Examining the Glocalised Marketing Strategies of Luxury Fashion Retailers in China

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1. Theoretical background

As noted by Terpstra et al. (2012), the debate concerning standardisation and localisation/ adaptation has been raging on for a considerable time whilst it can be viewed as two extreme schools of management strategy and operations within the field of international marketing, it is, however, confined to luxury fashion retailing (Bai et al., 2021c). Over the last decades, the general China market has accounted for over 38% of global fashion industry growth, with an impressive 70% of expansion in the luxury segment (McKinsey & Company, 2020). According to Bai et al. (2022), Bloomberg(2018) & Deloitte(2020), China and India are the top countries of origin for emerging market multinationals in luxury fashion retail. In this context, it is necessary to inquire about how international luxury fashion retailers have adopted standardisation and localisation operating in their different regional markets. Existing studies provide sufficient knowledge about how to adjust between the global and local strategies. Noted by Wigley and Moore (2007), to support fashion retailers' business success in their internationalisation process, three particular components should be considered, including coherent international brand management, disciplined distribution control, and retail presentation consistent with the marketing image. However, as different companies may have their own levels of organisational capabilities and face specific market conditions, it is difficult for them to adjust between standardisation or localisation. Identified by Liu et al. (2016), there exists a global-local dilemma for those international luxury fashion brands operating in China, which requires the

businesses to employ highly adaptive marketing communication and standardised branding activities, rather than a simple localisation strategy that may confuse consumers' brand awareness. However, aiming at the production process, Kapferer (2012) shows that when international luxury fashion companies highly rely on their standardisation of manufacturing with the international supply chain to decrease production costs, their brands would lose the cultural origin, which decreases the vision of luxury fashion as a high value-added business. Linked to the marketing mix theory, how to make an effective use of standardisation and localisation may be still a challenging task because the businesses should make wise choices to drive from their business development into components such as products, place, promotion, and price. Yet, noted by Bai et al. (2021b), especially at the post-entry stages, those international retailers require a proactive stance to sustain their long-run expansion, refine their business goals, and optimise retailing portfolio in China market. In other words, rather than fully applying either of the two, an integrated approach between standardisation and localisation may be urged. Therefore, this study aims to develop a dynamic and continuous model of international marketing strategies from initial Chinese market entry to post-entry business development. From standardisation to localisation and finally to glocalisation. To fulfill these gaps, three research questions are set, including:

- Have these retailers changed their marketing strategies between initial entry to post entry, and why?
- What is the most effective international marketing strategies for business development management after their initial into China/post-entry?
- How international luxury fashion retailers' marketing strategies in China integrated into their global marketing strategies through the dynamic glocalisation process?

2. Methodology

In general, this study will employ a pragmatic two-stage mixed-methodology to achieve the three research objectives, as mixed methods can provide a comprehensive and deep understanding of an issue while the utilization of only one method would not produce the desired results (Creswell & Creswell, 2018). This study requires the identification of overall patterns of international retailers' operations in China, so that

the quantitative measurement could provide a highly reliable, valid way to generalise findings through research data. To examine the uses of standardisation and localisation in the international luxury fashion retailers through managers' perspective, a Likert-scale questionnaire will be designed and delivered to the managerial roles in the organisations as the research respondents. While the quantitative methods allow an objective assessment, it still needs in-depth inquiry to discover the reasons why the quantitative findings are produced in certain ways, associated with the contextual knowledge about the research questions (Patton, 2002). The options for luxury fashion retailers will be selected from approximately 130 in order to ensure a high response rate. To collect qualitative data, a set of semi-structured interviews will be developed. The researcher will ask first-stage participants if they would like to participate in the second stage of the in-depth interview that the study pre-considered executive number as 12. As a quantitative analysis, the mean value is compared to the independent sample t-tests in SPSS 22 in order to extract the overall pattern of how retailers implement their post-entry expansions. The qualitative data are analyzed with thematic analysis in NVIVO 10 while thematic coding is performed, which was preserved in an index system, in order that data could be accessed and explored.

3. Main findings

Research is ongoing and has not yet been completed.

4. Potential contribution

Luxury fashion retailers have previously ignored the Chinese mainland market, which is economically significant (Bai et al.,2017). The study therefore focuses on the Chinese mainland market that supplements the gap. Within a global and a Chinese context, this study makes three theoretical contributions to the retailer internationalisation literature. Firstly, to address the gap of only a few previous studies adopted an international retailing perspective (Bonetti, 2014; Bai et al., 2018), this study provides an in-depth insight of the current international retailing literature by examining the relative effectiveness of international marketing strategies of international luxury fashion retailers entering into the Chinese market. Secondly, Bai et al. (2021a) mentioned prior studies have examined retailers from developed markets

rather than from emerging markets. This study enriches the literature of emerging market strategies by discovering the most effective international marketing strategies for business development management after their initial into China/post-entry via its use of pragmatic mixed methods research approach. Finally, internationalisation in retail is a continuous and dynamic process (Bai et al.,2017), this study contributes the knowledge of glocalised marketing strategies by evaluating how international luxury fashion retailers' marketing strategies in China integrated into their global marketing strategies through the dynamic glocalisation process.

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