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HOW TO PERFECT AFTER-SALES SERVICE TO ENHANCE THE CRM OF A BRAND

Ana Carolina Passos Garcia

Work Project carried out under the supervision of:

Christophe Maincourt

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## **Abstract**

This thesis project explores how to perfect after-sales service to enhance Customer Relationship Management (CRM) for Cartier in Portugal. Five key challenges were identified through a comprehensive approach involving quantitative research, with an initial survey, and more in-depth secondary research. The derived recommendations, grounded in the enhancement of after-sales services through online and offline strategies, were crafted to address these challenges. The findings aim to guide Cartier in refining its CRM approach, fostering stronger customer connections in the Portuguese market.

**Keywords:** Luxury, CRM, After-sales, Marketing, Jewelry, Watches, Cartier, Post-Purchase

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## 1. Introduction

Cartier is known as a symbol of sophistication and style. As a prestigious French Maison part of the Richemont Group, it proudly carries a rich heritage extending for over a century. Cartier is a Personal Luxury Goods Market Maison, with a distinct presence, particularly in the categories of luxury jewelry and watchmaking. The brand stands out by its rich history, distinguished reputation, and exceptional impact of creativity and innovation. Cartier's presence extends to 265 boutiques in 60 countries, backed up by a strong and consistent retail network that serves as the main channel for delivering its signature quality, expertise, and excellence to customers worldwide.

In an era defined by ever-changing consumer expectations and rapidly advancing technology, Cartier faces a complex challenge: *“How to perfect after-sales service to enhance the Customer Relationship Management of the brand”*. Although some aspects of Customer Relationship Management (CRM) have been extensively explored, we identified key areas where official information is notably scarce. Therefore, it was recognized as a unique opportunity to pioneer research in critical facets such as the impact of CRM strategies on luxury brands. The study lays its foundation mainly on primary and secondary research, where the process included a Cartier’s briefing with the Iberian Market Client Service & Satisfaction Manager and a meeting with Cartier’s Lisbon Boutique Manager to deeply immerse into the Cartier DNA, how the Brand performs in the Portuguese market, its clientele and market challenges. Additionally, the primary research consisted of quantitative research through a survey to obtain valid insights that would help to understand the challenges and opportunities in the Luxury industry. Finally, secondary research via books, articles, academic research, websites, public journals, and market studies, among other relevant resources was also crucial for the development of this field lab.

## **2. Contextual Background**

### **2.1. The Maison Cartier**

The essence of the Maison Cartier lies mainly in four pillars: creativity, freedom, open-mindedness, and excellence. The fusion of the unique savoir-faire and timelessness allows Cartier to create a distinctive style of creations from day-to-day accessories to high-end jewelry and watches. Furthermore, the recent introduction of leather goods, fragrances, and accessories allowed the Maison to stay competitive in other categories as well (Appendix 1). However, Cartier's commitment does not rely only on product making and development. The Maison has also several social, cultural, and environmental initiatives, shifting the brand to a vision instead of only a luxury brand (Cartier 2023).

### **2.2. Historical Evolution and Heritage**

Founded in 1847, Cartier is a reference to true and timeless luxury (Richemont 2023). The Maison achieved prominence in Parisian high society and international elite after Princess Mathilde, cousin of Emperor Napoleon III, bought a Cartier creation in 1856 (Cartier 2023). However, it was only 43 years later that Cartier established its first boutique at 13 rue de la Paix, in Paris (Cartier 2023). At the same time, the Maison introduced the later called “Garland Style”, combining neoclassical inspiration, and pioneering the use of platinum (Cartier 2023). The next decade was crucial to Cartier in terms of expansion to international markets. In 1902 the opening of the boutique in London at 4 New Burlington Street, coincided with the coronation of King Edward VII (Cartier 2023). Only 2 years later, the Maison received its first royal certificate, granted by the Court of the King. This event triggered Cartier to be the official provider of other major royal courts (Cartier 2023). At the end of the first decade of the XX century, in 1909, the Maison set sail across the Atlantic Ocean and opened the first Cartier

boutique in the United States (Cartier 2023). Its location is still one of the more prominent places for luxury and excellence in New York City, the 5<sup>th</sup> Avenue.

Regarding Cartier's creations, the merge of unique abstract shapes, geometric forms, and unique color combinations in 1900, represents the first reference of Art Déco for the Maison (Cartier 2023). Four years later, Louis Cartier, the grandson of the founder, developed the first watch specially designed for his Brazilian aviator friend Alberto Santos-Dummont (Cartier 2023). The iconic Tank watch, the three-band Trinity ring, and the engraved sapphire, emeralds, and rubies' Tutti Frutti bracelet were created between 1917 and 1925 (Cartier 2023). Then, Jeanne Toussaint served as the Maison's creative director from 1933 until 1970, greatly shaping Cartier's identity. The introduction of the Crash watch in 1967 was a bold interpretation of watchmaking, as this model design appears to be damaged (Cartier 2023). Between 1969 and 1977, the Love, the Nail Bracelet, and Le Must de Cartier collections were created and introduced in the market (Cartier 2023). The classic Santos watch, combining gold and steel for the first time, was developed a year later (Cartier 2023). The 80s decade was marked by the introduction of the Panthère and the Pasha Cartier watches, and the development of the Cartier Collection. With this, the Maison aims to preserve and convey its heritage while constantly breaking new ground in the luxury industry (Cartier 2023). The pieces of this collection were regularly loaned to some of the most renowned museums to honor the history of the Maison (Cartier 2023). This action allowed Cartier to be recognized beyond a luxury brand, entering the cultural and artistic world as well. The last decade of the XX century is characterized by the creation of the Tank Française watch, the acquisition of the Maison by the Richemont Group, and the celebration of the 150<sup>th</sup> anniversary of Cartier. To commemorate this milestone, the British Museum of London and the Metropolitan Museum of Art in New York carried Cartier exhibitions to, once again, honor the history and heritage of the Maison

(Cartier 2023). The last creation of Cartier in the jewelry and watch sector was the Ballon Bleu, which had its debut in 2007 (Cartier 2023).

The 10's decade was a period of sustainability and introducing new product categories. The creation of the Cartier Charitable Foundation, later renamed Cartier Philanthropy, is currently committed to improving the lives of vulnerable communities in low-income countries, mainly focusing on women and children (Cartier 2023). The Maison also introduced the La Panthère Perfume and the Guirlande de Cartier bag, marking the beginning of cosmetics and leather goods for the Maison (Cartier 2023). Furthermore, the brand also introduced the Clash Collection and had two more exhibitions in Beijing and Tokyo to honor the craftsmanship and compare classic pieces with contemporary creations, respectively. The latter one, named "Cartier, Crystallization of Time", was designed by Hiroshi Sugimoto and Tomoyuki Sakakida (Cartier 2023).

The last three years were also crucial for the brand. The Maison entered the organization of Expo 2020 in Dubai, with the Dubai Women's Pavilion as a tribute to women changemakers (Richemont Annual Report 2022) and re-opened the doors of the first boutique at 13 rue de la Paix after a restoration (Cartier 2023). Furthermore, the Maison relaunched its iconic Tank Watch, which integrates a photovoltaic movement and a non-leather strap (Richemont Annual Report 2022).

Nevertheless, Cartier is engaged in maintaining its legacy and continuing to revolutionize the luxury industry with its unique savoir-faire and timeless elegance.

### **2.2.1. Corporate Framework**

Regarding the Maison itself, Cartier relies on Cartier Jewelry, Cartier Creation Studio (Appendix 4), and Cartier Watchmaking for the development and production of the creations. Distribution is mainly made by Cartier Parfums. However, the fragrance division is also

responsible for the production, development, and distribution of all fragrances of the Maison and counts on a workforce of 150 people (Cartier Portugal 2021).

The Maison headquarters are in Paris and Geneva. The French office is composed of 280 employees, and it oversees Marketing and Product Development activities. The Swiss office counts on 150 collaborators and plays a big role in Human Resources, Finance, and other corporate functions. Furthermore, Cartier is organized into 9 subsidiaries across the world. Japan and China are responsible for their markets, the Middle East & Asia, North Asia, and Southeast Asia cover eleven, four, and three markets, respectively. North America and South America are responsible for two and three markets, respectively, and Europe encompasses 11 markets. One of the latter is the Iberian Market which converges the Spanish and Portuguese Market. Cartier distribution encompasses 271 owned and not owned boutiques, e-commerce platforms, and partnerships with multi-brand retailers (Cartier Portugal 2021).

Founded in 1988, the Richemont Group encompasses 26 Maisons which can be divided into four categories: Jewelry Maison, Specialist Watchmaking, Online Distributors, and Other Businesses (Richemont Annual Report 2022). Cartier was acquired by Richemont in 1993 and it is now one of the most prominent Maisons in the Jewelry division. The parent company controls and provides support to all Maisons in areas such as Human Resources, IT, and Legal Support (Cartier Portugal 2021). Furthermore, Richemont's Corporate Social Responsibility plan covers four main areas – People, Sourcing, Environment, and Communities - supporting the goal of “Movement for Better Luxury”, providing a solid base for Cartier's sustainability strategy (Cartier Portugal 2021).

### **2.2.2. Creations Range**

At Cartier, the art of creation transcends mere craftsmanship; it becomes an enduring legacy of elegance, innovation, and luxury. The Maison's comprehensive product range encompasses an array of distinguished categories, each exemplifying the brand's commitment. The Maison's

ultimate expression of style stands as the pinnacle of Cartier's offering of High Jewelry (Appendix 5). These exquisite pieces are masterfully crafted with the most precious gemstones and metals, revolving all around the stone, making every piece unique and extravagant, with exclusive craftsmanship creating wearable works of art that characterize opulence and sophistication. These pieces, because of the handmade factor and their exclusivity, are not represented by the price but by their quality, which is perceived in their value (Cartier 2023). Stepping down in the price range, Cartier's Jewelry Line features a diverse variety of designs, from iconic classics to contemporary creations. Earrings, necklaces, bracelets, and rings are meticulously crafted, allowing customers to adorn themselves with the brand's timeless elegance.

The Maison is also renowned for its watchmaking expertise. Its watch collections blend precision engineering with artistic design, offering a wide range of styles, from classic to avant-garde, suitable for both men and women. Regarding these two categories, Jewelry and Watches, all collections have precious materials and stones but have a standard production and can be reproduced. Cartier has several items that are characterized by Maison's distinctive culture of design, where the focus for every piece is based on four main principles: purity of line, accuracy of the shape, precision of proportions, and precious details (Cartier 2023). As a result, through the ages, seven items and collections became Cartier icons, while still being part of the modern day's culture.

*The Santos* watch (Appendix 6), priced at 7,850€, is iconic due to its distinctive design featuring visible screws and a square silhouette. *Ballon Bleu* (Appendix 7) priced at 8.000€, is represented by its roundness, the volume gifted in the circle, and the sapphire crystal. *The Panthère* watch is 10.100€ (Appendix 8) and is known for its bracelet flexible structure that evokes the Cartier emblematic animal. *Tank's* (Appendix 9) (watch Louis Cartier 11.400 €) design is inspired by a military tank; another innovation was making the case for the extension

of the bracelet. *The Love* collection (Appendix 10) (bracelet 8.150€) is a representation of the principal precision of proportion with its clean lines that make an oval bracelet that is made by two rigid arcs that must be screwed together symbolizing love. *Juste un Clou* (Appendix 11) (bracelet 8.850€), is about the Maison strength of finding beauty wherever it lies, this collection is about transforming a simple nail into a piece of jewelry. *Trinity* (Appendix 12) (ring 1.740€) is about the simplicity of a shape, composed of three bands intertwined in yellow gold, white gold, and rose gold it's a symbol of timelessness (Cartier 2023).

Although the Maison focus is jewelry and watches, Cartier offers a selection of bags and accessories, consisting of leather goods, sunglasses, scarves, belts, keyrings, and lighters, among others (Appendix 13). These items, often adorned with the brand's signature motifs, provide a touch of Cartier's luxury to everyday life. The "*Art of Living*" category (Appendix 14) encompasses a range of lifestyle products, which consists of decorative objects, baby gifts and toys, and scented candles. These items carry Cartier's distinctive aesthetic into the broader sphere of daily life, transforming ordinary moments into extraordinary ones. The Maison also extends its legacy of luxury into the realm of fragrances (Appendix 15). Its collection of perfumes is an olfactory journey that captures the essence of sophistication and refinement, allowing customers to envelop themselves in the brand's distinctive scents.

## **2.2. Cartier's Presence and Operations**

### **2.2.1. Market Overview**

The worldwide jewelry and watches sector has witnessed a fascinating evolution over the years, marked by both tradition and innovation. This industry has grown into a global economic powerhouse, with remarkable statistics underpinning its significance. The market is expected to grow annually by 3.13% (Compounded Annual Growth Rate 2023-2028) and the global revenue amounts to €70.42bn in 2023 (Statista 2023). This growth is primarily attributed to several factors, including the expansion of the female workforce, an increase in Gross

Domestic Product per capita, and the rising middle-class population in various regions worldwide. High-income individuals are increasingly adopting jewelry as a symbol of prestige and status, contributing to intensified consumption (Statista 2023).

Profitability in both industries is determined by scale, exposure to direct-to-consumer channels, and brand pricing power. The Luxury Watch industry saw declining profitability due to changing consumer preferences and the impact of COVID-19, with the future relying on cost efficiency and digital channels. It is controlled by a small group of brands, constituting 78% of the industry's value, and is expected to grow at 1 to 3 percent between 2018 and 2028, with Asia as a primary growth driver. On the other hand, Luxury Jewelry brands tend to be more profitable than watch brands, with top brands maintaining high EBIT margins. Smaller jewelry brands may struggle to capitalize on market recovery due to limited brand awareness and reliance on wholesale (McKinsey & Business of Fashion 2021) (Figure 1).

Actual And Forecasted Revenue Of The Luxury Watches & Jewelry Sector From 2018 To 2028

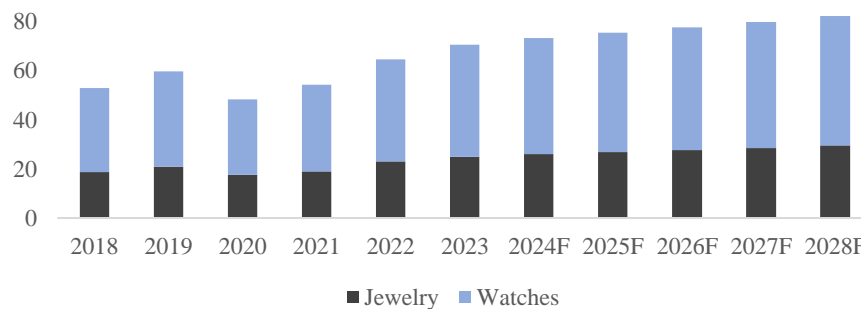


Figure 1: Revenue of Watches & Jewelry | (Source: Own elaboration, data retrieved from Statista 2023)

### 2.2.2. Jewelry and Watches Sector in Portugal

It is important to offer a comprehensive overview of the Luxury Jewelry and watches sector in Portugal before delving into Cartier's deeper analysis. The prevailing trend in this sector is the presence of multi-brand national retailers, covering prominent industry leaders with an

extensive network of stores across the country as well as numerous smaller entities. In recent years, respected multinational luxury brands specializing in Jewelry and watches have initiated the establishment of their standalone boutiques, which played a critical role in relationship development and generated status, acting as a central point where the development of a relationship begins. The flagship makes a significant contribution to brand profile building within a foreign market, these stores have a positive impact on wholesale sales. New clients are often inspired and encouraged to stock the brand after having visited the flagship (Moore, C. M., Doherty A. M., & Doyle. 2010). These boutiques are strategically concentrated in the most affluent districts of the countries which, in this case, are Portugal's largest cities, Lisbon and Porto.

In the context of scale and the commercial potential for luxury brands, Cartier's presence and distribution in Portugal have historically been quite limited, similar to its peers in the industry. Cartier's jewelry and leather collections, for instance, have traditionally been exclusively available at its flagship boutique, which, in Portugal, translates into a single location in Avenida da Liberdade (Cartier Portugal 2023).

When it comes to Cartier's timepieces, in addition to its flagship boutique, they are distributed through exclusive multibrand retailers strategically positioned at eleven points of sale. This network includes establishments such as Boutique dos Relógios Plus, which maintains five boutiques in Lisbon, two in Porto, and one in Algarve, Machado Joalheiro, with one boutique in each of Portugal's largest cities (Cartier Portugal 2023).

As for Cartier's eyewear and fragrance collections, their distribution is more extensive, covering regions from the North to the South of the country. Cartier's products are also available for online purchase, through most retailers, as well as on global e-commerce platforms such as Farfetch (Appendix 16), which specializes in selling watches, leather goods,

and bags. Other online options include MyTheresa (Appendix 17) and Net-A-Porter (Appendix 18), which offer Cartier's eyewear collection (Cartier 2023).

### **2.2.2.1. Main Competitors**

In the context of the Jewelry and watches category, Cartier must tailor its competitive strategy to the local landscape. When compared with the broader European context, Portugal stands out with its population characterized by relatively limited purchasing power, coupled with one of the lower Gross Domestic Products (Eurostat 2021) within the European Union. Consequently, the competitive landscape in Portugal necessitates a broader spectrum that not only encompasses luxury brands but also extends to mid-range brands, differentiating it from other more affluent markets.

Within the multibrand retail landscape, prominent players include Boutique dos Relógios Plus, which claims a network of eight boutiques concentrated in Lisbon, Porto, and Algarve; David Rosas, operating seven stores across Lisbon, Porto, Algarve, and Madeira; Torres Joalheiros, with four boutiques situated in Lisbon; and Machado Joalheiros, which maintains a presence with three stores in both Lisbon and Porto (Cartier Portugal 2023). Fewer retailers cater to both luxury and mid-range segments, exemplified by the department store El Corte Inglés, with two points of sale, in Lisbon and Porto. The retailer has a massive offline and online presence, aided by its wide range of product offerings, attracting diverse shoppers, each with different spending habits. Aside from retailers, many luxury brands compete in the same market as Cartier such as Bulgari, Rolex, and others (Appendix 19).

## **2.3. Cartier's Communication Approach**

Internationally speaking, Cartier has an omni-channel presence including social media, web, e-mail, of home advertising, among others. Regarding social media, the brand is present on Instagram (Appendix 20), YouTube (Appendix 21), given the popularity of short-video

content, TikTok (Appendix 22), Facebook (Appendix 23), LinkedIn (Appendix 24), X (previous Twitter) (Appendix 25), LinkedIn (Appendix 24), Pinterest, Weibo, WeChat, and Snapchat. Most of these platforms have the same content, excluding YouTube, Weibo, and WeChat. Both Weibo and WeChat have not been updated for some time now, which may be a result of the young target of both apps, which do not go along with Cartier's communication objectives and audience. On the other hand, Cartier's presence on YouTube is more of a storytelling, aligned with the platform. Longer-form videos where the brand shows new products, craftsmanship, events, and brand stories are what can be expected from their channel. From an out-of-home perspective, Cartier takes creative insights into their boutique window displays, with eye-catching elements (The New York Times 2020) (Appendix 26), showcasing the brand's iconic pieces. Similarly, Cartier has hosted pop-up stores (Super Future 2022) (Appendix 26) and temporary installations in prestigious and strategic locations, allowing consumers a unique opportunity to engage with the brand and explore its products in a limited-time and exclusive setting. The luxury brand also occasionally organizes experiential events and exhibitions in high-traffic areas, such as Precious Garage, in New York (Forbes 2018) (Appendix 26). On a more traditional strategy, Cartier also utilizes both traditional and digital billboards strategically placed, displaying dynamic and engaging content (Cartier 2023). Finally, Cartier is also present at premium airport locations, like Dubai (Cartier 2022) (Appendix 26), related to the traveling lifestyle their consumers live. This approach helps reinforce the brand's association with luxury and international travel, as well as reminding consumers of Cartier's presence. Especially in Portugal, the technique of communication does not change much from the international ones, although the message itself is targeted at Portuguese consumers or foreign people who live in Portugal.

