

DIGITAL MEDIA STRATEGIES OF LUXURY BRANDS

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ABSTRACT

Institutions that provide products and services and that show activity in all areas, not only are agents of change but also lead the race in novelties under the wind of change in a rapidly digitalizing world. In this sense, digital spaces are "new channels" where access to products and services is faster, thus facilitating the lives of individuals. These digital spaces are used especially by brand owners, where, though their specific strategies of digital marketing, they are able to reach consumers. This study will concentrate on brands that connote meanings of "luxury" and see what kind strategies they use in digital spaces. These strategies no doubt differ from other brands, which use more "daily" and "common" methods of marketing. Marketers need to orient consumers in a particular manner in order to them to purchase luxury items online. In this context, this study will look at the relationship between luxury brands and their target audience in the internet based new economic platform, and how products associated with "luxury" are focused on "value" on the internet. An example will be taken and will be analyzed with a semiological method of analysis, where the influence of the strategies of luxury brands on the attitude of consumers will be evaluated.

Keywords: Luxury, Digital channels, Brand, Strategy

*"While some utopians dream about a world
in which absolute equality redistributes all riches and tames all desires;
others, conversely, bank on the diversity of desires
to be able to maximize the expression of pleasures.
Then, luxury points to the road to pleasure,
going away from feelings of guilt."*¹

1. INTRODUCTION

Businesses and organizations that offer goods and services are both the pioneers of numerous innovations and those affected by the changes created by the digitalized world. Within the framework of these innovations, prominent brands of the consumer society access potential customers through the values and designs they create. These customers thus obtain certain lifestyles and even identities by consuming these goods or services. In this respect, the internet shines out as a "new medium" that facilitates and accelerates individuals' access to goods and services. In such environments it is inevitable for firms to benefit from certain strategies in order to reach their target market. It is known, virtual environments are mediums that are used frequently by firms and individuals to easily access their targets. This study focuses on "luxury" brands, which are supposed to implement unique strategies online due to their values. In other words, methods that should be adopted with the aim of directing customers to purchase luxury products and services should be developed more meticulously than those developed for "ordinary" and "casual" ones.

In this respect, the study will investigate how luxury brands reach their target market and direct the communication in the new economic system marked by digitalization and the internet. More specifically, the study will analyze how luxury brands focus on the concept of "value" over the internet and influence customers' purchasing behaviors, by implementing a semiological analysis method on a certain sample.

Luxury brands and products pervade individuals' lives; advertisements promoting such brands and products arouse individuals' curiosity and make them desire, by appealing to their emotions and

¹ Thierry Paquot (Translated into Turkish by Orçun Türkay, which I used as the source while translating into English), Lükse Övgü, İstanbul, Can Yayınları, 2010, pp:112-113.

spirits. We are now encountering such luxury products and brands so often that they occupy our everyday lives, which was of course not the case in the not too distant past. Therefore, we need to ask the following questions: "Has the content of the concept of 'luxury undergone a change, as it used to be associated with adjectives like 'rare', 'expensive', 'extraordinary' and 'hard to access'"; or, "Does the word 'luxury' now have different connotations?"; or, "Has the profiles of customers of luxury products changed?". While the entire world has been affected by the financial crisis and even some countries are on the verge of bankruptcy, studies clearly demonstrate that luxurious consumption is on the rise. This fact indeed points to another one: customer loyalty. It is observed that customers of luxury brands loyally keep consuming the products of these brands even in times of economic turmoil.

Marketing sociologist Pierre Martineau, who adopted the philosophy that "*The product or brand image is a symbol of the buyer's personality*", argues that the postmodern culture has triggered a rapid shift from functional to symbolic consumption, and customers tend to realize the fantasies that they created or that were offered to them through consumption. In other words, individuals want to express their desires and demands by means of consumption, which is called "*symbolic self-completion*". As products and brands are signs and symbols; consumers tend to actively participate in the process of consumption and want to take pleasure with the following motives²:

- Defining status or social class,
- Defining himself and adopting a role,
- Creating and maintaining social existence,
- Expressing himself to himself and to others,
- Reflecting his identity.

