

## Bespoke Supply Chains: Transforming Luxury Fashion Supply Chains

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**Abstract:** Optimal and efficient supply chain (SC) is a function of contingent and decision variables. Among contingencies are environmental and resource variables that must be understood to define operational strategies. The luxury fashion industry is a peculiar sector where SC design must take into account industry specific factors. Undeniably, the industry goes through substantial changes that directly affect operational effectiveness and efficiencies of SCs. Yet, it is not well defined how unexpected market dynamics could be translated into operational strategies. First objective of this research is therefore to define the most critical success factors for the luxury fashion industry. Notwithstanding existing studies on the critical factors, it is not clear how luxury fashion SC strategies must be configured in accordance to rapidly changing industrial dynamics and market factors. In order to outline very specific components and to explore how luxury SC strategies must be orchestrated, this study conducts in depth interviews with experts, belonging to companies operating in the luxury fashion industry. Given that there is relatively little research on how to build robust methodological approaches by taking into account context variables, this paper identifies the most profound and critical success variables to stay competitive in the luxury fashion industry, and highlights what could enable luxury companies to adjust their SCs in highly volatile and unexpected situations in accordance with the most critical yet contextual variables.

**Keywords:** Supply chain management, Luxury fashion, Critical success factors, Qualitative study

### 1. Introduction

Luxury is a concept in which design beauty, creativity, and artistic uniqueness come together to provide tangible, e.g. example premium quality, and intangible, e.g. emotional attachment, values. Luxury is detached from other traditional industrial sectors because it involves limited supply, human participation and value recognition by others (Vigneron and Johnson, 2004). To this end, a ratio of functionality to price is low whereas the ratio of intangible and situational utility to price is relatively high. The global luxury market experienced a significant growth, accounting for € 1.2 trillion with Personal Luxury Goods accounting for €260 billion, representing 6% growth (D’Arpizio *et al.*, 2018). Personal luxury goods emerge as the biggest industrial segment, as it constitutes 30% of the entire market with a remarkable value of € 249B that is expected to reach € 280B by 2020. Consumers at every income level gradually demand luxury, and, consequently, luxury brands recently extend themselves to more affordable offerings (Cristini *et al.*, 2017). However, luxury is becoming more and more context and people dependent, and, albeit the importance of branding and marketing (Fionda and Moore, 2009), marketing cannot guarantee long term sustainability (Caniato *et al.*, 2011).

The luxury industry is traditionally dependent upon premium quality, craftsmanship and exclusivity (Karaosman *et al.*, 2018). In this vein, luxury provides

symbolic and experiential value along with functionality (Grigorian and Espinoza-Petersen, 2014); nonetheless, today’s growingly complex and competitive business structure in which more and customized approaches are increasingly demanded, the interface between marketing and SC management appears to be more and more crucial (Pero and Lamberti, 2013). True luxury is therefore expected to go beyond ‘luxury at the product level’ by coherently integrating production, logistics and marketing decision making.

There are some other factors whose existence is pivotal to secure market competitiveness. These factors, that are critical success factors, include premium quality, heritage of craftsmanship, exclusivity, emotional appeal, global reputation, recognizable style and design, country of origin, uniqueness, technical performance, and creation of a lifestyle (Caniato *et al.*, 2009; Brun and Karaosman, 2018). Given that one common strategy does not exist for all companies, strategic decisions must be made by taking account such contextual and industrial factors. Furthermore, luxury has been going through substantial changes. As such, due to growing relevance of social media and pressure coming from the mass-market, luxury is facing a new era, for example, see now buy now (SNBN) movement provides an alternative model by which products are made immediately purchasable during their appearance on the fashion shows (Mower, 2016).