## **2.4. Understanding Cartier's Consumer Base**

The Cartier customer base is comprised of affluent and sophisticated individuals with significant financial means, allowing them to indulge in the brand's timeless elegance and opulence. Positioned in the high-end luxury segment, Cartier's products are meticulously tailored for individuals with a discerning taste, that appreciate the artistry and exceptional craftsmanship inherent in each piece. This unwavering commitment to quality and attention to detail strongly resonates with consumers seeking sophistication and exclusivity in their accessories (Cartier Portugal 2023).

A notable segment of Cartier's clientele consists of fashion and art enthusiasts, drawn to the brand's ability to seamlessly blend classic and contemporary statements in iconic designs like the Tank watch and Love bracelet, thereby showcasing Cartier as a brand for those with an eye for style and elegance. In the context of the Portuguese Boutique, a significant characteristic is the predominance of international clients, constituting more than half of the clientele (Cartier Portugal 2023). Moreover, Cartier's primary customer focus is women aged 35 and above.

When examining purchasing behavior, Cartier's consumers emerge as special occasion shoppers, reserving their visits for significant life events such as engagements, weddings, anniversaries, and milestone celebrations, choosing Cartier to play a pivotal role in these memorable occasions (Cartier Portugal 2023). As they step into the store, customers often arrive with a predetermined idea of the category they wish to explore, be it watches, jewelry, leather goods, accessories, or other offerings. The emotional bond customers share with the Cartier brand enhances brand loyalty, contributing to a commendable retention rate. A standout feature of Cartier's customer base is the cultivation of long-term brand loyalty, where customers, having experienced the exceptional quality, craftsmanship, and personalized service associated with Cartier, tend to become dedicated patrons. This loyalty manifests itself in repeat purchases and advocacy for the brand, contributing to Cartier's enduring success.

Moreover, insights from Cartier Lisbon Boutique indicate that customers' buying decisions are predominantly influenced by brand loyalty. The brand's customer demographic typically comprises highly disposable-income individuals who aspire to experience the luxury lifestyle, emphasizing a desire for status and an acute awareness of pricing considerations (Cartier Portugal 2023). This combination of brand allure, a sense of prestige, and consideration for pricing underscores the nuanced factors that shape the purchasing decisions within the Cartier customer base in Lisbon.

## **2.5. Brand Identity**

Brand identity is defined by what the brand would like to be, what the brand stands for, and what makes it unique (Silveira 2022). The Brand Identity Prism (Figure 2) identifies six core aspects of brand identity: physique, personality, culture, relationship, reflection, and self-image (Kapferer 1997). These aspects are divided into two dimensions: source versus receiver and externalization versus internalization (Kapferer 1997).

The physical representation of Cartier includes a distinctive logo, characterized by a bold red box adorned with elegant and timeless typography. The iconic Panther is also a powerful and recognizable emblem of the brand's heritage represented in their jewelry, watches, and leather goods. High-end watches and jewelry by Cartier are renowned for being expertly crafted from the finest materials, including gold and diamonds. Cartier boutiques contain an atmosphere that is carefully created to transport customers to a world of sophistication and elegance.

Cartier aims to create a unique and trustworthy relationship with its clients, giving them a sense of belonging through their exceptional customer service and inclusive brand culture. Finally, transparency, as a crucial component, is the last counterpart offered by the brand since clients rely on the brand's well-established reputation for quality and authenticity.

In terms of Customer Reflection, Cartier's consumers perceive themselves as high-income individuals, as they feel part of an exclusive level, embodying a way of living marked by

financial prosperity; these consumers also have refined taste that goes beyond mainstream trends, seeking enduring elegance in their possessions, and a timeless elegance, which underscores a commitment to enduring style rather than transient fashion. Cartier's customers align themselves with a sense of grace and sophistication that transcends fleeting trends, opting for pieces that stand the test of time.

Cartier displays a classic personality, that embodies transcending trends. The brand's elegance is coupled with charm, attracting customers with its sophisticated allure. Cartier's boldness is evident in its unique designs, which were revolutionary at the time of invention. This can be seen when Cartier transformed a simple nail into one of the most timeless pieces of jewelry or when a crocodile necklace was designed. The brand is full of spirit, demonstrating enthusiasm for creativity and innovation in the world of luxury.

Cartier's culture is rooted in ethical practices, emphasizing responsible sourcing of materials and sustainable craftsmanship. The brand is committed to the art of craftsmanship, where skilled artisans meticulously create every piece. Tradition is highly valued at Cartier, as the brand maintains and celebrates its rich heritage dating back to 1847. Innovation is also integral to Cartier's culture, where traditional craftsmanship is combined with modern techniques and design concepts.

Cartier crafts a distinct self-image for its clientele, positioning them as retailers of uniqueness and individuality within the sphere of luxury. At the core of this narrative is the brand's exceptional ability to offer personalized pieces. Cartier's target audience does not merely engage with a brand, they embrace a symbol of exclusivity that extends beyond the mainstream. The keystone of this cultivated self-image is the brand's commitment to providing distinct and personalized pieces. Cartier transcends the empire of mass-produced luxury, offering an intimate journey where clients can actively participate in the creation of their pieces, making each product a reflection of not only the brand but also a unique expression of the individual

who wears it. Moreover, sophistication becomes a crucial trait within self-image, carefully nurtured by Cartier’s refined sense of taste.

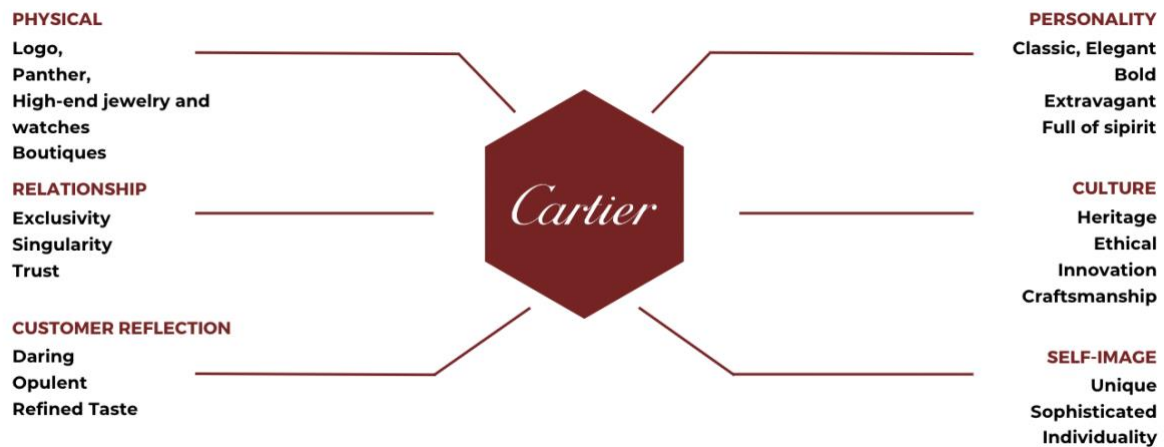


Figure 2: Brand Identity Prism / Source: Own elaboration, data retrieved from Cartier 2023

### 3. Customer Relationship Management

#### 3.1. Definition and Importance

Customer Relationship Management refers to the principles, practices, and guidelines that an organization follows when interacting with its customers (Hargrave 2023).

The customer relationship model concept is constantly evolving. Change is a natural component of growth, but the fundamental concept remains the same: maintaining a positive relationship with consumers. Customer relationship management (CRM) is a well-known strategy for effectively managing and nurturing a company's relationships with customers, clients, and potential sales leads. A concept that enables a business to tailor specific products or services to each customer (Guerola-Navarro et al. 2022). CRM can be used to create a personalized, one-to-one experience that gives each client a sense of being cared for, thus creating new marketing opportunities according to their preferences and history. This method involves using technology to efficiently structure, automate, and synchronize various business operations, primarily sales but also marketing, customer service, and technical support (Rudder

& Main 2022). In recent years, customer relationship management has evolved into a technology-enabled business management tool for developing and leveraging customer knowledge to nurture, maintain, and strengthen profitable relationships (Khan et al. 2022).

Companies have realized that their customers are the foundation of their existence. Consequently, a company that wants to keep its presence will seek to build a special relationship with its customers, because customer relationship management is vital for the company to achieve its long-term goals. CRM maintains the dialogue with customers at all touchpoints. This increases customer loyalty and allows companies to focus on the most profitable customers (Ahmad Zamil 2011).

Firstly, incorporating CRM into a corporate wellness business can offer a competitive edge. Through customized services, focused marketing, and decisions based on data, a brand can set itself apart from its competitors who might not be maximizing the potential of CRM. A critical step for any corporate wellness business looking to build strong customer relationships is to make data-driven decisions and gain a competitive advantage. Additionally, by providing tailored marketing, personalized service, and fostering a collaborative environment, brands can create a customer experience that promotes long-term success (Guerola-Navarro et al. 2022). Organizations must provide enhanced client experiences to keep them in the store, and companies are resorting to CRM tools and procedures to do it (Khan, et al. 2022).

### **3.2. CRM & After-Services in Luxury**

Luxury is not just about tangible and high-quality products; it is also about the top-tier experience surrounding those products (Gutiérrez 2023). Luxury consumers are willing to pay a premium not only for a superior item but also for the brand experience that comes with the decision to purchase a product. Service and luxury appear to be as strongly connected and interdependent as excellent quality and luxury. The concept of service encompasses the

delicate side of providing service before purchase, as well as in-store services at the point-of-sale (POS) and post-purchase (Som & Blanckaert 2015).

While providing service, the flow of the customer management process is intricately linked to how each brand engages with the customer. Both people and process are directly in contact with the customer, whereas the physical evidence is implicit to the customer. The physical evidence encompasses the environment in which the service is delivered, in terms of communication, service performance, and intangible experience (Som & Blanckaert 2015). The concept of flagship stores and well-designed boutiques thus plays an important part in the services offered by the front-line personnel. These stores are more than ordinary retail establishments. They are unique spaces that express the brand's essence and identity, from the architecture, in a bigger picture, to the smallest detail. They are meant to deliver sensory experiences to make the consumer attached (Gutiérrez 2023).

In the luxury industry, the emphasis has shifted toward the significance of individuals and establishing emotional connections. From enhancing the customer experience to providing timely after-sales service, the brands should give certain privileges to the consumer and provide other value-added services (Som & Blanckaert 2015). From the moment the customer enters a store until the exit, five elements need to be taken care of. These elements include store outlook and interior decoration, product, price, service, and the feeling of pride (Som & Blanckaert 2015) (Figure 3). The brand can proactively engage with consumers to enhance their shopping experience. On one hand, they can be exclusive in their engagement, using their Customer Relationship Management tools, and on the other hand, interact in a one-to-one manner (Som & Blanckaert 2015). Two perspectives need to be provided at all points of interaction: First, the customers' perspective about what they want and what they expect, and second, how the company wishes to define its products and services. Effectively managing the perception of service demonstrates to be a greater challenge than simply overseeing the quality of service

provided. This challenge is particularly pronounced in the luxury and premium segments, where the client needs to be the priority (Som & Blanckaert 2015).



Figure 3: CRM & After-Services in Luxury - Elements of Customer Happiness / Source: Som & Blanckaert 2015, Cap. 9

Brands revolve their marketing strategy to the point of the purchase itself, forgetting about the crucial follow-up with the client, resulting in a lack of information about their clients, which has been proved to be extremely helpful to brands (Santos, C., & Isaias, P. 2016).

The customer's readiness to pay a price premium for warranties and dependable after-sales support from a brand, in addition, strongly suggests that after-sales service is a key factor in creating Customer-Based Brand Equity (Ahmad & Butt 2012). According to some estimates, the money made by selling spare parts and providing after-sale services is more than three times what was originally paid for, making after-sales service a crucial source of brand building, since it is the connection between brand and consumers. (Ahmad & Butt 2012). As confirmed by the author already mentioned, after-sales service can and should be considered a dimension of CBBE. This model from *Keller* states that Brand Equity is the outcome of the dimensions of CBBE, therefore, when a brand exceeds its CBBE dimensions, it will exceed their brand equity, which is the ultimate measurement of the perception consumers hold of a brand (Silveira 2022). Assuming after-sales care as a dimension of the CBBE model implies that brands must invest in this element to succeed in the luxury industry (Ahmad & Butt 2012). After-sales care is the ultimate way for brands to show they value their consumers and work to maintain a relationship with them (Santos & Isaias 2016). The elevated status that comes along with purchasing and owning luxury products and services is what drives luxury consumers

(Abdul 2023), and when they invest such an amount of money on a purchase, consumers expect to receive equivalent quality. This quality is not only applicable to the product or service itself but also to the whole atmosphere that revolves around the purchase. Therefore, CRM and, inside that, after-sales, are extremely crucial for a brand to succeed and to transform its consumers into loyal ones, increasing brand equity and, therefore, revenues.

### **3.3. Cartier's Current CRM**

Cartier offers a range of after-sale services to enhance the client experience, including maintenance, adjustment, or repairs; personalization of creations or customization; Cartier care, where clients can register their watches and extend warranties; exchange and return items; courtesy loans, a service where a watch is lent to the client during the time it takes to repair or for a special occasion, allowing to discover Cartier's new watchmaking creations. Finally, they have a declaration of stolen creations, meaning that clients can report a theft or loss of an item. (Cartier 2023).

In the ongoing efforts to enhance Cartier's CRM, a commitment is made to addressing some critical weaknesses that have been identified regarding after-sales service. These concerns include the extended waiting times for repairs since the current repair process is perceived as inefficient, causing inconvenience and dissatisfaction among the consumers. The waiting times to visit the boutique since they want to provide a top-tier customer experience, and another challenge that is aimed to mitigate is the perception of high prices, so strategies will be explored to better justify Cartier's prices (Cartier Portugal 2023).

In conclusion, Cartier's brand identity is consistent with the values and preferences of its discerning customer base, building emotional connection and loyalty. These brand attributes are reflected in its CRM initiatives, which are constantly evolving to meet the needs and expectations of its customers, maintaining an effortless and higher customer experience.

## 4. Addressing the Field Lab Challenge

### 4.1. Methodology

To draw accurate conclusions, the method of research was done according to exploratory research based on: (a) primary data, collected through quantitative research (Appendix 27); and (b) secondary data, composed of books, articles, academic research, websites, public journals, market studies, and Cartier's insights.

- a) To perform the quantitative research, a structured questionnaire was developed in Microsoft Forms. The main goal of this Survey was to understand what are the characteristics and behaviors that better define Luxury consumers. To ensure a targeted study, a sampling technique was used using a filter question: "*How often do you purchase at luxury brands?*", individuals who had never purchased luxury items from the target audience were excluded from this approach. The questionnaire specifically targets individuals who buy luxury items, defining luxury through an extensive list of luxury brands presented to participants to assess their knowledge and purchasing behavior. The objective of this quantitative survey was to determine frequencies and obtain objective insights into our target audience. The focus was on understanding how they behave when buying luxury items, aiming to gather detailed information about sample preferences, habits, and decision-making processes in the luxury market. The survey was designed to determine frequencies and draw more conclusions, providing a comprehensive analysis of the factors that impact our target audience's choices in the luxury sector. Out of 104 total responses, 90 were considered valid, since 14 of them did not comply with the filter. The survey was divided into 7 main sections: (a) Influencers of Purchase, (b) Consumption of Luxury Brands, (c) Consumption of Jewelry and Watches, (d) Luxury CRM Preferences, (e) Post-Purchase Preferences, (f) Jewelry and Watches Consumption on the Portuguese Market, and (g) Cartier

Consumption in Portugal. Further details on the Questionnaire performed can be found in Appendix 27. After reaching these 90 responses, data analysis was conducted.

- b) To better understand Maison Cartier and the main points of the luxury Jewelry and watches industry, a gathering of data from books, articles, academic research, websites, public journals, and market studies was made to further develop the Field Lab research. To fully gather insights about the Maison itself the secondary data also included meetings with Gema Barceló (CRM Manager Cartier Iberia) and Rui Costa (Sales Manager Cartier Portugal).

#### **4.1.2. Strategic Decisions for the Analysis**

- a) To deliver a deeper comprehensive analysis of Cartier's after-sales services, a pivotal aspect within the luxury industry, the strategic decision to narrow the focus to the watches and jewelry sector was made. Although Cartier is also renowned for its diverse range of offerings, including leather goods, eyewear, and fragrances, it is within the watches and jewelry segment that Cartier's after-sale services are most concentrated (Cartier Portugal 2023). These services encompass everything from maintenance and repairs to authentication, all of which are fundamental to the world of hard luxury. Cartier's leather goods, eyewear, and fragrances undoubtedly contribute to its iconic status, it is the watches and jewelry segment that necessitates a more profound exploration of the after-sale experience. Therefore, by focusing on this specific sector, a more, accurate, and insightful analysis of Cartier's was made, particularly on the commitment to customer satisfaction, quality, and the enduring value of their luxury offerings.
- b) A specific set of brands that compete with Cartier were identified, such as Bulgari, Rolex, and others (Appendix 19), to provide a comprehensive understanding of Cartier's competitive landscape and to ensure the accuracy and depth of the analysis.

While it's important to note that not all these brands share an identical market positioning with Cartier (Figure 4), it was chosen to analyze them for an in-depth examination of their Customer Relationship Management (CRM) practices based on previous insights from Lisbon Boutique Manager. This comprehensive analysis will enable us to gain a deeper understanding and conduct a critical assessment of Cartier's CRM strategies, with a particular focus on after-sales services.

- c) Since the definition of luxury is subjective, the following premise was presented at the beginning of the study: Luxury brands offer high-quality, exclusive, and often expensive products or services that are associated with superior craftsmanship, exceptional design, and a sense of prestige. These brands are known for their focus on quality, attention to detail, and the ability to evoke a strong sense of desirability. Luxury brands typically cater to a discerning and affluent clientele and are characterized by their exclusivity, reputation, and the aspirational value they hold in the eyes of consumers. This way, the definition of luxury is coherent among all respondents. Moreover, the broader selection of benchmark brands (Appendix 19) was guided by the preeminence of names within the sector in which Cartier operates, specifically in the industries of jewelry, watches, and leather goods for deeper industry analysis and comparison.

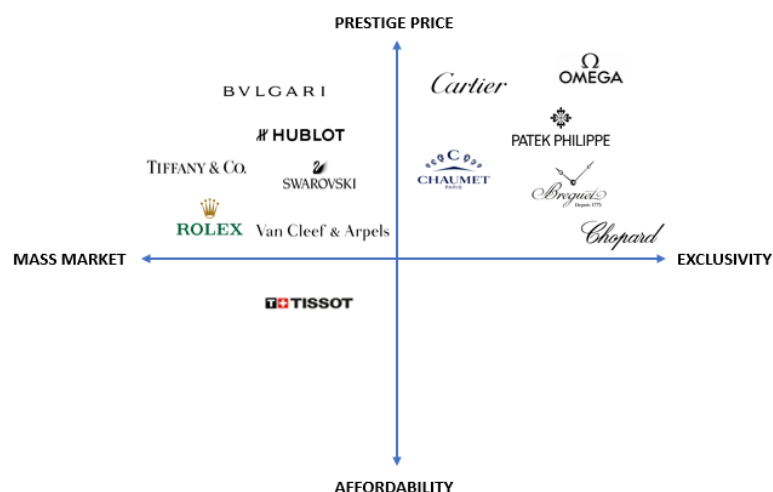


Figure 4: Positioning Map | Source: Own elaboration

### 4.3. Quantitative Research

Regarding the sample of the Survey, observations led to the withdrawal of some demographic conclusions. These statistics are in detail in the following section (Figure 5).

