

# A Study of the Influence of New Media on Luxury Marketing Strategy

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**Abstract.** The overall purchasing power of people in contemporary society has been steadily increasing in recent years because of the steadily increasing social wealth accumulation and the progressive improvement of the global economy's comprehensive capability. People are now consuming and sharing information in a new way because of the advent of social media and other mobile technologies. An increasing number of luxury businesses are updating their traditional marketing strategies and entering the online sales arena to adapt to the new media landscape. For the brand to achieve its goal of serving a wider range of consumer groups, it bids adieu to the upper echelons of the consumption chain, takes the initiative to approach customer direction, and allows consumers to have a deeper understanding and involvement. This paper elucidates the impact of new media on the diffusion of brand emotional value and the enhancement of customer connection in the luxury market through an analysis of the evolution and development of luxury marketing tactics within the context. This paper concludes that the development and expansion of the luxury market are significantly aided by new media, which is indispensable.

**Keywords:** New media, Luxury marketing, Mobile technology, social media.

## 1. Introduction

### 1.1. Background

People's attention to the symbol of personal identity and the display of fashion attitudes in daily life is growing as the social economy and living standards rise. Based on the growth of premium companies and the luxury market, the global mass market age has come. Not only do the wealthy opt to indulge in luxury products, but the middle class has also progressively emerged as one of the primary buyer segments within the luxury sector. Based on statistical sources, it is anticipated that the global luxury market will surpass the previous record of 1.5 trillion euros in 2023 [1]. In addition, it successfully encourages individuals who can afford to buy to pursue aesthetic advancement through the promotion of luxury brands from around the globe and the growth of cross-cultural interactions. Consequently, the market for luxury goods sales has continued to increase in recent years. The new media, a vital source of information that can be accessed rapidly, has joined the luxury market and evolved as a marketing tactic. The needs of the relationship between brands and consumers are no longer met by traditional advertising methods. In addition to offering the luxury market targeted and varied marketing strategies, new media also achieves goals in a manner that the public finds acceptable. The luxury market is heavily influenced by new media, which offers a priceless insight into both the customer experience and the cultural production of luxury items.

### 1.2. Research Method

This paper employs the methodology of literature analysis. To examine the influence of new media on the marketing strategy of luxury goods, this paper will choose specific literature on the new media environment and the luxury business, drawing on the content with research and reference value.

### 1.3. Research Content

This paper sets the context of the discussion in the era of new media, focusing on the transformation of the marketing strategy of the luxury industry and the different roles brought by new media in the establishment of the market image, consumer engagement, publicity efficiency, and

other aspects. The research content can be categorized into three sections, the first is the understanding of new media. In the context of new media thinking, digitization and the Internet encompass nearly all forms of media technology, marking a significant technical change. All facets of peoples' lives have been progressively impacted by new media, which offers unparalleled speed and convenience. Owing to its boundless qualities and benefits, new media has drastically reduced the gap between individuals. News and cultural expressions are now shared more quickly and widely thanks to social media apps, virtual reality, short films, and other means. Second, the age of new media has encouraged the luxury industry to update and change its marketing approach. Compare with traditional marketing strategies, major brands actively use new media as an emerging tool to obtain the opportunity to display content, creativity and brand story, effectively shaping the characteristic image of the luxury market. Finally, the new media era has an important impact on the development of the luxury industry. New media platforms facilitate direct connections between brands and consumers, improve consumer awareness and comprehension of brands, and foster brand-consumer interaction. Additionally, the luxury market benefits from new media's algorithmic function, which makes it easier to identify target consumers and create tailored content pushes that grab consumers' attention.

## **2. New Media Overview**

### **2.1. Definition**

Indeed, the concept of new media in the academic community is rife with contradictions, with no consensus on what constitutes new media yet. Within the context of newspaper, outdoor, radio, and television, new media is a relative concept when compared to the four classic media. All new scientific and technological media that are disseminated through digital and Internet technologies to give people a platform and tools for effective production, communication, and engagement are commonly referred to by this term. From traditional printing to digital technologies, from paper books to electronic screens. The "screen" and "image" have become the primary components of new media, which has caused an incredible revolution in its use and impact. It has been expressed and distributed at all levels and in all disciplines [2]. Because new media exists, it has grown to be a vital conduit for social communication, information sharing, and cultural creativity in today's world.

