

The Effectiveness of Limited-Time Discount Strategies in East-West Luxury Markets: A Comparative Analysis of LVMH's Asia-Pacific and Euro-American Operations

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Abstract. The global luxury goods market increasingly employs limited-time discount (LTD) strategies as a pivotal tool for market expansion and customer acquisition. However, the effects of these strategies vary significantly across cultural contexts, which is because of the deeply ingrained consumer value systems. This paper will conduct a comparative analysis of the LVMH Group's LTD marketing strategies in its Asia-Pacific (APAC) and Euro-American markets, leveraging Hofstede's cultural dimensions theory as an analytical framework. Further, the study argues that high power distance and collectivism in APAC markets foster greater effectiveness for exclusive, socially driven promotions that confer status and group belonging. Conversely, low power distance and individualism in Western markets necessitate transparent, personalized discount approaches that emphasize fairness and self-expression. The highlight of this analysis is that it draws on several case examples from luxury brands, particularly LVMH brand campaigns, annual reports, and supporting academic literature to illustrate how cultural dimensions—including uncertainty avoidance, long-term orientation, and indulgence—systematically explain regional strategic differences, which is the first step in previous studies to apply Hofstede's Cultural dimensions into the contrast of marketing strategies of the East and the West. The findings offer a theoretical model for understanding cross-cultural consumer responses to luxury promotions, and actionable, culturally-attuned recommendations for luxury brand managers to optimize regional discount strategies without compromising brand equity are also suggested.

Keywords: Luxury goods; limited-time discounts; cross-cultural marketing; Hofstede's cultural dimensions.

1. Introduction

The luxury industry perpetually navigates the fundamental tension between maintaining an aura of exclusivity, scarcity, and premium pricing and the imperative for growth and market penetration [1,2] In this balancing act, LTDs, which refer to a strategic promotional approach always adopted by luxury brands, offering price reductions or special offers for specific products within a defined and short time frame, have emerged as a critical tactical instrument. By introducing an element of temporality and scarcity, LTDs aim to stimulate purchase urgency and drive sales volumes while ostensibly mitigating the potential negative perception of brand devaluation associated with permanent markdowns [3].

Nevertheless, consumer perceptions of price fairness, value, and brand prestige are not universal; they are profoundly shaped by cultural background. A promotional tactic that resonates strongly in one region may prove ineffective or even damaging in another. For instance, consumers in collectivist East Asian societies may perceive LTDs through a lens of social proof and group opportunity, whereas individualistic Western consumers might evaluate the same offer based on its utility for self-expression and personal gain [2,4].

The LVMH Moët Hennessy Louis Vuitton SE group, as the world's largest luxury conglomerate with a portfolio of over 75 prestigious brands and an approximate 30% market share, serves as an ideal subject for this cross-cultural examination [5]. Its significant revenue streams—37% from APAC and 42% from Europe and America—highlight the strategic importance of tailoring approaches to these diverse markets. Despite this, extant academic research often focuses on discount strategies within singular cultural contexts, leaving a gap in comparative analytical frameworks.

This paper aims to investigate the reasons behind the divergent effectiveness of limited-time discount strategies employed by a single luxury entity like LVMH across Eastern and Western markets. It further explores how Hofstede's cultural dimensions theory can account for variations in consumer psychological acceptance and behavioral responses to such strategies. Finally, the study provides insights into how luxury brands can adapt and optimize their limited-time discount approaches based on cultural diagnostics to improve effectiveness and safeguard brand equity.

This study is structured to first review relevant literature on luxury discounting and cultural consumer behavior. It then employs Hofstede's six-dimensional model to analyze comparative case studies of LVMH's strategies in APAC and Western markets. The paper concludes with managerial implications derived and suggestions for future research.

