



To what extent is it important for luxury brands to consider social and cultural factors when developing their international marketing campaigns?

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Abstract

By examining the four P's of marketing - Product, Placement, Promotion, and Price — this research paper explores the distinct characteristics of luxury brands to provide an explanation for the importance of marketing for them. The paper then proceeds to evaluate the importance of considering socio-cultural factors in the creation of international marketing campaigns for luxury brands, evidenced through the case studies of The Burberry Art of the Trench Campaign and the Dolce & Gabbana China Controversy. The aforementioned is facilitated by the application of appropriate business management theories and knowledge.

Key Words: *Luxury brands, International marketing, Burberry, Dolce & Gabbana*

Introduction

The term "marketing" describes the actions a business takes to encourage the purchase or sale of a good or service (Twin, 2023). Selling, delivering, and advertising goods to customers or other companies are all included in marketing. In order to demonstrate the value of a product, build brand loyalty, and eventually increase sales, marketing seeks to provide prospects and customers with stand-alone value through content. As a field, it includes all the activities a business performs to attract and retain clients. This involves networking with potential or pre-existing clients in a social context to add a personal touch to this professional relationship.

According to an article published by Forsey (2021), the 1950s saw the emergence of modern marketing as consumers began endorsing products through channels other than print media. Marketers could run complete campaigns across several platforms like TV and, shortly after, the internet made its way into homes. In order to

maximize business success, marketers have taken on a greater significance in fine-tuning how and through what channels a company sells a product to customers.

Whilst marketing is important for all brands, it is only fair to assume that certain characteristics of luxury brands set them apart from normal brands and consequently lead to different hows and whys of marketing. In simpler terms, the importance and manner of marketing for luxury brands might be significantly different from normal brands. Luxury brands, particularly, have an international presence and this adds an additional layer of social and cultural consideration when designing international marketing campaigns. In line with the aforementioned, this research paper aims to answer the question: **“To what extent is it important for luxury brands to consider social and cultural factors when developing their international marketing campaigns?”**

This paper aims to analyze the distinct characteristics and importance of marketing for luxury brands prior to evaluating case studies of international marketing campaigns executed by brands such as Burberry and Dolce and Gabanna to argue the importance of social and cultural factor consideration.

Characteristics of Luxury Brands

The concept of luxury has existed from the very beginning. Approximately 100,000 years ago, women of the Stone Age used clothing to express their social standing within their tribe (Stedman, 2018). Since then, we have taken a few steps forward, choosing to demonstrate our spending power by purchasing high-end items. And, while only the wealthy could afford luxury brands around fifty years ago, they are now desired and affordable to the majority of the population. So what exactly makes a luxury brand different from others? This can be discovered by looking at the 4 P's of marketing.

When it comes to the first P, **PRODUCT**, luxury brands carefully curate their offerings to communicate a particular brand identity. The distinct brand identity of luxury products plays an essential role in setting them apart. By using **Kapferer's Brand Identity Prism** to examine this, one can see the many facets that go into making a luxury brand unique. A brand's image is shaped in part by six essential components: relationship, self-image, reflection, culture, physique, and personality (Lombard, 2018). This model serves as a thorough framework that demonstrates how these components relate to one another to assist companies in creating strong and enduring brand identities. *Physique* refers to a brand's physical characteristics, such as design, packaging, and visual cues that help identify the brand. The sleek and contemporary design of the iPhone serves as an example. *Personality* reflects the character of the brand, as evidenced by Coca-Cola's use of a red and cheerful demeanor. *Culture* encompasses the values that shape the brand, as demonstrated by Toyota's incorporation of Japanese principles. *Self-image* refers to how customers see themselves in relation to the brand, whereas *Reflection* focuses on how the brand portrays its target audience. Finally, the *Relationship* investigates the nature of the brand's connections with its customers, defining

the desired interaction. Collectively, these components create a distinct and long-lasting brand identity which many a time is communicated in the products designed and sold by the brands.

