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ADVERTISING AND SOCIAL MEDIA AS MODERN TRENDS FOR DEVELOPMENT OF LUXURY BRANDS MANAGEMENT

Robul Y.V., Kharchenko K.O. Advertising and social media as modern trends for development of luxury brands management. Interest in the use of social media marketing (hereinafter referred to as «SMM»), especially in the marketing of luxury fashion brands, it is growing rapidly. In this study, the author defines the attributes of SMM activities and exploring the relationship between SMM and the cost of equity, the company's brand, customers, as a capital company, and purchase intention. Five foundations of SMM activities are fun, interaction, trend, individualization of the goods or services, and dissemination of information by word of mouth. Effect of SMM activities has a positive effect on the equity value of the company, the company's brand; purchase intent increases the number of potential customers. The results of this study can be used to predict the buying behaviour of customers of luxury brands, and provide guidance on asset management and CMM activities.

Keywords: social media marketing, brand, capital, consumer behaviour, marketing.

Робул Ю.В., Харченко К.О. Реклама і соціальні медіа як сучасні тенденції розвитку управління розкішних брендів. Інтерес до використання соціальних медіа маркетингу (Далі також «СММ»), особливо в маркетингу розкішних модних брендів-швидко зростає. У цьому дослідженні, автор визначає атрибути СММ діяльності і вивчає взаємозв'язок між СММ і вартість акціонерного капіталу, бренду компанії, клієнтів, як капіталу компанії, а також намір здійснити покупку. П'ять основ СММ діяльності є розваги, взаємодія, трендовість, індивідуалізація товару або послуги, і поширення інформації з вуст в уста. Вплив СММ діяльності позитивно впливає на вартість акціонерного капіталу компанії, бренду компанії; намір зробити покупку збільшує кількість потенційних клієнтів. Результати даного дослідження можуть бути використані для прогнозування купівельного поведінки клієнтів розкішних брендів і забезпечують керівництво з управління активами і СММ діяльності.

Ключові слова: соціальний медіа маркетинг, бренд, капітал, споживча поведінка, маркетинг.

Робул Ю.В., Харченко Е.А. Реклама и социальные медиа как современные тенденции развития управления роскошных брендов. Интерес к использованию социальных медиа маркетинга (Далее также «СММ»), особенно в маркетинге роскошных модных брендов-быстро растет. В этом исследовании, автор определяет атрибуты СММ деятельности и изучает взаимосвязь между СММ и стоимостью акционерного капитала, бренда компании, клиентов, как капитала компании, а также намерение совершить покупку. Пять основ СММ деятельности являются развлечения, взаимодействие, трендовость, индивидуализация товара или услуги, и распространение информации из уст в уста. Влияние СММ деятельности положительно влияет на стоимость акционерного капитала компании, бренда компании; намерение совершить покупку увеличивает количество потенциальных клиентов. Результаты данного исследования могут быть использованы для прогнозирования покупательского поведения клиентов роскошных брендов и обеспечивают руководство по управлению активами и СММ деятельности.

Ключевые слова: социальный медиа маркетинг, капитал, бренд, потребительское поведение, маркетинг.

The formulation of the problem. The objective of this article is bringing together international scholars from different disciplines and different countries working to advance knowledge on the fashion marketing and consumption of luxury brands. The luxury industry is relatively small in terms of the number of companies, but punches far above its weight both in terms of sales and more importantly, influence. The best design, the best materials, the best merchandising, and the best

packaging occur in the luxury industry, and hence luxury brands frequently lead the way for the rest of the marketing world. The role of fashion marketing of luxury brands is an area in need of new developments, theories, and knowledge in light of the trends toward global luxury and fashion markets. To that end, this selection of papers serves to increase the reader's understanding of the strategies needed to effectively market to the luxury brand sector.

The formulation of the task. Fashion role in the marketing of luxury brands is an area that requires new developments, theories and knowledge in the light of the trend towards global output expensive and fashionable markets. Certainly, the reader may wish to view these articles as a starting point in understanding theory and research in the fashion marketing of luxury brands, and go on to investigate additional references in the subject matter. Fig.1 describes the research scope of papers included in this special issue. What follows is a brief summary of each article and the place it occupies in Fig. 1.

Analysis of recent research and publications. Among the issues such as marketing of luxury brands, its efficiency in the management began to be studied as an independent concept. The question of the essence, identifying, measuring and improving the efficiency of marketing is considered in works of well-known foreign scientists: Bian Q., Forsythe S., Kastanakis M.N., Balabanis G., Godey B., Pederzoli D., Aiello G., Donvito R., Miller K.W., Mills M.K., Poddar A., Foreman J., Banerjee S., Scholder E.P.

