

# Chapter 5

## The Internationalization of Italian Luxury Brands. The Missoni Case

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**Abstract** This chapter is about the international development of Italian luxury companies. It focuses on small–medium-sized family businesses, which characterize the Italian fashion industry. These businesses more than before have to manage internationalization processes by making stronger the relation between brand reputation and brand performance. Through the findings emerging from the literature and the analysis of the emblematic case of Missoni, the chapter aims to explain how a family luxury company develops a strong international brand in terms both of brand definition and of marketing strategies. The case investigated is built through a case analysis process that included the analysis of secondary data on Missoni and an in-depth interview with the General Manager.

**Keywords** Missoni · Italian luxury brands · Internationalization · Luxury family business · Marketing strategies

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Andrea Runfola, Silvia Ranfagni and Simone Guercini share the final responsibility for this chapter. However, Simone Guercini wrote the Sect. 5.1, Andrea Runfola wrote the Sects. 5.2 and 5.3; Silvia Ranfagni wrote the Sect. 5.4. Andrea Runfola and Silvia Ranfagni composed together the Sect. 5.5.

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## 5.1 Introduction

This chapter is about the international development of luxury companies in the fashion industry. Many contributions have considered the role of luxury players in the fashion industry, especially taking into account the perspective of large and well-known global brands managed by large multinationals, such as Prada (Moore and Doyle 2010), LVMH (Cavender and Kincade 2014) or Gucci (Moore and Birtwistle 2005). Nonetheless, the specific case of small–medium-sized family business luxury companies seems to have received minor attention. Although there are no doubts about the leading role of large players, the luxury industry even consists of family-owned luxury fashion brands of a small–medium size. In several industries there are companies which albeit small show a high international reputation. In some cases, the disproportion between fame and prestige of the company name and market performance brings out specific research questions with respect to the business model adopted (Guercini 2014). The Italian fashion industry is a relevant case in this sense. In fact, according to some recent data, family businesses in the fashion industry are still predominant (Corbetta et al. 2015), and there is a great share of them with small–medium size (Guercini and Runfola 2015a). The changing competitive scenario (Moore and Doyle 2010) has led these types of companies to expand internationally and to propose their brands abroad. In this process of international development, the need to increase both the awareness of the brand as well as the economic performances appears to be crucial. Moreover, being within the luxury industry, this process may show specificities with regards to the case of the international development of other fashion companies. Consequently, this chapter specifically addresses the marketing strategies implemented by family business luxury companies in their growth process abroad, in their attempt to gain a strong international position. In particular, the focus of the chapter is related to the following research question: How can a family business luxury company develop a strong international brand? What types of marketing strategies could be implemented? How could the company's brand values be managed in international markets in this specific case?

This chapter investigates these research questions presenting the case of an Italian luxury company. In this context, this chapter discusses the international development of Missoni. The company is one of the leading players in the Italian luxury system that is particularly relevant to the topics under investigation. It decided to accelerate its process of international development in recent years, trying to establish a wider global presence. This chapter proposes an analysis on the main brand values, the main marketing strategies that Missoni adopted to grow abroad. It is organized as follows. In the next paragraph, we propose a literature review on the main drivers proposed within the literature influencing the development of luxury fashion brands abroad. Then the methodology is presented. Subsequently, this chapter considers the case of Missoni, a family owned luxury company and its strategies to develop internationally. We then propose a case discussion and some final remarks.

## 5.2 Fashion Luxury Brands and the Internationalization Process: A Literature Review

The literature on the luxury business has always stressed the specificity of the selling of luxury items (Kapferer and Bastien 2012). In addition, recent literature contributions on the luxury business (Chandon et al. 2016) pointed out how the current global landscape proposes new challenges for luxury companies that call for a rethinking of their marketing strategies (Chandon et al. 2016). In fact, many scholars highlight new opportunities for luxury companies, as well as to other companies, both considering the rising role of new consumers, especially in emerging markets (Cavusgil and Buckley 2016) and the impact that new technologies, such as the Internet, may provoke to the management of luxury branding (Moore and Doyle 2010; Kapferer and Bastien 2012; Chandon et al. 2016; Guercini and Runfola 2016).

