

# **“SUPPLY CHAIN MANAGEMENT IN THE LUXURY INDUSTRY”**

A dissertation submitted to the Indian Maritime University in partial fulfillment  
of the requirement for the award of the degree of

**MASTER IN BUSINESS ADMINISTRATION**

**(INTERNATIONAL TRANSPORTATION AND LOGISTICS MANAGEMENT)**

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**SCHOOL OF MARITIME MANAGEMENT**

**KOCHI CAMPUS**

**MAY 2022**

## **DECLARATION**

I hereby declare that this submission is my work and that to the best of my knowledge and belief, it contains no materials previously published or written by another person nor materials which have been accepted for the award of a degree or diploma of any university or institute of higher learning, except due acknowledgment has been made in the text.

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## **CERTIFICATE**

This is to certify that the MBA Project Report entitled " SUPPLY CHAIN MANAGEMENT IN THE LUXURY INDUSTRY" done by Miss. MANJU MANOJ and is submitted in the fourth semester of MBA in INTERNATIONAL TRANSPORTATION AND LOGISTICS MANAGEMENT. It is also certified that the above work has not previously formed the basis for the award of any degree, diploma association ship, fellowship, or other similar titles, and it is an independent work done by the candidate.

DATE:

PLACE:

DR. SREEJA K

Project Guide

(Signature)

## **ACKNOWLEDGEMENT**

At the outset, I thank the God Almighty for the grace, strength, and hope to make my endeavor a success.

I thank Dr. SREEJA K, Assistant Professor, School of Maritime Management, Indian Maritime University Kochi, my guide for helping me to conceive the idea of this report. I thank her from the bottom of my heart for helping me in the completion of the report.

I am profoundly grateful to HOD Dr. YOGAMALA H.L. for providing me with adequate facilities, ways, and means by which I was able to complete the report.

Last but not the least, I thank all others and my family members who in one way or the other have helped me in the successful completion of the Project.

MANJU MANOJ

## ABSTRACT

***Title of Dissertation:*** Supply Chain Management in the Luxury Industry.

Luxury Industry is a rapidly expanding market at the top (near the top) of the scale, focusing on things that aren't necessary but are pleasurable and fulfilling to own. Logistics is the process of planning, implementing, and controlling the efficient flow and storage of all types of goods and services from the point of origin to the point of consumption as per customer requirements. Supply Chain Management is the integration of all activities related to transforming raw materials and managing all information flow. It coordinates supply and demand management.

In this project, I'm trying to analyze how logistics and supply chain management in the luxury industry by taking examples of a few brands. In this dissertation, you can see how the logistics and supply chain department works in the luxury goods industry as well as how covid impacted the industry.

I took Versace, Gucci, Louis Vuitton, Dior, and Chanel for the study. I'm attempting to examine these luxury brands and how they manage their supply chains by using these brands as an example also to understand the fashion industry.

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## **BIBLIOGRAPHY**

## **LIST OF ABBREVIATIONS**

- LSCM – Logistics and Supply Chain Management
- SCM – Supply Chain Management
- SMI – Sistema Moda Italia
- USD – United States Dollar
- EUR – Euro
- GEN Y – Generation Y
- GEN X – Generation X
- EP&L – Environment Profit and Loss Account
- RJC – Responsible Jewellery Council
- LV – Louis Vuitton
- LVMH – Moët Hennessy Louis Vuitton

**CHAPTER 1**  
**INTRODUCTION**

## **1.1 BACKGROUND**

This project analyses new practices and applications in luxury goods logistics and supply chain management. Luxury is an industry attracting the attention of practitioners, investors, and researchers owing to its large size, fast growth, and alluring margins. Worldwide, the overall luxury market size in 2019 was worth approximately 1.2 trillion euros, with about 4 percent growth every year. In today's globalized economies and markets, luxury goods are manufactured through very complex supply chains that extend and involve numerous players, including a multitude of small-scale, highly specialized suppliers closely controlled by large brand owners. So the background for this project is to analyze supply chains in the luxury industry by taking a few examples like Gucci, Versace, etc, understanding the supply chain in the fashion industry, and also investigating how covid affected the industry.

The definitions of luxury are "something inessential but conducive to pleasure and comfort" and "great comfort, especially as provided by expensive and beautiful things." As a result, the luxury industry can be defined as one in which consumers perceived value of products and services is more important than the actual benefits provided by those products and services. Furthermore, the luxury industry is closely linked to intangible aspects of products and services. Logistics and supply chain management (LSCM) is critical for business success in the luxury industry. Luxury companies face unprecedented challenges in this globalized world due to not only the respective supply chain complexity, but also volatility in consumer tastes and spending, shortened product life cycles, a growing need for international compliance, and customer demands for sustainability and transparency. These issues are still being addressed, but the new challenges brought on by the COVID-19 outbreak have arrived unexpectedly. Recently,

several studies on logistics and supply chain management in the luxury industry have focused on exploring the value of supply chain information and visibility.

To gain a better understanding of the industry, I chose five luxury brands that are receiving a lot of attention from customers. They each generate significant online conversations across social media and search. They are at the heart of what modern affluent consumers and influencers care about. **Gucci**, an Italian luxury fashion house Gucci **maintains the top spot** as the most popular luxury brand online, well ahead of all its competitors and for four consecutive years. **Chanel**, Luxury French fashion house **Chanel claims** one of the most recognized luxury brands in the world, Chanel continues to be an **international byword for luxury**. **Dior** French luxury goods company Christian Dior, or just Dior for short, ranks among the best luxury brands online. **Versace** was founded by Gianni Versace in 1978, a flamboyant Italian luxury brand. **Louis Vuitton** Owned by the mega luxury conglomerate LVMH, French luxury house Louis Vuitton, or LV is the most popular luxury brand online. Supply chain management is critical in a competitive, incredibly quickly industry like clothing and accessories. It is the driving factor behind a prominent fashion season as well as a brand's ability to quickly change direction to the latest trends. Because of the industry's relatively short lifecycles and high consumer demands, a strong supply chain strategy in fashion requires some special considerations.

## **1.2 STATEMENT OF THE PROBLEM**

This thesis examines how supply chains within the luxury Industry impact the business performance of luxury fashion brands. Hence, this thesis is going to examine five brands to study examples of companies and how they strategically handle their supply chain.

## **1.3 RESEARCH OBJECTIVES**

The main objective is to study how supply and logistics work in the luxury industry.

- To learn how supply chain management works in the luxury and fashion industry.
- To understand the supply chain in the luxury industry by taking five major brands examples Gucci, Louis Vuitton, Dior, Chanel, and Versace.
- To examine what happened in the luxury industry during the pandemic.

## **1.4 SCOPE OF THE STUDY**

This project is an attempt to understand how the supply chain works in the luxury industry by taking some brands as examples and also examines how pandemics affected the luxury industry.

## **1.5 SIGNIFICANCE OF THE STUDY**

Studies on the luxury industry in sectors such as marketing have been established for several decades. While the focus on LSCM in the luxury industry is relatively new, it is a rapidly growing area of academic interest. This project examines the supply chain strategies in luxury fashion. Logistics and supply chain management (LSCM) is critical for business success in the luxury industry. Luxury companies face unprecedented challenges in this globalized world due to not only the respective supply chain complexity, but also volatility in consumer tastes and spending, shortened product life cycles, a growing need for international compliance, and customer demands for sustainability and transparency. These issues are still being addressed, but the new challenges brought on by the COVID-19 outbreak have arrived unexpectedly. Recently, several studies on logistics and supply chain management in the luxury industry have focused on exploring the value of supply chain information and visibility. So the scope of the study is vast and deep but also interesting at the same time.

