


# Chapter 9

## The Marketing Strategies for Luxury Consumer Behaviour: Evidence From Practice

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### **ABSTRACT**

*This chapter uses real-world examples and case studies of global luxury brands to examine how marketing methods affect high-end consumer purchases. Many psychological, sociological, and cultural factors affect luxury consumer behavior differently from the average customer. This chapter examines how these factors affect the need for uniqueness, customization, and history in high-end items and how financial and technical advances affect client expectations. Brand narrative, rareness, consumer customization, and selective digital involvement are studied. The chapter also discusses how high-end labels use influencer marketing, sustainability, and exclusivity in a digital market. Famous brands including Stella McCartney, Louis Vuitton, Gucci, and Chanel have used similar strategies successfully. We discuss eco-luxury, virtual experiences, and how AI could personalize luxury buying at the end of the chapter. This exploration shows that premium organizations must adapt to shifting client values while preserving their core to stay relevant and appealing in a competitive market.*

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# 1. INTRODUCTION

Cultural norms impact people's daily lives, actions, and desire to purchase luxury goods, and the cultural environment has a substantial impact on a society's fundamental principles. When developing and marketing new products and services in the luxury market, it is important to consider cultural developments in order to attract and maintain customers, particularly during economic downturns. Several studies have used surveys and interviews to examine cultural factors as a significant influence on the behaviour of luxury consumers in a particular country. These studies include Sanakulov and Karjaluoto (2019). The primary objectives of luxury products organizations should be to comprehend customer motivations for purchasing these things, their perceptions of luxury, and the ways in which their perceptions impact their consumption habits. The cross-cultural features of the specific country should inform the selection of the most suitable marketing techniques (Naumova et al., 2019). Using Hofstede's famous cultural dimensions model, researchers examine how different nationalities' cultures affect consumers perceptions and actions regarding luxury goods. The study included consumers from the following countries: the UK, India, France, Norway, Iran, China, France, Arab countries, and the US. As a result of digitization, worldwide trends, and shifting customer tastes, the luxury goods industry has experienced profound change. The unique marketing approaches taken to attract, hold on to, and actively involve high-end consumers are dissected in this chapter. Brands may improve their tactics to meet the demands of luxury consumers by learning about their habits and preferences.

## 1.1 Understanding Luxury Consumer Behavior

### 1.1.1 Psychology of Luxury Consumption

The need for status, which can be defined as respect, admiration, and voluntary deference. Afforded by others, is a major factor in consumers persistent desire for luxury goods. Whatever it is—material goods, experiences, or knowledge—consumers choose, use, and decode signals linked with high status in the marketplace are driven by this demand. The depositaries receive status leaks from these valuable signals. Consumers' status-driven need for luxury can be influenced by three pathways, according to recent research: structural, socio-psychological, and biological. Nave et al. (2018) offers causal evidence that testosterone, a hormone linked to the need for status in both animals and humans, enhances the desire for luxury brands, focusing on the biological drivers of luxury consumption (Dubois et al., 2021). Particularly, it was discovered by these scholars that when men were given testosterone instead of a placebo, they showed a marked preference for high-end brands like Calvin Klein, but

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