

THE INCREASING IMPORTANCE OF ITALIAN FASHION BRAND IDENTITY AND ITS
EFFECT ON ARMENIAN CONSUMER BEHAVIOUR

by

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Abstract

This is a study about the positioning of Italian fashion brands in the Armenian market and the perception of brand identity by local consumers. People living in Armenia have been influenced over time by Italian producers and their offered products while expressing buyers' behavior in the marketplace. The constantly growing connection of locals with the label *Made in Italy*, Italian fashion designers, and their creative and expressive fashion products may directly influence Armenian fashion (Hergnyan, 2015). This study uses the methodologies of observations, face to face interviews, and online surveys. Furthermore, the study examines the influence of the Italian fashion market on the development of luxury goods production in Armenia. The paper concludes how Armenia and Italy are linked in their brand management, which directly impacts local fashion producers and consumer behavior.

Keywords: fashion, Italian brands, corporate identity, brand image, consumer behaviour

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The Increasing Importance of Italian Fashion Brand Identity and its Effect on Armenian Consumer Behavior

This study is about the positioning of Italian fashion brands in the Armenian market, its impact on the local industry development, and the effects it has on the purchase behavior and attitudes of Armenian consumers. Mostly on their way to highlight self-confidence and high status in global fashion markets, people choose to follow the fashion trends while believing how the stylish look can interpret their internal and external personal uniqueness (Wang, 2015). This refers to Armenian fashion consumers as well, who are in a constant search of finding clothing and accessories with high quality, creativity, and well-established origins. Italian fashion products that appeared on stage, starting from the 11th century, were noticed in the market for combining professional craftsmanship, design, and quality (Merlo & Francesca, 2006). Many Italian brands having a strong corporate identity, image, and brand value revolutionized the industry attracting thousands of loyal consumers. Giorgio Armani, Gucci, Roberto Cavalli, Diesel, Dolce & Gabbana, Fendi, and other Italian labels after establishing their brand names worldwide started communicating with significant numbers of targets and dictating fashion trends to follow (Ross, Harradine, 2011).

The study examines how Armenian consumers feel attracted to the Italian brands' identity and what are the advantages of purchasing goods with the label *Made in Italy* instead of choosing the locally produced clothing or accessories. The research question of this study is to explore how the corporate identity of Italian brands overmatches the locally manufactured items and what are the influential interests which force local consumers to purchase products with Italian origins. Based on the conducted observations of Italian franchise and retail shops located in

Yerevan, as well as face to face interviews with the marketing and customer support team of the luxury fashion boutiques, the research seeks to identify the positioning of Italian brands in the Armenian fashion market.

Literature Review

Field professionals wrote a number of articles in order to find out the importance of fashion brands' identity and how they impact on consumer behavior. Moreover, the concept of *Made in Italy* also was widely discussed in order to discover Italian branding strategies and positioning of the labels in the market. Analyzing the theoretical research on the marketing strategies of the Italian fashion industry as well as the available sources related to brand identity, one may identify the critical factors and characteristics of the iconic labels and how the consumers feel connected with them.

Brand equity and its impact on consumer buying behavior

Brand equity is the added value that companies integrate into the image of the label for making it more appealing, easy-recognizable and reliable for the target market. The outstanding and positive brand equity of the company possesses the power of persuading the consumers to purchase their offered products at comparatively high prices rather than the competitor's ones, which are qualitatively the same (Chang & Liu, 2009). Brand equity is based on three main factors, which are buyer perception of the label, positive and negative impacts, and value. The consumer, during his buyer's journey, gets an impressive amount of knowledge and raises his awareness about some brands which build his understanding and perception of the brand equity. Based on the prior experience, including the positive and negative impacts of the brand, the buyer already makes his decision adding some value to the label. The company's profits are

depending on the last stage, which might be increased or decreased depending the buyer gets affected or not by brand equity (Chang & Liu, 2009).

In order to develop powerful brand equity for the company and increase its positive image in the market, professionals secure the enjoyable and promising buyer's journey for the client. Positioning the brand as a productive and essential component for the consumer's long-period experience, brand managers successfully influence on the buyer's behavior during the awareness stage of the journey. The further and consistent communication of the brand with the client targets memorable associations and experiences with the label which directly impact on consumer buying decision and loyalty in the favour of the label (Lee, Leung & Zhang, 2000).

In the article "Fashion Brand Image Marketing: Brand Image and Brand Personality," the authors present and analyze a number of characteristics which contribute to the formation of strong fashion brand identity and beneficial consumer behavior (Lee, Leung, & Zhang, 2000). As the authors argue, in order to win a larger market share in the fashion industry niche, it is essential to create a favorable brand image and equity that will be used as a great foundation for developing an effective marketing program. Moreover, the significant increase in sales can be ensured in case the company also makes financial and human resource investments in the implementation processes of brand management strategies and regular marketing campaigns (Merlo & Francesca, 2006). In many cases, brands' executives face a number of problems while managing the fashion firm's marketing strategies connected to consumer relations. For example, being integrated into a multinational market, brand managers entirely or partly lose their autonomy in the decision-making process as they are constantly forced to adopt the brand image to new markets. In other cases, brand management teams fail corporations with suitable

successors who do not comprehend the adopted standards of the brand's integrated design strategies or start creating products not related to the competitive market demands (Merlo, 2015).

