MASTERARBEIT

Titel der Masterarbeit

„Public Relations Management Strategies of two European Luxury Brands: a comparative study between Japan and South Korea“

Verfasserin

Süheyla Duygu Uras

angestrebter akademischer Grad

Master of Arts (MA)

Wien, 2014

Studienkennzahl lt. Studienblatt: A 066 864

Studienrichtung lt. Studienblatt: Masterstudium Wirtschaft und Gesellschaft Ostasiens

Betreuer: Mag. Dr. Alfred Gerstl, MIR
Acknowledgements

I would like to show my gratitude to Prof. Dr. Rüdiger Frank for his endless support not only for supporting me during finding my way in Master thesis process but also in whole Master thesis program period. Moreover, my other indebtedness goes to my supervisor Mag.Dr. Alfred Gerstl,MIR for his endless support during master thesis process. Moreover, I would like to show my respect and indebtedness to Dr. Sang-Yeon Loise Sung for her kind suggestions about academic writing and her support for me to find interviewees for my Master thesis. I would also like to thank the interviewees who took part in my survey.

Secondly, the biggest thankfulness goes to my beloved Family “my mother, father and sister”. I will never achieve this Master Program without your endless love and support. I have to admit that I am so lucky that I have been surrounded with awesome people in my life. Thank you for encouraging me to realise my dreams.
Table of Contents

1. **Introduction** ....................................................................................................................... 1
   1.1 Purpose of the research ................................................................................................. 1
   1.2 Importance of the research question ........................................................................... 2

2. **Theoretical framework** ..................................................................................................... 3
   2.1 Public Relations ............................................................................................................. 3
       2.1.1 Characteristics of Public Relations ............................................................................ 5
       2.1.2 Channels of Public Relations ..................................................................................... 6
       2.1.3 Public Relations, Advertising and Marketing Relationship ...................................... 7
   2.2 Online Public relations .................................................................................................. 14
       2.2.1 Characteristics of Online Public Relations ............................................................. 15
       2.2.2 Channels of Online Public Relations ...................................................................... 16

3. Luxury Brand Marketing ......................................................................................................... 16

4. State of the art ................................................................................................................... 23

5. Method ............................................................................................................................. 24
   5.1 PR-MBO Model Management by Objective .................................................................. 24

6. **Empirical Framework** .................................................................................................... 28
   6.1 Case 1 ............................................................................................................................ 28
       6.1.1 Case Company Overview ........................................................................................ 28
       6.1.2 Application of PR-MBO Model Management by Objective .................................... 33
   6.2 Case 2 ............................................................................................................................. 81
       6.2.1 Case Company Overview ........................................................................................ 81
       6.2.2 Application of PR-MBO Model Management by Objective .................................... 88

7. **Conclusion** ..................................................................................................................... 113

8. References ......................................................................................................................... 118

9. Abbreviations .................................................................................................................. 150

10. List of Tables and Figures ................................................................................................. 151

11. Appendix .......................................................................................................................... 157
   I. Abstract ........................................................................................................................... 157
   II. Zusammenfassung .......................................................................................................... 157
   III. Survey .......................................................................................................................... 158
   IV. Lebenslauf Autor(in) ...................................................................................................... 175
1. Introduction

Public relations (PR) became an important field for international companies to communicate about their brands with their target group of consumers. The main reason behind the rising importance of public relations field is the clear necessity to build quality relations, collect good will and build understanding between consumers. Public relations plays an integral part for marketing communications in Japan and South Korea for luxury brands. Managing public relations in Japan is based on the key players for public relations ranging as “press clubs, reporters and editors” (Ray 1990). On the other hand, building network and the relationships between the network is the way to manage the public relations in South Korea (Shin and Cameron 2003: 251-252). East Asian countries have become an important place for European luxury brands to implement their investments especially for Japan and South Korean markets. The importance of public relations practice in Japan and South Korea markets highlights the “communication process and the media” importance for effectively achieving public relations practices (Sriramesh, Kim and Takasaki 1999:289). In order to manage their luxury brands effectively in the East Asian markets, promoting the brand identity via effective marketing communications is indispensable.

When it comes to uniqueness of the research, the paper mainly fulfills the gap of combining public relations management strategies for two European luxury brands in two East Asian countries which are Japan and South Korea. Public relations is an essential area for companies to manage not only their communications but also the relationships with their publics and target consumers. A research which specialize on the public relations management strategies and the marketing communication importance of the European luxury brands is missing. Therefore, the aim of the paper is to investigate this area.

The planning of the master thesis consists of; to begin with the first part of the research which is the Theoretical Framework that covers the main headlines of the research ranging as the Public relations and Online Public relations, their characteristics and channels, the distinctions with Public relations, Advertising and Marketing. Moreover, the research’s main distinction from the other researches which is the “state of the art”, the methodology of the research and finally luxury brand marketing. The second part investigates the Empirical Framework ranging as the case company overviews and the application of the methodology to the two case companies. The third part highlights the conclusion. Furthermore, a consumer survey with Japanese and South Korean women about their main intensions and ideas toward European luxury brands products and especially for Louis Vuitton and Gucci’s leather handbags has been shown.

1.1 Purpose of the research

The main purpose and the central theme of the research is to investigate public relations management strategies for two European luxury brands in South Korea and Japan. The reason why researching about the luxury brand’s public relation management strategies is the author’s personal interest and the rising potential of demand for luxury brand products worldwide. In order to reach the objectives of the research, “PR-MBO Model Management by

1 “South Korea” refers to the Republic of Korea
Objectives” has been chosen as a method to analyse step by step the objectives of the public relations management strategies of Gucci (GG) and Louis Vuitton (LV). Author has chosen French (Louis Vuitton) and Italian (Gucci) brands because these brand’s country of origins have the highest recognizability in fashion brands category (Okonkwo 2007:106). Moreover, the research also underlines the main success factor results for world wide known luxury brands of Louis Vuitton and Gucci in Japan and South Korea. The research is related with the study program because it focuses into the two East Asian countries and analyze the two of the European luxury brand companies; Louis Vuitton and Gucci’s public relations management strategies and the marketing communications importance in Japan and South Korea’s market which mainly investigates whether these European brands are implementing and following global public relations management strategies or providing special strategies for these two markets.

Moreover, survey with South Korean and Japanese women provides the message that, both countries’ womens appreciate European luxury brands and willing to consume in their lives. The main distinction of the perception for Japanese and South Korean women shows that, Japanese women search for the luxury brand’s heritage and history, therefore combine the uniqueness and the values of the brand with their lifestyle. On the otherhand, for South Korean women because most of the women adore to consume luxury brands and therefore relate it with their status, so that South Korean women follow this trend.

1.2 Importance of the research question

The main research questions are:

- Do Louis Vuitton and Gucci apply their global Public relations management strategies in Japan and South Korea?
- What are the similarities and differences of Public relations management strategies in Japan and South Korea for Gucci and Louis Vuitton?

The planned approach to the two research questions is to analyse first whether globally accepted strategies of Louis Vuitton and Gucci apply in Japan and South Korea and the public relations management strategies similarities and differences and their adaptation and the application in Japan and South Korea’s markets. The author’s approach to the research questions with the “PR-MBO Model Management by Objectives” is the key step to analyse these countries systematically and clearly. Therefore, the research question’s main idea is compatible with the methodology. The main idea about the relevance of the research question is due to the fact that, the growing importance of public relations for international companies aiming to successfully manage their marketing communications. Therefore, in order to understand the public relations practices for the two East Asian countries, investigating its similarity and differences for their management strategies in public relations is crucial. Moreover, to investigate the success stories behind whether following the global strategies of the brand or implementing their special strategies for the region is more effective. Furthermore, public relations strategies significance due to the need for marketing and communication success requires the companies to invest in public relations.
2. Theoretical framework

The Theoretical framework section is for providing the key methods and theories about the Empirical framework. In this respect, the logical order is as follows; communication process, public relations and its characteristics and channels, public relations, advertising and marketing relationship, online public relations and its characteristics and channels, and luxury brand marketing.

2.1 Public Relations

Communication is a necessary step for companies to build their main management strategies for their field of business with a long term success. In this regard, in order to reach the targeted goals, the main purpose of the communication process is to satisfy the sides mutually. Communications has to be managed effectively in order to build a quality relationship and mutual understanding between with each other. As a result, the quality and the success of the communication depends on the effectivity and the clear delivery of the key message to the target. (Gupta 2008:98). In this regard, effective communication is also related with identifying the target market and connecting with them through their desired mediums (Ashcroft and Hoey 2001:71).The management of effective communication steps requires changes and additional informations to maintain the attention of the target public (Ashcroft and Hoey 2001:71).

**Figure 1 : Communication circle**

![Communication circle](image)

Source: Gregory (1996:82)

In order to understand the communication process between a sender and a receiver, it is important to understand the related figure below. In order companies to conduct effective communication with their public, it is essential to manage the aim of the communication, the methods, defining the target people, the frequency and at the end, measuring the whole communication effectivity. (Kumar 2010:59-60). There are two reasons why communication is crucial for public relations. First, companies’ main aim is to achieve their objectives. In order to achieve this, public has to be aware of these objectives and support the companies. This is possible by clear communication with the public. Second, communication
will enhance to find out and manage strong and weak sides of the communication (Gregory 1996: 22).

The standard definitions about “public” and “public relations” are necessary which will in turn help us in understanding and analysing the Empirical framework part. The theoretical framework is followed by “Characteristics” and the “Channels of public relations”.

- “Public is any group that has an actual or potential interest or impact on a company’s ability to achieve its objectives” (Kotler, Ang, Leong, Tan, 1999:714).
- “Public relations is a management function that uses two way communication to match the needs and interests of an institution or person with the needs and interest of the various publics with which that institution or person must communicate” (Dunn 1986:5).

Public relations is not a one way process all by itself. It feeds its main roots with the interaction and communication with the key publics and therefore it is a crucial area for companies to invest in and therefore plan their PR activities (Wilcox, Ault, Agee, 1998:6,8). The biggest advantage of PR especially for companies is that, it supports the companies’ distinct image toward its public (Jefkins 1982:200). The main objectives of the PR is not only to form effective relationships but also a long lasting communication between companies and its public (Cutlip and Center 1978:4).

As all the disciplines have their own focus areas, public relations has also its own speciality. Public relation is one of the fundamental contribut or to the management of the companies not only combining its actions with the company policies and seeking the results but also managing the communication patterns (Canfield and Moore, 1973:4-10). Moreover, Public relation’s main activities consists of, managing the company’s key relations with their target publics, investigating the key audiences to transmit their message and preparing strategies and measuring them (Lesly1991:11-12).That means public relations has to be planned to counterbalance their success at every step. Public relations is not in the same field with the Journalism, because of their different key focus areas and therefore the main objectives of these two distinct fields affects their actions (Wilcox, Ault and Agee 1998:12-13). In this regard, both discipline’s main goals are different from each other and this is approved by their main activites in their fields.

- “Publicity is the communication about a product or organization which takes place in the media as news without paying for the time or space directly”(Jobber 2010:598).

News and publicity are not the same where in order publicity to get published it has to fulfill the criteria which will be changeable according to different environments. (Cutlip and Center,1978:10). For example, the quality of the information which will be published with the desired medium. According to Canfield and Moore (1973 ) newspaper, magazine, radio and television are the main tools for publicity media (Canfield and Moore, 1973:119). Moreover, if these mediums manage successfully than an effective publicity is inevitable.
2.1.1 Characteristics of Public Relations

The main characteristic of the public relations is based on planning. After planning the required activities, it has to be accomplished on a daily basis. At the end, the target aim is to understand both sides which are the organization and its public (Gregory 1996: 14). In order to understand the main characteristics of public relations, determining its process is crucial. According to (Kotler 1982) “public relation process” consists of:

**Figure 2: The Public Relations Process**

1. “Identifying the organization’s relevant publics”
2. “Measuring the images and attitudes of relevant publics toward the organization”
3. “Establishing image and attitudes goals for the key publics”
4. “Developing cost – effective public relations strategies”
5. “Implementing action and evaluating results”

Source: Kotler (1982:382)

Public relations process is an active long lasting process for companies to benefit from its planned steps. When it comes to highlight the importance aspect of public relations, communication is the right word. In order PR to effectively manage its communication activities to the desired public establishing strategic long lasting plans are crucial (Gregory 1996:18-19). Furthermore, public relations department’s main aim is to foresee and plan their future and endeavor to become successful in a specific area. This is possible with organizing economically strategic PR plans in cooperation with communication strategies with well defined specific areas to invest with the target group and with a realistic time schedules. Finally, the measurable outcome from this planned action is crucial. (Wilcox, Ault and Agee,1998: 143-154).

The planned PR programmes in companies has to positively affect not only preserving the reputation of the company but also its profit and sustain long lasting relations with target audience (Wouters,1991:10). Public relations has to reach its objectives like the other business units in companies aiming to contribute to the positive change in their profit. In order to manage this process, foreseeing the objectives, combining the key ideas with the key objectives and the intended message then taking an action and at the end emphasizing the obtained results from this process is the whole effective decision process. (Kotler, Armstrong, Wong and Saunders, 2008:766-767).
This process is an example of how a negative case from a point of view converted to a positive case by the public relations. This is the result of how public relations frame problematic situations and change them in a clear situation (Jefkins 1982:201-202). Moreover, this table is also providing an example about how PR evaluating the situations in its natural environment.

2.1.2 Channels of Public Relations

Public relations has to use the advantage of media in order to catch the attention of the public. When it comes to efficiently usage and benefitting from the media audiences and the media cohesiveness is the key. (Wilcox, Ault and Agee 1998:240). According to Wilcox, Ault and Agee (1998), the most effective medias to communicate with the desired public are: “Print media, Television, Radios and the online media” (Wilcox, Ault and Agee 1998:240-241). All these mediums have their own compatible advantage in the media environment. What is crucial for companies is to benefit and match their public relations strategies with them.

Public relation have their own vehicles and tools which are important for organizations to achieve their short and long term objectives. According to (Kotler 1982); written material, audio-visual material, corporate identity media, news, events, speeches and telephone information service” are the main tools (Kotler,1982:389). In order to understand these tool’s main aims in organizations, we provide explanations. What is common for these tools are that they are serving for companies and aiming to realise an effective communication. When companies manage these important tools effectively they preserve their reputation and also it is a chance for them to remind the key target what are the specific company stands are. (Kotler, 1982:389-393). The most important thing for the companies is to manage the public relations tools as a main connector between companies and the target audiences. Because, effectively managing these tools will results as an effective communication between a company and the target audiences. The tools mentioned above are not the only means of being in contact with the target publics. On the otherhand, “brouchures, fact sheets and direct mail” are another types of options that companies could benefit (Grunig and Hunt 1984:443). “Press Relations” are important tools for public relations to announce and inform
the news in the media for the desired audience. When managed effectively, PR will benefit from its well organized work. Because, press relations’ main activities matches with the public relations’ main intention that it wants to implement in order to manage PR work efficiently (Jefkins 1982:231-234). Moreover, according to Grunig and Hunt (1984), there are different means of mediums which public relations can benefit as a media channels and some of the examples suitable for PR radio format is the “paid advertisements and deejay chatter” (Grunig and Hunt 1984:407). These tools are optional for PR to benefit and use for its communication management. Furthermore, benefitting from Television advantages is another option for PR but in order to sustain the benefit from TV, the news has to be broadcasted in true time and to the target audiences (Grunig and Hunt 1984:425). On the otherhand, the true combination of the PR with the desired TV’s “news bulletin, interviews, magazines” are a gateway for PR (Jefkins 1982:249).

2.1.3 Public Relations, Advertising and Marketing Relationship

It is important to draw a line between these three fields ranging as public relations, advertising and marketing, in order to distinguish what PR stands for the companies and to their different objectives. Because these three fields serve different objectives and aims. But still when it comes to real life cases, especially for companies they cooperate with each other. First, the brief definitions about these fields are listed as below:

- According to Kotler, Armstrong, Wong and Saunders (2008), “Public relations is building good relations with the company’s various publics by obtaining favourable publicity, building up a good corporate image and handling unfavourable rumors, stories, events” (Kotler, Armstrong, Wong and Saunders, 2008:760).

- Kotler (1982) stated that “advertising is the nonpersonal forms of communication conducted through paid media under clear sponsorship” (Kotler 1982:356).

- Kotler (1982) defined “marketing is the analysis, planning, implementation, and control of carefully formulated programs designed to bring about voluntary exchanges of values with target markets for the purpose of achieving organizational objectives. (Kotler, 1982:6).

Being a connector between the desired market and the desired consumers especially for companies to reach their main targets, is the main aim of “Marketing mix” to accomplish (Kotler, Armstrong, Wong and Saunders, 2008:49). The main message is not only to provide what consumers wants and expects from a company but also fulfilling their desires is what “Marketing mix” stands for (Jobber, 2010:17). Moreover, the “4-Ps of the marketing mix” consists of:

1-“Product”: the planned and invested product that a company wants
2-“Price”: the payoff for a desired product that a company desires
3-“Promotion”: different tools to promote a desired product
4-“Place”: the management of a place to market a desired product (Jobber, 2010:17-19).
Figure 4: The Four Ps: The Marketing Mix

<table>
<thead>
<tr>
<th>Marketing mix</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>Price</td>
<td>Promotion</td>
<td>Place</td>
</tr>
<tr>
<td>Variety</td>
<td>List price</td>
<td>Advertising</td>
<td>Channels</td>
</tr>
<tr>
<td>Quality</td>
<td>Discounts</td>
<td>Promotions</td>
<td>Coverage</td>
</tr>
<tr>
<td>Design</td>
<td>Allowances</td>
<td>Personal Selling</td>
<td>Assortments</td>
</tr>
<tr>
<td>Featured</td>
<td>Payment Period</td>
<td>Publicity</td>
<td>Locations</td>
</tr>
<tr>
<td>Brand names</td>
<td>Credit terms</td>
<td>Inventory</td>
<td></td>
</tr>
<tr>
<td>Packaging</td>
<td>Transport</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranties</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Kotler, Armstrong, Wong and Saunders (2008:49)

Customers are the main elements for marketing. Moreover maintaining customer satisfaction is the essential part of marketing practice. Also, the goals of marketing is to build and maintain current and potential customers and making sure to satisfy them by providing exceptional services (Kotler, Armstrong, Wong, Saunders 2008:6).

Figure 5: Marketing Process

Understand the marketplace and customer needs and wants → Design a customer-driven marketing strategy → Construct an integrated marketing programme that delivers superior value → Build profitable relationships and create customer delight → Capture value from customers to create profits and customer equity

Source: Kotler, Armstrong, Wong and Saunders (2008:7)
Observing the “marketing process” by a macro perspective and defining the organizational goals related with the marketing will drive organizations to success (Kotler, Armstrong, Wong and Saunders, 2008:7).

**Figure 6: The Marketing Concept**

| Market | Customer needs | Integrated marketing | Profits through customer satisfaction |


Moreover, “marketing concept” according to traditional understanding from Jobber (2010) explained as, what is important and crucial for corporations is that fulfilling the customer needs and expectations compared to the competitors (Jobber 2010:3). Moreover, what is crucial to understand and master in the “marketing” is that not only satisfying the consumers needs but also creating a competition among the other competitors and this approach will ensure organizations to obtain high returns (Kotler, Armstrong, Wong and Saunders, 2008:17). Moreover, according to Kotler and Keller (2012) marketing definition is “meeting needs profitability” (Kotler and Keller 2012:27). This definition signals the necessity of satisfying the target and potential consumers according to their special needs and as an outcome the company is obtaining a revenue to benefit itself. So to say, both sides are satisfying their needs.

First of all, being successful compared to the other competitors is possible by identifying the market, consumers preferences and also competitor’s strategies for the consumers and acting afterwards in the market. Having defined “marketing” and “marketing concepts” before, it is important to understand “marketing orientation” and which stages of marketing it consists of.

These stages are:

**Figure 7: Marketing orientation**

Source: Jobber (2010: 5).