In this context, the study of how luxury fashion companies expand abroad is still intriguing.

Within the fashion industry, the issue related to the management of the brand in international markets has been addressed previously in the literature (Moore et al. 2000). The study of the perceptions around a luxury brand has been analyzed within the luxury fashion industry, according to several streams of research (Cavender and Kincade 2014). It is possible to point out contributions that investigated the more general brand management strategies (Okonkwo 2007; Fionda and Moore 2009) and some relatively new topics such as that related to innovative methodologies to measure brand associations (Crawford et al. 2014).

Within the literature, the possibility for fashion luxury companies to propose a standardized approach to international markets has been highlighted (Moore et al. 2000). In other words, it has been stressed how luxury companies can try to propose a standardized positioning worldwide. Luxury fashion brands can then become global brands, where, following the definition of Craig and Douglas (2000), global brands are those that are characterized by three main components (Craig and Douglas 2000). In fact, according to the authors, other being characterized by a worldwide standardized brand image, to be global a brand needs even to have a wide international presence, in terms of total number of foreign markets served and a perception by consumers in terms of global availability of the brand (Craig and Douglas 2000, p. 275). Within the fashion industry, it is possible to note how some very well-known brands may be considered global in that sense. Moore et al. (2000) for example, studied the expansion of a sample of fashion design retailers, a list that included very well-known luxury brands, pointing out that the international development of these brands was reached, among the others, through a standardization approach of the brand communicated in each market (Moore et al. 2000, p. 935). In this process, according to Wigley et al. (2005), the role of product and branding strategies are intertwined and crucial.

Although the search for a global presence seems to be related to a standardized approach, at the same time it has been noted that new trends, such as the rising of

emerging markets, seems to push companies towards the consideration of some adjustment to local consumers (Cui et al. 2015; Liu et al. 2016) in their branding strategies towards international markets. Moreover, it has been stressed that opportunities may arise by the implementation of new marketing strategies (Chandon et al. 2016).

A relevant strategy to increase the awareness as well as to raise sales abroad is assigned to the management of the retailing phase, especially in the case of manufacturing companies that open stores in international markets (Guercini and Runfola 2015a). The investment in the retailing stage has become in the last decade one of the main strategies to penetrate and to increment sales in international markets in the fashion industry (Guercini and Runfola 2016). The store represents, in fact, a key mode to enter in the market, as noted by Moore et al. (2010), that studied the importance in this sense of a specific retail format, the flagship stores. Following this line of reasoning, recent studies analyze the experimentation of new retail formats for luxury companies. For example, Lassus and Freire (2014) pointed out the role of pop-up stores, an innovative retail concept. Moreover, as noted by Guercini and Runfola (2016), who studied the specific case of Italian fashion companies, the opening of retail outlets within the fashion industry, is relevant for all the companies, targeting both the middle and the upper classes in international markets. In a study that analyzed 300 Italian fashion brands, the two authors found that more than 2000 stores were opened worldwide in a 10 year period (Guercini and Runfola 2016). Consequently, the internationalization of luxury companies seems strictly related to the managing of the stores abroad and to the definition of a retail stores mix to use in their international development.

Along with the expansion through a significant investment in store outlets, recent attention has been given to the role of new technologies, with a specific focus on the Internet potential for the development abroad within the luxury fashion industry (Chandon et al. 2016; Guercini and Runfola 2015b).

The possibility to offer to the consumer a comprehensive and satisfying Internet experience has given rise to the wide use of social media even in the case of luxury companies (Kim and Ko 2012; Dauriz et al. 2014; Godey et al. 2016). In this sense, new opportunities for the communication of the brand may emerge, even though the understanding of how each foreign market may be peculiar requires a specific investment in learning processes (Guercini and Runfola 2015b). Moreover, even the role of fashion blogging as a phenomenon that substantially changes the word of mouth among consumers (Kulmala et al. 2013), should be addressed by luxury company (Moore and Doyle 2010).