2. Literature Review

2.1. The Paradox of Discounting in Luxury

According to previous studies, luxury branding is inherently linked to principles of rarity, premium pricing, and heightened perceived value. As a result, some scholars articulate the "discount paradox," wherein short-term sales increases from promotions risk long-term erosion of brand equity and brand mystique [6]. What's more, the scarcity principle, which is the cornerstone of luxury marketing, can be both leveraged and undermined by LTDs. While creating urgency through LTDs, excessive discounting normalizes lower prices, potentially diluting the brand's exclusive appeal makes it a question that urgently needs to be considered [3].

2.2. Cultural Frameworks in Consumer Behavior

Geert Hofstede's cultural dimensions theory provides a robust framework for classifying national cultures along six spectra: Power Distance Index (PDI), Individualism versus Collectivism (IDV), Masculinity versus Femininity (MAS), Uncertainty Avoidance Index (UAI), Long-Term versus Short-Term Normative Orientation (LTO), and Indulgence versus Restraint (IVR). De Mooij extensively applied this model to global marketing, demonstrating that cultural values predict consumer behavior more reliably than demographics [7]. For example, consumers in high power distance cultures are more accepting of hierarchical brand relationships and exclusive access, while those in individualistic cultures respond better to messages of personal achievement and unique identity.

2.3. Cultural Perception of Luxury and Discounts

Academic work confirms that cultural background filters the perception of luxury. Some scholars found that Chinese consumers often view luxury goods as a means for social integration to show off and conveying success within a group (collectivist), whereas Western European consumers prioritize self-directed pleasure and emotional fulfillment (individualist), which is more perceived as a way to show own personality and characteristic [8]. Consequently, it extends that East Asian consumer often view limited time offers as fairer and more opportunistic, while Western consumers may more readily associate them with lower quality or desperation [9]. Furthermore, some scholars showed that scarcity appeals are significantly more effective in collectivist cultures than individualist culture [10].

3. Analysis Through Hofstede's Cultural Dimensions

3.1. PDI

Power distance, which measures the degree to which the less powerful members of society (such as subordinates, children, and students) accept and anticipate the imbalance in power distribution. In high PDI cultures, unequal power distribution is widely accepted, whereas low PDI cultures emphasize equality and perceive it as unreasonable. This distinction is reflected in the regional

discount strategies of LVMH. In APAC markets, which typically exhibit high PDI, the brand's Tmall flagship store in China employs tiered and non-transparent discount mechanisms during major shopping festivals such as Double 11. For instance, only "Super Members", who are defined by high annual consumption exceeding ¥500,000, can gain exclusive access to superior discount tiers or early purchase opportunities. This approach reinforces social hierarchy and enhances perceived privilege and brand authority, aligning closely with local cultural values. Conversely, in Euro-American markets characterized by low PDI, LVMH adopts a uniform and transparent promotional style. Seasonal sales on its French or US e-commerce platforms are announced equally to all registered users via email, with identical discount levels available to everyone. This strategy underscores fairness and equal opportunity, thereby avoiding potential perceptions of discrimination and resonating with the cultural expectations of these societies.

3.2. IDV vs. Collectivism

The cultural distinction between individualistic societies, which prioritize personal goals and uniqueness, and collectivist societies, which emphasize group harmony and belonging, is clearly reflected in regional marketing strategies. In collectivist-oriented APAC markets, LOEWE's Japanese Line initiative exemplifies this through a "group unlock" discount campaign that required users to form teams of three to access a 20% discount. By leveraging popular social messaging platforms, the strategy fostered communal participation and encouraged viral sharing, effectively mobilizing collective action. In contrast, within individualistic Western markets such as the United States, DIOR's approach focuses on algorithmic personalization, delivering unique discount codes tailored to a user's browsing history or cart items, thereby reinforcing a sense of self-focused value and individual recognition. These culturally adapted methods enhance consumer engagement by aligning with deeply ingrained social values—collective incentives in the East and personalized experiences in the West.

3.3. MAS

The cultural dimension of MAS distinguishes societies that value achievement, assertiveness, and material success (masculine) from those that prioritize cooperation, modesty, and quality of life (feminine). This dimension significantly influences consumer responses to luxury marketing strategies, including limited-time discounts [2].