Nonetheless, there are knowledge gaps in terms of how operational strategies could be adjusted to respond to these critical yet industrial trends (Brun, Castelli and Karaosman, 2017). To this end, it becomes vital to comprehend how and to what extent luxury specific critical success factors could be utilised to tailor SC and operational strategies. The aim of this research is twofold. Firstly, it aims at responding at research calls by exploring how today’s rapidly changing industrial scene must be configured, and secondly, how critical factors could be transformed to respond to unexpected yet emerging industrial situations to compete in the market. Research questions have been accordingly formulated, which are displayed as follows.

*RQ1:* Which are the most important critical success factors to compete in luxury fashion today?

*RQ2:* How could a SC strategy be configured for the luxury fashion industry in accordance with the aforementioned success factors today?

In order to reach such research objectives, this exploratory study pursues a qualitative method. Firstly, it conducts in-depth interviews with industrial experts to uncover the most critical success factors for the luxury fashion, and to explore how SC strategies could be configured in the luxury fashion industry by taking into consideration such independent variables to help draw industrial as well as academic implications on how to create bespoke luxury SCs.

## 2. Theoretical Background

### 2.1 State of the Art: CSFs for Luxury Fashion

A company determines its performance according to its execution of contingent and management variables. That is to say, contingent variables include environmental and resource variables and management variables involve planning, organisation, technology and decision making models. Among contingent variables are independent and dependent variables.

Critical success factors, to this end, emerge as those that affect corporate goals and operational strategies to compete in the luxury industries. The most significant variables retrieved from earlier studies include *premium price* (Nueno and Quelch, 1998; Daziger, 2005), *premium quality* (Nueno and Quelch, 1998; Daziger, 2005; Brun *et al.*, 2008; Caniato *et al.*, 2009, 2011; Fionda and Moore, 2009), *craftsmanship* (Brun *et al.*, 2008; Caniato *et al.*, 2009; Fionda and Moore, 2009; Nueno and Quelch, 1998), *brand authenticity* (Beverland 2005), *heritage* (Brun *et al.*, 2008; Caniato *et al.*, 2009; Fionda and Moore, 2009; Nueno and Quelch, 1998), *brand identity* (Fionda and Moore, 2009), *exclusivity* (Brun *et al.*, 2008; Caniato *et al.*, 2009; Fionda and Moore, 2009; Nueno and Quelch, 1998), *creativity* (Fionda and Moore, 2009), *recognizable style and design* (Brun *et al.*, 2008; Caniato *et al.*, 2009; Nueno and Quelch, 1998), *uniqueness* (Brun *et al.*, 2008; Caniato *et al.*, 2009; Nueno and Quelch, 1998), *superior technical performances* (Brun *et al.*, 2008; Caniato *et al.*, 2009; Nueno and Quelch, 1998), *accessibility* (Castelli and Sianesi, 2015), *customer satisfaction* (Castelli and Sianesi, 2015), *lifestyle* (Brun *et al.*,

2008; Caniato *et al.*, 2009; Nueno and Quelch, 1998), *country of origin* (Brun *et al.*, 2008; Caniato *et al.*, 2009; Nueno and Quelch, 1998), *shopping experience* (Macchion *et al.*, 2015), *sustainability* (Macchion *et al.*, 2015), *personal founder and designer reputation* (Arora 2015).

However, considering luxury fashion industry’s cross-sectoral nature, aspects as well as characteristics of varying business goals hardly can represent the general situation. A coherent and clear set of variables must be defined to understand their impact on operational strategies within the industry.

### 2.2 The importance of CSFs for Luxury Fashion Supply Chain Management

The influence of SCs on organisational strategies is evident because the competition takes place between SCs rather than individual companies (Macbeth and Ferguson, 1994). SC management aims at making companies become customer responsive to remain competitive in the market, as the whole manufacturing and distribution processes could be viewed as a sequence of events for one common goal, that is, serving the ultimate customer (Childerhouse, Aitken and Towill, 2002).

How value is created and delivered is of a growing importance for luxury fashion companies. Nonetheless, the right steps in terms of SC execution need to correspond critical factors for market competitiveness. (Castelli and Sianesi, 2015). In this sense, what emerges is that one size fits all is no longer an option and it is therefore essential to understand which aspects must be taken into account while implementing coherent SC strategies for luxury fashion.

