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Pratap Chandra Mandal
Indian Institute of
Management, Mayurbhanj
Complex, Nongthymmai,
Shillong, East Khasi Hills
District, Meghalaya, India

Marketing luxury brands: Strategies and initiatives

Pratap Chandra Mandal

Abstract

Luxury brands require special considerations in the way they are marketed and sold. Luxury brands have specific characteristics which may be different from that of other brands. Luxury brands cater to the requirements of high-end customers and need to satisfy the dreams and aspirations of their target marketers. Marketers of luxury brands require developing and specific strategies for achieving excellence of such brands. Luxury brands need to have strong customer focus with an in-depth understanding of their aspirations. Luxury brands require specific pricing strategies which indicate a price premium and price-quality inferences. Luxury brands require adopting effective communication strategies which indicate a unique value proposition and justify high prices. Proper distribution strategies are required which indicate the exclusivity and uniqueness of luxury brands. All such strategies will help marketers of luxury brands in convincing their high-end customers about the uniqueness of such brands.

Keywords: Luxury brand, customer focus, value proposition, exclusivity, price premium

Introduction

Companies manufacturing and selling luxury products require to adopt marketing strategies different from that for normal products (Roberts, 2012) ^[39]. Product design is often an important aspect for luxury products. Again, luxury products face some unique issues. The role of branding becomes important in the marketing of luxury products (Adams, 2013) ^[1]. This is for the simple reason that the brand and its image are often key determinants in creating value and wealth. They also result in building competitive advantage for luxury brands (Lamb, 2012) ^[26]. Marketers for luxury brands like Prada, Gucci, Cartier, and Louis Vuitton manage lucrative franchisees. These brands have flourished through decades and have maintained their premium image. As a result, luxury brands form a \$270 billion industry at present (Roberts, 2012) ^[39]. Luxury brands have unique characteristics which require different approaches for marketing those brands.

Characteristics of Luxury Brands

Luxury brands are significantly higher priced than typical brands in their categories. Luxury brands are more about social status and aspirations of people (Kamakura and Du, 2011) ^[21]. They are less about prices and more about who a customer was or perhaps wanted to be. However, after the recession of 2008-2009, customers have become conscious about value more than ever. Luxury for many customers are more about style and substance than anything else. This is combined with personal pleasure and self-expression (Tochterman and Dauriz, 2012) ^[43].

Luxury brands often have strong linkages with lifestyles, dreams, and aspirations of customers. For these reasons, luxury brands require special considerations in how they are sold (Rick *et al.*, 2011) ^[38]. Brand image helps luxury brands to sell. For its first global ad campaign for Infiniti luxury cars, Nissan chose to tap into its Japanese roots and association with Japanese-driven art and engineering (O'Leary, 2010) ^[30]. Certain countries enjoy reputation for luxury goods. For example, France is known for wine, perfume, and luxury goods (Yang *et al.*, 2012) ^[47]. Luxury marketers need to ensure that customers of luxury brands feel that they are getting something special from the brands (Pappas, 2012) ^[33]. Thus, luxury brands are more about quality and uniqueness. Luxury brands justify extravagant prices by providing unique features which are absent in other brands. These include craftsmanship, heritage, authenticity, heritage, authenticity, and history. These features are important for customers going for luxury brands.

Correspondence
Pratap Chandra Mandal
Indian Institute of
Management, Mayurbhanj
Complex, Nongthymmai,
Shillong, East Khasi Hills
District, Meghalaya, India

Because of these reasons, Hermés, the French luxury leather goods-maker, is able to charge hundreds or even thousands of dollars because of its unique features and premium image. One critique writes that Hermés is able to do this “not because they are in fashion, but (because) they never go out of fashion” (Roberts, 2012) ^[39].

Growth of Luxury Brands

The recession of 2008-2009 challenged many luxury brands. Customers became conscious about the value provided by a brand and judged it before investing their hard-earned money on it. To reach luxury customers and to remain relevant to them, luxury brands had to justify their value proposition. This is also required to avoid discounting their products (Reyneke *et al.*, 2012) ^[37]. Luxury brands need to successfully extend their brands vertically across a range of price points. Brands which are able to achieve this are usually the most immune to economic downturns and market fluctuations (Kamakura and Du, 2011) ^[21].