According to Kotler (1982) public relations and marketing intended main goals are different. Whereas, public relations is managing and forecasting target public’s behaviour for the desired communication of the company. On the other hand, marketing stands for preparing marketing strategies not only to hearten the target public for a desired action but also managing marketing components (Kotler 1982:382). Even though, PR is in a close relationship with marketing, this doesn’t mean that they are serving for the same goals and expecting the same outcomes in companies (Jefkins 1982:19). Furthermore, there are differences between marketing and public relations activities but marketing will benefit from public relations especially in clearing if there is a negative perception of marketing through the eyes of the target audience and sustain its main objectives by effective communications (Harrison 1995:160). In other words, PR fulfills as a connector or an agent for positive image illustration for marketing to meet its desired objectives.
Also, PR activities is a gateway for marketing effectiveness to attract their consumers with benefitting from public relations. When it comes to effectively managing the marketing in their environment according to Ries and Ries (2002), “PR first, advertising second” (Ries and Ries 2002:266). Public relations doesn’t aim to persuade the desired public to buy a particular product or service but instead encourage them to build good and quality relations, inform them with the goodwill of the company (Davis 2007: 15). When it comes to analyse public relations departments in companies, according to Kotler, Armstrong, Wong and Saunders (2008), they exist fundamental roles ranging as “press relations, product publicity, public affairs, lobbying, investor relations and finally development” (Kotler, Armstrong, Wong and Saunders 2008:760). Moreover, investing time on main objectives focusing on the desired messages then putting them into action and analysing the results are the PR main goals in companies (Kotler, Armstrong, Wong and Saunders 2008: 766-767).
Figure 8: The Interrelationship Between Public Relations and Marketing

MARKETING MIX

- PRICE
- PRODUCT
- PLACEMENT
- PROMOTION
- TECHNIQUES
  - Personal selling
  - Sales promotion
  - Advertising
  - Publicity/publications
  - Direct selling

PUBLIC RELATIONS ACTIVITY

- INTERNAL EMPLOYEES
- CORPORATE
- MEDIA
- COMMUNITY
- MARKETING COMMUNICATIONS
- PUBLIC AFFAIRS
- FINANCIAL/INVESTOR

TARGETS

- Financial /investors
  - Government
  - Community
  - Employees
  - Opinion formers (Media)
- Customers
- Competitors
- Suppliers
- Intermediaries

“Largely one-way communication”
“Largely two-way communication”

"NB is both a Channel and a Public"

Source: Gregory (1996:25)
According to Jefkins (1982), being a communication expert which will affect marketing activities is the right relationship between the two fields (Jefkins 1982:19). Also PR collects the main intensions of the target group of people, describes the environment of the company and therefore what the company stands for. Finally, it emphasizes and focuses on the positive aspects of both the company’s image and the product. These main targets not only benefit the PR but also the advertising and marketing (Jefkins 1982:20). In addition to this, according to Scott (2007), the newest trends in business environment also affects these two areas. Marketing is building its marketing strategies not only to affect the profitability of the company but also to serve for the consumer’s changing tastes. Also, the success of the company which is benefiting from marketing activities depends on first the benefits derived from technological tools and understanding what customers wants and how they act upon to their wants. On the otherhand, PR’s success depends also on effective usage of technological tools and adapt its plans to the cutomers tastes (Scott 2007:25-26). Moreover, a common feature what PR and advertising stands for is the management of communication. The combination of “public relations advertising” is good for not only explicitly informing the public but also strengthening the ties between internal and external public of the company (Canfield and Moore 1973:160-161). Every successful company’s main aim is to be successful and be a key player in their industry. In order to achieve these ambitions, managing their business not only from one field of discipline perspective but also combining and utilizing other disciplines is also crucial, if it is necessary for the survival of the company. In this main ideology, combining the same targets of advertising, public relations and as well marketing if necessary, will provide a different edge for the company to achieve its objectives.

According to Jefkins (1982), when it comes to advertising, the main goal is to prepare and adapt its advertising strategies to push and encourage consumers for a target action which is consumption (Jefkins 1982:111). In addition to this, consumption is the real outcome for an advertising objectives. Consumers has to understand the key message of advertisement and build an emotional feeling to buy the desired product and services. The effective way of managing this process is continuously being in touch with consumers and highlighting the advertising message in every occasion for them (Kotler, Armstrong, Wong and Saunders 2008:737). The importance of advertising is unquestionable for companies which aims to communicate with their target consumers but this is not economic to manage (Jefkins 1982:111-112). Also, the area which has to be invested in and improved for advertising has to be to meet the challenges in local markets tastes and challenge to meet the expectations from these markets (Jefkins 1982:189-190). Advertising exist “five Ms ranging as, mission, money, message and measurement” (Kotler, Ang, Leong and Tan 1999:675). The main advantage of managing them is leading a company to the targeted aim and an effective usage of restricted resources for the good of company. In order for advertising to be effective in its area of expertise, it has to communicate with its target group of audiences which encourage consumers to focus on one area of main message of advertisement and remind the product which is advertised (Jobber 2010:469).
### Figure 9: Possible Advertising Objectives

<table>
<thead>
<tr>
<th>TO INFORM</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>“Telling the market about a new product”</td>
<td>“Describing available services”</td>
</tr>
<tr>
<td>“Suggesting new uses of a product”</td>
<td>“Correcting false impression”</td>
</tr>
<tr>
<td>“Informing the market of a price change”</td>
<td>“Reducing buyers’ fears”</td>
</tr>
<tr>
<td>“Explaining how the product works”</td>
<td>“Building a company’s image”</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TO PERSUADE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>“Building brand preference”</td>
<td>“Persuading buyers to purchase now”</td>
</tr>
<tr>
<td>“Encouraging switching to your brand”</td>
<td>“Persuading buyers to receive a sales call”</td>
</tr>
<tr>
<td>“Changing buyers’ perception of product attributes”</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TO REMIND</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>“Reminding buyers that the product maybe needed in the near future”</td>
<td>“Keeping it in the buyer’s minds during off seasons”</td>
</tr>
<tr>
<td>“Reminding buyers where to buy it”</td>
<td>“Maintaining its top-of-mind awareness”</td>
</tr>
</tbody>
</table>


Planning stage is also important for advertising like the other fields, such as public relations and marketing to plan their future accomplishments. In order to take part in the planning process advertising department of companies has to decide about their main advertising objectives, planning about the financial issues and also on message clarity and inorder to implement all these in a suitable channel is crucial. (Kotler, Ang, Leong and Tan 1999: 722). In this regard, improving advertising strategy is an important step for an organization to achieve a profitable level. The main objectives of PR and advertising is different such as in advertising nature, it involves financial planning of the advertising program and to plan strategies to encourage target group to buy intended product. Furthermore, they have a main aim which is to select an audience and go for it. But the main essential thing for both fields is that after selecting the audience, their next action for the desired product is advertising to promote sale and for the PR part is to inform about enlighten the public (Harrison 1995:4).

According to Wilcox, Ault and Agee (1998), advertising and public relations differentiates also in usage of different mediums, choosing for a different target group, their main intensions for communication and also both fields activity lead to a different purpose. (Wilcox, Ault and Agee, 1998:14-15). Public relations natures advantage to advertising could be the attracting the target group in an economical way (Kotler, Armstrong, Wong and Saunders 2008:761). The relationship between advertising and public relations has to explicitly draw a line by the companies in order to successfully achieve their goals. In this respect, according to (Ries and Ries 2002), the important functionality of PR is to give life to a new product and afterwards the job of the advertising is to accompany it by increasing its popularity in its life cycle (Ries and Ries 2002:95). In order marketing to benefit from the key characteristics of
advertising, planning plays an important role not only for the main economic objectives of the advertisement but also to sustain an advertising strategy which would have an outcome that would be implementable and measurable at the end. (Kotler, Armstrong, Wong and Saunders 2008:737). What is important for the departments in companies to achieve their objectives is that, a well defined plan and objectives then following them step by step. Moreover, according to (Jobber 2010) marketing mix and advertising are in close relation with each other so that they are benefitting mutually from both of their activities (Jobber 2010:469, Jefkins 1982:168).

2.2 Online Public relations

Internet is the most important connector for people nowadays. This advantage of internet also provides an edge for PR and its activities online. There is no doubt that PR & marketing affected by internet characteristics ranging as being instant, global and open (Penn, 2004:153). Furthermore, “internet is available with the WWW (World Wide Web)” (Hurme 2001:70-71). Moreover, it is important to understand how internet has affected PR. According to Penn (2004) these steps include, communication advantage for PR with the respectable persons for their work and reaching desired people (Penn 2004:154). In addition to this, web has a strong impact on PR. According to Ashcroft and Hoey (2001), adding to the image of credibility and encouraging different people to take their attention to the company forms the main impacts of web (Ashcroft and Hoey 2001:70). Furthermore, PR unit’s main goal is to set their goals and provide strategies to accomplish it. Internet contributed in this stage by providing them the way to connect to their customers, shareholders, publics and so on (Hurme 2001: 73). In addition to this, public relations stands for maintaining and preserving the image and managing communications for collecting goodwill of the company (Ashcroft and Hoey 2001:70). These main aims of PR are also clearly valid for Online PR. In addition to this, it is important to understand the traditional PR and online PR practices differences with respect to each other. In this regard, traditional PR takes time for preparation of quality news and afterwards reviews, everything has to be in paper format therefore takes time and costs. On the otherhand, for on-line PR, benefitting from the online tools, cuts time needed for preparation and if managed effectively costs will decrease (Barker 2004: 91).

Furthermore, since the ideology of conducting public relations activites exists on online platform which coincides with the nature of online public relations, therefore, social media is the main collaborator for online PR to implement its goals (Ryan and Jones 2012:177). Moreover, setting the main goals of company and planning the time schedule are the two crucial steps that online PR practitioners should consider for the companies’ success path (Haig 2000:12). In order to accomplish these two objectives, focusing what your company pursue to achieve and meeting the demand of the audience are important things to consider (Haig 2000:12).

Moreover, according to the Ryan and Jones (2012) it is important to understand what “digital marketing” conceptualise about online PR activities. Because, digital marketing like online PR, conducting its activies via online platforms and seeking outcomes according to their performances. First of all, conducting all the activities via on-line platform and understanding online audience’s behaviours and also popular developments especially for on-line platforms so that online PR would adapt its strategies for preserving its effectivity and reputation (Ryan and Jones 2012:176-177).According to the companies perspectives, online PR is providing a
different edge for companies to reach their target public with the desired PR tools. When online PR is managed effectively by the companies then online PR advantages directly will affect the effectivity of PR departments. Furthermore, online PR has both advantages and disadvantages. These key points are important to distinguish the effects of online PR for the companies. Whereas online PR is a quick process, every person either consumers or the related person for business can easily reach the informations about the company, available always in online platform, encourages public relations to be creative via benefitting from online PR tools. On the otherhand, the disadvantages of online PR is that, it is a new application therefore, there will always be misleading informations or misunderstandings between either consumers or related persons and compared to traditional public relations, it is more expensive to build, security problems could occure but if managed effectively, it will definitely be a communication connector for companies. (Barker 2004:96)

2.2.1 Characteristics of Online Public Relations

Online Public Relations provides a different experience for PR practitioners. The difference between online and offline PR is that the characteristics are similar but the environment to serve for their public is in online platform (Kirat 2007:168). Online communication positively affected PR because it is an effective and cost efficient way to exchange informations and announce the reputation of the corporations in internet. According to online PR, it helps and assists corporations to follow the latest trends via online and keep in touch with the target groups which the company should contact (Duhe 2007:142). Moreover, it is important for corporations to utilize online communications for their PR units. According to Hurme (2001), maintaining a goodwill and a close contact with the desired public for public relations is possible by using the online communication (Hurme 2001:71).

Moreover, online PR’s main characteristics consist of maintaining and preserving relations via online with the desired audiences and serving key target audience’s needs by benefitting from online PR and at the end, protecting the reputation. (Haig 2000: 5-6). Moreover, company’s image is the most important characteristic to attract the public. Online public relations is the effective platform to announce it to the target audiences. For that reason maintaining this will help organizations to build long lasting relationships with their target public (Gregory 1996:15). Furthermore, being successful in online PR will improve the communication effectiveness of the organization with their target publics. To this end, according to Crowley (2013) inorder to be successful in online PR it is important to follow the image of presenting new things that no one has found before and understanding the key target’s main reactions and then formulating the main success story is important (Crowley 2013). In order to understand what is online PR’s main benefits for its environment, we have to analyse the elements of it. According to Chaffey (2009), online PR is not an independent unit all by itself, when it is compatible with the companie’s own assets ranging as products, e-commercial sites which helps a company to collect their profit then it is considered successfull (Chaffey 2009:523).
2.2.2 Channels of Online Public Relations

Companies are trying to keep-up with the pace of the online communication channels to implement their online PR practices. Moreover, it is obvious that online communication is the rising star for companies to communicate with their public. The channels of online public relations has to serve for the taste of the target audiences. In order to accomplish this process what is important is good relations with the journalist and effectively choosing the means of media for a company to benefit for (Haig 2000:3). This way would be the success path for companies to manage their channels. Moreover, according to Odden (2013) online PR channels consists of “search engines, blogs, news search, forums, discussion threads, social networks and other online communication tools” (Odden 2013). Organizations has to manage their online PR efficiently to serve their audiences more faster and better. In order to manage it effectively, the process is possible by managing by a careful plan and a strategy. Then, implementing them to a proper website is the last step (Barker 2004:103). Furthermore, according to (Lindič 2006) when it comes to benefitting and being in cooperation with online PR channels, “media websites and also RSS feed, podcast” are the ways which companies select (Lindič 2006:2). In addition to this, according to Kirat (2007) “e-mail, online newsroom, on-line newspapers” so to say are the necessary channels for Public relations but on-line platforms are the main channels that the PR departments utilize which aims to reach their targeted publics (Kirat 2007:168).

3. Luxury Brand Marketing

- “Luxury by definition is something that is not essential but provides pleasure and comfort” (The American heritage dictionary of the English Language:2013).

Luxury characteristics are; “visible, beauty and creativity” (Kapferer 1997:78-79). These characteristics are the core component of luxury which distinguishes it from the non-luxury objects. According to Heine (2012), when it comes to the luxury brand’s “price highness, the quality and especially the extraordinariness” are the perceptions from consumers who are consuming them (Heine 2012:60). As we have defined luxury brands, we are not focusing on usual products for consumers. What is important to highlight is that, luxury brands marketing is not the same as with the usual product’s marketing. (Kapferer and Bastien 2009:313). Price is the main connector between the consumer segment and the luxury products. Price has to be high in luxury brand marketing, so that specific consumers feels that they are consuming luxury brands and the luxury brand will be different from the competitor (Kapferer and Bastien 2009:319). Being a luxury brand has to provide different characteristics and values to the consumers so that the consumers feel that they are consuming the luxury brands (Chevalier and Mazzalovo 2008:viii). Brands have distinct characteristics in their nature and because of it brand name which ensure uniqueness and highlights the distinction of the brands from the others (Okonkwo 2007:102). Moreover, implementing different strategies and being clear about the luxury brands features are the main points which are the main points for the companies to be communicate with their consumers. (Okonkwo 2007:106-107). By taking into consideration these steps, brands will ensure that a brand have the chance to have a long term life and will be different from the other brands in the luxury brand industry.

In order to find out and match the characteristics of luxury brands in real life being clear about their features are necessary. There are many types and variety of luxury brands in the luxury
market industry. All of the luxury brand’s key features are not the same, in order to distinguish one luxury brand from the other luxury brand, it is crucial to study and distinguish them with specific criterias, so that it will be visible especially in the consumer’s eyes. This will provide an easiness for consumers to distinguish what is a real luxury brand and what is not.

The “luxury brand 10 core characterisics” consists of:

- “Innovative, creative, unique, and appealing product”
- “Consistent delivery of premium quality”
- “Exclusivity in goods production”
- “Tightly controlled distribution”
- “a heritage of craftsmanship”
- “a distinct brand identity”
- “a global reputation”
- “emotional appeal”
- “premium pricing”
- “high visibility” Okonkwo (2007:105)

These characteristics of the luxury brands are the main distinctions between non-brand and branded goods. Moreover, this is also a signal that shows which criterias are important and should be taken into consideration for luxury brands. Also, when these characteristics are being applied by the luxury brand companies, then that means they are producing luxury branded goods and serving to the tastes of the consumers.

Figure 10: Branding2 Key Steps

Source: Compiled by the author based on Okonkwo (2007: 107-124)

---

2“Branding is just giving a brand name and signalling to the outside world that a product or service has been stamped with the mark and imprint of an organisation” (Kapferer 1997:46)
In order to analyse the real life luxury brands compatibility with these key questions, the table provides a not only a real example for the luxury brands but also to shows that “branding key steps” are applicable. According to “Branding key steps” described above, the real life luxury brand examples (Louis Vuitton and Gucci) are shown below:

Table 1: Louis Vuitton and Gucci Branding Key Steps

<table>
<thead>
<tr>
<th>Brand</th>
<th>Brand concept</th>
<th>Brand identity</th>
<th>Brand awareness</th>
<th>Brand positioning</th>
<th>Brand loyalty</th>
<th>Brand equity</th>
<th>Brand value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louis Vuitton</td>
<td>“LV”</td>
<td>“French luxury brand”</td>
<td>“Leather products by limited editions”</td>
<td>“Expensive Crafted products, Innovation, Creativity, Exclusivity”</td>
<td>“Serving and understanding”</td>
<td>“limited edition products”</td>
<td>“valuable luxury brand in the world”</td>
</tr>
<tr>
<td>Gucci</td>
<td>“GG”</td>
<td>“Italian luxury brand”</td>
<td>“Luxury luggages”</td>
<td>“Expensive products, high fashion, Italian style, traditional craftsmanship”</td>
<td>“Value of quality, creativity and Italian craftsmanship”</td>
<td>“strong image and profitability”</td>
<td>“Italian fashion leader”</td>
</tr>
</tbody>
</table>


Companies has to distinguish their core luxury brand strategies to differentiate their management strategies and therefore their luxury products from the other brands. When it comes to being unique about the luxury brands strategies of companies, it has to be formed not only to seek for a long period of time but also the sound effect of the luxury brand has to be clear in the consumers eyes (Wiedman and Hennigs 2013:6). Luxury brand marketing is not the same with the regular marketing. Because, in this type of marketing activity, is for specialized for luxury brands. Therefore, there are some unique features of this type of marketing which also distinguishes it from the characteristics of the general marketing strategies.

“Limited distribution, high prices, characteristics of the product’s extraordinarity” according to Nueno and Quelch (1998) are some of the features and criteria which luxury brand marketing has to emphasize on. (Nueno and Quelch 1998:62-63). “Louis Vuitton, Gucci, Prada” which are known worldwide have their special marketing strategies. (Kapferer and Bastien 2009:313). The special luxury brands activities, new products, news or just to communicate with the consumers via communication tools are the specific tools that the luxury brands are benfitting. These are according to Fionda and Moore (2009), “fashion shows, advertisements, public relations, direct marketing3, celebrity endorsements” (Fionda and Moore 2009:356). On the otherhand, luxury concept is a different way of thinking and for that reason marketing the branded products is different (Kapferer and Bastien 2012:5). Moreover, to evaluate luxury brands, one has to know that there are three types of goods that

3 “Direct marketing is a way of selling things by calling people or mailing them advertisements or catalogs” Merriam-Webster.com(2013b)
the consumers consume, these are namely, according to Copeland (1923), “convenience goods\(^4\), shopping goods\(^5\) and specialty goods\(^6\)” (Copeland 1923:282).

**Figure 11: The Progressive Mass Marketing of Luxury**

![Diagram](image)

Source: Nueno and Quelch (1998:67)

According to the figure 11 above, it explains as an example of how mass marketing strategies are managed according to their objectives and the target consumers of the “mass luxury marketing” (Nueno and Quelch 1998:67). Successfully managed brand marketing is possible according to Rosenbaum-Elliott, Percy and Pervan (2011) with “positioning”\(^7\) and “brand attitude”\(^8\)” (Rosenbaum-Elliott, Percy and Pervan 2011:110). The developed media alternatives are also in a position to provide a different perspective for luxury brand marketing. Because, with the developed media options, luxury brands easily display their latest advertisements, news by online and also with the smart phones. Benefiting from them is an important step for companies to use an effective media for their business but also ensure long lasting relationships with the media.