The presentation of the main results. Between the mass and the class: antecedents of the «bandwagon» luxury consumption behaviour Minas N. Kastanakis and George Balabanis [1, p.17] examine the impact of a number of psychological factors on consumers' propensity to engage in the «bandwagon» type of luxury consumption. (The bandwagon effect refers to the extent to which demand for a product increases because others are consuming the product. This tendency may be driven by the need to be associated with, and to be identified as being, fashionable or stylish. Consumers jump on the bandwagon so they won't be left behind!) Through development and empirically confirming a conceptual model of bandwagon consumption of luxury products, the authors show that a consumer's interdependent self-concept underlies bandwagon luxury consumption. The relationship between interdependent self-concept and bandwagon consumption is mediated by the level of a consumer's status-seeking predispositions, susceptibility to normative influence, and need for uniqueness. A primary contribution of this research demonstrates that psy-

chological constructs explain a large part of bandwagon luxury consumption and can be used as inputs in the development of marketing strategies.

Interpersonal effects on fashion consciousness and status consumption are moderated by materialism in metropolitan men. Despite dramatic changes in male fashion consumption over the last two decades, consumer research has largely ignored the issue of status consumption, especially in the male market. Aurathai Lertwannawit and Rujirutana Mandhachitara [2, p. 32] study the direct and indirect effects (i.e., by the way of fashion consciousness) of self-monitoring and susceptibility to interpersonal influence have on status consumption. Interesting findings of path analysis provide insights into interpersonal effects on status consumption. Materialism values moderate the relationship between self-monitoring and/or susceptibility to interpersonal influence on status consumption: for high-materialism consumers, susceptibility to interpersonal influence alone has an indirect effect on status consumption by the way of fashion consciousness; for low-materialism consumers, self-monitoring is an additional antecedent of status consumption. Marketers attempting to penetrate the male metropolitan market can use these results to identify appropriate communication channels and message content for high- and low-materialism customers.

Comparing the importance of luxury value perceptions in cross-national contexts Paurav Shukla and Keyoor Purani [3, p. 11] provide empirical support to the often conceptualized but not-yet-tested framework of luxury value perceptions in a cross-national context. The study compares the luxury value perceptions (i.e., self-directed symbolic/expressive, other-directed symbolic/expressive, experiential/hedonic, utilitarian/ functional, and cost/sacrifice) among British and Indian consumers, providing a rich comparative context between collectivist and individualistic markets. The results support the notion that several luxury value perceptions may be highly influential among all cultures and countries, but their degree of influence may differ dramatically. The findings suggest that consumers in collectivist markets use simpler selection criteria for measuring the value of

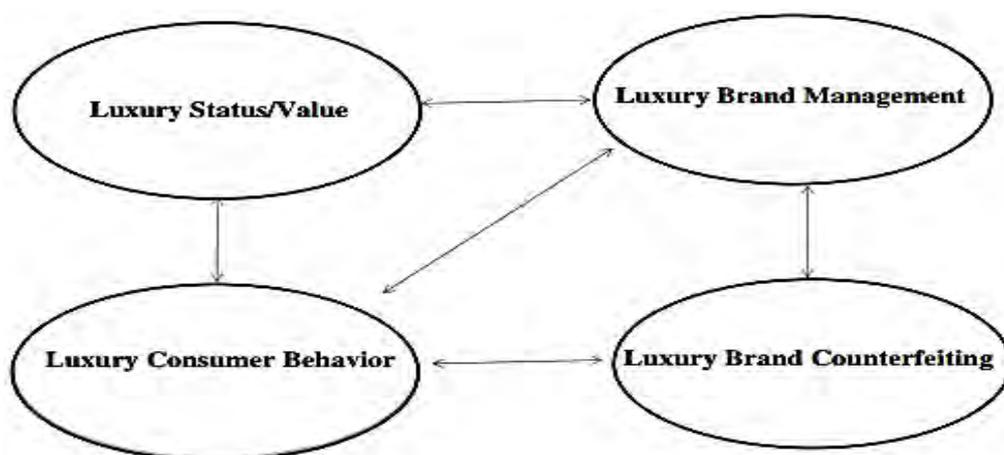


Fig. 1. Fashion marketing and consumption of luxury brands

a luxury brand than consumers in individualistic markets. These results can be used by luxury brand managers to develop a coherent and integrated long-term global strategy that takes into account country-specific requirements.