## **1.6 RESEARCH METHODOLOGY**

This research is actually based on secondary information from various journals, published books, and newspapers along with the internet. The study is qualitative and unique in nature. The information is retrieved from various publications, official reports, research papers/articles, Ph.D. theses, etc.

## **1.7 LIMITATION OF THE STUDY**

The main limitation of the study is that I used secondary data for my thesis, so I didn't get the real face-to-face experience from the industries for example visiting any brand's store, etc to write my thesis. Then it is limited to only the study of the supply chain in the industry. But I tried my best to find the correct data and used it for my research.

## **1.8 CHAPTERISATION**

The project report is being presented under the following chapterisation:

Chapter 1 Introduction

Chapter 2 Review of Literature

Chapter 3 Luxury Industry

Chapter 4 Supply Chain Management in the Luxury Industry

Chapter 5 Pandemic and Luxury Industry

Chapter 6 Findings and Suggestions

**CHAPTER 2**  
**REVIEW OF LITERATURE**

## **2.1 REVIEW OF LITERATURE**

This thesis examines how supply chains within the luxury Industry impact the business performance of luxury fashion brands. Hence, this thesis is going to examine five brands to study examples of companies and how they strategically handle their supply chain.

The luxury fashion industry is a unique example within the manufacturing industry, with various peculiarities that make managing both the productive and logistic processes complex. Three main elements have been recognized in particular. The first consideration is the fashion product's brief product life cycle, which is designed to capture the present mood. The second is the unpredictability and volatility of client demand, which is subject to a complete change in a short period of time. Finally, there's impulsive purchasing behaviour, which can be attributed to both the personality of fashion shoppers and the impulsiveness that surrounds their purchases. The thesis mainly focuses on two attributes first is the supply chain and how that affects the luxury brands' performance. Hence, my research question is the following: How does the supply chain impact the performance of a luxury fashion brand? Gucci (Italy), Chanel (France), Dior (France), Versace (Italy), and Louis Vuitton (France) five leading luxury fashion brands will be the examples. An analysis of their supply chain and strategy will be presented. These brands were chosen as examples, due to their size, global reach, and general impact on this segment.

Supply chain management (SCM) represents an effort by suppliers to develop and implement supply chains that are as efficient and economical as possible. Supply chains cover everything from production to product development to the information systems needed to direct these undertakings. Typically, SCM attempts to centrally control or link the

production, shipment, and distribution of a product. By managing the supply chain, companies can cut excess costs and deliver products to the consumer faster. This is done by keeping tighter control of internal inventories, internal production, distribution, sales, and the inventories of company vendors. SCM is based on the idea that nearly every product that comes to market results from the efforts of various organizations that make up a supply chain.

The definitions of luxury are "something inessential but conducive to pleasure and comfort" and "great comfort, especially as provided by expensive and beautiful things." As a result, the luxury industry can be defined as one in which consumers perceived value of products and services is more important than the actual benefits provided by those products and services. Furthermore, the luxury industry is closely linked to intangible aspects of products and services. Logistics and supply chain management (LSCM) is critical for business success in the luxury industry. Luxury companies face unprecedented challenges in this globalized world due to not only the respective supply chain complexity, but also volatility in consumer tastes and spending, shortened product life cycles, a growing need for international compliance, and customer demands for sustainability and transparency. These issues are still being addressed, but the new challenges brought on by the COVID-19 outbreak have arrived unexpectedly. Recently, several studies on logistics and supply chain management in the luxury industry have focused on exploring the value of supply chain information and visibility.

To gain a better understanding of the industry, I chose five luxury brands that are receiving a lot of attention from customers. They each generate significant online conversations across social media and search. They are at the heart of what modern affluent consumers and influencers care about.

**Gucci**, an Italian luxury fashion house Gucci **maintains the top spot** as the most popular luxury brand online, well ahead of all its competitors and for four consecutive years. **Chanel**, Luxury French fashion house **Chanel claims** one of the most recognized luxury brands in the world, Chanel continues to be an **international byword for luxury**. **Dior** French luxury goods company Christian Dior, or just Dior for short, ranks among the best luxury brands online. **Versace** was founded by Gianni Versace in 1978, a flamboyant Italian luxury brand. **Louis Vuitton** Owned by the mega luxury conglomerate LVMH, French luxury house Louis Vuitton, or LV is the most popular luxury brand online. Supply chain management is critical in a competitive, incredibly quickly industry like clothing and accessories. It is the driving factor behind a prominent fashion season as well as a brand's ability to quickly change direction to the latest trends. Because of the industry's relatively short lifecycles and high consumer demands, a strong supply chain strategy in fashion requires some special considerations.

**CHAPTER 3**  
**LUXURY INDUSTRY**

### **3.1. INTRODUCTION**

This thesis examines how supply chains within the luxury Industry impact the business performance of luxury fashion brands. Hence, this thesis is going to examine five brands to study examples of companies and how they strategically handle their supply chain.

Luxury is almost as old as humanity itself. Previously, luxury was reserved for a select group of wealthy and powerful individuals. Luxury is becoming available to a larger segment of the population. A growing number of people are looking for high-end items. As a result, the luxury goods industry is a booming sector, with well-known brands and well-known businesses. The modern luxury goods market is a rapidly expanding market with an ever-increasing customer base. Furthermore, there are more and more Luxury stores that may now be found in more cities throughout the world. At the moment, advanced countries such as the United States and Japan are leading the way. Due to consumers' substantially higher disposable incomes, European countries are the most dominating luxury markets. With a strong purchasing power rising, large economies like China, on the other hand, will benefit in the long run. As a result, luxury fashion brands began to modify their supply chain and business strategy accordingly. Luxury brands reversed their production and manufacturing strategy, shifting from outsourcing to insourcing. Furthermore, the luxury industry is expected to grow rapidly over the next five years. Supply chains and production management will become major focal points in the luxury fashion sector as a result of the booming luxury sector and the excellent growth forecast. In an age of fast fashion and entertainment, supply chains must be smooth and efficient. As a result, supply networks and distribution channels have a significant impact on a fashion company's performance. They can even aid

in the restoration of a luxury brand's image. Supply chains are becoming increasingly important in an age of fast fashion and luxury.

The thesis mainly focuses on two attributes first is the supply chain and how that affects the luxury brands' performance. Hence, my research question is the following: How does the supply chain impact the performance of a luxury fashion brand? Gucci (Italy), Chanel (France), Dior (France), Versace (Italy), and Louis Vuitton (France) five leading luxury fashion brands will be the examples. An analysis of their supply chain and strategy will be presented. These brands were chosen as examples, due to their size, global reach, and general impact on this segment.

### **3.2 DEFINITION OF LUXURY**

To comprehend the concept of luxury, it is vital to distinguish between four different types of luxury. The terms luxury, my luxury, the luxury sector, and the luxury business model are used to describe these concepts. The concept of luxury comes from the lives of the wealthy and powerful. It's been defined as "regular individuals doing remarkable things." Luxury is more about the lifestyle of those who buy premium products than it is about the luxury companies themselves. The expression "My luxury" has a different connotation because it refers to a tiny personal luxury buy. For example, a woman may purchase luxury cosmetics such as Dior lipstick in order to feel polished. People buy these things or services as a kind of self-indulgence. They frequently pay prices that are out of proportion to the functionality of the items or services. Watches, high-end clothes, leather goods, cosmetics, fragrances, and jewelry are all part of the luxury market. Many luxury firms have recently shifted away from the traditional luxury business strategy in order to maintain their development. Many luxury brands nowadays make

money by offering a wider range of products that are also produced on a larger scale. In order to contact customers, they also focus on logo-typed accessories. Furthermore, several luxury brands have decided to shift some of their manufacturing to low-wage nations such as Indonesia or Bangladesh. The luxury business model is the fourth and last concept examined. Luxury brands such as Louis Vuitton, Chanel, Gucci, Hermès, and others defined this approach over time. The luxury business model is distinct from the majority of other business types. It adheres to a set of principles, which are the following. The first principle implies that a luxury brand should not delocalize production. These brands are ambassadors of the local culture and country of origin, which are very important attributes to their customers. Second, communication with customers is important. For a brand, it is crucial to achieve recognition by non-customers.