**Table 2: New Media Options**

<table>
<thead>
<tr>
<th>“Internet”</th>
<th>“Brand websites”</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>“Online video”</td>
</tr>
<tr>
<td></td>
<td>“Target adverts”</td>
</tr>
<tr>
<td>“Mobile”</td>
<td>“Target adverts”</td>
</tr>
<tr>
<td></td>
<td>“Specific apps”</td>
</tr>
<tr>
<td>“Social Media”</td>
<td>“Twitter”</td>
</tr>
<tr>
<td></td>
<td>“Facebook”</td>
</tr>
<tr>
<td></td>
<td>“YouTube”</td>
</tr>
<tr>
<td></td>
<td>“Blogs”</td>
</tr>
</tbody>
</table>

Source: Rosenbaum-Elliott, Percy and Pervan (2011: 132)

\(^4\) The location closeness to purchase the desired goods is the crucial feature for the convenience goods, for example, “Tobacco products” (Copeland 1923:282)

\(^5\) “Price, quality, style” are the main indicators for the consumer to consumer the shopping goods for example, “women’s gloves” (Copeland 1923:283)

\(^6\) They have special characteristics to attract the consumers who thinks that price is not as important as the value of the goods, for example, “mens shoes” (Copeland 1923:284)

\(^7\) This is possible by understanding the consumers and “positioning the brand” on their minds (Rosenbaum-Elliott, Percy and Pervan 2011:111)

\(^8\) This is the perception of the target consumers main ideas and manner towards a brand (Rosenbaum-Elliott Percy and Pervan 2011:111)
According to Banham (2013), “Culture, demography, behaviour factors” are the main indicators for luxury brands which should be taken into consideration in their marketing strategies for a specific region (Banham 2013). It is important to mention that luxury brands are selling their products to the target consumers who are searching for a prestige and a value. Compatibility of the key features of the products and their financial value and the addressing people are the supporters for being compatible with the consumers tastes (Garfein 1989:18-19). When it comes to investigate local companies for example, Japanese companies put emphasis on according to Ignatova in Haghirian and Gagnon(2011) to the “brand positioning and celebrity endorsement” for luxury brands to implement their marketing strategies in Japan(Ignatova in Haghirian and Gagnon 2011:175). Moreover, luxury brands has to understand the changing and modifying need of the consumers. The main indicators that will shape the success factor of luxury brands in Japanese luxury market are: understanding the psychology behind the Japanese consumer’s behaviour, shopping concept importance, keeping pace with the retailing, digital marketing and social media importance (Bollen and Salsberg 2013-online).

On the other hand, South Korean consumer’s needs and desires for luxury brands are changing and the more luxury brands conform to the behavior of the consumer, the more they will be successful in this market. The requests of the South Korean’s, towards luxury brands, according to Kim and Shin (2011-online) are, “innovation, clear brands message, behaving VIP nicely, clear identity of the brand and establishing multiple channels” are the main prominent ones (Kim and Shin 2011-online). Japan and South Korea’s luxury lover consumers are managing the luxury brand’s marketing strategies because if the brands don’t adapt what consumers want then the consumers will not purchase the brands and as a result they have to leave the market. In 2012, jewelery and the shoes categories compared to the other categories were rather low. Women’s apparel was the second important category which brings revenue to the luxury market. On the other hand, Japan’s luxury goods market’s revenue was approximately half of all of the Asian revenue which was a real success in Japanese luxury market.

In order to investigate business categories for luxury market and the luxury market revenues provide us to have a global perspective. Both of the tables below are providing which market revenues of the business category of luxury brands are in high demand compared to the other ones and also globally which luxury market has a bigger market share and therefore success numbers. Globally leather goods are in high demand compared to other business categories and according to the market’s performances the performances, of Japan is approximately the half of the total Asian market (Bain & Company 2012).
Table 3: Categories of Luxury Goods Market Revenues and Growth Forecast

<table>
<thead>
<tr>
<th>Key Figures Category 2012 (est)</th>
<th>Revenues</th>
<th>Growth Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leather goods</td>
<td>€ 33 bn</td>
<td>16%</td>
</tr>
<tr>
<td>Shoes</td>
<td>€ 12 bn</td>
<td>13%</td>
</tr>
<tr>
<td>Men’s apperal</td>
<td>€ 26 bn</td>
<td>10%</td>
</tr>
<tr>
<td>Women’s apperal</td>
<td>€ 27 bn</td>
<td>9%</td>
</tr>
<tr>
<td>Fragrances</td>
<td>€ 20 bn</td>
<td>4%</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>€ 23 bn</td>
<td>5%</td>
</tr>
<tr>
<td>Jewelery</td>
<td>€ 11 bn</td>
<td>13%</td>
</tr>
<tr>
<td>Watches</td>
<td>€ 35 bn</td>
<td>14%</td>
</tr>
<tr>
<td>Total</td>
<td>€ 212 bn</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: Bain & Company (2012)

Table 4: Global Luxury Goods Market Revenues and Growth Forecast

<table>
<thead>
<tr>
<th>Market</th>
<th>Revenues</th>
<th>Growth forecast 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>75</td>
<td>5%</td>
</tr>
<tr>
<td>Americas</td>
<td>65</td>
<td>13%</td>
</tr>
<tr>
<td>Japan</td>
<td>20</td>
<td>8%</td>
</tr>
<tr>
<td>Rest of Asia</td>
<td>42</td>
<td>18%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>10</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Bain & Company (2012)

Due to Japanese consumer’s love to consume luxury brands, they are open and curious about the luxury brand’s marketing strategies in Japan. Furthermore, when it comes to luxury consumer’s main characteristics in Japan according to Bollen and Salsberg (2013-online), “loyalty and understanding” are the main specialities of luxury consumers. (Bollen and Salsberg 2013-online). It is important to highlight that Louis Vuitton has been in Japanese market for 35 years (Chadha and Husband 2006:16). In Japan, Louis Vuitton spreaded its store numbers, be in collaboration with the Japanese artist and also cooperate with the
celebrities (Chadha and Husband 2006: 90-92). These are the key strategies of Louis Vuitton luxury brand marketing to attract their target consumers. Also one of my Japanese interviewees (please see Akemi Oki (Jeon) interview) mentioned that she finds Japanese symbol resemblance in LV’s brand symbols, therefore this brand has a special meaning to her. In order to effectively manage its luxury marketing strategies in Japan emphasizing the three of the marketing mix ranging as, product, promotion and place categories. According to Chadha and Husband (2006), “retailing and promotion” are the two criterias which leads Louis Vuitton Japan in to success in its market (Chadha and Husband 2006:96). For example, the latest celebrity they have collaborated with in Japan LV is “Hatsune Miku who is a Japanese pop star” (Foley 2013). Keeping in mind that South Koreans don’t want to loose face in their environments and they have a peer pressure on them in their social lives and this encourages them to purchase luxury brands in order to have a stable place in society. The luxury brands has to be aware of the fact that these main points and the demographic features of the society has to shape the marketing strategies in this markets (Park, Rabolt and Jeon 2008:256). South Koreans as a nation has Confucianist roots and this highly affects how they perceive and build a relation with the luxury brands (Jin and Koh 1999:118). Louis Vuitton has been in South Korean market for approximately 29 years (Blog at Word press 2013). South Korea has chosen its strategic place carefully in order to reach its consumers. Therefore, in 2011 the “incheon airport outlet” in Seoul had been opened (Luxurydaily 2012b). The important point for the luxury marketing strategy of South Korea is mostly place and promotion.

Louis vuitton has chosen the most busy and live place as a shopping mall in Seoul. In this regard, the main target is not just to attract the South Korean consumers but also the passengers who are travelling. Furthermore, South Korean consumers prefers to be in touch with the brands that they are consuming. For that reason, LV has chosen celebrities to be in contact with them for example, there was an event in Tokyo and “Kim Tae-Hee” presented South Korea as an actress (Fashionista 101 2013).The luxury marketing strategy of Japan put more emphasis on the digital marketing and consumer satisfaction because of the growing demand from the consumers and for South Korea consumer satisfaction plays a crucial role for them to consume luxury brands. The common point is that the effective marketing strategies that has to be developed and specially tailored for both of the Asian countries since the consumers need and demand more care from the luxury brands and better service quality. Moreover, the marketing strategy of the global brands affecting the same special target groups who are luxury lovers all around the world is the same or similar. Because the consumer’s common interest is to consume luxury and therefore they are interested in materialistic lives. In this sense, luxury market is a global market surrounded by the same minded consumers. Therefore, the luxury marketing strategies all around the world shares the same characteristics of marketing communication and the advertisements ranging as emphasizing beauty, quality, style (Solomon, Bamossy, Askegaard and Hogg 2013:43).

For that reason, the main target consumer group of Gucci is young consumers and their product “fabrics and design” plays a crucial role (Jackson and Haid 2002:164). In this regard, Gucci is focusing on the product feature of the marketing. Moreover, Gucci is selecting potentially growing markets to open its retail stores and therefore place plays an important role for Gucci to implement its business in the market. (Jackson and Haid 2002:164). The price of the luxury products are high. This is a strategy of luxury brand marketing. Luxury brands are selling high quality and rare products, therefore, these features encourages consumers to consume it. Because at the end of the day, they feel unique who can afford it (Garfein 1989:18). Gucci has been in Japanese market for 41 years (Chadha and Husband 2006:16). According to Pricewaterhouse Coopers Accountants N.V. (2004), “advertising,
fashion shows, public relations, events” are the main areas that Gucci invested for its business globally (Pricewaterhouse Coopers Accountants N.V. 2004:26). It plays a crucial role for Gucci to strengthen and keep its long lasting success in its communication with its public through the activities mentioned above. Gucci South Korea luxury marketing strategy is mainly based on to satisfy the consumers, whereas, South Korean luxury brand consumers cares about the signs of the luxury brand. Because their status in their social environment will be completed by them (Park, Rabolt and Jeon 2008:256). Analyzing the target market’s main likes and dislikes of consumers for luxury brand perception is a useful tool for global luxury brands marketing planning (Koubaa 2008:151). Moreover, choosing a place to display its products plays a crucial role for Gucci in South Korea, therefore, “Cheongdam avenue” is the popular place for investing for retailing (Luxurydaily 2012b). The celebrity they use in Korea Gucci for the latest bag advertisement is “Lee Youn Ae” (Couch Kimchi 2013).

To sum up, the luxury marketing strategy of LV and Gucci don’t differ in one part or the other part and as a result they are putting an effort to serve for a particular regional tastes, for example in Asia for the support of promoting their products, they cooperate with celebrities. Foreexample, the celebrities they are in cooperation with serves as the regional taste of the consumers. Gucci and Louis Vuitton are the important luxury brand leaders which manages the luxury sector and their success depends on their strategies to preserve their image infront of their consumers. Promotion of the marketing mix is the most dominant factor which gives the chance to the brands to display their product and services in different and creative ways.

4. State of the art

“MBO” model first came in to use by “Peter Drucker” for the General Motors in 1943. Afterwards, during 1960’s MBO being active for many organizations (Nager and Allen 1984 7-8). In addition to this, PR-MBO mainly is about effectively managing the public relations objectives for companies. PR-MBO model is the key for companies to manage their core management focus activities effectively. Because, it has all the key steps for companies to check and provide them feedbacks for their companie’s success strategies. It is a real management model for public relations of organizations because at the end the results are measurable. Our research is mainly based on this advantage and the clarity of the PR-MBO to the companies and the model has been chosen for that reason. This model mainly highlights the management of the crucial factors for a company. The main objective of the research is to find out the similarities and differences of two European luxury brands which are Louis Vuitton and Gucci’s public relations management strategies for Japan and South Korea.

On the otherhand, there are authors who researched about luxury consumption of young people and their reasons, their motivation to luxury consumption, their cultural social background that affects to the luxury consumption. See for example, (Lukkarinen and Wei 2012), (Kim 2011), (Moya 2012). In addition to this, there were research about Japan and China’s luxury market and consumer consumption of luxury or culture effect on luxury consumption see forexample (Kogler 2006), (Qi 2008), (Zhou 2011), (Ling 2008). According to these informations, the author’s of the master thesis researched about consumers and their behaviors according to their cultures and also countries ranging as China and Japan and the cultural effects for the luxury brand consumption. But none of them researched about the strategies of public relations management for two European luxury brands, ranging as Louis
Vuitton and Gucci in South Korea and Japan and also combine these countries cultural roots with the consumer’s attitude toward luxury brands and further conducted a survey to provide a different edge not just to find out their main intentions for European luxury brands consumption but also their perception about the management strategies depending on their consumptions. Also, the application of PR-MBO model for the two European luxury brands hasn’t been compared before for these two East Asian countries.

The main intention of the research is to investigate and to contributed to the field area of management strategies for public relations where none of the authors have specialized. The main specialty of this master thesis research is to connect the limited informations that is available about the European luxury brand’s survival in Japan and South Korea’s luxury markets and attempt to reveal these two European luxury brand companies’ special and secret management tactics and strategies about public relations and marketing communications. To highlight the quality of this work, is a pure research about European luxury brands distinct speciality success and to compare even the global or the regional public relations and marketing communication management strategies work out in Japan and South Korea. The author’s main aim before starting to research for the master thesis topic is to investigate an area which is not really discovered before, so that a real research endeavour could be visible during this work.

5. Method

In this research 10 steps of “PR-MBO Management by Objectives” will be used as a methodology to investigate the research area. “PR-MBO” model is an effective model for organization to manage their organizations. It is an efficient model for organizations to analyse their PR-MBO steps. Furthermore, the model fits for the management level for companies’ main strategies.

5.1 PR-MBO Model Management by Objective

“Management by objectives defined as a total management system that focuses on results rather than activities for performance evaluation” (Nager and Allen 1984:10).

It is important to highlight PR basic steps to combine with the main ideology of “PR-MBO” model. Public relations is serving for management functions of companies aiming to improve the communication effectivity by building strong bridges between audiences (Stacks 2011:22). In addition to this, the results of the PR activites and the evaluation of the effectivity of the results are the insurance for public relations to measure effectivity for companies. (Stacks 2011:22). The implementation of “MBO model” for companies is emphasized as a pure cooperator for companies to effectively manage their crucial areas (Nager and Allen 1984:8). “MBO” combination with PR contributes PR’s main duties in companies by formulating step by step approach via following the key criterias of the “PR-MBO” model. (Nager and Allen 1984:11-17). Organization’s management by objective plan is an important process for public relations department to work effectively. That means, organizations have to explicitly specify their “goals and objectives” which is a crucial stage for public relations. (Cutlip and Center, 1978:46). The figure illustrates the relation between goals and the objectives.
According to public relations’ perspective, goals and objectives have to be in cooperation with each other. Because in companies the effectivity of public relations activities is clear by well organized goals and objectives and therefore this model affects the public relation’s activities’ effectivity results. When it comes to adopt the objectives for PR in companies, managing the objectives ensure what should be managed and according to the measured results how the effectivity of the objectives matches with the success of the company (Nager and Allen 1984:11-17). Public relations is in a position to help organizations to achieve better and effective communication with their public. According to Cutlip and Center (1978), in order for public relations to meet their plans, organization’s MBO has to be defined explicitly (Cutlip and Center 1978:46). According to the Nager and Allen (1984) the “C-R-E-A-T-E” ideology sustains the key steps importance in the “PR-MBO” model (Nager and Allen 1984:90).

---

9 In this text “the communication of “C-R-E-A-T-E process” refers to explaining the “PR-MBO” model in different words (Nager and Allen 1984:90)
In the 10 steps of “PR writing” the main points highlights one by one these main ideas:

1. “Client/ Employer Objective”:
   The main idea in client/employer objective is to understand and define the client / employer behaviour and objectives than act upon according to their needs, wants from the company

2. “Audience/publics and why?”
   In this stage, defined and desired audience / publics plays a crucial role for PR practitioners to focus on their main objectives because the more they understand their audience/ publics characteristics, demographics, then the communication will be more effective

3- “Audience characteristics”
   This step is to analyse the main characteristics of the audience/publics and connect
   them with the communication strategies of the company
4- “Audience/Objectives”
   After determining the desired audiences, the next stage is to clearly understand their
   objectives and expectations
5- “Media channels and why?”
   The effective communication between public and the companies is possible by
   understanding which medium or the combination of mediums they prefer and that will
   help to serve the target audiences and answer why question that highlight the relation
   between mediums and characteristic of the audiences
6- “Media/Channels objectives”
   The relation between PR and “mediagatekeepers” plays crucial role for a news to get
   published in media/channels.
7- “Source and Questions”
   This step is crucial to understand the companies’ images according to the sources and
   the related questions
8- “Communication strategies”
   The main goal is to apply the communication tactics to the public’s objectives which
   is the target of a company and adapt the strategies to the key consumer’s taste
9 - “The essence of message”
   What is the core idea is that, specifying a message of the company and implementing
   this message to the key public’s understanding and evaluating it
10- “Non-verbal support”
   Analysing the communication effectivity via unwritten tools (Nager and Allen
   1984:103-147).

---

10 According to (Nager and Allen 1984) Media gatekeepers; are the people who works for publicizing
the news to the media (Nager and Allen 1984:133).
6. Empirical Framework

6.1 Case 1

6.1.1 Case Company Overview

According to the Chairman Bernard Arnault’s message of LVMH, he highlights the quality of their products and their dedication to serve the luxury lovers with emphasizing the long term goals. (LVMH 2013 h). “Louis Vuitton Malletier”, which is the ambassador of luxury brands was founded in 1854. Louis Vuitton’s main activities started as a luggage retailer then LV differentiated its line of products with the collaboration of the creative artists. Now it has differentiated its leather products by “limited editions” (Forbes.com2008a). The main activities of Louis Vuitton consists of “trunks, leather goods, ready-to-wear, shoes, watches, jewelry, accessories, sunglasses, books”. Moreover, the main strength of the brand is to create an art of travel products with the support of the traditional craftsmanship.

What is special about Louis Vuitton other than the luxury brand companies is that, it provides products which are nourished with craftsmanship and innovation(LVMH 2013a). According to Bastien and Kapferer (2013) “Louis Vuitton is the most valuable luxury brand in the world” (Bastien and Kapferer 2013:33-34). For example, the newest progress which contributed to its art ideology was the relation with the “Japanese artist Yayoi Kusama” (LVMH 2012 a:7). Moreover, LV is trying every opportunity to be different from their competitors. According to Riot, Chamaret and Rigaud (2013), the distinction of the brand is that with the support of the creative director, finding promising talents such as “Murakami” and being in a cooperative manner to differentiate the products of Louis Vuitton from the other luxury brands (Riot, Chamaret and Rigaud 2013: 926).

We are pointing out a “brand” that means it is unique and different from the ordinary product for that reason the following pyramid brand highlights the types of brands.

Figure 14: The Pyramid Brand and Business Model in the Luxury Market

Source: Kapferer (2008:98)

According to the figure 14 above it is important to understand the difference between the categories. Because their outcomes are not the same thing in the luxury world. When it comes
to “griffe”, it mainly highlights the art ideology. It is not a product that is being produced every
day and not in a huge quantity but it is forming a unique “handmade art”, as an example ,
“Yves Laurent haute couture” is suitable. On the otherhand, Cartier is an example for their
distinct characteristics as a luxury brands and the production of the products are also made in
workshops. Moreover, the product in all the three categories except “the brand” category in
the pyramid, addressed to a certain group and the quantity of the goods produced are different
such as “YSL Cosmetics” (Kapferer 1997:80).

According to the Press releases of (LVMH 2013 e), “the revenues of 2012 and 2013 are
noted as, the organic revenues were 8% for 2012 and 6% for 2013 and the revenue amount
was €13.7 billion in the first half of 2013. Furthermore, especially for the fashion and leather
goods for the first half of 2013 it was 5%” (LVMH 2013 d). In addition to this, according to
Press releases of (LVMH 2013 f) “in 2012 the revenue was € 28.1 which was %19 higher
compared to 2011. Moreover for the fashion and leather goods in 2012 the organic revenue
was %7 and the operation increased %6” (LVMH 2013 f). According to the (LVMH 2013 b)
“The main five categories of the LVMH group are: Wines & Spirit, Fashion & Leather goods,
Perfume & Cosmetics, Watches & Jewelery, Selective Retailing”(LVMH 2013 b). Moreover,
the mission of the company and its values serve each other. The main important thing is to
emphasize and create elegance and creativity. According to (LVMH 2013 c) the main values
consists of:

* “Being creative and innovative”
* “Focusing on product excellence”
* “Encouraging the passion of our brand with passionate determination”
* “Act as entrepreneur”
* “Strive to be the best” (LVMH 2013 c)

**Figure 15: Louis Vuitton and the Diamond Model**

![Diagram](Source: Kapferer and Bastien (2012:307))

The real success beyond LV is about segmenting its unique products. According to the “Louis
Vuitton and the diamond model” figure 15 the importance of the products are displayed in a
diamond figure. This categorization approach about LV’s products not only segment its
unique products but also is an example of how a globally well known successful brand achieve its mission in the luxury market by dividing their product categories in to its parts.

**Figure 16: 2012 Revenue by Geographic Region of Delivery Breakdown of Revenue by Business Group**

![Revenue by Geographic Region of Delivery](image)

Source: LVMH (2012 e).

According to the figure 16 above, the potential contribution of the Asian consumers to the fashion leather goods category provided a different edge for the brand (LVMH 2012 a: 11). It is important to highlight that Asia as a geographic region has the potential to support the growth of the revenues of the brand. Moreover, Japan is a unique country other than Asia because Japan makes 3.107 M € revenue by itself except from Asia which makes 7,895 M € revenue (LVMH 2013d).

