	—	17/01/2021	No
38	Car Shoe	—	X	X	09/03/2021	No
39	Charlotte Chesnais	—	X	X	16/02/2021	No
40	Charvet	X	—	X	20/11/2020	Yes
41	CHIMI	—	X	—	29/11/2020	No
42	Christopher John Rogers	X	X	—	29/11/2020	No
43	Claus Porto	X	—	X	20/11/2020	Yes
44	Clé de Peau Beauté	X	—	X	07/01/2021	No
45	Clergerie	—	X	—	20/11/2020	No
46	Clive Christian	X	—	X	26/11/2020	No
47	Complét	—	X	—	02/12/2020	No
48	Coperni	X	X	—	26/11/2020	No
49	Danielle Franekl	X	—	—	02/12/2020	No

50	Decree	X	—	—	09/03/2020	No
51	Deitas	—	X	—	23/02/2021	No
52	Denimist	X	X	—	21/02/2021	No
53	Deveaux	X	X	X	09/03/2021	No
54	DMY BY DMY	—	X	—	23/02/2021	No
55	DÔEN	X	—	—	23/02/2021	No
56	Dora Larsen	X	X	—	14/12/2020	No
57	Dora Teymur	—	X	—	02/12/2020	No
58	Dundas	X	X	X	14/12/2020	No
59	ELIURPI	—	X	—	14/12/2020	No
60	Elleme	—	X	—	14/12/2020	No
61	Eres	X	X	—	02/12/2020	No
62	Erno Lazlo	X	—	X	26/11/2020	No
63	Esker Beauty	X	—	X	02/12/2020	No
64	Extreme Cashmere	X	—	—	07/01/2021	No
65	F.R.S. For Restless Sleepers	—	X	X	09/03/2021	No
66	Fabrizio Viti	—	X	X	23/02/2021	No
67	Folk	X	X	—	21/11/2020	No
68	George Keburia	—	X	—	21/11/2020	No
69	Gigi Burris Millinery	X	X	—	21/11/2020	Yes
70	GOLDSIGN	X	X	—	26/11/2020	No
71	Grenson	X	X	—	02/12/2020	No
72	Guita M	X	X	—	24/11/2020	No
73	Haight	X	X	—	24/11/2020	No
74	Halpern	X	X	—	24/11/2020	No
75	Hanro	X	X	—	24/11/2020	No
76	Hayo'u	X	—	X	24/11/2020	No
77	Heir Atelier	X	—	X	02/12/2020	No
78	Hirotaka	X	—	—	02/12/2020	No
79	Holifrog	X	—	X	09/03/2021	No
80	Holzweiler	X	—	—	07/01/2021	No
81	HommeGirls	X	X	—	09/03/2021	No
82	Ilapothecary	X	—	—	09/03/2021	No
83	Ioannes	X	—	—	07/01/2021	No
84	Ippolita	X	X	—	17/01/2021	No
85	Irene Forte	X	—	—	17/01/2021	No
86	Irene Neuwirth	X	X	—	29/11/2020	No
87	Isa Arfen	—	X	—	01/02/2021	No
88	Isa Boulder	X	—	—	01/02/2021	No
89	ISLA	—	X	—	01/02/2021	No
90	James Perse	X	X	—	29/11/2020	No
91	Jeanerica	—	X	—	20/11/2020	No
92	Jo Loves	X	—	X	29/11/2020	No
93	Joanna Vargas	X	—	X	14/11/2020	No
94	Johnstons of Felgin	X	—	—	14/11/2020	Yes
95	Jonathan Cohen	—	—	X	16/02/2021	No
96	Kalita	X	X	—	14/11/2020	No
97	Kirin	—	X	—	14/11/2020	No
98	L/Uniform	—	X	X	09/01/2021	No
99	L’Oeil de Tokyo	X	—	—	14/11/2020	No
100	La Bouche Rouge	X	—	X	09/01/2021	No
101	L'Afshar	X	—	—	07/01/2021	No

102	Lancer	X	—	X	07/01/2021	No
103	Lano Lips	X	—	X	09/01/2021	No
104	Lauren Manoogian	X	X	—	16/02/2021	No
105	Le 17 Septembre	X	X	—	21/02/2021	No
106	Le Kasha	X	X	—	02/12/2020	No
107	Le Ore	X	—	—	21/02/2021	No
108	Le Soleil d'Été	—	X	—	14/12/2020	No
109	Le Specs	X	X	—	02/12/2020	Yes
110	LeClaireur	—	X	—	24/11/2020	No
111	Lelet NY	X	—	—	24/11/2020	No
112	LemLem	X	X	—	24/11/2020	No
113	Les Rêveries	X	X	—	12/11/2020	No
114	Les Tien	X	X	—	09/01/2021	No
115	Leset	X	X	—	09/03/2021	No
116	Lucy Folk	—	—	—	21/02/2021	No
117	Ludwig Reiter	X	—	—	21/11/2020	Yes
118	Lug Von Siga	X	X	—	26/11/2020	No
119	Lumira	X	—	X	21/11/2020	No
120	LVIR	X	X	—	16/02/2021	No
121	Maisie Wilen	X	X	—	01/02/2021	Yes
122	Maison Lejaby	X	X	—	20/11/2020	Yes
123	Malone Souliers	X	X	—	20/11/2020	No
124	Mama Mio	X	—	X	09/03/2021	No
125	Marian Moscone	—	—	X	07/01/2021	No
126	Mark Cross	—	X	X	07/01/2021	No
127	Martine's Rose	—	X	—	26/11/2020	No
128	MATEO	X	X	X	20/11/2020	No
129	Maximilian	X	X	—	21/02/2021	No
130	MCQ	X	—	—	02/12/2020	No
131	Medik8	X	—	X	21/02/2021	No
132	Meryll Rogge	X	—	—	12/11/2020	Yes
133	Miaoran	—	X	—	07/01/2021	No
134	Miaou	X	X	—	09/03/2021	No
135	Miguelina	X	—	—	16/02/2021	No
136	Mio	X	—	X	16/02/2021	No
137	Moon Boot	X	X	X	17/01/2021	No
138	MOTHER	X	X	—	17/01/2021	No
139	Nanushka	X	X	—	20/11/2020	Yes
140	Natura Bissé	X	—	—	12/12/2020	No
141	Naturae Sacra	X	X	—	12/12/2020	No
142	NEOUS	X	X	—	07/01/2021	No
143	Neriage	—	X	—	26/11/2020	No
144	Of Rare Origin	X	—	—	20/11/2020	No
145	Olivia Von Halle	X	—	—	20/11/2020	No
146	Oroton	X	X	—	09/01/2021	No
147	Oskia	X	—	X	21/11/2020	No
148	Paravel	X	—	—	20/11/2020	No
149	Paris Georgia	—	X	—	20/11/2020	No
150	Paris Texas	—	X	—	21/11/2020	No
151	PatBO	X	X	—	13/01/2020	No
152	Peony	X	X	—	01/12/2020	No
153	Persée	X	X	—	09/03/2021	No