The second p is PLACEMENT. According to Danziger (2023), in today's consumer market, the very meaning of "luxury" is changing. The way that consumers now define luxury and the new path to purchase is fundamentally altering the way that marketing strategies are implemented. High-net-worth individuals (HNWIs) who are prepared to shell out more money for upscale, exclusive goods are typically the target audience for these brands. With regard to the placement of the actual products, luxury brands have long created this sense of exclusivity to attract their target audience but sell primarily from their boutiques. However, from generation to generation, this may vary. For instance, luxury brands have recently concentrated on attracting Gen Z and millennials, who prioritize experiences over material belongings. This has led to luxury brands placing themselves in newer industries such as hospitality. Simultaneously, whilst not all luxury brands have ventured this route yet, online stores act as digital extensions and are frequently designed to mimic the in-store experience whilst allowing for more convenience in purchasing.

In terms of the third P, PROMOTION, luxury brands have traditionally relied on an aura of exclusivity and status, reaching out to their target affluent consumer base through high-end print advertising, exclusive events, and premium retail locations. However, since the introduction of digital platforms the landscape of luxury brand promotion has changed dramatically. The marketing channels that luxury brands use today walk a fine line between upholding their historical exclusivity and embracing digital innovation. One way that luxury brands maintain their classic appeal is by funding premium print campaigns in high-end magazines and keeping flagship stores in prime locations. These platforms reinforce the brand's exclusivity and heritage by offering the tactile and immersive experiences that luxury consumers demand. However, there has been a significant change in luxury brand strategies due to the growing usage of digital platforms. Investing in digital infrastructure, such as social media interaction, e-commerce platforms, and a variety of digital experiences, has become essential to their marketing campaigns especially if they wish to create connections with the younger demographic (G & Co., 2023).

Finding a balance between traditional and digital channels is delicate. Luxury brands need to make sure that their online presence enhances rather than diminishes their premium reputation. When comparing promotional efforts between luxury and mainstream brands, it is clear that luxury brands make significant investments in creating an exclusive brand aura that justifies their higher prices. While mainstream brands may invest heavily in wide-ranging digital ads and promotions to increase revenue, luxury brands concentrate their efforts on carefully chosen channels that reinforce their exclusivity. This includes exclusive events, impactful but targeted digital presence, and premium, low-volume print advertising. A distinct strategy for promotion is required to achieve the strategic objective of maintaining an image of exclusivity while broadening reach. The quality and consistency of the

message across all platforms is more important to luxury brands than the quantity of promotional activities. With this strategy, luxury brands can interact with a wider audience through digital platforms, but they can do so in a way that upholds rather than dilutes their unique brand identity.

The last P stands for PRICE. Quality and luxury used to go hand in hand. The essence of luxury previously lay in its unaffordability to the masses, which led to many premium brands restricting product availability. This is exemplified by the infamous six-year wait for the Hermès Birkin bag, which is a testament to its popularity. The most famous fashion labels established their reputations by using the finest materials and highly skilled craftsmen that machines cannot duplicate and charging a premium for both (Banham, 2021). That being said, how value and prestige are viewed is greatly influenced by the psychological effects of pricing on consumer perceptions. Expensive pricing frequently gives the impression that an item is of exceptional quality and rarity, which raises its apparent value and status. This view is largely based on the emotional gratification that comes with owning luxury items, where the cost of the item not only indicates its value but also gives the purchaser a feeling of prestige, identity, higher status, and achievement, thus enhancing the appeal of exclusivity and luxury (Page, 2023).

The Importance of Marketing for Luxury Brands

For luxury brands, marketing is an essential tool in communicating the distinctive *brand identity and personality*. Brand personality refers to the set of human traits and characteristics that consumers associate with a brand. It can affect their loyalty and satisfaction as well as how they think, feel, and act toward the brand. One of the most widely used frameworks to assess a brand's personality is the **Aaker model**. This model is a tool for measuring and describing your brand's personality across five key dimensions, some of which apply here i.e. sincerity, excitement, competence, and sophistication. Every dimension has a number of facets or sub-dimensions that together capture the details of the identity of a brand (LinkedIn, 2024). In the case of luxury brands, the language and visuals used in marketing materials can be strategically chosen to help solidify the personality traits they wish for consumers to associate with them. In line with this, referring to luxury stores as boutiques helps create a more prestigious and sophisticated image of the brand. Moreover, excitement can be generated by exhibiting qualities like boldness, energy, and inventiveness.

