

BUSINESS STRATEGY FORMULATION IN LUXURY FIRMS
FORMULACIÓN ESTRATEGIA DE NEGOCIO EN EMPRESAS DE LUJO

ABSTRACT

This Thesis is a research about the concept of luxury and its relationship to strategic Management.

Motivations.

The driver behind the elaboration of this study is to explore the complexity involved in managing luxury firms, and particularly the process of business strategy formulation. The research has been extensive in the case of the state of the art and the research phase. Nevertheless, the author acknowledges that his experience both as a business lecturer (postgraduate level) and as a private consultant has influenced the ability to gather further insights into this research. The ultimate motivation of this research is to contribute to academic work and business practice by providing a theoretical framework to help executives to formulate the business strategy of a luxury firm.

Structure.

This work is organized into three main parts. The first part is an introduction to the concept of luxury. It also provides the state of the art with a short view on the historical evolution of such concept, the luxury market and review of consumer behavior literature. This part also provides the analysis of the relationship between luxury and management and it justifies the need of a managerial perspective. As a conclusion this first part provides the rationale behind the need of a management approach to luxury. The second part defines the hypothesis of this Thesis, a framework to formulate the business strategy of a luxury firm. This part also defines the mixed method research conducted, which entails a quantitative and qualitative analysis, and the findings of the research phase. Based on these results this part explores the viability of a business model and the limitations of such model. In the third part the model proposed is redefined taking into account the lessons of the research phase. And hence it is proposed a definitive version of the framework.

Objectives.

Two are the main goals of this study: To evaluate the state of the art in the field of luxury and particularly its relationship with business strategy and To define the basis for a model to improve the process of business strategy formulation for luxury firms.

Proposed Model