**Figure 17: Company Shares (by Global Brand Owner) Historic, Retail Value RSP, % breakdown- Asia Pacific-bags and luggage**

![Company Shares by Global Brand Owner](image)

Source: Euromonitor International (2013 e)
According to the figure 17 above, the company shares for the bags and luggage categories retail value is in an increasing trend according to the years between 2008-2012. This shows that there is still a demand potential for the products in this category despite the increase of prices on early basis. (Euromonitor International 2013 e)

**Figure 18: Louis Vuitton vs. Luxury Sector**

![Louis Vuitton vs. Luxury Sector](image)

Source: Interbrand (2013c)

According to the figure 18 above, it is important for Louis Vuitton to be in a growing trend approximately every year. On the other hand, its growing trend will help to realize its own particular position compared to the luxury sector (Interbrand 2013c)

**Table 5: H1 2013 Revenue by Business Group**

<table>
<thead>
<tr>
<th>In millions of euros</th>
<th>H1 2012</th>
<th>H1 2013</th>
<th>Reported growth</th>
<th>Organic growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wines &amp; Spirits</td>
<td>1,759</td>
<td>1,808</td>
<td>+3%</td>
<td>+5%</td>
</tr>
<tr>
<td>Fashion &amp; Leather Goods</td>
<td>4,656</td>
<td>4,711</td>
<td>+1%</td>
<td>+5%</td>
</tr>
<tr>
<td>Perfumes &amp; Cosmetics</td>
<td>1,727</td>
<td>1,804</td>
<td>+4%</td>
<td>+6%</td>
</tr>
<tr>
<td>Watches &amp; Jewelry</td>
<td>1,343</td>
<td>1,310</td>
<td>-3%</td>
<td>+1%</td>
</tr>
<tr>
<td>Selective retailing</td>
<td>3,590</td>
<td>4,215</td>
<td>+17%</td>
<td>+19%</td>
</tr>
<tr>
<td>Others and eliminations</td>
<td>(109)</td>
<td>(153)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total LVMH</strong></td>
<td>12,966</td>
<td>13,695</td>
<td>+6%</td>
<td>+8%</td>
</tr>
</tbody>
</table>

Source: LVMH (2013 e)

**Table 6: Revenue by Business Group**

<table>
<thead>
<tr>
<th>In millions of euros</th>
<th>2011</th>
<th>2012</th>
<th>Reported growth</th>
<th>Organic growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wines &amp; Spirits</td>
<td>3,524</td>
<td>4,137</td>
<td>+17%</td>
<td>+11%</td>
</tr>
<tr>
<td>Champagne &amp; Wines</td>
<td>1,782</td>
<td>1,980</td>
<td>+11%</td>
<td>+7%</td>
</tr>
<tr>
<td>Cognac &amp; Spirits</td>
<td>1,742</td>
<td>2,157</td>
<td>+24%</td>
<td>+15%</td>
</tr>
<tr>
<td>Fashion &amp; Leather Goods</td>
<td>8,712</td>
<td>9,926</td>
<td>+14%</td>
<td>+7%</td>
</tr>
<tr>
<td>Perfumes &amp; Cosmetics</td>
<td>3,198</td>
<td>3,613</td>
<td>-13%</td>
<td>-8%</td>
</tr>
<tr>
<td>Watches &amp; Jewelry</td>
<td>1,949</td>
<td>2,836</td>
<td>+46%</td>
<td>+6%</td>
</tr>
<tr>
<td>Selective Retailing</td>
<td>6,436</td>
<td>7,879</td>
<td>+22%</td>
<td>+14%</td>
</tr>
<tr>
<td>Others and eliminations</td>
<td>-157</td>
<td>-288</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total LVMH</strong></td>
<td>23,659</td>
<td>28,103</td>
<td>+19%</td>
<td>+9%</td>
</tr>
</tbody>
</table>

Source: LVMH (2013 g)
The revenue by business group growth percentages are different for 2011 and 2012 compared to H1 2012 and H1 2013 for LVMH group. Especially for “fashion leather goods” the 2011 and 2012 was more profitable compared to 2012 to 2013. What is common among the business categories is that the most revenue bringing group is “fashion and leather goods” LVMH (2013 e), LVMH (2013 g).

Louis Vuitton’s public relations

LV has chosen an unique path ranging as holding events to preserve its reputation and name when it comes to publicize its products (Proquest 2007). In those events LV not only have the advantage to host their “VIP consumers” but also publicize the products and therefore, collect an understanding and a positive energy from them. According to the Conference Call in 2012, “Bernard Arnaut” explained the “advertising strategies of Louis Vuitton as; stores, shop windows, press advertising, internet and TV” (Proquest 2013 b). Well defined advertisement strategies are the gateway for effective public relations. Because, with the advertisements of LV, public relations forms the stories behind the scenes. So to say, by building creative stories based on the advertised products, public relations builds a long lasting relations with the media. This is the reputation and well known brand LV’s main global PR strategy. Moreover, the most strong advertising of LV is to collaborate with celebrities worldwide (Blog at WordPress.com 2013).

Every luxury brands has a special category to catch the attention of the target consumer’s attention in order to contribute positively to its profitability level. According to the results of profitability of the company in 2009 which was %37 for leather goods and fashion collection, especially “speedy model” of the handbag category of Louis Vuitton had a high demand among consumers (Poral and Dopico 2011:13). Moreover, the success of the value creation of the leather goods category for LV is not by chance. “It is about the production people, sales staff and top management cooperation between themselves” (Bastien and Kapferer 2013:31-32). Louis Vuitton was also aware of the fact that there are fake products imitating their brand and especially for its different types of bag categories. According to the information available in Cognizant (2012), “being in collaboration with artists, corporate sponsorships, VIP events and public relations activities” are the main defenders of the brands from the fake ones (Cognizant 2012:6).

Louis Vuitton Japan’s public relations

Louis Vuitton PR in Japan is managing their activities to be in touch with their consumers and also collect goodwill and an understanding from target consumers. When it comes to appreciating the success of LV, it could be best defined as “Louis Vuitton boom” (Nagasawa 2008:42). According to the conference call in 2004 “Bernard Arnault” appreciated the demand from the Japanese to the LV and therefore the growing huge size of the market in Japan in his speech. Because of the continued demand of the consumers for LV in Japan, it can be assumed that global PR strategies are implemented successfully. Japan LV is following the global advertisings and news ranging as “Louis Vuitton Pass, L’invitation Au Voyage, Venice” and so on. Also, they are announcing the latest advertisements either in their LV Japanese websites or with the magazines to announce the latest product, news, collaborations. Moreover, the window installations and stores are displaying as in the other LVSs all around the world.
Louis Vuitton South Korea’s public relations

What is important in the ideology of the PR in South Korea is to consider the factor of relationships with the persons (Jo and Kim 2004:294). LVMH group is a well known French luxury brand group which has worldwide operations with reputation (Girod and Rugman 2005:351). Therefore, LV’s strategies also became global not only for the international PR strategies but also for the other business units. But, when it comes to implement some cultural difference in regions and countries, there are some differences. Worldwide brands are, also to some point, transforming their strategies for regional taste (Sung and Tinkham 2005:348). As mentioned before, store opening, shop windows played a crucial role for displaying the products of LV. The first store for South Korea was opened in “Incheon airport”. Its reputation was not just for the local place but also for the shop window of the stores (TR Business 2012), (Architonic 2013). “It is important to highlight here that Seoul in South Korea is the second largest luxury goods market before Shanghai and Hong Kong after Japan” (Cova and Kim in Hoffmann and Maniere 2013:146). After reviewing the brands that we have chosen, to analyse them, it is important to understand those brand’s ranking among the other luxury brands. According to Interbrand (2013a) the best luxury brands are:

Table 7: Best Luxury Brands

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand Name</th>
<th>Brand Value($)</th>
<th>Change in brand value</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>Louis Vuitton</td>
<td>24,893</td>
<td>6%</td>
</tr>
<tr>
<td>38</td>
<td>Gucci</td>
<td>10,151</td>
<td>7%</td>
</tr>
<tr>
<td>54</td>
<td>Hermes</td>
<td>7,616</td>
<td>23%</td>
</tr>
<tr>
<td>60</td>
<td>Cartier</td>
<td>6,897</td>
<td>26%</td>
</tr>
<tr>
<td>72</td>
<td>Prada</td>
<td>5,570</td>
<td>30%</td>
</tr>
<tr>
<td>75</td>
<td>Tiffany&amp;Co.</td>
<td>5,440</td>
<td>5%</td>
</tr>
<tr>
<td>77</td>
<td>Burberry</td>
<td>5,189</td>
<td>20%</td>
</tr>
</tbody>
</table>

Source: Interbrand (2013a)

6.1.2 Application of PR-MBO Model Management by Objective

Client Employer Objectives

Communications and public relations features in different cultures are in correlation with the individualism/collectivism characteristics of the related different cultures (Bardhan and Weaver 2011:118). Creating brand equity is the main reason for the purpose of the communication for LV. Because according to Aaker (1991), LV has been affording to increase the “brand loyalty, name awareness, perceived quality, brand associations” (Aaker 1991:16). Moreover, brand equity not only covers the satisfaction of the consumers from that

11 “The characteristics of luxury products consists of Price, quality, aesthetics, rarity, extraordinariness, symbolism” (Heine 2011: 58-63)
12 “Brand equity is a set of brand assets and liabilities linked to a brand’s name and symbol, that add or subtract from the value provided by a product or service to a firm and/or to that firm’s customer”(Aaker 1991:15)
13 According to Aaker (1991), brand loyalty is the “customer’s loyalty to a brand and this is in a close relation of that brand’s equity” Aaker (1991:39)
brand but also covers the shareholder’s value and profitable level of the company (Roll 2006:117).

According to the information available in the case study of Poral and Dopico (2011), when it comes to manage their communication management, celebrities and designer’s affects, these are the indispensible points for the brand. (Poral and Dopico 2011:19). This is to show that the best worldwide celebrities and designers are working for the LV and they had a clear communication with their environment. Moreover, the key players who are the celebrity endorsements, support LV’s not only the price but also the image preserving strategies (Bastien and Kapferer 2013:32). LV is a global luxury brand and when it launches its business for example in Japan, it searches for the key cooperators to highlight the brand image and also that it is an accessible brand. Therefore, to be in collaboration with Japanese artists such as “Seiji Osawa” is one way to show this ideology (Bastien and Kapferer 2013:33). The client-employer objective of the LVMH group which is the parent company of Louis Vuitton has been globally serving their customer’s needs, improving day by day their services with the effective communication services according to “Antonio Belloni”14 (LVMH 2012c:9). In this regard, being in a close relation with customers and serving their values assures to build a good will and a good image among public which is the main aim of public relations. Consequently, the public is also made aware of LVMH brands in order to maintain the brand loyalty and the brand awareness for a long term. When it comes to the “fashion and leather goods”, Louis Vuitton is the number one brand for LVMH (LVMH 2010:23).

The main objectives of the Louis Vuitton globally is to provide a communication between customers who are interested in luxury. This communication is not just to make the public aware of the brand name but to form a long lasting relations and ensure goodwill. So to say the key words for the global strategy is “sophistication and exclusivity” (LVMH 2010:25). The public worldwide should be made aware of the fact that, they are not only consuming a brand name (LV) but its products especially bags and luggage special features (Kapferer and Bastien 2012:298). Furthermore, according to LVMH (2010), “retail networking, production capacities and the communications” are the globally three key focus areas of Louis Vuitton (LVMH 2010:27). Louis Vuitton Japan has 58 stores active in Japan. (Louis Vuitton 2013 n). Louis vuitton production capacities are working differently compared to past in order to serve their consumers better. Louis Vuitton is in collaboration with Toyota corp. to work effectively and adapted their strategies (Passariello 2006). This helped Louis Vuitton to produce more products and work efficiently.

According to the “sales conference that was held for LVMH group for Q3 2013”, the question from “Deutsche Bank research” was to understand the reasons of decreasing consumption of clients in Japanese market. The answer from “Jean-Jacques Guiony”15 was to highlight the price issues for LV in Japanese market (Proquest 2013 a). Japan LV employer objectives are different from the other regions all around the world and the one distinguishable factor is the price of the products. In this communication environment, the main idea is to underline Japan market is distinct when it comes to client employer objectives.

---

14 “Antonio Belloni is the group managing director of the LVMH Executive committee” (LVMH 2012 c: 11)
15 “Jean-Jacques Guiony is the LVMH Moet Hennessy Louis Vuitton S.A.,CFO” (Proquest 2013 a)
Table 8: LVMH Group Retail Stores Network

<table>
<thead>
<tr>
<th>Retail stores network by geographic region</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Rest of Asia</td>
<td>518</td>
</tr>
<tr>
<td>Japan</td>
<td>303</td>
</tr>
</tbody>
</table>


Client / employer objectives of Japan

Japanese communication system is based on “high tech context” which means that information sharing based on “implicitly, indirectly”, on the otherhand in United States information sharing based on “explicit values” (Cooper-Chen and Tanaka 2007:103). The understanding of Public relations in Japanese society evolved over time. First, public relations was understood according to William, Tomoko and Dirk (2002), as the “government publicity campaign” and afterwards it has changed to “marketing communication” (William, Tomoko and Dirk, 2002:270). In order to effectively implement their public relations strategies on their target market, luxury brands have to understand them and finally form a communication with each other. In this regard, according to Gupta (2008) “there must be a two way interchange of feelings, expressions and motives to build a communication” (Gupta 2008:4). LV’s main communication purpose according to the advertisements is to increase brand equity, brand loyalty, value of its brand and brand awareness.17 Because LV is the strongest brand in the luxury market industry and it plays a crucial role to strengthen its core focuses to continue its position in its market. Moreover, according to (Euromonitor International 2013 f), Louis Vuitton, Gucci and Tiffany are the leading brands in terms of sales in Japan and China’s markets (Euromonitor International 2013 f). The figure 19 below shows the Louis Vuitton’s brand real success is in accessories part for the Japanese market (Euromonitor International 2013 h). On the otherhand, “Louis Vuitton opened its first store in Japan in 1978” (Chadha and Husband 2006:16).

LV is an old player in the Japanese market according to the information. Furthermore, Louis Vuitton Japan’s main client employer objective was different compared to the other location’s strategies of Louis Vuitton. According to Skov and Moeran (1995), “brand name, corporate identity and soft sell” are the key focus for the advertising campaigns of Louis Vuitton Japan to attract its main young consumers (Skov and Moeran 1995:68). When it comes to managing the “prices and distribution channels”, the inspiration from “Kyojira Hata” is affecting LV’s worldwide management decisions (Nagasawa 2008:49). European luxury brands are willing to emerge into Japanese luxury market. When it comes to highlighting luxury mass market, Japan is in the number one place (Nguyen 2013:6). Moreover, according to Kapferer (2012), “when it comes to consuming luxury, Japan has been the shining star of luxury since 1980” (Kapferer 2012:459). Furthermore, “Omotesando district” location plays a critical role for LV because, it has the reputation of being the number one store of LV which

---

16 The years of the retail stores network of LVMH group is mainly based on 2013 first half financial report and 2010-2011-2012 full year results
17 According to Aaker(1991), brand awareness is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category” (Aaker 1991:61).
is located in Japan (Proquest 2003:168). The employers' objectives of LV Japan want their consumers to be aware of the fact that, all these interior design, the beauty of LV products emphasizing that they trust their consumers therefore, they are investing on LV Japan’s retailing. Furthermore, the employer of LV serves and treats their consumers effectively so that, they provide “VIP services and bag bars” for their consumers (Proquest 2005:2). These services’ main aim is to give the message to the Japanese luxury consumers that we care about you and we are aware of the fact that you are valuable as a customer for LV Japan. This signals that Japan LV’s customer relations is working effectively to obtain and maintain brand loyalty and brand value among Japanese consumers.

It is important to state that Japan equals to “mass luxury market” (Ignatova in Haghirian and Gagnon 2011:163). This means that the luxury market industry has been growing day by day in Japan and the consumers are willing to purchase expensive goods from luxury brands. The client employer objective in Japan has to consider the fact that, “Louis Vuitton global sales are %38 from Japan and %50 from Japanese tourists and totally %88 of the revenue is provided from Japan” (Chadha and Husband 2006:2). These percentages are the real evidences that the Louis Vuitton Japan is managing their public relations and also other management functions effectively. Moreover, even though the prices of the LV products are high still Japan LV is serving their consumers where they can reach the LV in a specific location for example “Ginza shopping district”. Moreover, their product quality satisfy the consumers and also there are promotions with the collaboration of both the celebrities and Japanese artists in Japan. To sum up, Japan LV is managing not only their public relation activities to collect goodwill from their consumers but also its sales with the advertisements either on social media or in popular magazines and also with special marketing strategies.

Figure 19: Brand Shares by Global Brand Name- Historic Retail valueRSP-%, Breakdown Personal Accessories Japan

Source: Euromonitor International (2013 h)
Figure 20: Company brand shares (by Global Brand Owner) - Historic Retail Value RSP-% LVMH Moet Hennessy Louis vuitton SA Bags and Luggage Japan

Source: Euromonitor International (2013k)

Figure 21: Building Bridges Between Handbags and Luggage

Source: Euromonitor International (2013c)

Table 9: Bags and luggage brand shares Japan 2008-2011

<table>
<thead>
<tr>
<th>% retail value rsp</th>
<th>Company</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louis Vuitton</td>
<td>Louis Vuitton Japan KK</td>
<td>10.0</td>
<td>10.1</td>
<td>10.0</td>
<td>9.8</td>
</tr>
<tr>
<td>Coach</td>
<td>Coach Japan LLC</td>
<td>5.6</td>
<td>5.6</td>
<td>5.5</td>
<td>5.4</td>
</tr>
<tr>
<td>Christian Dior</td>
<td>Louis Vuitton Japan KK</td>
<td>2.0</td>
<td>2.0</td>
<td>2.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Marc Jacobs</td>
<td>Louis Vuitton Japan KK</td>
<td>1.8</td>
<td>1.9</td>
<td>2.0</td>
<td>1.9</td>
</tr>
</tbody>
</table>

Source: Euromonitor International (2012 d)

18 Author selected the top four brands from the original table, for more information please look: Table 8: Bags and luggage brand shares 2008-2011, http://www.portal.euromonitor.com/Portal/Pages/Analysis/AnalysisPage.aspx
Louis Vuitton Japan’s brand share for personal accessories between 2008-2012 time period had a slight decrease till 2012. Furthermore, the value of the bags and luggages of Louis Vuitton Japan compared to personal accessories retail value had less decrease in 2012. Moreover, Louis Vuitton is the number one luxury brand in bags and brand shares between 2008-2011 time period. (Euromonitor International 2013 h),(Euromonitor International 2013k) (Euromonitor International 2012 d). According to the handbags and luggage comparison in figure 21, of all the countries’ luggage and handbag trend with the exception Japan, either declined or didn’t catch one another. Handbag had an increasing trend and was in a better position than luggage category(Euromonitor International 2013c)

**Figure 22: Revenue by Geographic Region by Delivery**

![Image](image1)

Source: (LVMH 2013 i:2)

**Figure 23: Revenue by Geographic Region by Delivery**

![Image](image2)

Source: (LVMH 2012 b :2)

**Figure 24: Revenue by Business group 2012-2013**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wines and Spirits</td>
<td>1,808</td>
<td>4,137</td>
<td>1,759</td>
</tr>
<tr>
<td>Fashion and Leather Goods</td>
<td>4,711</td>
<td>9,926</td>
<td>4,656</td>
</tr>
<tr>
<td>Perfumes and Cosmetics</td>
<td>1,804</td>
<td>3,613</td>
<td>1,727</td>
</tr>
<tr>
<td>Watches and Jewelry</td>
<td>1,310</td>
<td>2,836</td>
<td>1,343</td>
</tr>
<tr>
<td>Selective Retailing</td>
<td>4,215</td>
<td>7,879</td>
<td>3,590</td>
</tr>
<tr>
<td>Total</td>
<td>13,695</td>
<td>28,103</td>
<td>12,946</td>
</tr>
</tbody>
</table>

Source: LVMH (2013 i:2)
When it comes to the financial highlights of LVMH group, according to the figures 22 and 23 about the revenues of the geographic regions, Asia increased its revenues from 28 to 31 percent and Japan decreased from 8 to 7 percent (LVMH 2013:2), (LVMH 2012b:2). The revenue by business group of LVMH figure 24 shows that for the fashion and leather goods in June 30, 2012 till 31 Dec, 2012 there was an increase but suddenly from Dec 31, 2012 till June 30, 2013 period a dramatic decline occurred and the revenue of the category was 4,711 millions € (LVMH 2013:2). On the other hand, in figure 25 covering the 2010-2011-2012 periods for the fashion and leather goods was in an increasing trend in their revenues. Furthermore, this positive increasing trend shows that fashion & leather goods category also increased its operations, operations and investments between 2010-2012 time period (LVMH 2012b:2).

