A BRANDING PARADIGM: THE RISE OF MILLENNIAL CONSUMERS IN LUXURY BRAND STRATEGY

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THE MODERN MILLENNIAL CONSUMER

- Cognizant of marketing tactics (Valentine & Powers, 2013)

- Spends money on experiences rather than materialistic items (Bilgihan, 2016)

- Heavily influenced and compared to lifestyles on social media (Twenge, Campbell, & Kaye, 2010)
REDEFINING LUXURY BRANDS

- Product customization (Bellman, Teich, & Clark, 2009)
- Unique in-store and online consumer experiences (Kim, 2001)
- Strong digital presence (Weinberg & Pehlivan, 2011)
How can luxury brands reposition themselves to adapt to millennial values while still maintaining reputation, brand image, and profit?
Three theories were used as a foundation for this study:

- Diffusion of Innovation (Rogers, 1995)
- Maslow’s Hierarchy of Needs (Maslow, 1943)
- Social Comparison (Festinger, 1954)
Case study was orchestrated on luxury brand Gucci

- Comparative case study original methodology using Prada → not enough information found

- Articles collected December 2015 until December 2017 from online fashion journals, magazines, and digital newspapers

- Examines how the brand repositioned label to target millennial consumers over the course of two years
Hashtags #Guccilover and #Pradalover analyzed on Instagram

- Female millennial consumers in one of eight Westernized countries

- Five profile pages for each hashtag for five days totaling 50 profiles found under “most recent” section

- Questions asked fell under three categories: Value (V), Aesthetic (A), Lifestyle (L)
Q1 Name: Full username
Q2 Race: White (1) | Black (2) | Hispanic (3) | Asian (4) | Middle Eastern (5) | Indian (6)
Q3 Country: US (1) | UK (2) | AU (3) | FR (4) | GE (5) | NE (6) | AS (7) | IT (8)
Q4 Total Followers: Write down each individual’s total Instagram following
Q5 Marital Status: Married (1) | Single (2)
Q6 Parental Status: Children (1) | No children (2)
Q7 Type of Post Hashtagged: Full body image (1) | Partial body image (2) | Product image (3)

(V): What category does each user fall under?
  1= Innovator
  2= Early Adopter
  3= Early Majority
  4= Late Majority
  5=Laggard

(A): What type of product are they posting about?
  1= Handbags
  2= Belts
  3= Shoes
  4= Clothing
  5= Makeup
  6= Perfume
  7= Other

(L): What kind of hobbies are the users displaying on profile? (Choose more than 1)
  1= Fashion
  2= Beauty
  3= Fitness
  4= Travel
  5= Party
  6= Other
FINDINGS: GUCCI CAPTIVATING HEARTS OF MILLENNIALS

- Memes & Snapchat takeovers to digitally activate brand
- Offered product customization & user friendly ecommerce experience
- Active in cultural and environmental movements, vertically integrated, lowered prices
Three subthemes emerged from each initial category:

- **Value**: (1) Digitization, (2) Inclusivity, (3) Extraversionism
- **Aesthetic**: (1) Narcissism, (2) Extrinsic motivation, (3) Hedonic behavior
- **Lifestyle**: (1) Culturalization, (2) Non-traditional milestones, (3) Conspicuous consumption
RECOMMENDATIONS | THE NEW MODEL OF BRANDING

- Millennials want to invest in a brand
- No longer driven by status but “cool factor”
- Experience trumps product

Theoretical model Figure 5.1.1
Brands need to captivate entire millennial population, while still being exclusive enough to target a niche group of consumers that can afford products.

<table>
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<tr>
<th>Relationship</th>
<th>Inclusive</th>
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| RELATABILITY (trust) | • Culturally aware  
                       • Ethically involved                                      | • Influencer collaborations                        
                       • Celebrity endorsers                                   |
| MODERNITY (acceptance) | • Innovative digital communication  
                       • Relevant to pop culture                                | • Unique consumer experiences                        
                       • Product customization                                  |
| ACCESSIBILITY (loyalty) | • Secured ecommerce  
                       • Affordable luxuries offered                           | • Limited edition merchandise                        
                       • High end price point                                   |

Figure 5.2.2
LIMITATIONS

- **Timing** → Not enough profiles to be looked at
- **Content** → Many counterfeited products were using Prada hashtags, “most recent” page wasn’t getting refreshed
- **Authenticity** → Difficult to distinguish real profiles from fake
Expand study to compare consumers in both Eastern and Western cultures
Examine how society influences behavior of millennials consumers before and after purchasing luxury product
Develop comparison study on both females and males

Communication changes between brands and millennials in the luxury sector should be further studied
REFERENCES


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