

**The Successful Keys for A Crossover Between Boutique  
And Non-boutique Brand - A Case Study of Louis Vuitton and  
Supreme**

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## **ABSTRACT**

In recent years, there are many crossovers have come to the market. It is a common marketing strategy now. Crossover is a commercial marketing method, through cross-industry cooperation of two or more brands. It combines the advantages of both brands to jointly launch crossover products. To attract consumer groups in different fields, it can let them meet another unfamiliar brand through this cooperation model.

The crossover has different kind of type, brand crossover brand is the most common. However, when a boutique brand crossover a non-boutique brand. It is different than normal brands crossover because of their large gap in quality and price.

This research uses the crossover of Louis Vuitton and Supreme as a case to explore the successful keys for crossover between boutique brands and non-boutique brands.

In the literature review part, I will discuss each kind of crossover in the market, their failure and success. Then, connect it to the case of Louis Vuitton and Supreme to be a study for the reference of the industry<sup>1</sup>.

Keywords: crossover, boutique brands

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<sup>1</sup> D. A. Aaker, & Keller, K. L. , "Consumer Evaluations of Brand Extensions," *Journal of marketing* (1990).

## 摘要

近年來，市場上出現了許多「聯名」，現在已是常見的行銷手法。透過兩個或兩個以上的品牌進行異業合作，「聯名商品」結合了每個參與合作之品牌的優點，吸引了新的顧客群以及讓各品牌間有機會接觸、認識彼此。

「聯名」有許多種模式，品牌聯名是最常見的，但是其中的「精品品牌」與「非精品品牌」之聯名不同於一般的品牌聯名，因為兩者之間的品質和價位有巨大的差異。

此研究以市場上最經典的精品和非精品聯名-Louis Vuitton 聯名 Supreme 為個案來探討精品與非精品間成功聯名的關鍵。

關鍵字:聯名，精品

## TABLE OF CONTENTS

INTRODUCTION .....	9
Background .....	9
Motivation.....	9
Research Purpose .....	10
Research Questions .....	10
Hypothesis.....	10
Contribution .....	10
Limit.....	11
Delimit .....	11
LITERATURE REVIEW .....	12
The Definition of Crossover .....	12
The Marketing Method of Each Kind of Crossover .....	13
The Impact of Crossover for the Brands:.....	16
General Understanding of “Boutique”:.....	19
The Consumption Ability of Young Generation: .....	20
METHODOLOGY .....	22
Research Design.....	22
Sources of Data .....	23
Instrument and Data Collection .....	23
Way of Data Analysis .....	24
DATA ANALYSIS .....	25
How Does A Brand Evaluate Its Necessity/Opportunity To Do The Crossover? .....	25
How Do They Choose Their Cooperation Brand?.....	26
How Do They Both Get Benefits from Cooperation? .....	28
How do They Decide the Quality and Price of Their Product? .....	30
How Do They Target Their Customers? .....	32
Summary and Implication.....	33
CONCLUSION.....	36
BIBLIOGRAPHY .....	38



# INTRODUCTION

## Background

In the market, the price of each brand is different which means they target different customers<sup>2</sup>. In the past, there was seldom crossover between brands, but after it became popular, the cooperation between boutique brands or between non-boutique brands has become very common. Apparently, it can increase those brands' awareness and bring revenue effectively and save marketing costs. However, some crossovers failed since there are too many crossovers in the market. In recent years, there have been some different kind of crossover in the market<sup>3</sup>. It is crossover of boutique brands and non-boutique brands. For instance, Louis Vuitton crossover Supreme and Prada crossover Adidas. Ordinary cooperation may fail, not to mention two brands with a lot of gaps<sup>4</sup>. When they cooperate, there will be more challenges to succeed, and those challenges contain many aspects, but there is no paper currently discussing such cooperation.

## Motivation

Crossover between boutique brands or crossover between non-boutique brands, these ordinary crossovers fail sometimes but there are some boutique crossovers non-boutique can be successful. After all, the price and quality difference between them is very large and non-boutique brands can get more benefit from this kind of crossover obviously. Therefore, the author wants to do the research on this domain.

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<sup>2</sup> Mike Featherstone, "Consumer Culture and Postmodernism," (2000).

<sup>3</sup> Eds, *Marketing Theory and Applications*. American Marketing Association (1994).

<sup>4</sup> Chia Fang Lu, "The Study on How a Company'S Brand Evaluation Change after Crossover with Trendy Brand," <https://ndltd.ncl.edu.tw/cgi-bin/gs32/gswweb.cgi?o=dnclcdr&s=id=%22100NSYS5121039%22.&searchmode=basic>.

## **Research Purpose**

This research aims at finding the successful keys for crossover and especially focus to on the type of cooperation between boutique and non-boutique style. It also identifies what makes it to succeed or fail and whether it really brings benefits to boutique brands.

## **Research Questions**

1. How Does a Brand Evaluate Its Necessity/Opportunity to Do The Crossover?
2. How Do They Choose Their Cooperation Brand?
3. How Do They Both Get Benefits from Cooperation?
4. How Do They Decide the Quality and Price of Their Product?
5. How do they target their customers?

## **Hypothesis**

Brands can evaluate the necessity to perform crossovers through investigating their existing customer age group and spending power, and then cooperate with brands with compatible existing customer age groups and spending power.