In high MAS cultures, such as South Korea, consumers are more receptive to promotions that emphasize status, competition, and visible success. For instance, Fendi's promotional campaigns in Korea often highlight celebrity endorsements (e.g., BLACKPINK members) and limited-edition products, aligning with the masculine cultural emphasis on prestige and social distinction [11]. Such strategies leverage the desire for external validation and positional goods, making scarcity-driven discounts highly effective. In contrast, feminine cultures, such as France, value experiential fulfillment and emotional connections. Here, luxury brands like Louis Vuitton often bundle discounts with immersive experiences, such as exclusive access to leather craftsmanship workshops or art collaborations. This approach softens the transactional nature of discounts by offering intrinsic value beyond monetary savings, resonating with consumers who prioritize meaningful engagement over conspicuous consumption [5].

The effectiveness of these culturally tailored strategies is evident in consumer engagement metrics. Studies show that in masculine cultures, promotions featuring status appeals achieve higher conversion rates, while in feminine cultures, experiential campaigns foster stronger brand loyalty and perceived value [4]. This underscores the necessity for luxury brands to align discount strategies with underlying cultural values to avoid perceived misalignment and potential brand equity dilution.

3.4. UAI

According to Hofstede's cultural dimensions theory, societies with high UAI tend to prefer clear rules, structure, and predictability, while those with low UAI demonstrate greater comfort with

ambiguity and spontaneity. These tendencies are reflected in the design of limited-time discount strategies across different markets. In high UAI regions such as Singapore, LVMH's e-commerce platform reduces purchase anxiety by emphasizing transparency: time limits are explicitly stated (e.g., "Limited to 48 hours"), and real-time updates such as remaining stock levels and live buyer counters are displayed to provide clarity and accelerate decision-making. Conversely, in low UAI cultures like Italy, BVLGARI's website incorporates a gamified "mystery discount" feature, where customers spin a wheel during checkout to receive a randomly determined discount. This approach introduces an element of surprise and adventure, aligning with a cultural preference for novelty and spontaneity. Thus, the effectiveness of these strategies hinges on their cultural alignment—transparency mitigates anxiety in high UAI contexts, while randomness enhances engagement in low UAI environments.

3.5. LTO

Societies with a LTO emphasize perseverance, thrift, and the cultivation of relationships based on future rewards, whereas short-term-oriented cultures prioritize immediate outcomes and gratification. This cultural distinction is evident in the discount strategies employed across different markets. In high LTO regions such as China, LVMH structures promotions to reinforce sustained consumer commitment; for instance, access to major sales events like "Black Friday" may be restricted to membership tiers defined by minimum annual spending thresholds. This approach rewards long-term loyalty and reinforces ongoing brand relationships. By contrast, in low LTO markets such as the United Kingdom, holiday promotions are typically direct and unambiguous—advertising broad discounts such as "30% off entire store"—thereby stimulating immediate impulse purchases through transparent short-term incentives. Consequently, these strategies align with profound cultural expectations: the APAC model fosters enduring brand engagement, while the Western approach capitalizes on the effectiveness of clear and immediate gratification.

3.6. IVR vs. Restraint

Cultures characterized by indulgence permit relatively free gratification of desires, while those favoring restraint emphasize the regulation of desires through social norms. This cultural contrast is reflected in the design of promotional campaigns by luxury brands such as Moët & Chandon across different regions. In restrained societies like Japan, marketing narratives often frame discounts not as direct incentives for pleasure, but within culturally resonant contexts such as "Year-End Gratitude" or "Seasonal Appreciation." This approach justifies price reduction through the lens of gift-giving and reciprocity, thereby aligning with social expectations and providing a morally acceptable rationale for indulgence. Conversely, in indulgent cultures such as Spain, promotions are typically explicit and hedonistic—for example, offering a "Buy One Bottle, Get One Free" deal during local festivals—openly encouraging immediate enjoyment and celebratory consumption. These tailored strategies enhance effectiveness by accommodating fundamental cultural dispositions: the restrained-market narrative mitigates potential guilt while permitting consumption, whereas the indulgent-market tactic directly leverages the cultural inclination toward spontaneous gratification.