154	Pippa Small	X	X	—	23/02/2021	No
155	Poiret	—	X	—	09/03/2021	No
156	Pursoma	X	—	—	29/11/2020	No
157	Rasario	X	X	—	29/11/2020	No
158	Ratio et Motus	X	X	—	09/03/2021	No
159	Renaissance Renaissence	X	X	—	09/03/2021	No
160	Révive	X	—	X	14/12/2020	No
161	Rivet Utility	X	—	—	14/12/2020	No
162	RIXO	X	X	—	01/12/2020	No
163	Roland Mouret	X	X	X	02/12/2020	No
164	Rosantica	X	X	—	26/11/2020	No
165	RtA	X	X	—	01/12/2020	No
166	Ruslan Baginskiy	—	X	—	01/02/2021	No
167	SAUER	—	X	—	29/11/2020	No
168	Savette	X	—	—	02/12/2020	No
169	Seed to Skin	X	—	—	21/11/2020	Yes
170	Shola Branson	—	X	—	29/11/2020	No
171	Shrimps	—	X	—	02/12/2020	No
172	St. Agni	X	X	—	26/11/2020	No
173	Studio Amelia	—	X	—	01/02/2021	No
174	Tekla	—	X	—	24/11/2020	No
175	The Conservatory	—	—	X	24/11/2020	No
176	The Elder Statesman	X	X	—	24/11/2020	No
177	Thierry Lasry	—	X	—	24/11/2020	No
178	Unreal Fields	—	—	—	10/11/2020	Yes
179	Vanina	—	X	—	26/11/2020	No
180	VEJA	X	X	X	10/11/2020	No
181	Wandler	X	X	—	14/12/2020	Yes
182	Wardrobe.NYC	X	X	—	21/11/2020	Yes
183	Ximena Kavelekas	X	—	—	21/11/2020	No
184	Yoko London	—	X	—	21/11/2020	No
185	Yuzefi	X	X	—	10/11/2020	No
Total 185 Brands Contacted						

Source: WP Author, based on the Primary Research. 2020-21.

APPENDIX 7. Brand In-Depth Interviews (Sample Description)

#	Brand Name	Category	Country	Interviewee Role(s)	NAP	FF	AMZ
1	Brand A	Apparel	Belgium	Founder	X	—	—
2	Brand B	Apparel	Georgia	Founder	X	X	—
3	Brand C	Apparel	United States	Sales Director	X	X	—
4	Agua Bendita	Apparel	Colombia	Co-Founder	—	—	X
5	Agua by AB				X	—	—
6	Claus Porto	Beauty	Portugal	Ex-Digital Director	X	—	X
7	Unreal Fields	Accessories	Portugal	Founder	—	—	—
8	Wandler	Accessories	Netherlands	CEO	X	X	—
Total 8 Interviewees							

Source: WP Author, based on the Primary Research. 2020-21.

Appendix 8. Brand In-Depth Interview Guide

Work Project Brand Interview Guide

(Semi-Structured In-Depth Interview)

Pre-requisite:

- Is a **luxury niche brand** catering the **personal luxury goods** category (apparel, accessories, beauty, and hard luxury – jewellery and watches)
- Has placed items for sale in **at least one** of the e-tailers in question (i.e., Net-a-Porter, Farfetch and/or Amazon)

Interview Warm-up:

Good morning/afternoon/evening. My name is Hiago Alves and I am a Master student at Nova SBE, currently working on my Master thesis regarding multibrand e-retailers' potential for the success of luxury niche brands operating in the personal goods category (apparel, accessories, beauty and hard luxury – jewellery and watches). For this purpose, I am conducting research related to the experience of working with such companies (i.e. Net-a-Porter, Farfetch and Amazon).

Therefore, I would like to conduct an in-depth interview with you for approximately 45 minutes. In this interview method, I will ask you one main interview question and allow you to speak freely about the topic. There are no wrong answers, and whatever comes to your mind during the interview is relevant and useful for my research.

If you do not mind, I will record this interview in order to facilitate its analysis later. The recording will remain anonymous and you will not be contacted following the completion of the interview. Do you agree with starting the interview?

Opening Question:

How did the opportunity of introducing Brand X in Net-a-Porter / Farfetch / Amazon arise? Can you tell me about your process and what it is like to work with these platforms?

Main topics to be addressed:

Application Process:

- Difficulty
- Contact and communication (application, invitation, etc.)
- Relationship with buyers
- Assortment

Buying Process:

- Pre-determined conditions
- Quantity demanded by platform
- Payment period

Contractual Agreement:

- Commission
- Pricing control
- Merchandising control
- Markdowns and sales

Logistics:

- Distribution
- Unsold Inventory

Promotion:

- Layout control
- Marketing efforts

- Brand communication
- Internal visibility

Advantages:

- Brand awareness and equity
- Complementary services
- Total sales and revenues

Experience:

- Overall satisfaction with Net-a-Porter / Farfetch/ Amazon

Profile:

- Role in the brand
- Brand's country of origin

APPENDIX 9. Consumer In-Depth Interviews (Sample Demographics)

Gender		Nationality		Age Range		Level of Education		e-Tailer Used	
Female	21	Australian	1	18-24	18	High School	7	NAP	20
		Belgian	3						
		Brazilian	3						
		Colombian	1	25-34	7	Bachelor's Degree	17	FF	18
Male	5	Danish	3						
		English	2						
		German	5	45-54	1	Master's Degree	2	AMZ	26
		Portuguese	7						
		Russian	1						
Total 26 Interviewees									

Source: WP Author, based on the Primary Research. 2020-21.