## **Contribution**

In the market, when a situation happens frequently, the market leader may think outside the box and break the normal procedure<sup>5</sup>. In the case of crossover, the ordinary crossover doesn't seem to be successful every time, but some brands started to take the challenge. Then, a crossover between boutique and non-boutique came to the market. This research analyzes the activity behind the crossover and offer brands the successful

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<sup>5</sup> Douglas B. Holt, *Cultural Brand Marketing* (2009).

method that they can imitate for winning each competition in this fast-changing market.

### **Limit**

There is no research about crossover between boutique and non-boutique brands but there are a few about normal crossovers. Therefore, I use the theory and structure of normal crossover to analyze the factors that can lead to success. Then, I apply it to the case study that I am doing - the Louis Vuitton / Supreme crossover.

Louis Vuitton and Supreme are internationally well-known brands<sup>6</sup>. The result of the study is the sum of each information from countries where people have channels to buy the products. It is a study for boutique brands and non-boutique brands which have an international market. On the contrary, it probably doesn't suit the brands which only focus on the domestic market.

### **Delimit**

There are many great crossover cases in the market, and the cooperation of Louis Vuitton and Supreme is not the first crossover between boutique brands and non-boutique brands. However, this study will only focus on the crossover of Louis Vuitton and Supreme because it is the crossover of boutique and non-boutique which have made the biggest attention.

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<sup>6</sup> Michael & Fiske Silverstein, Neil & Butman, John, *The New American Luxury* (2004).

## **LITERATURE REVIEW**

This research will use the case of Louis Vuitton and Supreme to explore the factors that lead to a crossover between boutique brands and non-boutique brands. This part will indicate the way to do crossover, some impact of crossover and the consumption ability of customers.

### **The Definition of Crossover**

Crossover is a commercial marketing method, through cross-industry cooperation of two or more brands. It combines the advantages of both brands to jointly launch crossover products. To attract consumer groups in different fields, it can let them come into contact with another unfamiliar brand through this cooperation model. Crossover product is described as a mix kid, its genes come from two brands. It means the product will be more excellent than other non-crossover products of two brands. It creates synergy.

Crossover refers to integration of elements that are originally irrelevant according to the connection between consumers in different industries<sup>7</sup>, different products and different preferences. In economics, complementarity of commodities refers to

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<sup>7</sup> Chung Hsiao Wei, "The Study of the Marketing Strategies of Co-Branding in the Fast Fashion Industry—Examples of H&M、Uniqlo and Gap" (National Taiwan University of Arts, 2016).

functional complementarities but “crossover” bases on the complementary relationship of user experience. A brand represents different characteristics in culture. When a cultural symbol cannot explain a way of life, many symbols would combine to interpret new phenomena of the new market, and we call it “crossover”.

Many people would think the concept of crossover sounds like licensing. They are related but totally different concepts. Licensing is licensors agree others to use their logo or brand and get the royalty from licensee<sup>8</sup>. Crossover is collaboration of between two different industries launching a product, so they license each other at the same time.

### **The Marketing Method of Each Kind of Crossover**

There is crossover in the market, such as brands with celebrities, brands with IP (intellectual property), brands with charities and brands with brands. Brands with brands is the most common. The mode of different sort of crossover for brands to consider their way to do it<sup>9</sup>.

Brands with celebrities is celebrities endorse brands. This kind of crossover can develop new markets through the celebrities because they have many fans. Fans like to be concerned about their idols, so they could be the potential customers. News and magazines also like to report about celebrities to hype some issue in order to get attention from their fans. It is a way for brands to increase media exposure.

According to the data about brand endorsements from market research agency conducted at the end of 2012, around 80% Taiwanese believe that the endorsement product by their favorite celebrities can bring positive benefits to advertising and

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<sup>8</sup> Zheng Hui Wen, "The Impact of Original Brand Manufacturer, Brand Licensing, Mergers and Acquisitions on Business Performance -Taking Company a as an Example" (2021).

<sup>9</sup> Wu Jia Yang, "The Effect of Co-Branding on Brand Attitude and Behavior of Luxury and Fast-Fashion Brands" (National Chengchi University 2020).

marketing<sup>10</sup>.

BTS is a Korean group, the price of their endorsement deal is the most expensive in Korea. They cooperated with McDonald and launched a BTS combo worldwide<sup>11</sup>. It brought McDonald a 283% increase in performance. 500 million KRW is the average BTS can earn in a year, about 11.7 million NTD. McDonalds pay double price for this project. University of South Carolina professor Terrence Shimp said, a good endorsement should be attractive and make people feel trustworthy. That's why McDonalds would be willing to pay double the price to cooperate with BTS. McDonald is already an internationally well-known brand; they still could make an amazing performance through crossover.

Brands with IP (intellectual property) is when a brand launches a product, it uses some pattern of cartoon on the product<sup>12</sup>. They have two ways to do it. Pay the royalty to licensors to get the usage right and then launch the products by themselves or make a crossover with IP which means the product would be designed and launched both by licensor and brand. The products of Brands with IP crossover almost look cute because the design of it usually has one or more cartoon patterns on it. When a brand cooperates with IP. It attracts people who like that cartoon.