In today's fashion industry, where a constant rise of products' and brands' number is registered, companies choose to revive a brand from the past rather than launch a new one. The theoretical argument states how much profitable it is for fashion companies to target the emotional experiences of people connected with the past and appeal to them with the memories about the label's relationship with themselves. The sensual attachment of the consumer with the brand has essential significance for the company as it identifies the label's positioning in the buyer's mind during the lifetime and psychologically impacts on his buying behavior (McGrath, & MacMillan, 2000).

Branding is another essential component for integrating a set of symbols and messages for the company whose main objective is to differentiate the label in the market. Effective brand management communication creating exclusive associations for the consumer, ensures how the label is empowered to satisfy all their needs and expectations. The strategy of creating a brand affinity for the target highlights the advantages of the label over its competitors and encourages the consumer's loyalty behavior (Hakala, Sjöblom & Kantola, 2015). In most cases, the effectiveness of business communication between fashion brands and their audience depends on how the target market is identified correctly and whether the appealing messages for them correspond to the interests of their demographics. In the case of determining the campaign objectives and publics accurately, the brand communication strategies will get to the expected outcomes (Goldman, 2012).

Interestingly, many fashion brands which are not considered as trendsetters in the industry anymore and do not get the regular attention of media and customers, implement retro marketing strategies as a strong tool for brand management. The retro branding is aimed to target the emotions of the consumers, more particularly the feeling of nostalgia. Recalling the brand's longevity, reputation, and pride proven by history, fashion firms convey security and courage to the targeted consumers. In other words, while consumers continue seeking to find consolation in the past, fashion brands presenting their heritage and trust from history, raise their brand awareness and gain big popularity (Ross & Harradine, 2011).

Fashion producers, while implementing branding strategies for their products, highlight the idea that "things were better back then" and target personal experiences (Merlo & Perugini, 2015). However, in order to succeed in wider scales, brand managers should provoke "communal" nostalgia as well, reminding people about societal events, including political revolutions, wars, or economic crises. This methodology is applied mainly by brands that not only embody the values of craftsmanship along with an enduring prestige but also hark back to a time when the world seemed safer, more comprehensible, and much less commercial (Merlo & Perugini, 2015).

Each fashion brand has its own strategies and management for being positioned in the market and reaching its target consumers. Brand identity and brand image are the main concepts that usually connect the audience with the organization affecting people with visuals (Smith and Taylor, 2002). Moreover, in the sales funnel which consumers pass before making the final purchase consists of several stages including brand awareness, interest, consideration, intent, and evaluation, and as Balmer argues, the most important component in that process is brand

recognition, which includes the identification of brand labels, symbols, or distinctive typography (Merlo & Francesca, 2006). The stronger and favorable associations consumers feel while communicating with the brand, the higher become the chances of making a purchase (Wang, 2015).

Sometimes luxury labels in the fashion industry are under the risk of being perceived as overpriced and unreasonable. In order to seem beneficial to customers' needs, well-established brands concentrate on the creation of equity, where brand image and product quality are highlighted properly. Customer-based brand equity is directly connected with the marketing of a brand as it is being formed based on the attributes, benefits, and attitudes of the label, which is offered to the client (Ross & Harradine, 2011).

Interestingly, while building a relationship between consumers and fashion brands, there are some important aspects like label recognition and value branding, which definitely affect the customer decision-making process. Using Kapferer's model, as well as conducting a survey of 150 business students, Ross and Harradine (2011) created a detailed brand identity for value fashion brands and a map to identify the gaps between intended and perceived brand images. Based on the conducted research and semiotic analysis of the authors, it becomes evident that in contrast with iconic brands, 150 young consumers' perceptions of supermarket value clothing brands in most cases restrained the positive engagement. The participants even after expressing their negative opinion about clothes which were available in the supermarkets and sharing their huge desire to have luxury fashion products, preferred to keep their purchasing intentions and buy supermarket value brands as they were sure about fashion credibility about the selected products and did not have enough financial sources to follow luxury fashion trends (Ross and

Harradine, 2011). Therefore, considering the youth for the target public of the fashion industry and the effects of branding on loyalty, the shown experiment highlights how retailers should successfully combine the projected brand identity, and its reception for attracting such consumers.

In the article "Media influence, fashion, and shopping: a gender perspective," Arlesa Shepherd discusses how males and females get influenced by fashion branding while following the updates of media (2016). As noted in the article, the changing perceptions of shopping behaviors that were considered feminine in the past, have been modernized completely in order to represent today's masculine concepts as well. The semiotic analysis of the author reveals how the media, including television programs and online social platforms, have emphasized the idea that the tendency of buying sumptuous products or goal-oriented shopping is associated with masculine ideology anymore. For understanding shopping behavior changes, it is essential to find out the mechanisms and origins which led to this situation. Concepts, such as fashion consciousness and fashion leadership, have been aligned in the past with female shopping behavior, however now these terms characterize the men. And media has its biggest influence on the process as it enables the brands to preach non-traditional shopping channels and develop new fashion orientations (Shepherd, 2016).

The Power of "Made in Italy"

The branding strategies differ in the Italian fashion market, where new brand architecture and approaches are implemented in order to represent the high level of Italian luxury brands. The factor of *Made in Italy* for fashion goods is being used as a booster of international success, and even the complex identities and stereotypes which are being associated at times with the concept,

are being used by the majority of Italian brands as meta-brand attributing intangible values to the local productions. The articles of Deserti (2014) and Paulicelli (2014) discuss the importance of managing the tangible and intangible dimensions of Italian brands, present design perspectives on branding in the fashion industry, and highlight the opportunity of linking the strategic and operative processes of the label identity management.

