



BIG MISTAKE. HUGE:

What Happens When Luxury Forgets How to Serve

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International Luxury Business
Critical Research

Figure 1 - Julia Roberts in Pretty Woman (1990) (Styling You, 2011)

RESEARCH QUESTION:

To what extent does the perceived decline in in-store service and sales professionalism influence purchasing behavior, and loyalty among modern middle luxury consumers?

RESEARCH SCOPE:

This research examines how declining in-store service quality and sales professionalism influence purchasing behaviour and brand loyalty among U.S. and U.K. middle-luxury consumers. It focuses on accessible luxury fashion and lifestyle brands such as Ralph Lauren, Coach, Anthropologie, and Reiss, as well as key department stores including Nordstrom, Bloomingdale's, Selfridges, and Harrods.

The study excludes ultra-luxury, mass-market, and digital-only retail, focusing instead on service experiences within physical boutiques and department store environments where human interaction directly shapes perception and loyalty.



Figure 2 - Jourdan Dunn with bellhop carrying luggage (Vogue, 2013) 2



Figure 3 - Women walking with luxury shopping bags (Fashion Bomb Daily, 2025)

AIM

To explore how declining in-store service quality and sales professionalism influence engagement, trust, and purchasing behaviour among U.S. and U.K. middle-luxury consumers, and to determine how brands can improve service strategies to strengthen loyalty and perceived value.

OBJECTIVES

1. Identify key factors behind the perceived decline in service quality within middle-luxury retail.
2. Examine how service experiences shape emotional engagement, trust, and purchase motivation.
3. Conduct qualitative research to gather consumer perspectives on in-store service.
4. Develop actionable recommendations for improving service standards and enhancing customer experience.

PRIMARY RESEARCH Methodology

The overall approach that guides how to design and conduct this research.

Methodological Approach

Interpretivist

- Assumes reality is experienced differently by each person.
- Focuses on how individuals perceive and make sense of in-store service and professionalism.

Inductive

- Begins with the data and builds upwards towards themes and insights.
- Lets patterns about service decline, behaviour, and loyalty emerge naturally from interview narratives.

Qualitative

- Prioritises rich, detailed accounts over numerical data.
- Allows participants to describe specific service encounters, emotions, and decisions in their own words.

Why This Approach?

Perceptions of “good” or “declining” service are subjective, shaped by emotions, expectations, and past experiences; this approach is designed to capture that complexity.

A qualitative, interpretivist stance allows the researcher to explore how consumers experience service interactions and link these to purchasing behaviour and loyalty, reflecting the emphasis on qualitative methods in luxury research as (Parnwell and Meng, 2023) state.

An inductive strategy is appropriate because the study is not testing a fixed hypothesis, but instead aims to generate insight and understanding about an evolving consumer reality in middle-luxury retail.

METHOD Choice & Reasoning

Method: Semi-Structured Interviews

- 6–8 interviews with middle-luxury consumers.
- 45–60 minutes each, online or in person.

Why Consumers?

- The research question focuses on consumer perception.
- Their experiences reveal how service decline affects behaviour and loyalty.

Why Semi-Structured Interviews?

- Allows guided but flexible discussion.
- Captures emotional nuance in service encounters.
- Supports exploring why certain interactions influence decisions.

Fit for This Study

- Provides rich, personal insights into how declining service shapes trust, reassurance, and purchasing choices.



Figure 4 - Photographed by Steven Meisel (Vogue, 2006)

PRIMARY RESEARCH Rationale

Why Primary Research Is Essential?

- Existing studies cannot show how modern, middle-luxury consumers personally interpret declining service today.
- Perception is subjective: what feels “rude,” “unhelpful,” or “unprofessional” varies by individual.
- Only direct conversations reveal how these perceptions directly influence behaviour and loyalty.

What This Research Will Reveal?

- The emotional consequences of good vs. poor service.
- How consumers describe experiences that made them trust, hesitate, or walk away from a brand.
- The moments that trigger loyalty vs. disconnection. The moments that create lasting memories.
- The extent to which professionalism, warmth, and guidance impact value perception.

Contributions

1. Offers fresh, up-to-date insight into service as a driver of luxury value.
2. Enhances understanding of how brands can rebuild trust and loyalty through human interaction.