### **2.2. Development Trend**

The social environment and people's daily lives are made infinitely more convenient and speedier by new media, and this enormous transformation has slowly seeped into every element of manufacturing, logistics, consumption, and so forth. Numerous traits, including precision, individuation, and diversification, are evident in the new media development trend [3]. People are becoming more and more likely to satisfy their wants for a variety of vivid material due to the influence of smartphones and mobile Internet, and social media and video platforms have emerged as an important direction development for the creation of new media. New media including live broadcasting, video, and other methods help to enhance interpersonal contact while also enhancing interactive experiences. The ensuing growth of big data highlights how the new media is defying conventions by showcasing its understanding of platform users' interests and behavior. The overall improvement of cross-platform and integration is what people will see in the future: data exchange between different platforms.

### **2.3. Peculiarity**

The operating channels for new media are digital technology and network communication. The most significant characteristic of new media in comparison to traditional media is the blurring of the lines between the communicator and the recipient. To put it another way, it circumvents the traditional media's restriction that news can only be published by news corporations. Individuals in the age of new media are not only information consumers, they are also information producers. In addition on

a worldwide scale and encouraging the sharing and fusion of knowledge and cultures, it offers an open forum for communication across borders. With the help of a strong network and platform, new media may now process and disseminate content at any time, without being constrained by time. The released content can also be found on a range of media, and it can even be combined with text, audio, and images to create a clear and useful information ecosystem. Information sharing and communication have been completely altered by new media into an interactive conversation [4].

## **2.4. Form**

Virtual technology, social media, video apps, and other digital media formats are all included in the category of new media. In short, modern media is more akin to a novel habitat, and in its rich form, it offers enough amusement for individuals to survive in this environment. By creating an account, anyone can publish their works and content, regardless of whether they are a person or part of a corporation. WeChat and Instagram are two examples of social media platforms that can be used to communicate with loved ones and share personal information. Through the use of headsets, virtual technologies like AR and VR enable an immersive virtual world experience. Users can interact with video content on their own by using apps like YouTube and TikTok, which aggregate video content from nearly anywhere in the globe. New media can also be considered as a significant component of social and cultural life in the context of the extensive development of media.

## **3. Luxury Marketing Strategy**

### **3.1. Definition of Luxury**

The manufacturing and marketing of high-end, premium, rare, and distinctive goods, the majority of which are branded products—that surpass consumers' necessities is the focus of the luxury sector. Even in situations where a brand is unable to satisfy a customer's buying needs, it nevertheless enjoys a high level of brand loyalty since these products may be associated with a particular social position, identity, or aesthetic value. The concept of luxury is elusive, what constitutes a luxury for one individual may not be a luxury for another, as it varies based on the financial status and purchasing power of various consumers. Luxury items serve as a benchmark for social group differentiation as well as a reflection of contemporary consumerism. The literature claims that throughout the last ten years, luxury products have come to be seen increasingly as a consuming experience [5].

### **3.2. Traditional Marketing Strategies and Scale**

From the definition of luxury items, it is evident that luxury brands frequently possess attributes like exclusivity and scarcity, and luxury businesses excel at leveraging these attributes to draw in customers. Controlling sales channels and quantity is the first step in traditional luxury marketing methods to make things more desirable and unique with limited supply. Using Hermes as an example, the company implements a marketing strategy called Scarcity, which involves instilling a sense of urgency in consumers to encourage them to make purchases [6]. As everyone is aware, applying for the line for a Hermes Birkin bag requires a specific purchasing history, and the wait time is quite lengthy. It is through this power of scarcity and exclusivity that an inelastic demand is created for luxury brands, which is the main reason that Hermes is a valuable investment. To guarantee that customers always feel like professionals when they contact the business, major brands will also focus on providing individualized service. Customers may feel good about their purchases because of the beautiful packaging and design. Furthermore, luxury businesses will host exhibitions and events to enhance brand culture and foster innovation. Their goal is to uphold the value of their brand image rather than focus only on short-term financial gains. Thus, classic luxury marketing methods carry the brand's history, heritage, and workmanship in addition to promoting symbolic matter, which greatly increases consumer willingness to pay a premium.

### **3.3. Different Marketing Strategies Adopted in the New Media Ara**

The luxury market is entering a new golden era because of its high growth momentum and shifting competitive landscape brought about by the rise of new media. Luxury brands have access to new marketing channels and techniques through e-commerce, social media, and digital content. Using social media in the context of the luxury sector is one of the key tactics since, it has become a significant marketing and communication medium for many firms, organizations, and institutions [7]. Luxury brands may communicate with customers directly, share product details and brand narratives, and work toward increasing brand recognition by utilizing social media platforms. Brand retailers use social media sites like Facebook, Instagram, YouTube, and others to post material about their products and services in real-time, which has become standard practice to draw in fashion consumers [8]. Customers can see, re-post, and distribute user-generated content (UGC) to boost social media and user engagement for luxury businesses. Also, a growing number of luxury brands have launched their official e-commerce sites where customers may peruse and purchase these labels whenever and wherever they like, making online buying more efficient. A type of lifestyle and consumption habit, e-commerce marketing has grown in importance as a means of promoting luxury goods [9]. The luxury market's conventional approach is evolving and being modified in the age of new media. Customers can virtually experience products using 3D technology by incorporating VR and AR technologies, which are currently being developed. These are crucial avenues for marketing that the luxury market can use to advance and create new chances.