The Armani brand extends from high-end Giorgio Armani and Giorgio Armani Privé to mid-range luxury with Emporio Armani to affordable luxury with Armani Jeans and Armani Exchange (Zargani, 2012) ^[48]. Luxury brands of a particular company need to maintain clear differentiation among themselves. This should be done to remain relevant to the specific customer segments for which the brands are meant. This reduces brand dissonance and confusion for customers. Customers should perceive the brands as distinctly different from each other to minimize brand cannibalization. Each of the brands should live core promise of the parent brand. This is essential so that the image of the parent brand is not hurt (Galloni, 2012) ^[14].

Companies should have proper strategies in place for horizontal extensions of luxury brands into new categories. Otherwise, the extensions will not be accepted by respective target segments. Even the most loyal customer might question a \$7300 Ferragamo watch of the high price charged. Same may be true for a bottle of Roberto Cavalli vodka which may charge its customers \$85 (Binkley, 2007). Branding experts may deem a brand to be overstretched when it moves into unrelated categories. This happened when jewelry makers Bulgari moved into hotels, fragrances, chocolates, and skin care. Customers of Bulgari did not accept the brand extensions because they found the fit of the brand in the different product categories inappropriate (Roberts, 2013) ^[40]. Similarly, brand images of established brands like iconic fashion designers Pierre Cardin and Halston were badly affected when they licensed their names to many ordinary products. This move diluted the image as premium for both the brands (Berk, 2012) ^[5].

Luxury brands are also able to market their brands across diversified product categories through proper planning. For example, Ralph Lauren has successfully marketed an aspirational luxury brand. It has a wholesome all-American lifestyle imagery across a wide range of products. The major products of Ralph Lauren are clothing and fragrances. Other than its main products, Ralph Lauren boutiques sell linens, candles, beds, couches, dishware, photo albums, and jewelry (Zmuda, 2011) ^[49]. The premium brand Calvin Klein followed a similarly successful expansion strategy, though with a different lifestyle imagery (Roberts, 2013) ^[40].

Luxury brands are growing geographically in recent years. For example, brands from China have overtaken the brands from the United States. This has made China the world's

largest luxury market (Berk, 2012) ^[5]. Brand experts predict that one-third of all high-end luxury brands will be sold in China in the near future (Roberts, 2013) ^[40]. Previously, Chinese luxury brands were “logo-driven” and were interested in conspicuous brand signals. However, slowly and gradually, Chinese luxury customers have become conscious about design, quality, and brand image like consumers of luxury brands in other parts of the world (Zmuda, 2011) ^[49].

China is the world's largest consumer of luxury products at present (Zmuda, 2011) ^[49]. Many Chinese consumers perceive using luxury products as indicators of achievement and success. Luxury cars are the fastest-growing auto segment in China. This has been possible because of the increase in the number of Chinese millionaires. Burberry's sales in China almost match that in Europe as a whole at present (Clifford, 2011) ^[11].

Marketing of Luxury Brands

Consumers of luxury brands across the world may view the benefits received from luxury brands differently. Consumers of luxury brands from China and post-communist Russia prefer brands when the logos are bigger and gaudier (Rahinel and Redden, 2013). However, luxury brands need to focus on product quality, status, and prestige. Marketers of luxury brands need to realize that they are not selling a product but a dream for their customers.

Luxury brands like brands in less expensive categories, operate in a competitive business environment which is evolving constantly. Luxury brands should realize that globalization, new technologies, financial crises, shifting customer cultures, and other forces are making the environment tough and competitive. Luxury brands need to be skillful and adept at their brand stewardship to succeed (Orhun, 2009) ^[31].

General Mills positions its Häagen Dazs brand in terms of indulgence, affordable luxury, and intense sensuality. It communicates this message with the help of a number of communication channels. For example, it ran a 30-second TV spot called “Sensation” with the tagline “Anticipated Like No Other” in markets all over the world (Kaplan, 2011) ^[23].

