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Julia Riedmeier

**Author Details**

Julia Riedmeier, DBA candidate  
IUM International University of Monaco  
Le Stella, 14 Rue Hubert Clerissi  
98000 Monaco  
Principality of Monaco

jriedmeier@monaco.edu  
+377 97 986 986

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## **The role(s) of luxury brand managers in times of brand meaning co-creation**

*Julia Riedmeier*

*International University of Monaco*

### **Abstract**

Traditional academic and business literature concerning the role of luxury brand managers postulates a rather authoritative position as a creator and/or guardian of the brand. More recent literature reduces their role to an orchestrator of dynamically evolving brand meaning co-creation processes. No research has studied the brand manager's own perception so far. This paper builds on role theory and phenomenology to understand how brand managers of luxury brands and their key stakeholders in the watch and jewelry industry perceive the manager's role. The findings will add to existing knowledge by producing empirical evidence on the perceived role of brand managers in luxury ecosystems. The results will allow to derive strategies for brand and human resource managers in the field of luxury on how to cope with potential dilemmas between expectations and reality.

### **Key words**

*Luxury brand management, brand meaning co-creation, social media, role theory*

## 1. Introduction and Objectives

Managers of luxury conglomerates perceive the digital environment as uncertain, dynamic, fast-changing, which requires respective actions in the management of brands (Kering, 2018; LVMH, 2019; Richemont, 2016). Especially social media has challenged traditional luxury brands, which were rather reluctant in engaging in digital conversations (Arrigo, 2018; Chevalier & Gutsatz, 2012; Kapferer & Bastien, 2012). While the essence of luxury brands is based on exclusivity and a closed, controlled system, the online world is characterized vice versa (Cristini, Kauppinen-Räsänen, Barthod-Prothade, & Woodside, 2017; Kapferer, 2015) and allows manifold brand meanings via user-generated content (UGC) that are no longer controlled by the brand (Allen, Fournier, & Miller, 2008; Berthon, Pitt, & Campbell, 2009a; Cova & Cova, 2002; Muniz & O'Guinn, 2001; Thompson, Rindfleisch, & Arsel, 2006). The main dilemma luxury brands are facing is to preserve their (perceived) exclusivity (Arrigo, 2018; Berthon, Pitt, Parent, & Berthon, 2009b; Keller, 2009) combined with the concern of losing control over the brand image (de Chernatony, 2001). This is already the case as von Wallpach and colleagues (2017b) argue: "managers no longer are in the driver's seat" (p. 397). A prevailing control-centric management is no longer compatible with these market dynamics (Christodoulides, 2009; Iglesias & Bonet, 2012; Wider, von Wallpach, & Mühlbacher, 2018) leading to struggles for brand managers (Hipperson, 2010). These technological and market changes disrupt the game for luxury brands and their managers whose role is getting more and more unclear.

Traditional academic literature characterizes the role of luxury brand managers as creator and/or guardian of the brand (Mitchell, 2001; Cui, Hu, & Griffith, 2014). Whereas a more recent view considers brand managers as co-constructors of branding with multi-stakeholders (von Wallpach et al., 2017b; Wider et al., 2018). So far, extant research has discussed this change and related implications for brand managers and their role only conceptually (Christodoulides, 2009; Hughes, Bondoni, & Pehlivan, 2016; Michel, 2017; Mitchell, 2001; von Wallpach et al., 2017b; Wider et al., 2018). Essamri, McKechnie and Winklhofer (2019) shed light on the role of the brand manager in a brand identity co-creation process with online brand communities. However, the perspective on how luxury brand managers perceive and experience their role has been overlooked. Just as how key stakeholders experience the role of the luxury brand manager. As different actors are operating in brand management and its implementation (e.g. creative directors or agency), it is not an isolated discussion of the brand manager, but rather one with a set of multiple stakeholders (Akaka & Vargo, 2015; Kelly & Hise, 1980; Panigyrakis & Veloutsou, 1999). Contemporary literature argues for a dynamic co-creation of brand identity and meaning by multiple stakeholders (Merz, He, & Vargo, 2009; von Wallpach, Hemetsberger, & Espersen, 2017a), wherefore an ecosystem view needs to be taken into account in order to provide a more holistic perspective.

This research contributes to extant brand management research by investigating how luxury brand managers experience their own role(s) in times of brand meaning co-creation via social media. Likewise, how their key stakeholders perceive the luxury manager's role(s).