## **4. Influence**

### **4.1. Display Brand's Image**

New media, which plays a vital role in information dissemination and offers a distinct publicity edge in brand promotion, is a crucial tool in shaping and showcasing brand image in the luxury market. Because traditional marketing channels such as advertising, and fashion magazines are usually limited by time and space. Social media and the Internet can be used by new media to instantly share fashion information with the world without face-to-face interaction. Through the use of text, pictures, and images, new media has successfully adhered to the visual aesthetic guidelines of luxury brands, allowing consumers to pick up on subtle brand elements, communicate the brand image and taste through product shapes, colors, and logos, and demonstrate the brand's limitless creativity, timeless artistic quality, and upscale positioning. With more and more brands ready to concentrate on social media marketing tools, new media also has an influence aspect. Like Louis Vuitton, Tiffany, and Burberry, these companies have embraced new media and routinely produce and present fashion shows and content [10]. In addition, luxury firms can improve their reputation by leveraging the power of online and photogenic celebrities in new media.

### **4.2. Interact with Consumers**

With its distinctive ways of communicating, new media has greatly increased consumer involvement and activity in the luxury sector. First, the major social media platforms have created a direct line of communication between consumers and luxury companies. According to data analysis, 78% of consumers are in favor of brands utilizing social media to stay in touch and develop relationships with them [4]. Customers can respond, forward, and share content with brands to establish a two-way relationship. Customers can learn more quickly and thoroughly about the cultural implications of new products in addition to obtaining information about a variety of services. Second, instantaneous and more convenient channels for customer service feedback are offered by new media. Customers may interact with luxury brands at any time and from any location, whether through online customer care or reviews. Customers may use these platforms to voice their problems and provide feedback, which in turn prompts brands to make improvements. In a way, this magnifies customer demand indefinitely. The integration of new media into marketing strategy has successfully reduced

the distance between consumers and brands while also improving their shopping experience. As a result, new media is a vital tool for connecting consumers with marketing initiatives and a crucial marketing tool for firms looking to stay in constant communication with their target audience [4].

### 4.3. Comprehensive Coverage of the Luxury Market

The modern commercial social model states that the essential step in facilitating the luxury market's entry into the consumption trend is to conform to the shape and style of the new media period. The luxury market may effortlessly reach a worldwide audience with its products and services thanks to the reach of new media platforms. Compared with traditional media, new media can drive more forces to carry out international marketing, which can help luxury brands cover a larger area of publicity at a faster speed. Furthermore, the luxury market benefits from cheaper marketing expenditures thanks to new media, as its input costs are far lower than those of traditional media advertising. Because digital and mobile technologies are the foundation of new media, they eliminate overhead expenses like printing, shipping, and receiving by delivering content to users directly over the internet. Both brands and consumers can also use social media platforms to create recommendations and shopping shares for free, saving traditional media editorial departments the cost of producing content. Finally, the new media platform's computer algorithm features a robust database and a personalized recording feature that enable more precise analysis and detection as well as faster implementation of the quantification and assessment of marketing plans, all of which contribute to increased marketing efficiency.

## 5. Conclusion

In summary, there are many ways that new media has affected luxury marketing techniques. These include the rise and development of new media, tailored marketing, the impact of network stars, and the significance of user involvement in creating original content. In addition to giving luxury brands a direct line of communication with customers, new media also improves brand identification and customer engagement. More significantly, it creates new opportunities for the brand to be shaped, broadens its marketing reach, advances the luxury market, and encourages innovation and change across the board. With the aid of new media, precise market positioning has become especially crucial in this situation. Using these algorithms to create more focused marketing campaigns, luxury brands may also get more advanced. As a result of the analysis presented in this paper, an increasing number of consumers will discover that new media is now a widely available and direct option and that their purchase patterns have changed significantly.

This paper is based on two samples and databases related to the luxury market and the new media. The macro analysis may contain bias or a lack of understanding for some individual samples, making it less representative, which would compromise the paper's accuracy and dependability. To examine the long-term development trend considering the current successes in the luxury and new media markets, future research will require a larger number of representative samples. To promote sustainable growth and gain a thorough understanding of ethical issues and social impact, this paper can also include some analysis examples as empirical evidence and establish validity assumptions with specific theoretical models, including correct sales data.

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