**Client/employer objectives of South Korea:**

According to the LVMH (2013a) LV’s main objective is to be always the main dominant player in the luxury fashion industry with its unique craftsmanship (LVMH 2013a). The main values of the company is to serve and therefore understand its public to build a strong brand for its desired consumers. To this extend, building the brand equity, brand loyalty, value of its brand and brand awareness will directly affect the LV’s profitability and its maintainability in the luxury market. The understanding of the young generation from communication is different from the traditional understanding of communication in the general perspective South Korea. That means, long term based and explicit communication style is the basic understanding of younger generation (Sriramesh, and Vercic 2009:140).

South Korea is like Japan following the global strategies of Louis Vuitton. To start with the retail networking, in South Korea exists approximately 29 stores (Louis Vuitton 2013o). As a client employer objectives they are expanding their retailing to be in a close relation with their target South Korean consumers. Moreover, in order to collect good will from their target consumers, according to Passariello (2006), Louis Vuitton has been in collaboration with “celebrities, fashion designer and fashion shows” (Passariello, C. 2006). South Korea managers are also following the globally accepted Louis Vuitton’s high price strategy, strategic location for consumers to shop, special promotions either events or specially treatments for their VIP consumers, high quality long lasting products. South Korea LV is treating their consumers according to the consumers objectives such as excellent service.
Figure 26: Brand shares by global brand name- historic retail value RSP-%, breakdown personal accessories South Korea

Source: Euromonitor International (2013)

Figure 27: Company brand shares(by Global Brand Owner)-Historic Retail Value RSP-% Breakdown- LVMH Moet Hennessy Louis Vuitton SA-


Table 10: Bags and luggage brand shares South Korea 2008-2011

<table>
<thead>
<tr>
<th>% retail value rsp</th>
<th>Company</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCM</td>
<td>Sungjoo Group</td>
<td>6.8</td>
<td>7.3</td>
<td>7.5</td>
<td>7.8</td>
</tr>
<tr>
<td>Louis Vuitton</td>
<td>Louis Vuitton Korea Ltd</td>
<td>5.8</td>
<td>6.2</td>
<td>6.4</td>
<td>6.5</td>
</tr>
<tr>
<td>Daks</td>
<td>LG Fashion Corp</td>
<td>5.7</td>
<td>5.8</td>
<td>6.0</td>
<td>6.1</td>
</tr>
<tr>
<td>Samsonite</td>
<td>Samsonite Korea Ltd</td>
<td>2.6</td>
<td>2.7</td>
<td>4.2</td>
<td>5.8</td>
</tr>
</tbody>
</table>

Source: Euromonitor International (2012 e)

19 Author selected the top four brands from the original table, for more information please look: Table 8: Bags and luggage brand shares 2008-2011, http://www.portal.euromonitor.com/Portal/Pages/Search/SearchResultsList.aspx

~ 40 ~
Louis Vuitton South Korea’s brand share for personal accessories increased between 2008-2012. (Euromonitor International 2013i). Furthermore, the bags and luggage historic retail value growth between 2011-2012 is the highest and the same. (Euromonitor International 2013l). Moreover, MCM is the leading brand and Louis Vuitton is the second for the bags and luggage category between 2008-2012 time period (Euromonitor International 2012e).

**Audience / Publics and Why?**

The main target of the brand is to attract young women consumers. These young women consumers (20-35) have the potential to buy the brand products.” The age structure, dependency ratio, sex ratio, literacy level and also unemployment level” (see page 57-61) of Japan and South Korea plays a significant role to understand the key target group to reach.

**Japan’s audience / publics and why?**

In order to understand the audience clearly we have to examine the criterias as we have analysed before in the datas from (Central agency 2013b) and for the age structure, dependency ratio, sex ratio, literacy level and also unemployment level. There are 24,588,409 women living in Japan and %21.1 of them are dependent and for the 25-54 age group the sex ratio is 0.98 male/female, they have high literacy level which is 99%, moreover, the unemployment rate was 7.1% (see page 57-59). Luxury brands have to be aware of the fact that the consumers are like to use the technological benefits for their consumptions. According to the Mckinsey research (2013) “Japanese luxury lover consumers of %16 who are 30 years old, % 11 who are 40 years old and % 10 who are 20 years old are willing to use their smart phones and their tablet” (Salsberg, Yamakawa and Remy 2013- online). Moreover, the main ideology of luxury consumers in Japan is to act “savoir faire”20 which is to show that they spend money for the luxury brands not because they are expensive but because to show that they follow the trends of luxury industry and therefore according to the trends they purchase luxury (Degen 2009:21).

According to Nguyen (2013), Japanese consumers have a high demand on european luxuy brands for that reason, those brands have a strong effect in Japan (Nguyen 2013:6). Moreover, in Japan there is a segment for both genders called “parasite singles”21 and they are the important segment groups for luxury brands. (Japan Market Resource Network 2007:3) .The real luxury consumer segments who are “parasite and single and affluent women” are not going to be the only rising stars for the luxury brands because new trends of the luxury brands will reshape new types of consumer demands (Howards 2007). Furthermore, this group of women are the most comfortable segment of the Japan. According to the information available in Orenstein (2001), these women mostly prefer high quality and expensive clothing and live their lifes in a quality way and therefore, they are the biggest consumer segment of luxury brands in Japan (Orenstein 2001). According to White (2002), “Parasite singles” who

---

20 According to the merriam webster online dictionary (2013), “savoir faire is the ability to behave in a correct and confident way in different situations” (Merriam-Webster.com 2013a).

21 According to ( Nishi & Kan 2006), “parasite singles are the young people who are never married and living with their parents” Nishi & Kan (2006:1).
are the biggest consumer segment for luxury in Japan are not only interested in luxury expensive brands but also “clothes, beauty treatments” so to say all the necessities for the women. (White 2002:189). Moreover, there is another segment of publics in Japan who are interested in luxury goods and who can afford it and are called “Arafo” (Chang and Sproule 2013:7).

**South Korean’s audience/publics and “why?”**

The same criteria to understand the audience and whom to reach is as follows, there are 3,117,198 women living in South Korea and %20.4 of them are dependent and for the 25-54 age group, the sex ratio is 1.04 male/female, they have high literacy level which is 96.6%, moreover, the unemployment rate was 8.1% (see page 60-61). The characteristics, cultural background, demographic informations for luxury women consumers are the main distinction for the audiences to help the organizations to achieve their objectives. When it comes to shopping for the South Korean people, “price and value” are the two important characteristics that shapes their shopping experience (Jin and Sternquist 2004:16). Moreover, as all the countries women emphasize on different points when it comes to consumption communication. In this regard, according to Sternquist, Byun and Jin (2004), “word of mouth” is the best defined way which shapes South Korean’s consumption for luxury (Sternquist, Byun and Jin 2004:88). This feature of South Korean consumers is different from Japanese consumers, which is in order to save their face in their social environment preserving “word of mouth” is the popular way.

**Figure 28: The Spread of Luxury Model**

![Image of the spread of luxury model]

Source: Chadha and Husband (2006:43)

According to the spread of luxury model, Japan is in the position that luxury became their way of life which means is in the 5th stage. To this end, Japanese consumer’s consumption of luxury is in their core lives (Chadha and Husband 2006: 44).

---

22 According to (Chang and Sproule 2013), “Arafo women are in their mid 30’s- 40’s. (Chang and Sproule 2013:7)

23 This model helps readers to understand the real stages of Asian countries especially Japan and South Korea position in luxury
On the other hand, South Korea is on the fit in stage which means they use and consume luxury brands to show their status, wealth to the other people in their environment. Japan is in the fifth stage of “The spread of Luxury Model” which is named as a “a way of life”. (Chadha and Husband 2006: 46). Therefore, Japanese people have high expectations from luxury brands according to the characteristics above.

South Korean women are addicted to the luxury goods. According to Chadha and Husband, (2006), when South Korea was analyzed for the luxury consumption, women in South Korea are willing to consume Gucci, Buberry, Hermes and so on when it comes to luxury brand consumption(Chadha and Husband 2006:178). Moreover, South Korean women loves to consume Louis Vuitton products so that according to (Chadha and Husband 2006) “%50 of them purchase LV bags” (Chadha and Husband 2006:17). According to Luxe brand advisors (2012), the consumer segments in South Korean luxury market ranging as, “gold miss” , “gold moms”, “VVIP” are the main categories (Luxe brand advisors 2012:16). Furthermore, according to (Salsberg and Shin 2010-online), “a love of luxury and peer pressure” are the two factors which shapes the South Korean luxury consumption (Salsberg and Shin 2010-online). Gold Misses segment of females in South Korea are the latest popular group who has permanently dedicated their lives to quality living and earning approximately “$93,000” (Luxurydaily 2012b). According to Chang and Sproule (2013) these women surrounded every aspects of their lives with “culture, beauty, fashion” (Chang and Sproule 2013:3). On the otherhand, a group called “doenjang girls” are the other younger luxury lovers in South Korea. According to Chang and Sproule (2013) these women are willing to consume luxury brands as gold miss but don’t have the same financial power as gold misses (Chang and Sproule 2013:4). Luxury consumers are open to the difference in the price levels of the luxury brands and put emphasis on their educations (Bastien and Kapferer 2013:31). These people are thinking about the real value that they will obtain from the brand and therefore consuming luxury brands.

---

24 According to the information available in Luxe brand advisors (2012), gold miss women are single, affluent, professional successful women in her 30’s”(Luxe brand advisors 2012:17)
25 According to the information available in Luxe brand advisors (2012), “gold moms are who get married later in life and have money to spend for themselves and for their childrens”(Luxe brand advisors 2012:18)
26 According to the information available in Luxe brand advisors (2012) VVIP(Very very important person) “consumers are the celebrities and public figures who can afford new products and services”(Luxe brand advisors 2012:19)
27 According to the information available in Chang and Sproule (2013), “Doenjang girls referred as who are interested in luxury but can not afford it”(Chang and Sproule 2013:4).
In order to understand the characteristics and the desired target group of Japan and South Korea’s audience/publics, analysing “Hofstede’s dimensions” are important. Hofstede’s dimensions of national culture is an important concept to analyze the different countries’ cultural “consumption” patterns because they are statistically approved. (Mooij and Hofstede, 2002:63). According to Hofstede (1984), he emphasized on his definition of culture especially for a person’s background variations forms the main stepstones of the culture itself (Hofstede 1984:21). “Hofstede’s four dimensions of cultural variability were defined ranging as, power distance, uncertainty avoidance, individualism / collectivism, and masculinity / femininity” (Cooper-Chen and Tanaka 2007:95)

Power distance is about shaping the dominant characteristics for the status of the society's own understandings (Hofstede 2001:79). Moreover, because there are different criterias to form status which equals to power in countries, there are also opposite opinions about this norm. (The Hofstede Centre 2013b). Furthermore, uncertainty avoidance is the elimination of the situations which will lead one to no where in the future. (Hofstede 2001:145). When this ideology of eliminating the unknown events about the future combine with the nation’s attitudes, then their action’s messages highlight their strictness about their uncertainty. (The Hofstede Centre 2013a). Moreover, individualism’s main step stones consist only of caring their own benefits instead of others unlike the collectivism (Hofstede 2001:209). Being not dependent on a group or acting all by itself is also a different explantion of individualism (The Hofstede Centre 2013a). Masculinity/feminity characteristic which are the opposite dimensions for a culture is about the characteristics of the sexes in a society and their unique characteristics affects in real life situations (Hofstede 2001: 279). Finally, the last dimension is, long term versus short term orientation which is about setting goals either in relationship with short or long term ideology (The Hofstede Centre 2013a). According to the Hofstede Centre (2013a), masculine and feminine characteristics forms the expectations and therefore their behaviours (Hofstede Centre 2013a). Moreover, these terms could be found in different modern societies and therefore in different cultures as people’s natures (Hofstede 2001:284)

**Audience Characteristics and Objectives**

After understanding the key characteristics of Hofstede (2001) cultural dimensions, it plays a crucial role to apply these characteristics to the Japanese and South Korean cultures and provide a matrix about the results.

According to Hofstede (2001), Japanese position according to this research among 53 countries defined as independent from other countries (Hofstede 2001:62). What South Korea and Japan share as a common feature from their culture is being dependend on confucius ideologies (Hofstede 2001: 79,114). Moreover, according to Jandt (2013), “Hong Kong, Taiwan, Japan, South Korea and Singapore” are the key countries which all together share confucius characteristics ( Jandt 2013:188). In addition to this, according to the power distance index from Hofstede (2001), South Korea scored 60 and Japan was 54 (Hofstede

---

28 “Professor Geert Hofstede who had conducted Hofstede dimensions of national culture studies and the scores collected by IBM between 1967-1973 with more than 70 countries including first 40 largest then 50 countries and 3 regions” (The Hofstede Centre 2013c)

30 “The fifth dimension was added by Micheal Bond in 1991 and this research and a survey in cooperation with Chinese employees and managers were based on Confucian dynamism which applied to 23 countries” (The Hofstede Centre 2013c)
South Korea, in this characteristics of culture, is more dominant than Japan (Cooper-Chen and Tanaka 2007:105). Japan compared to South Korea is not hierarchical because, in Japanese work environment, there is no strict rule about the decisions and also Japan is a “meritocratic society”\(^3\) (The Hofstede Center 2013a). On the otherhand compared to Japan, in South Korea’s society there has to be not only an authority but also a dominant figure(The Hofstede Center 2013 b).

For the uncertainty avoidance, according to the uncertainty index from Hofstede (2001), South Korea had 85 and Japan’s score was 92 (Hofstede 2001:151). In this regard, Japan is acting as a cooperator and obeyer to the rules, when it comes to eliminate the possibility of uncertainty. (Cooper-Chen and Tanaka 2007:106). Moreover, Japan’s uncertainty avoidance was high compared to South Korea’s and one reason is that, Japan had external disasters such as “tsunami, earthquakes” and so on. These external situations affected Japanese society and encouraged them to plan their future (The Hofstede Center 2013a). In addition to this, South Korea is also like Japan in avoiding from uncertainty for the future. Because, as a society they are conscious about the rules and how to avoid uncertainties for the future by working hard and decrease the probability of being unsuccessful. (The Hofstede Center 2013b).

Individualism / collectivism characteristic according to the uncertainty index from (Hofstede 2001), South Korea’s score was 18 and Japan’s was 46 (Hofstede, G. 2001: 215). According to the (Hofstede 2001), being individualistic or collectivistic society not only affects their communication style but also separates them. In this regard, according to Hofstede (2001), when it comes to collectivistic or individualistic of a society, then the cultural communication structure varies(Hofstede 2001:212). According to (Sriramesh and Vercic 2009) high content characteristics are dominant in Japanese communication (Sriramesh and Vercic 2009:131). Moreover, Japanese collectivistic society comprised of, “wa (oneness and harmony), amae (a trustful dependence) enyro(restrained conformity)” (Cooper-Chen and Tanaka 2007:104). The main notion to specify whether Japanese society is individualistic or collectivistic differs. The main ideology is to analyse the country either in Western ideology which is “collectivistic” or Asian ideology which is “individualistic” (The Hofstede Center 2013a).

In addition to this, in the Japanese society eventhough they are individualistic society their characteristic of “losing face” is the evaded situation for individuals and for that reason individuals tend to act as a group instead of emphasizing their individual decisions(The Hofstede Centre 2013a). When it comes to South Korea they are different from Japanese culture and put more weight on family and group activities.(The Hofstede Center 2013b).

Masculinity/feminity characteristic according to the masculinity index from (Hofstede 2001), South Korea’s score was 39 and Japan’s was 95 (Hofstede 2001: 286). These scores shows that, Japan’s expectations compared to South Korea differs, especially not only the expectation in their lives but also the social points consideration (The Hofstede Centre 2013a). Moreover, in feminine cultures the main emphasis is on quality of living and being in contact with other people shapes the culture (The Hofstede Centre 2013b).Long term versus short term orientation characteristic; according to the long term orientation index, South Korea’s score was 75 and Japan’s was 80 (Hofstede 2001: 356). In this regard, South Korea is a long term oriented country whereas the main characteristics can be seen in the working environments where the authorities in corporations are willing to conduct long term relations (The Hofstede Centre 2013b). On the otherhand, Japanese society is on the same ideology for the long term orientation of the country and they tend to build long term relationships in the

\(^3\) Meritocratic society: “organizations mainly look for qualifications and will disregard gender, class, background, race, religion and other characteristics about the career patterns” (Alvesson and Billing 2009:167)
working environment in order to save and continue their future success (The Hofstede Centre 2013a). Moreover, East Asian countries\(^{32}\) are induced to long term plans and especially this dimension of characteristics is revealed in East Asia as to expect better in their lives and in order to obtain this, working hard is the main ideology (Mooij and Hofstede 2002:64).

Table 11: Hofstede Cultural Dimensions

<table>
<thead>
<tr>
<th></th>
<th>Power Distance (PDI)</th>
<th>Uncertainty Avoidance (UAI)</th>
<th>Masculinity/Feminity (MAS)</th>
<th>Individualism/Collectivism (IDV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>54</td>
<td>92</td>
<td>95</td>
<td>46</td>
</tr>
<tr>
<td>South Korea</td>
<td>60</td>
<td>85</td>
<td>39</td>
<td>18</td>
</tr>
</tbody>
</table>


As we have discussed before in the Hofstede’s cultural dimensions, Japan and South Korea have collectivistic culture. The characteristics of the collectivism have an important effect in the dependency of the society. Consequently, according to Hawkins and Mothersbaugh (2013), this will affect their perception on “foreign products, advertisement and on Internet” (Hawkins and Mothersbaugh 2013:44). In individualistic societies, purchasing an expensive luxury goods is to display their wealth among others but for collectivistic cultures, the same ideology is not dominant and it is merely to show that they belong to groups (Sun, Horn and Merritt 2004:325). We would like to focus on younger generation of the Japan because according to Goy-Yamammoto (2004), young people are shaping the trends and following the luxury brands (Goy-Yamammoto 2004:272). There was a cliche in collectivistic and individualistic cultures and according to Mooij and Hofstede (2002), “Collectivistic cultures like to consume national or global brands\(^{33}\) compared to private label brands\(^{34}\) unlike the individualistic cultures” (Mooij and Hofstede 2002:65). Asian people love to show their status to their environment. According to Chadha and Husband (2006), luxury brands are the connectors for Asian people and to conduct a marketing with the luxury brand is to emphasize on their status (Chadha and Husband 2006:58). Our main research is about luxury brands, it is crucial to distinguish generally who loves luxury, in other words, to whom we have to address to. According to (Okonkwo 2007), men and children prefers to consume luxury products but not as much as women consumers (Okonkwo 2007:65).

South Korea’s audience characteristics and objectives

Public relations department of a company has to decide, before planning their operation, how to reach the desired target consumers of luxury brands, taking into consideration of the public whom they have to address to. In this respect, for South Korea, according to (Salsberg, and Shin, 2010-online), especially in South Korean culture, people have a tendency to consume luxury and they are proud of consuming it. (Salsberg and Shin 2010- online). Moreover, according to the South Korean understanding, their consumption is influenced by “Carpe

\(^{32}\) “East Asian countries includes: The Peoples Republic of China, HongKong, Taiwan, Singapore, Japan and Korea” (Holcombe 2011:3)

\(^{33}\) “A global brand is one that is available in most countriesin theworld and shares the same strategic principles, positioning and marketing in every market through the world” (Mooij 2010:29).

\(^{34}\) “Private label defined as brands that are owned, controlled, merchandised, advertised, priced and sold by the retailer in their own store” (Ray, 2010:102)
“diem”, to live the moment freely and in a joyful manner (Cova and Kim in Hoffmann and Maniere 2013:150).