TARGET AUDIENCE

6-8 Interviews

Who:

- Women engaging with the middle-luxury fashion & lifestyle segment

Where:

- U.S. & U.K. urban/suburban areas with access to boutiques and department stores

Age:

- 25–45

Income:

- Middle–upper-middle earners with discretionary spending power

Shopping Style:

- Prefer in-store shopping for considered or “first luxury” purchases
- Seek guidance, validation, and knowledgeable staff

What they value:

- Personalised, judgement-free service
- Strong product knowledge and credible advice
- Emotional reassurance during purchasing
- Feeling cared for rather than “sold to”

What shapes their behaviour:

- Warmth and quality of service
- Staff professionalism and expertise
- Feeling respected, acknowledged, and supported

Why they matter:

- Their loyalty, spend, and word-of-mouth shift significantly depending on the level of service they receive.

Figure 5 - Carrie Bradshaw of “Sex and the City” (HBO) gazes in a Barneys window. (Business Insider, 2019)



Figure 6 - Close-up of the word “ethics” on a book page (Quill Magazine, 2018)

ETHICAL Considerations

Informed Participation

- Participants will receive a clear explanation of the study and give full consent.
- Participation is voluntary, with the option to withdraw at any time.

Sensitivity & Wellbeing

- Service experiences can involve frustration or discomfort.
- Participants can skip questions, pause, or stop interviews at any time.

Researcher Awareness

- Research questions and responses will remain reflexive, acknowledging how one’s retail background may shape interpretation.purchasing choices. (Tracy, 2024)

Confidentiality & Data Protection

- All interviews are anonymous.
- Only participant age and general location will be referenced; income and spending ability will be implicitly understood through the recruitment criteria for the target audience.
- Audio files and transcripts stored securely and deleted after use.

SECONDARY RESEARCH

Completed/Continued

Built understanding of consumer behaviour and value perception, drawing on Hoyer et al. and Oliver.

Gained background knowledge of luxury consumption and meaning through Kapferer & Bastien, Okonkwo, and Southerton.

Developed familiarity with service quality principles through Rust & Oliver.

Gained early awareness of experience-led value (Pine & Gilmore).

Studied qualitative research methods and interviewing approaches (Tracy; Parnwell & Meng).

Reviewed recent luxury industry reports to understand shifting consumer expectations (Bain).

Continue/Undertake

Focused reading on service decline, emotional labour, and changing retail standards.

Further work on service quality models and service-profit logic (e.g., Grönroos).

Deeper engagement with satisfaction, trust, and loyalty pathways (Oliver).

Updated reading on middle-luxury consumer expectations, including State of Fashion 2026 (McKinsey).

More work on experience as value and material culture to support thematic analysis.