Profits of luxury brands such as Hermés, LVMH Moët Hennessy, Louis Vuitton, and Tiffany are affected because of fake brands (Roberts, 2012) ^[39]. Luxury brands like Rolex have been plagued by the counterfeit problem for years, especially in Asia (Gillette, 2013) ^[16].

Strategies for Success of Luxury Brands

Luxury brands need to include personal experiences of customers in their offerings to make the brand more appealing to them. High-end fashion retailers understand this and try to offer such experiences alongside their wares. They do this with an expectation that such initiatives will make a customer feel to be closer and more attached to a specific brand. They give special attention and treatment to those customers who have visited a workshop or met the designer. For example, Gucci invites its most loyal customers and customers generate the highest revenues to attend fashion shows, equestrian events, and Cannes Film Festival (Carr, 2012) ^[10].

Customer Focus

Porsche takes initiatives to attract its customers in a unique manner. Porsche Sport Driving Schools and Experience Centers in Germany, the United States, and other parts of the world allow Porsche drivers to “train their driving skills and enjoy the all-out pleasure of driving, on-road, off-road, or on snow and ice” (Berk, 2012) ^[5]. Some of its centers and schools create an atmosphere which simulate the actual driving conditions. It has created driving tracks and schools so that its owners can learn and experience more about its vehicles. For example, the state-of-the-art facility in Southern California features 45-degree off-road inclines and a simulated ice hill (Fuhrmans, 2013) ^[13].

Luxury brands need to realize that many of their high-end customers prefer shopping online. They should acknowledge the growing importance and popularity of the wired world. Marketers of luxury brands need to develop the appropriate online selling and communication strategies so that their brands remain relevant with luxury customers who are technology-savvy (Roberts, 2013) ^[40]. Previously, luxury fashion brands used to communicate about their offerings in glossy magazines. However, with the increasing and widespread usage of the internet, luxury fashion brands need to listen to and communicate via social media forums like Facebook, Twitter, Foursquare, and other digital and social media channels (Roberts, 2012) ^[39]. Luxury brands have started developing and improving their company websites to attract customers. Coach and Tiffany are two luxury brands which are praised for the improvisations made in their websites and other digital operations (Carr, 2012) ^[10]. Luxury brands have started using e-commerce to allow their customers to purchase their products online. Sites such as Gilt Groupe and Ideel offer new ways for fashion brands to move high-end goods (Roberts, 2012) ^[39]. Marketers of luxury brands are realizing that like all other marketers, success depends on getting the right balance of classic and contemporary imagery and continuity and change in marketing programs and activities.

Luxury marketers need to be “customer obsessed”. They should have a clear idea about their target customers, and their requirements and preferences. They should have proper strategies in place for satisfying them. At the Four Seasons luxury hotel chain, only those job applicants are hired who clear four levels of interviews. Each hotel also employs a “guest historian” to keep of customer preferences (Verhoef and Lemon, 2011) ^[44]. Financial brokerage firm, Edward Jones has more than 10000 branches in the United States. It stays close to its customers by assigning a single financial advisor and one administrator to each office. Although such initiatives are costly, maintaining dedicated employees helps Edward Jones in building relationships with its customers (Jones, 2013) ^[20].

Product and brand choices by consumers are greatly affected by economic circumstances like spendable income (level, stability, and pattern over time), savings and assets (including the percentage that is liquid), debts, borrowing power, and attitudes towards spending and saving. This was clearly evident in the economic recession of 2008-2009 (Kamakura and Du, 2011) ^[21]. Luxury brands like Gucci, Prada, and Burberry became vulnerable during the economic recession. However, some luxury brands did surprisingly well during the time of recession too. Luxury marketers should study the economic indicators. If the indicators predict that a recession is imminent, then marketers should

focus on providing the maximum to customers. For achieving that, marketers may need to redesign, reposition, and reprice their products. They need to clearly communicate the value proposition to their target customers (Reyneke *et al.*, 2012) ^[37].