Researches demonstrate that motivational buying involve dimensions of pleasure and emotion, that is, products call for customers rather than individuals demand products. Customers, through motivational buying, get satisfaction from the social interactions included in the search for innovation, change and surprise.³ The "social interaction" theory addresses the definition of personality from a social point of view and tends to define it through interactions. Others' opinions, imagined or real, play a significant role in the formation of one's sense of personality. Individuals want to be seen to others with the presence of proper and quality symbols. A customer who buys a branded product wants to enrich his inner self with the motive of "being privileged" by conveying connotations like "attractive", "adorable", "elite", "comfortable", "expensive", and so forth.⁴ It is possible to link the motive of "being privileged" with the notion of "pleasure". People are capable of replacing real stimuli with their dreams, and by creating luxury environments for themselves; they manage to live in worlds of pleasure. Contemporary advertising, communication industries and digital media help and mediate the creation of such an imaginary consumption. Today, it is observed that individuals are locked onto such a behavior due to the intense influence of mass communication media.⁵

When it comes to luxury brands and the concept of digitalization, it is difficult to overlook certain brands and websites for the case of Turkey such as: Markafoni, Limango, Trendyol, Luxinabox, and so forth. Being the first example in Turkey of the concept of special shopping club that firstly appeared in France, *Markafoni* has nearly two million active members aged between 18 and 40. It attracts around 100,000 new members every single month, and sells a product in every fifteen seconds. *Limango* is another digital venue operating as a special shopping club with the aim of proving that fashion is accessible. The website's current active members are aged 25-45 and the monthly number of its visitors is around six million. Yet another brand name that comes to minds in this context is *Trendyol*, which is among the fastest growing shopping websites of Turkey and has managed to reach 1,7 million members in seven months. The website sells products of world-famous brands in limited numbers as part of 2-3 day campaigns at discounts reaching up to 85%. It serves 7 brands and 1000 different products to its customers per day. The website of Turkey's leading luxury brand *Beymen* is also attracting the target audience. Along with clothes and accessories, different products ranging from furnishing to chocolate could also be purchased online.⁶ *Luxinabox*, which could be defined as the most luxury venue for online shopping in Turkey, was founded in 2009 by two young Turkish women and now continues to attract considerable numbers of customers.

² See., Yavuz Odabaşı, *Postmodern Pazarlama*, İstanbul, Mediacat Yayınları, 2004, pp:94-95.

³ See., Sabahattin Çelik, *Hazsal ve Faydacı Tüketim*, İstanbul, Derin Yayınları, 2009, p.82.

⁴ See., Yavuz Odabaşı, *Tüketim Kültürü*, İstanbul, Sistem Yayıncılık, 2006, pp:90-94.

⁵ See., *ibid*, p.114.

⁶ See., www.hurriyet.com.tr, 20.01.2012.

Within this framework, the information conveyed by an article published in The Brand Age magazine is quite interesting for people who purchase luxury products. It is stated that the pioneers of consumers in the market for luxurious products are second and even third generation members of wealthy families. However, until 15-20 years ago, the typical luxury customer was economically independent individuals aged above 40 who have acquired a certain maturity in terms of consumption. It is also stated that these young people do not agree with their families, have different tastes and expectations, and spend more frequently and at higher rates. Recent studies have defined these young people as members of the "Y Generation Y", within which several notable personality traits shine out. Young people of the "Generation Y" are fond of personal independence, self-loving, challenging the authority, having high self-confidence and desiring to be in the foreground. These young people, who are ignorant of poverty as they have not experienced tragedies like wars, put technology on the focal point of their lives spending most of their times online. It has been pointed out by researchers that luxury brands rejuvenate their organizations in order to be able to communicate with young people, focus on extraordinariness and creativity while forming their strategies, and search for ways of reaching young people by transforming every facet of their organizations.⁷ In other words, luxury brands are aware of the fact that it is only possible to communicate with young people and to leave brand images in their memories by integrating innovative practices into their ways of doing business. These arguments are backed by the facts that social media are now overwhelmingly functional and the digital media has already taken the position of conventional media. It would not be wrong to argue that most shopping transactions are made online and new fashion trends are followed online today. Furthermore, young people are viewed as the best practitioners of contemporary technology. The internet has thus managed to reshape the social life by creating a new customer profile; who is well-educated, living intimately with technological developments, dynamic, brave, unhesitant to demand new things, cynical, and never tolerative to unmet promises and wasting of his time.⁸

