

THE STRATEGIC BRAND MANAGEMENT: MASTER PAPERS

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STRATEGIC BRAND MANAGEMENT

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Limited Edition:
Collaborations between luxury brands

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Limited edition:

Collaborations between luxury brands

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Purpose: The purpose of this paper is to see what luxury brands gain from a limited-edition collaboration in terms of segment, positioning and target group and based on the identity prism, see what characteristics that are transferred from and to the brands in the collaboration.

Design/methodology/approach: First a literature review is presented with relevant theories for the purpose of the paper. Luxury brands, co-branding, limited edition and brand identity are concepts of interest that are described and analyzed. Multiple case-studies were conducted and analyzed based on secondary data from websites in combination with academic articles and literature to be able to answer the research question.

Findings: It is possible to draw some cross-case conclusions regarding reaching a new target group, however, we cannot determine whether this is also valid long-term or just during the collaboration. For two of the cases, a new segment was reached through the collaboration hence creating potential customers for both brands in the future. Regarding the positioning in customers' minds, it is difficult to say without collecting information from them, nevertheless, we can see that some brand characteristics have the potential to be transferred from and to the brands in the collaboration that they can benefit from long-term.

Research limitations: The study is based on secondary data; therefore, it is difficult to determine if the limited-edition collaborations affected the brand characteristics from the senders' side. It would also result in a deeper understanding if it was combined with information from the consumers and how a limited-edition collaboration between two strong brands affect the picture of the recipient in the brand identity prism.

Originality/value: This paper offers an insight into unexpected collaborations between very different brands. It can be of value for brands considering creating a limited edition with another brand and what such a collaboration can result in terms of benefits and unwanted consequences.

Keywords: Limited edition, luxury, co-branding, brand characteristics.

Introduction

With this master paper, we seek to explore and gain an understanding of the driving forces behind limited edition and co-branding from the perspective of the brands participating in a collaboration. In recent years, collaborations between brands have gained popularity, especially amongst brand with a luxury-positioning (Oeppen & Jamal, 2014). Authors before have mainly explored the consumers perspective of co-branding and collaborations between brands, and a few from the brands perspective (Oeppen & Jamal, 2014). Therefore, we would like to build this thesis on outcomes of collaborations and co-branding for brands in the luxury-market. Further, we have chosen to focus on collaborations between brands which are perceived as dissimilar for example in consumer-targets, positioning and product-offering. To explore this topic, we will propose case studies of three collaborations we have found to be of interest; Louis Vuitton x Supreme, Dolce & Gabbana x Smeg and IKEA x Off-White. We wish to investigate what happens to the respective brand during and after offering limited edition products in co-branding. We are going to investigate this through theories regarding brand identity, co-branding and limited edition. From our chosen cases we will present similarities and differences between our chosen case-studies, as well as what new characteristics brand achieve from co-branding. We have studied the outcomes for the corporations in questions and their gains from collaborations/co-brandings.

Research questions

What does luxury brands gain from a limited-edition collaboration in terms of segment, positioning and target group? Based on the identity prism, what characteristics are transferred from and to the brands in the collaboration?

Literature review

Luxury brands

There is a distinctive difference between luxury brands and premium brands although premium brands hold some elements of luxury (Kapferer, 2012). Luxury brands have the freedom to set prices at a level that exceeds its products functional value and luxury goods can therefore be viewed as priceless (Kapferer, 2012; Kapferer & Bastien, 2012; Vigneron & Johnson, 2004). The aim of luxury brands is to create its customers' dreams, not respond to their existing ones (Kapferer & Bastien, 2012). Hence, luxury brands are driven by its creators and not through customers' needs and wants (Kapferer, 2012; Kapferer & Bastien, 2012). Luxury brands can use a step-down brand extension strategy that allows them to offer a more affordable aspect or edition of their products (Shin, Eastman & Mothersbaugh, 2017). The objectives for this could be to increase profitability temporarily by attracting or targeting customers they otherwise would not be able to reach, perhaps because of the price premium luxury brands adopt. Regardless of the objectives, a step-down strategy can be realized through co-branding.