Therefore, high brand awareness is necessary. Third, it is essential to have full control of the value chain. From the sourcing of the raw materials to the

shopping experience, luxury can only be delivered if the brand has total control. Fourth, companies must have full control of distribution. Also, purchasing experiences must be exclusive. There are also some further definitions of luxury. Heiner offers another definition. Luxury items are highly related to consumer views, according to this concept. A distinct method is taken by Tynan, Mckenchie, and Chuon. According to them, luxury is defined by high-quality, expensive, and non-essential items. Furthermore, through their products, luxury companies provide their clients with a high level of symbolic and aesthetic qualities. Taking all mentioned definitions into consideration, one can say that luxury is a product or service with which consumers associate high quality, premium prices, exclusiveness, a prestigious image, uniqueness, status symbols, and an emotional connection towards luxury products. In addition, a brand needs to fulfil these requirements in order to be considered a luxury brand.

### 3.3 CHARACTERISTICS OF LUXURY

Luxury has a number of distinguishing features.

<b>Characteristics</b>	<b>Definitions</b>
Excellent quality	High standard of a product measured against other products of a similar kind
High prices	Product or good which is sold for a high amount of money (Dictionary.cambridge, 2019)
Scarcities and uniqueness	Scarcity can be understood as a state of short supply, in order to

	guarantee exclusiveness (Lexico, 2019). Uniqueness can be described as the attribute of being the only one of its kind (Lexico, 2019).
Aesthetics	Relating to the enjoyment of beauty (Dictionary.cambridge, 2019). Can be also understood as pleasing in appearance
Heritage and personal history	
Superfluosness	Can be described as an unnecessary. That is due to the fact that most luxury products are hedonic products. Therefore, this group of products are not necessary and to a certain degree needless.
Style and design	Here we need two different definitions. One for style and one for design. According to Dictionary.com design is an outline, sketch, or plan, as of the form and structure of a work of art, an edifice, or a machine to be executed or constructed. Style can be understood a manner in which something is expressed or performed, considered as separate from its intrinsic content and meaning

Creation of a lifestyle	Creation of a lifestyle can be understood as an idea to create an emotional connection between a consumer and that consumer's dream to belong to a certain group. The creation of a lifestyle support consumers' self-expression
Country of origin	Is understood as the country of manufacture or production, where a product comes from (Wikipedia, 2019).
Emotional appeal	"Promotional activity aimed at highlighting emotional factors of a product, instead of the logical or practical factors." (Business dictionary, 2019).

### 3.4 HERITAGE OF LUXURY BRANDS

The brand. The myth. The legend. A brand's heritage plays an important part in brand management, driving its value and consumer trust. But simply the fact of having been around for decades does not a heritage brand make. Being a heritage brand means that the brand creates a narrative about its history and leverages that for marketing purposes. This is the case for many luxury brands: think of Chanel, Louis Vuitton, and Dior use their history in how they communicate and market their product. On the other hand, we have L'Oréal- founded before Chanel, but not considered a heritage brand.

Instead, L'Oréal positions itself as a leader in beauty innovation- priding itself on research excellence, constant evolution, and cutting edge technology, and using those as levers instead of history in its brand management. This brand is thus considered “brands with heritage”, rather than “heritage brands”, despite their longevity. This example highlight that longevity, while important, does not immediately qualify one as a heritage brand. While longevity is proof positive of long-lasting consumer trust and brand credibility, newer brands that draw on heritage can still be considered heritage brands. Consider the case of Shang Xia, a Chinese brand founded by Hermès in 2008: it uses traditional Chinese craftsmanship, drawing on cultural heritage rather than the heritage of the brand itself. This means that being a heritage brand is about cultural heritage as well as corporate heritage and that marketing managers can cultivate a heritage brand by weaving together elements from both. The brand's history is not the only important element: the narrative that can be created from both cultural and corporate heritage is what cements a brand as a “heritage brand” or a “brand with heritage”.

**CHAPTER 4**  
**SUPPLY CHAIN MANAGEMENT IN THE LUXURY INDUSTRY**

## 4.1 SUPPLY CHAIN

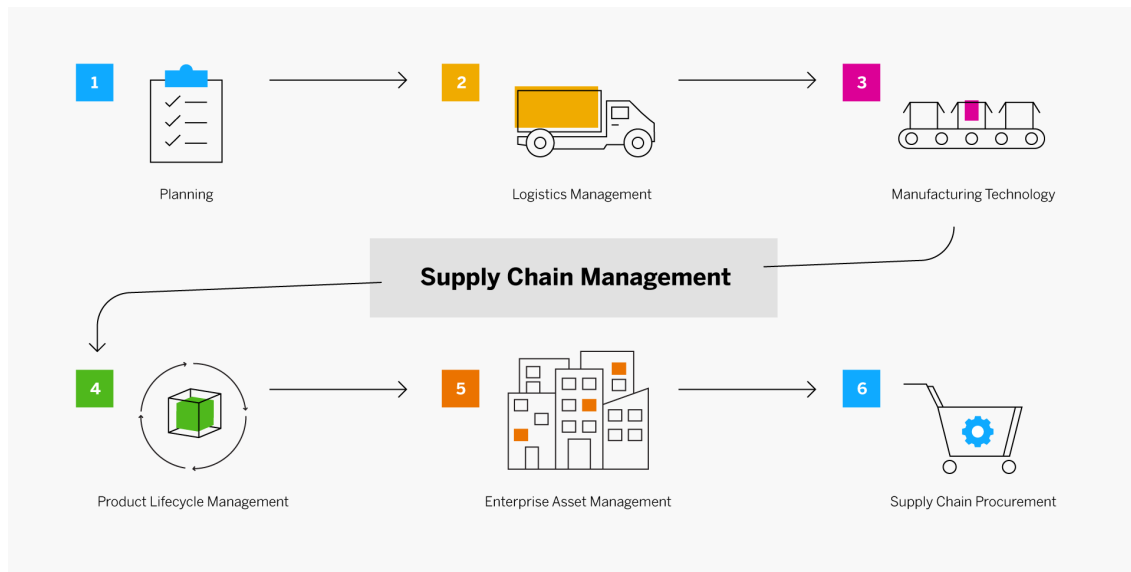
A supply chain is a network between a company and its suppliers to produce and distribute a specific product to the final buyer. This network includes different activities, people, entities, information, and resources. The supply chain also represents the steps it takes to get the product or service from its original state to the customer. Companies develop supply chains so they can reduce their costs and remain competitive in the business landscape. A supply chain involves a series of steps involved to get a product or service to the customer. The steps include moving and transforming raw materials into finished products, transporting those products, and distributing them to the end-user. The entities involved in the supply chain include producers, vendors, warehouses, transportation companies, distribution centers, and retailers. The elements of a supply chain include all the functions that start with receiving an order to meeting the customer's request. These functions include product development, marketing, operations, distribution networks, finance, and customer service.