APPENDIX 10. Consumer In-Depth Interviews (Pre-Recruiting Questionnaire)

NOVA

Presentation

Greetings!

My name is Hiago and I am a final term Master's in Management student at Nova School of Business and Economics, currently working on my thesis regarding luxury multi-brand e-retailers' (e.g. Farfetch, MyTheresa, Net-a-Porter, etc.) potential for the success of brands operating in the personal goods category (apparel, accessories, beauty and hard luxury – jewellery and watches).

For this purpose, I am conducting a direct research related to the experience of purchasing from such platforms. Thus, I am looking for individuals to interview who have **purchased a personal luxury good item for themselves - or for others - from at least one multi-brand online retailer in the past year**.

This questionnaire should not take more than 2 minutes.

All information provided shall remain anonymous and shall not be used for any other purpose apart from this pre-recruiting process.

#1

Have you ever purchased a personal luxury good (apparel, accessories, beauty and hard luxury – jewellery and watches) for yourself or others?

- ○ Yes
- ○ No

#2

Have you ever purchased a personal luxury good online?

- ○ Yes
- ○ No

#3

Have you purchased a personal luxury good from a multi-brand e-retailer in the past year? **(e.g. Farfetch, MyTheresa, Net-a-Porter, etc.)**

- ○ Yes
- ○ No

#4

From the following, which website(s) did you use?

- ☐ LUISAVIAROMA
- ☐ FARFETCH
- ☐ MATCHES FASHION
- ☐ MYTHERESA
- ☐ YOOX
- ☐ Browns
- ☐ NET-A-PORTER / MR PORTER
- ☐ amazon

- ☐ None of the above.

#5

Would you be willing to be contacted for a potential interview regarding your experience?

- ○ Yes
- ○ No

#6

How old are you?

____

What is your nationality?

____

Please provide your e-mail address:

____

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APPENDIX 11. Consumer In-Depth Interview Guide

WORK PROJECT CONSUMER INTERVIEW GUIDE

(SEMI-STRUCTURED IN-DEPTH INTERVIEW)

Pre-requisite:

- Individual who has **purchased at least one personal luxury good item** (apparel, accessories, beauty, and hard luxury – jewellery and watches) for herself/himself or for others in **the past year**, from **one of the e-tailers in question** (i.e., Net-a-Porter, Farfetch and/or Amazon)
-

Interview Warm-up:

Good morning/afternoon/evening. My name is Hiago Alves, and I am a Master student at Nova School of Business and Economics, currently working on my Master thesis regarding multibrand e-retailers' potential for the success of luxury niche brands operating in the personal goods category (apparel, accessories, beauty and hard luxury – jewellery and watches). For this purpose, I am conducting research related to the experience of purchasing from such companies (i.e. Net-a-Porter, Farfetch and Amazon).

Therefore, I would like to conduct an in-depth interview with you for approximately 45 minutes. In this interview method, I will ask you one main interview question and allow you to speak freely about the topic. There are no wrong answers, and whatever comes to your mind during the interview is relevant and useful for my research.

If you do not mind, I will record this interview in order to facilitate its analysis later. The recording will remain anonymous and you will not be contacted following the completion of the interview. Do you agree with starting the interview?

Opening Question:

The last time you purchased a personal luxury good item – for yourself and/or for others – from Net-a-Porter / Farfetch / Amazon, why did you choose it, which brand did you purchase, and how was your overall experience?

Main topics to be addressed:

Consideration Stage:

- Used as an information source (trigger)
- Sensitivity to price / sales (trigger)
- Comparisons between e-tailers

Evaluation Stage:

- Feelings towards e-tailer X
- Loyalty towards e-tailer X
- Reasons for preference

Purchase & Post-Purchase Stage:

- Complementary services
- Overall satisfaction
- Least attractive aspects

Type of brands sought:

- High-profile luxury brands or low-profile luxury brands

– FOCUS ON NICHE BRANDS –

Have you ever stumbled across a new (small, indie) brand that you liked through Net-a-Porter / Farfetch / Amazon or another luxury multibrand e-tailer? If so, can you tell me about it?

Main topics to be addressed:

- Has considered purchasing an item from such brands
- Has bought and item from such brands
- Perception of such brands (in Net-a-Porter, Farfetch and Amazon)
- Multibrand luxury e-tailers used as source for novelty
- Trust regarding luxury e-tailers' recommendations

Profile:

- Gender
- Age
- Nationality
- Level of Education

APPENDIX 12. Luxury Niche Brands' Visibility Observation Grid (Net-a-Porter)

Date	Social Media				Website					App				
	Instagram				Home Page	What's New	Gifting	Dedicated Section		Home Page	What's New	Gifting	Dedicated Section	
	@netaporter | 4.2Mil		@portermagazine | 1Mil					New Designers	The Vanguard				New Designers	The Vanguard
	Feed Post	Stories	Feed Post	Stories										
14/11/20	Yes	Yes	Yes	Yes	Yes					Yes				
15/11/20	Yes	No	Yes	Yes	Yes					Yes				
16/11/20	Yes	Yes	No	No	Yes					Yes				
17/11/20	Yes	Yes	Yes	No	Yes					Yes				
18/11/20	Yes	Yes	Yes	Yes	Yes					Yes				
19/11/20	Yes	Yes	Yes	Yes	Yes					Yes				
20/11/20	Yes	Yes	Yes	Yes	Yes					Yes				
21/11/20	Yes	No	Yes	Yes	Yes					Yes				
22/11/20	Yes	No	Yes	Yes	Yes					Yes				
23/11/20	Yes	Yes	No	No	No					No				
24/11/20	No	Yes	Yes	Yes	No					No				
25/11/20	No	No	Yes	Yes	Yes					Yes				
26/11/20	No	No	Yes	Yes	Yes					Yes				
27/11/20	Yes	Yes	Yes	Yes	Yes					Yes				
28/11/20	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Not Available in the App.	
29/11/20	Yes	Yes	No	Yes	Yes					Yes				
30/11/20	No	No	No	No	No					No				
01/12/20	No	No	No	No	No					No				
02/12/20	No	No	Yes	Yes	No					No				
03/12/20	Yes	Yes	No	No	Yes					Yes				
04/12/20	No	Yes	Yes	Yes	Yes					Yes				
05/12/20	No	Yes	No	Yes	Yes					Yes				
06/12/20	No	No	Yes	Yes	No					No				
07/12/20	No	No	Yes	Yes	No					No				
08/12/20	No	No	Yes	Yes	No					No				
09/12/20	Yes	Yes	No	Yes	Yes					Yes				
10/12/20	No	No	Yes	No	Yes					Yes				
11/12/20	Yes	Yes	Yes	No	Yes					Yes				
12/12/20	Yes	Yes	Yes	Yes	No					No				
13/12/20	Yes	Yes	Yes	Yes	No					No				
	18	**18**	**21**	**21**	**20**	**30**	**30**	**30**	**30**	**20**	**30**	**30**		
TT OF DAYS (OUT OF 30)														