Impact of self on attitudes toward luxury brands among teens. In this research, Luciana De Araujo Gil, Kyoung-Nan Kwon, Linda Good, and Lester W. Johnson [4, p. 49] investigate how social consumption motivations affect teenagers' attitudes toward luxury brands, how teens' self concepts can influence social consumption motivations, and whether peer pressure affects this relationship. The authors also look at materialism's influence on teenagers' social consumption motivations and attitudes toward luxury brands. Key contributions of this research include the demonstration that materialistic orientation is a powerful force in developing more positive attitudes towards luxury brands among teenagers. Also, even though the desire for wealth and material ownership is positively associated with social incentives to consume (i.e., social consumption motivation), teenagers with clear self-beliefs have a stronger tendency to resist social motivations to consume; the clearer they are about themselves, the less they attend to external sources and stimuli. This paper segues to the next section as it fits both in the luxury status/ value and in the luxury consumer behaviour categories.

Luxury consumer behaviour.

Consumer enactments of archetypes using luxury brands Carol M. Megehee and Deborah F. Spake [5] explore the meaning of luxury brands through the use of visual narrative art created from consumer blogs. The article describes how to use a creation of visual narrative art as a qualitative research tool. Mapping contexts and stories that blog entries describe reveals the nature of the brand, the blogger (i.e., the consumer of the luxury brand in the blog), and interpretations by the visual narrative artists. This study extends the consumer storytelling literature that follows from creating visual narrative art and its use for deepening understanding of consumer reports of their enactments of brand myths.

Purchase intention for luxury brands: a cross-cultural comparison by Qin Bian and Sandra Forsythe [6] examine the effects of individual characteristics (i.e., consumers' need for uniqueness and self-monitoring) and brand-associated variables (i.e., social function attitudes toward luxury brands and affective attitude) on U.S. and Chinese consumers' purchase intention for luxury brands. (Social function attitudes, as they relate to luxury brands, involve consumers' self-expression and self-presentation to express their individuality (e.g., need for uniqueness) and exhibit their social standing (e.g., self monitoring). Affective attitudes are a powerful predictor of behaviour because they involve consumers' feelings or emotions. In addition to the social function of self-expression and self-presentation attitudes, consumers choose luxury brands because they provide hedonic rewards and sensory fulfilment.) In this cross-cultural study, self-monitoring positively influences social function attitudes toward

luxury brands. Social function attitudes toward luxury brands positively influence consumers' purchase intention through an affective attitude. Affective attitude plays an important mediating role between social function attitudes toward luxury brands and purchase intentions.

Understanding luxury consumption in China: consumer perceptions of best-known brands

Lingjing Zhan and Yanqun He [7] investigate the underlying motivations for the luxury consumption among Chinese middleclass consumers by testing the relationships between psychological traits (i.e., value consciousness, susceptibility to normative influence, and the need for uniqueness) and attitudes towards best-known luxury brands. Findings suggest that as consumers become more value conscious, they evaluate the best-known brands more favourably. Consumers with high susceptibility to normative influences exhibit more positive brand attitudes, suggesting that social influence is an important driver for the luxury consumption. The relationship between the need for uniqueness and brand attitudes depends on consumer knowledge; as consumers learn more about different luxury brands, they evaluate the best-known brands more negatively as uniqueness-seeking becomes a more important goal. Findings offer a unique insight into consumer perceptions of luxury brands and provide managerial implications for marketers to build sustainable luxury businesses in China.

Brand and country-of-origin effect on consumers' decision to purchase luxury products.

Bruno Godey, Daniele Pederzoli, Gaetano Aiello, Raffaele Donvito, Priscilla Chan, Hyunjoo Oh, Rahul Singh, Irina Ivanovna Skorobogatykh, Junji Tsuchiya, and Bart Weitz [8, p. 13] [9, p. 21] consider the combined effects of brand and country-of-origin on consumer purchases of luxury (versus non-luxury) goods. The intercultural analysis includes data from seven countries (China, France, India, Italy, Japan, Russia, and the United States). Consumers in different countries have different perceptions of what constitutes a luxury product and use different criteria (i.e., price, guarantee, design, and/or advertising) in making purchase decisions. The impact of country-of-origin on purchase decisions appears to be weaker than the influence of brand. This paper segues from luxury consumer behaviour to luxury brand management.