<b>Demographic Data (n=90)</b>		
<b>Gender</b>	<b>Male</b>	25,56%
	<b>Female</b>	74,44%
	<b>Prefer not to Say</b>	0%
<b>Age</b>	<b>18-25</b>	47,78%
	<b>26-35</b>	30,00%
	<b>36-45</b>	8,89%
	<b>46-55</b>	2,22%
	<b>56-65</b>	2,22%
<b>Household Income</b>	<b>Under 25,000€</b>	28,89%
	<b>25,000€-49,999€</b>	25,56%
	<b>50,000€-74,999€</b>	13,33%
	<b>75,000€-99,999€</b>	14,44%
	<b>100,000€-149,999€</b>	6,67%
	<b>More than 150,000€</b>	8,89%
	<b>No Answer</b>	2,22%
<b>Education Level</b>	<b>High School Diploma or less</b>	7,78%
	<b>Some College or Associate's Degree</b>	5,56%
	<b>Bachelor's Degree</b>	34,44%
	<b>Master's Degree</b>	48,89%
	<b>Doctoral Degree</b>	3,33%
<b>Residence</b>	<b>Portugal</b>	92,22%
	<b>Brazil</b>	1,11%
	<b>France</b>	1,11%
	<b>Switzerland</b>	1,11%
	<b>Italy</b>	1,11%
	<b>UK</b>	1,11%
	<b>Netherlands</b>	1,11%
	<b>Sweden</b>	1,11%

<b>Employment Status</b>	<b>Employed full-time</b>	60,00%
	<b>Employed part-time</b>	1,11%
	<b>Self-employed</b>	13,33%
	<b>Retired</b>	3,33%
	<b>Student</b>	18,89%
	<b>Unemployed</b>	3,33%

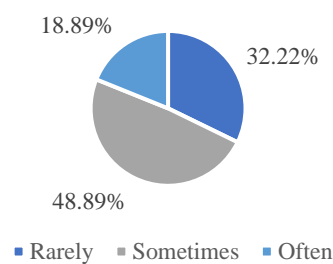
Figure 5: Demographic Data / Source: Own elaboration

#### 4.4. Survey Insights

##### 4.4.1. Filter Question

In the filter section of the survey, the aim was to understand how frequently the respondents purchased luxury items. When asked this question, 44 out of the 90 respondents (48,89%) stated that this purchase was made “Sometimes”. This number was followed by 29 respondents (32,22%) affirming that they “Rarely” purchased luxury items. Finally, only 17 respondents (18,89%) “Often” purchased luxury items (Figure 6).

Frequency of Purchase At Luxury Brands



The first section was made to better understand what the drivers of these purchases were, that is, on what occasions these purchases were made and how they influenced the frequency of purchase.

When given the chance to state what factors influence the frequency of this purchase, respondents were presented with different options to justify it. It was found that the most mentioned reason was the “Special Occasions” such as birthdays and weddings. This factor was selected by more than half of the respondents (63,33%) followed by “Discounts or Promotions” (53,33%). The “Change in personal financial circumstances” factor was mentioned 20 times by the respondents (22,22%). Additionally, only 10 of the respondents are influenced by the opinion of their friends or family (11,11%). It is also noted that 24 (26,67%) respondents “Do not have a specific reason” to buy luxury items (Figure 7).

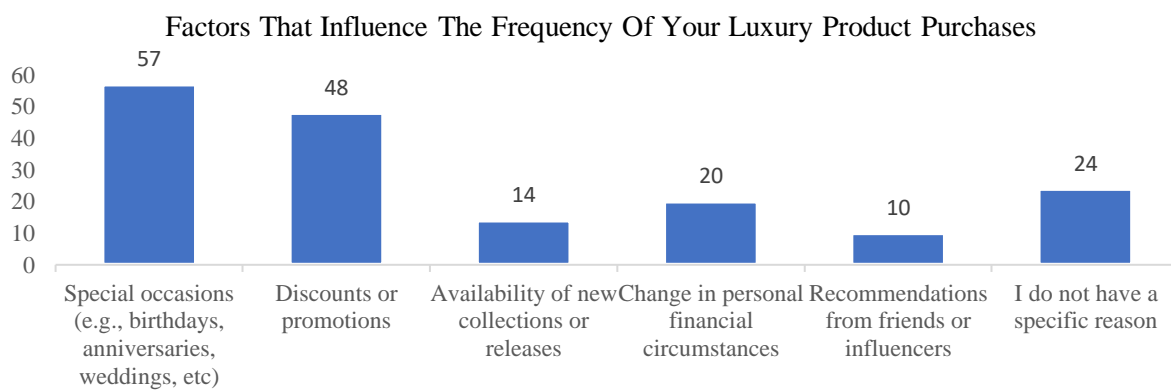


Figure 7: Survey Insights - Factor that Influence Frequency of Purchase | Source: Own elaboration

#### 4.4.2. Knowledge of Luxury brands

In this section, the aim was to understand which luxury brands were purchased by the consumer and the preferred method of purchase.

Regarding the method of purchase, consumers were asked to rate different purchase methods from 1 to 5. The most preferred method was “In-store at a physical boutique” with a rate of, on average, 4,14, inferring that physical shopping is still valuable in a digital era such as ours. The “official online brand’s website” method had a rating of 3,08 followed by “third party retailers” rated 2,65. The personal shopper or concierge services had a rating of 2,06. This low rating is

expected due to the low percentage of people who have the privilege to use this method (Figure 8).

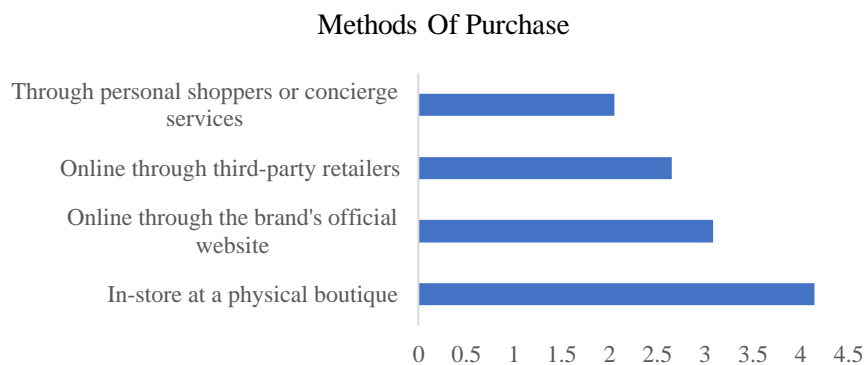


Figure 8: Survey Insights - Purchase Methods | Source: Own elaboration

When asked the respondents which luxury brands they had purchased and provided a list of 20 brands, Louis Vuitton and Gucci had been purchased by 48 individuals. This list includes brands that compete with Cartier in different sectors (e.g., Jewelry, Watches, and Leather Goods) (Figure 9).

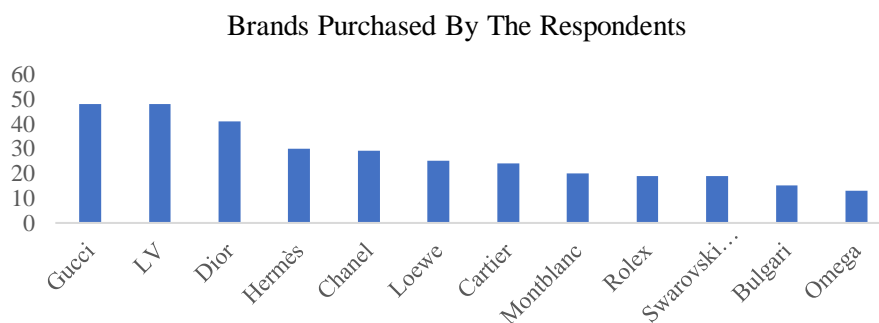


Figure 9: Survey Insights - Brand Purchased | Source: Own elaboration

#### 4.4.3. Knowledge of Jewelry and Watches

To delve further into the dynamics of consumer preferences within the jewelry and watches category, the competitive landscape between Cartier and Rolex unveils intriguing insights. While Rolex claimed the lead with 55 mentions, Cartier closely followed with 50 references,

signifying a neck-and-neck rivalry for consumer mindshare. This competition suggests a nuanced interplay between these two prestigious brands, wherein factors like design, heritage, and market positioning play crucial roles (Figure 10).

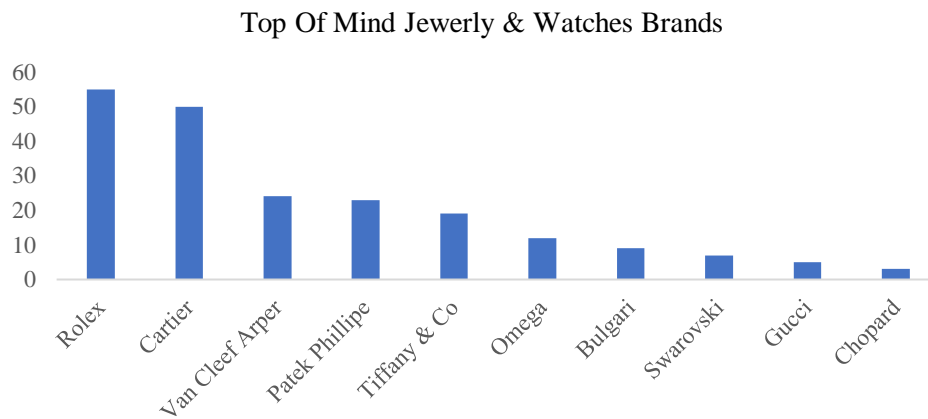


Figure 10: Survey Insights - Knowledge of Jewelry and Watches | Source: Own elaboration

The prominence of design and aesthetics cited 75 times, underscores a consumer base that places a premium on the visual allure of jewelry and watches. This resonates with the artistic and timeless designs that Cartier is renowned for, suggesting that consumers seek not only functionality but also a visual narrative that aligns with their personal style.

Affordability and value for money emerged as another pivotal consideration, emphasized in 52 mentions. This aspect signals a pragmatic approach among consumers who seek a balance between premium quality and justifiable pricing. The prominence of this factor suggests an opportunity for Cartier to articulate the intrinsic value of their offerings and communicate transparency in pricing structures.

Equally significant is the role of brand reputation, with 50 mentions. This reflects a discerning consumer base that values the prestige and heritage associated with renowned brands like Cartier. The perceived status and cultural capital linked to these brands contribute to their appeal, suggesting that marketing efforts should continually reinforce and build upon the

brands' rich histories. On the flip side, the comparatively lower mentions for factors such as the historical background of the product, technical features, and customization options illuminate potential areas for strategic enhancement. While consumers prioritize aesthetics and value, there may be an opportunity for brands to articulate the heritage and craftsmanship embedded in their products, fostering a deeper connection with consumers (Figure 11).

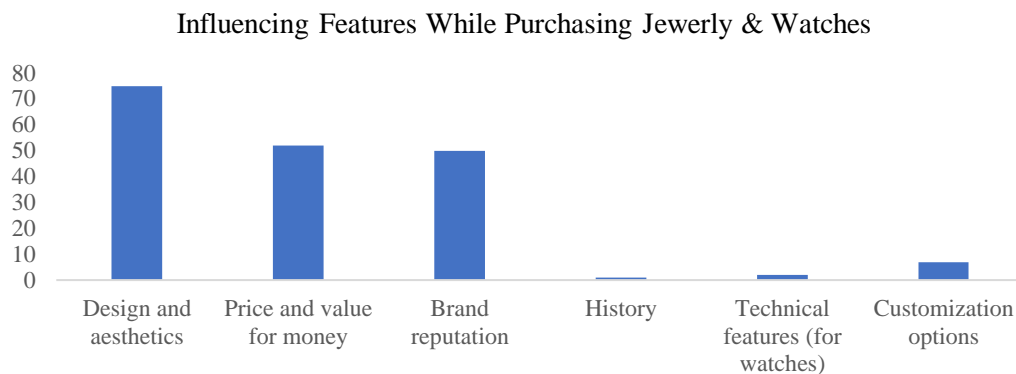


Figure 11: Survey Insights - Important Features When Purchasing in the Jewelry & Watches Category | Source: Own elaboration.

#### 4.4.4. Luxury CRM Techniques

In the intricate tapestry of Luxury Customer Relationship Management (CRM), Cartier garners recognition, being mentioned 12 times when participants were queried about the brand with superior CRM. Despite this commendable standing, Louis Vuitton claims the premier position with 20 mentions, asserting its prominence in the eyes of consumers. Christian Dior joins Cartier in the second spot, each amassing 12 mentions, positioning them as noteworthy contenders. This competitive landscape, coupled with the previous identification of Rolex as a significant rival, accentuates the nuanced dynamics shaping CRM perceptions among these esteemed brands.

Delving into the preferences for CRM techniques, the outcomes reveal captivating insights: Valued CRM Techniques — consumers' perceptions and preferences for Cartier's customer relationship management (CRM) techniques reveal a nuanced hierarchy. At the forefront is the

in-store experience, occupying a paramount position, underscoring the brand's commitment to immersive and personalized engagements. Following closely is the category of repairs and maintenance, gaining significant recognition and highlighting the considerable importance consumers place on comprehensive post-purchase services. The extended warranty emerges prominently, reflecting the emphasis consumers place on assurance and protection for their luxury acquisitions.

Delving into the realm of personalized touches, exclusive events, experiences, and VIP loyalty programs signify distinct facets of consumer expectations and desires, showcasing the multifaceted nature of their engagement preferences. Additionally, the concept of declaring stolen creation adds a unique layer to the consumer-brand relationship, emphasizing the security and protection of valuable assets.

In contrast, the realm of e-mail marketing holds a less prominent position, positioned as the least valued. This suggests a need for nuanced strategies in digital communication, hinting at a potential gap in alignment between consumer expectations and the current approaches employed in email marketing by Cartier. This intricate hierarchy of CRM techniques illuminates the diverse landscape of consumer expectations, offering valuable insights for refining Cartier's approach to customer relationship management.

The emphasis on in-store experience as the most valued CRM technique underscores the pivotal role of personalized and immersive in-person engagements for these luxury consumers. Repairs and maintenance, followed by an extended warranty, also ranked high in the hierarchy of priorities. Conversely, e-mail marketing emerged as the least valued, suggesting a need for refinement or reevaluation of digital communication strategies.

Beyond these rankings, the consumer sentiments provide a rich narrative. While a substantial level of trust is placed in luxury brands, a distinctive contrast emerges regarding the belief that these brands reflect individual identity. Generally, consumers expressed confidence in the

reliability of luxury brands but tended not to associate these brands with a reflection of their identities. This duality opens avenues for brands like Cartier to further enhance their strategies, emphasizing trust-building initiatives and forging deeper connections that resonate with the diverse identities of their esteemed clientele.

#### 4.4.5. Post-purchase

The goal of this section was to investigate the importance and preferences of post-purchase services provided by luxury brands. Based on the findings of this survey, it is possible to conclude that a sizable proportion of respondents, approximately 52.22%, have used post-purchase services provided by luxury brands after purchasing a luxury product. On the other hand, approximately 47.78% of respondents indicated that they had not used such services. These findings indicate that a significant portion of consumers are interested in and actively engage with luxury brands' post-purchase services, demonstrating the importance of these offerings in improving the overall customer experience in the luxury market (Figure 12).

Post-Purchase Services in Luxury Brands

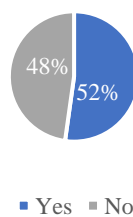
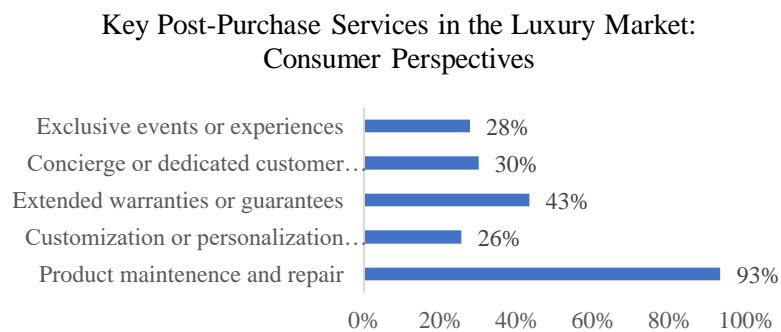


Figure 12: Survey Insights - Post-Purchase Services / Source: Own elaboration

Specific post-purchase services play a crucial role for consumers in this segment. A substantial 93.33% of respondents prioritize product maintenance and repair with 84 participants selecting this service as their top choice. This highlights the significance of after-sales support in ensuring the quality and longevity of luxury items for consumers. Extended warranties are also highly valued, with 43.33% of respondents ranking it as their second most preferred option,

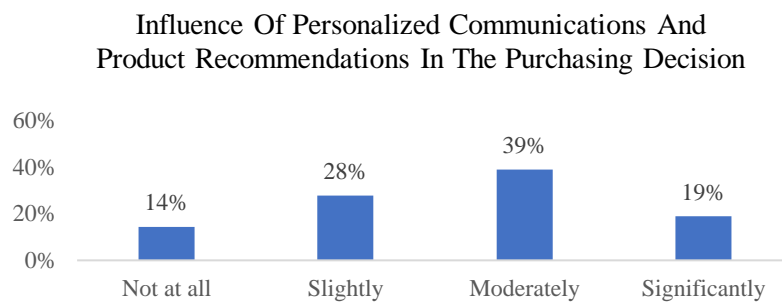
chosen by 39 individuals. Additionally, concierge or dedicated customer support is considered essential by 30% of respondents, with 27 individuals highlighting its significance in key post-purchase services. Customization or personalization options are favored by 25.56% of respondents, reflecting the preferences of 25 participants who consider this service important in the segment. Similarly, exclusive events or experiences hold value for 27.78% of respondents, with 25 consumers expressing their interest. This range of preferences emphasizes the need for luxury brands to provide a comprehensive range of post-purchase services to meet the diverse expectations of their clientele, ultimately improving the overall luxury shopping experience (Figure 13).



*Figure 13: Survey Insights - Key Post-Purchase Services / Source: Own elaboration*

Intending to identify if personalized communications and product recommendations influence luxury consumers' purchases, a significant sample of respondents, 38.89%, indicated that personalized communications and product recommendations have a moderate influence on their purchasing decisions. This suggests that when interacting with luxury brands, tailored content and recommendations play a critical role in guiding consumer choices. Approximately 27.78% of the sample stated that these personalized strategies have a minor influence on their decisions. While not as strong as the "moderate" category, this still indicates that personalized communications and product recommendations have an impact on consumer behavior.

Approximately 18.89% of participants said personalized strategies have a significant influence on their purchasing decisions, demonstrating the effectiveness of tailored communications in driving luxury brand sales. Even within the "Not at all" category, 14.44% of respondents acknowledged that personalized communications and recommendations do not influence their choices, indicating that there is still a segment of the market that remains unaffected by these strategies (Figure 14).