The choice of production and supply network configurations must be coherent with a company’s CSFs and must be strategic in order to respond to unexpected yet required market changes. To illustrate, prior research highlight that there exist significant benefits for those that could successfully integrate production, logistics and marketing decision making. To the best of our knowledge, earlier research comes short in providing a comprehensive illustration in terms of how supply chains could be executed in the luxury fashion industry while taking into account industry specific CSFs and, consequently, how the ultimate configuration could be configured to enable any company operating in the luxury fashion industry to adjust their strategies in accordance with industrial dynamics. Having said that, this study pursues an explorative approach and explores the most important critical success factors in luxury fashion to better understand how SC strategies could be better defined.

## 3. Methodology

### 3.1 Research objectives

In accordance to aforementioned knowledge contributions as well as the existing gaps, the first objective of this study pertains to the identification of the most relevant CSFs for the luxury fashion industry. Subsequently, the goal is to define the most relevant and rigorous SC configuration and management choices,

linking CSFs to operational metrics. The value concept is becoming more and more content and experience driven; hence, SC management and configuration strategies are growingly expected to involve the value chain perspective by touching upon not only upstream levels but also downstream stages. SCM has been investigated in the literature for some decades whereas the luxury SCM is still an undiscovered area, as the literature is mainly focused on sociological, marketing and branding aspects, and it seems more difficult to identify a comprehensive set of studies targeting the operational aspects of this topic. Indeed, Caniato et al. (2009) stress that there is still no clear paradigm adopted in terms of operational and SC strategies pertaining to luxury industries.

As a consequence of some economic and social developments, outsourcing has become a significant phenomenon, resulting in firms no longer owning the whole set of necessary assets to cover the entire manufacturing and distribution processes. SCM thus emerges fundamentally for companies to remain competitive in a context where most activities are outsourced and where the interaction of multiple actors becomes more and more critical. There is a current theoretical as well as practical need for aligning SC choices towards the CSF of luxury by which the most relevant SC objectives could be addressed in accordance to the list of CSFs and by which configuration and management choices could be drawn.

### 3.2 Research Design

Qualitative studies are favoured when *how* and *why* inquiries are explored while the focus is set on a contemporary phenomenon in real-life context and the investigator has little control over events (Yin, 1994). This research is to explore and enlighten a set of decisions in terms of how they can be implemented; hence, in-depth interviews are considered suitable to deal with operational connections. In this sense, this research adopts in-depth interviews as a comprehensive strategy to cope with the situation whilst relying on multiple sources of evidence and benefiting from earlier research and theoretical propositions to guide data collection and analysis. This research pays close attention to qualitative research requirements defined to meet certain prerequisites. Consequently, this research investigates the contemporary phenomenon within its real-life context, specifically when the boundaries amongst the phenomenon and context are not evidently clear, and subsequently, the research attempts to cover contextual conditions relevant to the phenomenon under examination. A research design is created by specifying research questions, the objective and the unit of analysis. The research design also indicates the logic to link the data to the questions. The research team has also worked to maximize the quality aspects of the research design through the following footsteps of Yin (1994), as reported in Table 1.

**Table 1: Research Validity and Reliability Control Measures**

Test	Case Study Tactic	Phase	Purpose
<b>Construct validity</b>	<ul style="list-style-type: none"> <li>- Multiple sources of evidence were used</li> <li>- Chain of evidence was established, that is, links were created between the questions asked, the data collected and the conclusions reached</li> </ul>	Data collection	Accurate operational measures to the concepts were established
<b>Internal validity</b>	<ul style="list-style-type: none"> <li>- Pattern matching was made</li> <li>- Explanations were addressed</li> </ul>	Data analysis	Relationship and connections were shown
<b>External validity</b>	<ul style="list-style-type: none"> <li>- Replication logic tried to be employed in multiple case studies</li> </ul>	Research design	The domain was established to which this research's findings could be generalized
<b>Reliability</b>	<ul style="list-style-type: none"> <li>- Case study protocol was made</li> <li>- Case study database was developed</li> </ul>	Data collection	To demonstrate the operations of this research could be repeated and the same results could be generated