Co-branding

Co-branding can be employed by marketers in an attempt to adopt the existing positive brand-associations of two brands into a new co-brand, also called a composite brand. Co-branding is a path towards creating a strategy that both brands gain from, regardless of the perceived brand equity of the consumers; being high or low (Washburn et al., 2000). Low equity brands are said to gain most from co-branding, nevertheless, high equity brands are most often not downgraded when in a collaboration with a partner of lower equity (Washburn et al., 2000). In co-branding strategy, the valuable brand assets are allowed to be combined and leveraged in

forming a strategic alliance together with another brand and its name. From a financial point of view, this alliance is greater combined than the two brands would be separately (Rao & Ruekert, 1994).

Continual growth is according to Kapferer (2012) additionally something that can be achieved from co-branding. Instead of acquiring new competencies and the ability to innovate through mergers and acquisitions, companies can find a partner with whom they can co-create (Kapferer, 2012). A brand's identity has limits, and in the growing process, a brand can overcome these limits through a partnership and hence fill any gaps where the brand is not legitimate or adequate (Kapferer, 2015). Co-branding has become increasingly popular as a strategy within the luxury industry and is not only growth related (Oeppen, Jamal, 2014). Kapferer (2012) provide various reasons for co-branding such as reaching success in a different market, increase possibilities to communicate with another target group that might have been inaccessible due to the brand image or to create a buzz around the brands in the collaboration.

Limited edition

Customers preference for scarce items can result from an increased perceived exclusiveness of the product, transmitted to the brand (Shin et al., 2017). According to previous theory with regards to scarcity, consumers seek a product more intensively when it is hard to reach or obtain (Shin et al., 2017). By launching a limited-edition product, the luxury brand in question can signal the high quality as well as value to the relevant consumers. As a result, from the scarcity of a limited-edition product, consumers can use it to signal their uniqueness and status by possessing the limited edition product from the brand (Shin et al., 2017).

Scarcity to a product can be used as an important tool for marketing, which can enhance the preference for a brand from the consumers through the product. This can ultimately generate an improved brand evaluation and intention of purchase by creating a sense of urgency amongst the consumers (Shin et al., 2017). While we can conclude that scarcity has a positive effect on the attractiveness of the product from the consumer's point of view, this only applies when the scarcity is created by supply or demand, in other words not randomly (Shin et al., 2017). From a brand management perspective, limited edition is created on purpose to limit the supply of products to create the illusion of increased and maintained exclusivity while increasing profit (Shin et al., 2017). Millennials are now the largest consumer-group in luxury goods and are more interested in the symbolic value of a good (Shin et al., 2017). Limited edition is said to affect brand profits positively and at the same time increasing competition in price between the brands (Lee & Wo, 2016).

Brand identity

The brand identity prism consists of six facets that are related to the brand identity, how it is aimed to be perceived by the sender and how it is perceived by the constructed recipient. The identity of a brand thus contributes to its clients' identity and perception of themselves (Kapferer & Bastien, 2012). The *physique* is the features that a brand holds that comes to mind when hearing or seeing the brand name, but it is also signs, colors and other features that are related to a brand's physique (Kapferer, 2012). The brand *personality* is the character of the brand which is recognized through communication where you "get to know the brand", and the character traits are the same as if it was a person (Kapferer, 2012; Kapferer & Bastien, 2012). The *self-image* facet is related to the brand's customers' feelings about themselves when purchasing and using a specific brand.

(Kapferer, 2012; Kapferer & Bastien, 2012). The aspect *reflection* is related to the perceived client of a specific brand since brands tend to build a reflection of its customers over time (Kapferer, 2012). *Culture* can be seen as the most important part of a brand's identity since it is the facet where cult is created (Kapferer & Bastien, 2012). The *relationship* facet refers to the relationship between the brand and its customers, and all aspects together create the brand's identity (Kapferer & Bastien, 2012).