2. DIGITAL MEDIA STRATEGIES OF LUXURY BRANDS

Brands, which have long and elite design histories, emphasize on these long-established characters in online and offline venues in order to reach new generations. For example, Louis Vuitton, which is ranked the most valuable luxury brand, has managed to attract young designers through media and financial incentives; and by broadcasting its London fashion show on YouTube, it set an example to the sector in terms of innovation in both products and promotion activities. Burberry, similarly, has managed to increase its annual market share by sending customers special SMSs, inviting them to the London fashion show that would be live broadcasted in Burberry shop, and stating that each displayed product was on sale and would be delivered in a couple of weeks. Chanel, on the other hand, is the first firm in the history doing e-business.⁹ A study on the most valuable luxury brands shows the ranking of most preferred foreign luxury brands:

Table 1. Values of Luxury Brands

Most Valuable Brands	Brand Value M/\$	Brand Share	Brand Acceleration	% Change in Brand Value
1 Louis Vuitton	24.312	5	7	23
2 Hermes	11.917	5	8	41
3 Gucci	7.449	5	4	-2
4 Chanel	6.823	5	9	23
5 Cartier	5.327	5	6	34
6 Rolex	5.269	5	5	11
7 Hennessy	4.997	5	8	-7
8 Moet&Chandon	4.570	5	8	-7
9 Fendi	3.422	5	5	7
10 Burberry	3.379	4	7	N/A

↑
Luxury
Consumption
%19
Increase

Most Valuable Brands – brand Value M\$ - Brand Share – Brand Momentum – % Change in brand Value

(Source: The Brand Age Magazine, "Enjoy Luxury, If You Can Get." Istanbul, October Issue, 2011, p.69.)

⁷ See., Onur Yanık, "Lüksle Başbaşa!", The Brand Age Dergisi, İstanbul, Ocak Sayısı, 2012, p.85.

⁸ See., <http://export-club.blogspot.com/06.01.2012>.

⁹ See., Pamela Dangizer (Unity Marketing), "Lüks Markalara Dair Taze Gerçekler", The Brand Age Magazine, İstanbul, October, 2011, p.69.

In this framework, a questionnaire study was conducted with 250 students attending Istanbul Kultur University Atakoy Campus. The students were asked: "Name three Turkish brands that you see as luxury". They ranked "Vakko", "Damat&Tween" and "Beymen" in the first three as luxury brands. Since it was ranked first, we reviewed Vakko's online shop and Facebook page:

Vakko Online Shop

The viewer is greeted by a Vakko bag placed at the very center of the page. Written on the bag is "The first and only" along with "Vakko Big Winter Discount – 50%". Vakko logo is put on the right of the page, and the expression "Shop Happily" is placed below the bag and the page. The words of "First", "only" and "Happily" refer to the concepts of pleasure, passion and happiness that the Vakko customers will experience. Besides, the name "Vakko" is placed in three different spots as an element consolidating the value conception that is possessed and presented by the brand.

Vakko Facebook

When the body of the Facebook page of Vakko is viewed, two photos shine out. One of them is positioned on the left; the picture of a young modern-looking blonde woman in a red low-cut nightdress. She wears a modern-shaped necklace, and yellow and thick bracelets on her right wrist. She is carrying a red purse fitting to her dress in her right hand. Sitting on a velvet armchair, it is the view of an attractive and self-confident woman. At the very center of the page, secondly, viewers see again the photo of the same woman. This time, she is wearing a blue nightdress and a red necklace. Black gloves, which cover a large part of her arms, complement each other with the purse she is carrying, and she greets viewers with the same glance. This time, she is sitting on a red velvet armchair, but posing from a different angle and with a different way of sitting.

The elements carefully put in the photos such as the velvet armchair, gold-colored bracelet and other objects and golden lines on the doors are the signifiers of nobility, richness, privilege and luxury. The woman -with her hairstyle, dress, purse, way of sitting and looking etc.- represents an attractive, modern and young woman who adopts a luxurious way of living.

Textual messages: The entire page contains the name "Vakko" in ten different spots (Vakko chocolate, Vakkoroma, V2K designers, W Collection). The repetition consolidates the place of the brand name in viewers' minds and plays a crucial role in the creation of brand loyalty. Besides, the Vakko logo is seen in three different places, which serves as an icon that differentiates the brand from others in viewers' memories.

The Vakko brand embraces and addresses all individuals living within the boundaries of Turkey with the motto "Every country has a brand that it is proud of". That is, the brand presents itself to the Turkish public as a source of pride, which not-very-implicitly suggests that Vakko is an elite, valuable and superior brand, of which a nation can be proud.