The article of Paulicelli (2014) contains some methodological questions: how the concept of *Made in Italy* in the context of the long history of Italian fashion and nation-building processes has impacted the consumer's buying behavior. She also highlights a more profound understanding of *Made in Italy* by noting how the locally produced prolific literature and culture starting from the early modernity developed the taste of Italians and were exported to the rest of Europe. Nothing has changed during the past years except the exporting scales as Italy started to offer its designed products not only to Europeans but people from all over the world. The author thoroughly discusses the high-standard fashion production process as well, where the label of *Made in Italy* has been sophisticated during the past years, translated and transferred in other countries in order to correspond with the customers' demands who still seek to get the products from the past with the same quality and outstanding design. In addition, Paulicelli highlights how the development of Italian phenomenon of *stilismo* and the productive engagement of stylist-creative directors in brand mapping process since the 1970s led the establishment of the most prestigious brands globally such as Armani, Prada, Versace, Dolce & Gabbana, and many others (Paulicelli, 2015).

Still, in the 1980s, Italian fashion promoters believed that the effectiveness of the brand's value is connected with the way how people feel about the product they use for a while or tend to

purchase in the future. "Italian personalized branding, including the accurate practice of a name, logo, slogan, and design made their products differentiated from the competitors" (Merlo, Francesca, 2006). The conducted survey of the authors (2006) among Italians has shown that consumers aged 18-35 tend to be influenced more by public opinion while following the updates of fashion trends, which later impact on their buying behavior. 91% of 2500 respondents agreed that the corporate image of the brand is vital for the young generation while purchasing clothing or accessories as they are in a constant process of impressing their peers (Merlo, Francesca, 2006).

In the article "Made in Translation," the author notices the situation of Italian fashion production in the 2010s, which constantly adopts new brand value propositions to continue being at the top of the luxury market. The industry is more complex, diverse, and multifaceted now where the plurality of opinions and values, the nostalgic past and refreshed present, experiences, and esthetics have been synchronized in one style (Goldman, 2012).

In another way, business researcher Segre Reinach has identified the most practiced tendency of Italian fashion designers, which keeps them constantly on the top of the competition. According to her conducted research, it is fashion personalization, which is mostly being offered by Italian "small and unknown brands." Thus, the target consumers perceive it as the only way to fight against the globally happening standardization. The same brand equity strategy is being widely practiced by large and well-established brands as well, which continue manufacturing personalized items with limited scales (Reinach, 2005).

Based on the review of the articles, it becomes clear how branding in the fashion sector is directly connected with consumer buying behavior. Luxury brands constantly recalling their

backgrounds, unique style, and high quality of their products continuously increase the number of their loyal consumers. As it was established in the articles with the statistics, Italian fashion creators have great involvement in the luxury brand production process. The concept of *Made in Italy* attracts consumers sharing different demographics and backgrounds. While purchasing Italian fashion items, consumers feel the brand's special positioning in the market, including the influence of the history and the presence of quality and high status on the product; as a result of which they feel special in their environment.

Research Questions and Methodology

The central question of this paper is how Italian fashion brands are positioned in the Armenian market? Secondary questions are what are the perception and effect on the behavior of the label *Made in Italy* for Armenian consumers and how local fashion producers feel influenced by the Italian luxury designers and their created works?

The methodology of the paper is observations, face-to-face interviews, and online surveys. In order to gain information about the positioning of the brands in the local market, as well as analyze the psychological impact of the label *Made in Italy* on consumers behavior, observations were conducted, between February 14 and February 18, in the shopping centers of Yerevan where are presented the main Italian brands' retailers and franchises including Yerevan and Dalma Mall, Northern Avenue. The main objective was to identify the outdoor and indoor positioning of Italian franchise and retail shops locating in the Malls and streets of Yerevan. Observations were conducted at ten stores: OVS, Carpisa, Calzedonia Intimissimi, Emporio Armani, Casteliani, Roma, Fibo Outlet, United Colors of Benetton, Il Bruco and La Galleria Luxury Boutiques. The observation methodology included investigating the indoor and outdoor

design components as well as communicating with consumers entering or leaving from the shops.

In order to learn about the effects of the shops' outdoor decors and banners, there were also conducted face to face interviews with the customers entering the stores. Customer service of the shops also was examined thoroughly for exploring the keys and tactics brand representatives practice while meeting new customers and introducing the products.

In addition to interviews, Google form online survey also was conducted between March 1, 2020, and April 1, 2020, through Facebook, which got 301 respondents, including age ranges 17-24, 25-40, 40-65. The objective of the quantitative research was to find out people's connections and preferences of fashion luxury brands and the reasons which motivate them to have a strong relationship with Italian fashion manufacturers.

The study also used the methodology of interviews with an Armenian fashion designer who has her own design studio and offers the market her produced luxury fashion goods. The information helps to understand how the field manufacturers feel influenced by the Italian brands' promotional programs and how it impacts on Armenian fashion production.