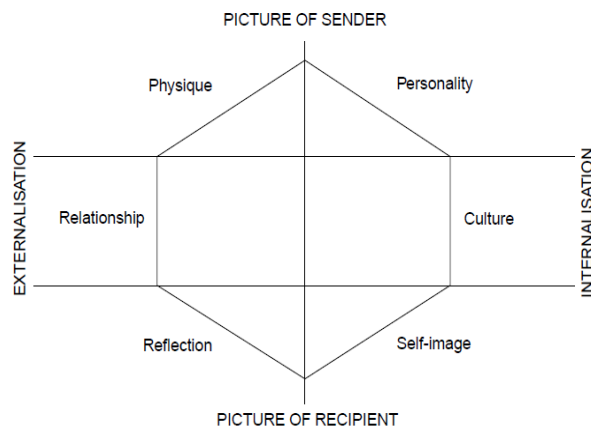


Figure 1. Brand Identity Prism (Kapferer, 2012)

Methodology

According to Lundahl & Skärvad (2016), a case-study research is lately seen synonymously to a qualitative approach. However, this is not the entire truth but since this paper seeks to examine several cases in depth aiming to try theories, this paper can be considered a case-study of qualitative nature. When using a qualitative approach, the focus is on describing and analyzing phenomenon to get a deeper understanding of the phenomenon (Lundahl & Skärvad, 2016). We wish to explore what luxury brands gain from collaborating with another brand in terms of segment, positioning, and target group. This paper will also examine what characteristics are transferred from and to the brands in question, as well how they can

reach new targets and positions from this. This analysis is based on the brand identity prism by Kapferer (2012).

Three cases in different industries have been chosen for this study, but they are all considered premium or luxury brands and their collaborations have been limited edition collections. The cases chosen are Louis Vuitton x Supreme, Dolce & Gabbana x Smeg and IKEA x Off-White.

Since we are studying three cases we are conducting a multiple case-study for this thesis to be able to see similar and contrasting results between the cases (Yin, 2012). From providing an overview of the appropriate literature, theories have been described and developed for the cases as an assistance to our discussion and analysis. Each corporation is first described to inform the reader regarding the brand characteristics, segment, positioning, and target group and we also touch upon the different facets of the identity prism. This is followed by a section where the collaboration is analyzed from the same aspects. Lastly, cross-case conclusions are drawn to ultimately be able to answer the questions of the paper.

Case-study discussion

Case Study 1

Louis Vuitton

Louis Vuitton was founded in Paris in 1854 and has since then become named as “the best luxury brand” globally by Interbrand (LVHM 2018; Interbrand, 2018). Louis Vuitton is a part of the LVHM group that consists of 70 brands in six different sectors (LVHM, 2018). Bernard Arnault, chairman and CEO of the LVHM group describes the brands in the LVHM portfolio as “[...] a long term vision that builds on the heritage of our Houses and stimulates creativity and excellence.” (LVHM, 2018). On the Louis Vuitton website, heritage is also described as a vital part of their identity along with

physique characteristics such as handcrafted quality and personalized items (LVHM, 2018). Louis Vuitton's target group is perceived as upper-class, modern and elegant men and women based on their communication (Louis Vuitton, n.d.). Their products can be purchased in-store or online and some of Louis Vuitton's products are classics that have been in their assortment for decades (The Handbag Spa, 2017). The prices of their products reflect the quality and handcraft behind every item meaning that the price tag is set at a level that is not affordable for everyone (Louis Vuitton, n.d.). Louis Vuitton has collaborated with different designers throughout the years and their products are advertised in print, films and shown on the runway (Louis Vuitton, n.d.).

Supreme

Supreme opened its first store in Manhattan 1994 and the brand quickly became a part of the downtown culture (Supreme, 2018). Supreme positioned itself as a brand associated with authenticity, quality, and style and has over the years collaborated with designers and artists that have helped them to strengthen their uniqueness (Supreme, 2018). Supreme mainly targets male millennials and their products are, according to the founder James Jebbia, affordable for young people (LinkedIn, 2017). Every Thursday, Supreme releases their new collections and the supply never meets the demand, hence they always sell out of products (Financial Times, 2017). All their collections are consequently limited editions since the quantity of products is limited and they rarely restock (Jang, Ko, Morris & Chang, 2015; Supremecommunity, 2018). The Supreme fans queue to get their hands on the new collections, and since the collections are limited editions the second market for their products have become extensive (Financial Times, 2017; LinkedIn, 2017). The collection drops and the brand itself is built around hype (Financial Times, 2017). Supreme usually reveals imagery and

information regarding the collections a couple of days before the release date and they rarely advertise in print or showcase their collections at fashion shows (Financial Times, 2017). Instead, they use social media and word-of-mouth strategically to create a buzz and hype around the brand and its products (Financial Times, 2017).