### 3.3 Research Sample

The objective of conducting in-depth interviews is to investigate a contemporary phenomenon within its real-life context using multiple sources of evidence. To this end, opting the unit of analysis as the luxury manager, seven interviews were conducted with those having a track record of experience in luxury fashion. Luxury fashion practitioners have therefore been selected as knowledge experts increase the knowledge depth and gain further insights to better capture the status quo. Table 2 showcases the sample characteristics as well as further specification of a total number of seven interviews conducted with the experts.

Table 2: The Sample Profile

	Role inside the company	Type	Duration
E1	Textile engineer & SC specialist	Face to Face	1,5 h
E2	Procurement & purchase specialist	Face to Face	1,5 h
E3	Chief procurement officer	Phone	1,2 h
E4	IT Project Manager	Phone	30 min
E5	Allocation & Planning Manager	Phone	30 min
E6	Luxury Portfolio Director	Phone	1 h
E7	La Rinascente Store Manager	Face to Face	1,5 h

A list of theoretically derived and classified 18 CSFs was provided in order for the managers to evaluate them as order qualifiers, order winners or not relevant. On the other hand, as for the second section, managers were asked to address the relevance of aforementioned dependent variables in terms of their impact on the CSFs. Subsequent to the analysis of each individual interview, we have identified similarities and differences by matching the results within and across the findings as well as the existent literature. To start with, the respondents were asked to classify 18 CSFs retrieved from a review of prior research as order qualifiers (OQ), order winners (OW) or not relevant (N/A). While 1 was assigned to the most significant OQs and OWs, 0 was assigned to those that were not vital. ABC, as a categorization method, was utilised to define the most important variables (A) and the least important variables (C). The total score obtained by each variable summing all the experts’ judgment. To illustrate, the respondents weighted 8 CSFs to be in the A cluster, while 6 in the B cluster and only 4 in the C. Table 3 shows a partial illustration of the scores. Subsequently, ABC analysis was employed to evaluate the importance of each CSF.

Table 3: CSF Scores’ Analysis

	E1	E2	E3	E4	E5	E6	E7
Brand authenticity	1	1	1	1	1	1	1
Premium quality	0	0	1	1	1	1	1
Creativity	0	0	1	1	1	1	1
....	...	...	...	...	...	...	...

ABC, as a categorization method, was utilised to define the most important variables (A) and the least important variables (C). The total score obtained by each variable summing all the experts’ judgment. A partial depiction of the analysis is displayed in Table 4.

Table 4: CSFs’ ABC Analysis

	E1	E2	E3	E4	E5	E6	E7	SUM
Brand authenticity	1	1	1	1	1	1	1	7
Premium quality	0	0	1	1	1	1	1	5
Creativity	0	0	1	1	1	1	1	4
....	...	...	...	...	...	...	...	...

## 4. Findings

### 4.1 Critical Success Factors for Luxury Fashion

Responding the research call in terms of how SCs could be adjusted in accordance to changing market dynamics in luxury fashion, this very first research question aimed at exploring the most relevant, rigorous and robust success factors to secure the market success in the luxury fashion industry. As displayed in Table 3, the variables categorized based on the ABC analysis include Class A, Class B and Class C items. The components of Class A include *Brand Authenticity, Customer Satisfaction & Service Level, Craftsmanship, Heritage, Premium Quality, Clear Brand Identity, Recognizable Style & Design, Country of Origin* as the most distinguished factors to excel the luxury fashion industry. In accordance to consensus reached by the respondents, these characteristics must be considered fundamental within the DNA of a luxury fashion brand.