Analysis and Findings

Observations - Indoor and outdoor positioning of Italian brands' shops in Yerevan

The indoor and outdoor positioning of selected Italian fashion franchises and retail shops in the Armenian market was observed thoroughly. As a result, there were found a number of characteristics highlighting the shops' differentiation in the malls and streets with outdoor and indoor designs and promotional banner usage. The marketing strategy of differentiating the brands is widely to be distinguished in the market from the competitors and represent the brand's

offers while using memorable and promotional design components, visuals or messages. While differentiating their label companies highlight the benefits the consumer can possess only in case of cooperating with their label and use the offered brand value for satisfying his personal interests (McGrath & MacMillan, 2000).

The observations were conducted at ten stores located in Yerevan, including the shops of OVS, Carpisa, Calzedonia Intimissimi, Emporio Armani, Casteliani, Roma, Fibo Outlet, United Colors of Benetton as well as Il Bruco boutique, the official representative of ISAIA, Herno for Colombo brands and LaGalleria Luxury Boutiques the official representative of Gucci, Dolce and Gabbana, Steffani Ricci, Fendi, and many other prestigious brands. The most obvious similarity of all shops' outdoor banners was either the integration of Italian flag colors or the label *Made in Italy* in the most prominent place of the visuals. The stores also had interior design similarities as most of them had beautiful paintings of famous Italian cities hanging on the shop walls. Italian language songs from the 1980s' were heard in all the stores without exceptions. All the shops' customer support representatives wore special uniforms or T-shirts defending the brands' style and colors. Worthy to mention, each of the employees had special name badges attached to their shirts while the dominant design color was green, white, and red. The colors of the Italian flag were used for background and written letters of badges, which immediately caught the attention of the viewer.

The conducted observations indicate how the Italian franchise and retail shops are differentiated in the market with their consistent appeals to Italian origins. While integrating indoor and outdoor branding components in the stores, the label *Made in Italy* is being used in different forms for evoking people's associations with the fashion world and virtually

transferring them to Italy. Having the flag colors and visuals of remarkable sightseeings of Italy in every corner of the shops, the brand managers psychologically impact on the target market while grabbing their attention and interest.

Interviews

Interviews with Italian franchise shops' sales assistants

Short interviews were conducted with two employees from the customer support team of the shops to find out the purposes for creating such an Italian corporate image for the brand. As Carpisa's sales specialist Mr. Ruben Gharibyan noticed in the interview "as an Italian franchise brand in Armenia, we have a mission to transfer each of our customers to Italy while making them feel the Italian breath at every corner of our shops." The sales specialist also noted that the indoor and outdoor branding components of the shops filled with Italian notes are constantly updated by the brand's marketing team, which usually attract more consumers than the high quality products they offer. Mr. Gharibyan also presented how enthusiastically consumers make purchases after each time, their marketing team posts some pictures on social media pages of the brand, indicating which local and international celebrities prefer having the products of their Italian label. Ms. Sona Levonyan, the sales assistant of OVS, mentioned that every time while communicating with the clients, she notices how interested and enthusiastic shop visitors become after knowing about the brand's Italian origins. As she noted, "sometimes I hear positive comments from the clients stating how pleasing it is for them to purchase clothing or accessories from Italian brands, as one always can be sure about their high quality and convenience."

The indoor and outdoor branding components of the franchise shops significantly differentiate the shops in the market while highlighting the high level of art, design, and

craftsmanship of Italian fashion brands proven by history. Interviews with the sales specialists of the brands indicate how important it is for consumers to buy products from Italian brands, as the label *Made in Italy* transfers them value and high status of Italian fashion culture. Moreover, the local market's perception about luxury clothing and accessories is highly connected with Italy because people usually hear about the outstanding and personalized production of Italian brands since their early years and get special attitudes and approaches towards the labels.

Other interviews

For finding how Armenian designers feel the influence of the Italian fashion market on local production, there was conducted an interview with young designer Albina Artashesyan. Ms. Artashesyan, the co-founder of the luxury brand "Albina Artashesyan," highlighted how the Armenian market is getting affected by the Italian fashion trends. As she noted, they have to follow the latest updates of the industry for being able to implement brand equity strategies and create brand value for their consumers. "The locals are willing to buy products which are worn by the top models and fashion influencers of the world rather than clothes which correspond to their physiological characteristics. In most cases it is more preferable for them to buy a coat which has similar colors and design as the product of Gucci does rather than to find something which fits with her style"(Artashesyan 2020). The young designer also mentioned that the market is full of locally produced brands that have Italian names like "Palermo," "Bologna," and so on. "The primary reason for this strategy is to grab the attention of the consumers who still seek wearing Italian clothing; however, they lack enough budget. The mentioned "Italian" brands offering middle-quality goods have comparatively lower prices, which attract a large number of targets" (Artashesyan 2020). Albina also noted how impressed people feel about Italian brands'

power and architecture where every single piece is a unique and iconic exemplar of the fashion world" (see appendix: B).

A. Artashesyan, interview, Feb. 25, 2020

Survey

According to the online survey on Italian fashion brands' effects on Armenian consumers, 81% of 301 respondents feel highly connected with Italian brands' corporate image and personalized communication. 95% of respondents noticed that while wearing clothes of the brands with Italian origins, they feel more confident, stylish, and classic. To the question of why Armenians tend to purchase products of Italian brands instead of locally produced ones, 88% of respondents mentioned the following characteristics for supporting their choice: prestige, world fame, well-established history, the label *Made in Italy*, experiences of popular people with the brands. Only 12% of respondents prefer wearing clothes made by Italian luxury brands for quality, which states the strong influence and effectiveness of the brands' corporate image and identity (see appendix: A).