## **4.2 SUPPLY CHAIN MANAGEMENT**

Supply chain management is the management of the flow of goods and services and includes all processes that transform raw materials into final products. It involves the active streamlining of a business's supply-side activities to maximize customer value and gain a competitive advantage in the marketplace. Supply chain management (SCM) represents an effort by suppliers to develop and implement supply chains that are as efficient and economical as possible. Supply chains cover everything from production to product development to the information systems needed to direct these undertakings. Typically, SCM attempts to centrally control or link the production, shipment, and distribution of a product. By managing the supply chain, companies can cut excess costs and deliver products to the consumer faster. This is done by keeping tighter control of internal inventories, internal production, distribution, sales, and the inventories of company vendors. SCM is based on the idea that nearly every product that comes to market results from the efforts of various organizations that make up a supply chain. Although supply chains have existed for ages, most companies have only recently paid attention to them as a value-add to their operations. In SCM, the supply chain manager coordinates the logistics of all aspects of the supply chain which consists of five parts:

- The plan or strategy
- The source (of raw materials or services)
- Manufacturing (focused on productivity and efficiency)
- Delivery and logistics
- The return system (for defective or unwanted products)



The supply chain manager tries to minimize shortages and keep costs down. The job is not only about logistics and purchasing inventory. According to Salary.com, supply chain managers “oversee and manage the overall supply chain and logistic operations to maximize efficiency and minimize the cost of the organization's supply chain.” Productivity and efficiency improvements can go straight to the bottom line of a company. Good supply chain management keeps companies out of the headlines and away from expensive recalls and lawsuits.

#### **4.3 SUPPLY CHAIN FOR THE LUXURY INDUSTRY**

The lessons learned from the pandemic will lead fashion and luxury companies to fundamentally overhaul their supply chain, moving closer to their suppliers to become more flexible, while integrating a more sustainable approach into their business model. A revolution that is destined to speed up the pace of the rationalization of the entire textile and apparel industry. These were the conclusions of a study presented in Milan on Wednesday by

Sistema Moda Italia (SMI), the association of Italy's textile and apparel producers, in the course of its public AGM.

In the first nine months of 2020, the luxury industry worldwide lost €13 billion, its revenue down 31% from 2019. This decline hit businesses unevenly. For example, 40% of companies recorded a slump in sales of more than 35%. In the luxury personal goods sector, the decline in demand ranged between 20% and 25%. Now that the recovery has started, the very high-end segment is destined to make up for lost ground more vigorously and quickly than the premium segment.



Luca Bettale, a partner at Long Term Partners, the Italian office of strategic consultancy firm OC&C, pointed out that the recovery is only partial, with European and Japanese markets still far from their pre-pandemic levels, and tourism flows still weak. Meanwhile, new critical factors are coming to light and piling uncertainty on uncertainty, such as soaring energy and commodity prices. Added to these are the main underlying trends that have accelerated during the pandemic: the boom in localised purchasing; the rising influence of the younger generations, whose fashion tastes are geared

towards a more comfortable style at the expense of formal wear; the ever-increasing demand for customised products and services; the rise in digital sales, whose share of fashion and luxury labels' revenue has grown from 5% to 20%; sustainability, now a prerequisite in most luxury purchases; and finally, the importance of technology.

“With Covid-19, market players have become aware of how vulnerable their business model is to demand discontinuity. They must also take into account new parameters, such as the growing presence in every market of a very strong focus on ecological themes, increasingly a determinant of luxury goods purchases, especially for young people. The latter demand circularity, and are drawn to the brands that offer it,” said Bettale.

In this context, the luxury industry needs to adopt a faster decision-making process, and do so urgently. Above all, it needs to revise its operational model, starting with its internal organization, the relationship with suppliers, and with logistics flows, both upstream and downstream. The goal is to better protect companies from risk situations, for example by not stockpiling products in warehouses and shops early in the season, but by holding them in a central location from which they can be distributed as needed. According to Bettale, labels must incorporate two new fundamental elements into their business model: the value of time, which has become much more important, and sustainability.

The 16<sup>th</sup> edition of Bain & Company's 'Luxury Goods Worldwide Market Study' found that the global luxury market is estimated to have grown to almost EUR1.2 trillion (USD 1.4 trillion) in 2017 - a 5% increase over the previous year.

This is promising news for the luxury industry and there are some key trends that are shaping the market.

### Online Sales Continue to Grow

More and more luxury sales are taking place online and could make a significant impact on physical store sales in the longer term.

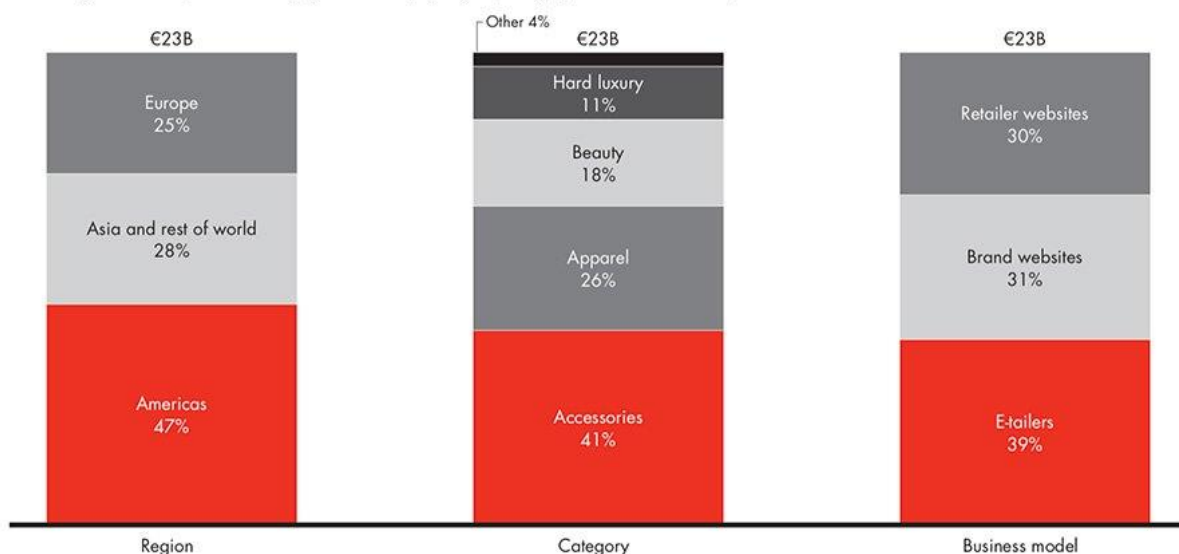
Luxury online sales jumped 24% in 2017, reaching an overall market share of 9%. Bain estimates that by 2025, online sales of personal luxury goods will make up 25% of the total market.

Online options are most frequently used for accessories (41%), apparel (26%), and beauty items (18%). The Americas took the largest share of online sales at 47%, followed by Asia and the Rest of the World at 28%, and Europe at 25%.

"With the remarkable growth of the online channel, the role of physical stores will need to change," writes Bain.