Luxury marketers need to bring a new product to the market faster. For example, luxury leather-goods manufacturer, Louis Vuitton has implemented a new factory format termed Pégase which allows the company to ship fresh collections to its boutiques every six weeks. This is twice as frequently as it was in the past. This allows customers more new looks to choose from (Passariello, 2006) ^[34]. Many luxury marketers prefer to test their luxury products in China. For example, Gucci does it because it feels that Chinese consumers provide an indication as to where the luxury market is heading (Clifford, 2011) ^[11].

Pricing Strategy

Luxury brands should have a proper pricing strategy in place to communicate its exclusivity. A black T-shirt for women which looks pretty ordinary may cost \$275 from Armani. Similar T-shirts may be available at only \$14.90 from the Gap and \$7.90 from Swedish discount clothing chain, H&M (Bruno *et al.*, 2012) ^[8]. Customers who buy a T-shirt from Armani are not buying only a physical product. They are buying a more-stylishly cut T-shirt made of 70 percent nylon, 25 percent polyester, and 5 percent elastane with a “Made in Italy” label from a luxury brand. It is prestigious and of value for customers to buy from Armani which is a reputed luxury brand known for suits, handbags, and evening gowns that sell for thousands of dollars. The Gap and H&M shirts are made mainly of cotton. Again, Gap sells its “Original Khakis” for \$44.50 and Abercrombie & Fitch’s classic button-fly chinos cost \$70 (Wilson, 2010) ^[46]. However, Michael Bastian’s plain khakis cost \$480 and Giorgio Armani’s cost \$595. This is because high-priced luxury designer jeans may use expensive fabrics such as cotton gabardine. The jeans may also require sufficient time and manual labor for meticulous hand-stitching to create a distinctive design. Also, the jeans provide a sense of image and exclusivity (Sarkar, 2007) ^[42].

For luxury brands, demand actually increases when the price is increased. This is because customers of luxury brands believe that the brands are exclusive and few others will be able to afford the high price (Weaver and Frederick, 2012) ^[45].

Price-Quality Inferences

Many consumers of luxury brands use price as an indicator of quality. This is called image pricing which is effective for luxury brands and with which customers are having an emotional attachment (Bruno *et al.*, 2012) ^[8]. Such products may include perfumes, expensive cars, and designer clothing. For example, a \$100 bottle of perfume may contain perfume worth \$10. However, gift givers pay \$100 to communicate their high regard for the receiver (Lambrecht and Tucker, 2012) ^[27].

Direct linkages between quality and price perceptions are seen for luxury cars. Cars with high prices are perceived to possess higher quality. Similarly, the reverse is also true i.e. higher-quality cars are perceived to be higher priced than they actually are. When information about the true quality of a product is available, price becomes a less significant indicator of quality. When the information is not available,

price becomes an important indicator of quality for luxury brands (Saini *et al.*, 2010) ^[41]. Luxury brands adopt exclusivity and scarcity to signify uniqueness. This component of uniqueness justifies premium pricing for luxury brands.

Communication and Distribution Strategies

The aspect of exclusivity for luxury brands of products like watches, perfumes, and jewelry is emphasized in their communication and distribution channel strategies. Luxury brands deliberately restrict their sales to maintain the air of exclusivity. For example, Ferrari deliberately curtailed sales of its iconic, \$200000-or-more Italian sports car to below 7000 despite growing demand in China, the Middle East, and the United States (Bennett, 2012) ^[4]. However, the perceptions of exclusivity and status may vary from one customer to another. For example, Brahma beer is like any other normal beer in its home market of Brazil. However, the brand has thrived in Europe where it is seen as “Brazil in a bottle” (Bennett, 2012) ^[4]. Similarly, Pabst Blue Ribbon is a retro favorite among U.S. college students. However, its sales is quite high in the Chinese market where an upgraded bottle and claims of being “matured in a precious wooden cask like a Scotch whiskey” allow it to command a \$44 price tag (Bennett, 2012) ^[4].