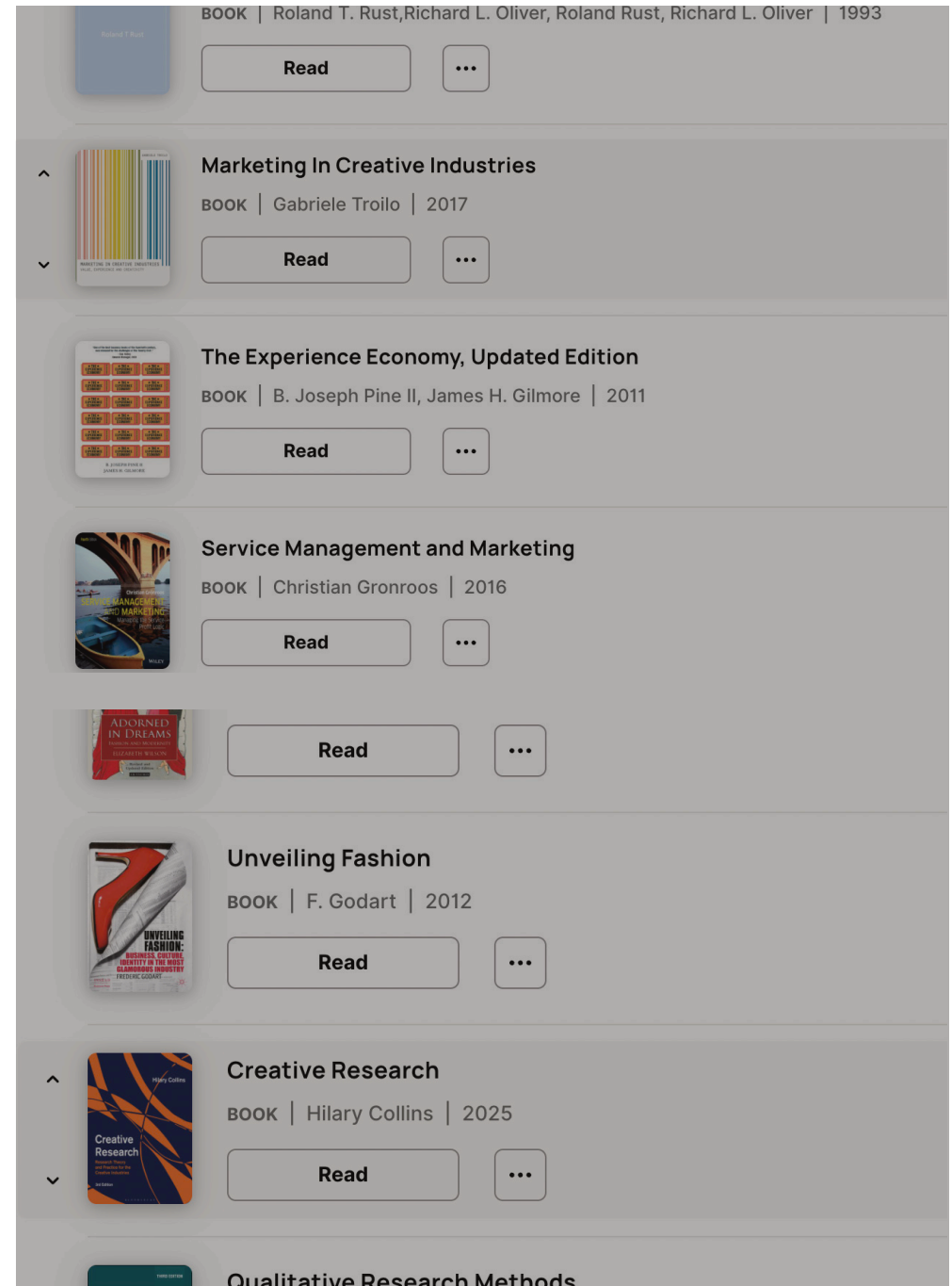


Figure 7 - Screenshot of Perlego Research Proposal Bookshelf (Collier, 2025)

KEY THEORIES & Concepts

Customer Value Theory | Zeithaml (1988)

Focus: Explains how consumers assess value beyond product attributes.

Relevance: Highlights how declining service can reduce perceived value within middle-luxury retail.

Service Encounter Quality | Bitner, Booms & Tetreault (1990)

Focus: Examines staff behaviour, tone, attentiveness, and professionalism during in-store interactions.

Relevance: Directly supports the investigation of perceived declines in service and sales professionalism.

Expectation–Satisfaction–Loyalty Model | Oliver (1980–1999)

Focus: Describes how expectations influence satisfaction, trust, and future loyalty.