Disney is the biggest IP industry<sup>13</sup>. Many brands have cooperated with them. Disney humanizes its cartoon characters to make people like them. Mickey is a classic character in Disney, he is friendly, likes to smile and love challenges. Brands who want to use Mickey on their product assume that Mickey's personality matches their brands

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<sup>10</sup> Zhang Xiang Yi, "Only Love "Trendy Brand" but Not Famous Brand," *CommonWealth Magazine* (2009).

<sup>11</sup> "Brand Introduction of Fashionable Designers at Home and Abroad," (2009).

<sup>12</sup> Ya Wen Chen, "The Impact of Crossover : A Case of Sparkling Water" (National Taiwan Normal University 2019).

<sup>13</sup> FU Feng Chin, "Deconstrucion of Disney-Modeled Fairy World for Xamples of the Disney'S Motion Pictures in Taiwan from 1991 to 2002" (Teachers College, 2003).

and design, or it doesn't match but help brands change style and get new elements.

Brands with charities are a way to make a good impression to society. Charities always provide direct help, give information, or raise awareness of an issue. Brands cooperating with charities can help this society solve some problems. Charities bring people who care about a cause so that they can make a difference. No matter what people care about, there would be charity work on it. Cooperating with a charity can get the attention from those people, even let more people concern about the issue and the brands can get exposure at the same time. Taiwanese companies have the concept of public welfare and charity in the early 1990s and made it successfully. Citibank launched a crossover credit card with Children Are Us Foundation<sup>14</sup>. When people use credit cards to pay, Citibank would donate 2.75 % to mentally challenged children.

Feed is a nonprofit organization. The CEO of FEED, Lauren Bush Lauren, witnessed the scene of hungry and poor children and was very shocked by this so she established FEED. She aims to create excellent products that can help eliminate hunger in the world. Many cosmetic brands cooperated with it and launched crossover<sup>15</sup>. Brands know people are concerned about many issues nowadays, so cooperating with charities or nonprofit organizations can get customers who care about those issues because once people buy their products, they donate a bit of money to people who need it.

Brands crossover brands is the most common in the market because crossover was usually a cooperation of two similar industries in the past. However, it changes now because more and more brands are willing to take challenges. They didn't know whether cooperate with brands in different industries will be a success or not in the beginning, but this kind of crossover is everywhere now. It brings them new customers and approaches new markets, so there are various sorts of crossover have come into the market.

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<sup>14</sup> Zhang Xiang Yi, "Taiwanese Trend Vs Japanese Trend," *CommonWealth Magazine* (2009).

<sup>15</sup> David A. Aaker 、 Erich Joachimsthaler, *Brand Leader* (Commonwealth Publishing Co., Ltd, 2002).

In 2017, Louis Vuitton crossover Supreme got great attention<sup>16</sup>. Although some people cannot accept this and criticized it on the internet due to the large differences between two brands, there is still an endless line in front of every shop on the day they started to sell the crossover products. Two brands have their culture individually, and nothing is related originally. This cooperation amazed the fashion industry, even the entire market. It opened a brand-new way for boutique brands.

### **The Impact of Crossover for the Brands**

The impact of the crossover is the result of the cooperation. Brands want advantages but disadvantages exist as well. The value of a brand includes four parts<sup>17</sup>, product effectiveness, brand awareness, brand trust and brand loyalty degree<sup>18</sup>. When two brands have large differences, such as Louis Vuitton and Supreme. One of them is better, the other is worse “comparatively”<sup>19</sup>. Customers would change their opinion toward the value of the worse one because the brand crossover with a better brand. On the contrary, people think the better brand becomes not as good as before because the price of crossover products is between two brands, so the price would be lower than its normal price. If more people can afford the better brand’s product now, the value of the brand will decreased. However, the value of a luxury brand is not totally a bad thing. When more can afford its products, it becomes a culture. The things that most of the people do would influence the other people considering doing it. It is the same theory on buying boutique crossover non-boutique products. People would love to buy it

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<sup>16</sup> Silverstein, *The New American Luxury*.

<sup>17</sup> Lin Jia Wei, "Research on Brand Loyalty's "Brand Recognition" ---Taking the Sports Shoe Brand Nike as an Example" (2000).

<sup>18</sup> Jeremy Rifkin, "The Age of Access," (2001).

<sup>19</sup> Pai Wei Hsu, "Cultural Circuit Based Formation of Trend by Subculture(S)- Street Fashion as an Example," <https://ndltd.ncl.edu.tw/cgi-bin/gs32/gswweb.cgi?o=dnclcdr&s=id=%22098NCCU5230023%22.&searchmode=basic>.

because they want to buy boutique or something luxury but they can't have it due to the price so they buy the boutique crossover non-boutique products even though they think the value is lower, but the goods are still launched by boutique. Therefore, they will probably make buyers think they are worse than before, but they can get a great attention (brand awareness) and stimulate consumer's desire to buy boutique.

Crossover cases are too common to be fresh in the market. Whatever products be launched, they are almost crossover. People may get tired of it, so brands need to have creativity, don't launch a crossover just for catching the trend. Brands should estimate whether their brand need to do crossover strategy. If they do need, who they can consider cooperating with and what may be the factors lead people to purchase. There are three points that may be the motivation of consumers to buy the crossover products<sup>20</sup>. First, when boutique and non-boutique or high price brand with low price brand. Two brands get each other's market. The price would be lower. Consumers would like to get a good deal on luxury goods. Second, consumers are afraid that they will regret if they don't buy it now. Third, people like to be trendy. If brands can let their products cause a sensation before they hit the store shelves, lead everyone to discuss and influence people to purchase. According to these three points, brands can take these into consideration and must be creative in designing products.