**Japan’s audience characteristics and objectives**

25-30 years old young women consumers in Japan who are willing to purchase bag and accessories are the biggest pie which is %75 in the luxury consumers category (Chadha and Husband 2006:86). We are analyzing a specific segment of consumers who are luxury brand consumers. Therefore, they have different perceptions and understanding about the luxury brands. It is important for luxury brands to be aware of the fact that being successful in their luxury industry is all about setting clear strategies. According to Danziger (2011), when it comes to formulate strategies especially a target group and to take their attention to a specific luxury brand, not only searching their psychology but also their behaviors are important (Danziger 2011:XIV). The target consumer groups for luxury brands are different not only in their characteristics but also in their perception of how they value their lives compared to the other consumers who are not willing to consume luxury. According to the Okonkwo (2007), thinking individually, putting more emphasis on values, considering their status are some of the examples of luxury consumers (Okonkwo 2007:66-67). Asian people’s understanding of consuming brands and therefore their behaviour according to their understanding is different. To this end according to the information available in Corsi (2011), “Asian women are interested in brands which will entertain and convince them” (Corsi 2011). It is important to understand the demographics of Japan in terms of their households, life styles, marriage and family views, patterns of satisfaction of society, growth of annual disposable income.

**Figure 30: Population by Marital Status 1980-2020’s**

![Population by Marital Status 1980-2020’s](image)

Source: Euromonitor International (2013:10)

---

35 Author is aware of the fact that these personalities can be changed according to different cultures.
Figure 31: Views on marriage and family: 14th Survey(2010)

![Figure 31: Views on marriage and family](image)

Note: The figures are for never-married persons aged 18-34. The number of cases is 3,667 for men and 3,406 for women. Item (11) is a newly added one in the 14th Survey. The figures for wives shown above as reference are obtained from wives under 35 years old of first-marriage couples (1,776 cases) in the corresponding survey on married couples.


Figure 32: Actual conditions of life style of never married, by intention of getting married: 14 survey (2010)

![Figure 32: Actual conditions of life style of never married](image)

Source: National Institute of Population and Social security Research (2011:22)
Figure 33: Patterns of domain satisfaction by society\textsuperscript{36}

<table>
<thead>
<tr>
<th>Specific domains</th>
<th>Most satisfied</th>
<th>Least satisfied</th>
<th>Number of domains</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>Marriage</td>
<td>Job</td>
<td>11.5</td>
</tr>
<tr>
<td>Bhutan</td>
<td>Friendships/Marriage</td>
<td>Democratic system</td>
<td>13.6</td>
</tr>
<tr>
<td>Brunei</td>
<td>Marriage</td>
<td>Job</td>
<td>13.5</td>
</tr>
<tr>
<td>Cambodia</td>
<td>Marriage</td>
<td>Condition of the environment</td>
<td>8.5</td>
</tr>
<tr>
<td>China</td>
<td>Marriage</td>
<td>Social welfare system</td>
<td>7.0</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>Marriage</td>
<td>Social welfare system</td>
<td>7.5</td>
</tr>
<tr>
<td>India</td>
<td>Marriage</td>
<td>Condition of the environment</td>
<td>12.0</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Spiritual life</td>
<td>Job</td>
<td>12.4</td>
</tr>
<tr>
<td>Japan</td>
<td>Friendships/Marriage</td>
<td>Social welfare system</td>
<td>10.1</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>Marriage</td>
<td>Condition of the environment</td>
<td>10.0</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>Marriage</td>
<td>Social welfare system</td>
<td>10.1</td>
</tr>
<tr>
<td>Laos</td>
<td>Marriage</td>
<td>Household income</td>
<td>10.1</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Marriage</td>
<td>Public safety</td>
<td>13.4</td>
</tr>
<tr>
<td>Maldives</td>
<td>Friendships</td>
<td>Condition of the environment</td>
<td>13.5</td>
</tr>
<tr>
<td>Mongolia</td>
<td>Marriage</td>
<td>Social welfare system</td>
<td>8.3</td>
</tr>
<tr>
<td>Myanmar</td>
<td>Marriage</td>
<td>Spiritual life</td>
<td>9.2</td>
</tr>
<tr>
<td>Nepal</td>
<td>Marriage</td>
<td>Social welfare system</td>
<td>11.1</td>
</tr>
<tr>
<td>Pakistan</td>
<td>Marriage</td>
<td>Social welfare system</td>
<td>9.4</td>
</tr>
<tr>
<td>Philippines</td>
<td>Marriage</td>
<td>Democratic system</td>
<td>12.9</td>
</tr>
<tr>
<td>Singapore</td>
<td>Marriage</td>
<td>Social welfare system</td>
<td>13.0</td>
</tr>
<tr>
<td>South Korea</td>
<td>Friendships</td>
<td>Social welfare system</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Source: Inoguchi and Fujii (2013:63)

The results of the figure 31 above is related with the understanding of the variations of family ideology in Japan whereas actually Japanese families are being shaped, according to Nishioka, Yamauchi, Koyama, Chitose, Kamano, Suga and Hoshi (2012) and are changing and this affects the birth rates and also the population (Nishioka, Yamauchi, Koyama, Chitose, Kamano, Suga, and Hoshi 2012:1). Moreover, in the figure 30 the population by marital status percentages shows that married and single persons in Japan are the predominate segment between 1980-2020. (Euromonitor International 2013: 10) In the figures 32 which is about the life styles, for women section, “pay special attention to clothing and personal belongings” category women thought that it is normal not to get married until the right person is found. Because they want to consume personal accessories and therefore, they feel strong and this feeling provides them an inner feeling to stand still for some time. (National Institute of Population and Social security Research 2011:22-23). According to the figure 33 of satisfaction by society, Japan and South Koreans are mostly satisfied with regard to friendship and the least satisfied in social welfare system. In this regard these both countries are interested in “friendship” and Japanese also put emphasis on “marriage” (Inoguchi and Fujii 2013:63).

\textsuperscript{36} The author consider Japan and South Korea’s domain and satisfaction by society, eventhough in the real text after South Korea there are “Sri Lanka, Taiwan, Tajikistan, Thailand, Turkmenistan, Uzbekistani, Vietnam” exist Inoguchi and Fujii (2013:63)
Table 12: Japan in 2030: The Future Demographic, Female Population by Five Year Age Group

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4</td>
<td>2,732</td>
<td>2,592</td>
<td></td>
<td>2,557</td>
<td>2,430</td>
<td>2,123</td>
<td>2,193</td>
<td>1,933</td>
</tr>
<tr>
<td>5-9</td>
<td>2,900</td>
<td>2,731</td>
<td></td>
<td>2,638</td>
<td>2,573</td>
<td>2,414</td>
<td>2,110</td>
<td>1,922</td>
</tr>
<tr>
<td>10-14</td>
<td>2,943</td>
<td>2,895</td>
<td></td>
<td>2,861</td>
<td>2,723</td>
<td>2,566</td>
<td>2,408</td>
<td>2,105</td>
</tr>
<tr>
<td>15-19</td>
<td>3,204</td>
<td>2,966</td>
<td></td>
<td>2,942</td>
<td>2,902</td>
<td>2,730</td>
<td>2,574</td>
<td>2,417</td>
</tr>
<tr>
<td>20-24</td>
<td>3,606</td>
<td>3,197</td>
<td></td>
<td>3,062</td>
<td>3,006</td>
<td>2,949</td>
<td>2,781</td>
<td>2,627</td>
</tr>
<tr>
<td>25-29</td>
<td>4,093</td>
<td>3,636</td>
<td></td>
<td>3,468</td>
<td>3,326</td>
<td>3,043</td>
<td>2,987</td>
<td>2,820</td>
</tr>
<tr>
<td>30-34</td>
<td>4,836</td>
<td>4,148</td>
<td></td>
<td>3,868</td>
<td>3,617</td>
<td>3,210</td>
<td>3,048</td>
<td>2,993</td>
</tr>
<tr>
<td>35-39</td>
<td>4,436</td>
<td>4,862</td>
<td></td>
<td>4,649</td>
<td>4,117</td>
<td>3,600</td>
<td>3,197</td>
<td>3,037</td>
</tr>
</tbody>
</table>

Source: Euromonitor International (2013 n:20)

Eventhough the age groups of the population was increasing with the age, according to the years female population especially for “20-24”, “25-29”, “30-34” and “35-39” age group is decreasing (Euromonitor International 2013n:20).

Figure 34: The Role of Disposable Income in Sales of Personal Accessories, Growth of Annual Disposable Income

Source: Euromonitor International (2013 d)

The demographic features of Japanese society is also changing. According to the informations in (Makita 2010), especially for Japanese society positive change in their life expectancy and decrease in the fertility rate are the two characteristics to understand its demographics. (Makita 2010:78)

37 Author selected the 0-39 years female population, for more information please look: http://www.portal.euromonitor.com/Portal/Handlers/accessPDF.ashx?c=71\PDF\&f=F-224846-24072671.pdf&saveAsName=Japan_in_2030_The_Future_Demographic&code=LiGXSQWJIFOHsjoRlShHQF3FQ%3d Euromonitor International (2013 n:20)
The household type of Asian varies according to their different socio cultural and economic background of the countries. Especially for South Korea and Japan, the results were different. Japanese tended to live single compared to South Korean. This is coming from the fact that Japanese cultural features compared to South Korean comparatively more individualistic rather than collectivistic. So to say, “Single person” household count in Japan compared to South Korea’s households has a higher proportion. South Korea’s “single parent family” count is lower than Japan (Euromonitor International 2006).

Social characteristics of Japan and South Korea:

Japan:

In Japanese and South Korean cultures family has a private place. The main understanding from a family system between two cultures differs according to their cultural norms and family heads (Tsuya and Bumpass 2004: 146)

It is important in a sense to understand the women consumers values and attitudes towards luxury goods consumption. Because of the nature of the women consumers in Japan, they are not willing to get married early for that reason they are willing to purchase brands (Japan Market Resource Network 2007:3). Moreover, Louis Vuitton and Gucci are the top luxury brands demanded among the Japanese society (Just-style.com 2007). Being a traditional brand as a characteristic is crucial for Japanese consumers therefore they embody French brands in their lives (Rim 2006:168). Psychologically, Japanese luxury brands consumers first have to believe in the tradition, roots and the quality of the product then they are ready to consume. Moreover, especially for Japanese consumers face saving among the groups that they belong to plays a major role for them. Therefore, consuming well known brand ranging as “Louis Vuitton” is the insurance that they consume as a luxury brand (Kapferer 2012:459).

What is important for Japanese society is that they put emphasis on their own self personalities and shape their lives according to this beliefs (Haghirian and Gagnon 2011:169).

In this research it mainly focuses on generation Y to understand their attitudes, behaviours, values. Generation Y persons, who are generally affected by the latest technological and

38 “Generation Y consists of individuals born between 1980-2000” (Baldonado 2008:3)
social developments which surrounds them (Bakewell and Mitchell 2003:97). “Statu preserving and face saving” are the two dominant ideas which directly affects the opinions of the Asian people towards consuming luxury brands (Sharon 2013).

**Figure 36: Single-person Households on the Rise in Japan, Households by number of Persons 2001-2011**

The increasing number of single households or two persons are managing the consumption market in Japan. Because according to the 2001- 2011 time period, one person or two persons had a continuous increase and these two groups are the driving force of consumption. In other words family size is shrinking, population is not increasing but aging thus this also affects the future consumption potential and volume but due to decrease of population consumption per head is increasing since people are not spending for the family but mainly for themselves and this drives and enables them to afford to buy luxury items (Euromonitor International 2012 c). Japanese society put emphasis on the outfit quality of the Japanese people and rate their status and the level of prosperity according to it (Ignatova in Haghirian and Gagnon 2011:165). This is the main attitude and the reason why Japanese people consume luxury brands. The idea of searching and consuming the luxury brands are in their life. Moreover, Japanese consumers are also attracted because of the brands name and the quality it provides. Even though there are variety of channels for luxury brand consumption, according to (Salsberg,Yamakawa and Remy, 2013-online) spending time in the brands stores and afterwards purchasing is an another alternative for Japanese consumers behavior toward consumption (Salsberg, Yamakawaand Remy 2013-online:2). According to Salsberg,Yamakawa and Remy (2013-online), Japanese prefer especially fashion goods related with leather category when it comes to understand their tastes (Salsberg,Yamakawa and Remy, 2013-online:2). “Hermes, Chanel” are the example of brands which are popular among Japanese consumers (Rim 2006:168). Moreover, “according to a survey held from Carter Associates KK between 400 females and 18-49 ages the popular brands” are:

Source: Euromonitor International (2012 c)
Figure 37: Top Ten Favourite Brands for Japanese Women

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Louis Vuitton</td>
</tr>
<tr>
<td>2</td>
<td>Coach</td>
</tr>
<tr>
<td>3</td>
<td>Hermes</td>
</tr>
<tr>
<td>4</td>
<td>Gucci</td>
</tr>
<tr>
<td>5</td>
<td>Burberry</td>
</tr>
<tr>
<td>6</td>
<td>Cartier</td>
</tr>
<tr>
<td>7</td>
<td>Dior</td>
</tr>
<tr>
<td>8</td>
<td>Chanel</td>
</tr>
<tr>
<td>9</td>
<td>Prada</td>
</tr>
<tr>
<td>10</td>
<td>Tiffany</td>
</tr>
</tbody>
</table>

Source: Carter (2008)

Louis Vuitton has always been in the first place among Japanese consumer’s luxury consumption brand but the ranking for other brands can change according to the preferences of the consumers (Carter 2008).

South Korea

According to Chadha and Husband (2006) the characteristics South Korean women in Seoul are providing an image of a real characteristics of a lady with polite features (Chadha and Husband 2006:185). As South Korean society’s understanding, the way they obtain power is to act in a competition unlike Japan. (Chadha and Husband 2006:188). We would like to analyse the South Korean demographics in terms of women household preferences, economically active population survey, marriage thoughts, family relationships of the women satisfactions. When it comes to “psychological features” of a person or a group of people, “demographic informations” has to be considered (Sung and Jeon 2009:80).

In South Korea, living with parents or by themselves is the main question among young population. According to the information in Westley, Choe and Retherford (2010), the main ideology of married and unmarried people have different opinion about their households whereas their main distinction is either being independent from their family or not. (Westley, Choe and Retherford 2010:5). In the demographic structure of South Korea according to Statistics Korea (2013a) “%50 of the population is female and householders of women accounted 27.4%” (Statistics Korea 2013a).

Table 13: Economically Active Population Survey (EAPS) in October 2013

<table>
<thead>
<tr>
<th>Category</th>
<th>October 2012</th>
<th>September 2012</th>
<th>October 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 15 years &amp; over</td>
<td>41,730</td>
<td>42,193</td>
<td>42,218</td>
</tr>
<tr>
<td>Economic activity population</td>
<td>25,797</td>
<td>26,185</td>
<td>25,290</td>
</tr>
<tr>
<td>Male (Participation rate)</td>
<td>15,027</td>
<td>15,185</td>
<td>15,228</td>
</tr>
<tr>
<td>Female (Participation rate)</td>
<td>10,760</td>
<td>11,000</td>
<td>10,970</td>
</tr>
<tr>
<td>Employed persons</td>
<td>25,069</td>
<td>25,466</td>
<td>25,545</td>
</tr>
</tbody>
</table>

Source: Statistics Korea (2013b)
Note: The author selected the required information for the research from the real table.

According to the table 13, male participation to the populations of the economy is higher than the female participation, whereas for both of the female and males participation numbers, according to the years and months it was in an increasing trend (Statistics Korea 2013b). Moreover, even though young women are planning to get married, other factors ranging as education and career opportunities not only affecting their plan but also the rates of the married young people (Westley, Choe and Retherford 2010:5). Moreover, getting married ideology for South Korean women depends on their living together with their life partners but for the two sides a husband figure is a must for them.

Table 14: Number of Marriages and crude marriage rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Marriages (thousand cases)</th>
<th>Change (thousand cases)</th>
<th>Percent (%)</th>
<th>Crude marriage rate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>304.9</td>
<td>-13.5</td>
<td>-4.2</td>
<td>6.3</td>
</tr>
<tr>
<td>2003</td>
<td>302.5</td>
<td>-2.4</td>
<td>-0.8</td>
<td>6.3</td>
</tr>
<tr>
<td>2004</td>
<td>308.6</td>
<td>6.1</td>
<td>2.0</td>
<td>6.4</td>
</tr>
<tr>
<td>2005</td>
<td>314.3</td>
<td>5.7</td>
<td>1.8</td>
<td>6.5</td>
</tr>
<tr>
<td>2006</td>
<td>330.6</td>
<td>16.3</td>
<td>5.2</td>
<td>6.8</td>
</tr>
<tr>
<td>2007</td>
<td>343.6</td>
<td>12.9</td>
<td>3.9</td>
<td>7.0</td>
</tr>
<tr>
<td>2008</td>
<td>327.7</td>
<td>-15.8</td>
<td>-4.6</td>
<td>6.6</td>
</tr>
<tr>
<td>2009</td>
<td>309.8</td>
<td>-18.0</td>
<td>-5.5</td>
<td>6.2</td>
</tr>
<tr>
<td>2010</td>
<td>326.1</td>
<td>16.3</td>
<td>5.3</td>
<td>6.5</td>
</tr>
<tr>
<td>2011</td>
<td>329.1</td>
<td>3.0</td>
<td>0.9</td>
<td>6.6</td>
</tr>
<tr>
<td>2012</td>
<td>327.1</td>
<td>-2.0</td>
<td>-0.6</td>
<td>6.5</td>
</tr>
</tbody>
</table>

* The number of marriages per 1,000 population


According to the table 14, approximately 1/3 of the per 1000 population is getting married and more or less this ratio remains stable from 2002 to 2012 with a slight increase in 2007. (Statistics Korea 2012).

Table 15: Life Expectancy by Gender and Age

<table>
<thead>
<tr>
<th>Age</th>
<th>2010 (A)</th>
<th>2011 (B)</th>
<th>Change (B - A)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Males</td>
<td>Females</td>
</tr>
<tr>
<td>0</td>
<td>80.8</td>
<td>77.2</td>
<td>84.1</td>
</tr>
<tr>
<td>20</td>
<td>61.3</td>
<td>57.8</td>
<td>64.5</td>
</tr>
<tr>
<td>40</td>
<td>42.0</td>
<td>38.6</td>
<td>45.0</td>
</tr>
<tr>
<td>60</td>
<td>23.9</td>
<td>21.1</td>
<td>26.2</td>
</tr>
<tr>
<td>80</td>
<td>9.1</td>
<td>7.6</td>
<td>9.8</td>
</tr>
</tbody>
</table>


According to table 15, life expectancy is increasing, meaning older population is increasing thus overall population is aging. This scene is common in the industrializing countries which underlines the fact that the newborn is decreasing and the old population is increasing (Statistics Korea 2011).

~ 54 ~
According to Table 16 above, birth rate is decreasing till 2030 and as a result working population up to 40 is also shrinking. This shows to the luxury fashion retailers that future customers to be are shrinking therefore per head purchase in the future should be increased. Euromonitor International (2012 a:15)

According to the information available in Statistics Korea (2013a), family relationships of the women satisfactions in South Korea varies according to their choice of living with their life partners and their relationships, whereas 52.9% and 60.3% women were at the satisfaction levels and 41.1% and 43.0% were at the unsatisfaction level with their life partners. (Statistics Korea 2013a). Consumer behaviors plays a crucial role to understand the target consumer’s intentions but also their opinions and preferences. Therefore, luxury brands customer relationship management programs are crucial to understand and analyze them.

South Korean people love shopping and this is a normal process for their lives. Furthermore, they also shop their desired goods outside of their country because they love the consumption of the luxury brands (Rim 2006: 169). In order for consumers to consume their desired products, social factors which surrounds consumers has to match with their consumption (Kim, Forsythe, and Gu and Moon 2002:481). Especially the young consumers they dont’ have to be rich, they just love to show that they have money and therefore they want to show their power with the consumption of luxury brands. There is a positive correlation between “values” and “shopping experience” (Homer and Kahle 1988:638). This signals the fact that, the sum of the values of a nation forms it’s public consumption. Moreover, because South Korean people belongs to the collectivistic culture, the roots of this culture affects the public attitudes and behaviour (Liu and McClure 2001:57). 

South Korean consumers are willing to consume luxury brands if they can afford it and also if the brand products fit their own characteristics, style and figure. Obtaining prestige is the key indicator that encourages Koreans to purchase luxury brands. (Sternquist, Byun and Jin 2004:95). According to the figure the consumer’s main “attitudes and behaviors” for the luxury products varies according to their mainly financial situations. South Korean luxury purchasers compared to Japanese are more sensitive and more willing to consume when they have the finances.
Every nation’s people prefer different categories of the goods for their consumption and accessories and clothes are the two categories especially go for the South Korean women (Rim 2006: 169). South Korean people are not only addicted to one brand category, what is important for them is to satisfy their needs. Therefore, the type of the brand is volatile (Euromonitor International 2013).