*Figure 14: Survey Insights - Influence Level of Communication and Recommendations in the Purchasing Process | Source: Own elaboration*

The majority of respondents, 77%, clearly appreciate luxury brands soliciting feedback on their products and services as part of their Customer Relationship Management (CRM) initiatives. This suggests that a representative portion of luxury market consumers value the opportunity to provide feedback and have their opinions considered, which can lead to more customer-centric and improved products and services. However, approximately 23% of respondents do not appreciate luxury brands soliciting feedback as part of their CRM initiatives. While this is a lower percentage, it still represents a segment of customers who may prefer a different approach or do not see the value in providing feedback. To conclude, these findings emphasize the significance of actively engaging with customers through feedback solicitation (Figure 15).

### Luxury Brand Feedback In CRM Initiatives

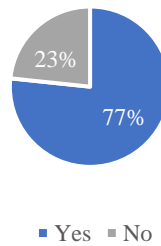


Figure 15: Survey Insights – Feedback in Customer Relationship Management Initiatives / Source: Own elaboration

To evaluate customer support and assistance provided by luxury brands, it was also decided to use a Likert rating scale from 1 to 5, 1 being very dissatisfied and 5 totally satisfied. It can be concluded that in general, consumers are generally satisfied with the customer support and assistance they receive from luxury brands when they have questions or issues.

The highest percentage of respondents, approximately 44.44%, rated their satisfaction as a 4 on a scale of 1 to 5, indicating that they are satisfied with the customer support provided by luxury brands. Additionally, about 32.22% of respondents gave a rating of 5, signifying that they are very satisfied with the support they receive, which is a positive endorsement of customer service quality in the luxury market. Around 20.00% of respondents rated their satisfaction as a 3, suggesting a moderate level of satisfaction, indicating that there may be some room for improvement in the customer support provided. A smaller percentage, approximately 3.33%, rated their satisfaction as a 2, reflecting a lower level of satisfaction. This indicates that there is a minority of consumers who may have experienced issues or dissatisfaction with the customer support they received.

To conclude, the majority of respondents are pleased with the customer service and assistance provided by luxury brands, with a sizable proportion rating their experiences as either satisfied (4) or very satisfied (5). Nonetheless, there is still room for improvement, as some consumers reported moderate (3) or lower (2) levels of satisfaction. To meet the expectations of their

discerning clientele, luxury brands should continue to focus on providing exceptional and exclusive post-purchase services to their consumers (Figure 16).



*Figure 16: Survey Insights - Level of Consumer Satisfaction in Post-Purchase Services / Source: Own elaboration*

#### **4.4.6. Portuguese Market**

Analyzing the insights derived from the quantitative studies conducted in the Portuguese Market, significant patterns and preferences among consumers in the sector of retail, as well as luxury brands and their after-sales services, were revealed.

Firstly, a significant majority of respondents must be familiar with various retail brands, with Boutique dos Relógios being the most recognized. This familiarity is crucial as it plays a pivotal role in influencing consumer behavior, particularly when choosing to buy from a retailer instead of the brand shop. The primary drivers behind this choice are familiarity and trust, with brand variety ranking closely as a secondary factor. This suggests that consumers in the Portuguese market give a lot of importance to building and maintaining a trusted and recognized brand presence (Figure 17).



*Figure 17: Survey Insights – Reasons that make consumers buy from Retailers / Source: Own elaboration.*

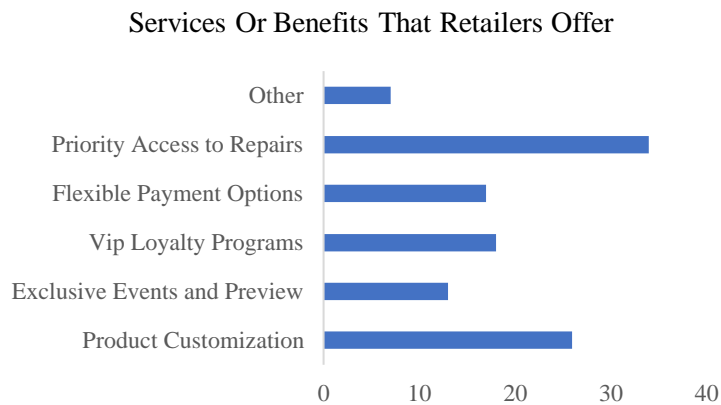
Concerning the after-sales services, the survey indicates a spectrum of consumer considerations when it comes to having repairs done by retailers. Notably, 40% of respondents sometimes consider this option, while 25% often do, and only 17% consistently choose retailers for repairs. On the other end, 11% rarely consider this option, and 7% never do. This level of consideration highlights the need for retailers to understand and address the nuanced factors influencing consumers' decisions regarding after-sales services.

Delving into the factors that influence consumers' decision to choose retailers for after-sales services, the study identifies that the price of repair and brand expertise are substantial motivators (33%). Time of repair closely follows at 31%, while quality assurance plays a significant role at 14%. This suggests that consumers place importance on both economic considerations and trust in the retailer's knowledge and skill when deciding on after-sales services.

On the other side, certain factors dissuade consumers from considering retailers for after-sales services. The leading factor is convenience, with 37% of respondents citing it as a significant consideration. Quality assurance closely follows at 29%, while both brand expertise and authentic parts contribute with 12%. Warranty preservation is a less common concern but still

notable at 8%. These findings underline the challenges retailers must address to capture a larger share of the after-sales service market.

When respondents were asked to rate the customer service and shopping experience of retailers, the survey indicated a generally positive sentiment. A substantial portion (46%) gave a rating of 4, while 26% provided a top score of 5. Dissatisfaction, expressed through ratings of 1 or 2, was minimal at 3%. These findings suggest that, overall, consumers in the Portuguese market hold a favorable view of the customer service and shopping experiences provided by retailers. When asked about additional services or benefits offered by retailers, insights were gathered. Product customization garnered a notable 24%, indicating a consumer interest in personalized offerings. Exclusive events and previews, VIP loyalty programs, and flexible payment options also received positive responses. Priority access to repair emerged as a significant factor, with 31% expressing interest. These findings provide valuable cues for retailers seeking to enhance their service offerings and tailor them to consumer preferences (Figure 18).



*Figure 18: Survey Insights – Offerings and Benefits Extended by Retailers / Source: Own elaboration*

To conclude, the survey insights offer actionable information for retailers operating in the Portuguese market. Understanding consumer choices, preferences, and concerns surrounding brand familiarity, after-sales services, and additional offerings can guide strategic decisions to improve overall customer satisfaction and loyalty in the competitive watch retail sector.

#### 4.4.7. Cartier

In this section, the aim was to explore how people engaged with Cartier and their experiences at Cartier Lisbon Boutique. Out of the 90 participants, it was noted that 34 individuals had visited the Boutique in Lisbon (Figure 19).

Visits To Cartier Lisbon Boutique

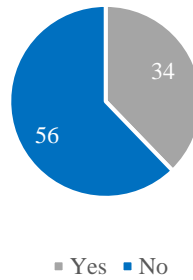


Figure 19: Survey Insights – Cartier Lisbon Boutique Visits / Source: Own elaboration

According to the survey, approximately 39% of the respondents who hadn't been to the Cartier boutique mentioned that they simply didn't have the opportunity to visit the store, suggesting that there is interest from customers, but external factors are preventing them from going. Additionally, around 13% of respondents stated that they found the price of Cartier products to be a restraint. It's interesting to note that factors like location, awareness of the store, and lack of interest didn't seem to be barriers for people visiting the boutique, each representing only around 7% of the total reasons mentioned. Only a small percentage (3%) mentioned waiting time as a concern, demonstrating that operational efficiency might not be a concern for those who already visited the boutique (Figure 20).

### Main Reasons For Not Visiting The Boutique



Figure 20: Survey Insights - Primary Factors Preventing a Visit to the Cartier Boutique | Source: Own elaboration

Out of the 90 respondents, it was found that 37 of them have bought or own a product from Cartier, indicating that Cartier has a presence in the market among the surveyed individuals as a considerable percentage of them (41%) have interacted with the brand by either owning or buying its products (Figure 21).

### Cartier Product Possession

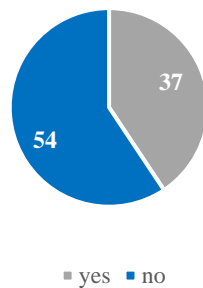
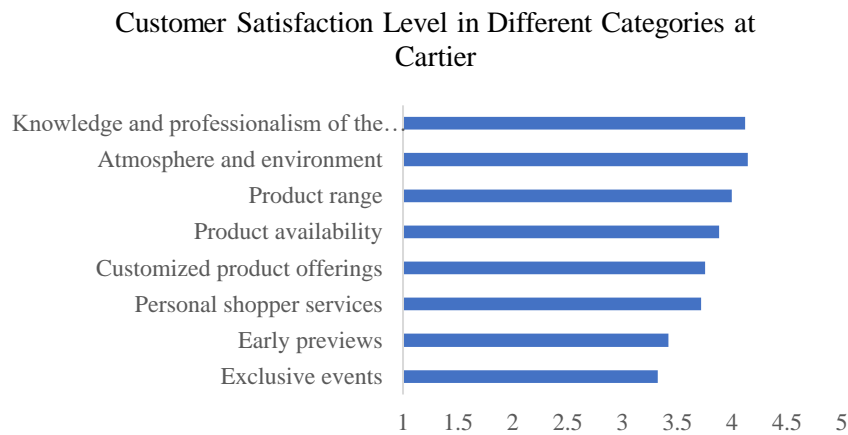


Figure 21: Survey Insights – Cartier Product Possession | Source: Own elaboration

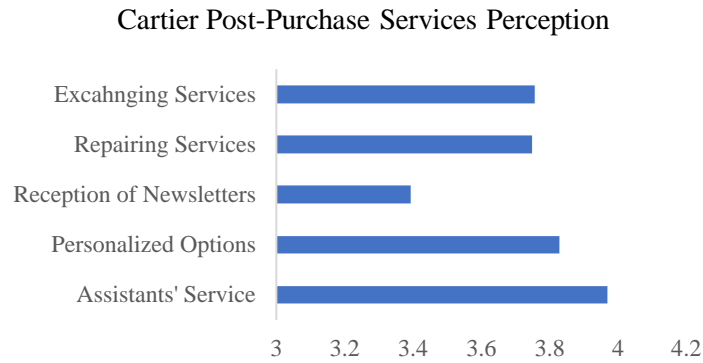
To identify Cartier’s strengths and potential areas for improvement, it was asked to evaluate various aspects of the brand using a Likert scale from 1 to 5, 1 being very dissatisfied and 5 totally satisfied. The aspects highlighted by respondents with the highest ratings were the Atmosphere and Environment of the Boutique, Staff Professionalism and Knowledge, and Product Range with an average of 4.15, 4.12, and 4, respectively. This suggests an overall positive customer in-store experience and demonstrates high perceived levels of

professionalism. Additionally, participants expressed strong satisfaction regarding the diversity of the product range. On the other hand, the aspects that the respondents identified as weaknesses were Exclusive events, Early Previews, and Personal Shopper Service, with an average of 3.32, 3.42, and 3.7, respectively (Figure 22).



*Figure 22: Survey Insights – Consumer Satisfaction Level with Cartier / Source: Own elaboration*

To evaluate post-purchase services at Cartier it was also decided to use a rating scale from 1 to 5, 1 being very dissatisfied and 5 totally satisfied. Respondents were more satisfied with the Assistants’ Service and Personalized Options, with the highest averages of 3.97 and 3.83, respectively. These evaluations showcase a positive aspect of Cartier’s post-purchase support but also a moderately high level of satisfaction regarding customization offerings. Within the lowest averages there are the Newsletters and Exchanging and Repairing Services with an average of 3.4 and 3.75, respectively (Figure 23). The moderate level of satisfaction with Cartier's newsletters indicates room for enhancement to make these post-purchase communications more engaging and valuable as well as for repairs and exchange services.



*Figure 23: Survey Insights – Consumer Perception of Cartier Post-Purchase Services / Source: Own elaboration*

Out of the 37 respondents who have purchased or own a Cartier item, only 18 were aware of Cartier's after-sales services (48.6%), suggesting a moderate level of awareness. Additionally, out of these 18, only 12 respondents reported using after-sales services, demonstrating an opportunity for Cartier to increase the interest in these services among its customers. Respondents provided a moderate satisfaction rating (approximately 4) for the responsiveness and effectiveness of the feedback provided by Cartier, which indicates an area for potential improvement in communication and customer support.

## **5. Challenges & Opportunities**

### **5.1. Challenges**

Throughout the development of the thesis and after gathering all the insights, some challenges and opportunities were identified. Firstly, the shift towards digital interaction poses a challenge as well as an opportunity. While social media provides a powerful platform for brand exposure and attracts the younger generations, the increasing noise and competition in the digital space make it challenging for brands to stand out and appeal to the elder generations. Navigating this landscape to establish meaningful connections with consumers to retain them becomes a big challenge.

Another crucial challenge is the limited availability of resources, coupled with the increased emphasis on efficiency and immediate gratification. This presents a challenge not only to consumers but for the brands that must meet customer expectations. To meet this challenge, innovative solutions are needed to streamline production processes without compromising quality.

Finally, as a large number of customers chose specific retailers for maintenance and repair, this reliability can be a challenge for the brand itself. Consumers' preference for third-party companies can limit the brand's control over customer experience and create challenges in ensuring consistent service quality.

## **5.2. Opportunities**

Regarding the opportunities, beyond the already mentioned digital interaction which creates space for engagement and a boost in sales, taking advantage of the fact that consumers tend to buy during special occasions creates an ideal opportunity for brands. Targeted marketing campaigns, exclusive product releases, and personalized promotions can be created to increase brand awareness and sales.

Secondly, the resurgence of interest in the “old money style” creates a big opportunity for brands to align themselves with this trend. Design and marketing strategies that reflect vintage elegance and sophistication can appeal to consumers looking to return to timeless fashion.

Furthermore, as found through the conducted survey, individuals who do not consider Boutique dos Relógios or similar retail to repair or maintain their items have a special opportunity to establish brand awareness as these value brand expertise above all else. Positioning a brand as an authority in the industry through educational content, partnerships with experts, and demonstration of product knowledge can create a discerning consumer base in search of authenticity and knowledge.

## **6. Implications for Individual Reports**

Taking into consideration the areas of improvement identified in both the contextual background and the quantitative research method and aligning with the objective of perfecting after-sales service to enhance the customer relationship management of Cartier in Portugal, it is concluded that the achievement of this goal relies on five main strategies. (1) how to elevate in-store experience; (2) how to leverage loyalty through repair and maintenance services; (3) how to address high potential customers; (4) how to better engage with younger generations; (5) how to maintain a relationship with tourists' consumers.

1. There are several strengths in the in-store experience that Cartier's Lisbon Boutique features, emphasizing brand heritage, personalized service, emotional connections, and a sophisticated yet comfortable ambiance. However, being one of the most important CRM tactics, there are areas for potential improvement. By delving toward enhancing the overall in-store experience, Cartier can further fortify its brand relationships.
2. In luxury brands, like Cartier, it is crucial to maintain a strong connection with clients throughout the repair and maintenance. Being a fundamental pillar of the after-sales service and imperative to meet the ever-evolving customer needs, especially in these complex services, it is necessary to analyze and develop strategies to strengthen the connection with clients. By emphasizing the importance of efficient and personalized repair and maintenance services it will improve customer loyalty.
3. Luxury brands, in their pursuit of sustained success and customer-centric strategies, are increasingly recognizing the pivotal role of high-potential customers. For Cartier, the importance of establishing long-term relationships with Generation X and Baby Boomers is recognized to ensure its position in this consumer segment. The key lies in identifying and catering to high-potential customers by implementing targeted approaches that align precisely with their preferences and needs.

4. Younger generations are expected to be the highest profitable demographic for luxury brands by 2025. However, Cartier is not taking advantage of that opportunity. The brand's current focus on high-income individuals over 35 years old limits its potential and misses the opportunity to effectively target this younger segment. To continue to ensure Cartier's success in the watches and jewelry sector in luxury, a strategic approach is essential. This approach is designed to cultivate long-term relationships with Gen-Zers and Millennials by formulating engagement strategies that ensure Cartier's continued relevance and appeal to this demographic.
5. As an international luxury brand, Cartier attracts a diverse clientele, including many tourist consumers, each with specific needs and preferences. Some of those needs and preferences include the desire to experience a country's culture through brands that consumers love and trust and the need for belongingness. Recognizing these unique needs, it becomes imperative to implement special strategies aimed at maintaining a strong relationship with tourist consumers. By implementing such measures, Cartier not only meets the distinctive preferences of tourist consumers but also establishes and sustains lasting connections with this particular segment of its audience.

## **7. Limitations**

During the process of the research for the work project, some limitations were identified. These limitations have an impact on the accuracy of the results and, therefore, on the recommendations.

- a) The reliance on wider information, although insightful, resulted in a certain level of generalization. The study acknowledges that the accuracy of its findings may be influenced by the constraints imposed by the unavailability of specific and granular official data. Despite these challenges, the research aimed to compensate for this

limitation by adopting a meticulous and triangulated research methodology, incorporating multiple perspectives to enhance the strongness of the study's insights. The deficiency of official information necessitated a more exploratory and qualitative approach, requiring the study to delve deeper into primary research to glean nuanced insights.

- b) The study heavily relied on primary research to gather insights into the various facets under investigation. The survey proved to be crucial in capturing firsthand perspectives and opinions. However, upon a meticulous analysis of the obtained results, a notable observation emerged – the sample composition displayed a certain degree of bias. Specifically, approximately 78% of the respondents were below the age of 35. This demographic skew raises a significant consideration in the context of studying luxury brands. The inherent limitation stems from the fact that younger participants, often associated with lower income and purchasing power, may have limited exposure and experience with luxury brands. The prevalence of a younger demographic in the sample poses a challenge to the generalizability and reliability of the study's findings. Their perspectives, while valuable for understanding the preferences and behaviors of a certain age group, might not fully encapsulate the nuanced considerations and preferences of the broader luxury consumer base. To address this limitation, the study emphasizes the importance of interpreting the findings with a contextual understanding of the demographic composition. While the insights from younger participants contribute valuable perspectives, they may not fully represent the diverse and nuanced preferences of the entire luxury consumer spectrum.
- c) There was a limitation related to the accessibility of participants for the research. While there was a desire to delve deeper into the subject matter and extract richer insights from a diverse range of participants, the reality proved somewhat limiting. The

willingness of individuals to share their experiences with luxury brands was not as extensive as anticipated. Consequently, there was a restricted scope in capturing a diverse array of perspectives, experiences, and opinions related to luxury brands, specifically, Cartier.

- d) In the absence of a more extensive participant pool, the study faced the challenge of making assumptions based on the available data. The few insights obtained had to serve as a representative exposure, with the risk that individual experiences, preferences, and perceptions might not fully align with the broader and more varied landscape of luxury consumer experiences.
- e) The predominant representation of younger generations and mainly women in the sample further accentuates this bias. As the study's insights lean towards a demographic that may have stronger inclinations towards certain luxury product categories, such as leather goods, the findings may not fully encapsulate the unique considerations, preferences, and expectations of consumers specifically engaged with Cartier's jewelry and watches.

## **Individual Topic – “How to engage with younger generations” – Carolina Garcia (42803)**

### **1. Project Purpose and General Overview**

Aiming to optimize Cartier’s after-sales and CRM, it is proposed that Maison find out what services, beyond repairs, would better engage with new generations. Once most of Cartier’s target customers are above 35 years old, it is important to refer that the brand is not fully taking advantage of the potential of younger generations. Gen Zers are redefining the values of the luxury market (Sophie Maxwell, 2023). Along with Millennials, these consumers are expected to represent 70% of luxury expenditure by 2025 (Bain & Company, 2022). However, the luxury industry is facing substantial challenges due to the changing values and preferences of these young generations. Brands are forced to move beyond the traditional values of luxury – status, legacy, prestige, and heritage – towards a new set of values: sustainability, transparency, and circular innovation (Sophie Maxwell, 2023). Furthermore, 80% of luxury consumers assess the brand’s commitment through innovation and new technologies (AFP-Relaxnews, 2022). Therefore, it is clear that younger generations are redefining the values of the luxury industry.