Source: WP Author, based on data from the Observational Analysis. 2020.

APPENDIX 13. Luxury Niche Brands' Visibility Observation Grid (Farfetch)

Date	Social Media		Website				App			
	Instagram		Home Page	New In	Gifts	Dedicated Section	Home Page	New In	Gifts	Dedicated Section
	@farfetch | 2.8Mil					Next Generation Designers				Next Generation Designers
	Feed Post	Stories								
14/11/20	No	No	No				Yes			
15/11/20	No	No	No				Yes			
16/11/20	No	No	No				Yes			
17/11/20	Yes	No	Yes				Yes			
18/11/20	Yes	No	Yes				Yes			
19/11/20	No	Yes	No				Yes			
20/11/20	Yes	No	No				Yes			
21/11/20	No	No	Yes				Yes			
22/11/20	No	No	Yes				Yes			
23/11/20	No	No	No				No			
24/11/20	Yes	Yes	No				No			
25/11/20	No	No	Yes				Yes			
26/11/20	Yes	No	No				Yes			
27/11/20	No	No	No				Yes			
28/11/20	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
29/11/20	No	Yes	Yes				Yes			
30/11/20	No	No	No				No			
01/12/20	Yes	No	No				No			
02/12/20	No	No	No				No			
03/12/20	No	Yes	Yes				Yes			
04/12/20	Yes	No	No				Yes			
05/12/20	Yes	Yes	Yes				Yes			
06/12/20	Yes	No	No				No			
07/12/20	Yes	No	No				No			
08/12/20	Yes	No	No				No			
09/12/20	No	Yes	Yes				Yes			
10/12/20	Yes	No	No				Yes			
11/12/20	Yes	No	Yes				Yes			
12/12/20	Yes	Yes	No				No			
13/12/20	No	No	No				No			
	14	**8**	**10**	**30**	**30**	**30 30**	**10**	**30**	**30**	**30**
TT OF DAYS (OUT OF 30)										

Source: WP Author, based on data from the Observational Analysis. 2020.

APPENDIX 14. Luxury Niche Brands' Visibility Observation Grid (Amazon)

Date	Social Media				Website (US)				App (US)				
	Instagram				Fashion Department Home Page	Beauty & Personal Care Home Page	Dedicated Section		Fashion Department Home Page	Beauty & Personal Care Home Page	Dedicated Section	Luxury Stores	
	@amazonfashion | 1.3Mil		@amazonfashioneu | 180K				Premium Beauty				Beauty Premium Selection	Home Page	Dedicated Section
	Feed Post	Stories	Feed Post	Stories			Home Page	Upcoming					
14/11/20	No	No											
15/11/20	No	No											
16/11/20	No	No											
17/11/20	No	No											
18/11/20	No	No											
19/11/20	No	No											
20/11/20	No	No											
21/11/20	No	No											
22/11/20	No	No											
23/11/20	Yes	Yes											
24/11/20	No	No											
25/11/20	No	No											
26/11/20	No	No											
27/11/20	No	No											
28/11/20	No	No	No	No	No	No	Yes	Yes	No	No	Yes	Yes	No
29/11/20	No	No											
30/11/20	No	No											
01/12/20	No	No											
02/12/20	Yes	Yes											
03/12/20	No	No											
04/12/20	Yes	Yes											
05/12/20	No	No											
06/12/20	No	No											
07/12/20	No	No											
08/12/20	No	No											
09/12/20	No	No											
10/12/20	No	No											
11/12/20	No	No											
12/12/20	No	No											
13/12/20	No	No											
	3	**3**	**0**	**0**	**0**	**0**	**30**	**30**	**0**	**0**	**30**	**30**	**0**
TT OF DAYS (OUT OF 30)													