Louis Vuitton x Supreme

In 2017 Louis Vuitton and Supreme launched a limited-edition collaboration that was sold exclusively in pop-up stores and in selected Louis Vuitton stores in various cities (Louis Vuitton, 2017). The day before the release of the collection the following statement regarding the collaboration could be found on Louis Vuitton's website "[This is] more than a collaboration between two labels, this represents the excellence of New York street style and the Louis Vuitton's French savoir-faire" (Louis Vuitton, 2017). Their target groups vary greatly, and each brand possesses very different brand characteristics, therefore the collaboration can be seen as unexpected but also strategically smart.

In this collaboration, we can argue that Louis Vuitton employed a step-down strategy to reach another target group and customers that might have been inaccessible through their own brand; the millennials. Since the collection was mainly bought by ordinary Supreme customers it shows that Louis Vuitton succeeded in creating brand awareness among the millennials as well as reaching a new target group. If they managed to change the positioning in the customers' minds and not only reach but also maintain the millennials as customers after the collaboration are difficult to say. However, according to Kapferer and Bastien (2012), it is important for luxury brands to communicate beyond its target group to create brand awareness and a sense of prestigiousness since it is considered a loss in

value if someone fails to recognize the brand. Therefore, the main aim of the collaboration was perhaps not to generate new customers long term but to create a buzz and increase brand awareness as Kapferer (2012) states as one of the reasons for co-branding. If the collaboration was aiming at creating a buzz it was successful since it was discussed in various platforms.

The Louis Vuitton brand is perceived as a sophisticated, high-quality heritage brand that targets the ones who wants to feel elegant, classy and prestigious. Supreme, however, is perceived as a young, street style brand that targets the ones who wants to feel cool, stylish and unique considering the limited number of items sold. In the collaboration, the two brands benefited from each other's features. Louis Vuitton's products reached a new target group while Supreme enjoyed the benefits such as quality from the Louis Vuitton brand (Financial Times, 2017). Regarding the brand characteristics, none of the facets seems to change permanently for the brands, however, they seemed to serve as a benefit for the customers buying the co-branded collection (Financial Times, 2017). A brand identity could have limits according to the co-branding theory and through a collaboration the brands can overcome some of their potential limits. For Louis Vuitton elegance and upper-class characteristic can limit the access to the street style industry and the younger audience. For Supreme fans, this collaboration represented a significant step for streetwear as high-end fashion and streetwear become more intertwined (Highsnobiety, 2017).

The collection was released the same way as Supreme collections usually are, but under stricter conditions (Financial Times, 2017). Since scarcity creates a greater desire for products, the lines for buying this collection began as soon as the places where to buy it was leaked (Financial Times, 2017). The price tag on the items was way higher than

Supremes regular products, and for some of the items, it was even more expensive than Louis Vuitton's products. An ordinary Louis Vuitton Keepall bag from the mens' collection is sold for 1 320 € while the Louis Vuitton x Supreme Keepall bag was sold for 2 690 € (Louis Vuitton, n.d.; Hypebeast, 2017). The price did consequently not fall under the step-down strategy that usually results in a price compromise (Shin, Eastman & Mothersbaugh, 2017).



Figure 2: Louis Vuitton Keepall bag, (Louis Vuitton, n.d)



Figure 3: Louis Vuitton x Supreme Keepall, (Stockx, 2018)

Case Study 2

Dolce & Gabbana

Dolce & Gabbana (D&G) is an Italian luxury brand founded in 1985 by the designers Domenico Dolce and Stefano Gabbana. The brand is one of the leading international groups in the fashion and luxury industry that creates, produces and distributes high-end clothing, leather goods, footwear, accessories, jewelry and watches (D&G, 2018). In 1986 they presented their first line called “Real Women” during Milan Fashion Week. The brand got international attention in 1991 when Madonna wore a piece on the red carpet during the Cannes Film Festival (Vogue, 2015). The style of the brand expresses elegance, modern classicism, based on superior sartorial content and creativity (D&G, 2018). Dolce & Gabbana have a strong identity that has evolved over the years without ever forgetting its origins. The inspiration behind the style is drawn from the film *The Leopard* by Sicily of Luchino Visconti’s in 1963 (Fashion History, 2018). As Domenico Dolce says “When we design it’s like a movie. We think of a story and we design the clothes to go with it” (Living, 2017). The style of the brand is inspired by artisan sartorial tradition and Mediterranean culture of Italy also known as Sicilian Culture. The brand targets people who are innovators, trendsetters and everyone who enjoys the freedom of fashion. In 2015 D&G revenues were at the amount of 1,055.9 million euros (D&G, 2018).