Furthermore, it has been noted how the Internet could represent a relevant means for incrementing the sales abroad for luxury fashion companies, not only considering it as a direct distribution channel but also taking into consideration the development of multi-brand online retailers (Guercini and Runfola 2015b). During the last decades, taking into account a general perspective, the online sales of luxury products grew substantially and are expected to grow significantly even in the future. According to Remy et al. (2015), the online luxury sales of personal goods (including the fashion items) shown an annually percentage increase of 27% during

the last 5 years (Remy et al. 2015, p. 9). Considering this, the online presence in terms of e-commerce for a luxury company can be added as a significant marketing strategy to reach new targets and new markets (Chandon et al. 2016).

To summarize, new trends have emerged in the context of the luxury internationalization. These trends represent at the same time opportunities and challenges. In this chapter, we try to analyze how these new opportunities have been considered by a family owned and small–medium business company in its strategy to strengthen its international growth. In fact, although these new trends can support the foreign expansion of the company, according to the authors, they may affect differently the case of a family owned and small–medium business luxury company, that is the specific attention of this chapter, with respect to the case of a global brand already present worldwide. The traditional characteristics that affect small–medium-sized companies in their international development (Ruzzier et al. 2006) may, in fact, represent a further challenge for the company in managing new opportunities.

In the next paragraphs, after a brief overview of the methodology, we deeply describe the case of Missoni and how the company developed abroad.

### 5.3 Research Method and Case Selection

To empirically analyze the research questions proposed in the introductory paragraph, this chapter describes the case of an Italian luxury company and its successful process of growing in international markets. The case is built through a case analysis process (Yin 1989; Eisenhardt and Graebner 2007) that included both analysis of secondary data on the company and an interview with the General Manager.

The case selected for this chapter regards the luxury company Missoni. The case was selected for its importance within the Italian luxury fashion industry. It is a very well-known brand, and its iconic products are highly recognized within the luxury market. The company is particularly interesting for the purpose of our research. Although the company turnover reaches roughly 64 million euro (Missoni Annual Report 2015), the awareness of the brand is relatively high, both in the national market and in those international markets where the company has been traditionally present in the last decade. The company brand is now strengthening its international presence taking into consideration new markets and trying to reinforce the presence in the international markets in which it is already present. Hereafter, in the next paragraph, we describe the history, the main brand values, the main target markets and the strategies implemented to penetrate in international markets.

The case is built on data gathered by means of an interview with the General Manager of the company. The interview was realized following questions developed by the authors of the chapter. The case is then based on secondary data on the company gathered in sources such as annual reports, company website, publications and news appeared in specialized magazines.

## 5.4 Branding Strategies and Internationalization in the Missoni Case<sup>1</sup>

### 5.4.1 A Brief History

Missoni is a family business that was originally founded to produce sports fabrics and clothing. Its founder, Ottavio Missoni, in fact, was an athlete who practiced sports competitively and participated in major events, including the Olympic Games in London in 1948. Thus, he decided to combine his passion for the sport with the business activity that he started by producing tracksuits. In 1953, he set up the Missoni company together with his wife, Rosita. She has possessed manufacturing skills. In fact, she had worked for many years in a company that produced household linen and had acquired specific skills in using fabric remainders to create patchwork used to design and develop prototypes of collections. Together with Rosita, Ottavio developed a unique style of dress based on the search for colours and on bringing together zigzag patterns, stripes, waves and yarns within geometric and floral jacquard patchworks. Today Missoni is a *family business* distinguished by a high level of both creative and technical skills in knitwear production; its sweaters embody, moreover, a content of craftsmanship thanks to the human skills involved and one of technology due to the highly innovative manufacturing equipment employed. This combination, inherent in all Missoni collections, is the result of an evolutionary process that the company has pursued over time and has earned it the reputation of being one of the most sophisticated fashion companies in the world. Missoni has never experienced times of turnaround but has grown steadily and continuously over time. It took off in the sixties: it made brand communications and it developed a brand popularity in European markets and especially in Paris, the undisputed fashion capital of the time. This market, more than others, was coherent with Missoni style. Later, in the seventies, the best-known fashion magazines elected Missoni as one of the most important international luxury brands. These are the years in which the company started to open the first stores in Italy, in Europe (France, Germany), Japan, the Middle East and the USA (New York). Beginning in the 80s there was an increasing intertwining between the Missoni brand and art; in 1994 first Florence, then Milan hosted *Missonologia*, an exhibition about the brand, and in 1996 two other exhibitions were held in Japan: the first at the Sazon Museum of Art, and the second at the Nagoya City Museum. Missoni collections are on permanent exhibition at the Museum of Modern Art in New York, at the Museum of Art in Dallas and at the Fashion Museum in Bath. Missoni has always been and still is a family business that distinguishes it from many other Italian luxury companies, which have been incorporated by multinational fashion groups. Ottavio and Rosita, in fact, decided to leave their shares to their three children (Vittorio, Luca and Angela), preparing the generational