Table 5: The Most Significant CSFs in Luxury Fashion

Class A	Class B	Class C
Brand Authenticity	Exclusivity	Accessibility
Customer Satisfaction	Creativity	Shopping Experience
Service Level	Uniqueness	
Craftsmanship	Superior Technical Performance	
Heritage	Personal Founder	
Premium Quality	Lifestyle	
Clear Brand Identity	Designer Reputation	
Country of origin		
Recognisable Style & Design		

Following the Class A as the main characteristics through which SC and branding decisions must be addressed, the variables that are of medium level interest were identified. Respectively, Class B factors include *Exclusivity, Creativity, Uniqueness, Superior Technical Performance, Personal Founder/Designer Reputation, and Lifestyle*. Nevertheless, what is worth stressing is the existence of contrasting opinions. To illustrate, it is possible to notice that element like personal founder and designer reputation and/or lifestyle are pivotal for the brands where, for example, E1 and E2

work because such brands are entirely based on the brand image as well as on the designer herself. In this case, these two CSFs are more important than those, including country of origin or the premium quality. However, brands, for example E7 represents, succeeds the luxury market thanks to the exclusivity, uniqueness and the superior technical performances of their products, which is also evident based on the SC variables they appointed. E6 addressed that the luxury industry is entering in a new era called “*the new luxury*”, hence elements including creativity and uniqueness are becoming much more important, as they increase the product value before the eyes of the customers. Contrarily, heritage and craftsmanship are observed losing their importance due to changing customer habits. Therefore, it emerges that what was considered a success element is subject to change as a consequence of rapidly changing luxury fashion industrial dynamics.

Lastly, Class C factors feature *Premium Price*, *Accessibility*, *Shopping Experience* and *Sustainability*. In accordance to consensus reached by the participating experts, Class C factors are considered not relevant to compete and/or win in today’s luxury fashion. “*People can access to information in an easier way compared to the past, therefore the offer itself is perceived by consumers as higher and more variegated.*” E5 states. Accordingly, it becomes obvious that the new meaning of luxury does not attach the price as a distinguishing factor. Thus, competing in the luxury market with the highest market price imposed by the traditional luxury paradigm cannot be considered a key for success.

To summarize, CSFs can be defined as more specific and differentiating factors that companies want to pursue according to the specific strategy opted. Furthermore, sustainability, despite its growing importance in common-sense knowledge, is not entirely embraced by luxury. In particular, E7 points that sustainable goods are not something luxury fashion customers are asking for yet. Accessibility and the Shopping Experience did not receive high attention from the experts however they were frequently mentioned during the second part of the study, as a number of SC and Branding variables were considered relevant with a direct impact on either Accessibility or Shopping Experience. To this end, Table 5 displays the most critical factors to compete in today’s luxury fashion industry.

#### **4.2 Luxury Fashion Supply Chain Management at the Intersection of CSFs**

In accordance with what aforementioned insights suggest, there exist number of contingent and contextual factors that affect daily managerial as well as operational decisions. These factors are largely shaped by institutional, market and societal forces. That is to say, for example, today’s globally dispersed, complex and highly competitive structure result in consumers demanding more customised approaches. Relatedly, the quality of the company’s strategic and tactical decisions is directly dependent upon how operational decisions are executed. This study attempts to uncover those critical factors that managers might need to consider while grinding production, logistics and marketing decisions.

Class A encompasses factors that have profound impacts on the company success in the luxury market. Such very important aspects that are pivotal for the luxury fashion businesses include Brand Authenticity, Customer Satisfaction, Service Level, Craftsmanship, Heritage, Premium Quality, Clear Brand Identity, Country of origin and Recognisable Style & Design. Even though it is suggested that these factors are vital for luxury fashion, it is not illustrative enough to unlock the question how. Earlier research highlight that luxury fashion companies fully outsource their value added activities (Brun, Castelli and Karaosman, 2017). Therefore, supply chain planning and management must be orchestrated by strategically embedding these factors into strategic actions.

