



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)

RESEARCH QUESTION

How can luxury brands reposition themselves to adapt to millennial values while still maintaining reputation, brand image, and profit?

METHODOLOGY | THEORETICAL FRAMEWORK

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)

RESEARCH DESIGN | CASE STUDY

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

RESEARCH DESIGN | TEXTUAL ANALYSIS

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)

CODING SHEET

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

Phase 1: Brand Strategy	Phase 2: Brand Image	Phase 3: Digital Activation
Consumer Insights	Aesthetic	Customer Experience
Target Market	Logo	Shopping Experience
Brand Equity	Packaging	Customization
Competition	Design Inspiration	Limited Edition
Operations	Representation	Digital Analytics
Production	Exclusivity	Measurement Tracking
Supply Chain	Modernity	Social media Exposure
Sustainability	Accessibility	Identifying KPI's

Table 3.5.1 Gucci Case Study Roadmap

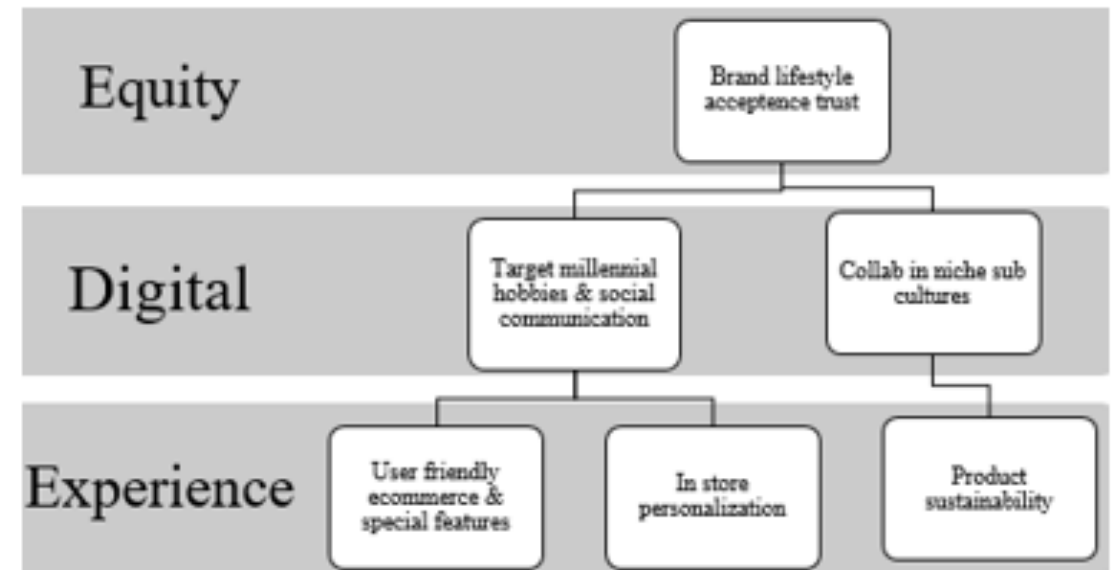
FINDINGS: TEXTUAL ANALYSIS KEY THEMES

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

RECOMMENDATIONS| PLAYING THE FIELD OF COMMUNICATION

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

Relationship	Inclusive	Exclusive
RELATABILITY (trust)	<ul style="list-style-type: none">• Culturally aware• Ethically involved	<ul style="list-style-type: none">• Influencer collaborations• Celebrity endorsers
MODERNITY (acceptance)	<ul style="list-style-type: none">• Innovative digital communication• Relevant to pop culture	<ul style="list-style-type: none">• Unique consumer experiences• Product customization
ACCESSIBILITY (loyalty)	<ul style="list-style-type: none">• Secured ecommerce• Affordable luxuries offered	<ul style="list-style-type: none">• 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

FUTURE RESEARCH | CONCLUSION

- ❖ 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

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