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<sup>1</sup>In this section the quotes refer to the comments expressed by the General Manager during the interview.

succession when they were still fully active in the company. They assumed an attitude in contrast to that of many Italian family businesses, where generational successions tend to occur later and can be long and complex. The Missoni family, then, exhibits a different, somewhat revolutionary, mentality within the context of the Italian family firms. A reflection of this change can be seen in what happened in 1996, when the daughter Angela was asked to design the annual collection and entered as a creative director, replacing her mother. 2013 saw the deaths of Vittorio, who dies in a plane crash, and the father Ottavio. These were major losses for the company, which, however, was able to react quickly. Today it employs about 270 people; together with the family, its management involves an external manager, who is CEO and responsible for brand management and marketing activities. Missoni, while operating internationally, has always supported its growth without losing its family nature and making family continuity a source of differentiation in the panorama of Italian luxury.

#### 5.4.2 *The Brand Values and Collections*

The people who work in the company contribute to realizing a brand that is an expression of specific values that have always characterized its identity. One of these is the extremely high level of *sophistication* in the processes of Knitwear production. Missoni is in fact equipped with manufacturing machines, which are designed and tested internally to realize products that are internationally recognized as technically unique. Another indelible value is the synergy and proximity to the *world of art*: from its first collections, the family was inspired by the Italian Abstractism of the early twentieth century. This combination between fashion and art has accompanied the entire history of Missoni. This explains its intense and continued interest in and commitment to the study of design and of the relationship it has with art. A recent exhibition organized in Milan (Gallarate) testifies to the triad of Missoni, art and colour. Colour is a brand component that more than others has always been apparent to customers in international markets. Another fundamental brand value is that of *family*. In this regard, the CEO remarks that ‘our brand name, in fact, is not Giorgio Armani but Missoni, since it refers to a last name, not the name of an individual; Missoni is expressed through a family, and this was a characterizing and breaking element’. In fact the communications of Missoni as corporate brand present images depicting all the family members; the focus is not on the collections and models but on the family and its members. The Missoni brand identity is increasingly associated with the family and with art; moreover, the affinity for art has made the Missoni family capable of sensing emerging photographers and designers and thus of being talent scouts. Together with art and family, also sophistication finds its expression in the offering of Missoni; it includes collections for men, women, and children. Moreover, as initiator of a multicoloured aesthetic vision, Missoni manages to influence the contemporary lifestyle thanks to

the success of its Home line. The various collections constitute a *luxury at reasonable prices* if compared with those of its main competitors. The top line clothing collection ‘belongs to the world of a more possible luxury, in the sense that they are not lines in which the garments cost seven, eight or ten thousand Euro, but lines that have always been designed to be worn by ordinary people and to belong to a world of luxury which cannot be called democratic, because that would be too much, but that practices accessible prices’. Then there are the lines intended for wider dissemination such as the M Missoni line. This is produced by Valentino Fashion Group and has a different position; in fact, its price is about 30% lower than that charged for the top lines.