Contributing clarity by examining brand luxury in the fashion market

The creation and development of luxury brands is a growing area of research interest, but earlier research lacks clarity regarding the definition, operationalization, and measurement of brand luxury. Karen W. Miller and Michael K. Mills [10] address this issue within the pre-eminent luxury fashion brands category by carefully examining brand luxury and the dimensions and relationships underlying the luxury fashion brand. The authors develop and test their conceptual model – the brand luxury model – which makes important contributions by clarifying the confusion evident in earlier

brand luxury research, by supplying evidence about the importance of brand leadership, and by helping brand managers and academics through the creation of a useful framework to depict the luxury fashion brand.

Do social media marketing activities enhance customer equity? An empirical study of luxury fashion brand

Interest in the use of social media marketing – especially in the marketing of luxury fashion brands – is rapidly growing. In this research, Angella Jiyoung Kim and Eunju Ko [11, p.19] identify attributes of social media marketing activities and examine the relationships among those perceived activities, value equity, relationship equity, brand equity, customer equity, and purchase intention. (The five perceived social media marketing activities are entertainment, interaction, trendiness, customization, and word of mouth.) The effects of social media marketing activities positively affect value equity, relationship equity, and brand equity; brand equity negatively affects customer equity; value equity positively affects purchase intention; and purchase intention positively affects customer equity. Findings of this study can be used to forecast purchasing behaviour of customers of luxury brands and provide a guide to managing assets and marketing activities.

From Armani to Zara: impression formation based on fashion store patronage

Fine fashion and fast fashion are ever more converging with «Zarafication» (i.e., commoditization) and «massclusivity» of luxury fashions. Just as consumers buy luxury fashion brands to express or enhance their self-image, they can also patronize retailers with a self-congruent personality positioning. Kim Willems, Wim Janssens, Gilbert Swinnen, Malaika Brengman, Sandra Streukens, and Mark Vancauteran [12] address the research question, «Do people use store personality traits to infer store patron personality traits?» in two studies using the continuum model of impression formation as a theoretical foundation. Findings support a «yes» answer to this question. Study 1, a consumer survey, indicates that people do associate particular stereotypes with a store's patrons. Study 2, an experiment, demonstrates that the impression formed of others may substantially differ depending on the shopping bag (i.e., external cue of store patronage) the other carries. The authors conclude that consumers may not only wear certain fashion brands but shop at specific stores to impress others. Retailers can benefit from store personality as a unique selling proposition – a trend, the authors say, luxury brand managers should attend to.

How to increase the customer equity of luxury fashion brands through nurturing consumer attitude

Kyung Hoon Kim, Eunju Ko, Bing Xu and Yoosun Hann [13] provide a study to fill the gap in research

on consumer attitudes toward luxury brands. The study investigates the relationship among attitude toward luxury brands, customer equity, and customer lifetime value from a sample of undergraduate and graduate female students at two private women's universities in Seoul, Korea. Consumption for experience and fashion involvement positively influence attitude toward luxury brand; attitude toward luxury brand positively affects value equity and brand equity; and value equity negatively influences customer lifetime value while both relationship equity and brand equity positively affect customer lifetime value. From a managerial standpoint, this study provides several implications to luxury practitioners.

Exploring the Robin Hood effect: moral profiteering motives for purchasing counterfeit products

Amit Poddar, Jeff Foreman, Sy Banerjee, and Pam Ellen [14, p. 33] investigate one of the biggest problems facing luxury fashion brands today – counterfeiting. They found that when the legitimate brand is perceived as being high in corporate citizenship (high PCC), the size of the price differential between the legitimate brand and the counterfeit does not affect consumers' purchase intentions toward the counterfeit. However, when the legitimate brand has a negative image (low PCC), higher price differentials trigger significantly greater intentions to purchase the counterfeit product. «Moral profiteering,» as the authors label this effect, is more likely to take place when consumers of counterfeits have both economic and moral justifications for engaging in this unethical behaviour. That is, a large enough price difference between the legitimate product and the counterfeit, coupled with a negative corporate citizenship image (low PCC) of the legitimate brand, provides greater incentive and justification for the consumer to purchase the counterfeit. The implication of this finding is that efforts directed toward improving PCC may reduce sales of counterfeit goods.

Conclusion. Luxury brand managers should develop a coherent and integrated long-term global strategy that takes into account country-specific requirements. Affective attitude plays an important mediating role between social function attitudes toward luxury brands and purchase intentions. The role of marketing is to find, offer a unique insight into consumer perceptions of luxury brands and provide managerial implications for marketers to build sustainable luxury businesses in new markets. Large enough price difference between the legitimate product and the counterfeit, coupled with a negative corporate citizenship image (low PCC) of the legitimate brand, provides greater incentive and justification for the consumer to purchase the counterfeit.

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