SMEG

Smeg was founded in 1948 by Vittorio Bertazzoni in Italy. The brand is today one of the leading home appliance manufacturers, with its extensive sales network, overseas offices and subsidiaries worldwide (SMEG, 2018). Smeg is committed to bring everyday objects to life and considers style as a distinct concept “The way a product communicates with its surroundings and enables users to

interact with it” (SMEG, 2018). The corporate culture of the company concentrates on emphasizing product quality, technology and design. Smeg is also very proud of its Italian identity and expresses its origin in inventive elegance, product quality and originality (SMEG, 2018). However, the company success lies in the creation of world-class products by virtue of highly invests in research and development (Architecture AU, 2012). Many people describe Smegs’ products as an object of desire and modern design classics (Independent, 2010).

Dolce & Gabbana x SMEG

In 2016 Dolce & Gabbana and Smeg began their collaboration with 100 limited-edition FAB28 refrigerators. The theme of the brands’ collaboration was to pay homage to their Italian heritage and adding the spirit of ‘la dolce vita’ to the consumers’ homes, by combining artistic sensibilities and design, while maintaining a high standard of functionality (Forbes, 2018). Each one of the refrigerators was one of kind and hand-painted by varying artists of Domenico Dolce and Stefano Gabbana’s choosing and the price of one limited edition refrigerator was 45 000 € (SMEG, 2018; Forbes, 2018). Creating this collaboration allowed the brands to target new upper-class consumers that are willing to pay a lot of money for a luxury limited-edition refrigerator. Nevertheless, this collaboration could be a step-up strategy for Smeg since Dolce & Gabbana is acknowledged as a luxury brand.

The collaboration on the FAB28 refrigerators was so successful, that in 2017 D&G and Smeg join creative forces again to create the collection “Sicily is my Love” (D&G, 2018). This time the collaboration focuses on smaller products such as toasters, citrus juicers, coffee machines, kettles, blenders, stand mixers and slow juicers (SMEG, 2018). For this collaboration, high fashion designers

created the unique design on the domestic appliances in order to uncover an Italian story. All the products were covered with reflective interpretations of Sicilian folklore, such as lemons, prickly pears, floral motifs and images of Mount Etna (D&G, 2018). An important part of this collaboration is that regardless of the two different creative sectors the brands are in, they are bound by strong values of “Made of Italy” brand that results in passion and profound creativity (D&G, 2018). Both companies are considered to be luxury brands in different categories, therefore it is hard to determine whether the brands apply a step up or step-down strategy for this collaboration. Since Smeg created the products and D&G contributed to the painted pattern which adds value to Smeg products we would argue that Smeg pursued a step-up strategy. You can see how the physique of the product changed in *figure 4 and 5*. For instance, a regular white Smeg kettle cost 150 € while the Dolce & Gabbana x Smeg limited edition cost 500 €. The collaboration aimed to reach a broader target group making the line affordable, reachable and available to more customers. However, the price escalation is almost 250% higher than the original price for the Smeg product.



*Figure 4. Dolce & Gabbana x Smeg,
(Smeg, 2018)*



Figure 5. Smeg, (Smeg, 2018)

In April 2018 Dolce & Gabbana and Smeg revealed their third collaboration called “Divina Cucina”, which is again based on both brands Italian heritage. The collection consists of two patterned sets, which are featured across a range of Smeg appliances such as refrigerators, coffee machines, blenders and more (Vogue, 2018). In this collection they have featured two different patterns, the first one is in the shades of pearl white and ocean blue, inspired by Italy’s maiolica ceramic pottery (Country & Townhouse, 2018). The second designs’ colors are golden yellow, prickly pears, and bright red cherries, however, this pattern is inspired by Mount Etna and Crotchi, which is a classic Sicilian decoration (SMEG, 2018). With this collaboration the brands wanted to make it possible for the consumers to furnish the whole kitchen with the same limited-edition pattern. It is very usual for Smeg customers to match all of their home appliances in the same color range. The most purchased color shades for Smeg products are cream, white and black (SMEG, 2018). This is the reason why the brands created an entire range with the same pattern, in order to strengthen the relationship with those consumers that want to match their kitchen appliances. In our opinion Smeg and D&G make the desire of those limited-edition patterns stronger.