### 5.4.3 *The Brand Internationalization*

**Being different in the deep: the role of technologies and human abilities** In its internationalization processes, Missoni seeks to transmit the founding brand values. The PR activities and the advertising campaigns it uses are largely the same in all markets, so there is a widespread and *uniform brand image* and, thus, a common brand concept. However, a theme is emerging that seems destined to characterize brand communications; it concerns the product sophistication as a synthesis of manufacturing technologies and skills accumulated over time. In doing so, the Company seeks to enhance one of its undeniable sources of differentiation that it has developed, but without drawing too much attention to it, by investing in continuous innovations and in human resources. The idea is to *integrate* in communications the *sense of luxury* infused by the values of *family* and of *art* with that of a rare *manufacturing excellence* that combines the latest technologies with an internal heritage of productive knowledge. This integration is not easy to achieve. The challenge is to find a communication approach that limits the risks that emerge when the focus is the deeper content of brand tangibility. Among the risks is that of being too rational, educational and didactic. At the moment the company is considering to *combine different media* resorting to digital channels and adopting a style reminiscent of *story telling*. ‘Clearly, we cannot use traditional advertising media and the press, it is a question more closely connected to social media...they allow us to interact with consumers and to tell them things more accurately’. The value of the product sophistication as brand value could become important in markets like China and the United States, which are very sensitive to Made in Italy and to the uniqueness of product; using virtual communication to narrate something that Missoni does not need to invent, but that has always been part of its experience, could be appreciated in these markets.

**Combining wholesale distributors with being retailer** As to distribution choices, Missoni, although it has its own stores in the world’s most important cities, is not a retailer, unlike many other luxury fashion companies. More specifically it has



created a network of stores including 9 owned and 6 in franchise; it has a total of 35 stores worldwide. The main shops are located in Saudi Arabia (Riyadh), Austria (Vienna), the United Arab Emirates (Dubai), France (Cannes, Paris, Saint-Tropez), Germany (Munich), Japan (Tokyo), Great Britain (London) Hong Kong, India (New Delhi), Italy (Capri, Florence, Forte dei Marmi, Milan, Portofino, Positano, Rome, Venice), Korea (Seoul), Lebanon (Beirut), Morocco (Casablanca), Qatar (Doha), Russia (Moscow, St. Petersburg), Singapore, Switzerland (St. Moritz), Turkey (Bodrum), USA (New York). The direct distribution channel which Missoni makes use of is integrated with the indirect one, which consists of a large number of wholesale distributors. The direct retail, while not large, is strategic, as it is considered one of the ways the company can fully transfer its brand values and, therefore, its true DNA; among the multi-brand stores that Missoni favours, however, are the American department stores. As regards the international organization of the distribution network, the company has no agents. It has a subsidiary in the US, which manages relations with the market and which deals with both its retail and its wholesale stores. In markets where Missoni intends to increase its presence, it has direct managers who contribute to creating brand awareness and building business relationships with new clients, who are usually then received at the Missoni showrooms in Italy. In the Japanese market, the direct responsible figure is atypical as it is a distributor, which operates its own stores. At the moment the company also makes use of travel retail, as it has sales spaces in some of the major international airports. In these spaces, the offer consists mainly of textile accessories such as scarves and gloves; the offer will be expanded as the company intends to invest in the creation of a collection of bags, accessories and small leather goods.

**Searching for adaptations in the similarity** Missoni is active in markets that are culturally diverse. Among these, the most important is North American, followed by Europe, the Middle East, Japan and Korea. In the Far East, Korea and Japan are markets where Missoni has historically achieved great success and where it has been operating for about 30 years; thus, the trade relations it has with both are well consolidated. China is now one of Missoni's development frontiers and offers considerable business potential for the near future. Less important is the internal market, that is Italy; here purchases at the various Missoni stores are made predominantly by tourists visiting the country. The Italian market is weaker than others and therefore less attractive. The development of brand in markets that are culturally diverse implies tangible adaptations of product. 'There are differences which are essentially physical between the various markets and these are also the most important at this time because the wearability suitable for a Korean, Indian, Chinese and or European is objectively different'. Although the best-selling models are developed taking into account the different types of wearability, the knitwear products, as they stretch, involve fewer adaptations than other apparel products. The trend, however, is on the one hand, to develop collections for different markets based on a common denominator and, on the other, to assess the need not only to make product adaptations but also to propose something that is specific to the

different markets. ‘The Lurex for example is a type of yarn that is good for the US but not for Japan and Korea being a synthetic yarn. Here in Korea and in Japan you need something different’. Despite these adjustments, the identity of the brand that is conveyed is unique everywhere, so it is not subjected to rebranding choices, that is a competitive repositioning in different markets. The Missoni values are therefore transversal to international consumers.