### **2. Contextual Background**

Transparency, community, and authenticity a key purchase factors for young luxury consumers (Limei Hoang 2017). A new generation of younger, digitally savvy luxury shoppers is emerging, with new preferences toward how they shop and pay (David Sykes 2022).

A report made by Klarna aimed to get deeper insights into how, where, and why people are shopping for luxury and understanding their priorities. To perform this study, Klarna surveyed more than four thousand luxury shoppers in 5 different countries. It was found that Gen Z and Millennials are more likely to purchase luxury items than Gen X and Baby Boomers. Furthermore, this study also showed the importance of social media amongst luxury consumers, with 84% of Gen Z and 81% of Millennial shoppers claiming that they have purchased a luxury item after seeing it on social media. Regarding purchase methods, it was

found that 87% and 89% of Gen Z and Millennials, respectively, find it helpful to pay for luxury items over time. It is also known that these younger generations value the digital presence the most, as they are more likely to buy online and pick it up in-store, being brand's transparency, once again, a crucial factor at play in these circumstances. Another trend emerging amongst younger generations is the Metaverse and Virtual Reality. In this category, 76% of Millennials and 69% of Gen Zers would be interested in shopping virtual luxury products, like NFTs.

These younger generations have radically different behaviours and attitudes toward consumption and lifestyle when comparing them with older generations (Frederica Levatto 2017). Like all generations, Gen Zers and Millennials are witnessing high rates of inflation, conditioning their purchase power. This factor strengthens the mindset of these generations toward being value-driven and price-conscious, further impacting their consumption patterns (Flur Roberts 2023). While it may seem controversial, Euromonitor's Voice of the Consumer: Lifestyles Survey 2023 report, found out that Gen Z rated factors like heritage and "being on trend" higher than drivers like low price and value of money. However, the impact of COVID-19 brought out alternative ways of accessing these products as reselling, recycling, and renting are becoming very common among younger generations. Furthermore, this survey allowed us to understand the rising value of connections when engaging with brands. As younger generations are becoming immune to traditional advertising, social media opinion is a concern to Gen Zers and highly impacts their brand equity towards luxury brands. Statistically, social media platforms such as Instagram, YouTube, Facebook, and TikTok present higher influencing power over consumers through Influencers' opinions regarding brands rather than the brand's advertisement. That is, it is more likely for a consumer to buy goods after seeing an influencer post about a product than a brand advertisement. Younger consumers highly rely on digital platforms for information, communication, and shopping. They expect the digital

and physical world to converge transparently to truly ensure a complete and cohesive brand experience. Once again, digital transformation and development are at play. Furthermore, with the rise of social and environmental concerns, younger generations are pivotal to the good development and outcome of these situations. So, besides technological development, Gen Zer's loyalty lies in the values and purpose the brands stand for.

Exploring the role of sustainability in shaping consumer preferences among younger generations, Tyler Harris and Alexander Thiel go into the findings of their McKinsey & Company report. In this report, it was found that consumers are increasingly favoring brands that act responsibly, value diversity, and have a compelling presence both online and offline (Harris & Thiel 2021). Right now, consumers are more concerned about finding brands they identify with, and they want to wear as a public persona, however, it is more obvious to the consumer what the brands are not doing in terms of sustainability rather than what they are (Thiel 2021). It is expected that, by 2025, 20% to 30% of all fine jewelry sales are sustainability-influenced purchases. Despite growing awareness of sustainability, particularly among younger generations, consumer behaviour often falls short when faced with attractive jewelry pieces. The rise of the preowned market in the jewelry and watch industry presents an opportunity for brands to capitalize on this trend. Moreover, this preowned market is expected to dominate the watch sector in a few years. The digital world allows consumers to better understand the pieces and easily compare them between websites and marketplaces. Here, the virtual try-on has gained some relevance. Since people can effectively see themselves with the piece, they are two times more likely to make the purchase. Another topic also discussed in this report is the in-store experience. Since stores are where the consumer is where the customers are closest to the brands and can experience them, it is important to make a relevant positioning statement.

Although these reports and statistics do not represent all luxury consumers, it is believed that these insights and conclusions are close to consumer's preferences and trends worldwide.

### **3. Additional Methodology**

To draw accurate conclusions, the method of research was done according to exploratory research based on: (a) primary data, collected through quantitative research; and (b) secondary data, composed of books, articles, academic research, websites, public journals, and market studies.

- (a) To further deepen the analysis of the younger generation's consumer preferences in the Portuguese luxury market, it is also important to analyze the survey answers of these generations. In the previously performed survey, we were able to have the insights and draw conclusions of 43 Gen-Xers and 27 Millennials, representing 47,78% and 30%, respectively, of the whole sample surveyed. To provide precise recommendations regarding this topic, the first sample was reduced to 70 respondents representing the younger generations, all of them between 18 and 35 years old. In this reduced sample it is possible to have relevant insights on the preferences and behaviours of these generations. Some of these statistics will, however, be compared with the remaining 20 respondents of the original sample to provide complete and thoughtful insights.
- (b) To better understand how worldwide preferences and behaviours of the younger generations differ from the older ones, secondary data was gathered through books, articles, academic research, websites, public journals, and market studies.

#### **3.1. Quantitative Research**

Regarding the reduced sample of the Survey, that is, the younger generations, observations led to the withdrawal of some demographic conclusions. Some of these statistics are in detail in

the following table. It is also relevant to divide these insights into the generations that compose this smaller group: Gen-Z & Millennials.

<b>Demographic Data (n=70)</b>		<b>Gen Z</b>	<b>Millennials</b>	<b>Total</b>
<b>Gender</b>	<b>Female</b>	79,07 %	77,78%	78,57%
	<b>Male</b>	20,93%	22,22%	21,43%
<b>Household Income</b>	<b>Under 25,000€</b>	41,86%	29,63%	37,15%
	<b>25,000€-49,999€</b>	20,93%	37,04%	27,14%
	<b>50,000€-74,999€</b>	9,30%	22,22%	14,29%
	<b>75,000€-99,999€</b>	6,98%	3,70%	5,71%
	<b>100,000€-149,999€</b>	6,98%	3,70%	5,71%
	<b>More than 150,000€</b>	11,63%	3,70%	8,57%
	<b>No Answer</b>	2,33%	0,00%	1,43%
<b>Education Level</b>	<b>High School Diploma or less</b>	6,98%	3,70%	5,71%
	<b>Some College or Associate's Degree</b>	9,30%	3,70%	7,14%
	<b>Bachelor's Degree</b>	41,86%	29,63%	37,14%
	<b>Master's Degree</b>	39,53%	59,26%	47,14%
	<b>Doctoral Degree</b>	2,33%	3,70%	2,86%
<b>Employment Status</b>	<b>Employed full-time</b>	44,19%	81,48%	58,57%
	<b>Employed part-time</b>	2,33%	0,00%	1,43%
	<b>Self-employed</b>	9,30%	14,81%	11,43%
	<b>Retired</b>	0,00%	0,00%	0,00%
	<b>Student</b>	37,21%	3,70%	24,29%
	<b>Unemployed</b>	6,98%	0,00%	4,29%

Figure 28: Demographic Data of Younger Generations / Source: Own elaboration

## 4. Research Insights

To further understand the preferences and behaviors of these younger generations, it is relevant to analyze them individually and compare them with the older generations. The final insights are expected to be confirmed by the secondary research previously made.

### 4.1. Household Income

As expected, the consequences of inflation are being felt across the globe, leading to the loss of purchasing power, through all generations.

As can be seen in the graph below, 37,14% of younger generation respondents have an annual house income of less than 25,000€. Looking at it from another perspective, out of the 26 people in the original sample that have an annual house income of less than 25,000€, all of them are either Gen-Zers or Millennials. It is crucial to note that over 50% of the younger participants fall within the lowest two household income brackets. This distribution significantly skews the normality of the graph towards the right, indicating a predominant concentration of respondents in the lower income categories.

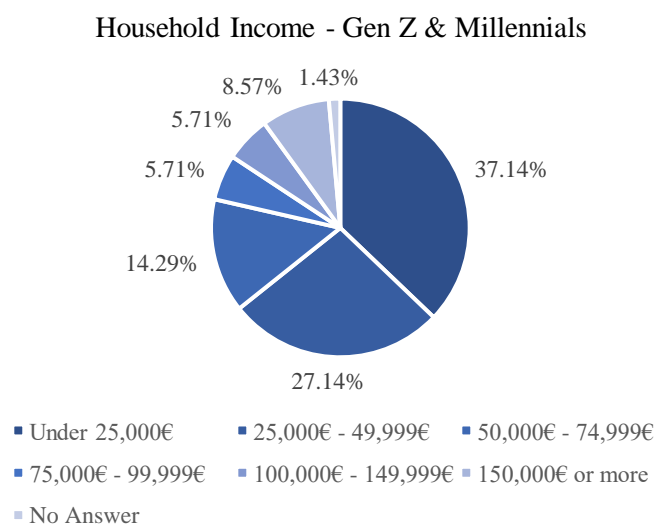
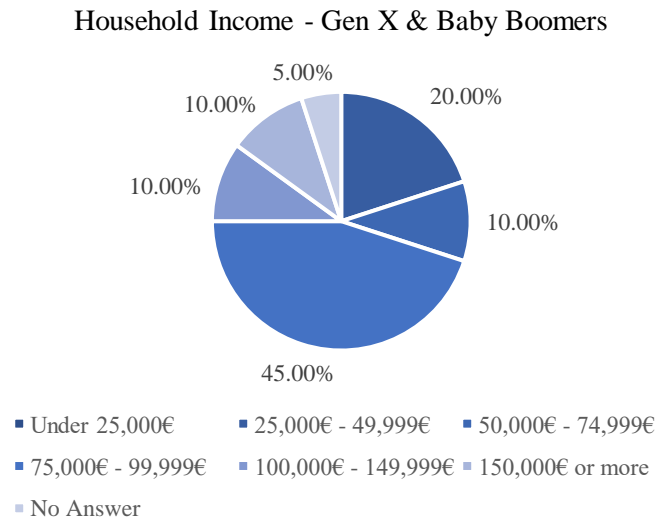


Figure 29: Survey Insights – Household Income of Gen Z & Millennials | Source: Own elaboration

Focusing on the older generations, it is important to, once again, state that none of these respondents have a household income of less than 25,000€. Notably, 45% of the elder respondents have a household income between 75,000€ and 99,999€.



*Figure 30: Survey Insights – Household Income of Gen X & Baby Boomers | Source: Own elaboration*

These statistics showcase the lack of purchasing power of younger generations when compared with the older ones. This is to be expected, as Gen-Zers and Millennials are still in the early stages of their financial journeys and establishing themselves in their careers.

#### **4.2. Post Purchase Preferences**

Post-purchase behaviors and preferences are crucial to provide proper recommendations to boost the engagement of younger generations. In this topic, the respondents were asked which post-purchase services are relevant when buying luxury items.

As expected, product maintenance and repair, and extended warranties are the main concerns of all generations when buying luxury items. However, for the relevance of this challenge, post-purchase services will not be considered.

The least preferred service among both generations appears to be personalization options. This trend can be attributed to a growing emphasis on the overall shopping experience rather than

exclusively on the product itself. Moreover, it is noted that dedicated customer support and access to exclusive events or experiences had more mentions than the personalization option. This highlights, once again, the importance placed on the overall experience and customer support by clients.

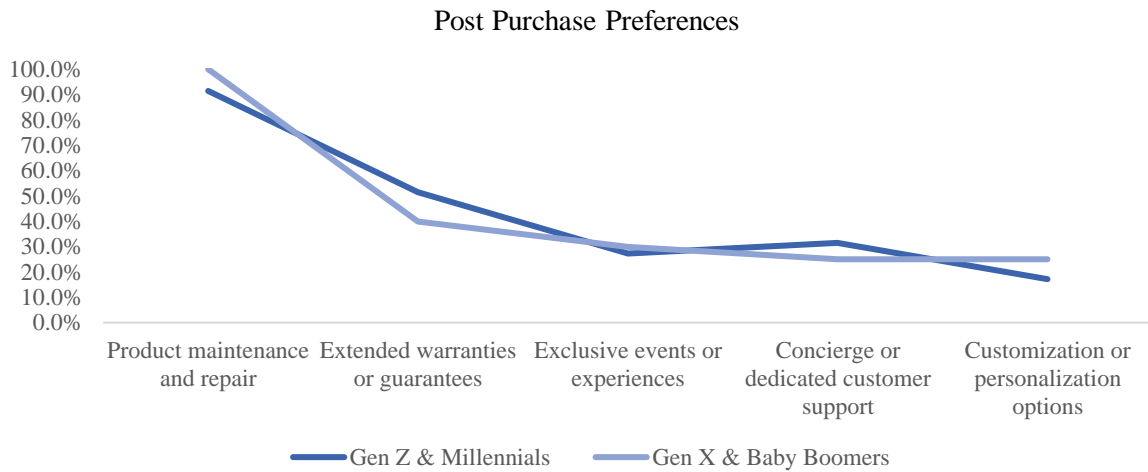


Figure 31: Survey Insights – Post Purchase Preferences | Source: Own elaboration

### 4.3. Preferred CRM Techniques

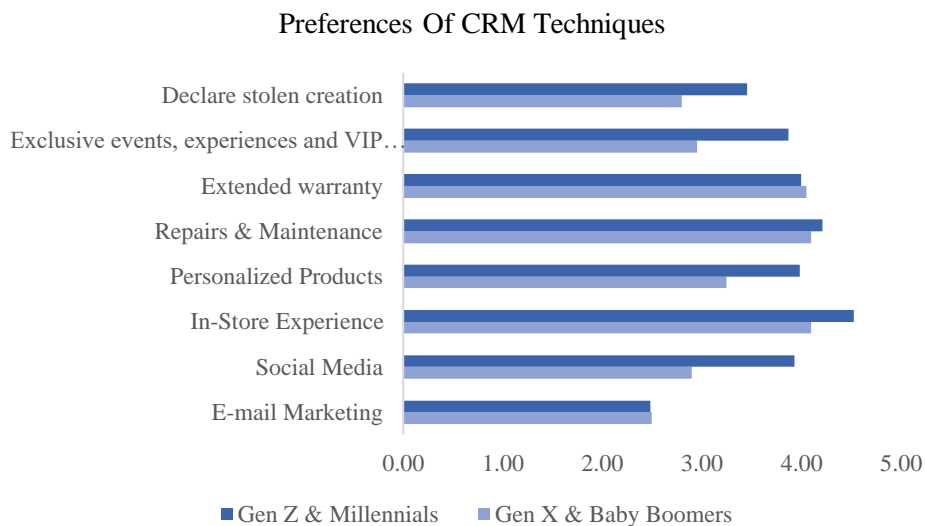
To better understand the importance of CRM, the respondents were asked to rate some of the most common techniques used by brands.

The technique with the lowest ratings from both groups was E-mail Marketing. While Gen X and Baby Boomers rated it slightly higher, the overall appraisal remained below par. This could be attributed to issues such as the lack of precision in selecting recipients for the emails, leading people to feel a sense of detachment from the brand.

The highest-rated techniques were In-Store Experience, Repairs and Maintenance, Extended Warranties, and Exclusive Events and Experiences, across all generations. Once again, we will disregard the maintenance and warranty services due to the lack of relevance for the challenge. Through this segmentation, the follow-up service of exclusive events is the product customization service, receiving respective ratings of 3.99 and 3.25 from younger and older generations. Although this rating might appear controversial considering the Post-Purchase

Preferences discussed in the previous section, it is realizable that clients don't necessarily consider product customization as a crucial service during the purchasing process. Instead, they seem to attribute higher value to such customization within the context of the overall brand experience.

Moreover, social media attains a significantly higher rating among younger generations, highlighting the importance they place on the synergy between the offline and online. For younger consumers, the digital dimension of a brand holds high significance in shaping the brand's identity. They attribute dominant value to a brand's digital presence, considering it a crucial factor that profoundly influences their perception and engagement with the brand.



*Figure 32: Survey Insights CRM Preferences / Source: Own elaboration*

To delve deeper into the influence of a brand's CRM practices on consumer feeling towards it, respondents were asked to assess their feelings on a scale of 1 to 5 (1 = Strongly Disagree, 5 = Strongly Agree).

Younger generations consistently exhibit a higher level of trust in luxury brands. In the contemporary landscape, brands have prioritized transparency, providing a more detailed view of their production processes and various initiatives. The amount of accessible information worldwide facilitates a greater understanding of what brands are actively engaged in.

Consequently, brands are increasingly inclined to share comprehensive information, leveraging transparency to foster trust among consumers. Nevertheless, this crucial information is predominantly accessible online, aligning with the primary digital behavior of younger consumers when searching for a brand. This online information availability may contribute to a higher engagement among younger generations with luxury brands. The symbiotic relationship, between increased brand transparency and the online platform preference of younger consumers, creates a dynamic where informed decision-making and brand affinity meet, further solidifying the trust that younger generations are inclined to place in luxury brands.

### Relationship With CRM Practices Of Luxury Brands



Figure 33: Survey Insights – CRM Preferences | Source: Own elaboration

## 5. Implications and Recommendations

A thorough survey analysis and in-depth research into younger generations' preferences reveal that Cartier's current approach to targeting and engaging this younger demographic sector is ineffective. Therefore, to address this challenge the recommendations would be through: (a)

Flexible Payment options, (b) Heritage Program, and (c) Virtual Platform. The latter will encompass two services: re-sell and renting services.

### **A) Flexible payment options**

Given the financial constraints often faced by Gen Zers and Millennials, who are still starting their career and establishing their professional lives, Cartier's current pricing strategy, with entry-level items that often exceed their possibilities, creates a huge barrier to entry. Implementing flexible payment options, such as installments or other payment plans, would allow these younger generations to access and own Cartier products more easily, without having to worry about the initial cost.

Partnering with Financial Services such as Klarna, a Swedish global leader in payment solutions, Cartier would be able to offer different payment plans, increasing the accessibility of their products particularly to Gen Z and Millennials. Furthermore, Klarna has established partnerships with a variety of luxury brands worldwide, demonstrating their expertise and the effectiveness of flexible payment options in the luxury sector.

For the first flexible payment option, Cartier could consider introducing a zero-interest installment plan, allowing customers to spread the cost of their purchases over a reduced number of installments, it is usually 3, without any additional financial charges. The second option would go through adopting a "Buy now, pay later" strategy that offers customers the flexibility to purchase Cartier products without upfront payment, allowing them to enjoy their acquisitions immediately while postponing the financial obligation. These two approaches would align the brand with the value-conscious financial priorities of younger generations, boosting the conversion rates.

Furthermore, partnering with a financial services company, such as Klarna, would eliminate any potential risks associated with flexible payment options, such as late payments or defaults, since this financial company would bear all these risks.