Online is most prominent in the Americas; accessories remained the top online category and e-tailing the top business model

Share of global online personal luxury goods market, by region, category and business model, 2017E



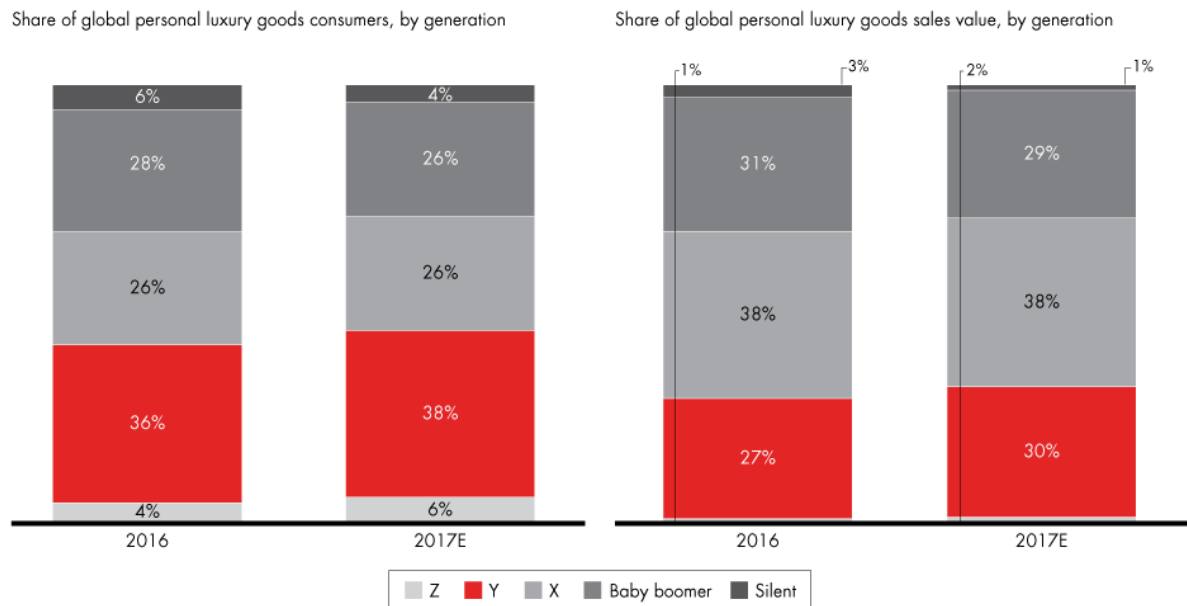
"Stores haven't lost their purpose, but brands need to reinvent them to better engage with customers, in a way that transcends channels. Stores will have to pivot from a transactional role to become venues for a broader range of customer interactions. Luxury brands have grown accustomed to presenting a monologue about themselves in stores that feel like temples. Increasingly, they will need to transform stores into places that feel like home, delivering distinctive, immersive experiences and engaging in a genuine dialogue with customers."

### Millennials Are both Driving Growth and Redefining the Luxury Market

Millennial (Gen Y) and Gen Z consumers are proving to be the main growth engine in the luxury market, accounting for 30% of luxury sales, yet fueling a massive 85% of all growth in 2017. But the younger generations are also reshaping what "luxury" is, thereby what luxury brands need to do to appeal to them.

While previous generations purchased luxury items to signify social status, class, and accomplishments, the millennial generation has a different set of values. For them, such achievements aren't as significant. Luxury items are more about self-expression and defining who they are.

*Figure 12:* Gen Y already accounts for 30% of luxury sales, and Gen Z is on the rise



Source: Bain & Company

For example, luxury apparel brands are reinterpreting streetwear - and even collaborating with streetwear brands and artists - to appeal to younger customers. As Oliver Abtan, Partner and Managing Director at The Boston Consulting Group, puts it: "Collaboration covers demand for newness in a less risky way. It gives brands a cool edge and strengthens brand awareness as well as increases willingness to buy the brand. Collaboration is increasingly in demand and turns out to be a very effective purchasing incentive."

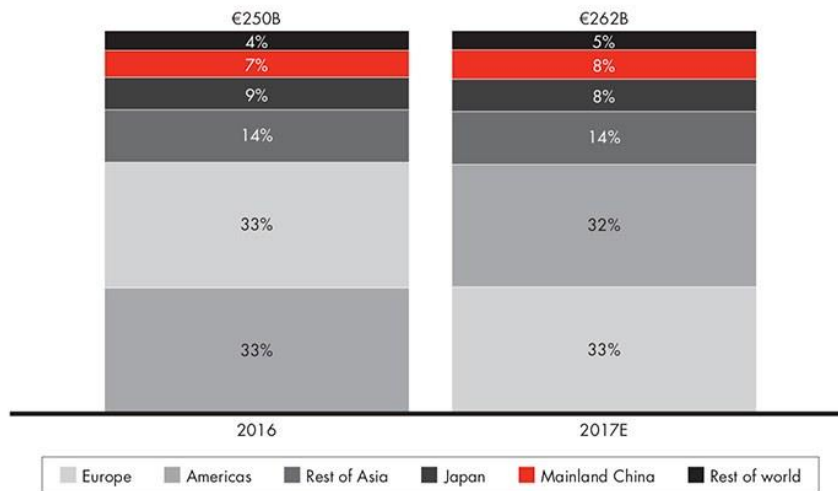
### Personal Luxury Goods Rebound, Spurred by Sustained Growth in Key Regions

The luxury personal goods market experienced growth across all regions. Europe saw the most significant increase at 7%, taking the top spot from the Americas to claim the largest share of the global market - 33% vs. 32%.

China, however, was the year's top performer, increasing its share of the market from 7% in 2016 to 8% in 2017, with a growth of 18% - the most significant level of growth by far. Fueled by renewed customer confidence and the rapidly emerging and fashion-conscious middle class, local buying by Chinese customers boosted sales in mainland China by 15%, making it a crucial EUR20 billion (USD 23 billion) market for luxury brands.

All regions saw positive growth in 2017, particularly China

Share of global personal luxury goods market, by region, 2016-17E



Annual growth at current exchange rates (16-17E)	Annual growth at constant exchange rates (16-17E)
1%	0%
15%	18%
4%	8%
6%	9%
2%	2%
6%	7%

### 4.3.1 Optimising the Number of Suppliers

Luca Bettale believes that such a radical restructuring will lead labels to optimise their supplier portfolio, identifying deficiencies in their supply chain and ways of addressing them. “Companies are evaluating changes to their suppliers, selecting the most responsive ones and those capable of adapting to the constraints of sustainable production. A very strong selection process is underway, and there will inevitably be winners and losers. On this, Italy is in pole position and must stay there. The relationship

with suppliers will therefore become much tighter, and labels will begin sharing with them initiatives linked to sustainability and social responsibility”.



“Technology and large-scale operations are essential to kickstart this kind of overhaul. This means that technology must assume a central role in the whole production process and that a strong connection must be forged between all stakeholders. Major investment is needed, as well as a large-scale approach, which can be deployed horizontally, for example with regards to the manufacturing of the same type of product, or vertically, by offering a full service,” said Bettale.

### ***4.3.2 Vision and Flexibility***

In practical terms, this new vision means that suppliers need to provide an endless stream of creative solutions, have the ability to develop prototypes quickly, and also be able to continually give new ideas to labels that are in high demand. Suppliers must plan and manage demand by producing smaller economic batches, to be delivered in more frequent installments. Livery should no longer be considered a deadline, but a convergence point.

Introducing flexibility throughout the process by adopting these new manufacturing models also means sharing costs with clients. Similarly, suppliers will have to share objectives and costs with labels in terms of multi-year investments for sustainable development. This evolution will push the sector towards greater aggregation. This will translate, on the one hand, into greater verticalisation, with more and more labels and luxury groups buying up their suppliers and, on the other, by consolidation operations engineered by investment funds.

“In summary, [the industry] needs to rely on proximity production. [Sourcing from] China, Vietnam, Bangladesh and India is out, in favour of European suppliers and more sourcing from Turkey. The industry needs to focus on higher-efficiency models in order to establish a more flexible relationship with more responsive suppliers, while still paying a great deal of attention to the environment,” concluded Bettale.