To illustrate, designers, while creating beauty throughout the new product development phase, are suggested to translate CSFs into actions. For instance, design is the initial stage where the brand could emphasise its unique identity and delivers its authenticity. Hence, design teams are suggested to deliver heritage, recognisable style and creative genius through design without compromising exclusivity, brand value and superior technical performance. Hence, there could be an assumption whereby brand, quality and supplier relations have an absolute direct link. Consequently, sourcing management becomes another significant facet to successfully deliver such CSFs to the market. Suppliers must be nurtured because materials purchased and/or manufacturing outsourced by the big brands could jeopardise the end quality. Some essential criteria based on which supplier evaluation could be improved would therefore include material quality, country of origin (traceability) and superior technical performance. Even though, the product itself is the main output to deliver critical features in terms of intangible values, including authenticity, identity and exclusivity, it is vital to remember that unique designs can come to life only when supplier coordination is built based on longevity and superiority to deliver the best quality. Recently, overproduction is becoming a big industrial problem within the global fashion industry. Relatedly, customer demand must be better read in addition to additional instruments to improve, including forecast optimization, free stock management, and fast replenishment techniques. Following sourcing and manufacturing, another vital stage is none other than the retail. How products are distributed and showcased have a pivotal importance for the market. To this end, critical factors must be translated into experiential values by which consumers could feel and communicate these values. Thus, retail channels and downstream integration are crucial to deliver high level of customer satisfaction while ensuring exclusivity and authenticity. One of the most challenging aspects of luxury is to utilise innovation without sacrificing the heritage. Hence, branding strategy and communication through retail must be established in flexible and efficient ways to bring innovation at the intersection of consumers and brand culture.

#### **5. Discussion**

Knowing that not every product will attract every customer, defining the target market for a product is of

critical importance that must take place in the product development process. Management of sourcing is therefore a crucial facet where quality, service excellence and supply certainty must be ensured. However, it is still not clear how to apply all these contingent and management variables to the luxury fashion industry so as to shape the roadmap for an ultimate market success. All the metrics and variables identified and clustered in the previous section are now clustered in the value chain to build the discussion upon the luxury fashion SC strategy by which any luxury fashion company could see which factors must be considered and how such factors must be associated throughout the supply network. The luxury is dependent upon craftsmanship, brand heritage, exclusivity and the experience. Even though emotional appeal, brand reputation, uniqueness and style have long represented the main success factors, in today’s vibrant environments, luxury fashion appears to be seeking and inventing rather innovative concepts to remain unique and to secure the competitive advantage. Time, Quality, Brand and Supplier Relationship management appear to be the key performance areas to focus on while designing a luxury fashion product. These performance areas must be arranged strategically because each of these variables has a direct impact on some of the most crucial CSFs.

In luxury fashion, the *quality* is a must factor. Therefore, sourcing must ensure the high quality in raw materials and components out of reliable suppliers. To this end, specific supplier audit programmes appear to be useful instruments to control and monitor suppliers’ performances. Product complexity, quality, supplier profile, time and upstream supplier integration are vital that directly affect such CSFs as premium quality, brand authenticity, brand identity, country of origin and uniqueness. Luxury fashion production is driven by the pull logic, implying that it is really hard to predict the number of pieces that should be realized prior to showing them in the market. For this reason, luxury fashion SCs are expected to be efficient and flexible in order to follow an unpredictable demand pattern in terms of both volume and content. Flexibility, product complexity, quality, SC integration and time are of crucial interest because the direct impact found is associated with certain CSFs, such as Premium Quality, Craftsmanship and Superior Technical Performances.