## 2. Research Question

The research questions to be answered are:

1. How do brand managers of luxury brands experience their role in times of brand meaning co-creation via social media?
2. How do stakeholders experience the role of the brand managers of luxury brands?
3. Which facets of these perceptions overlap or diverge?

### **3. Literature Review**

#### **3.1 Luxury brand meaning co-creation**

Luxury is an elusive concept that changes over time (Chevalier & Gutsatz, 2012; Cristini et al., 2017; Kapferer & Bastien, 2012). In this paper, luxury will be regarded from a traditional understanding that is characterized by exclusivity, premium prices, social distinction (Chevalier & Mazzalovo, 2012; Kapferer & Bastien, 2012). Due to these characteristics, co-creation on social media is the last emerging research theme in the luxury discipline and seems revolutionary (Arrigo, 2018). The open source and interactive nature of social media (Arrigo, 2018) enables different interpretations of a brand (Hollis, 2005; Ward & Ostrom, 2003), which are visible to the online audience. Thus, brand meaning “is interpreted, negotiated, and co-created within the context of a wide network of stakeholders” (Iglesias & Bonet, 2012, p.253) and is no longer controlled by a brand (Allen et al., 2008; Berthon et al., 2009a; Cova & Cova, 2002; Muniz & O’Guinn, 2001; Thompson et al., 2006; von Wallpach et al., 2017a).

Luxury brands did not proactively invite consumers (and stakeholders) to co-create brand meaning via UGC “as they feared this type of content would dilute the brand image and the brand equity [...]” (Hughes et al., 2016, p. 359). However, this relates to a rather old (conservative) school of thought that considers the brand meaning creation to be done by the manager of a brand (Aaker, 1996; Keller, 1993). While a more recent school of thought outlines that it is always co-created due to multiple stakeholders empowered by social media (Hillebrand, Driessen, & Koll, 2015; Merz et al., 2009; Vallaster & von Wallpach, 2013). As Roper and colleagues state (2013): “brand managers may wish to create a stable set of meanings for luxury brands, they must expect consumers to (re)interpret and organise them differently” (p. 393). This relates to the understanding of role of brand managers of luxury brands, which will be discussed next.

#### **3.2 Role of luxury brand managers**

To understand the role of luxury brand managers, this research builds on role theory (Biddle, 1986), which focuses on behavioral patterns and “explains roles by presuming that persons are members of social positions and hold expectations for their own behaviors and those of other persons” (Biddle, 1986, p. 67). At this core lies the notion of the activated self, which is adopted from Walker and Olson (1997) and draws upon the idea that different selves are activated situationally. Overall this can be linked to the multidimensional concept of the self, which is divided into the perspectives of actual (self-perception), ideal (ideal self-perception of oneself) and social (presentation to others) (Sirgy, 1982). Therefore, the role of the brand manager will be seen from an individual level, how luxury brand managers see themselves in their role, and how they are perceived by others in their position. Hereby, this paper adopts the service ecosystem view of Akaka and Vargo (2015), that draws upon a network of interrelated actors, whose interactions are shaped by e.g. rules, habits, norms, meanings, symbols (Scott, 2011) and are co-created via phenomenological experiences in a dynamic context.

In a luxury framework, brand managers are described as global brand ambassadors, leaders, who cooperate closely with the brand’s creatives and communicate the brand’s myth and vision (Auguste & Gutsatz, 2013). Possessing this boundary position, brand managers interact with several stakeholders as e.g. external agencies (de Chernatony, Drury, & Segal-Horn, 2003; Kelly & Hise, 1980; Panigyrakis & Veloutsou, 1999), which can put them to be “right in the middle of the political minefield” (de Chernatony et al., 2003, p. 14). One stream of literature sees the luxury brand manager as someone who balances profits and exclusivity (e.g. Berthon et al., 2009b), thus who creates the brand identity (Louro & Cunha, 2001; Veloutsou & Panigyrakis, 2004) and protects it (Cui et al., 2014). Christodoulides (2009), Michel (2017), Wider and colleagues (2018) acknowledge that this narcissist, guardian view of a brand manager who creates an explicit brand image is no longer feasible due to digitalization and consumer co-creation. So,

a more recent view considers the brand manager as co-creator (Allen et al., 2008), enabler (Hughes et al., 2016), supporting facilitator (Louro & Cunha, 2001; Quinton, 2013) of brand meanings, “whose main role is not to control (this is impossible) but to facilitate this sharing” of UGC (Christodoulides, 2009, p. 143). This is in line with von Wallpach et al. (2017b), who see the “important role of managers as active performers, facilitators, and guardians of brand identity co-construction” (p. 397). Or Wider and colleagues (2018), who state that brand managers need to go from “determining and ruling over reality... [to the notion that] a brand manager orchestrates brand reality in continuous interaction with all other stakeholders participating in the brand” (p. 304).