Realizing what the most popular elements are is a way to develop. In Japan, they have a new word called "Neconomics"<sup>21</sup>. Neco is pronunciation of "cat" this word in Japanese. It means despite economic depression, as long as a product is related to cats, it can attract consumers.

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<sup>20</sup> Lin Yi Zhen, "Research on Brand Identity Building of Creative Life Industry" (National Chengchi University, 2006).

<sup>21</sup> Lin Pei Hsien, "A Study of Creative Thinking Techniques on the Cultural Creativity Industry's Products Design and Product Satisfaction—Formosan Animals Image of Personification Products as the Example" (National Taiwan Normal University 2016).

Limited edition or limited quantity are also a common way to stimulate consumption<sup>22</sup>. Before Uniqlo crossover Kaws T-shirt was launched, they announced that was their last cooperation to make the T-shirt rare. People can understand their marketing method, but they admitted they were still willing to buy it<sup>23</sup>.

Perfume of Jo Malone crossover Zara is a successful case. Jo Malone is a British perfume and scented candle brand. It is famous for its expensive perfume, luxurious candles, bath products and indoor perfume. Zara is a Spanish fast fashion brand; it sells cheap but quality clothes and perfume<sup>24</sup>. They launched eight perfumes based on different fragrances. The price is lower than one thousand NTD, but its smell still has a sense of luxury. It is worthy to consumers to spend less dollars of buying it. Moreover, there is a story behind each perfume, the story meets the feeling when people smell the perfume. People also have their own story, this design lets consumers not only buy their favorite fragrances also take a story or memory with them.

In the case of the Lego crossover Shell failed after fifty years of cooperation. Greenpeace protested Shell's oil extraction in the Arctic<sup>25</sup>. It stated "Every company is responsible for the world's environment and should be cautious when choosing partners. Lego, a toy brand that brings happiness to children, shouldn't be associated with destroying the environment."

Similar group of customers, similar culture and similar value are keys that maintain a long-term partnership. It doesn't lead a success all the time, at least brands are on the same page. Lego and Shell lack of "similar value" so the cooperation ends. Many kinds

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<sup>22</sup> Lin Zhi San, "Cultural and Creative Product Marketing Strategy — Case Study in Zunyi" (Asia University 2020).

<sup>23</sup> Yu-san Lin, "Consumption Tribes in the Fashion City" (Sochow University, 2006).

<sup>24</sup> Ou Cheng Chieh, "A Study of Exploring Personality Traits and Conformity on Purchase Intention: A Case of Perfume Products" (Asia University, 2021).

<sup>25</sup> Lin Pei Yu, "The Impact on the Sustainable Development of the Company by Circular Economy, Corporate Social Responsibility and Brand Value: A Case Study of E Company of Environmental Protection Industry" (Feng Chia University 2020).

of brands launch a product successfully, but it doesn't count a brands crossover, it's called "products crossover". The real brands crossover is two brands cooperate because of having the same concept. Focus on products is only a products crossover.

### **General Understanding of "Boutique":**

Most of boutique industries come from Europe<sup>26</sup>. The market of boutique is mainly distributed in European countries, the United States and China. They sell luxury products. Focus on the quality, manufacturing process and good experience for consumers.

There is a very significant phenomenon of "collectivization" in the boutique industry. LVMH, Richemont and PPR. These are the top three boutique brands in the world. LVMH is the top one, no matter in terms of revenue, profit or the stock price are all being on top. Louis Vuitton is a brand of LVMH.

Boutique can bring consumers a sense of honor, besides the price and quality, they often give a surprise, even a private party for their VIP. In the past, they service some certain top consumers<sup>27</sup>. Now, they also develop the Aspirational Mass market.

Boutique brands face the problem of decrease in demands of luxury products in economic depression. They need to change the marketing way but still maintain their style and characteristics. Different brands have distinct ways to solve this problem. It is also why some boutique crossover non-boutique came to the market.

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<sup>26</sup> Lin Zhi Ting, "The Influences of Experimental Marketing and Relationship Marketing on Revenue in the Luxury Industry - a Case Study of Burberry" (Shih Chien University, 2018).

<sup>27</sup> Zheng Xin Hui, "Rare Things Are Precious? ----a Preliminary Study on the Unique Needs of Consumers" ( National Chengchi University 2003).

## The Consumption Ability of the Young Generation

The consumption ability is getting different nowadays. Young generation has their own sub-culture<sup>28</sup>. Through the understanding of it, boutique brands can know how to expand their market and target new customers. According to luxury consumption research<sup>29</sup>, the proportion of Millennial (also called generation Y) who rely on digital tools to purchase boutique is relatively higher than other generation groups. Anyone born between 1981 and 1996 (ages 23 to 38 in 2019) is considered a Millennial. They have become part of the main consumer in recent years. Their values are completely different from previous generations. They like to pursue things they want, take challenges, and try various way to define themselves<sup>30</sup>. It is the digitalization age; boutique brands should notice some points to attract them. They use the internet a lot, so they focus on bloggers and KOL more than celebrities on TV shows. They have unique requirements for brands in order to have products that belong to their generation. Their brand loyalty is low, but their education level is higher. They care more care about the connotation and emphasize the cost performance ratio.