As mentioned before, regardless of the two different creative sectors the brands are in, they are bound by strong values of “Made in Italy” that result in passion and profound creativity (D&G, 2018). The brands are very proud of their Italian heritage and implement it for the creation and design of new products. Having the brand identity prism in mind we can see a positive change in Smegs’ personality and culture. The collaborations have helped Smeg to enhance its Italian heritage further through Dolce & Gabbana’s strong Italian heritage. During the second collaboration Smegs’ products gained new characteristics, due to the creation of new colored pattern by Dolce & Gabbana. Furthermore, with each collaboration the brands succeeded in targeting new consumer groups and achieved new relationships with them.

Case Study 3

IKEA

In 1943, in the relatively small Swedish county Småland, Ingvar Kamprad at the young age of 17 founded IKEA. Worth mentioning is that the inhabitants of Småland are known and said to be innovative and hard-working, as well as having a casual and effective approach to problem-solving. This is described to be the heritage of IKEA today (IKEA, 2018). The main concept of IKEA and their business-idea relates to affordable home furniture that is accessible and suits to the majority of people and their lifestyles. They achieve this by combining quality, function, design, value, and not forgetting sustainability. The aim of IKEA is to “help more people live a better life at home” (IKEA, 2018). IKEA operates in several countries around the globe through franchising, except for the IKEA Delft Store in the Netherlands (IKEA, 2018).

Off-White

Off-white is a modern clothing-brand based in Milan which is rooted in “a taste level particular to now” (Off-White, 2018). Seasonal collections are presented which reflects a specific opinion of the creators, which entails that a collection is sometimes not in congruence with the vision for the brand as a whole. Starting off as a clothing brand Off-White also manufactures furniture to appeal to a lifestyle type of brand. The concept is based on season and adapts to new concepts of a particular season. Although, what is contemporary for the brand is the core value that “to be made from the best available and particular opinion regarding fabric, fit and fabrication” (Off-White, 2018). From this, Off-White is a young brand with the urge to sophisticatedly embrace the now (Off-White, 2018).

IKEA x Off-White

Off-White has created a collaboration with IKEA with the purpose of targeting millennials, considering their need for functional furniture without compromising on the design, which will be released in 2019 (Café, 2018). IKEA and Off-White might seem as an unanticipated collaboration amongst consumers considering Off-White being a street-wear-luxury fashion brand and IKEA a functional furniture brand. The brands have different positioning and target market. The IKEA Off-White-collaboration has been highly speculated around; in social media, blogs related to interior and fashion, as well as fast spread word-of-mouth; strengthening that co-branding creates a buzz as Kapferer (2012) states. Considering the high speculations, it has been revealed little about the collaboration from the creators, putting the expectations even higher. What yet has been revealed is glimpses on parts of the collection, approximate price range and release year (2019). The collaboration between the brands will result in a price

compromise with the products ranging from € 9.99 for cushions to € 279 for a table (Highsnobiety, 2018). This price range is leaning more towards IKEA's current pricing than Off-White's. There are a limited number of products that will be released, and therefore it has been speculated that the collection will sell out in seconds (Highsnobiety, 2018).

Since Balenciaga did their luxury-version of the Swedish and classic Frakta bag, IKEA has earned more attention in the fashion-industry from this. Balenciaga taking the blue plastic shopper-bag which in IKEA sells for € 0,48 and turning it into a €1,600 cult streetwear item. This collaboration as described in the quotation by Virgil Abloh captures the objectives behind it: "What I am most interested in is doing that process in partnership with the brand. It's allowing me to put my opinion on a classic. It's unique, and distinctly as much of off-white as it's IKEA" - said the founder of Off-White, Virgil Abloh, in a post on IKEA's official Instagram-page (Ikeatoday, Instagram, 2018).