3. CONCLUSION

The internet has made it possible for luxury brands to sell online. Such brands are of course continuing to sell on famous shopping streets and in famous shopping malls, but researches show that the volume of their online sales is rising every single day. According to provided by Ipsos data; 17.8% of internet users above the age of 12 shop online, which is equal to 4.2 million people. The majority of this group is young people who are aged 24-35 and generally white-collar professionals with medium income levels and above. Last year, the percentage of internet users who shop online was 14.5%.¹⁰

Consumers, who navigate the world of symbols between numerous products and brands, save time and energy by shopping online along with getting pleasure and happiness in the competitive environment by easily learning online about the choices and opportunities that brands offer them. At this point, consumption finds meaning;

- Not based on merely the functionality of objects or on individual or group prestige,
- But as a kind of "language" made up of codes of signs that are ceaselessly bought, sold and reproduced within the system of communication and exchange.

¹⁰See., <http://morfikirler.com/yazi/internette-alişveriş-üzerine-ipsos-kmg-araştırma-verileri>, 11 December 2011.

In the past, it was not possible to exchange differences (clothes, ideologies etc.) for various reasons; but today, they are exchanged within wide array of consumption. This social exchange mechanism becomes possible not because traditions have been liberalized, but because differences are being produced as signs of social recognition in a system encompassing all kinds of differences.¹¹

The most important potential threat for luxury brands, which have long histories and deep-rooted values, is failing to appeal to young customers who are called "Generation Y". In order to be able to cope with this threat, brands need to utilize social networks and digital media in general as effective as possible. Digital media have become the key to success in the market for a brand both to appeal to and to render loyal young people who are referred to as "*conspicuous consumers*" or "*lonely ones in crowds*"; and to appeal to older generations who have high income levels and are now internet users. In this respect, now it is not enough for brands to have product diversity; they are also required to know the characteristics of their target customers very well and to develop effective communication strategies in order to express themselves in digital media.

At this point, the points to which brands should attach importance can be arranged as follows:

- Luxury brands need to develop communication strategies that would serve for stimulating imaginations of today's customers in order to make them feel highest levels of pleasure, satisfaction and happiness,
- Luxury brands should be active in digital environments as they form the key component of a big puzzle,
- Luxury brands should convey their traditions and stories to new generations,
- Luxury brands need to develop strategies in order to insert their cultural experiences into customers' lifestyles,
- These brands must establish communication with "Generation Y" as they are of great importance for them,
- Luxury brands should design the digital environments where they express themselves in a way to make customers feel privileged,
- Luxury brands should make use of online shopping websites such as Markafoni and Trendyol to offer "unique" services to their customers,
- Digital media should be exploited more as a meeting point for customers, who always desire to feel privileged, and boutiques and designers,
- Online selling strategies should be updated as digital media are marked by constant innovation,
- Customer relations management (CRM) should be given more importance in order to communicate and establish closer ties with customers.

Given the fact that brands are symbolic sources for individuals' self-completion, symbolic consumption of especially luxury brands might become significant in the formation and transfer of cultural classifications.

S. Brown defines postmodern consumer as "an individual who is in pursuit of daily happiness, eager to find instant satisfaction, unwilling to delay satisfaction and to sacrifice today for tomorrow, interested in experiences that cover the past and the present and in form rather than the content, and is willing to turn himself into an image ready to consume"¹². As is stated earlier, Baudrillard's conception of "differences today" is exchanged as part of a wide partnership of consumption. By saying that this is a socialized exchange of signs, he virtually foresees organizations such as Luxinabox. According to Baudrillard, who argues that the consumer society makes the individual admires and appreciates himself, individuals may embody all the paradoxes of narcissism.¹³ It thus becomes possible to see the traces of hedonism and symbolic consumption in individuals' consumption practices. People today feel the need for "facilities" that will define their bodily and spiritual identities and make them feel better and more privileged, and they find answers to these needs in the fastest fashion over the internet.

¹¹ See., Jean Baudrillard, *Tüketim Toplumu*, İstanbul, Ayrıntı Yayınları, 2008, p.111.

¹² Stephen Brown, "European Journal of Marketing", Vol. 27 ISS/4, pp:19-34, 1993,

¹³ Jean Baudrillard, *ibid*, p.111.

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