For understanding the main motive of Armenian consumers to purchase *Made in Italy* clothing and accessories, there also was conducted a face to face interview with 45 Armenians in Yerevan and Dalma Malls who were entering and leaving from the Italian franchise shops (see appendix: B). People were asked only two questions for clarifying their choice and finding out supportive reasons. To the first question, "Why did you choose this brand for making a purchase?" the respondents listed a number of reasons backing their preference, including "to find something stylish," "to see the new collection," "to see the sales and finally purchase something." To the second question, "Would you purchase locally produced clothing or

accessories with the same quality, however with a stylish, appealing name with Italian origins, such as "Ceco Mastrolia"? Thirty-nine of respondents accepted the offer to buy clothing "Made in Armenia" as the name sounded very "Italian" to them; thus, it immediately is associated with status and prestige" Analysing the conducted interview results, the tendency of Armenians to make purchases based on the appealing brand names and not the high quality has become noticeable. People are more interested in showing their high status rather than enjoying it (see appendix: B).

Concluding remarks

Based on the data, the conducted research concludes how Italian fashion brands are positioned in the market and how strongly they influence on Armenian consumers' buying behavior.

The observations of Italian franchise stores and the interviews with the brands' employees have shown how significantly brands interpret their Italian origins. The online survey results clarified the big tendency of locals to buy clothing or accessories with Italian origins rather than something which has high quality but a less corporate image. Analyzing the face to face interview results of people who tend to buy something from the Italian franchise stores, it becomes clear that they were more likely to buy the "brand name" rather than the product, especially when the name had Italian origins. The interview with Armenian fashion designer also represented the tendency of locals to purchase something with a corporate image and brand excellence rather than a piece corresponding uniquely to their physical characteristics. Thus, the research highlighting the positioning of Italian labels in the Armenian market shows the main characteristics which appeal to Armenian consumers while making a decision to purchase

something. The locally produced luxury items seem less attractive to the local consumer as they lack a well-established brand awareness and expansion, corporate image and history, rather than quality.

Conclusion

The study shows the highlighted and identical positioning of Italian fashion brands in the Armenian market and its influence on local consumer buying behavior. While illustrating the positioning of Italian fashion brands in the global market since the 1970s, it appears that the stylists and designers of unknown labels took the responsibilities of brand architecture as well in order to increase the brand value in local and then in the international markets. By implementing a strategically empowered corporate image for each brand separately including Gucci, Balenciaga, Dolce & Gabbana, and many others, Italian fashion producers also led to the creation of general corporate identity for the label *Made in Italy* which appealed to people seeking high status, brand personality, and communication, prestige and quality.

The label *Made in Italy* also actively operates in the Armenian market and attracts people with different demographics. Brand managers of Italian franchise and retail shops located in Yerevan use various strategic brand equity tools for pointing out their label's direct connection with Italy. The active usage of indoor and outdoor branding components of the stores appeal to the consumers from first sight and engage them in expressing their attitude towards *Made in Italy*. As further research has indicated, while buying a piece that has been produced in Italy, Armenian buyers equalize the purchase with gaining confidence, high status, luxury look, and fame. Thus, it also became clear that most of the Armenians do not consider quality as a main attribute and force for getting the product with Italian origins. Comparatively, in the global

market, consumers prefer buying Italian products not only for appealing design but for the high quality and convenience as well.

The local fashion production is also under the influence of Italian fashion production, as Armenian consumers seek to find clothing or accessories similar to some famous brands' products rather than find pieces that fully correspond to their physical characteristics. A number of brands are being born in the local market representing themselves as "Palermo," "Valentino," "Alessandro" for attracting consumers with identical Italian names. As a result, the habitual buying signals of Armenians lead them to make purchases from those "Italian" shops and increase their confidence and sociability. This practice by Armenian fashion producers can be considered as the easiest way of getting consumers while not identifying and presenting the real origins of the brand. However, for building strong communication and reputation for the locally produced brands, it will be more effective to establish an original label and invest the possible resources for strengthening its image and positioning in the market rather than promoting the international one.

The conducted researches also identify the tendency of local consumers to have a stylish look, which can empower them with power and authority. Having trust and loyalty towards *Made in Italy* labels since the media is vividly promoting the concept and the society encourages its spread and demand, consumers feel highly influenced by the Italian fashion market and unconsciously make purchases in favor of the most discussed and outstanding brands. Following the Italian fashion trends and feeling an emotional connection with the labels, Armenians tend to purchase the products which communicate with them not only through the offered products but with the appealing and differentiated branding components as well. Thus, the Italian franchise

and retail shops located in Armenia integrate highly personalized communication management for interacting with the target market through identical Italian cultural pieces, visuals, and purchase-driven messages. As a result, local consumers prefer spending more on buying the labels rather than qualitatively the same products produced in Armenia.

For developing loyal consumers for locally produced brands, the Armenian production industry of clothing and accessories should get further examined. After identifying the weaknesses and threats for the industry, strategically significant actions might be implemented by the field authorities. Based on the research, it is notable how the local consumers prefer communicating with established brands rather than unknown or less popular. As the conducted interviews with fashion product consumers state, the current market's demands and objectives are to purchase a combination of uniqueness and craftsmanship, which will interpret a message and value in it. Thus, in order to promote fashion production in Armenia, the local producers should implement high branding and PR strategies for architecting their brand and positioning it in the market.