#### **4.4 TYPES OF PRODUCTION OUTSOURCING USED BY LUXURY BRANDS**

In the next part of this thesis, we are going to describe in which ways luxury brands outsource their production and how these types of outsourcing are working. When luxury brands decide to outsource their production, they mostly follow three different types of outsourcing. These three types are licensing, subcontracting, and co-branding. The most common type of outsourcing is subcontracting. Subcontracting is a form of outsourcing where the luxury brand outsources a part of its production activity to one or several suppliers. It can be used to increase production capacities, to access new markets, and have access to complementary resources. The following list shows some examples of many outsourced sectors by luxury brands.

- Clothing: manufacturing (textiles, garments), ennoblement distribution
- Eyewear: manufacturing (components, lenses), surface treatment
- Jewellery: stone size manufacturing
- Shoes: raw materials components (soles, heels...), manufacturing distribution

Subcontracting does not only happen between the main company and its suppliers. It also occurs amongst suppliers in order to gain more production volume. Another reason in favor of subcontracting is cost optimization. Therefore, many luxury brands decide to produce their products in low-wage countries. Luxury brands will always have a trade-off between cost optimization and value creation/brand image. Because if they decide to produce in low-wage 17 countries they are able to cut costs, but their products will lose exclusiveness due to the fact that their products are not produced in the home country of the luxury brand.



Therefore, brands like Gucci, Louis Vuitton, and Burberry decided to reintegrate certain activities in-house. The second common type of outsourcing is licensing. Licensing is a business arrangement in which one company gives another company permission to manufacture its product for a specific payment. This form of outsourcing was very likely to be used in the past. However, recently a trend occurred where luxury brands and conglomerates terminated many licensing agreements in order to regain control of their own brands. Some famous brands kept their licensing agreements in certain areas, like eyewear. Others decided to develop their own expertise in these sectors.

The third and not very common type of outsourcing is co-branding. Co-branding can be described as a marketing strategy that involves multiple brand names, which are jointly used on a single product or service. However, we still need research to better understand in which ways the supply chain strategy of a luxury fashion company impacts the business performance.

Therefore, our research question is the following: “How does the supply chain impact the performance of a luxury fashion brand?” By answering this research question, we want to further explore the impact of supply chains on the business performance of luxury brands and thereby narrow the gap in existing research.

#### **4.5 MAJOR LUXURY BRANDS AND THEIR SUPPLY CHAIN**

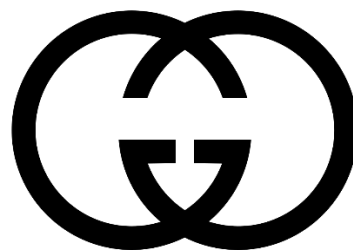
To gain a better understanding of the industry, I chose five luxury brands that are receiving a lot of attention from customers. They each generate significant online conversations across social media and search. They are at the heart of what modern affluent consumers and influencers care about. **Gucci**, an Italian luxury fashion house Gucci **maintains the top spot** as the most popular luxury brand online, well ahead of all its competitors and for four consecutive years. **Chanel**, Luxury French fashion house **Chanel claims** one of the most recognized luxury brands in the world, Chanel continues to be an **international byword for luxury**. **Dior** French luxury goods company Christian Dior, or just Dior for short, ranks among the best luxury brands online. **Versace** was founded by Gianni Versace in 1978, a flamboyant Italian luxury brand. **Louis Vuitton** Owned by the mega luxury conglomerate LVMH, French luxury house Louis Vuitton, or LV is the most popular luxury brand online.

##### **I. GUCCI**

Gucci is an Italian high-end luxury fashion house based in Florence, Italy. Its product lines include handbags, ready-to-wear, footwear, and accessories,

makeup, fragrances, and home decoration. Gucci was founded in 1921 by Guccio Gucci in Florence, Tuscany. Under the direction of Aldo Gucci (son of Guccio), Gucci became a worldwide-known brand, an icon of the Italian *Dolce Vita*.

# GUCCI



Gucci supply chain management is a business network in which several people or entities collaborate to create the finished product from raw materials movement. Finally, the finished product is delivered to the customer. It is responsible for both direct and indirect fulfillment of customer requirements. It also includes a broader range of activities necessary for planning, controlling, and carrying out the flow of a product from raw materials to final distribution to the customer. The processes are critical because they include the planning integration required to optimize the material flow. The organization relies on a selected network that includes trustworthy suppliers. All the suppliers of Gucci work with a strong communication method to ensure the best practices over the “supply chain”. Gucci relies on a selected network of trusted suppliers, working closely with them to ensure that environmental and social best practices are embedded throughout the supply chain.

Gucci’s supply chain employs thousands of people who work for the House indirectly and help produce the collections. While they are not directly

employed by the company, they are definitely part of our culture. Many of these companies have supplied Gucci for over two or three generations. Our manufacturing supply chain includes both internal facilities that are owned and directly managed by Gucci and external facilities managed by trusted suppliers. 95% of their manufacturers are based in Italy.

They measure the total environmental footprint of their suppliers and transparently publish the results every year via our Digital EP&L (Environmental Profit and Loss account). The EP&L maps and analyses the impacts associated with their own operations and their entire supply chain: from Tier 0 (our direct operations of stores, offices, and warehouses) and Tier 1 (our final product manufacturing and assembly); to Tier 2 (our manufacturing and preparation of subcomponents like cutting, knitting, ...) and Tier 3 (raw material processing); all the way to Tier 4 (the production and extraction of raw materials). Gucci's suppliers are also aligned with their Manufacturing Restricted Substances List, which addresses hazardous substances that can potentially be used in manufacturing and discharged into the environment.

To ensure continued compliance and the implementation of Gucci's high standards, and our Sustainability Principles and Code of Ethics, throughout the duration of supplier agreements, Gucci has a robust monitoring system in place and suppliers and subcontractors (including raw material suppliers) are subject to regular audits by specialists from Kering and third-party teams. During the COVID-19 pandemic, Gucci implemented a series of initiatives to support our supply chain partners. In recognition of the sanitation emergency caused by COVID-19, Gucci fully complied with the health and safety protocols stipulated by the COVID-19 guidelines around sanitation and hygiene. Gucci also continued to regularly pay all supplier

orders during the lockdown. Furthermore, to support our suppliers' economic challenges resulting from the pandemic, we worked with Intesa San Paolo bank in Italy to create a program to guarantee quick access to a wide range of loans, at the best terms and conditions, and with faster disbursement of loans. More than 36% of our suppliers have benefited from this initiative since 31 December 2020, totaling 202 million euros in loans.

## II. CHANEL

Chanel is a French luxury fashion house that was founded by couturière Coco Chanel in 1910. It focuses on women's ready-to-wear clothes, luxury goods, and accessories. The company is currently owned by Alain Wertheimer and Gérard Wertheimer, grandsons of Pierre Wertheimer, who was an early business partner of Coco Chanel.



Chanel, Inc. and its affiliates (collectively “Chanel”) recognize the importance of fair labor practices within their company and their supply chain. Chanel condemns the evils of human trafficking and slavery and understands the importance of eradicating the practices worldwide. It is their goal that third-party suppliers within their supply chain comply with all applicable laws regarding human trafficking and slavery. To this end: Verification of Supply Chain, Audits, Supplier Certification, Accountability, Training. Chanel has

also been certified by the Responsible Jewelry Council (“RJC”), which is an international not-for-profit whose mission is to advance responsible ethical, social and environmental practices with respect to human rights through the jewelry supply chain. RJC’s principles contain the following commitment: “We will not use forced, bonded, indentured or prison labor, nor restrict the movement of employees and dependents.”