JUKSY is the most popular digital media about entertainment and trends for young people. JUKSY has a rich experience of attracting them. According to Kantar Millward Brown's survey, young people with spending ability (16 to 35 years old) account for 50% of the total population. Among them, consumers aged 16 to 19 spend an average of US\$20 billion a year, but not every brand know how to expand this market and approach young generation<sup>31</sup>. Therefore, many brands cooperate with JUKSY. "What

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<sup>28</sup> Ho Tsai Chun, "The Underlying Design Factors of Consumer's Desire-Using Young Consumers as an Example" (Huafan University, 2007).

<sup>29</sup> Ho Da Xi, "The Impacts of Brand Rejuvenation and Consumers' Involvement on Purchase Intentions: An Innovative Marketing Case of Heysong Sarsaparilla" (Shih Chien University 2010).

<sup>30</sup> Martin Lindstrom, *Buying the Senses, Believing in the Brand* (2005).

<sup>31</sup> R. S. Achrol, & Kotler, P., "Marketing in the Network Economy," *Journal of marketing* (1999).

young people care about is their self-worth and sense of identity. They will buy products that they feel are "fashionable". We are good at telling stories and use interesting and attitude ways to highlight connotation and brand features. When young people feel that is a Cool brand or product will naturally accumulate Portal Site Stickiness, which in turn leads to consumer behavior<sup>32</sup>." Said Jeff, the founder of JUKSY.

In China, people under the age of thirty-five spend the most money. Most of them don't make deposits. They are profligate because they live the life of Riley. They are not stressed about student loans, most of the learning expenses are borne by the parents. More than 90% families have real estate and 80 % have already paid off their mortgages, so that the younger generation has no pressure of settling home.

According to a survey conducted by the China National Tourism Administration, in 2015, 1.2 million Chinese traveled abroad, half of them are Millennial, and their spending power accounted for two-thirds of total expenditures<sup>33</sup>.

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<sup>32</sup> Kuo Ya Hui, "An Investigation of the Consumer Mood to Consumer Satisfaction and Behavior in Clothing Store" (National Taiwan University of Science and Technology, 2009).

<sup>33</sup> G. R. and G. E. Greenley Foxall, "Consumer Emotional Response to Service Environment," *Journal of Business Research* (1999).

## **METHODOLOGY**

### **Research Design**

Aiming to find out the successful keys for crossover of boutique and non-boutique brands, this study principally conducts qualitative content analysis. Use the case of Louis Vuitton and Supreme to compare with other crossover cases and sum up what the keys are. The crossover of Louis Vuitton and Supreme is the first cooperation between boutique and non-boutique brands. It was successful and it became a classic event in the market. Taking their crossover case to do the research not only can be a marketing strategy for normal crossover, but it can also be a contribution for brands that want to do this kind of crossover. The researcher adopts content analysis to have an overall understanding of the situation of crossover in the market nowadays. The interview content of the CEO of Louis Vuitton and other professional experts in the literature will be analyzed. The data about the consumption ability of the young generation that surveyed by business journals will also be used as evidence.

## **Sources of Data**

Some sources are thesis about normal crossover. The majority sources are from business journals. Some successful and failed crossovers are described in it. Those journals estimated brands before the product was launched, record the sales of the product and analyze the factors that lead to the situation. There are also some interviews of well-known brands' CEOs, designers even the president in Louis Vuitton's Taiwanese branch in the journals. Apparently, the sources that the author uses is secondary data. Only using secondary data may be limited because those sources are for other questions so it may not help answer the research questions completely, but some secondary data is difficult to be made by people, even some companies. Such as the information provided by census results of National Bureau Statistics is impossible for people to collect through the method of primary data. For this research, secondary data is easier to find, and it helps research get many related sources, like many crossover cases can be compared, and the data offered by some companies is more integrated than doing interview and survey.

## **Instrument and Data Collection**

This research is a case study of Louis Vuitton and Supreme. The author collected complete and effective case data and grasped the development and changes of the crossover case of Louis Vuitton and Supreme from many aspects and then carried out in-depth and specific comprehensive methods for it. The understanding of the case will go with analysis method to make an in-depth discussion and an analysis of the research population's background, development, behavior, concept, idea, etc. Most of the case studies are special, less general, and mostly exploratory. The purpose is to discover

facts and analyze and verify them, so people can have an objective understanding of the truth. Therefore, this research is applicable to the case study method to find out what are the successful keys for crossover of boutique and non-boutique brands.

### **Way of Data Analysis**

This research draws on content analysis. Louis Vuitton and Supreme crossover is a classic cooperation of boutique and non-boutique brands. There is no research about crossover between boutique and non-boutique brands so far. So, I will use the efficient information from literature and the basic theory and structure of normal crossover to integrate the keys that can lead a crossover between boutique and non-boutique to success.

## **DATA ANALYSIS**

There are five research questions in my research. First, how does a brand evaluate its necessity/opportunity to do the crossover? Second, how do they choose their cooperation brand? Third, how do they both get benefits from cooperation? Fourth, how do they decide the quality and price of their products? Fifth, how do they target their customers? This part includes the answer of each question and summary and implication for the end.