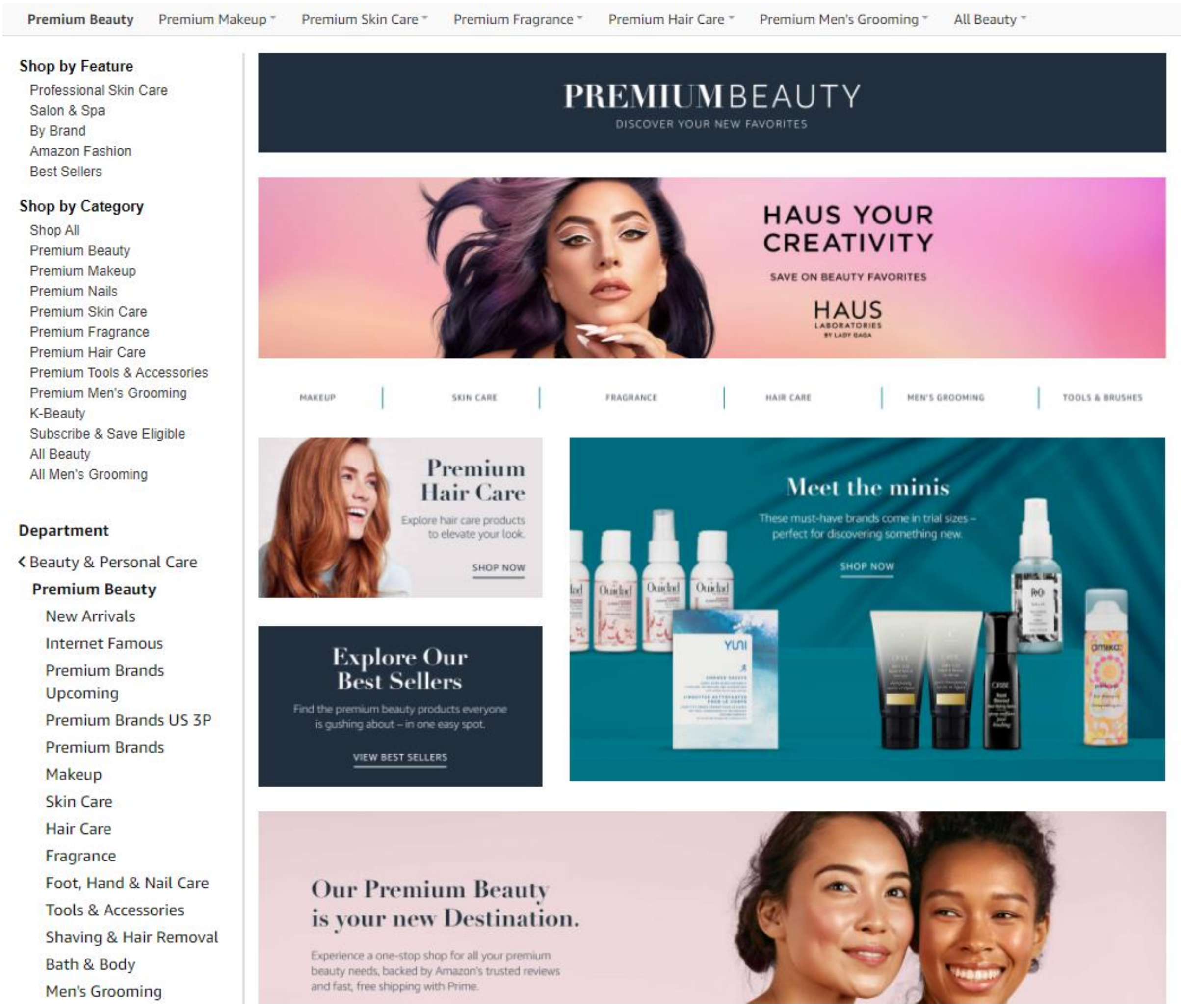
Source: WP Author, based on data from the Observational Analysis. 2020.

APPENDIX 15. Brand Experience: Entering the Platforms

	Net-a-Porter (6/8)		**Farfetch (3/8)**			**Amazon (2/8)**			
Method	Directly		Directly	3rd Party		Directly			3rd Party
	Agency	Cold Calling		Boutiques	Browns	Agency	Cold Calling	Invitation	Sellers
Brand A	X	—							
Brand B	X	—	—	X	X				
Brand C	X	—	—	X	X				
Agua Bendita						X	—	—	X
Agua by AB	X	—							
Claus Porto	—	X				—	—	X	X
Unreal Fields									
Wandler	X	—	—	X	X				

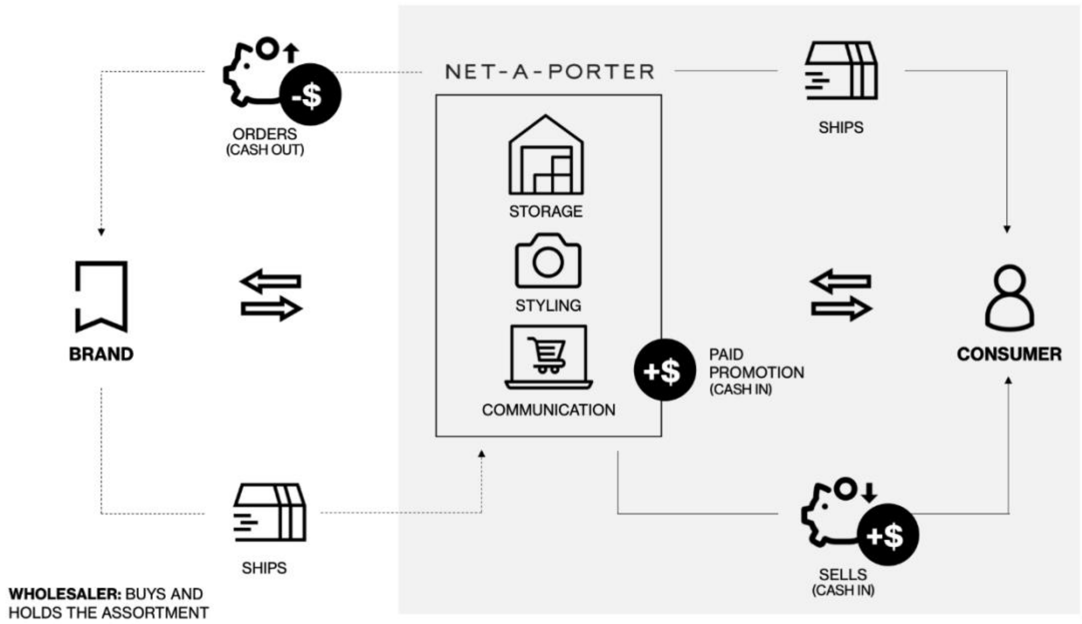
Source: WP Author, based on primary data from the Qualitative Research. 2020-21.