**The force of Missoni family as a strategic asset for the company** Despite the ongoing internationalization in the company, the family remains an important asset also in the management of relationships with customers. ‘I think we gain a huge asset having the family in our company, a family of extremely nice and well-known people, not the least bit haughty, hospitable...this is a resource for a small company like ours, which helps us to manage clients’. Clients are in fact invited to the company headquarters in Sumirago (Varese): here they are shown the knitwear and more generally the collections and they are provided with an array of technical details concerning their production. These visits are combined with friendly and convivial gatherings in which the family plays a crucial role. Members of the family, in fact, organize pleasant activities that encourage socialization among clients, members of the Missoni family and business managers. ‘We invite clients to dinner at the home of Rosita Missoni, all this provides a kind of cocktail of technique and a sense of familiarity that we can bring to life... being small we can do this easily, but if we were a big brand it would be more difficult’. Its Made in Italy quality is an essential ingredient of the Missoni identity: it is an Italian brand whose products are manufactured almost exclusively in Italy, except for a few t-shirts of the men’s collection. The raw materials are Italian as well. Moreover, much of the production is made in the factories in Sumirago; therefore, they are not only for making prototypes and samples. The company is very close to Switzerland and therefore in the northern tip of the country; the choice of this location was made by the Missoni family, who liked to work in a very green place, in the woods. ‘We are in a unique position in the world: while we work we can see the squirrels’. At the same time, the company is situated in an area that can supply technical skills related to textile production and knitting. Although it is not a district area, it has a wealth of knitting mills.

#### ***5.4.4 Rethinking How to Approach International Markets***

**Combining digital and tradition communication** The communications of the Missoni firm will be increasingly transmitted no longer only through traditional channels but also through digital media. Digital media are considered to the most efficient means of communicating brand in international markets as they are capable of developing relationships with the end consumer and of rendering these relationships ever more interactive, thereby enhancing business potential. A digital

Missoni world by itself would not work, however. This world needs to be linked with the offline world. In this connection ‘it is very important to maintain an efficient offline commercial reality which makes it possible to have direct contact with the client. This integration is absolutely essential, and in our case, it is growing more and more’. Currently, Missoni has an expert in digital marketing who is employing new analytical instruments and new techniques of online communication to study and enhance the brand online, seeking to facilitate access on the part of a broader public. It is precisely an increased accessibility of the brand that the company is most interested in, rather than the growth of brand familiarity. This familiarity is to a significant extent already in place. ‘Missoni enjoys an enormous advantage compared with others in that when an actress or any other celebrity wears a Missoni outfit, you recognize it immediately. That is, you don’t have to point it out. For other brands it’s a bit more complicated, but Missoni has characterizing graphic features, which are unequivocal features of brand. Everyone knows that Obama’s wife during her visit to Milan wore a Missoni outfit, and this advantage increases the value of this kind of virtual communication for the company’. In this context, *the role of trade fairs* Textile fairs continue without doubt to be of crucial importance, as operators can approach brands and observe the fabrics directly. Operators need to touch fabrics to understand their structure, weight and degree of softness. There are other cultural events that are more important than the fairs as loci of inspiration such as the design fair held in Milan, which is highly regarded also beyond its own sectorial context. ‘If we turn to the fashion show, on the other hand, we are dealing with an event of considerable importance and visibility, perhaps even more so now than in the past, since it has the potential to become a global event. It is not an issue of fairs, then, but of events’.