One of the main purposes for a luxury company is to keep a balance between ‘Exclusivity’ and ‘Accessibility’ and therefore the brand reputation requires control and ownership of the distribution channels. Therefore, a number of decisions must be made with respect distribution and retail management. Luxury is becoming more and more aware that costumers are changing, and online channels, to this end, become more valuable. Therefore, e-commerce is emerging to be a relevant instrument to manage. Having said that, the main CSFs impacted by distribution related SC choices decisions include Customer Satisfaction & Service Level, Shopping Experience, Accessibility and Brand Identity. Lastly, there exist significant insights specifically addressing the customer relationship management. That is, luxury products cannot be developed in response to each

customer desire; yet, customer expectations must be reached in order to be successful in the market. The customer relationship management is thus essential to get established to reinforce the brand identity and image. Branding and downstream integration related metrics directly impact Brand Authenticity, Brand Identity, Uniqueness and Exclusivity. All in all, the results obtained from the interviews makes it clear that certain CSFs, including Brand Authenticity, Heritage, Brand Identity, Lifestyle, Uniqueness and Exclusivity are mainly influenced by the *Customer Relationship Management* practices. To this end, a clear and yet strong communication to the right customers could strongly influence the brand perception. On the contrary, the Premium Quality, Craftsmanship, and the Country of Origin are strictly dependent upon the *Sourcing and Manufacturing Phases*, particularly on the location, the size and the characteristics of suppliers and vendors. Creativity, Superior Technical Performances, Recognisable Style and Design and Personal Founder & Designer Reputation are shaped during the *Product Development phase*, which also impact on the Exclusivity and Uniqueness. Lastly, it is possible to leverage such CSFs as the Accessibility, Customer Satisfaction & Service Level and Shopping Experience with an accurate *Distribution Management* strategy. Having all the CSFs connected with the specific phases belonging to the value chain makes it clear to see that when it is necessary to implement corrective actions on a specific CSF, as showcased in Figure 1, certain phases and specific performance variables must be clearly managed to reach desired performance results.

## 6. Conclusion

Luxury fashion is constantly challenged by rapidly changing market dynamics. Hence, it is important provide a contribution in terms of how an ultimate luxury fashion SC configuration must be formed while showing how such a configuration could be transformed in managerial actions. The idea of success factor was first presented in 1961 in the management literature in which it was claimed that certain industry-specific critical success factors are relevant for any company in a particular industry. The original concept of the CSF theory is aligned with the Pareto’s findings. The Pareto law states that 80% of the effects come from 20% of the causes. Relatedly, in the CSF theory, it is suggested that the organisation needs to focus more on the 20% of the critical success factors that will contribute 80% toward the success or failure of the organisation. In this vein, the CSFs could help the organisations to attain a competitive advantage amongst its competitors. The first contribution of this research toward theory building was therefore to enrich earlier set of variables to compete in the luxury market. Prior research linking the SC variables to SC strategy led to different configuration and management choices. However, the contingent variables hitherto considered are limited and involve all aspects of the luxury fashion value chain. Throughout this study, the most relevant CSFs for the luxury fashion industry as well as the main operational variables have been identified. A framework has been created to position CSFs across the value chain in the

luxury fashion industry. Subsequently, a connection between operational variables and key success factors has been generated. Some important CSFs including *customer satisfaction & service level, brand authenticity* and *brand identity* are influenced by a large number of variables whereas some others featuring *craftsmanship, personal founder & design reputation* and *lifestyle* are not entirely influenced by all operational measures. These factors could be considered fundamental for any company operating in luxury fashion to secure competitive advantage. However, it is equally important to explore how these CSFs influence operational stages and how SC strategies could be formulated to better respond to corporate goals in pursuit of CSFs. For example, product development is an essential stage for which brand, quality, time and supplier relationship emerge as prerequisites. To this end, related performance metrics must be understood, evaluated and performed well.

### 7. Limitations and Future Research Directions

Despite enriching insights and managerial takeaways that can be utilised by any luxury fashion company, the study is not without its limitations. First limitation pertains to the sample size. The purposeful sampling was accurate, as each respondent provided unique insights due to their experiences in the field; however, a higher number of respondents would lead to more significant considerations while eliminating the single respondent bias. On the other hand, the framework provided is quite general since it does not focus on a specific phase of the chain. A further step can be taken to identify different strategies applied in the luxury fashion industry to test the suggested framework.

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