APPENDIX 16. Amazon Premium Beauty



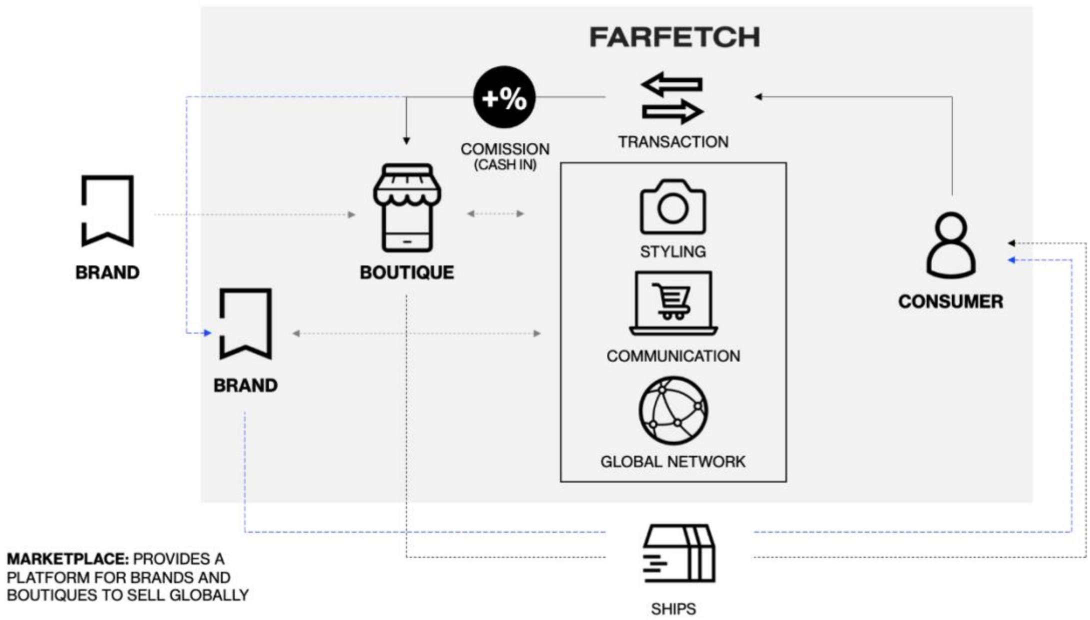
Source: Amazon US (Amazon Premium Beauty). 2021.

Appendix 17. Net-a-Porter's Business Model



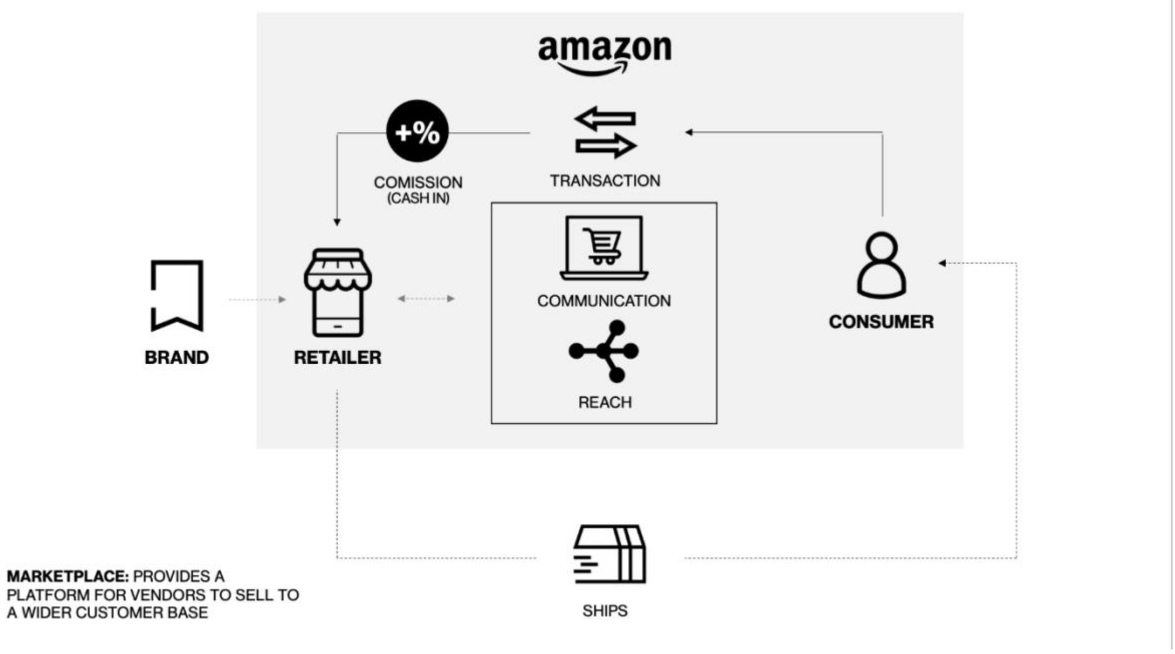
Source: WP Author, based on primary data from the Qualitative Research. 2020-21.

Appendix 18. Farfetch's Business Model



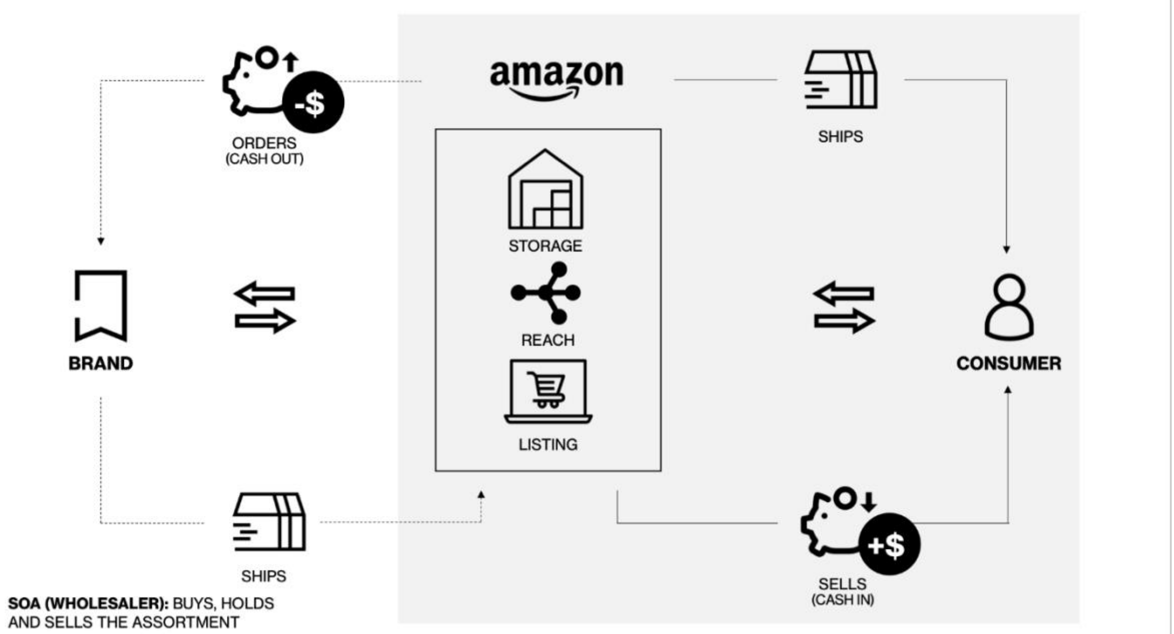
Source: WP Author, based on primary data from the Qualitative Research. 2020-21.