### **How Does A Brand Evaluate Its Necessity/Opportunity To Do The Crossover?**

Nowadays, more and more brands are following the trend and launch crossovers, but when more brands are implementing this strategy, consumers may gradually get tired of those countless crossover products in the market. Therefore, brands need to evaluate their necessity to do the crossover, not just want to catch the trend, because when having a crossover, there must be advantages and disadvantages. After an evaluation, a brand knows what it lacks in the market or what it is about to face and chooses a kind of crossover for these aspects. Brand and brand crossover is mainly to promote each other and exchange customer groups; brand and IP crossover is to increase sales through limited merchandise sales or increase sales with gifts; cooperation with celebrities is mostly used for fans to monetize and create high initial exposure.

Methods must be selected to initially solve the original problem but choosing a crossover method is not just to look at the benefit it brings. A brand needs to consider the possible negative impact of this method, whether it will continue to affect the value of the brand after the crossover event is over, if its impact has touched the brand's original concept, whether it is declared to be a transformation.

The reason why boutiques have become so common nowadays is because of the marketing strategies and crossover methods. Those boutique brands used to be aimed at a few people's desire for the rarity of goods, so the price of boutiques is not affordable for most people, and not all consumers would want to buy. Facing the phenomenon of economic depression, the sales of boutique products have fallen sharply because they are not necessities of life. At that time, some boutique brands launched with some trendy brands or fast fashion brands that just emerged, and the prices of the products are no longer so high that consumers can afford them. This crossover method is a strategy executed by boutique brands to increase sales, but the negative impact is that it conflicts with the principle of rarity of boutiques. Brand crossover is a dilemma between brand management and revenue.

On the other hand, those trendy brands belonged to the subculture at the time, and few people knew about them. Having crossover with boutique brands quickly increased their popularity, but he also ended his history as the most representative of the subculture. The potential problems and side effects of crossover are what operators need to pay attention to.

### **How Do They Choose Their Cooperation Brand?**

GoPro and Red bull have had a successful cooperation. At that time, Red Bull used sports marketing and its experience and reputation to sign and sponsor outstanding athletes and extreme adventurers from all over the world. It also independently organizes and sponsors such activities; GoPro provides them with tools and funds to capture information about the movement process and stunts from the perspective of the athlete. This crossover is easy to see that the reason for its success is because the two brands have 1. Similar consumer groups (sports enthusiasts) 2. Similar backgrounds

(sports) 3. Similar values (adventures and challenges), not only the two brands use their name to promote, but they must also be deeply integrated.

The key to the success of the crossover lies in the analysis of whether the channel and the customer group can be "complementary". Therefore, the crossover is mostly based on having a similar target group and a "non-competitive relationship". In addition, the two brands must also have shared resources. Only when brands have the same idea can each make progress. If a brand chooses IP, it must also confirm whether their customer and fans of IP match. The products set to be launched, for sale or gifts, must directly touch the hearts of consumers, so that the limited-time and limited quantity can cause fans to panic buying. It is the same for brand and celebrity cooperation. Whether the image of the endorsement conforms to the concept of the brand and the product is one of the evaluation items. The celebrities who cooperate should not have negative news. Many brands and celebrities will sign contracts to ensure that the celebrities can maintain a positive image for themselves and the brands during the cooperation. If a celebrity has negative news, the contract may be terminated, and the loss will be huge.

However, not all successful crossover collaborations use the same method to evaluate their partners. If the two brands are very different, it is to create a sense of prominence, but the "non-competitive relationship" remains unchanged. There will never be a cooperation between two competing brands in the market. In addition, in the market with so many crossover products, there are many examples of failure and success. Among them, those who succeed can be found after distinguishing. Some success means that the sales of goods and the degree of popularity with consumers is in accordance with expectation. In other words, the crossovers only brings profit to the brands, and will not continue to leave a discussion in the market after the cooperation. However, some crossover can make a sensation in the entire market before the product

is released, allowing customers to wait in long lines in the store when they are on sale, and they will continue to be discussed by consumers after the cooperation is over. The success of the latter type, the performance being outstanding is to break the usual routine when choosing a partner for cooperation. The backgrounds of the cooperative brands they chose are different, and the customer groups are distinct and not complementary, but the brands have developed new consumers and created a new culture together. This also returns to the basic key to the choosing of partners, similar consumer groups, similar backgrounds, and similar values. Therefore, when evaluating whether a brand becomes a partner, without the above three elements, brands must create them, but this is a risky behavior, but if brands want to be unique and very successful in the market, it always needs brands to take risks.

### **How Do They Both Get Benefits from Cooperation?**

The cooperation between brands must be determined after evaluation whether they need to do crossover, and after choosing the method and partners, a strategy that can benefit the brand is drawn up.

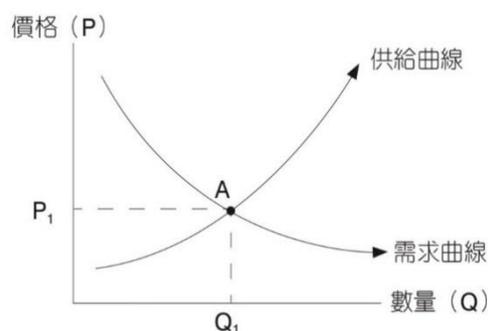
Different brands have different supporter groups. By doing crossover with other brands, brands may be able to reach customer groups that do not originally belong to its own brand. In other words, the crossover is actually the use of each other, to obtain benefits through each other's resources. The crossover execution model is not only product-level innovation, but also has the value of brand. It is very consistent with the concept of "the product itself is the best marketing", that is, the promotional value driven by the product itself. The consumers of the crossover products cover the core buyers of the two brands, allowing the original brand to capture new consumers while also attracting diverse consumer groups.