4. Managerial Recommendations

The analysis confirms that Hofstede's framework offers a potent lens for deciphering the logic behind LVMH's regionalized LTD strategies. The divergence is not arbitrary but a calculated response to deep-seated cultural values.

4.1. Strategic Recommendations for APAC Markets

As mentioned above, for luxury brands operating in APAC markets, it is essential to prioritize exclusivity over egalitarianism by implementing tiered membership programs and invitation-only sales events that enhance perceived privilege and status. Campaigns should further leverage social integration through group-based initiatives such as social media challenges, group buying discounts,

and collaborations with key opinion leaders, utilizing platforms like WeChat, Line, and Xiaohongshu to foster community engagement. Discounts ought to be framed through culturally resonant rationales such as “seasonal gratitude” or “member rewards,” rather than overt financial incentives, to align with local norms [8]. Finally, adopting an omnichannel approach that integrates online flash sales with offline experiential pop-ups can elevate scarcity perception, offering exclusive access or limited editions that transcend mere price reduction and reinforce brand value. Furthermore, brands should consider regional variations within APAC; for instance, marketing narratives in high-uncertainty-avoidance markets like Japan and South Korea should emphasize clear terms and conditions to build trust, while in more indulgent cultures like parts of Southeast Asia, campaigns can incorporate festive and celebratory tones to enhance emotional appeal and drive impulsive purchases.

4.2. Strategic Recommendations for Euro-American Markets

In Western markets, luxury brands should emphasize transparency and fairness in discount strategies by ensuring promotions are perceived as equitable and openly communicated, thus avoiding customer alienation through opaque or exclusionary structures. Personalized offers, driven by customer data analytics, can enhance individual recognition by targeting consumers with tailored discounts on preferred products. Additionally, bundling discounts with value-added experiences—such as early product access, invitations to exclusive events, or complimentary customization—helps elevate the perceived value beyond mere price reduction. Finally, discounts should be strategically directed toward end-of-season collections or specific categories such as accessories and fragrances, safeguarding the prestige and pricing integrity of core luxury lines like ready-to-wear and leather goods. To further strengthen resonance in individualistic cultures, brands should emphasize self-expression and autonomy—for example, by offering customization options alongside promotions or enabling consumers to share their unique offers on social media. In low-uncertainty-avoidance regions, introducing elements of surprise—such as limited-time bonus gifts or mystery discounts—can enhance engagement without eroding trust, as these audiences are more comfortable with spontaneity and ambiguity.

5. Conclusion

This study systematically demonstrates that the effectiveness of limited-time discount strategies in luxury markets is profoundly mediated by national cultural profiles. LVMH’s regional tactics are astutely aligned with the cultural dimensions of their target markets. For instance, APAC strategies leverage high power distance, collectivism, and long-term orientation through exclusive, social, and loyalty-based promotions. In contrast, Western strategies resonate with low power distance, individualism, and indulgence via transparent, personalized, and experience-oriented offers.

Theoretically, this paper extends the application of Hofstede’s model into the specific domain of luxury promotional strategy, providing a validated framework for future cross-cultural research in luxury marketing. Practically, a clear mandate for luxury brands to abandon one-size-fits-all global discount campaigns has been offered. Instead, brands must invest in cultural diagnostics and localize strategies meticulously to resonate with regional consumer psychology.

Future research could expand this analysis to other emerging luxury markets (e.g., the Middle East, Africa, Latin America) and incorporate experimental methods, such as consumer neuroscience (e.g., Electroencephalogram, eye-tracking), to quantitatively measure the subconscious emotional and cognitive responses to different discount framings across cultures.

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