Moreover, the age-old tenet that "the customer comes first" is still crucial to contemporary marketing. Luxury brands must focus not just on making customers happy, but also on how they achieve this happiness, recognizing that satisfied customers directly contribute to increased revenue. According to (Hawker, 2019) **Keller's Brand Equity Model**, developing a strong brand involves creating favorable perceptions and feelings with each interaction. When value is effectively communicated, brand equity is developed, which encourages consumer advocacy and conviction and helps to build the brand's goodwill. Marketing is an essential tool in enabling this

loyalty so when luxury brands design their marketing campaigns and strategies, it is important to consider what will appeal to the consumer and the perceived value they have of the brand. Therefore, in a number of ways, the marketing of luxury brands is essential to creating and strengthening *perceived equity* and *fostering brand loyalty*.

Powerful marketing helps set luxury brands apart from the competition and position them as leaders in their respective categories. By highlighting superior quality, craftsmanship, heritage, and innovation, marketing campaigns reinforce the perception of the brand's value and distinctiveness, contributing to its equity. That being said, when luxury brands create their marketing strategies, it is essential to consider social and cultural factors. Given that these brands operate in a number of countries around the world, awareness of what strategies will be successful with audiences and which may not be, is essential. The remainder of this paper aims to conduct in-depth evaluations of two marketing campaigns run by two different luxury brands to exhibit the importance of consideration of socio-cultural factors.

The Burberry Art of the Trench Campaign



(Edelkoort, 2011)

The Burberry Art of the Trench Campaign is one of the most brilliant and successful campaigns in international luxury brand marketing. The campaign was a celebration of Burberry's iconic trench coats. *Artofthetrench.com*, a website within *Burberry.com*, was launched in 2009 (Bunz, 2009). This campaign sought to invite individuals to share their pictures online adorning the iconic trenchcoats and the story behind them, thereby also gaining their 15 minutes of fame. Through an amalgam of strategic endorsements, user-generated content, and social media integration, Burberry's campaign capitalized on its brand visibility and introduced new marketing standards making this campaign a turning point in international luxury brand marketing. Burberry's heritage is based on the trenchcoat, and this campaign was one of the best-planned social media sites. Through a combination of customer participation and user-generated content, its global reach reached 7.5 million views from 150+ countries in its first

year alone (Grieve, Idiculla and Tobias, 2013). It transcended geographical boundaries allowing diverse communities and people to participate in the brand building. Burberry created a campaign that not only increased brand awareness but also redefined expectations for luxury marketing by celebrating socio-cultural diversity.

Taking advantage of the surge in digital marketing, the Art of the Trench Campaign aimed to innovate. Through the "upload your trench" campaign, which encouraged people all over the world to share their own images of themselves wearing the coat, Burberry, celebrities, and the audience collaborated on the project. The campaign was successful in creating a sense of inclusivity and connection by bringing together an international community of people and influencers to discuss and share their interpretations of the iconic trenchcoats on a public platform (Grieve, Idiculla and Tobias, 2013). In doing so Burberry transformed its consumers from consumers to brand ambassadors cashing in on its reliance on user-generated content across platforms such as Facebook and Instagram. The endorsements by celebrities like Kate Moss and Emma Watson also lent value and prestige to the brand.

The reasons for the success of this campaign can be further understood with the application of business management theories. Firstly, Burberry, like others, was feeling the effects of economic pressure, with revenue growth dropping from 18 to 15% (Grieve, Idiculla and Tobias, 2013). The time for change had come. Burberry acknowledged social media's significance and with the growth of Facebook and other digital platforms, Burberry decided to allocate marketing and public relations budgets to digital and tech-age growth and marketing. Through the Art of Trench campaign, Burberry acknowledged social media's significance and leveraged **herd mentality** - a phenomenon that creates a desire within individuals to engage with trending topics on social media and consequently allows for the spread of viral content (Ohwovoriole, 2023). This was evident in the brand's Facebook fan page growing to over a million followers, becoming the largest account in the luxury sector. Furthermore, Burberry was able to successfully **expand its brand identity** through the campaign beyond conventional ideas of luxury branding and marketing, promoting the trench coat as a classic item of apparel that is essential to own in any closet. By reaching out to the youth and leveraging the status of the trench, Burberry reinforced its brands' heritage while appealing to contemporary sensibilities increasing its chances of success. It is important to highlight here that even in extending its brand to new domains, Burberry ensured that it adhered to its core values and was consistent with its image.