APPENDIX 19. Amazon's Marketplace Business Model



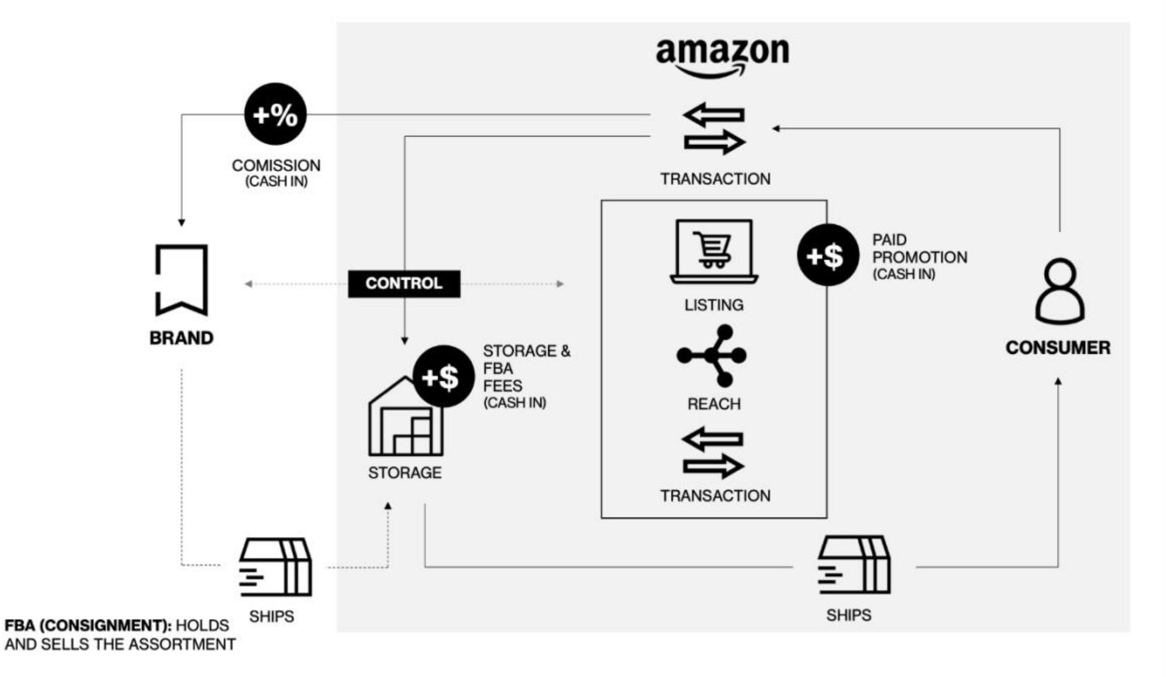
Source: WP Author, based on primary data from the Qualitative Research. 2020-21.

APPENDIX 20. Amazon's Wholesale Business Model



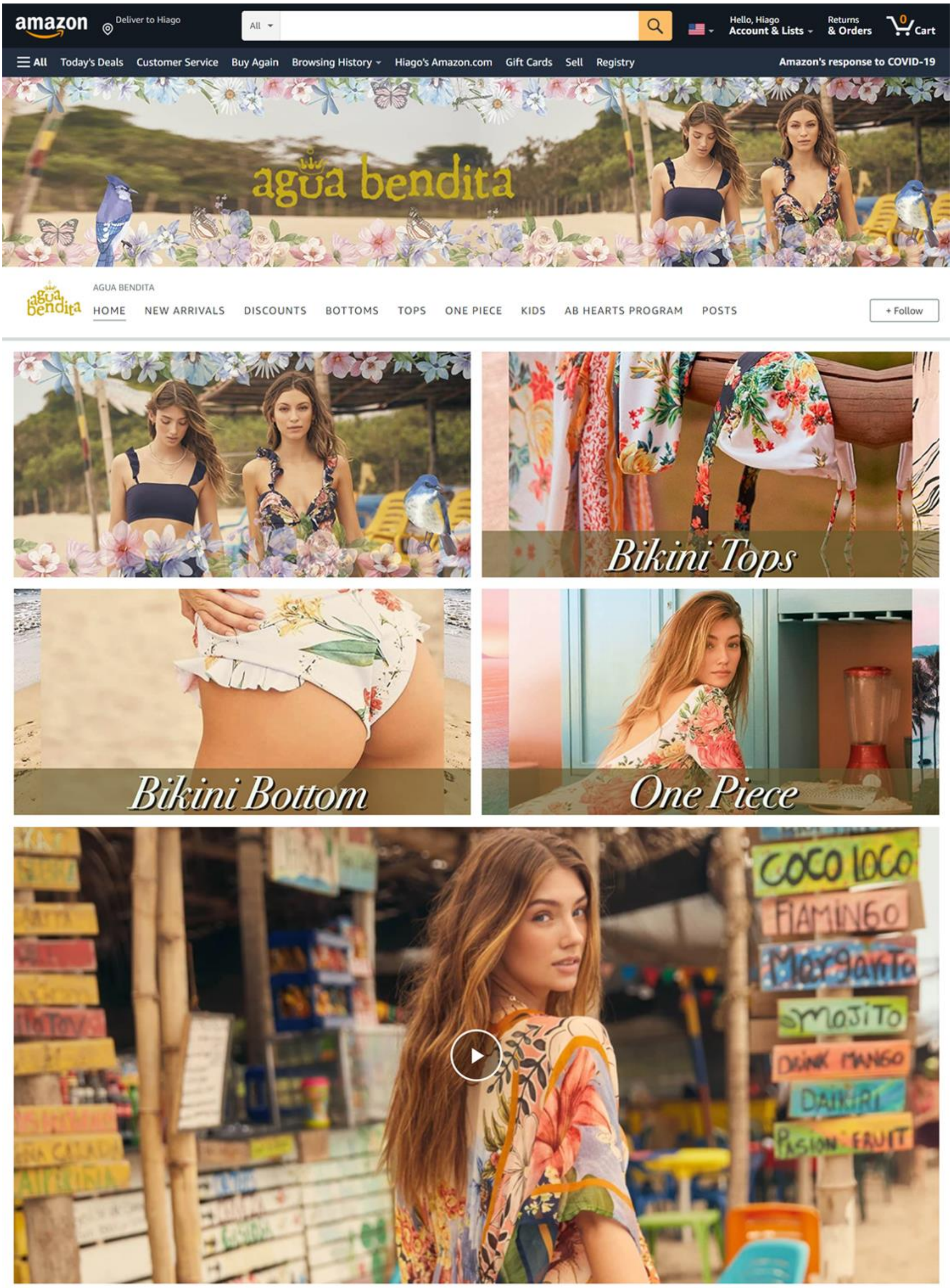
Source: WP Author, based on primary data from the Qualitative Research. 2020-21.