The conducted research also supported the idea that local producers appreciate the differentiated products in the market, which have a high level of corporate identity. This approach states that it is possible to target the local consumers by creating a strong image for the brand as well as offering outstanding clothing and accessories. As the Armenian designer mentioned in the interview, most of the local fashion creators tend to follow the dictated trends of Italian designers because they are considered as the field leaders in the world. This practice of Armenian fashion producers should integrate slight changes and updates in its operation management in case local designers want to reach more targets and strengthen the positioning of

their brand. Based on the practice of Italian labels' brand management strategies as well as Italian franchise and retail shops' implemented marketing and PR techniques, local fashion designers can also implement differentiated brand management campaigns. Creating appealing labels while strengthening their corporate image through various branding tools, including indoor and outdoor designs of the shops, employees' uniforms, and so on, Armenian brands also can be positioned in the local and international market. The luxury branding characteristics can engage a wide number of targets, offering them communications with corporate identity and value while demanding instead consumer loyalty.

Limitations

The local fashion industry should be examined and compared with international practices in order to investigate the strengths and weaknesses of the field. The further research should include various methodologies for registering the most accurate data about the current situation of the Armenian fashion market, its production scales as well as the chances for expanding the local brands' recognition and demand by Armenian and international consumers. This study faced some difficulties during the stages of communicating with Armenian designers and exploring their marketing strategies for being positioned in the market. Thus, the study concentrated on discovering the perceptions of consumers regarding the local and Italian fashion brands and uncovering their motives for purchasing the products of *Made in Italy* instead of *Made in Armenia*. The study also included face to face interviews at the shopping centers located in Yerevan to identify people's main objectives of making a purchase from Italian franchise stores. Some difficulties also appeared in that stage as people refused to answer the questions. The mentioned issues should be considered for further research to avoid having time

management problems.

To conclude, the research integrating different methodologies identified the differentiated positioning of Italian labels in the Armenian market, which directly influences locals' buying behavior as well as the local development of the industry. The conducted researches highlighted how the identical branding equity and image of Italian franchise brands located in Armenia communicate with the targets engaging them in making purchases and becoming the loyal consumers of them.

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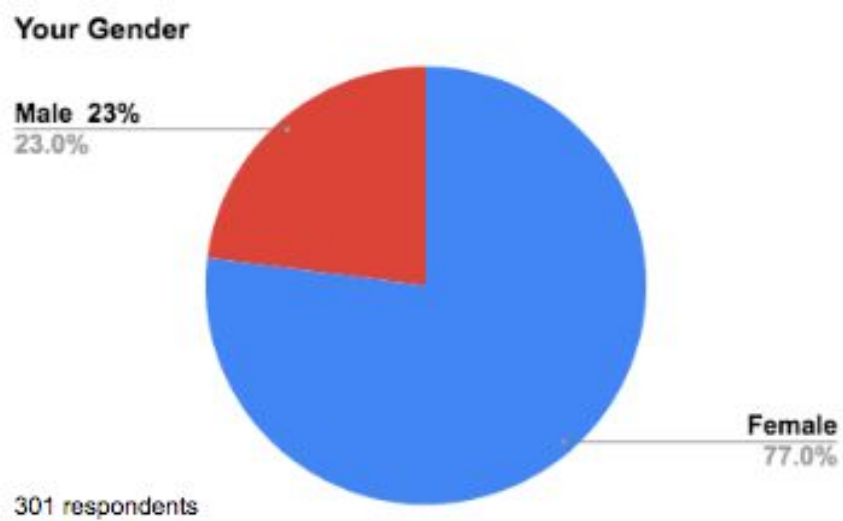
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Appendices

Appendix A

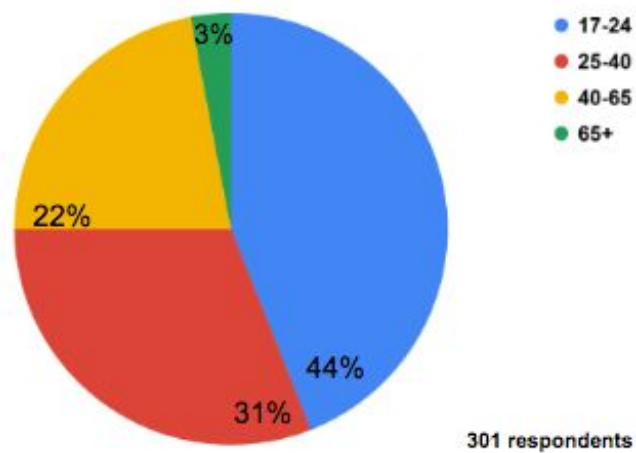
Online Survey Charts

1.