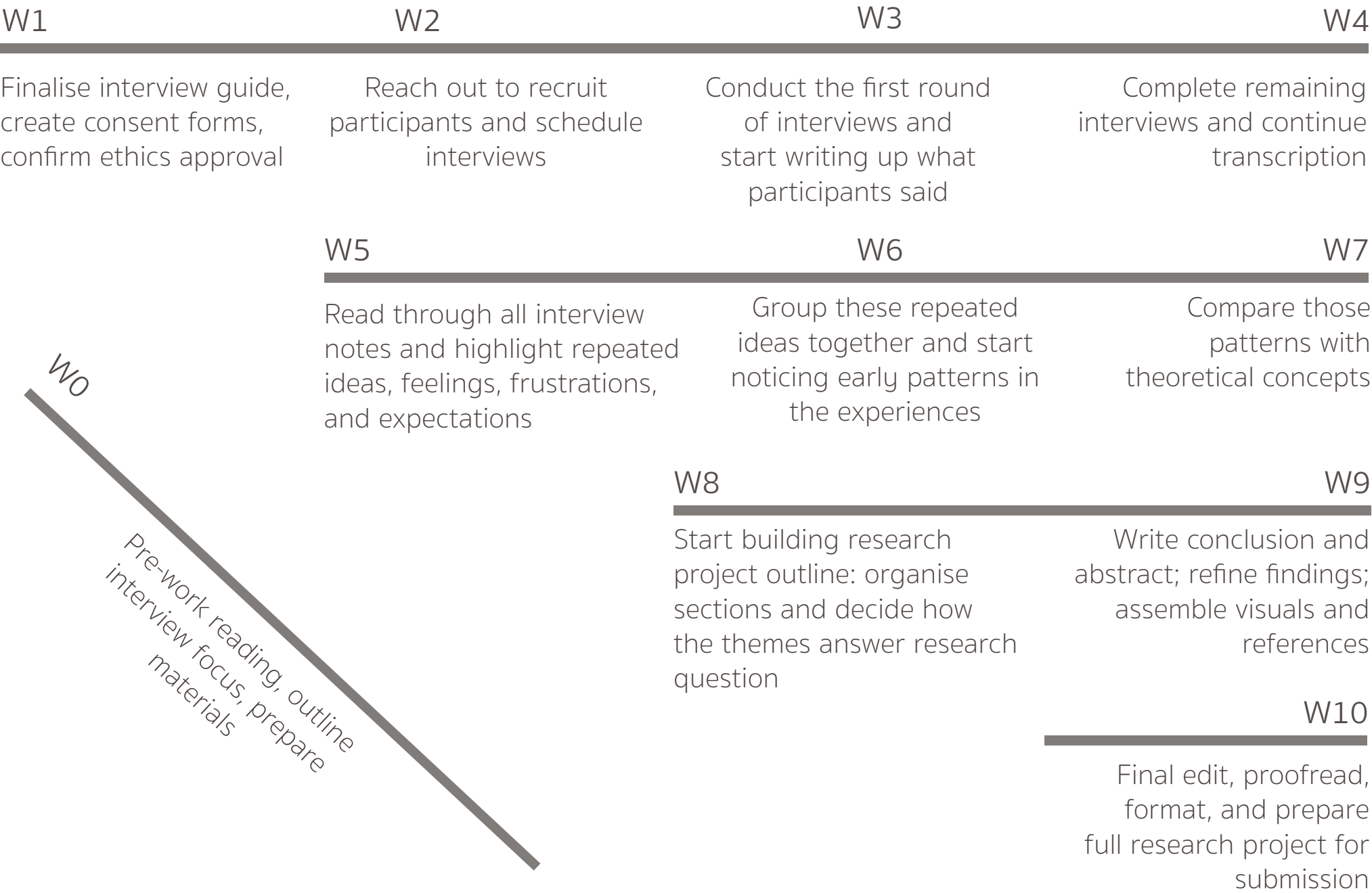
Relevance: Provides a framework for understanding how disappointing service affects purchasing behaviour and consumer loyalty.

Service Logic / Value Co-Creation | Grönroos (1994; 2006)

Focus: Positions value as co-created through interactions between staff and customers.

Relevance: Demonstrates how declining professionalism disrupts value creation and weakens long-term loyalty.

TIMELINE For Term 2



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IMAGE LIST

Figure 1 - Styling You (2011) *Julia Roberts in Pretty Woman (1990)* [Image]. Available at: <https://www.stylingyou.com.au/2011/05/the-four-biggest-clothes-shopping-peeves/?srsltid=AfmBOorzTczjdzHsQ44wwbEvglkaYU4x5V8YhrbKnS4fiukgtclVkd> (Accessed: 25 November 2025).

Figure 2 - Vogue (2013) *Jourdan Dunn with bellhop carrying luggage* [Image]. In: Alexander, E. What To Pack For Fashion Season. Available at: <https://www.vogue.co.uk/article/lisa-armstrong-on-what-to-pack-to-the-shows> (Accessed: 25 November 2025).

Figure 3 - Fashion Bomb Daily (2025) *Women walking with luxury shopping bags* [Image]. Available at: <https://fashionbombdaily.com/2025/09/23/saks-fifth-avenue-seeks-1-billion-for-49-of-bergdorf-goodman-in-strategic-pivot/> (Accessed: 25 November 2025).

Figure 4 - Vogue (2006) *Photographed by Steven Meisel, Vogue, February 2006* [Image]. Available at: <https://www.vogue.com/article/editors-guide-holiday-shopping-new-york-city> (Accessed: 25 November 2025).

Figure 5 - Business Insider (2019) *Carrie Bradshaw of "Sex and the City" gazes in a Barneys window. HBO.* Available at: <https://www.businessinsider.com/barneys-new-york-history-rise-and-fall-2019-9> (Accessed: 25 November 2025).

Figure 6 - Quill Magazine (2018) *Close-up of the word "ethics" on a book page* [Image]. Available at: <https://www.quillmag.com/2018/09/30/10-lessons-in-journalism-ethics/> (Accessed: 25 November 2025).

Figure 7 - Collier, S. (2025) *Screenshot of Perlego Research Proposal Bookshelf* [Image]. Perlego. (Accessed: 25 November 2025).