Overall, the Burberry Art of the Trench Campaign stands as a testament to the transformative potential of innovative marketing strategies in the luxury sector. Burberry changed the luxury marketing scene by utilizing iconic products, embracing digital integration, and giving priority to user-generated content in addition to increasing brand visibility. As luxury brands navigate the changing demands of the digital age, the Art of the Trench Campaign provides inspiration and guidance, demonstrating the enduring power of authenticity, creativity, and community in driving brand success.

Dolce and Gabbana's Marketing controversy



The Dolce & Gabbana China Controversy was the biggest disaster of a luxury brand's international campaign. In November 2018, Dolce & Gabbana launched three ads on their social media network to promote its upcoming fashion show in Shanghai. The videos showed a Chinese woman wearing a D&G cocktail dress, attempting to eat Italian food with chopsticks (as pictured on the left), accompanied by a condescending voiceover that mocks the woman, while the model stabs the food. This immediately provoked outrage and accusations of sexism and cultural insensitivity (Wiener-Bronner, 2018). The advertisements were perceived as being disrespectful and racist, with backlash being received from Chinese customers, celebrities and even global audiences. Even though Stefano Gabbana, the co-founder of the brand, removed the advert videos, less than a day after, disparaging remarks made in messages about China and its people were leaked and the outrage was heightened (Bloomberg, 2018). The brand suffered significant financial losses when the controversy grew more intense and it decided to abruptly cancel its Shanghai fashion show (Wharton, 2018).

Through the use of stereotypes and mocking of cultural customs, the campaign showed a lack of cultural sensitivity and understanding toward Chinese consumers. The backlash was a result of reactions garnered from several different stakeholders including customers and suppliers. For instance, many e-commerce sites removed the brands products and retailers withdrew from the brand. The controversy spread rapidly on social media platforms, with users condemning the brand's actions and calling for boycotts as well as several people taking to social media and destroying their Dolce & Gabbana products. Celebrity ambassadors, such as Chinese actress Zhang Ziyi severed ties with the brand in response to the controversy, further tarnishing its image (Bloomberg, 2018). Popstar Karry wang also terminated her contract with the brand. Zuo Ye, the model who started in the ad, said her career had almost been ruined and that she received enough threats and attacks. The brand has not signed a major Chinese name since the incident.

When brands make such severe mistakes, their management of the crisis can either fuel the negativity or lessen the disappointment. In this case, the brand's response to the controversy was slow and inadequate. A lack of sincere apology and meaningful actions to address the concerns only prolonged its negative impact. Although the video was removed within 24 hours and the founders issued a personal apology, the brand was ostracized.

On the the whole, the Dolce & Gabbana China Controversy underscores the critical importance of cultural understanding and effective crisis communication in international marketing. Luxury brands have a duty to it's market whereby they must adopt an approach to engage with diverse markets respectfully and responsibly. Once again, the Dolce & Gabbana controversy serves as a cautionary tale, highlighting the potential long-term repercussions of failed international campaigns on brand reputation and financial performance.

Conclusion

This research paper aimed to shed led on several differences between luxury brand marketing strategies and those of mainstream brands prior to evaluating the importance of considering socio-cultural factors in the creation of marketing camapigns and strategies for luxury brands using the case studies of Burberry and Dolce & Gabanna.

A thorough examination of the four P's of marketing Product, Placement, Promotion, and Price, reveals that luxury brands approach marketing with a distinct emphasis on creating and maintaining exclusivity, prestige, and brand identity. The traits that set luxury brands apart, such as the careful selection of products, the placement of those products to appeal to wealthy consumers, the clever use of digital innovation in promotion while maintaining exclusivity, and the premium pricing that raises perceived value, highlight the significance of marketing in boosting brand equity and desirability.

Given the importance of marketing and the global reach of such brands, taking social and cultural factors into consideration when designing international marketing campaigns is essential to a great extent. So, while, Burberry's creative application of digital integration and user-generated content exemplifies the ability of real storytelling and community involvement to redefine expectations for luxury marketing, Dolce & Gabbana's error highlights the critical importance of cultural sensitivity and effective crisis communication in international marketing campaigns.

To conclude, innovation, genuineness, and cultural sensitivity are critical in the dynamic and changing field of luxury marketing. Luxury brands can overcome obstacles, create long-lasting relationships with customers, and maintain their positions as industry leaders by adhering to these principles.

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