## **B) Heritage Program**

Cartier has long been synonymous with heritage, with its pieces often becoming heirlooms passed down through generations, carrying historical and emotional significance. However, in the evolving landscape of consumer values, the traditional emphasis on status and legacy is undergoing a shift, particularly among younger generations. The contemporary mindset increasingly favors sustainability and a commitment to the circular economy over traditional values. As younger consumers prioritize ethical considerations and environmental impact in their purchasing decisions, Cartier faces the opportunity to adapt its narrative to align with these evolving values. Nevertheless, it's crucial to acknowledge that the legacy of Cartier remains a pillar of its identity. In response to the values of younger generations, the Heritage Program emerged as a strategic initiative. This name serves as a reminder, emphasizing the enduring legacy of Cartier by actively promoting the passing of its pieces, not necessarily through generations. By doing so, Cartier not only honors its rich history but also ensures that the emotional and historical value of its creations persist, bridging the gap between tradition and the contemporary shift towards a circular economy.

### **Re-Sell Service**

The Re-Sell service would implicate customers to drop off the items at the Cartier Lisbon Boutique or have them picked up, for authentication, pricing, and listing in the platform. Then, a marketplace, such as Farfetch, Net-a-Porter, or MyTheresa would support this resale process, expanding the reach of the re-sale program and attracting a wider audience of potential new buyers.

Cartier can approach the sale on a "first come, first served" method, where the first client with the opportunity to purchase a piece, does so without any competitive bidding. Here, the seller would have a monetary compensation or a Cartier voucher. However, to support this idea of a circular economy and boost the retention rate, this voucher would have a greater value than the

monetary compensation. These vouchers can be used to buy new Cartier items, fostering brand loyalty and repurchase. Cartier can also opt for an auction sale, suitable for iconic pieces, limited editions, or items from special collections that typically attract higher demand and, consequently, higher prices. In this case, besides the monetary compensation Cartier could invite the seller of the piece for an exclusive event or provide access to more recent Cartier exclusive collections or limited editions. This dual strategy provides flexibility, allowing Cartier to tailor its sales approach based on the nature and demand of the specific item being offered.

It is reasonable to think that stolen items would have a place in this Program, however, thanks to the “Declare Stolen Creation” service, these items would be already reported to Cartier and therefore, easily identified in the authentication process.

### **Renting Service**

Considering the trend-conscious profile of younger generations, they place significant value and emotional connection on the overall experience associated with their purchase, rather than on the purchase itself. Given that younger generations value experiences over material possessions, Cartier must focus on enhancing these experiences, by connecting the brand with those emotional moments.

Hence, to address this shift in consumer preferences and align with the sustainability trend, the proposed solution goes through introducing a Renting Service in the Heritage Program. This service envisions a dedicated platform where consumers can rent Cartier items for special occasions. To ensure the authenticity and certification of each piece, customers would be required to authenticate and certify their Cartier items before uploading them to the platform. The process demands presenting a certificate of registration as a prerequisite for uploading the item, ensuring the integrity of the platform's offerings.

The pricing structure for these rented Cartier pieces would be entirely at the discretion of the item's owner, creating a flexible and dynamic marketplace. Additionally, the duration of the rent period would be a mutual agreement between the owner and the borrower, allowing for a tailored and personalized experience. To safeguard the interests of both parties, a security deposit would be required, which aims to ensure the careful handling and responsible care of the Cartier piece during the renting period, protecting the owner's valuable possession.

In the interest of legal clarity and protection, Cartier could establish an official contract template. This contractual agreement would serve as a foundational document, outlining the terms and conditions of the renting arrangement. Such a contract not only ensures legal compliance but also acts as a deterrent against potential misuse or unauthorized activities, providing a secure framework for both the item owner and the borrower.

With the implementation of The Heritage Program, it is expected that Cartier will successfully captivate and resonate with the values of younger generations. By strategically aligning the brand's initiatives with evolving consumer preferences and values, Cartier can assert the traditional values of the brand, while also embracing new perspectives and values that resonate with younger consumers.

### **C) Virtual Try-On Platform**

To better engage with younger generations, Cartier can leverage the significance of technology and embrace a more comprehensive digital approach. To achieve this goal, Cartier could develop an augmented reality (AR) app that allows customers to virtually try on jewelry and watch pieces through their smartphones. This innovative tool would not only revolutionize the traditional method of trying on jewelry but also eliminate the need for physical presence in a Cartier boutique, addressing the brand's limitations in terms of Boutique locations.

Moreover, the potential of the AR tool extends beyond jewelry and watch pieces to include sunglasses or even Cartier exhibitions, consequently making the brand more attractive to

younger, tech-savvy generations. This strategy not only broadens the accessibility of Cartier's offerings but also caters to the younger consumer's preference for a digital and convenient tool.

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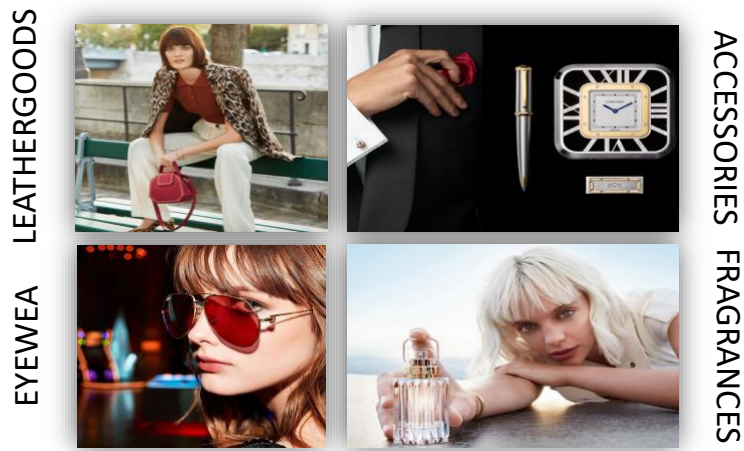
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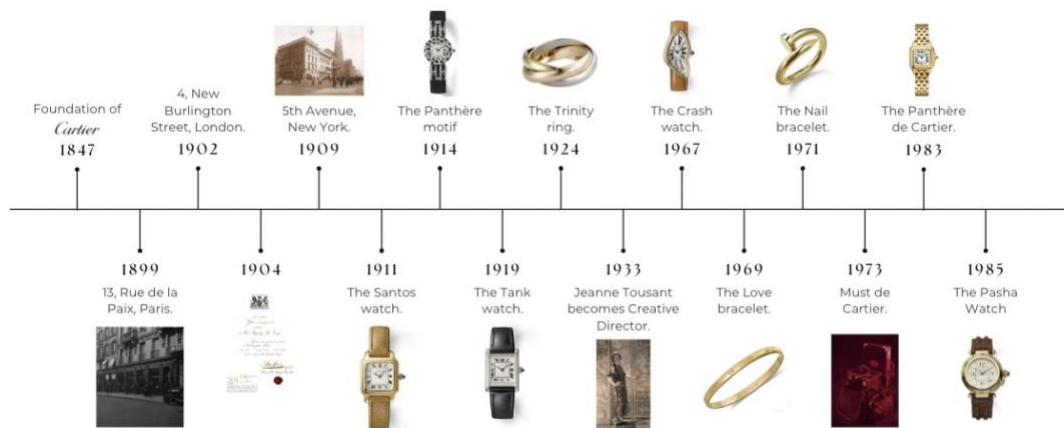
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## Appendices

### Appendix 1: Cartier Product Categories | Cartier Website



### Appendix 2: Historical Evolution Timeline (I) | Source: Own elaboration, data retrieved from Cartier Website



### Appendix 3: Historical Evolution Timeline (II) | Source: Own elaboration, data retrieved from Cartier Website



#### **Appendix 4: Cartier Creation Studio | Source: Cartier Website**

The Cartier Creation Studio is a special place located in Paris, on the top floor of an old building that was designed by Ricardo. Cartier creates all of their exclusive designs in this studio. Designers begin by hand drawing ideas with paints and pencils. The drawings are then converted into 3D shapes. The studio is a mix of artistic and technical skills, demonstrating Cartier's care for making each piece special and unique.



#### **Appendix 5: Creation Range- High Jewelry | Source: Cartier Website**

Le Voyage Recommencé is the most recent High jewelry collection from Maison's Parisian ateliers, this collection showcases an array of distinctive creations that embody a voyage deep into the essence of Cartier's distinctive style through a combination of expertise and curiosity. The Beautés du Monde High Jewellery collection perpetuates Maison's tradition of observing the world's beauty, preserving it, and enhancing it—a set of principles that have always been integral to Cartier's philosophy. This collection serves as a testament to Cartier's enduring fascination with the diverse expressions of beauty.

Indomitable de Cartier fearlessly embraces extravagance, tapping into Cartier's imagination and savoir-faire to push boundaries. Tigers, giraffes, panthers, zebras—with subtle touches, either in pairs or standing alone, these animals engage in a playful dance of exchanging appearances and provoking one another.



**Appendix 6: Creation Range- Santos de Cartier (3,850-67,000 €) | Source: Cartier Website**

The Santos de Cartier watch, introduced in 1904 for aviator Alberto Santos-Dumont, is renowned as the first modern wristwatch. Its iconic design, marked by visible screws and a distinctive square silhouette, has evolved with the times while preserving its pioneering inspiration. The watch's design philosophy epitomizes Cartier's commitment to form, minimalism, precise proportions, and attention to detail. Created in response to Santos-Dumont's need for an in-flight timepiece, it revolutionized watchmaking. In a transfiguration, the Santos-Dumont watch seamlessly incorporates an automatic skeleton movement while maintaining its original proportions. The oscillating weight pays homage to Santos-Dumont's aviation legacy with a miniature replica of the Demoiselle, his 1907 aircraft. This transformation reflects the enduring spirit of innovation within the Santos de Cartier watch.



## **Appendix 7: Creation Range - Ballon de Cartier (4,850-154,000€)| Source: Cartier Website**

The Ballon Bleu watch, introduced by Cartier in 2007, is a testament to a fresh approach to design, particularly in its interpretation of roundness. Cartier's designers aimed to give volume to the traditional circle, resulting in a shape that is doubly convex, striking an elegant balance between line and volume.

In the meticulous design, special attention is given to maintaining a seamless profile. The sapphire crystal winding crown is seamlessly integrated into the case, positioned under a protective metal hoop at three o'clock, ensuring the continuity of the watch's distinctive blue bubble. Beyond its design, the Ballon Bleu de Cartier watch has garnered widespread acclaim for its universal appeal, being worn and appreciated by both men and women. Its distinctive personality and exceptional comfort are qualities best experienced when the watch is worn, contributing to its rapid success and its subsequent status as an iconic piece within the Cartier collection.



## **Appendix 8: Creation Range - Panthère de Cartier (3,350-148,000€) | Source: Cartier Website**

The Panthère watch, introduced by Cartier in 1983, stands as a testament to Maison's pursuit of a design that balances clean lines with a creative and softly linear quality. It is hailed as the

quintessential jewelry watch, with its name derived from the distinctive bracelet that echoes the graceful movements of Cartier's iconic panther emblem. This revolutionary timepiece marked the inception of the concept of a jewelry watch, showcasing Cartier's innovative approach to blending functionality with artistic design. Launched during the lively and exuberant atmosphere of the 1980s, the Panthère watch quickly gained popularity, particularly within the vibrant art scene of the era, becoming a best-selling and iconic piece in Cartier's collection.



#### **Appendix 9: Creation Range - Tank (2,610-106,000€) | Source Cartier Website**

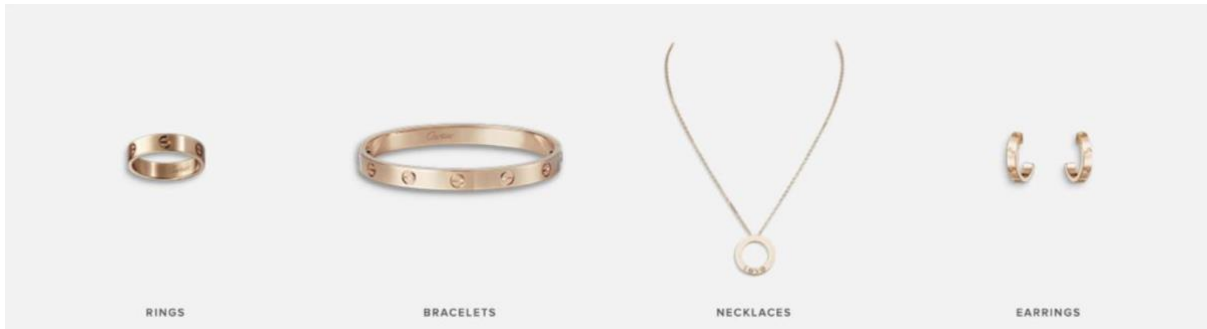
Since its inception in 1917, the Tank watch has stood as a trailblazer, diverging from the conventions of its time and earning admiration from various artistic and cultural avant-garde. Embraced for its purity of line and innovative spirit, the Tank has become synonymous with reinvention while staying true to its unmistakable style. Drawing inspiration from the aerial view of a military tank, the Tank watch adheres to a clear graphic principle, with the brancards representing the tracks and the case symbolizing the vehicle's cabin. This unique approach creates a cohesive design where the case seamlessly integrates into an extension of the bracelet, maintaining a harmonious visual rhythm. Over the years, the Tank watch has undergone stylistic refinements, showcasing a commitment to continuous evolution. In 1921, the case elongated, leading to the creation of the Tank LC watch for Louis Cartier. The late 1970s witnessed the introduction of monochrome dials during the Must years. In 1988, the Tank

American was launched, reflecting contemporary energy, followed by the introduction of the Tank Française in 1996. This iteration marked a significant innovation with a metal bracelet seamlessly blending with the case, further enriching the Tank's storied legacy. The Tank watch's enduring evolution exemplifies its timeless appeal and ability to adapt to changing design aesthetics.



**Appendix 10: Creation Range - The Love Collection (550-62,500€) | Source: Cartier Website**

Crafted by Aldo Cipullo in New York in 1969, the Love bracelet encapsulates Cartier's design vision, expressing love through the perfection of clean lines and precise proportions. The bracelet features an oval shape formed by two rigid arcs elegantly connected through screws. Emerging in the 1970s, the Love bracelet has evolved into an iconic symbol in jewelry design. This close-fitting oval bracelet, intended to be worn on the wrist and secured or removed with a gold screwdriver, serves as a testament to passionate and unconditional love. Its timeless design has inspired diverse interpretations, solidifying its status as a revered piece in the world of jewelry.



**Appendix 11: Creation Range - Juste un Clou Collection (900-350,000€+) | Source: Cartier Website**

In the 1970s, Aldo Cipullo, working for Cartier in New York, ingeniously transformed a simple nail into a piece of jewelry with the creation of the Juste un Clou bracelet. This design exemplifies the bold spirit of the era, where the purity of the line elevates the ordinary nail into a precious object. The bracelet's design is characterized by a single stroke, reflecting Cartier's desire to distill the piece to its purest form—structure, resulting in an easy-to-read and instantly understandable aesthetic. Originally introduced in 1971 at Cartier New York as the Nail bracelet, the Juste un Clou bracelet made a resurgence in the 2000s. During this revival, its pure lines led to its current name, Juste un Clou. Today, the collection includes variations in yellow gold, rose gold, and white gold, with both paved and non-paved designs. Beyond bracelets, the collection extends to rings, brooches, necklaces, and pendant earrings, showcasing the enduring popularity of this innovative and iconic design.

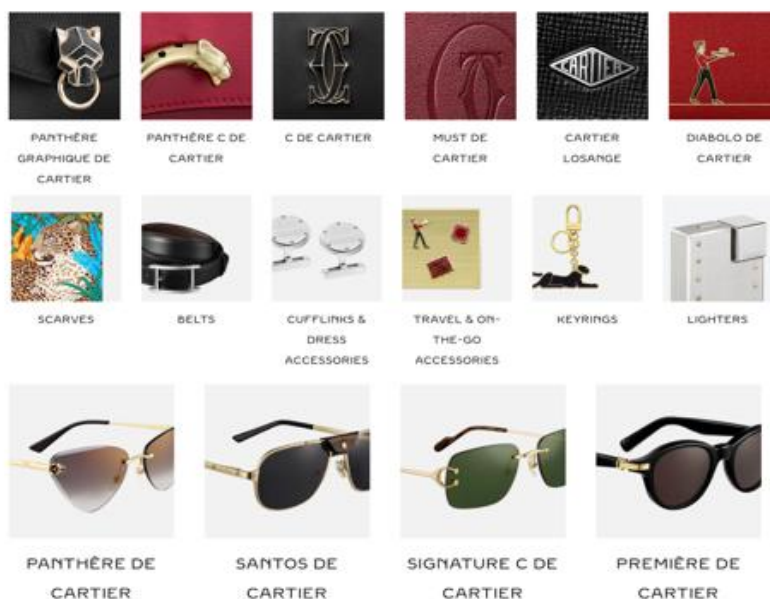


## Appendix 12: The Trinity Collection (590-44,600€) | Source: Cartier Website

The Trinity ring stands as an embodiment of Cartier's design philosophy, where artisans illuminate the beauty of a form through three simple bands. With its clean lines and impeccable proportions, this iconic ring consists of three interlinked, movable bands crafted in yellow gold, white gold, and rose gold. Born from the imaginative mind of Louis Cartier in 1924, the Trinity ring occupies a distinctive space between jewelry and sculpture, seamlessly blending feminine and masculine elements. This playful yet symbolic creation has etched its place in Cartier's legacy, marking its first appearance in the Maison's registers in the same year of its inception.



## Appendix 13: Creation Range - Bags and Accessories | Source: Cartier Website



**Appendix 14: Creation Range - Art of Living | Source: Cartier Website**



DECORATIVE  
OBJECTS



BABY GIFTS &  
TOYS



CARTIER'S  
ÉCRINS  
PARFUMÉS



WRITING  
INSTRUMENTS



NOTEBOOKS &  
AGENDAS



DESK  
ACCESSORIES

**Appendix 15: Fragrances Categories | Source: Cartier Website**

Fragrances



LA PANTHÈRE

DÉCLARATION

PASHA DE  
CARTIER

BAISER VOLÉ

RIVIÈRES DE  
CARTIER

MUST DE  
CARTIER

LE BAISER DU  
DRAGON

SANTOS DE  
CARTIER

CARTIER CARAT

LES NÉCESSAIRES  
À PARFUM  
CARTIER

High Perfumery



LES HEURES DE  
PARFUM

LES HEURES  
VOYAGEUSES

LES ÉPURES DE  
PARFUM

## Appendix 16: Cartier Distributors - Farfetch | Source: Farfetch Website

The screenshot shows the Farfetch website interface. At the top, there are navigation links for 'Women', 'Men', and 'Kids', followed by the 'FARFETCH' logo. Below the logo is a search bar with 'cartier' entered. A horizontal menu lists various categories: 'Sale', 'Gifts', 'New In', 'Brands', 'Clothing', 'Shoes', 'Bags', 'Accessories', 'Jewellery', 'Homeware', and 'Pre-owned'. There are also 'All Filters' and 'Pre-Owned' buttons. The main content area displays four Cartier products in a grid:

- Product 1:** A gold bracelet. Description: 'Conscious Cartier pre-owned 18kt yellow gold Juste Un Clou diamond bracelet'. Price: 19,597 €.
- Product 2:** A Santos watch. Description: 'Conscious Cartier 2022 pre-owned Santos 40mm'. Price: 14,117 €.
- Product 3:** A Must watch. Description: 'Conscious Cartier 2000's pre-owned Must 21 28mm'. Price: 3,740 €.
- Product 4:** A diamond bracelet. Description: 'Conscious Cartier pre-owned 18kt white gold Love 4 diamond bracelet'. Price: 15,693 €.