Chanel is committed to fair employment practices and the upholding of human rights. Chanel will continue to take all appropriate measures to prevent human rights violations (including slavery and human trafficking) in its supply chains.

### **III. DIOR**

Christian Dior SE commonly known as Dior, is a French luxury fashion house that was founded in 1946 by French fashion designer Christian Dior, who was originally from Normandy. Today the company is controlled and chaired by French businessman Bernard Arnault, who also heads LVMH, the world's largest luxury group. Dior itself holds 42.36% shares of and 59.01% of voting rights within LVMH.



Christian Dior is one of the most famous fashion brands in the world. In order for them to live up to the famous fashion brand tag, they need to keep on catering the demands of the customers from all around the world. Being “One of the famous brands in fashion” is not an easy ride. They need to satisfy the demands leading to the satisfaction of the customers. This needs dedication, hard work, innovation, and timely delivery of quality products. If they are unable to do so, they will not be able to retain their customers as there is a lot of competition in the fashion industry namely Gucci.

Dior, their supply chain management department includes focuses on Logistics. It is very critical to Dior’s business. Dior is a Paris-based company but its manufacturing plants are in Italy. It means all the goods are made there. Their logistics, warehousing, and travel and fleet team are responsible for moving the goods to locations all across the globe. In regional areas, they hire FedEx to transport their goods to customers and retail outlets all over Italy.

As they are a global business entity, they acquire the services of SDV for all the transportation of the products from the manufacturing plants in Italy to their warehouses outside of Italy, and the distribution from the warehouses to all the retail outlets in the country is done by SDV also. They have outsourced their transportation/ travel and fleet to the third-party contractors mentioned above. The reason they chose SDV for international transportation is due to their vast experience and having their own network of 600 offices in 99 countries. SDV is a subsidiary of Bolloré, which ranks among the world’s top 10 in transport and logistics. Its core business has always been intercontinental air and ocean freight transportation but now they have broadened the scope of its expertise and are now a global leader in supply chain management. In my opinion, their Logistics strategy is one of

the competitive advantages with a focus on customer and satisfaction. From the above profile, it is clearly seen that they have outsourced their logistics processes.

Order management activities are well taken care of at Dior. These are the process that is implemented between the time when an order is received by Dior and the time when the warehouse is asked to ship the goods so as to fulfill the orders received, Following are some of the activities which are implemented by Dior for processing orders received from their customers:

- A. Order Planning- which relates to the forecasting of sales
- B. Order Transmittal
- C. Order Processing
- D. Order picking and assembly
- E. Order Delivery

The current inventory management process at Dior includes effective utilization of a Just-in-time approach wherein the management makes sure that the right amount of inventory is made available by them so that no shortage of products could be made. The current activity of Dior's inventory management is to reduce the cost of holding inventory and knowing the exact time to replenish their products or knowing when to buy more material to manufacture them. With the implementation of this strategy into the working of the firm, the management of Dior is able to lower the wastage and thereby tries to decrease the cost of production involved.

Thus, it can be concluded from the above paragraph that it is important for Christian Dior to effectively manage its logistics so that the overall operations of the organization are carried out in the most effective manner. Under the supply chain management of Dior, logistics is considered to be the

most important aspect because this helps in retaining its customers as the organization concentrates mainly upon satisfying its customers by providing them with the best quality products and timely delivery all across the globe.

#### **IV. VERSACE**

Gianni Versace usually referred to simply as Versace, is an Italian luxury fashion company and trade name founded by Gianni Versace in 1978. The company produces upmarket Italian-made ready-to-wear and accessories, as well as haute couture pieces under the Atelier Versace brand. Versace's logo is inspired by Medusa (Medusa is a mythological goddess whose hair is made up of snakes). The Versace brand is known for its innovative designs having symbolic flashy prints and bright colors but with style. On 25 September 2018, American Michael Kors Holdings acquired all outstanding shares in Gianni Versace S.r.l. for \$2.12 billion (USD); the acquisition was completed on 31 December 2018, keeping on Donatella Versace as head of creative design.



**VERSACE**

A unique and innovative initiative in fashion: a Code of Conduct written by hundreds of participants. A distinctive approach that reflects Versace's will to go beyond an administrative step. A new way of working, collaborating, and growing together with partners. Every choice Versace makes doesn't stop at the doors of the Maison – decisions involve all suppliers and collaborators throughout the process of creating their collections: from the choice of materials for ready-to-wear and accessories to the printing and embroidery techniques to packaging. Adopting a sustainable approach contributes to the fairness, collaboration, and trust-based relationships Versace has always shared with all partners. Relationships will continue to be the base for future sustainable growth.

Hundreds of Versace partners convened for a multi-day workshop. The varying perspectives of all participating entities were gathered with the scope of providing rich contribution that reflects the view of each company while respecting their unique nature. The final document reflects the sustainability principles rooted at the heart of the company mission — principles to be taken into account throughout their supply chain. Common values that emerged from the collaboration: respect, human touch, interdependence, concreteness, and transparency. For Versace, this is only the first step in a long path together toward a future-fit business model in creating the best supply chain in luxury.

## **V. LOUIS VUITTON**

Louis Vuitton Malletier commonly known as Louis Vuitton is a French luxury fashion house and company founded in 1854 by Louis Vuitton. The label's LV monogram appears on most of its products, ranging from luxury

bags and leather goods to ready-to-wear, shoes, watches, jewelry, accessories, sunglasses, and books. Louis Vuitton is one of the world's leading international fashion houses. It sells its products through standalone boutiques, lease departments in high-end departmental stores, and through the e-commerce section of its website. LVMH Moët Hennessy Louis Vuitton commonly known as LVMH is a French-holding multinational corporation and conglomerate specializing in luxury goods, headquartered in Paris. LVMH is the parent company of LV.

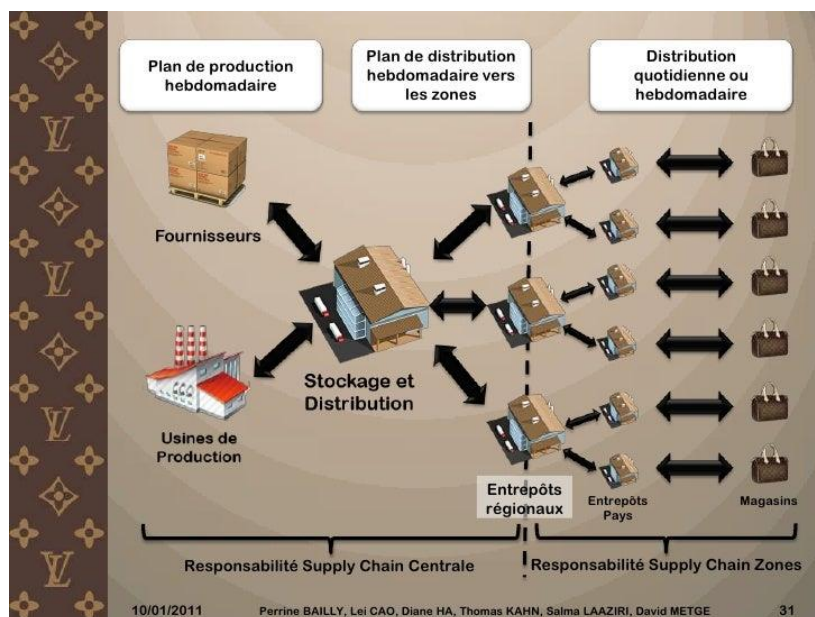


The house of Louis Vuitton is a leader in the fashion industry due to its devotion to traditional craftsmanship paired with innovative avant-garde. Louis Vuitton now excels in the production of ready-to-wear, shoes, watches, and jewelry in addition to the traditional luggage, bags, and accessories. Louis Vuitton owns 17 production workshops, an international logistics center, and exclusive shops worldwide. Louis Vuitton has been successful in combining its traditional methods of production with modern technology. By using the IZ strategy they were able to be more efficient while maintaining their high standard of quality. By launching this they were focusing on their international clientele to ensure their products avail wherever there were clients who wanted the help LV close the gap between demands.

