

CRITICAL REVIEW OF DIGITAL MARKETING STRATEGIES FOR LUXURY PRODUCTS

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Abstract -Digital marketing (DM) is the newest tool in an advertiser's arsenal to help them better reach their targeted audience, Digital marketing utilizes the large-scale adoption of the internet to more effectively identify demographics and advertise to them at the fraction of the cost of traditional means. The most common strategies applied in digital marketing are Mass E-mail based targeting and advertisements on websites commonly used by the target demographic; however, with the recent popularity of social media platforms such as YouTube, Instagram, and Facebook to name a few, there has been a push to better understand the algorithms behind these websites to reach a larger and more engaged audience. With the rapidly growing user base and interest in social media platforms, there has been a renewed academic interest to better understand how to efficiently and effectively optimize the use of these platforms to advertise to a receptive audience. Digital marketing can help Luxury brands reach a younger and more responsive audience by utilizing the existing market of well-established influencers.

Key Words: digital marketing, internet, marketing strategies, social media, branding, luxury.

1. INTRODUCTION

Online Shopping in recent years has seen a resurgence in popularity, with brands like Flipkart and amazon becoming household names for an array of various items, whereas the vertical of luxury brands were sceptical about investing in E-commerce markets due to their doubts about the viability of the industry. Brands, however, couldn't deny the success of E-commerce platforms and eventually began co-opting various practices from the E-commerce industry into their brands giving consumers more options to personalize their shopping experience and improving their reach into newer markets, these new ideas coupled with tried and tested methods helped brands see greater overall revenue and audience engagement.

The E-commerce industry's ease of selling saw widespread implementation by luxury brands giving rise to new industries within the premium domain and opening new niche demographics. The opening of new markets by e-commerce has led to the creation of various sub-categories in luxury

products such as masstige products (mass-produced, relatively inexpensive goods that are marketed as luxurious or prestigious.), Populuxe aesthetics (popular & luxury), and hype-based products.

Advertisers in the luxury space try to analyse social behaviour patterns to create trends and increase the advertised products perceived value, one common example of this being the creation of a 'hype culture' which exploits people's fear of missing out (FOMO) and obsession to find the next new thing, this type of advertising is a core tenant of digital marketing and utilizes the services of social media influencers to make their product the next big 'hype'. Luxury brands such as 'Supreme', 'Gucci', and even 'Apple' have used hype culture to make their products more desirable and have thus cemented their brands in the people's minds.

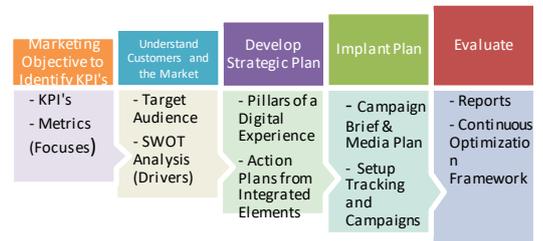


Figure 1 Digital Marketing Strategy Process

2. Digital Marketing Strategies

Strategic planning in the field of digital marketing enables us to interact with customers, work together, create value, deliver value, and sustainably add value. A successful business marketing strategy focuses on its customer value and effectively responds to customer requirements. An effective marketing campaign can only support the long-term business strategy. In reality, these marketing techniques are applied by every small business company to succeed. However, there are various levels of a large corporation; company, section, company unit and product level. The corporate level draws up a marketing tactical plan and guides all levels of management. It determines the quantity of roles and services, uses and invests at the other relevant management levels. All the various levels have their duties.

They intend to use the funds to earn from a responsible degree. In order to achieve their goals and the sustainable business strategy, they have developed a clear marketing plan. A digital

marketing strategy is therefore a norm for each company, whether small or big. A marketing plan shows the right direction for every successful business organisation to make the effort. The digital marketing strategy needs to be stressed on improving the market value and changing the tastes of customers that help a company to plan and manage an appropriate approach to meet customer demands. (Kotler et al., 2009, 84–87)

The digital marketing strategy model provides a framework that presents a structure that confirms the presence of all key tactical development and operational activities. SOSTAC represents an overview of situation, goal, policy, strategies, intervention and control. (Chaffey and Chandwick 2012, 190-200))



Figure 2 Framework for digital marketing strategy SOSTAC

In Figure 2, "where are we?" implies situation analysis. It covers brand perceptions, performance targets, SWOTs, consumer perspectives, internal skills and resources.

Objectives means "Where do we want to be?" It comprises 5 goals, selling, serving, sizzling, talking and saving.

Strategy means how do we get there?" It involves targeting, segmentation and proposal for online value, positioning, integration, sequence and digital equipment.

Tactics mean "How do we get there precisely?". It contains a combination of e-marketing, communication plan specifics and online campaigns.

Actions mean "Who's doing what and when?" Details of roles and organisation, internal resources and abilities, and external agencies are included therein.

Control means "How do we keep track of performance?" It consists of 5 + web analytics – KPIs, customer satisfaction surveys, usability testing, reporting frequency, visitor profiling, behaviour. (Chaffey and Chandwick 2012, 1992)



Figure 3 5s of digital marketing strategy

In Figure 3, selling means acquiring clients, sizzle defines stickiness, serving translates to customer satisfaction objectives and visiting time, speaking means saving quantified efficiencies and saving committed customers. (Chaffey and Chandwick 2012, 199)

Literature review

Gheorghe et al. (2018) recommended that in a mind-boggling, present-day adaptable economy, to enable One-Time Purchases, Authoritative Purchases, and Direct Purchases many companies have an ever-increasing budget that permits them to adapt and implement advanced methods and framework to customize the whole Digital marketing experience. Digital Marketing initially called "electronic marketing" or "internet marketing", first showed up as different methods actualized by spearheading organizations that sold their products through the internet in the mid-1990s. As per his pros, the meaning of electronic marketing can without much of a stretch be adjusted to digital marketing, seen as a lot of strategies are executed through digital channels to accomplish corporate objectives (frequently to build investor benefits) in a defined period with pre-set goals.