The collaboration can be regarded of high interest due to the different characteristics of the brands. The characteristics of the individual brands included in the collaboration are IKEA with its innovative, down-to-earth and affordable features. Off-White's boldness, youthfulness, and personalization. When combining these written features and characteristics of the two brands the collaboration manages to meet the preferences of millennials on a new level which is also the outspoken objective of the collaboration from the creators. By creating a collaboration, IKEA and Off-White seek to create a home for millennials that are in the offset of beginning their adult lives (Cafe, 2018). IKEA ultimately gains "coolness" and Off-White gains access to a new consumer group, that otherwise might not afford Off-White premium priced products.

The collection between IKEA and Off-White esthetically is Virgil Abloh (Off-white) take on an IKEA classic; The rug. What has yet been revealed in addition to the Rug is Off-White's take on IKEA's blue Frakta bag. The collection pairs the IKEA functionality with Off-White's street style and statements.



Figure 6. Virgil Abloh, IKEA x Off-White (Preview Magazine, 2018).

Millennials are said to be increasingly consumption-oriented and sophisticated in their shopping-manners than generations prior (Shin et al., 2017). Therefore, millennials have an extensive purchasing power, spending more on luxury and premium goods than any other age group in the market (Shin et al., 2017). Ultimately it is argued that millennials are more attractive consumers in the luxury market because they have a higher tendency to purchase goods to signal their status to their surroundings (Shin et al., 2017).

Since the collaboration have not yet been released, it is difficult to anticipate the actual outcomes both internally and externally for the brands; this we are yet to see the results of in 2019. A strategic alliance between IKEA and Off-white, in this case, means that Off-White potentially gains financially from a larger consumer group. IKEA could then gain from the trendiness and appreciation in the fashion-market from Off-White. Since Off-White has created furniture prior to their

alliance with IKEA; this is not a new field and a way for Off-White to expand this field without heavy investments and could be seen as a chance for Off-White to gain more knowledge in the furniture market for the future.

As revised in accordance to the literature of co-branding an identity has limits, and IKEA and Off-White can overcome their respective limits through a collaboration. What they can overcome is that Off-White is being able to reach a larger consumer group and IKEA will gain some of the brand image of Off-White being modernization and trendiness. Together this collaboration has been able to fill a gap in the market which is stylish furniture for young adults with a limited budget. Moreover, both IKEA and Off-White gains from the buzz created with regards to this collaboration.

When analyzing the characteristics of the brand before and after the collaboration and the outcomes of the co-branding that has occurred we can take the brand identity prism to our help and the six facets of the model. We believe that the products from this collaboration can change the self-image and reflection of consumers purchasing IKEA when associated together with Off-White, mainly because IKEA will appeal more to young adults seeking to buy furniture or home-supplies. We do believe, that in this collaboration, Off-white is taking a step-down approach in exclusivity, but which can gain them in the long-run when their target of millennials has gained a higher disposable income. Therefore, the picture of the sender, as well as the recipient, from this collaboration have been modified.

Cross-case discussion and conclusions

We have explored and analyzed three different collaborations and brands, operating in different product categories and targeting different consumers. Interestingly we have

seen both similarities and differences across the cases which will present in this chapter.

The similarities we have seen across all cases is that the brands have been able to reach new consumers through the collaborations. Off-White reaching the broad consumer base of IKEA in all ages, and IKEA approaching the particular and fashion-minded consumers of Off-White. In between, we have the aware millennials with limited budgets where IKEA and Off-White saw a gap in the market. Louis Vuitton managed to reach the millennials through Supreme's brand whilst it is difficult to determine whether it was just during the collaboration or long-term. Since the collection was mainly bought by Supreme customers the Supreme-brand did consequently not reach a new target group through the collaboration. Both Dolce & Gabbana and Smeg reached new upper-class customers through their first collaboration. The second collaboration helped Smeg to introduce more expensive items to their existing line targeting already existing clients and possible new ones. For Dolce & Gabbana this collaboration meant creating awareness. With the third collaboration, a new target group was achieved in which people were able to purchase all of the kitchen appliances that they wanted in the same pattern. However, since the brands are in different categories, it is hard to determine exactly whether they reached each other's customers or created new ones.