## Appendix 17: Cartier Distributors - MyTheresa | Source: MyTheresa Website

The screenshot shows the MyTheresa website interface. At the top, there are navigation links for 'NEW ARRIVALS', 'DESIGNERS', 'CLOTHING', 'SHOES', 'BAGS', 'ACCESSORIES', 'JEWELRY', 'HOLIDAY SEASON', and 'SALE'. Below the navigation is a search bar with icons for search, user profile, heart, and shopping bag. There are also 'Categories', 'Size', 'Colour', and 'Pattern' filters. The main content area displays four Cartier eyewear products in a grid:

- Product 1:** Santos de Cartier square sunglasses. Price: € 890.
- Product 2:** Signature C de Cartier sunglasses. Price: € 480.
- Product 3:** Santos de Cartier square sunglasses. Price: € 790.
- Product 4:** Panthère de Cartier rectangular glasses. Price: € 760.

## Appendix 18: Cartier Distributors - Net-a-Porter | Source: Net-a-Porter Website

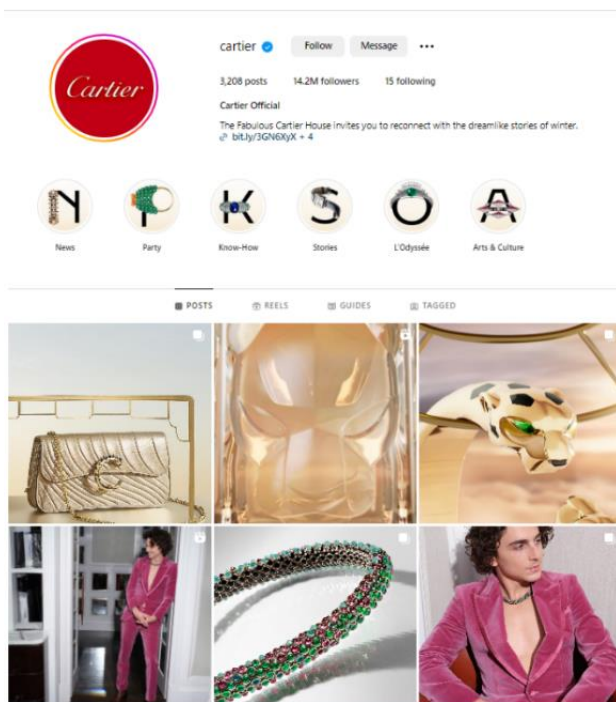
The screenshot shows the Net-a-Porter website interface. At the top, there are navigation links for 'New In', 'Shop By', 'Designers', 'Clothing', 'Shoes', 'Bags', 'Jewelry & Watches', 'Accessories', 'Beauty', 'Home & Gifts', 'People & Planet', and 'Promotion'. Below the navigation is a search bar with icons for search, star, and shopping bag. There are also 'MOVEMENT', 'COLOR', and 'DESIGNER' filters. The main content area displays three Cartier watches in a grid:

- Product 1:** Panthère de Cartier watch. Description: 'Panthère de Cartier 23,6mm small 18-karat gold, lacquer and multi-stone watch'. Price: €71,000. Includes 'CONTACT PERSONAL SHOPPING'.
- Product 2:** Panthère de Cartier Manchette watch. Description: 'Panthère de Cartier Manchette 22mm 18-karat gold and lacquer watch'. Price: €60,500.
- Product 3:** Panthère de Cartier watch. Description: 'Panthère de Cartier 23,6mm small 18-karat rose gold, lacquer, diamond and tsavorite...'. Price: €52,500. Includes 'CONTACT PERSONAL SHOPPING'.

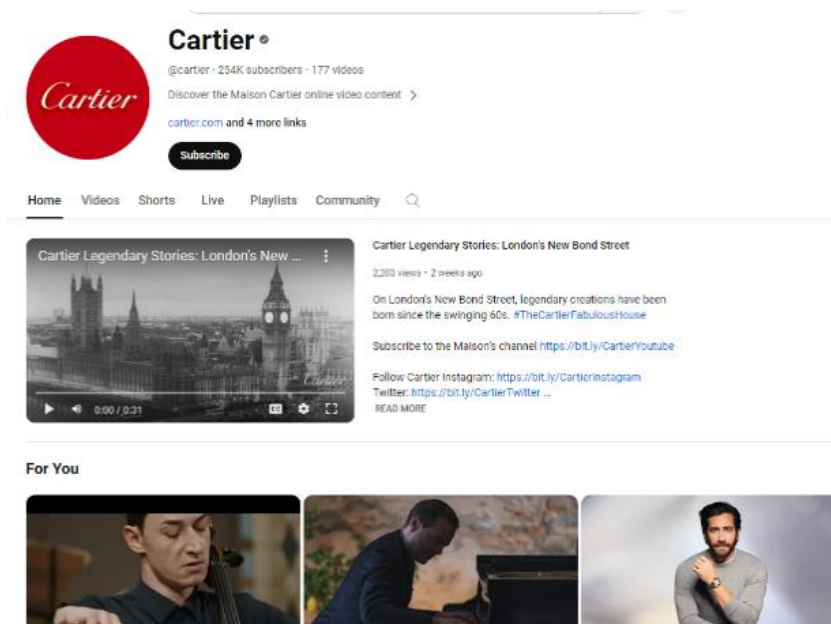
## Appendix 19: List of brands considered in the quantitative analysis.

Breguet, Bulgari, Chaumet, Chanel, Chopard, Dior, Gucci, Hermès, Hublot, Loewe, Louis Vuitton, Luiz Ferreira, Montblanc, Omega, Patek Philippe, Rolex, Swarovski Crystal, Tiffany & Co., Tissot, and Van Cleef & Arpels.

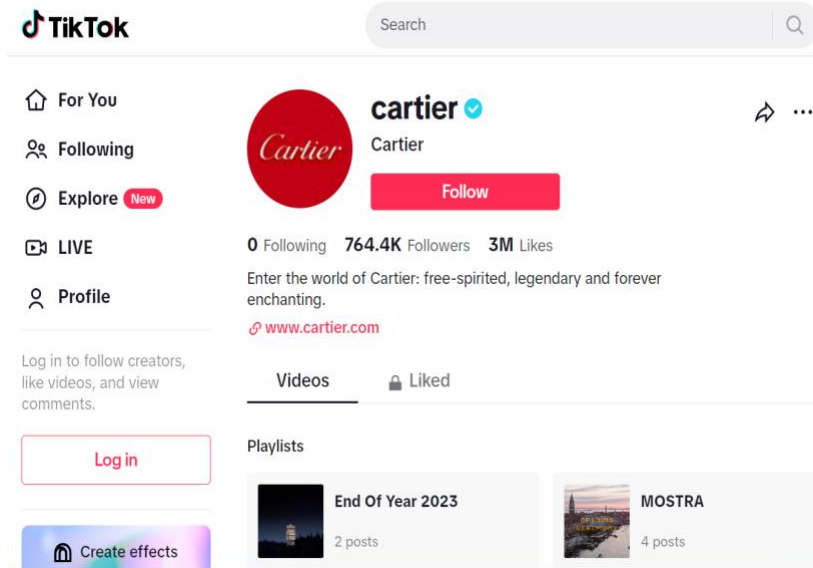
## Appendix 20: Cartier Digital Presence — Instagram | Source: Cartier Instagram Page



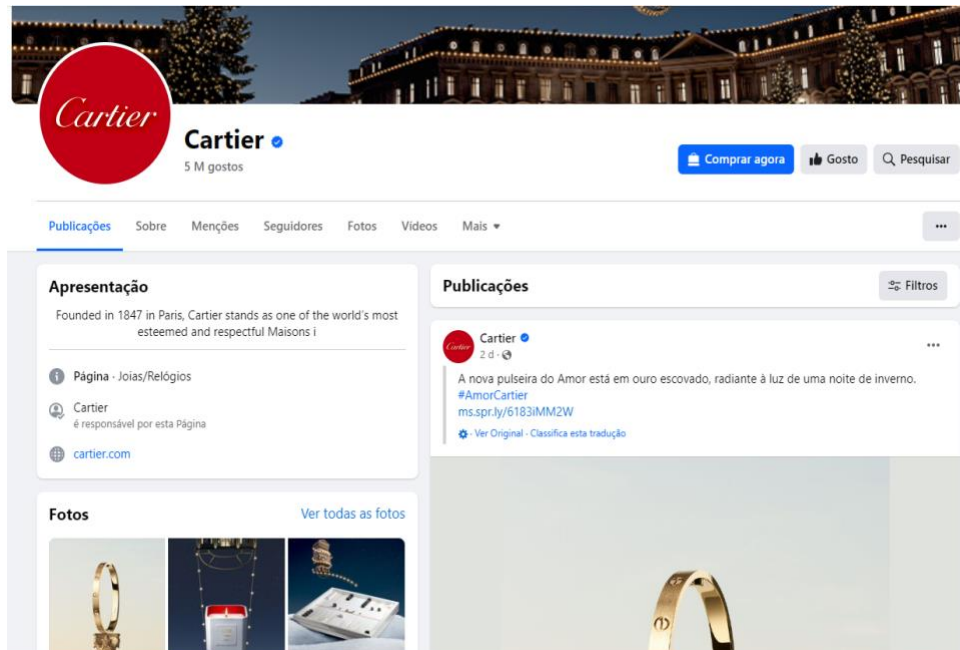
## Appendix 21: Cartier Digital Presence — YouTube | Source: Cartier YouTube Page



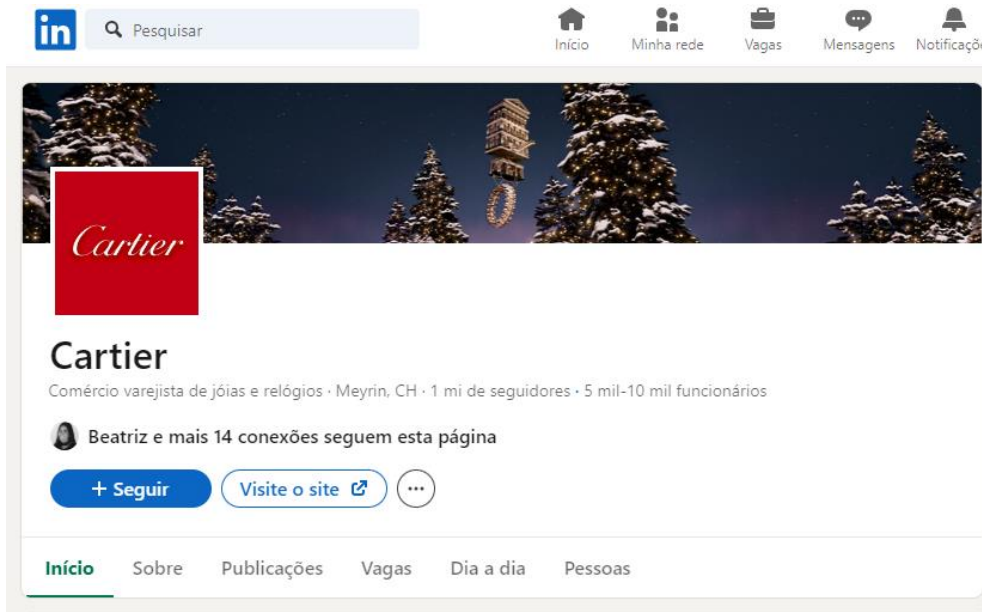
## Appendix 22: Cartier Digital Presence - TikTok | Source: Cartier Tiktok Page



## Appendix 23: Cartier Digital Presence - Facebook | Source: Cartier Facebook Page



## Appendix 24: Cartier Digital Presence - LinkedIn | Source: Cartier LinkedIn Page



## Appendix 25: Cartier Digital Presence - X | Source: Cartier X Page



**Appendix 26: Cartier Communication - Out-of-Home | Sources: The New York Times, Super Future, Forbes, Cartier Website**



**Appendix 27: Survey | Source: Own elaboration**

**Luxury CRM**

Welcome!

The following questionnaire was developed on behalf of our Master's thesis in Management at NOVA School of Business and Economics and its main objective is to study Portugal's Luxury Customer Relationship Management. You will be presented with different types of questions about these topics. Please be assured that your responses will be kept completely confidential.

The study should take you around 8 minutes to complete.

Your participation in this research is voluntary. You have the right to withdraw at any point during the study, for any reason, and without any prejudice. All of the answers to this questionnaire will remain anonymous and will only be used for academic purposes.

By clicking the button below, you acknowledge that your participation in the study is voluntary and that you are aware that you may choose to terminate your participation in the study at any time and for any reason.

If you have any doubt regarding the questionnaire, please contact: Bárbara Brandão, 54130@novasbe.pt

Thank you in advance for your collaboration. \*

- I consent, I wish to begin the study.
- I do not consent, I do not wish to participate.

### Frequency of purchase

Understanding the frequency of luxury product purchases is crucial in assessing consumer behavior in the luxury sector.

Luxury brands are companies that offer high-quality, exclusive, and often expensive products or services that are associated with superior craftsmanship, exceptional design, and a sense of prestige. These brands are known for their focus on quality, attention to detail, and the ability to evoke a strong sense of desirability. Luxury brands typically cater to a discerning and affluent clientele and are characterized by their exclusivity, reputation, and the aspirational value they hold in the eyes of consumers.

Your input will help us gain insights into purchasing patterns and trends.

How often do you purchase at luxury brands? \*

- Never
- Rarely
- Sometimes
- Often
- All the time

What factors influence the frequency of your luxury product purchases? (Select all that apply) \*

- Availability of new collections or releases
- Special occasions (e.g., birthdays, anniversaries, weddings, etc)
- Discounts or promotions
- Change in personal financial circumstances
- Recommendations from friends or influencers
- I do not have a specific reason

### Knowledge of Luxury Brands

Assessing the level of knowledge and awareness of luxury brands is crucial in understanding consumer perceptions and preferences in the luxury sector.

Please take a moment to answer the following questions.

From 1 to 5, rate your preferred method of purchasing luxury brand products or services. (1 = Not preferred at all, 5 = Totally Preferred) \*

	1	2	3	4	5
In-store at a physical boutique	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Online through the brand's official website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Online through third-party retailers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Through personal shoppers or concierge services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please select the brands from which you have **purchased**. (Select all that apply) \*

- Breguet
- Bulgari
- Cartier
- Chaumet
- Chanel
- Chopard
- Dior
- Gucci
- Hermès
- Hublot
- Loewe
- Louis Vuitton
- Luiz Ferreira
- Montblanc
- Omega
- Patek Philippe
- Rolex
- Swarovski Crystal
- Tiffany's & Co
- Tissot
- Van Cleef
- Other: \_\_\_\_\_

#### Knowledge of Luxury Jewelry and Watch Brands

Understanding consumers' knowledge and awareness of luxury jewelry and watch brands is essential in assessing preferences and perceptions in this specific sector. Please take a moment to answer the following questions.

Can you name **three** (3) luxury brands that come to mind when you think of the jewelry and watches category?

Your answer \_\_\_\_\_

When purchasing jewelry or watches, what do you primarily look for? (Select all that apply) \*

- Design and Aesthetics
- Brand Reputation
- Craftsmanship and Artistry
- Rarity or Limited Editions
- Price and Value for Money
- Exclusivity and Limited Availability
- Customization Options
- Technical Features (for watches)
- Personal Sentiment or Emotional Connection
- Resale Value or Investment Potential
- Other: \_\_\_\_\_

### Luxury CRM Preferences

Customer Relationship Management (CRM) is a system that helps businesses **build and maintain strong connections** with their customers so that companies can provide more personalized and efficient service.

After-sales service, on the other hand, is the **support and assistance** a company offers to customers after they've made a purchase to ensure that customers are happy and that their products or services work well.

Essentially, **CRM helps businesses know their customers better, while after-sales service ensures customers are satisfied even after the sale is complete.**

How much do you value each of these CRM techniques? (1 = Do not value at all; 5 \* = Value a lot)

	1	2	3	4	5
E-mail marketing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In-store experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personalized products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Repairs & Maintenance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extended warranty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exclusive events, experiences and VIP loyalty programs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Declare stolen creation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Name the top 3 brands, in your opinion and from your experience, with the best CRM techniques.

Your answer

In terms of your current relationship with the CRM practices of luxury brands, \* please select the option that best aligns with your feelings on a scale from 1 to 5. (1 = Strongly Disagree, 5 = Strongly Agree)

	1	2	3	4	5
I feel close to luxury brands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that I can trust luxury brands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel that luxury brands reflect who I am	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe luxury brands prioritize customer satisfaction over sales	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I receive personalized attention and offers from luxury brands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am confident and willing to engage with luxury brands for post-purchase assistance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Post-Purchase

Post-purchase services are an integral part of the luxury brand experience, designed to enhance customer satisfaction and loyalty, beyond the moment of purchase. It involves personalized care, ongoing support, and exclusive offerings that are tailored to meet the unique needs and desires of luxury clientele. Your feedback on these services is valuable in helping us understand how luxury brands can better serve their customers. Please take a moment to answer the following questions.

Have you ever utilized post-purchase services provided by luxury brands after buying a luxury product? \*

- Yes  
 No

Which types of post-purchase services do you consider most important when buying luxury products? (Select all that apply) \*

- Product maintenance and repair  
 Customization or personalization options  
 Exclusive events or experiences  
 Concierge or dedicated customer support  
 Extended warranties or guarantees  
 Other: \_\_\_\_\_

To what extent does receiving personalized communications and product recommendations influence your purchasing decisions with luxury brands? \*

- Significantly  
 Moderately  
 Slightly  
 Not at all

Do you appreciate luxury brands seeking feedback on their products and services as part of their CRM initiatives? \*

- Yes  
 No

How satisfied are you with the customer support and assistance you receive from luxury brands when you have questions or issues? (1 = Very Dissatisfied, 5 = Very Satisfied) \*

- Very Dissatisfied    1    2    3    4    5    Very Satisfied

## Portuguese market

In this section, we aim to gain a deeper understanding of your experiences and preferences within the unique landscape of the Portuguese luxury market. Portugal has a rich tapestry of local and international luxury brands, each offering its own distinct appeal. We invite you to share your insights and perspectives on this dynamic market, shedding light on what drives your choices and influences your perceptions. Your valuable feedback will provide valuable insights into the world of luxury within Portugal.

Have you ever shopped in Portugal? (physical or online) \*

- Yes
- No

Which retail brands are you familiar with? (Select all that apply) \*

- Ourivesaria Tavares (Tavares Jewelry)
- Torres Joalheiros
- Boutique dos Relógios Plus
- David Rosas
- Machado Joalheiros
- Retail shops (i.e. El Corte Ingles)
- Other: \_\_\_\_\_

When you choose to buy from Boutique dos Relógios or similar retailers, what motivates your decision? \*

- Unique and Exclusive Products
- Local Brand Support
- Familiarity and Trust
- Word of Mouth
- Brand Variety
- Affordability
- Local Craftsmanship
- I do not choose to buy at retailers
- Other: \_\_\_\_\_

When considering doing a **repair** of your watch, do you consider brands like Boutique dos Relógios? \*

- Always
- Often
- Sometimes
- Rarely
- Never

What factors lead you to that? (Select all that apply) \*

- Time of repair
- Price of repair
- Brand Expertise
- Quality Assurance

Please rate the Customer Service and Shopping Experience of Boutique dos Relógios or similar retailers compared to Luxury Boutiques. (1 = Very Dissatisfied, 5 = Totally Satisfied) \*

1      2      3      4      5

Very Dissatisfied                        Totally Satisfied

Are there any additional services or benefits you receive when shopping at Boutique dos Relógios or similar retailers that influence your decision? (Select all that apply) \*

- Product Customization
- Exclusive Events and Previews
- VIP Loyalty Programs
- Flexible Payment Options
- Priority Access to Repairs
- Other: \_\_\_\_\_

## Cartier

This section is dedicated to your experiences and interactions with Cartier, one of the foremost names in luxury. Whether you have visited Cartier's Lisbon Boutique, engaged with their post-purchase services, or provided feedback, your insights are valuable. We're interested in understanding how these interactions have shaped your perception of Cartier and the impact of their after-sales services on your relationship with the brand. Your responses will contribute to a deeper understanding of Cartier's relationship with its valued customers.