Strategies for Achieving Excellence in Marketing Luxury Brands

Brand experts suggest a number of strategies for achieving excellence in marketing luxury brands. Luxury marketers need to maintain a premium image for their brands. Customers will lose interest in luxury brands once the premium image is missing. So, it becomes a priority for luxury brands to control that image (Keller, 2017) ^[24]. Luxury brands should typically include the creation of many intangible brand associations and an aspirational image. Luxury marketers need to align all aspects of the marketing program to ensure high-quality products and services, pleasurable purchase, and consumption experiences (Gershoff *et al.*, 2011) ^[15]. Names of luxury brands bring a lot of memories in the minds of consumers. Apart from that, luxury marketers should also realize that other brand elements like logos, symbols, packaging, and signage can be important drivers of brand equity for luxury products. Apart from the product itself, secondary associations help to market luxury brands. Luxury marketers should be aware that secondary actions from linked personalities, events, countries, experiences, and other entities can boost luxury-brand equity as well (Antorini *et al.*, 2012) ^[2]. Luxury brands should have a controlled distribution strategy. To maintain the exclusivity of luxury brands, they should be distributed only through exclusive channels. This selectivity in channel strategy maintains brand image and prevents diluting the brand (Peterson and Kumar, 2010) ^[35]. Luxury brands need to maintain exclusivity also by employing a premium pricing strategy. Premium price indicates strong quality cues. Luxury brands should avoid offering discounts and markdowns to maintain exclusivity (Gershoff *et al.*, 2011) ^[15]. Marketers of luxury brands should manage the brand architecture carefully. It also becomes important how luxury brands define the competition for their brands. This is because competition may often come from other categories. Finally, luxury brands must legally protect all

trademarks and must combat counterfeits aggressively (Keller, 2017) ^[24].

Strategies of Specific Luxury Brands

Different luxury brands follow different strategies to succeed in the market. There are several instances of luxury brands becoming enduring market successes.

Sub-Zero Refrigerators

The brand, Sub-Zero sells refrigerators in a price range of \$1600 for small, under-counter models to \$12000 for a specialty Pro 48 with a stainless steel interior (Bulik, 2009) ^[9]. The brand targets customers who value high standards, performance, and design. The brand is for customers who cherish their home and want the best to furnish it. To understand its premium segment of customers, Sub-Zero conducts surveys for its customers to know their requirements, preferences, and aspirations. Sub-Zero also surveys kitchen designers, architects, and retailers who recommend and sell its products (Carr, 2012) ^[10].

Patrón Tequila

Patrón was cofounded by Paul Mitchell and hair care founder John Paul DeJoria. The cofounders thought of introducing the brand after a 1989 trip to a distillery in the small Mexican state of Jalisco. The brand was named Patrón to convey the message of “the boss, the cool guy” (Behrman, 2012) ^[3]. The smooth agave tequila comes in an elegant hand-blown decanter. It is sold for \$45 or more in individually numbered bottles. Patrón is a part of the high-end tequila market. It has more than \$1.1 billion in retail sales (Palmeri, 2007) ^[32]. Based on all these, Patrón has surpassed Jose Cuervo to become the world’s largest tequila brand (Behrman, 2012) ^[3]. With its unique product formulation and bottle, Patrón is pioneering the high-end tequila market.

Montblanc Luxury Goods

The range of products of Montblanc consists of pens, watches, leather goods, and fragrances. Montblanc is perceived to be a strong luxury brand to many classes of luxury customers. The brand is also able to retain a prominent public image (Adams, 2013) ^[1]. The brand promise is that “the product you buy is of highest esteem, based on its timeless, elegant design and the high quality which is derived from the excellence of our craftsmen” (Pappas, 2012) ^[33]. Initially, the company sold products related to writing instruments. The company then moved into categories such as leather goods and timepieces, where it could “rely on the trust of our customers, who believed in Montblanc as a brand that provides excellence in its core category writing instruments based on its philosophy of manufacturing competence, highest quality, sustainable value, and creativity” (Kamen, 2011).