APPENDIX 21. Amazon's Consignment Business Model



Source: WP Author, based on primary data from the Qualitative Research. 2020-21.

APPENDIX 22. Agua Bendita's Shop-in-Shop (Amazon)



Source: Amazon US (Agua Bendita brand page). 2021.

APPENDIX 23. Level of Advantageousness (NAP Vs. FF Vs. AMZ)

Factor	Net-a-Porter	Farfetch	Amazon		
	Wholesale	Marketplace	Marketplace	Wholesale	Consignment
Brand Equity	High	High	Low	Low	Low
Brand Awareness	High	High	Low	Low	Low
Brand Control	Moderate	Low	Low	Moderate	High
Organic Visibility	High	Moderate	Low	Low	Low
Qualified Traffic	High	High	Low	Low	Low
Profitability	Moderate/Low			High	High

Source: WP Author, based on primary data from the Qualitative Research. 2020-21.

APPENDIX 24. Consumer Segmentation

Luxury Connoisseurs (14/26)			Shared Belief (26/26)	Trend Conscious (12/26)		
	Evidence	Mentions	Amazon is a non-credible luxury player.		Evidence	Mentions
Looks for "low profile" luxury brands Is open to novelty	High (79%)	11/14		Looks for "high profile" luxury brands Sticks to familiar brands	High (83%)	10/12
Uses luxury to disassociate from the mainstream	High (64%)	9/14		Uses luxury to showcase wealth and "stand-out"	Moderate (41%)	5/12
Values styling when choosing a multibrand retailer	High (57%)	8/14		Values sales and low prices when choosing a multibrand retailer	High (91%)	11/12
Looks for investment pieces (classic, high quality & intemporal)	Moderate (36%)	5/14		Looks for statement pieces (streetwear, logos & patterns)	High (75%)	9/12
Preferred Platform: Net-a-Porter				Preferred Platform: Farfetch		

Level of Evidence: High (> 50%); Moderate (20 – 49%); Low (< 20%).

Source: WP Author, based on primary data from the Qualitative Research. 2020-21.

APPENDIX 25. Positive & Negative Aspects of Net-a-Porter

	Net-a-Porter	Evidence	Mentions
Good +	Refined packaging	High (100%)	20/20
	Luxury experience expertise	High (70%)	14/20
	Expertly curated assortment	High (65%)	13/20
	Credible	High (65%)	13/20
	Styling and content	High (55%)	11/20
	Editorial feel	Moderate (45%)	9/20
	Best value for money	Moderate (40%)	8/20
	EIP Programme (loyalty scheme)	Low (10%)	2/20
Bad —	No negative aspects	High (85%)	17/20
	Shipping costs	Low (15%)	3/20

Level of Evidence: High (> 50%); Moderate (20 – 49%); Low (< 20%).

Source: WP Author, based on primary data from the Qualitative Research. 2020-21.

APPENDIX 26. Positive & Negative Aspects of Farfetch

	Farfetch	Evidence	Mentions
Good +	Short delivery time	High (83%)	13/15
	User-friendly layout	High (56%)	10/18
	Good editorials	Moderate (39%)	7/18
	Ongoing Sales	Moderate (33%)	6/18
	FF Access (loyalty scheme)	Moderate (33%)	6/18
Bad —	Plain packaging	High (100%)	18/18
	Overpriced	High (94%)	17/18
	Shipping costs	High (83%)	15/18
	Overwhelming assortment	Moderate (44%)	8/18
	Intrusive digital marketing	Moderate (33%)	6/18

Level of Evidence: High (> 50%); Moderate (20 – 49%); Low (< 20%).

Source: WP Author, based on primary data from the Qualitative Research. 2020-21.

APPENDIX 27. Positive & Negative Aspects of Amazon

	Amazon	Evidence	Mentions
Good +	Bargains	High (100%)	26/26
	Logistics mastery	High (100%)	26/26
Bad —	Non-luxury (lack of credibility)	High (100%)	26/26
	Unstylish destination	High (81%)	21/26
	Counterfeit goods (reputation)	High (69%)	18/26

Level of Evidence: High (> 50%); Moderate (20 – 49%); Low (< 20%).

Source: WP Author, based on primary data from the Qualitative Research. 2020-21.

APPENDIX 28. Consumer First Impressions of Unknown LNB at e-Tailer X

Frequency	Net-a-Porter	Mentions	Farfetch	Mentions	Amazon	Mentions
+++	Luxury	16/20	High Quality	15/18	Non-luxury	26/26
++	High Quality	13/20	Premium	11/18	Counterfeit	18/26
+	Exclusive	9/20	Cool	9/18	Cheap	16/26

Top 3 most mentioned adjectives by consumers.

Source: WP Author, based on primary data from the Qualitative Research. 2020-21.