Table 17: Luxury Consumer Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Luxury Gourmands”</td>
<td>People in this category are addicted to luxury habits and consume and relate the luxury brands in their lives like a normal habit</td>
</tr>
<tr>
<td>“Luxury regulars”</td>
<td>People are willing to consume luxury and spend their money. But they are just living their lives daily and satisfying their wishes</td>
</tr>
<tr>
<td>“Luxury nibblers”</td>
<td>People in this category are young group of people who adore the luxury consumption and if they can afford if it and if it is a small amount then they still go for it</td>
</tr>
</tbody>
</table>

Source: Chadha and Husband (2006:47-51)

Middle class in Japan is the target consumer of luxury goods. (Ignatova in Haghirian and Gagnon 2011:168) Since, the main group is middle class different PR methods are prepared and served for their tastes of consumption. Normally, upper class wealthy people consume luxury goods for themselves but this ideology is not true for Japan. Middle class Japanese people are investing their income to luxury brands. “Parasite singles” who are approximately 45 years old are the consumers segment who afford luxury in Japan(Atsmon, Salsberg, Yamanashi 2009-online:12). Moreover, price of the luxury brands are high compared to non-branded products and keeping this in mind “upper middle class” are the people who can afford these brands (Dubois and Duquesne 1993:36). Furthermore, Japan’s luxury women consumers who are consuming luxury brands are “luxury nibblers”. Because as a working women they spend their income for luxury goods and “office ladies” are an example (Ignatova in Haghirian and Gagnon 2011:174).
In order to understand the demographic informations of South Korea and Japan, we have analysed the country comparison population, population pyramid, age structure, dependency ratios, sex ratios, literacy and unemployed, youth ages below.

**Japan:**

According to the Central Intelligence Agency (2013a) report “two of the East Asian countries population among the other countries are: Japan with a 127,253,074 (July 2013 est.) is in the 11th rank of the list 39 and South Korea with a 48,955,203 (July 2013 est.) is in the 26th rank of the list” (Central Intelligence Agency 2013a). According to the Central Intelligence Agency (2013b). “The world Fact Book, South East Asia Japan, people and society, the age structure 40 of Japan” was formed as the following:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Male</th>
<th>Female</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14 years</td>
<td>8,808,568</td>
<td>8,204,514</td>
<td>13.4%</td>
</tr>
<tr>
<td>15-24 years</td>
<td>6,394,809/</td>
<td>5,958,408/</td>
<td>9.7%</td>
</tr>
<tr>
<td>25-54 years</td>
<td>24,149,308/</td>
<td>24,588,409/</td>
<td>38.3%</td>
</tr>
<tr>
<td>55-64 years</td>
<td>8,785,719/</td>
<td>8,786,968/</td>
<td>13.8%</td>
</tr>
<tr>
<td>65 years and over</td>
<td>13,656,792/</td>
<td>17,919,580/</td>
<td>24.8%</td>
</tr>
</tbody>
</table>

Source: Central Intelligence Agency 2013b, The world Fact Book, East South east Asia Japan, People and society, Age structure of Japan (2013 est)

After understanding the age structure of Japan, it is crucial to analyze the population pyramid.

---

39 According to the Central Intelligence Agency (2013a) “In the country comparison list there are 240 countries involved” (Central Intelligence Agency 2013a).

40 According to the Central Intelligence Agency (2013d) The world Fact book, Definitions and Notes “The age structure provides the distribution of the population according to age. Information is included by sex and age group as follows: 0-14 years (children), 15-24 years (early working age), 25-54 years (prime working age), 55-64 years (mature working age), 65 years and over (elderly) (Central Intelligence Agency 2013d)
Figure 39: Population pyramid\(^{41}\) of Japan, East South East Asia: Japan (2013 est.)

Source: Central Intelligence Agency 2013b. The world Fact Book, East South east Asia Japan, People and society, Population pyramid of Japan, East South East Asia: Japan (2013 est.)

Table 19: Dependency ratios\(^{42}\) of Japan

<table>
<thead>
<tr>
<th>Dependency Ratio</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>total dependency ratio(^{43})</td>
<td>61.6 %</td>
</tr>
<tr>
<td>youth dependency ratio(^{44})</td>
<td>21.1 %</td>
</tr>
<tr>
<td>elderly dependency ratio(^{45})</td>
<td>40.5</td>
</tr>
<tr>
<td>potential support ratio(^{46})</td>
<td>2.5 %</td>
</tr>
</tbody>
</table>

Source: Central Intelligence Agency (2013b). The world Fact Book, East South east Asia Japan, People and society, Dependency Ratios of Japan, (2013 est)

\(^{41}\) According to Central Intelligence Agency (2013b). The world Fact Book, Population pyramid of Japan, East South East Asia: Japan (2013 est.),”A population pyramid illustrates the age and sex structure of a country's population and may provide insights about political and social stability, as well as economic development” Central Intelligence Agency (2013b).

\(^{42}\) According to Central Intelligence Agency (2013c) The world Fact Book, References:definition and notes , Dependency Ratios (explanations ), “Dependency ratios are a measure of the age structure of a population. They relate the number of individuals that are likely to be economically "dependent" on the support of others.” Central Intelligence Agency (2013c)

\(^{43}\) According to Central Intelligence Agency (2013 c) The world Fact Book,The world Fact Book, References:definition and notes , Dependency Ratios (explanations )”The total dependency ratio is the ratio of combined youth population (ages 0-14) and elderly population (ages 65+) per 100 people of working age (ages 15-64)” Central Intelligence Agency (2013 c)

\(^{44}\) According to Central Intelligence Agency (2013 c) The world Fact Book, References:definition and notes , Dependency Ratios (explanations )”The youth dependency ratio is the ratio of the youth population (ages 0-14) per 100 people of working age (ages 15-64).” Central Intelligence Agency (2013 c)

\(^{45}\) According to Central Intelligence Agency (2013 c) The world Fact Book, References:definition and notes , Dependency Ratios (explanations ) “The elderly dependency ratio is the ratio of the elderly population (ages 65+) per 100 people of working age (ages 15-64)” Central Intelligence Agency (2013 c)

\(^{46}\) According to Central Intelligence Agency (2013 c) The world Fact Book, References:definition and notes Dependency Ratios (explanations)” The potential support ratio is the number of working-age people (ages 15-64) per one elderly person (ages 65+)”. Central Intelligence Agency (2013 c)
Table 20: Sex Ratio\textsuperscript{47} of Japan

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Sex Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>at birth</td>
<td>1.06 male(s)/female</td>
</tr>
<tr>
<td>0-14 years</td>
<td>1.08 male(s)/female</td>
</tr>
<tr>
<td>15-24 years</td>
<td>1.06 male(s)/female</td>
</tr>
<tr>
<td>25-54 years</td>
<td>0.98 male(s)/female</td>
</tr>
<tr>
<td>55-64 years</td>
<td>1 male(s)/female</td>
</tr>
<tr>
<td>65 years and over</td>
<td>0.76 male(s)/female</td>
</tr>
<tr>
<td>total population</td>
<td>0.95 male(s)/female (2013 est.)</td>
</tr>
</tbody>
</table>

Source: Central Intelligence Agency (2013b). The world Fact Book, East South east Asia Japan, People and society, Sex Ratios of Japan, (2013 est)

Table 21: Literacy of Japan

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Literacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>definition:</td>
<td>age 15 and over can read and write</td>
</tr>
<tr>
<td>total population</td>
<td>99%</td>
</tr>
<tr>
<td>male</td>
<td>99%</td>
</tr>
<tr>
<td>female:</td>
<td>99%</td>
</tr>
</tbody>
</table>

Source: Central Intelligence Agency (2013b). The world Fact Book, East South east Asia Japan, People and society, Literacy of Japan, (2002 est)

Table 22: Unemployment, youth ages 15-24

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
<td>8%</td>
</tr>
<tr>
<td>country comparison to the world:</td>
<td>119</td>
</tr>
<tr>
<td>male</td>
<td>8.9%</td>
</tr>
<tr>
<td>female</td>
<td>7.1%</td>
</tr>
</tbody>
</table>


\textsuperscript{47}According to the Central Intelligence Agency (2013d). The world Fact book, Definitions and Notes, Sex ratio (explanation)"sex ratio includes the number of males for each female in five age groups - at birth, under 15years, 15-64 years, 65 years and over, and for the total population”. Central Intelligence Agency (2013d).
South Korea

There is a new age who became interested in consuming luxury brands in South Korea. According to the abstract report of Euromonitor International (2013 a), this group defined as the young consumers who are 20 and 30 years old. Furthermore, in terms of luxury consumption consumers, people who are in their 40’s and in their 60’s are still interested in luxury brands (Euromonitor international 2013a).

According to the Central Intelligence Agency (2013b), the age structure of South Korea was formed as the following:

Table 23: Age structure of South Korea

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Male</th>
<th>Female</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14 years</td>
<td>3,717,701/</td>
<td>3,424,490</td>
<td>14.6%</td>
</tr>
<tr>
<td>15-24 years</td>
<td>3,525,050/</td>
<td>3,117,198</td>
<td>13.6%</td>
</tr>
<tr>
<td>25-54 years</td>
<td>11,925,181/</td>
<td>11,491,841</td>
<td>47.8%</td>
</tr>
<tr>
<td>55-64 years</td>
<td>2,842,996/</td>
<td>2,907,730</td>
<td>11.7%</td>
</tr>
<tr>
<td>65 years and over</td>
<td>2,469,093/</td>
<td>3,533,923</td>
<td>12.3%</td>
</tr>
</tbody>
</table>

Source: Central Intelligence Agency (2013e), 2013 (est.) The world Fact Book, East South east Asia: Korea, South, People and society, Age structure of South Korea

After understanding the age structure of South Korea, it is crucial to analyze the population pyramid.

Figure 40: Population Pyramid of East & South East Asia: Korea South, (2013 est)

Source: Central Intelligence Agency (2013e) The world Fact Book, East South east Asia: Korea, South, People and society, Population pyramid of East & South East Asia: Korea South, (2013 est)
### Table 24: Dependency ratios of South Korea

<table>
<thead>
<tr>
<th>South Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>total dependency ratio</td>
</tr>
<tr>
<td>youth dependency ratio</td>
</tr>
<tr>
<td>elderly dependency ratio</td>
</tr>
<tr>
<td>potential support ratio</td>
</tr>
</tbody>
</table>

Source: Central Intelligence Agency (2013e) The world Fact Book, East South east Asia: Korea, South, People and society, Dependency ratios South Korea, (2013 est)

### Table 25: Sex Ratio of South Korea

<table>
<thead>
<tr>
<th>South Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>at birth</td>
</tr>
<tr>
<td>0-14 years</td>
</tr>
<tr>
<td>15-24 years</td>
</tr>
<tr>
<td>25-54 years</td>
</tr>
<tr>
<td>55-64 years</td>
</tr>
<tr>
<td>65 years and over</td>
</tr>
<tr>
<td>total population</td>
</tr>
</tbody>
</table>

Source: Central Intelligence Agency (2013e) The world Fact Book, East South east Asia: Korea, South, People and society, Sex Ratio of South Korea (2013 est)

### Table 26: Literacy of South Korea

<table>
<thead>
<tr>
<th>South Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>definition:</td>
</tr>
<tr>
<td>total population</td>
</tr>
<tr>
<td>male</td>
</tr>
<tr>
<td>female:</td>
</tr>
</tbody>
</table>

Source: Central Intelligence Agency (2013e) The world Fact Book, East South east Asia: Korea, South, People and society, Literacy of South Korea, (2002 est)

### Table 27: Unemployment, youth ages 15-24

<table>
<thead>
<tr>
<th>South Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>total</td>
</tr>
<tr>
<td>country comparison to the world:</td>
</tr>
<tr>
<td>male</td>
</tr>
<tr>
<td>female</td>
</tr>
</tbody>
</table>

Source: Central Intelligence Agency (2013e) The world Fact Book, East South east Asia: Korea, South, People and society, Unemployed, Youth ages: South Korea, (2011 est)
As a rule of thumb, affording a luxury brand product is to display a “success” of a person. Because of the masculine cultures characteristics, people tend to purchase more luxury brand products compared to individualistic cultures. (Mooij and Hofstede 2002:65). The reasons why collectivistic cultures tend to purchase “global or national brands” draws a line between the consumer behaviour in consumption for individualistic and collectivistic cultures. The perception of the “global and national brands” among collectivistic culture people is related to position themselves in a good condition. Moreover, collectivistic people rely and believe on “luxury brand loyalty” and therefore they are forming long term relations (Mooij and Hofstede 2002:65).

Japan

Especially younger generation are managing their everyday lives with their smart phones which is quick, easy to reach informations. For that reason, when young luxury consumers are looking for a leather handbag to purchase at first they are looking if the brand has an online purchasing option and enough informations. The figure 41 below explains especially for South Korean people for using “Broadband Internet-Enabled Computer” and Japan has a more tendency for “Mobile Phones” (Euromonitor International 2012 b).

Figure 41: South Korea and Japan Among the World’s Most Developed Telecom Markets, Household Possession of Broadband Internet-Enabled Computer and Mobile Phones in Selected Countries: 2010


The examples about the leather handbag category has chosen to provide an example of the latest advertisement. For the both handbags “the new monogram tote” and “Capucines Handbag”, eventhough they are manufactured in different time periods, with different features, the main common features of the LV is the same. The audience wants to know always the important and distinct features of a luxury product (Heine 2011:58-63). According to the first advertisement about the “new monogram tote”, the information is available in Louis Vuitton (2013c), characteristics of the bag is formed from its “W shape”, the extraordinariness feature

---

48 According to Okonkwo (2007) “brand is the sum of all the feelings, perceptions and experiences a person has as a result of contact with a company and its products and services” (Okonkwo, U., 2007:103).

49 “Brand loyalty is the tool for organizations which provides to keep their customers and protects the budget of the organization” (Pride and Ferrel 2012:401)
is its bold lines and innovative meeting of the materials. Moreover, it symbolises the fresh vision of “iconic monogram” (Louis Vuitton 2013 c). Every specific criteria for a luxury product is defined in this line of handbag category for women. The most important thing is that this bag is not an ordinary handbag, it has special manufacturing characteristics, product attributes and characteristics which fulfill the main objectives of the South Korean and Japanese women consumers. According to the second advertisement which was for Capucines Handbag”, as to the information available in Louis Vuitton (2013 c), the hand bag symbolises the feminine characteristics and the aesthetic understanding of the bag consists of independence spirit. Moreover when it comes to being rarity, being sleek and elegant features fulfill it. This handbag is distinct and unique according to its features ranging as its unique leather and quality details of (Louis Vuitton 2013 c). This handbag is also fits to the taste of asian women because of its unique characteristic.

South Korea

According to the Mckinsey research (2010), bags and shoes, accessories and watches and jewelry had the most growth pattern for the promising product categories especially for South Korea’s in 2009. (Salsberg and Shin 2010-online). To this end, it can be underlined that the audience and the potential audience in South Korea are willing to learn more about luxury bags and shoes. What is important for the luxury companies to realize and then apply to their target consumers is that, in order to tailor the message to the audience self interest identifying targeted consumer’s demographics, characteristics of the society and their unique culture plays a crucial role. Korean’s key words for luxury brand which attracts them according to their self interest in their culture are, famous and quality. On the otherhand, for Japan, it is heritage and reliability. The message of the handbags “the new monogram tote”, “Capucines Handbag”, shows that these special handbags are the craftsmanship of the quality and distinct of the master of LV’s handbags. Moreover, the figure of Michelle Williams also strenghtens the message that the owner of the bag is strong, beautiful, emphasize on specific details and finally a woman who has an “independent spirit”(Louis Vuitton 2013 c).

The independent character of the actress also recall the features of the Japanese culture whereas in Japan the masculine culture is the dominant character and this characteristic features ranging as strong, goal oriented, successful is highlighting the audience tastes in Japan. South Korean people prefers the technological related things in their lives in order to benefit from the easiness and quickness way for consumption. To this extend, “mobile shopping” is the latest trend for consumers in South Korea. (Euromonitor International 2013 m).

Media Channels and “why?”

“Newspaper and magazines and especially parties” are the popular channels that LV has been benefitting as a channel vehicle in Japan (Nagasawa 2008:47). These media channels vehicles are the most effective means of communication with the publics. Because, they are convenient, easy to access. Also, Japanese public prefers to inform themselves via these medium. Instead of mass media vehicles mentioned above, modern electronic communication channels, social media and their websites also are other alternatives to satisfy their needs from LV. The media
and “koho”\textsuperscript{50} relations has to be strong in Japan in order for corporations news to be published in the media. In this regard, media is strong compared to the Koho’s because of it’s desicion authority about the news (William, Tomoko and Dirk 2002:270). According to Watson and Sallot (2001) public relation’s main ideology has changed in Japan and shaped according to the advertising management ideology (Watson and Sallot 2001:399). “Kisha clubs”\textsuperscript{51} played a major role in the Japanese media. Being clear about their work and being in good relations with the journalist are the main aims of them since 1980’s (Kyokai 2013). When it comes to understanding the media in Japan, “press clubs” (kisha kurabu)\textsuperscript{52} are the collaborators of the media (Hartwick and Borden 2011). Public relations tools effectivity in the Japanese culture is mainly based on kisha clubs. (Cooper-Chen & Tanaka 2007:105). In addition to this, press clubs plays a critical role for companies, such as to be a member of it since this way it is easy to connect to their target audiences.Therefore, most of the companies in Japan is a member of press club (Sriramesh and Vercic 2009:134). Media relations and public relation’s main supporters are press clubs in Japan (Gibson 1998:31). In this regard, in Japan the “media” is the appropriate channel for public relations to publish their news to the “public”.

Moreover, Japanese cultural roots dedicated their culture to a long term (see Mooij and Hofstede 2002:64) and it is significant that this characteristic also affects “Koho and media relations” (William, Tomoko and Dirk 2002:272). According to Sriramesh and Vercic (2009), media and public relation’s interrelation is strong enough to affect each other (Sriramesh and Vercic 2009:132). Moreover, Japanese media relation’s characteristics consists of: “press clubs, large active Japanese press, planted questions, language barrier, local expertise, credibility through personal contact, feature opportunities, the importance of relationships, the Japanese calendar, close government media tie, Japanese public right to know” (Gibson 1998:30-31). Moreover, Japanese newspapers are popular in Japan and the first three Japanese newspapers are “Yamiuri Shimbun, Asahi, Shimbun, Minichi Shimbun”. Moreover, there are regional, specialised and english newspapers. (Kyodo Public Relations 2013). When it comes to advertising the luxury products in Japanese market, “television programs related with fashion, websites and digital billboarding”\textsuperscript{53} are the dominant channels. (Ignatova, in Haghrijian and Gagnon 2011:175). E-commerce and social media are the two significant channels for Louis Vuitton to describe the latest products to its consumers. (Euromonitor International 2013 g).

Moreover, Japanese luxury lover consumers are willing to follow the newest luxury brand trends in magazines, televisions, web sites which is as a result of the sign that their dominance of collectivist roots and they rely on the dominant medium in Japan and acting suitably related with the fashion trends. (Haghrijian and Gagnon 2011:177). For example, luxury wallets and handbags are the biggest trend and an interesting category for Japanese young luxury lovers (Chadha and Husband 2006:56-57). The Mckinsey report (2013) reported that, store windows, word of mouth, magazine article and magazine ads are the most demanding media channels in Japan according to their usage of popularity. (Salsberg,Yamakawa and Remy 2013-online). Moreover, the technological effects directly affected the Japanese society preferances. According to the Euromonitor International (2013b),

\textsuperscript{50}“In Japan “koho” means public relations”. ( T., Fujie cited in William, Tomoko and Dirk, 2002:270)

\textsuperscript{51}“Kisha clubs defined as: a voluntary institution for news gathering and reporting activities made up of journalists who regularly collect news from public institutions and other sources”. (Kyokai 2013).

\textsuperscript{52}“Kisha kurabu, is a formal association of reporters assigned to a common beat”( Inoguchi, and Jain 2011:188)
the Japanese consumers usage of smartphones directly affected their expectations in luxury brands channels. (Euromonitor International 2013b).

In order to provide an example about the actual usage of the media channels, the two recent leather handbags for women consumers in Japan ranging as “the new monogram tote”, “Capucines Handbag” has been chosen. Below are the effective media channels that the advertisements announce the advertisements for the leather bags. Author has chosen leather handbag from the fashion leather goods category due to its popularity in the media channels and according to the high demand from women consumers.