BMW

BMW first tried to challenge the competition in the U.S. market in the late 1970s. BMW positioned itself as the only automobile which offered both luxury and performance. The positioning worked because at that time, consumers perceived U.S. luxury cars as lacking performance and U.S. performance cars as lacking luxury (Henry, 2010) ^[17]. BMW focused on the design of its cars, its German heritage, and other aspects of a well-planned marketing program. BMW

was able to achieve a point-of-difference on luxury and a point-of-parity on performance with respect to U.S. performance cars like the Chevy Corvette. BMW also achieved a point-of-difference on performance and a point-of-parity on luxury with respect to U.S. luxury cars like Cadillac. BMW also crafted its slogan cleverly as “The Ultimate Driving Machine” which effectively captured and communicated the dual aspects of luxury and performance (Henry, 2012) ^[18]. By combining the seemingly incompatible benefits of luxury and performance, BMW was able to find success and establish itself in the American automotive market.

Armani

Armani is a luxury brand which benefits from lower-priced brands or sub-brands in their portfolios. Armani categorizes its product lines into three tiers distinct in style, luxury, customization, and price (Zargani, 2012) ^[48]. The luxury products are the most expensive and form Tier I. they include Giorgio Armani and Giorgio Armani Privé which are custom-made couture products and sell for thousands of dollars. Tier II includes brands like Emporio Armani and Armani Jeans which have young, modern, and affordable styles. Tier III includes brands which are lower-priced, youthful, and street-savvy versions. For example, AIX Armani Exchange in this tier is sold exclusively at 268 retail locations. Three distinct tiers are formed so that each extension lives up to the Armani brand’s core promise. At the same time, it is ensured that the image of the parent brand is not affected. Clear differentiation among the tiers minimize the chances of consumer confusion and brand cannibalization (Galloni, 2012) ^[14]. During the tough times of slow growth, the brands in Tier III help maintain profitability. In 2011, the Giorgio Armani line accounted for 32 percent of total sales, Emporio Armani for 27 percent, and Armani Exchange for 14 percent (Galloni, 2012) ^[14].

Lexus

With its relentless focus on quality and strong dealer network, Lexus has become one of the top luxury automotive brands in the world (McCarthy, 2013) ^[28]. At the heart of a great brand is a great product. Companies have to offer products of high quality and performance that surpass customer expectations. Lexus achieves this with a relentless focus on product and service quality (Jensen, 2013) ^[19]. It has conquered the luxury car market in the United States and elsewhere. Lexus started its operations in 1989. Lexus emphasized on top-notch product quality and customer care from its inception. It is also reflected in its long-time slogan, “The Relentless Pursuit of Perfection”. Lexus is particular about providing the best services to its customers. At one point of time, customers were having minor problems with its LS 400. The company sent its technicians to the homes of each of its complaining customers. The problems were rectified for free (de Paula, 2012) ^[12]. As part of its “Lexus Covenant”, it has promised to “have the finest dealer network in the industry, and treat each customer as we would a guest in our own home” (McCarthy, 2013) ^[28]. To achieve this objective, Lexus built its dealership network starting from the scratch. It selected few dealers who were hand-picked and who were committed to its promise to provide an exceptional experience to its customers. This initiative was acknowledged even by competitors as the industry ideal. The company has a full line of luxury cars

like LS Sedan, GS sports coupe, RX SUVs, and ES midsize cars. It is consistently rated highly in the Luxury Institute’s annual Luxury Consumer Experience surveys (Jensen, 2013) ^[19]. This has been possible because of its strong dealership experience. J.D. Power and Associates has also ranked Lexus the “most dependable” automotive brand 16 times since 1995 (McCarthy, 2013) ^[28]. Lexus also consistently ranks above the industry average in customer retention. The majority of its buyers for luxury cars are in their mid-50s. However, Lexus also targets younger buyers by focusing on aggressive styling, handling dynamics, and driver engagement. Lexus focuses on proper communication of its luxury brands. A new marketing communication initiative uses television advertising to link LS Sedan to a lavish and cool lifestyle (de Paula, 2012) ^[12]. Social media and events and other promotions also create novel customer experiences around food, fashion, entertainment, and travel.