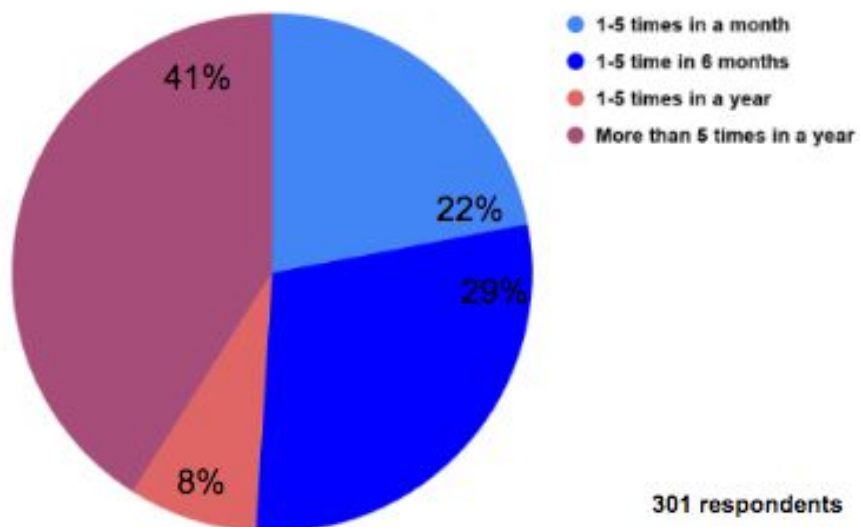
2.

Your age



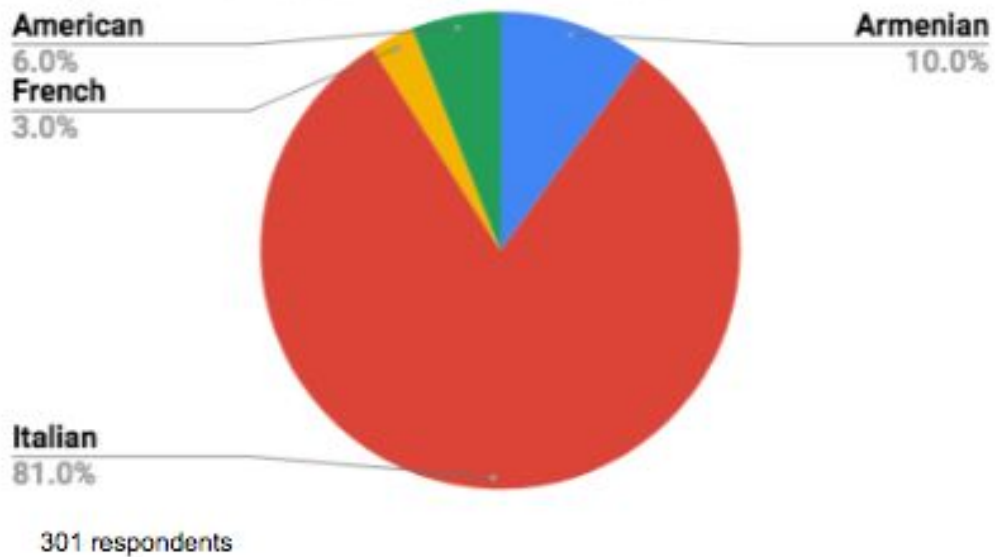
3.

How often do you purchase luxury fashion clothing or accessories?



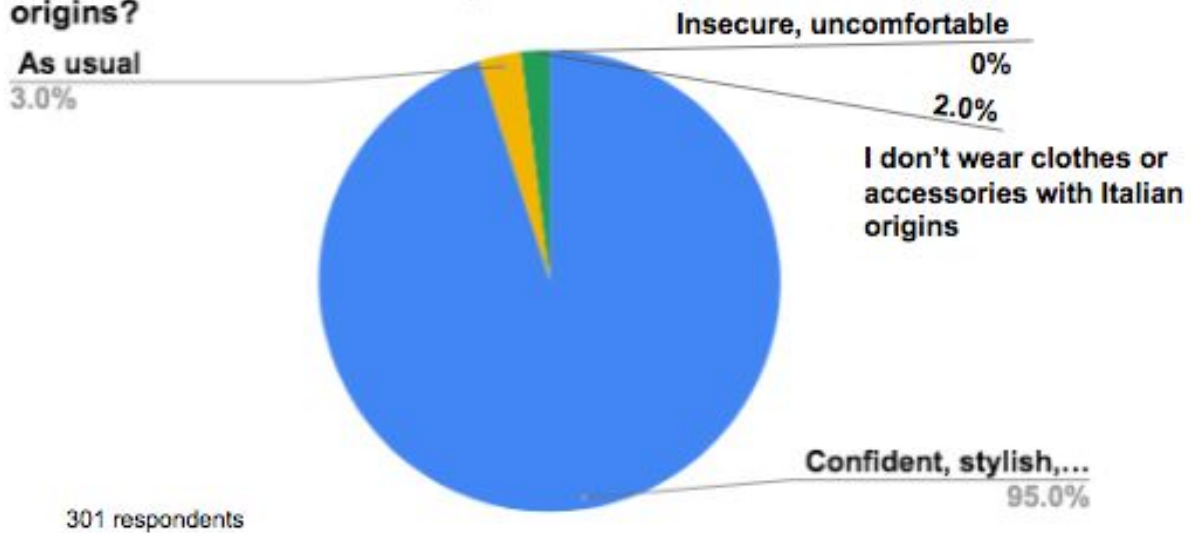
4.

Which country's fashion brands' identity and corporate image communicates with you the most?