In addition, consumers have higher and higher expectations for new products, but the cost of innovation, research and development is high. Crossover is considered one of the innovation methods that have the lowest technical cost. It is a very important breakthrough for brands with older traditions and weaker research and development capabilities. Product differentiation is also an important factor influencing consumers' decision-making. While crossover products increase differentiation of goods and then differentiate clearly from similar products on the market, so that it can also attract non-core consumers. It will enhance the consumption possibilities of this group of people.

For brands, without exposure, there will be no recognition, and without issue, there will be no influence; the operation method of crossover gives the reasons for the exposure of products and the ones that are being followed and the elements that make it be concerned. As for the cooperation between boutique and non-premium, it seems that non-boutique brands have gained more benefits. After all, their cooperation with relatively high-standard brands is equivalent to increasing the value of their own brands and increasing brand awareness, and the customers of boutique brands Groups are difficult for non-boutique brands to reach. Cooperation allows non-boutique brands to access new market areas. In contrast to boutique brands, more and more boutique brands still feel the need to cooperate with non-boutique brands after evaluation, which means that there are many benefits that cannot be discovered on the surface. In the generation of economic depression, luxury goods are not a necessity, so they face a crisis, and crossover with non-boutique brands has become a way for them to survive. Its price is affordable for most people, and sales increase to continue to exist in the market.

## How Do They Decide the Quality and Price of Their Product?

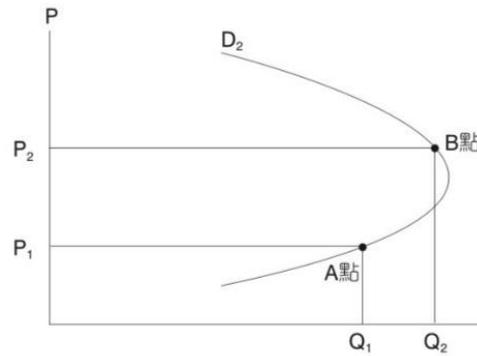
The ultimate meaning of the price of a product or service is not only the amount that the customer is willing to pay, but also the value of the product that the customer recognizes. Therefore, the "price" is the equilibrium point of interest between the buyer and the seller.



In the "supply curve and demand curve" in economics, the point where they meet (point A) is the equilibrium point. At this time, the seller is willing to sell the quantity of  $Q_1$ , and the buyer is willing to pay the price of  $P_1$ . Therefore, price is the highest price that consumers are willing to pay at the margin and the lowest income that suppliers are willing to accept at the margin.

Under normal circumstances, when the price is higher, the demand will decrease; when the price is cheaper, the demand will increase. But in the case of high-quality goods, the demand curve will become a "backward" demand curve, with a positive slope, and the higher the price, the situation in which demand or sales may increase instead. Such products will appear when they have the characteristics of symbolizing high quality, enjoyment, and representing status. As shown in the figure below, from point A to point B, it means that after the price rises, the demand or sales volume has

risen to the quantity.



General goods usually have some methods to price, but the price of the boutique is higher than the price calculated by those pricing methods. It is more because of the trust in the brand. Customers do not have to worry about whether their bags are fake. What customers buy is the value of a brand, its history, existence, and design. If consumers don't care about these values of the brand at all, then there is no difference between buying clones. In other words, its quality can be copied and obtained at a low price in the knockoff market, but the high price of the high-quality goods is because they usually have their own factories for hundreds of years to make their products. In addition to the good quality, it also represents a brand that insists on the concept and its history and significance, so its high price is considered reasonable, and only then can there be loyal consumers.

As for some trendy brands, their prices are also set higher than those of ordinary brands, because they are an important presence in the sub-culture, emphasize uniqueness, and have more personality than ordinary brands, which also allows products to have higher prices. The reason why they are not as expensive as boutiques is because boutiques are scarce. In addition, trendy brands have emerged in recent years, so their history and tradition are not as far-reaching as boutique brands.

Crossovers often break the price framework, so there will be some unexpected prices. For example, if you want to own a certain artist's work, you must have

considerable financial resources. Once the artist's work is applied in the crossover products. Further mass production of a certain commodity will greatly reduce the cost of owning this art. Going back to the crossover of boutique and non-boutique brands, their products are jointly developed by the two brands. In the definition of crossover, the product will only be better than the product of the original one's, at least as good as the quality of the boutique brand. The quality decision must be based on the common resources of both brands to produce the best output, and the price is set at the price between the two because of the cooperation between the high-priced brand and the low-priced brand. In the market, the cost performance ratio of this kind of crossover product is the highest.

### **How Do They Target Their Customers?**

When brands cooperate, they need to re-target the customer groups. The two brands may have similar customer groups, or they may have different customer groups but can reach each other's consumers through cooperation, or the two brands have developed new customer groups together. In short, the targeting of the customer group is to a certain extent in line with the brand's background and concept, or the brand can also target the customer group first, and then combine the original elements and new one in the product to match the targeted customer group.