Movado

Luxury products should provide a smooth repair process for its customers. This was not true initially for high-end Movado watches. Its repair process was not smooth, required time-consuming manual labor, and caused customer inconvenience. Movado understood the importance of a smooth repair process and the necessity of proving it online. Movado created a website where customers can do online shopping of its products as well as execute many of the initial steps in the repair process online (McDougall, 2012) ^[29]. These included registering complaints of service-related problems and identifying possible repair options before contacting customer service directly (Klara, 2013) ^[25]. The company went a step further by conducting focus groups to identify issues with its products. The participants of the focus groups were picked from the database created by users of its website. The focus groups identified issues like recurring production problems and their repair trends (McDougall, 2012) ^[29].

Discussions

Luxury brands require some special considerations in how they are sold. They command price premiums and often have a strong lifestyle component. Luxury brands relate to the aspirations, dreams, and social status of people. Marketers of luxury brands require to ensure that their customers are of the opinion that they are receiving an augmented product and something special from the brands. For all these reasons, marketing of luxury brands requires special considerations in how pricing, communication, and distribution strategies are formulated. During times of economic downturn, consumers become conscious about the value received from a brand. In such cases, luxury brands require to justify charging high prices by putting forth their value proposition and uniqueness. Luxury brands also should have proper strategies in place for horizontal extensions into new categories. This is required to market the brands across diversified product categories through proper planning. To increase their exposure to different foreign markets, luxury brands are expanding geographically in recent years.

Marketers of luxury brands need to adopt appropriate strategies for success of their brands. Such strategies include a strong customer focus. Marketers of luxury brands require to know their customers well, understand their dreams, aspirations, and preferences. Marketers also need to be

obsessed about serving their customers and delighting them. Marketers should be aware that preferences of luxury brands may be affected by economic circumstances. They should study the economic indicators and focus on providing the maximum benefits to customers. Marketers may need to redesign, reposition, and reprice their brands to communicate the superior value proposition to their target customers. Marketers require an appropriate pricing strategy in place and charge a price premium to communicate exclusivity. Exclusivity of luxury brands is also communicated by deliberately restricting their sales.

Academicians may study the various strategies adopted by marketers of luxury brands to understand their high-end customers and sell the brands to them. They may also analyze the various strategies luxury marketers adopt for satisfying and delighting their customers. Based on studying the existing strategies, they might suggest new and better initiatives in in-depth understanding of customers and in helping them realizing their dreams and aspirations. Practitioners and marketers may understand the benefits and shortcomings of the various strategies luxury marketers adopt. They may also evaluate which of the strategies are already in place and which strategies they need to adopt to delight their customers.

Conclusions

The paper discussed about the strategies marketers should follow for success of luxury brands. The paper focused on the characteristics of luxury brands and growth of luxury brands even in adverse situations of economic downturn and recession. Marketers require adopting specific strategies for the success of luxury brands. They need to have a strong customer focus and understand their specific and special requirements and preferences. Luxury brands require a proper pricing strategy which is evident in the price premium such brands are able to command in markets. Luxury brands require communicating unique value proposition to their high-end customers. So, luxury brands require an effective communication strategy. The communication of value proposition becomes even more important during recession when customers cash-strapped. Luxury brands also require implementing specific distribution strategies and adopt those distribution strategies which communicate their exclusivity. Based on all these strategies, luxury brands strive to achieve excellence in marketing to their high-end customers.

The discussions have both theoretical and managerial implications. Based on the discussions presented, academicians may conduct a further review of the different strategies and suggest improved strategies for marketing luxury brands. The discussions will sensitize managers in an organization about the importance of adopting specific strategies for luxury brands and the strategies may be different from the strategies adopted for other brands. Efforts were made to include the latest and relevant literature to understand the specific nature and characteristics of luxury brands, aspirations and dreams of customers attached with luxury brands, and the importance of communicating a unique value proposition to the target market. Future researchers and practicing managers may utilize the discussions done in the paper to delve deeper into understanding customers of luxury brands better and develop strategies accordingly. They require keeping themselves updated about the latest trends and

developments taking place to appreciate the aspirations of customers and delighting them.

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