Have you ever visited Cartier Lisbon Boutique? \*

- Yes
- No

Do you possess any product from Cartier? \*

- Yes
- No

Please evaluate your experience in these categories when it comes to Cartier. (1 \* = Very Dissatisfied, 5 = Totally Satisfied)

	1	2	3	4	5	Not applicable
Exclusive access to events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Early product previews	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personal shopper services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customized product offerings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product availability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Product range	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Atmosphere and environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Knowledge and professionalism of the staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please rate your satisfaction level regarding the following post-purchase services \* that Cartier offers. (1 = Very Dissatisfied, 5 = Totally Satisfied)

	1	2	3	4	5	Not applicable
Reception of newsletters with new products and news	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Easiness of exchanging a piece	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability of repair services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Option to personalize pieces or the experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assistants' Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Are you aware of the After-sales Services offered by Cartier specifically for customers in Portugal? \*

- Yes
- No

Have you ever used it? \*

- Yes
- No

From 1 to 10, how satisfied are you with the responsiveness and effectiveness of the feedback you provided? (1 = Very Dissatisfied, 5 = Totally Satisfied) \*

	Coluna 1	2	3	4	Coluna 5	I have not had the opportunity to re-evaluate
Responsiveness and Effectiveness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Demographics

This section is dedicated to gathering information about your demographic characteristics. Your input on factors like age, gender, income, and education is valuable in understanding our audience better. This data helps us tailor our offerings to suit your needs and preferences, ensuring a more personalized and relevant experience for you.

Which age category do you fall under? \*

- <18
- 18-25
- 26-35
- 36-45
- 46-55
- 56-65
- >65

What is your gender? \*

- Female
- Male
- Non-binary
- Other
- Prefer not to say

What is your Annual Household Income?

- Under 25,000€
- 25,000€ - 49,999€
- 50,000€ - 74,999€
- 75,000€ - 99,999€
- 100,000€ - 149,999€
- 150,000€ or more

What is your education level? \*

- High School Diploma or Less
- Some College or Associate's Degree
- Bachelor's Degree
- Master's Degree
- Doctoral Degree

What is your marital status? \*

- Single
- Married or in a Domestic Partnership
- Divorced
- Widowed

Where do you live? (Country) \*

Your answer \_\_\_\_\_

What is your employment status? \*

- Employed full-time
- Employed part-time
- Self-employed
- Unemployed
- Student
- Retired
- Homemaker

What is your household size? \*

- 1 person
- 2 people
- 3 to 4 people
- 5 or more people

What is your homeownership status? \*

- Own a home
- Rent a home/apartment
- Other
- Other: \_\_\_\_\_

## Interview

If you're willing to participate in a follow-up interview to share more insights on Cartier and CRM, please provide your contact information below. Your contribution would be greatly appreciated, and we'll reach out to you for scheduling at your convenience

I do want to participate in a follow-up interview (*optional*). If so, please give your name and contact below.

Your answer \_\_\_\_\_

## Appendix 28: Interview Guide — “In-Store Experience”

### Warm Up

Good [Morning/Afternoon/Evening],

My name is Teresa Abreu, and I'm currently pursuing a Master's in Management at NOVA School of Business and Economics.

I am conducting research for my thesis, which focuses on Cartier after-sales and CRM, as well as understanding the in-store experience.

I would greatly appreciate your insights, and with your permission, I would like to record our conversation to ensure accuracy during analysis.

Please rest assured that all information shared will be treated confidentially and anonymously, in compliance with the General Data Protection Regulation (GDPR) of May 2018. Your participation in this interview is invaluable and will not result in any further contact.

### Opening Question

*“Do you remember your last visit to a Cartier Store? What can you tell me about your experience?”*

### Topics to Develop

#### 1 Brand Image and Customer Relationship

How did your relationship with the brand start?

What motivated you to choose Cartier?

How frequently do you visit Cartier boutiques? Why? Scheduled or spontaneously?

#### 2 Store atmosphere and Decoration

How would you describe the atmosphere within Cartier boutiques?

What elements contribute to creating a distinctive atmosphere within the store?

#### 3 Store Layout/Visual Merchandising/ Product Display

Do you feel that the physical layout and design of the store enhance or detract from your overall experience?

How did the store design contribute to your overall impression of Cartier?

#### 4 Customer Service

How would you describe the level of customer service you have received at Cartier?

Do you feel that Cartier's employees are knowledgeable about the products? And that you can trust their input?

In your opinion, to what extent does Cartier provide personalized or customized services to customers?

#### 5 Technology Integration

Can you describe the role of technology within Cartier boutiques? How is technology incorporated into the overall in-store experience?

Are there specific technologies used to showcase Cartier's products or collections in-store? For instance, digital displays, interactive screens, or virtual try-on experiences?

#### Demographics:

Coming to the end of the interview. I'd like to ask you some simple final questions that will help us characterize our sample.

Age:

Nationality:

Gender:

Education:

Occupation:

Marital Status:

Thank you very much for your time and feedback – your opinions are important to make improvements and we value them a lot.

## Appendix 29: Interview Guide — “How to leverage loyalty through repair and maintenance services”.

### Interview Guide

Good morning / afternoon / evening. My name is Patrícia Barqueira, and I am currently doing my thesis, the final step of my Master's degree in Management at NOVA School of Business and Economics. Thus, I am doing research regarding the after-sales service in luxury brands.

For this purpose, I would like to interview you for approximately 40 minutes, by means of an in-depth interview, which means that I will ask you several questions, to which there are not right, or wrong answers and you are free to say whatever comes to your mind on the subject.

For the purpose of analyzing the interviews later, I would like to record our conversation – would that be, ok? It will remain anonymous, and you will not be contacted further past this interview.

#### Section 1: Consumer Awareness and Expectations Regarding After-sales Services

1. Do you have any specific expectations when it comes to after-sales service for luxury products?
2. Which after-sales services are you aware of, in luxury brands?

#### Section 2: After-Sales Service Experience in Portugal

1. Can you describe your experience with the after-sales service?

Topics to be explored:

- Type of after-sales service
- Product brand and category
- Where was the service done (retailer or the brand itself)
- Aspects that stood out positively or negatively

**Section 3: Repair and Maintenance Experience and Expectations**

1. Have you experienced any repair or maintenance of a luxury item? If so, can you describe the experience? (if not mentioned on the previous section)
2. What do you value the most when it comes to repairs and maintenance services?

**Section 4: Building Loyalty**

1. Do you think your experience had an important role in creating brand loyalty?

**Section 4: Improvements & Future Intentions**

Are there any additional insights or recommendations you would like to share based on your experiences?

**Section 5: Projective Technique**

Please state 3 adjectives that you associate to luxury brand’s repair and maintenance services

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Wrap - up**

Alright! Coming to the end of the interview. I’d like to ask you some simple final questions that will help us characterize our sample.

Please indicate the following:

Age: \_\_\_\_\_

Nationality: \_\_\_\_\_

Gender (don’t ask, just write): \_\_\_\_\_

Education Level: \_\_\_\_\_

Occupation: \_\_\_\_\_

Thank you very much for your time and feedback – your opinions are really important to make improvements and we value them a lot! Have a great day!

**Appendix 30 – Sample Characterization of the Interviews (“How to leverage loyalty through repair and maintenance services”)**

Interviewees Age Range	Gender	Number of Interviewees	Cartier Client	Nationality	Selection Criteria
38 - 66 years old	Female	2	No	Portuguese	Have experienced an after-sale service for a luxury item in Portugal.
			Yes	Angolan	
	Male	2	No	Portuguese	
			Yes	Portuguese	

## Appendix 31: Interview Guide — “How to address high potential customers.”

### Interview Guide – “How to Address High Potential Customers.”

#### 1- Warm-Up:

Good [Morning/Afternoon/Evening],

My name is Maria Frazão, and I'm currently pursuing a Master's in Management at NOVA School of Business and Economics.

I am conducting research for my thesis, which focuses on Cartier after-sales and CRM, as well as understanding how to address high potential customers.

I would appreciate your insights, and with your agreement, I would like to record our conversation to ensure accuracy during my personal analysis.

Please rest assured that all information shared will be treated confidentially and anonymously, in compliance with the General Data Protection Regulation (GDPR) of May 2018. Your participation in this interview is invaluable and will not result in any further contact.

#### 2- Opening Question

How often do you usually purchase luxury goods, more specifically in the jewelry and watches category?

Last time you purchased a luxury product, can you remember which product(s) you chose, from which brand(s) and why you decided on exactly those product(s)?

#### 3- Topics to cover

##### Consumer Decision Journey:

You told me that you have purchased luxury items. Could you please describe your experience, and which brand you bought and why?

##### Purchase behavior

- o Expectations on Products
- o Purchase drivers
- o Frequency of purchase
- o Influencers of purchase (e.g., friends, family, occasions, social media...)
- o Brands recommended in the moment of purchase.
- o Information channels

##### Consumer Behavior

- o Quality Attributes

- o Place of purchase (channels)
- o Sources of information
- o Sources of information
  
- o Brand preferences
- o Expectations Vs Reality
- o Consumers' behavior while researching and shopping
- o Consumer Decision Journey
- o Brand loyal or Brand switcher

**4- Cartier and Premium brands**

- o Brand Perceptions
- o Reasons to purchase
- o Reasons not to purchase.
- o "No goes" during purchase process

**5- If you think about Cartier/Bulgari, how would you describe Cartier/Tiffany if the brand was a person?"**

Age; Social class; What type of person; Job

**6- Perceptual Map**

Please Position the brands Bulgari and Cartier based on performance of the brand and positioning of the price.



## 7- Additional Questions

- o How do you evaluate the success or satisfaction of a purchase after some time has passed?
- o Are there factors that influence your likelihood to make repeat purchases from a brand?
- o How was your after sales experience in Cartier/Other Luxury Brand?
- o Thinking about your long-term relationship with Cartier/Other Luxury Brand, what factors do you believe have contributed to its strength?

### Wrap-Up

Alright! Coming to the end of the interview. I'd like to ask you some simple final questions that will help us characterize our sample.

How old are you? Age (in years):  
What is your nationality? Nationality:  
[DO NOT ASK – JUST REGISTER] Gender:

### Education | Educação

#### What is your highest level of education?

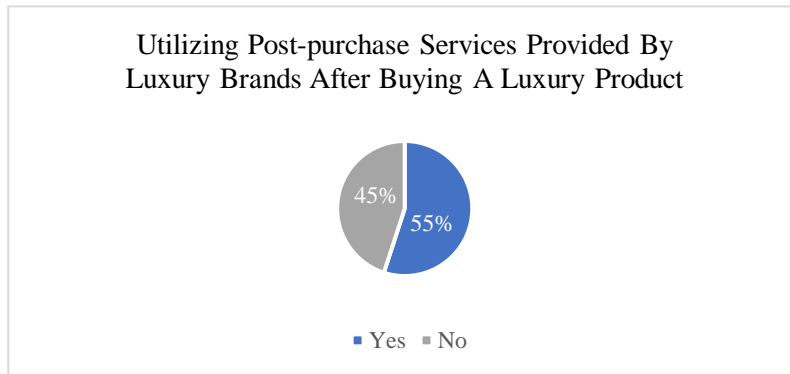
- Can't read / write  
*Não sabe ler nem escrever/Analfabeto*
- Less than 4th grade  
*Primária incompleta / Sabe ler/escrever sem ter completado a primária*
- 4th grade  
*Primária Completa*
- 6th grade  
*Ciclo Preparatório (completo)*
- 9th grade  
*9º Ano unificado ou antigo 5º ano dos liceus (completo)*
- 11th /12th grade  
*11º / 12º unificados ou antigo 7º ano dos liceus (completo)*
- Professional Degree or Arts Degree  
*Curso profissional / artístico*
- Incomplete undergrad  
*Curso médio / frequência universitária / bacharelato*
- Completed undergrad in Nursing, Social Services, Childcare, Primary Schooling, Tourism, Secretariat, Accounting, Archiving  
*Licenciatura em Enfermagem, Serviço Social, Educador(a) de Infância, Ensino Primário, Turismo, Secretariado, Contabilidade e Documentação*
- Completed other undergrad program  
*Restantes Licenciaturas*
  - Ensino de Mestrado*  
*Mestrados/Pós Graduações x*
  - PhD  
*Doutoramento*

### Occupation | Ocupação

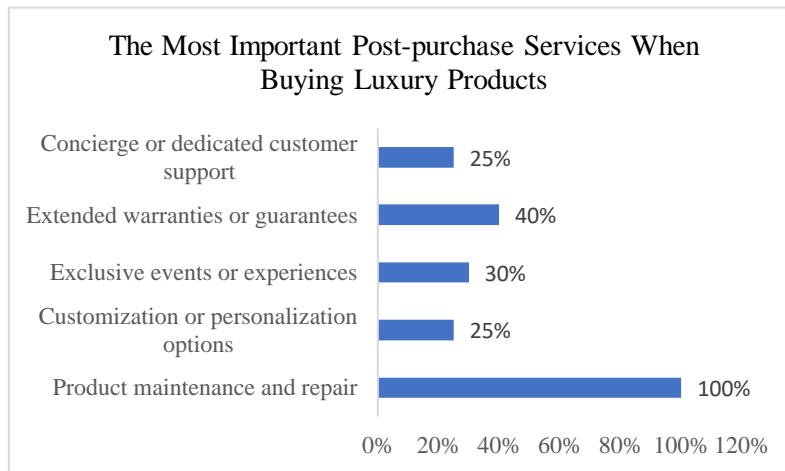
#### In what field are you occupied?

- Middle and Top Management  
*Quadros Médios e Superiores*
- Specialized Technicians and Small Business Owners  
*Técnicos Especializados e Pequenos*
- Employees of Tertiary Sector  
*Empregados dos Serviços / Comércio / Administrativos*
- Qualified / Skilled Worker  
*Trabalhadores Qualificados / Especializados*
- Unqualified / Unskilled Workers  
*Trabalhadores não Qualificados / não Especializados*
- Retired / Unemployed  
*Reformados / Pensionistas / Desempregados / A viver de rendimentos*
- Student  
*Estudante*
- Housewife/ -men  
*Domésticas*

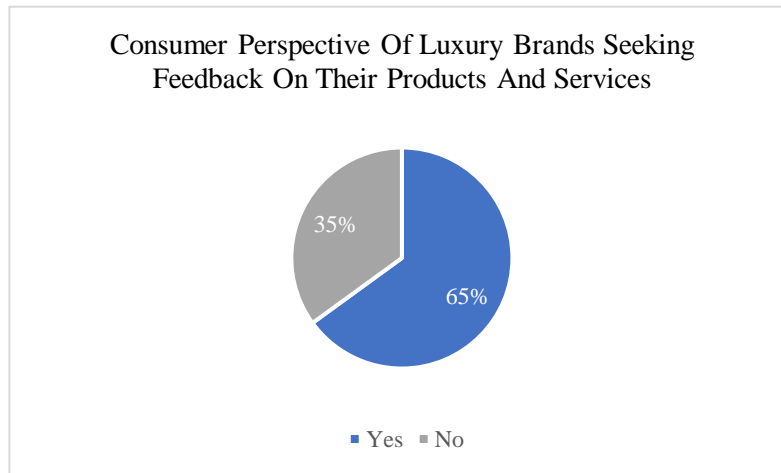
**Appendix 32: Survey Graphic — Utilizing Post-purchase Services Provided by Luxury Brands After Buying a Luxury Product | Filter: High Potential Customers, 36 – 65+)**



**Appendix 33: Survey Graphic - Important Post-purchase Services When Buying Luxury Products | Filter: High Potential Customers, 36 – 65+)**



## Appendix 34: Survey Graphic - Consumer Perspective of Luxury Brands Seeking Feedback | Filter: High Potential Customers, 36 – 65+)



## Appendix 35: Interview Guide — “How to maintain a relationship with high potential tourist consumers”.

Olá!

Estou atualmente a desenvolver a minha Tese de Mestrado na Nova ~~School of Business and Economics~~. Para a minha pesquisa, estou a realizar uma análise sobre consumidores internacionais interessados em produtos de luxo, especialmente joias e relógios.

Vou fazer-lhe algumas perguntas, e não se preocupe, não há respostas certas ou erradas. Estou interessado na sua experiência pessoal e sentimentos mais profundos.

Por favor, desenvolva o máximo possível em cada tópico.

A entrevista terá uma duração de aproximadamente 30 minutos. Para analisar a entrevista, vou pedir-lhe para gravar o áudio, por questões de transcrição. Não se preocupe, não partilharei a entrevista com mais ninguém, e os insights da pesquisa serão completamente anónimos. No final, irei fazer algumas perguntas demográficas.

Concorda com isso? Agradeço desde já.

1. ~~Initial question~~

Lembra-se da última vez que fez uma compra de luxo enquanto viajava? O que comprou?  
Onde comprou? O que o motivou a fazer essa compra? Pode falar-me um pouco da sua experiência?

2. ~~Topics to be developed~~

- Purchase behavior: how shopping is integrated in their travel experience and why
- Interest on the brand: is Cartier mentioned? Which are the most remarkable moments with the brand? Which are the less positives experiences with the brand?
- Connection with the brand: Do consumers visit Cartier every place they can? Do consumers inform brands they are visiting?
- Categories most bought while traveling: If shopping is part of the travel experience and if consumers like to purchase products like a souvenir, what are the most bought products? From which categories? Does it have a relationship with the country in question?
- CRM preferences: What are the customer relationship management techniques most valued by consumers while travelling; which factors consumers expect to maintain constant abroad countries and which factors consumers would like to be adapted from country to country?

3. Respondent's Profile

- Age
- Nationality
- Gender
- Occupation
- Education level

**Appendix 36: Interview Guide — “How to maintain a relationship with high potential tourist consumers”. | Cartier Former Employee**

## 1. Warm up

Olá!

Estou atualmente a desenvolver a minha Tese de Mestrado na Nova School of Business and Economics. Para a minha pesquisa, estou a realizar uma análise sobre consumidores internacionais interessados em produtos de luxo, especialmente joias e relógios.

Vou fazer-lhe algumas perguntas sobre o tópico e sobre como a Cartier aborda estes consumidores, e não se preocupe, não há respostas certas ou erradas. Estou interessado na sua experiência pessoal e profissional. Por favor, desenvolva o máximo possível em cada tópico.

A entrevista terá uma duração de aproximadamente 30 minutos. Para analisar a entrevista, vou pedir-lhe para gravar o áudio, por questões de transcrição. Não se preocupe, não partilharei a entrevista com mais ninguém, e os insights da pesquisa serão completamente anónimos. No final, irei fazer algumas perguntas demográficas.

Concorda com isso? Agradeço desde já.

## 1. Initial question

De que forma a Cartier identifica high Potential tourist consumers? Existe uma estratégia de CRM específica para este tipo de consumidores? Como abordam as questões culturais?

## 2. Topics to be developed

- How does Cartier approach tourist consumers? How can the brand approach the so many different cultures, preferences and needs each consumer has?
- What characteristics defines a high potential tourist consumer?
- Which initiatives does Cartier implement to create or maintain a relationship with tourist consumers after purchase?
- How much does Cartier emphasize culture in their strategies and interactions with clients?