The role of the brand manager and its transformation has been researched only conceptually. How brand managers of luxury brands experience their role in times of brand-meaning co-creation via social media is still unclear. So far, no research has empirically studied the brand manager’s own perception of his role(s) and how key stakeholders perceive these roles. This is where this planned study will shed light upon.

#### **4. Method**

The empirical study will be conducted within the luxury industry in the segments of watches and jewelries in France and Switzerland where traditional luxury brands were founded (Kapferer, 1997; Seringhaus, 2005) and have their headquarters. The selected brands can either belong to conglomerates as e.g. Swatch Group (e.g. Glashütte), LVMH (e.g. Bulgari), Kering (e.g. Boucheron), Richemont (e.g. Cartier) or be family-owned (e.g. Audemars Piguet).

To understand the perception of roles, lived experiences and the self as a whole are crucial. Therefore, phenomenological interviews – concerned about the understanding and describing of lived experiences (e.g. Biddle, 1986; Goulding, 2005; Iglesias & Bonet, 2012) – will be conducted until the point of saturation is reached. The selected sample needs to have lived the phenomenon to study, “sampling is therefore purposive and prescribed from the start” (Goulding, 2005). Utilizing a phenomenological approach, semi-structured interview will be conducted with brand managers who will be asked about their autobiographical background, current tasks and experiences. In some companies the role of the brand manager is executed by the CEO (de Chernatony et al., 2003) or marketing manager (Tynan, McKechnie, & Chhuon, 2010), who will be interviewed in such a scenario. To understand the external perception of brand managers, key stakeholders with whom they are interacting with will be additionally interviewed. From an internal luxury brand perspective, interviews will be conducted with the creative director, who is in charge of translating the brand into visuals and thus bringing it alive. Plus, the digital (communications) manager being responsible for e.g. social media activities. In case these latter two are not executed within the company or supported by one or various external agencies, the external stakeholders of a creative agency and digital/communication agency will be interviewed. The interviews will take place individually face to face in the interviewee’s office. In cases where a personal meeting is not feasible, Skype interviews will be conducted. All interviews will be tape recorded and transcribed. The study will then follow the phenomenological process with seven steps defined by Colaizzi (1978) and guided by inductive and deductive coding. Hereby, Biddle’s (1986) four concepts of role theory – consensus, conformity, role conflict, role taking – act as first coding categories, enriched with new categories that emerge through data interpretation.

#### **5. Findings and Discussion**

Empirical research is currently on the way. The first preliminary findings with brand managers show that the role of luxury brand managers is perceived as a protector of the brand and distant maestro. Thus, luxury brand managers are not seen as facilitators or co-constructors, but rather

traditional as guardians of the brand (e.g. Michel, 2017). This needs to be validated with additional interviews as outlined above.

This research will contribute to luxury brand management research by empirically investigating the role of brand managers in luxury ecosystems. Once completed, these findings will give food for reflection and implications for practitioners on how to manage a luxury brand in times of brand meaning co-creation and how to interact with the interrelated actors of the ecosystem. It will allow to derive strategies for brand, communications, and human resource managers in the field of luxury on how to cope with potential dilemmas between expectations and reality. Besides, a development of role typologies will lead to a new managerial description, which is relevant for human resources managers in terms of e.g. (pre-)recruitment, socialization.

## 6. Conclusion

The study empirically investigates the current understanding of the perceived role of luxury brand managers in times of brand meaning co-creation. So far, luxury brand managers are experiencing a loss of brand control due to digitalization namely social media, which inclusive character is opposing the exclusive nature of luxury brands. Being in a political minefield of stakeholders and organizational constraints, luxury brand managers are facing a dilemma of how to (re)act and manage their brands, which are in flux and in a continuous negotiation process. This dilution of control can be tackled academically, but also needs to find its path into a realistic management of brands.

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