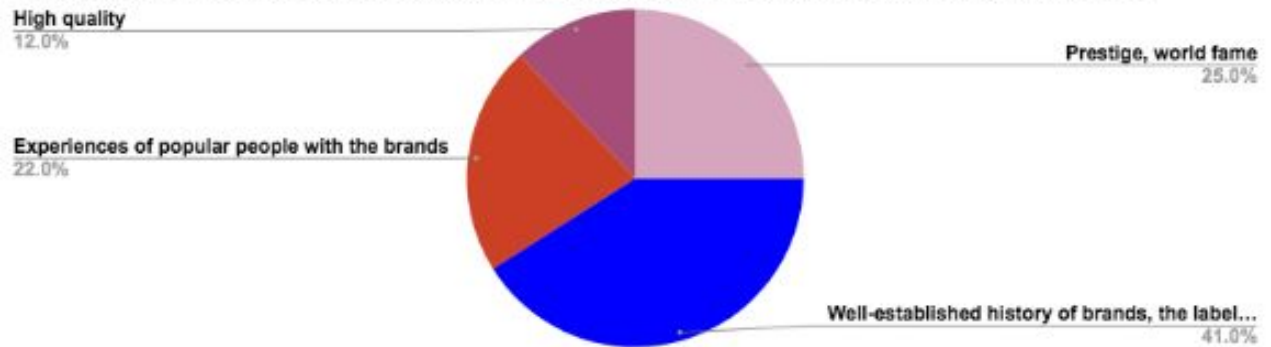


5.

How do you feel while wearing clothes or accessories with Italian origins?

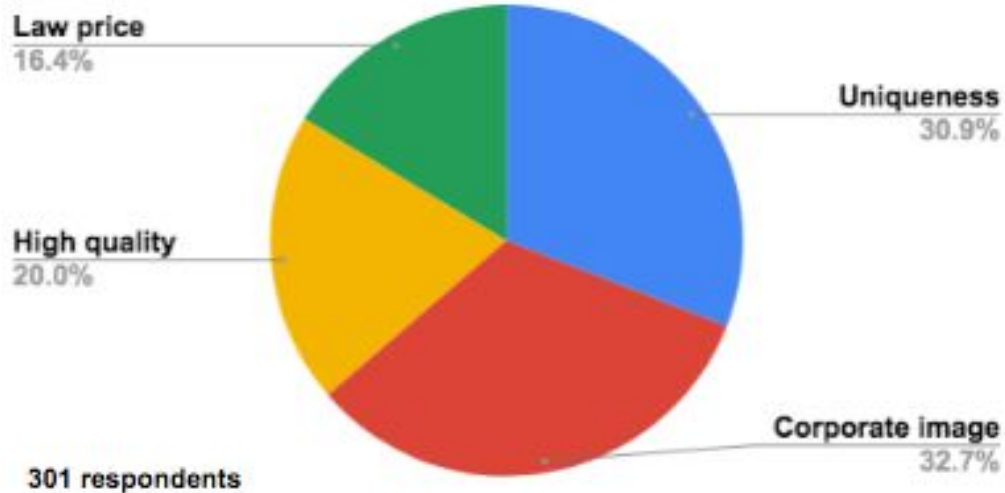


6.

Why do Armenians tend to purchase products of Italian brands instead of locally produced ones?

301 respondents

7.

What do you value the most in luxury fashion brands?

301 respondents

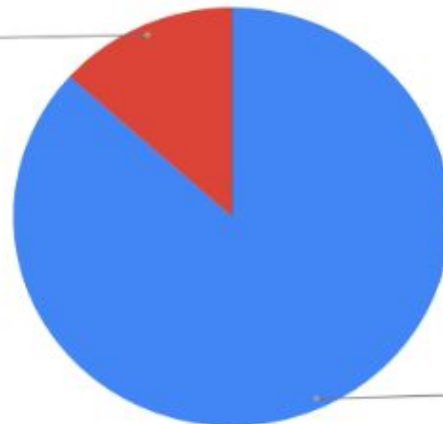
Appendix B

Face to Face Interview Questions and Results from the Shopping Centers

1.

Would you purchase locally produced clothing or accessories with the same quality, however with a stylish, appealing name with Italian origins, such as "Ceco Mastrolia"?

No
13.3%



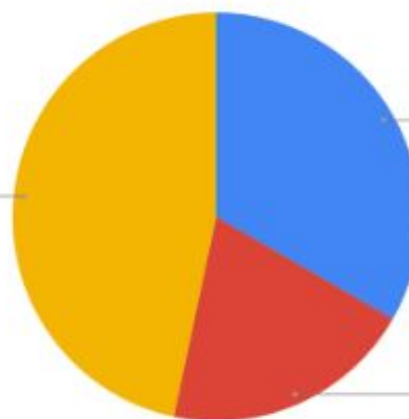
Yes, the same sounds so
86.7%

45 respondents

2.

Why did you choose this Italian brand for making a purchase?

to see the sales and finally purchase something
46.7%



to find something stylish
33.3%

to see the new collection
20.0%

45 respondents

Face to Face Interview Questions with Armenian fashion designer

1. “Albina Artashesyan” brand’s history/objectives
2. What do you think about fashion industry development in Armenia? Do you have competitors?
3. Do you feel the influence of Italian fashion market on Armenian production?
4. Do you follow the fashion trends which Italy dictates and how you perceive them?
5. How is the locals approach about the label “Made in Armenia”? Is there any difference if we compare it with the label Made in Italy?
6. What is seeking the Armenian consumer in the fashion market?
7. Do Armenian designers satisfy the demands and needs of local consumers in terms of providing them with luxury goods?
8. How do you see the development of the industry in Armenia?
9. Is there anything strategic or professional we can take from Italian fashion industry’s experience and integrate in the local market?