Louis Vuitton had to change their manufacturing process to keep up with its customer's needs and expectations and to maintain and compete for market share. Louis Vuitton's supply chain process was very inefficient and slow. After several changes, they created a modern and efficient supply chain. The supply chain changes resulted in increased availability of their products in their stores around the world, a new and improved distribution center, and a store strategy.

From procurement of raw materials to delivering products on time to our stores, the Supply Chain spans the entire product cycle. It encompasses a diverse array of skills from planning to execution that must liaise with all the units involved in creating the products. All share a single-minded obsession with satisfying our customers, wherever they are in the world.

The Supply Chain continually reinvents itself to keep pace with the latest innovations and changes in markets, making this a function where the vision and agility of talents play a pivotal role. This is why LVMH recently joined the Supply Chain Chair at the Ecole Centrale Paris, in order to develop privileged relationships with future graduates of the prestigious engineering school.



LVMH Supply Chain Director Alain Doudard presents several Group-wide initiatives to identify and share best practices across this vital function. The Supply Chain has significant responsibilities as well in terms of guaranteeing that production processes deliver a positive social impact and a minimal carbon footprint. The Supply Chain for Louis Vuitton leather goods was awarded ISO 14001 certification in 2013, making it the first in France to achieve compliance with this global standard for Environmental Management Systems.

An efficient supply chain plays a critical role in delivering an excellent customer experience since it is responsible for making sure the products of their houses are shipped and available. To meet the growing demand for its online store, Sephora inaugurated a new high-tech logistics platform in Maryland in September 2014 to handle deliveries to the entire East Coast of the U.S.

**CHAPTER 5**  
**PANDEMIC AND THE LUXURY INDUSTRY**

## **5.1 PANDEMIC AND THE LUXURY INDUSTRY**

A mid the coronavirus pandemic, every company's first priority is, of course, to protect the health and safety of employees, consumers, and business partners. Indeed, luxury companies have pivoted to address urgent public-health needs: factories that produced scarves and perfume now manufacture face masks and hand sanitizers, and many luxury groups have made monetary donations to hospitals and other not-for-profit organizations. At the same time, with millions of people relying on the luxury-goods industry to make a living from factory workers and retail-store employees to small-town artisans and craftsmen industry leaders are planning ahead and wrestling with longer-term strategic questions to ensure the survival of their businesses.

The luxury goods industry has been heavily impacted by the Covid-19 crisis in 2020. The core personal luxury goods market contracted for the first time since 2009, falling by 23 percent at current exchange rates to hit EUR217 billion. The drop is the largest recorded since they have been tracking the industry. The overall luxury market – encompassing both luxury goods and experiences – shrunk at a similar pace and now is estimated at approximately EUR1 trillion.

During what is proving to be the worst economic crash of our times, the luxury and modern fashion market is probably bearing the hardest brunt since the very beginning of it all. Fashion houses across the world are being forced to indefinitely shut their manufacturing centers and stores, even their most loyal customers sticking to purchasing only essentials and the ban on international travel have only catalyzed the worsening of the situation for these luxury brands.



Research shows that the high-end fashion market has already seen a revenue loss of USD 32 - USD 43 billion, hardly 4 months into 2020, solely because of the COVID-19 outbreak. Overall, the industry is expected to be hit by a loss of USD 450-600 billion in 2020, which is even more staggering than the figures of the 2008-2009 recession. Even in the fashion capitals of the world, global-spanning fashion giants are increasingly facing a setback and feeling the growing impact of the pandemic. Economists and financial analysts across the world have estimated that the luxury fashion market will continue

to face the effects of the imminent global recession till at least the fag end of 2021.

It has been a year of profound global change in the way we live, the way we shop, and what we value. Tourists have remained at home, changing how, when, and why they purchase luxury products. Online shopping for luxury goods has soared, doubling its share of the market to 23 percent in 2020 from 12 percent in 2019. The turmoil of Covid-19 has been the catalyst for change for the luxury industry, which is on a path to recovery by 2022-2023. Consumer demand for action with purpose and social impact is growing and luxury brands are expected to demonstrate a real and sustained commitment to diversity, inclusion, and sustainability.

Luxury apparel and accessories consignment grew to a \$24 billion market before Covid and has been projected to reach \$51 billion by 2023, driven largely but not exclusively by millennials and Gen Z. At the high end, there's The RealReal, which deals in authenticated luxury goods from designers such as Chanel, Louis Vuitton, and Valentino. For pure variety, there's ThredUp, which boasts that customers can buy and sell more than 45,000 brands everything from Gap to Gucci. Other sites, like Poshmark and Depop, let customers buy and sell directly from each other.

According to ThredUp, over the past three years, the apparel resale business grew 21 times faster than sales of new clothing. And although 18- to 37-year-olds are adopting secondhand apparel 2.5 times faster than their older counterparts, Boomers and Gen X'ers are also embracing this segment of the market, as Boomers, in particular, declutter their closets and look for ways to get rid of clothing, handbags, and other accessories they've had for years. Each of those demographics has seen its purchases of secondhand fashion increase by double digits since 2017, according to ThredUp's research.

**CHAPTER 6**  
**FINDINGS AND CONCLUSION**

## **6.1 FINDINGS**

“With Covid-19, market players have become aware of how vulnerable their business model is to demand discontinuity. They must also take into account new parameters, such as the growing presence in every market of a very strong focus on ecological themes, increasingly a determinant of luxury goods purchases, especially for young people. The latter demand circularity, and are drawn to the brands that offer it,” said Luca Bettale.

In this context, the luxury industry needs to adopt a faster decision-making process, and do so urgently. Above all, it needs to revise its operational model, starting with its internal organization, the relationship with suppliers, and with logistics flows, both upstream and downstream. The goal is to better protect companies from risk situations, for example by not stockpiling products in warehouses and shops early in the season, but by holding them in a central location from which they can be distributed as needed. According to Battle, labels must incorporate two new fundamental elements into their business model: the value of time, which has become much more important, and sustainability.

## **6.2 CONCLUSION**

This thesis examines how supply chains within the luxury Industry impact the business performance of luxury fashion brands. Hence, this thesis is going to examine five brands to study examples of companies and how they strategically handle their supply chain.

Luxury Industry is a rapidly expanding market at the top (near the top) of the scale, focusing on things that aren't necessary but are pleasurable and fulfilling to own. Logistics is the process of planning, implementing, and

controlling the efficient flow and storage of all types of goods and services from the point of origin to the point of consumption as per customer requirements. Supply Chain Management is the integration of all activities related to transforming raw materials and managing all information flow. It coordinates supply and demand management.

In this project, I try to analyze how logistics and supply chain management in the luxury industry by taking examples of a few brands. In this dissertation, you can see how the logistics and supply chain department works in the luxury goods industry as well as how covid impacted the industry. For that, I took Versace, Gucci, Louis Vuitton, Dior, and Channel for the study. I'm attempting to examine these luxury brands and how they manage their supply chains by using these brands as an example also to understand the fashion industry. I conclude that I did my thesis completely to my knowledge and I hope it helps others also with their works.

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