Philip Kotler et al. (2017) states that in online marketing, videos can be added to the webpage to build the organization's site traffic. Messages sent to this intended interest group must be pertinent to addressing their requirements, and along these lines, the video must be structured in a way that is reliable with the recognition and understanding capacity of the clients and potential clients, in any case, the execution of this activity would be futile.

Kapferer (2012) contends that luxury today is a vertical that needs to set up their brands more towards reflecting their craftsmanship and positioning themselves as genuine & unique products.

Kietzmann, Hermkens, McCarthy, and Silvestre (2011) feature the significance of coordinating an organization's

marketing plan with the social media plan to point various customers towards the same marketing goal so that it is aligned across all channels.

Kaharan and Kirtis's (2011) Work shows why companies spend less money on social media in order to achieve their marketing campaigns compared to conventional media as well as the value of social media for the marketing sector. A downturn in company budgets usually leads to organizations trying to eliminate costs and the chances of the marketing budget being cut first is highly likely. But Marketing through social media channels, if looked at closely is a lot lesser than traditional corporate marketing budgets.

Crittenden, Hanna, and Rohm (2011) Contend that consumers are gradually taking an active role in co-creating marketing content for businesses and their brands. Companies and organisations, in particular, are searching for online social media programmes and strategies to attract customers online.

In **Haenlein and Kaplan's** (2010) study, Integration of traditional and digital marketing is a crucial component for successive companies as both are part of the character of an enterprise.

Bastien and Kapferer (2009) Study indicates that luxury brand management must be clearly differentiated from both fashion and premium or "trading up." And how luxury brand management lays out certain anti-intuitive principles for the effective promotion of luxury products and services.

What's more research by **McMahon-Beattie and Yeoman** (2006) proposes another pattern by white-collar class buyers; who are constantly upgrading their lifestyle with better products, which means luxury products are devoured by a more noteworthy mass. Luxury products are an aspirational objective which luxury brands should keep in mind for the latter crowd. It is necessary, as a luxury brand, to align the individual of the brand to all target groups, since, irrespective of their economic status, everyone aspires to own luxury products. Two distinct attributes determine luxury: luxury for yourself and luxury for others. The argument is that even buyers from the target audience should view the brand as an aspiring element.

The concept of Luxury is without a doubt exceptionally old and has been sustained across centuries, to ensure that the writing in this paper is inclusive of all perceptions across all time periods **Lipovetsky and Roux**, (2012) study has been taken into account.

Initially, luxury was the obvious outcome – purposely prominent and ostentatious – of generational social separation. For a long time, luxury was a word with a unique significance profoundly connected to a general public whose prominent individuals had a lifestyle described by an elevated requirement of living which permitted them to appreciate such rich products. The others, despite what they aspired for, couldn't bear the cost, and owning luxury was just a dream. Albeit such an idea has always been associated with delight, want, inclusion, and a social representation of a lavish way of life

Rosa, Dubois and Czellar, (2002), study states that changes in contemporary customers conduct in the western world have prompted its reevaluation. These days expanded luxuriousness and an excessive showcase of luxury have attracted a large segment of people with their portrayal of extravagance that cannot be afforded by all. The study also states that Consumers from all across the world are willing to spend and travel across countries to purchase luxury goods for cheaper only to satisfy their luxury needs.

Following these lines, **Atwal and Williams**, (2009) state that the concept of a luxury brand is open to discussion and the natural development of luxury with luxury products first accepted by the rich and rich, until eventually translated and reinterpreted in mass markets, poses new challenges for marketers. Luxury brands must remain before luxury customers by discovering new and different ways of expressing their wishes. The article addresses the fundamental difference between contact and interaction and explores a way to ensure the longest-term success of luxury marketers by using brand-related experience to communicate to luxury consumers.

S.N O	AUTHOR NAME, YEAR	TITLE	DESCRIPTION
1	SuhasKatari a (2019)	The complete guide to luxury digital marketing	Helping every luxury brand develop a comprehensive digital online marketing strategy that supports organic growth and promotes brand development.
2	Clara Saladich (2018)	Top Five Digital Marketing Priority Areas for Luxury Fashion in 2019	To profile some key players in the luxury sector and to recognise the emerging issues confronting the industry.
3	Reggie James (2019)	Digital Marketing for Luxury Brands 2019 - 2020	This article discusses the opportunities and challenges faced by luxury brands in an ever-changing world.

3. CONCLUSIONS

The present practices of digital marketing are both to assist the advertiser and the buyer. Under these conditions, the advertiser usually gains insights, behaviour patterns, and support from the shopper, which can be later used to target them better.

We can clearly establish that the Internet has drastically changed the typical purchase procedure and how both the purchaser and the merchant associate with each other. Presently customers have a lot of choices, impact, and genuine control over their purchase decision since brands are promoted specifically towards them only cause them to fall under the potential market since they have shown interest about the product/similar products in the past. To conclude, it has become mandatory that Luxury brands should adopt latest marketing trends and focus more on growing their digital marketing efforts.

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