If the customer groups of the two brands are similar, it also means that the products of the two brands are produced for a certain type of consumer. Then directly target this customer group, and crossover products can be developed for this common customer group and. When the customer groups of the two brands are different, the two brands will continue to provide their own understanding of their consumers and share information with each other, so that the products can attract customers from both sides.

Regardless of the customer groups targeted by the brands, it is the current direction of many brands to develop young people's markets, because many studies have shown that young people's consumption concepts are much different from those in the past, and their consumption power is the largest among all ethnic groups. The behavior of boutique brands to target young customers is the most obvious. Since Louis Vuitton and Supreme did a crossover, one thing that affects the entire boutique market is that the right to speak has gradually changed from boutique brands to trendy brands, and the CEO of a boutique brand also has a younger trend. In terms of more well-known boutique brands, the average age of CEO of Louis Vuitton, Gucci, Balenciaga and Saint Laurent is 37 years old. In this way, the concept of the brand can be brought closer to young people and the products can be more attractive to them. In addition, even if these young CEOs grew up in different environments, they still received the same influence on some levels, making the influence of the "trend culture" a natural thing.

### **Summary and Implication**

Louis Vuitton and Supreme are the most classic examples of crossover between boutique and non-boutique brands in the market. From the perspective of "evaluating the necessity for joint crossover," Louis Vuitton was facing changes in market consumption patterns, so it believes that crossover can open up new paths for the brand. For Supreme, it is a sub-cultural market, but to enhance the value of the brand, doing crossover is a shortcut.

The reason for choosing each other is because of the same concept. Although no one thinks that a boutique brand and a trendy brand have the same philosophy, after their cooperation, Louis Vuitton's CEO, Kim Jones said that he worked at Supreme when he was young. He always believed that Boutique brands can cooperate with

trendy brands, and boutique products can be designed to be trendy, not only to get closer to young people and make them willing to spend money to buy, but their products also have the best quality, but also show the diversity of the brand.

When "sub-culture" has become mainstream, boutique brands swallow its pride humble and move towards the trend, breaking the public's established impression of high-level fashion. It is unavoidable to doubt whether it is forced by the situation or has finally gotten rid of prejudices. Brands have brands' opinion, and consumers have their own, but brands have predicted the mentality and behavior that most consumers will have after the crossover launched. To attract the new generation of GEN Z consumer groups, Louis Vuitton boldly broke away from the mundane and combined the cognition, choice, and niche of the boutique in the fashion circle. To become a higher level, Supreme hoped to implement their unconstrained ideas through exquisite craftsmanship. In fact, there is no right or wrong. Since it is the current trend and the business opportunities are unlimited, using the power of one plus one greater than two to infuse the brand with a young trend and create a win-win situation then made this classic crossover happen. Success is about breaking some conventions.

The success of their cooperation is to use the crossover as an opportunity to jump out of their original framework, and to solve the immediate problems and crises. Moreover, they are both the correct choice of the other one and become the steppingstone of the other in this cooperation that is a bit like a revolution. They took each other's resources and helped each other succeed. More importantly, they target the young customer group, not the original customer group of Louis Vuitton, nor the few young people of Supreme who like sub-cultures, so even if their cooperation suffers the original loyal customers didn't like it, but they still let the goods sell out of supply.

My research hypothesis is Brands can evaluate the necessity to perform crossovers

through investigating their existing customer age groups and spending power, and then cooperate with brands with compatible existing customer age group and spending power. Brands can evaluate the age group and spending power of their customers, but they don't need to cooperate with brands with compatible existing customer age groups and spending power.



Figure1: Louis Vuitton's product



Figure2 : Supreme's product



Figure3: Louis Vuitton and Supreme's crossover product

## CONCLUSION

In recent years, many brands in the market have launched crossovers. Consumers will feel bored or enjoy it. It depends on all the evaluations before the brands do the crossover, the style orientation of the product and the targeting of the customer group. For brands, successful crossover allows brands to be profitable, even if high-priced and low-priced brands are having crossover. For consumers, willingness to consume means that in their minds, products and prices are equivalent, while in consumers' minds for crossover products of boutique and non-boutique, the value of the product is much higher than the price at which they bought the product. Brand cooperation is either well-integrated or deeply loved by the public or deliberately creating a sense of disharmony to create a sense of freshness. It is feasible to attract the masses, but do not have a crossover just for catching this trend.

Among these crossover cases, the boutique and non-boutique is something I have always been curious about, and I often pay attention to the trend of boutique brands, so I wanted to do research on this. After doing research, I found that one plus one is greater than two is the core concept for crossover, if the result won't be greater than two, then it is not necessary to do it. Although the boutique and non-boutique brands have different values, they can predict the arrival of the crisis, see the right time, find the right partner, and dare to challenge what others have not tried in the market, which leads to success. This research can also be used as a reference for brands to make marketing strategies.

Louis Vuitton and Supreme are international brands. They have international buying channels and have branches all over the world. When they are investigating

customer groups, they are global. Recently, there are many domestic brands. They will also cooperate with each other and launch crossovers. The research may not be entirely suitable for reference to these domestic brands. In addition, if people who want to do a crossover research on similar boutique and non-boutique brands, try to find an internationally renowned brand when referring to the case studies of certain brands.

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