**The need of making the brand awareness take off** Missoni feels an objective need to grow since the brand is certainly bigger and better developed than its total sales on the world’s markets. There is, then, a certain dissonance between the end consumer’s brand awareness and Missoni brand performance. It is necessary to reduce this dissonance. Given this premise, it is clear that Missoni needs to *develop a bit everywhere*. ‘Italy is certainly not our target. This is clear to everyone and hardly requires explanation, as the reasons are well known. If, on the other hand, we’re talking about virgin markets, one that would be of considerable importance for us would be China, as I mentioned before, as we are not present there and we need to get in. In that case it would be interesting to enter even only online. Online sales are incredibly dynamic in China. We’re talking about 800 million online customers, potentially an alternative system to traditional distribution’. *Beyond China*, other markets attract Missoni company. ‘We’re also present in Korea, Hong Kong, Singapore, and Japan, but we’re not present in the southeast, in Thailand and Vietnam, where the opening of exclusive shops would be more than justified’. However, Missoni also thinks *to redefine itself* in some markets. ‘On the question of the United States, we’ll have to work on a repositioning the Missoni brand. In Japan, on the other hand, we have create renewed interest in the brand, as we’ve

been present there for a long time, so it's considered a bit out-of-date, so we'll have to renew ourselves on the values of luxury and brand image'.

## 5.5 Case Discussion and Conclusions

In this paragraph, we try to propose some emerging issues from both the literature review and the case analysis of Missoni. As reported in the literature review, some new trends have affected the competitive landscape for luxury fashion companies. The analysis of findings drawn from the literature and the analysis of the Missoni case, allow us to consider some *research propositions* regarding the international development of a luxury company abroad.

A first result could be considered the fact that luxury companies deal with increasingly different and diversified markets. They are more and more socially complex. Moreover, the openness towards international markets (in both the advanced and the emerging ones) and thus, the emergence of new consumers and new values imply different modes of approaching international targets. It seems that strategies to approach these new markets and new values are based on brands whose personality has become more articulated. More specifically, brand values are now more sophisticated and give rise to an intriguing interweaving of brand associations that are able to valorize what the brand has always been, in other words, its authentic essence. In this regard, Missoni, in addition to the values of art and creativity, which emerge from the colours and patterns of the collections as the principle timeless brand values, tends to enhance the concept of 'being a family business' and the technology set of specific human skills. Consequently, art, family continuum, innovation and craftsmanship are intertwined to make Missoni a unique and more competitive brand in foreign markets. The diversity of brand lies therefore in a refined complexity of brand values that should reinforce its differentiation in the consumer's mind. In extending its brand values, Missoni has not compromised the historical values of brands. In fact, the international growth has led it to enrich the brand identity retrieving those values that, although defining the brand, have not been exalted in the competitive positioning strategies before. In this sense, the analysis allows us to propose the following research proposition:

*RP1 The international development of luxury family businesses is related to the ability to create a complex system of brand values.*

The family continuity, other than being an element of brand equity, also acts as a force that creates a feeling of community and impacts on the relational processes that the company develops with customers, mainly business clients. The involvement of family members in convivial occasions as contexts where they show the new collections allows customers to immerse themselves in unusual brand experiences. On these occasions, customers may also reinforce their social relations with the Missoni family and managers by exploiting a positive work atmosphere that may impact on the quality of business relationships. The association of the brand with an Italian

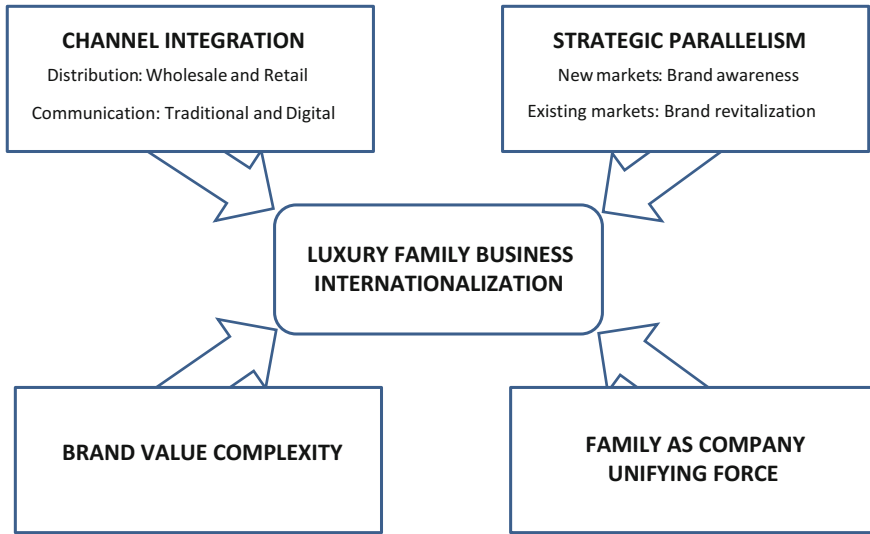
family strengthens the legitimacy that the market attributes to Missoni of being a 'Made in Italy' brand. The latter is not so obvious, and if perceived as such, can, in turn, enhance those brand associations as expressions of the family dimension embedded in the brand. There follows another research proposition:

*RP2 The family dimension is a company-unifying force in the internationalization process of luxury family businesses.*

The analysis of recent marketing trends in luxury fashion companies highlights the role that the different distribution channels play in reaching and intensifying the brand presence in the international markets. In the Missoni case, retail shops are mixed with the wholesale ones in a combination according to which the former become places where the brand DNA emerges in all its complexity due to the involvement of the company sales staff, while the latter are points of interaction with the market less controlled by the company even though driver of sales. At the same time, the multichannel approach also characterizes brand communication. More traditional communications are integrated with new digital channels to make the consumers' perception of the Missoni brand as complete as possible. Specifically, the digital media allow the company to both create brand engagement and render certain brand values (technological sophistication based on craft production skills) more accessible. In addition, the brand experience becomes more absorbing. The case shows how integration is a dominant marketing paradigm for Italian luxury family businesses involved in internationalization processes. However, this requires investment in new skills and abilities. Now the following research proposition can be advanced:

*RP3 The development of international markets in a luxury family business is based on the integration of distribution channels and among means of traditional and digital communication.*

The case considered here highlights the need to simultaneously achieve both the creation of a strong brand awareness and the development of market penetration strategies supported by targeted marketing actions. In other words, it is important to define what is the brand, but it is also essential to make it a sales engine. In competing in international markets, one of the main challenges that Italian family business has to face is to exploit diversity. In fact, consumers recognize brand diversity as a source of brand performance. Missoni seems to face this challenge by following two main paths: (a) the first is to invest in the integration paradigm expanding brand presence in stores and making communication deeper and more extensive and (b) the second is to enter new markets reviewing at the same time the brand positioning in the existing ones. This second strategic approach shows how, despite the high brand awareness, success in the international markets does not exclude the need to revitalize its brand and its ways of communicating. In this sense, there emerges a search for what we may call 'strategic parallelism', which we may define as the ability to assert the brand in foreign markets by combining the strengthening of the brand awareness and of the strategies used to transfer the brand values. Then leads to the following and final research proposition:



**Fig. 5.1** Four key assets to manage in the internationalization process of a fashion luxury family owned and small–medium company

*RP4 The development of luxury family businesses in international markets seems to call for a strategic parallelism between branding and building consumer relationships in international markets.*

Figure 5.1 summarizes our thinking. In our view, integration and strategic parallelism play a fundamental role in supporting a strategic approach towards to a more complex brand identity by exploiting the unifying force of family.

To conclude, although our analysis considers only one case and the specific empirical setting of the Italian luxury industry, the findings may have implications for both the theory and practice of luxury fashion management. From a theoretical point of view, they stress the need to rethink the way in which luxury companies can approach international markets. Our research, in fact, points out the increased complexity that luxury companies need to face and what potential strategies may be implemented. In line with the prevailing academic literature, we have pointed out which main drivers could lay the foundations for implementing innovative marketing strategies. Moreover, with a focus on a small–medium-sized family business, our research gives additional insights into how such a brand may start and develop a successful internationalization process. From a managerial point of view, the chapter proposes four main key assets to manage to support the development of the luxury company abroad. In synthesis, our analysis points out the need for further studies into how to approach international markets from the perspective of a luxury based company.

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