We have noted differences regarding the collaborations as well. IKEA x Off-White have been able to reach a new segment of income mainly due to their target of millennials starting their life away from their parents. In the Louis Vuitton x Supreme collaboration none of the brands were able to reach a new segment, and the collaboration mainly appealed to already existing Supreme consumers, not necessarily the already loyal Louis Vuitton-consumers due to the different preferences and expectations of a brand between the groups. Further, in the Louis

Vuitton x Supreme collaboration, Louis Vuitton is practicing a step-down strategy but the price of the products from the collaboration rises even higher in the collaboration than the products of both brands. This is however not seen in the IKEA x Off-White and D&G x Smeg cases. Here the price of the collection is a compromise between the brands, hence resulting in a lower price for one of the brands and a higher price for the other brand. Another distinctive difference that can be seen across the cases is that D&G x Smeg has the Italian heritage as a common determinant. The heritage is one of the core elements of both brands identity which is also implemented when creating the products. This kind of similarity is not observed in the other cases.

What does luxury brands gain from a limited-edition collaboration in terms of segment, positioning and target group?

We have seen that the different collaborations we have explored have gained more consumers, price premiums to products and characteristics of the collaborating brand transferred to the own brand. IKEA x Off-White managed to reach a new segment of fashion-minded millennials with a limited budget while D&G x Smeg reached a segment with another income level. The collaboration between Louis Vuitton x Supreme did not manage to reach a new segment but Louis Vuitton gained consumers from Supreme as a result; reaching a new target group. Considering the characteristics and advantages the brands gain from each other, we have seen that IKEA x Off-White have created a new segment for both brands product, this is applicable to this collaboration as well as the D&G x Smeg since this collaboration allows D&G to enter the market of kitchen appliances. Regarding the brands positioning in the customers' minds, it varies among the cases. It is difficult to give a distinct answer since we would have

to involve the customers of each brand and the customers of the collaboration to be able to see a difference. However, this aspect is related to the brand characteristics in the brand identity prism and will be further discussed in the next question.

Based on the identity prism, what characteristics are transferred from and to the brands in the collaboration?

We have seen that in the different collaborations the brands have gained some of the other brands' characteristics to the own brand, more or less, which is dependent on the collaboration in question. Louis Vuitton would probably still be associated with high quality, sophistication, and elegance but through the collaboration, they are perceived as more innovative and daring and these characteristics could also follow the brand long-term. On the contrary, we can argue that the elegance and sophistication characteristics of the savoir-faire brand will be diluted when in combination with a New York street style, however, we do not believe that this will be the outcome since it takes time to build and shape a brand identity and that it will not be ruined through a limited collaboration. However, a step in the wrong direction, collaborating with the wrong brand or attaining the wrong characteristics for the brand in mind can result in negative consequences. Also, if the brand characteristics are weak before partnering it could result in dilution. In all of the cases it is two strong brands partnering with each other and we, therefore, draw the conclusion that they will not risk creating dilution. For Supreme, it is more difficult to see characteristics that they gain after the collaboration. They will enjoy the quality of Louis Vuitton during the collaboration, but their fans are well aware of that this is due to Louis Vuitton and not something that they will experience in the future collections of Supreme.

Considering the brand identity prism, we can see that the physique of Smegs' products has changed and gained new characteristics due to the creation of new colored pattern by Dolce & Gabbana, however, this is just temporarily for this specific collection hence not a permanent change in the physique. Furthermore, they also strengthened their brand personality and culture when communicating the "Made of Italy" collaborations and pointing out that they are heritage brands. We would argue that IKEA will benefit long-term from the collaboration and obtain a certain coolness that could be associated with the brand in the future and allow them to be more innovative. For Off-White it is similar to the Supreme situation, that it is difficult to see characteristics gained, besides reaching a broader range of customers through the collaboration.

Managerial implications

From exploring this topic and analyzing different collaborations between brands that from the first look might not match we encourage managers to make collaborations with other brands that are executing their business across other segments, targets and positionings. While bearing in mind, planning and evaluation of possible outcomes for both brands in a collaboration is crucial to prevent mishaps such as brand-dilution and the important aspect of that one faux pas potentially could diminish the brand. We believe it is of weight to plan and execute the goals for both the brands in terms of new consumers, the perception of the brand internally and externally, and what managers wish to achieve with the collaboration. Two strong brands could co-brand to create a buzz and increase brand awareness among other segments and possibly target other customers. By outlining this, the roadmap towards a promising collaboration could be outlined, and missteps could be avoided.

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