**Figure 42: Michelle William Advertising Campaign**

![Michelle William Advertising Campaign](Source: Louis Vuitton (2013 c))

**Figure 43: The New Monogram Tote Bag**

![The New Monogram Tote Bag](Source: Louis Vuitton (2013 b))

**Figure 44: The New Monogram Tote Bag in Twitter Japan**

![The New Monogram Tote Bag in Twitter Japan](Source: Louis Vuitton Twitter (2013 b)).
The most recent advertising campaign from LV is the “new Monogram Tote” handbag. This is a special model from the handbag category because of its product characteristics. Moreover, the effect of the handbag on the target audience has been strengthened by the popular figure actress who is Michelle William (Lou is Vuitton 2013 c). LV in its PR policy for this specific product prefers to combine the handbag with a written material and a photograph and a video of the campaign in its company website. Moreover, the price for the “The new monogram tote” handbag price in the Japanese web page is ¥ 446,250 (Louis Vuitton 2013 b) and in the international web page the price is $ AU4,700 (Louis Vuitton 2013 i). In this regard media channels strategy of LV reveals to inform its target audiences. To this end, with the latest advertisement of LV Japan which used the latest advertisements for LV from its LV Japan web site (Louis Vuitton 2013 b), the other one from social media which is Twitter (Louis VuittonTwitter 2013 b). Japan’s PR prefers to use both their own web page and the social media which is an effective way to communicate with their desired public. Consumers have the possibility to benefit from the brand’s web sites not only to find their desired products but also to understand the company’s roots and register for the “newsletter” (Gorp, 2012 in Hoffmann and Maniere 2012:136). This communication way is fast and easy for the consumers.

Figure 45: The Love Story Continues

![Image](image1.png)

Source: Louis Vuitton (2013 e)

Figure 46: Capucines Handbag

![Image](image2.png)

Source: Louis Vuitton Twitter (2013 a)

Figure 47: Capucines Handbag Japan Website

![Image](image3.png)

Source: Louis Vuitton (2013 d)
This is the another advertisement from LV with the same artist who is Michelle William with a different leather handbag called “Capucines Handbag”. Moreover the advertisement of the new handbag enhanced by the different photographs with the different colors of bags (Louis Vuitton 2013 e). The price of the handbag in Japanese web page is ¥ 577,500 (Louis Vuitton 2013 d) and in the international web page the same bag priced $5,350.00 (Louis Vuitton 2013 g). Louis Vuitton continued to use the same channels for the other collections of LV bag.

South Korea:

According to Park (2001) “Hongbo means in South Korea Public Relations or PR” (Park 2001:404). South Korean’s core understanding from PR is based on their tradition (Sriramesh and Vercic 2009:141). Moreover, hongbo has a positive meaning in South Korea. According to Sriramesh and Vercic (2009), because hongbo is strong in South Korea, it also positively affects the relations of the companies and the media (Sriramesh and Vercic 2009:140). Moreover the cultural roots and the public relations are in interrelationship between each other. According to Sriramesh and Vercic (2009), the cultural characteristics of South Korea also directly forms the PR actions (Sriramesh and Vercic 2009:147). South Korean luxury lovers are curious about the technological developments around the world. So that, this trend also affected the way of luxury consumer’s perception about luxury. According to Hoffmann and Maniere (2013), online shopping malls and the consumer online communities are in a high demand for luxury lovers. (Hoffmann and Maniere 2013:146). Moreover, terms of the effective channels in South Korea for luxury brands to contact with their consumers, magazine advertisements, flagship stores or brands websites are the most popular ones among the brands. (Salsberg and Shin 2010-online). This strategy is providing opportunities for the brands ranging as to provide an image for their consumers that they are following thus this way they are in contact with the customers.

When it comes to South Korea LV, it is mainly benefiting from either in their official South Korean LV website or the popular magazines in South Korea ranging as Vogue, Elle magazine’s advertisements on Twitter. Multiple channels are important for public relations to attract their target consumers. For that reason it is important to get updates for the trends about the channels. According to Salsberg and Shin (2010-online), Especially in South Korea benefitting from the media channels understanding of luxury brands are the “websites, magazine advertisements and flagships stores” (Salsberg and Shin 2010-online). One of the similar characteristics of South Korean and Japanese cultures are that they put a huge emphasis on special parties or special events when it comes to combining being social and benefitting from the luxury brands society (Cova and Kim in Hoffmann and Maniere 2013: 149-150). It plays a crucial role for luxury brands to arrange and adjust PR methods according to the needs of the society.
Figure 48: Michelle William Advertising Campaign

Source: Louis Vuitton (2013 c)

Figure 49: The New Monogram Tote

Source: Louis Vuitton (2013 s)

Figure 50: The Love Story Continues

Source: Louis Vuitton (2013 e)

Figure 51: Capucines Handbag

Source: Louis vuitton (2013 f)
The price of the “new monogram tote” handbag in South Korean web page is ₩4,890,000 (Louis Vuitton 2013i). The price of the “Capucines handbag” in South Korean web page is ₩6,340,000 (Louis Vuitton 2013h). In terms of the media channels usage of LV for South Korea, they are not using actively Twitter or Facebook account in Social media. LV South Korea prefers their own LV web site. This shows that as a South Korean, the usage of the luxury brands own website and informing themselves about the products and their prices and so on from the brand itself instead of relying on third parties. On the other hand, for Japanese they are more open when it comes to benefitting from different means of channels.

Table 28: Japan and South Korea Louis Vuitton Latest Handbag Media Channels

<table>
<thead>
<tr>
<th></th>
<th>Japan</th>
<th>South Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louis Vuitton</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Monogram Tote</td>
<td>Louis Vuitton(LV) Japan website</td>
<td>Louis Vuitton(LV) South Korea Website</td>
</tr>
<tr>
<td></td>
<td>Louis Vuitton(LV) Japan Twitter</td>
<td></td>
</tr>
<tr>
<td>Capucines</td>
<td>Louis Vuitton(LV) Japan website</td>
<td>Louis Vuitton(LV) South Korea Website</td>
</tr>
<tr>
<td></td>
<td>Louis Vuitton(LV) Japan Twitter</td>
<td></td>
</tr>
</tbody>
</table>


Benefiting from the social media marketing is a useful way for luxury brands to effectively manage their communication strategies with their target public (Kim and Ko 2012:1480). South Korea compared to Japan was benefiting from the LV’s website to announce the products in South Korea. Japan was active not only in its Japanese LV website but also on Social media.

Media Channel Objectives

Media channels play a big role for luxury brands. They are the key supporters for luxury brands news in local and world wide publications by being objective. Every country has their own editor, news writer for different type of media channels. The key point for clients is to understand and trust the luxury brand. The biggest threat for Asian countries is to observe the latest trends and news from the luxury brands through the media channels is providing a different meaning about the subject (Proquest 2011 c). Therefore, the solution for this problem of luxury brands is to build their own media channels or benefit from the media channels which will support them instead of harm them with a weak public image.
Japan Louis Vuitton Media Channel Objectives

Media channels are important for Japanese to inform themselves for every social aspect of their lives (Banerjee and Logan 2008:244). Therefore, with the media channels’ “gatekeepers”\(^{53}\) decisions directly effects the news publicity. Foreexample, Louis Vuitton’s latest collaboration with “Yayoi Kusama” was one of the effective collaborations. In the news of the “Korea herald”, the news writer emphasized the Louis Vuitton’s collaborations with the Japanese artists and the inspiration from Japanese artist creativity (The Korea herald 2012). Eventhough, this news is from South Korean one of the newspaper’s collaboration of Louis Vuitton was effectively publicized. Japanese consumers are sensitive for consuming luxury brands. First of all luxury brand has to be reliable for them to purchase their products. LV example is best fitting for being reliable not just for Japanese consumers but all around the world. Moreover, there is an another fact that because of the usage of online channels ranging as social media is high in Japan, the consumers reach the informations directly from these mediums. Therefore, this provides consumers to be their internal gatekeepers. Media effectiveness might be decreasing compared to previous years where online channels were not able to penetrate into consumer’s life in all respect as today or more but nevertheless still there is a room for the media to be effective in luxury items. Since they are not mass produced and watching a show and viewing a luxury item. Through a fashion publicating has still a personal satisfaction and prestige.

South Korea Louis Vuitton Media Channel Objectives

In South Korea media channels are the key medium for the public. Important media channels are, “print media, broadcasting, alternative media” (Banerjee and Logan 2008:258-263). South Korea and Japan’s usage of smart mobile phones are one of the highest in the world (Evanschitzky and Iver 2007:70). When it comes to the luxury brands, the rising trend of launching the luxury brand application for smart phones which is purely to advertise and inform the clients about the latest news, events, products are highly appreciated from the consumers. In this regards, when the consumers have the chance to reach at the first hand information from the luxury brand than there is a less need to search for the “gatekeepers” comments. This is encouraging the clients to be their own “gatekeepers” of their desired brands. LV clients in South Korea is willing to reach the news without subjective opinions and the right gate to find the informations by relying first on their own mental and emotional feelings and also following the magazines of LV.

Sources and Questions

According to the interview with the “Bernard Arnault”\(^{54}\), he listed the most successful brand for LVMH group for 2009 are ranging as “Dom Perignon, Louis Vuitton, Christian Dior and Tag Heuer” (Youtube 2009).

---

\(^{53}\) “Gatekeeper’s are the persons who decide which news to get published in the media (Hornby Jettmarova and Kaindl 1997:161)

\(^{54}\) “Bernard Arnault is the CEO of LVMH group” (Youtube 2009)
Japan Louis Vuitton Sources and Questions

It is important to understand the success of the LV in Japan’s market. To this extend, speeches, news conferences and the other materials about the key leaders of the LV Japan ensures to understand the market. According to “Kyojira Hata” ideas about the brand that he is working for can be summarized as that he is proud of the work that he is managing for LV Japan. This is because of the LV’s unique characteristics and exclusivity concept (Proquest 2006 b). The Sales Conference in 2012, one of the questions directed to “Jean-Jacques Guiony” was about the “price issue”. According to the “price issue” of the goods in Japan LV, it is not high for Asia, on the otherhand, still higher compared to the European market (Proquest 2012 a).

South Korea Louis Vuitton Sources and Questions

In a sales conference of LVMH group, an analyst directed a question to “Jean Jacques Guiony” to learn what the main demand is from the target countries which Louis Vuitton was located and profited. He summarized the success of the regions by, the demand potential of the environment which was medium for South Korea compared to Japan (Proquest 2012 a). The fashion and leather category of LV was so popular among the consumers of all around the world. The message in the answer of Mr. Guiony was to appreciate the Japanese consumers’ consumption and also emphasized the South Koreans. The consumption inclination of Asian consumers towards luxury products are well known but the main idea was to learn from the answer to the question as to who the leaders of the consuming consumers in Asia are.

Communication Strategies

Communication for luxury brands is a different way of communication. It has to be managed effectively in order to build the bridge between the client. “The creator of the brand, logos, visual symbol and motif, brand colour, material, detail, artisan work, the style of the brand” are the collaborators of the brand to ensure an effective communication (Kapferer and Bastien 2012:271-272). LV’s global communication characteristics are, the creator of the brand is “Louis Vuitton”, “LV” is the logo, “geometrical shapes and graphic design”, brown colour, “zip closure, interior design of the bag, shiny metallic pieces”, different leather types ranging as “caviar, cowhide” and so on, “LV” style (Vogue 2012 b), (Louis Vuitton 2012 b), (Louis Vuitton 2013 q).

When it comes to emphasize on the key indicators of LVs image, the collaboration with “celebrities, fashion shows and also the designer Marc Jacobs” are the primary factors which affects LV (Proquest 2006 a). Moreover, when it comes to being a profitable market for LV, Japan is in the first ranking. Therefore, according to Louis Vuitton chairman and chief executive officer “Yves Carcelle”, in order to preserve it’s reputation, “communication activities and events” will be polished to keep pace with to meet the consumers demands. (Proquest 2005). Furthermore, according to the information in celebrities plays a crucial role for LV’s communication with it’s target consumers. For example, “Angelina Jolie” was in advertising campaign cooperation with LV (Cassidy 2012:1). Moreover, what differentiates LV Japan from South Korea LV communication strategies is that, being in collaboration with the Japanese artists. For example, “Yayoi Kusama and Murakami Takashi”. “Omotesando

55 “Kyojira Hata is the president and representative director of the group Japan and the Asia-Pacific region of LV” (Proquest 2006 b).
Store Design” in Tokyo is designed by the “Murakami Takashi” (Tan 2009). Being in collaboration with the Japanese well known artists is ensuring the communications success in Japan. Especially for window installation from a Japanese artists gives a positive message to the Japanese consumers. On the otherhand, “Yayoi Kusama’s special pop up store concept” which was highlighted by her special “polka dots” launched in 2012 for a limited time not just in Japan Isetan Shinku and Dover Street market but also in Paris and London (Judah 2013). According to Mc Kinsey & Company (2011), eventhough Japan who had an earthquake and nuclear crisis, the luxury lover consumers did not stop to consume in the luxury market (Salsberg and Yamakawa 2011- online).

**Figure 52: L’invitation AU Voyage Venice**

Source: Vogue (2012 a)

L’invitation AU Voyage Venice is the latest advertising campaign of the LV. The main players in the adventure was “Arizona Muse and David Bowie”. The main message of the advertisement is to give the message of putting your dreams in your bag and travelling to any place where you want to be. This advertising aims to attract mainly the young women consumers who follow their inner voice and ideas, a passion to be different and with the different experience of having the LV bag women can feel more free and confident (Louis Vuitton 2013a). According to the information available in Louis Vuitton (2013a), the story of the special bag which is “Vivienne LV bag’s” main message was reinforced with the different scenario in order to reach and effectively build the communication.
“Louis Vuitton pass application” is the official magazine application for LV’s consumers. This application exists everything inside where the consumers can easily find the latest stories, news, products about LV so to say a compact platform. The client’s of LV all around the world are eager to follow LV more closely and this platform is a chance for LV to announce it’s reputation and obtain their understanding.

**Japan communication strategies of Louis Vuitton**

Louis Vuitton is the art of travelling for the consumers of LV who are beloved with the luggages and bags. “Louis Vuitton travel book collection” collected the art and travelling in the spirit of the advertisement. Therefore collaborated with the artists and one of the artist was Japanese ”Natsko Seki” (Louis Vuitton 2013 r). This global communication campaign message is to influence the message of LV’s to communicate with different people and travelling to different destinations. Moreover, collaborating with Japanese artist is also a reason to build a synergy between Japanese consumers.

**Figure 54: Louis Vuitton Pass, Louis Vuitton Malletier Japan**

Source: Apple (2013 c).
“Global LV pass application” is available in Japanese language for the Japanese LV magazine followers. This is the example of localization of the global campaign to attract its clients in Japan. Moreover, the intended aim for this application is to influence the attention of Japanese clients via online media.

*South Korea communication strategies of Louis Vuitton*

**Figure 55: Louis Vuitton Pass, Louis Vuitton Malletier South Korea**

![Louis Vuitton Pass, Louis Vuitton Malletier South Korea](image)

Source: Apple (2013 d)

The well known application of LV is also affected the communication relations of LV with South Korean clients. The application availability in the South Korean language is an opportunity to build strong communication with the South Korean clients.

**Figure 56: Mini Icons Handbag**

![Mini Icons Handbag](image)

Source: Vogue (2013)
Vogue Korea advertised the “mini icons” of LV (Vogue 2013). The characteristics of the audiences of South Korea fits with the energy of the bags. Magazine advertisement was an effective way to reach the customers which supported the clients of LV in South Korea.

**Essence of the Message**

Being a sponsor, education collaborator and with their latest advertisement campaigns provided the main message of the LV to successfully show the goodwill to their audiences worldwide. In the eye of the dedicated and loyal customer, this creates an image of belongingness and differentiates them from the main group behind, a satisfaction of unique taste and power. Louis Vuitton is being an active player in it’s area to continuously find reasons to give it’s brands main communication messages worldwide. This way it contributes not only to its communication strategies but also to its public relations activities. This worldwide public image encourages and facilitates public relations to its highest level effectiveness. Advertising and shows are the indispensable instruments of promotion for luxury brands. But to be around in all aspects of life such social events, contributions, philanthropic organizations completes the whole picture of PR in the eye of the dedicated and future to be consumers.

Moreover, Louis Vuitton was in a collaboration to help “SOS Children Villages” (Sos Children Villages International 2012). As a strong global luxury player LV is willing to add value to the lives of the children who need help in their education. LV is announcing its name not just as a leader in luxury market but also a leader in helping and caring children. This behavior of LV will encourage audiences to believe in the power of LV. Also, the major point to recall as a message from the collaboration is to earn acceptance globally. Louis Vuitton was in collaboration with the “America’s cup” which was the 30th one (Louis Vuitton 2013 p). This collaboration is a chance for LV to meet with the public and display its brand name and collect a goodwill and trust. The major point that LV highlights attending in this event is that uniting the LV’s special story with the sailing competition spirit. Travelling is the LV’s main concept and therefore the nature of the race and the LV’s main concept was clear in the public’s mind. When it comes to be a sponsorship for a well known event, LV has chosen this unique event not only to take part in the competition but also to show LV ‘s harmony with the travelling (Kapferer and Bastien 2012:260).

**Figure 57: Louis Vuitton Cup begins**

![Louis Vuitton Cup](image)

Source: Louis Vuitton (2013 u).

The effective communication features that we covered before (see page 3-4) is the main target to answer the questions according to the advertisement of “the new monogram tote”, “Capucines Handbag”.

~ 75 ~
The communication impact of the “new monogram tote” bag is to announce their products to the target public. The objective is to give the message of independent women and their own decisions about life. The question of how to communicate with the desired public is the effective communication. The addressing groups are young women who are passionate about purchasing a value from the brand. The appropriate time to communicate with the consumers is vital to maintain the effect and long term durability of the communication. After communicating in the appropriate time and receiving a feedback via customer service, survey from the services, conducting special events for consumers and finally evaluating the communication by analyzing the brand loyalty and brand awareness of the young women consumers are the core of the matter. (Louis Vuitton 2013 c)

The communication impact on the young women consumers is that to attract and take their attention aiming to inform them about the new bag which is “Capucines Handbag”. The main objective of the “Capucines handbag” is to highlight the bag’s distinct character and it’s features and collect the goodwill of the consumers. The important thing to communicate with the desired public is to express the main objective of the brand and highlight what they are offering according to the amount they pay. LV addresses young and effective women as it combined the message of the advertisement with a successful artist who is “Michelle Williams” to underline again the real character of the women to whom it wants to refer. The communication time is important for LV for that reason every season is the best time to communicate with the target consumers. Surveys, arranging special events are important to understand the satisfaction of the consumers from the product. (Louis Vuitton 2013 e)

**Louis Vuitton Japan Essence of Message**

The sponsorhips and advertisement campaigns had an positive impact in Japan’s culture. The proof of high appreciation of the message and consuming the products are visible by the sales in Japan. According to the “Q3 2013 LVMH Moet Hennessy Louis Vuitton SA Sales Conference” “Jean-Jacques Guiony” underlined the Japanese market potential by saying “Japan is till very very strong. It is a market in terms of values, exist strong double digit growth in Japan” (Proquest 2013 a). The main essence of the message was to emphasize the hugeness and the potential growth of the Japanese market. Furthermore, the major point to understand here is the investments to LV Japan’s market is providing it’s incomes.

**Louis Vuitton South Korea Essence of Message**

The collectivism characteristics of South Korea also shapes the way that the public relate, understand and accept the message of not only the advertising campaigns but also sponsorships. “Michelle William” collaboration for the advertising campaign of LV’s message fits with the characteristics of South Korea. The message of the bags are clear and the spirit of being independent was emphasized. These key features of the advertising campaign is compatible with the collectivist culture of South Korea. Therefore, this campaign is adequate to collect the goodwill and acceptance. South Korea’s accepting and the effectivity of the message is coming from its collectivist culture. In their nature they are welcoming the foreign brands and ready to consume.
Nonverbal Support

We are researching for luxury industry and therefore it is crucial to understand the small details that have a huge effect on the outcome of a public relations. In this regard, according to Salsberg and Shin (2010-online), the key players which forms the luxury brands ranging as advertising campaign pictures and the products. Well displayed and written in a quality form is the insurance of the luxury brands that they care for their business and also their consumers (Salsberg, and Shin 2010-online). Small points matters for luxury brand market. Because the luxury brand followers especially for LV checking and desiring to touch, taste and see special features unique for the brand they consume.

Figure 58: Louis Vuitton Kusama Studio iPhone App

Source: Luxuryes (2012)

Louis Vuitton was in collaboration with the Japanese artist “Yayoi Kusama”. She is known about her “dots” and imaginary and creative vision (Louis Vuitton 2013 l). She contributed LV with her different understanding of creativity which was shown above. LV creative director is willing to be in collaboration and exchange LV and artist ideas in order to push LV to another stage through the eyes of consumers. For example, iphone application which is visual side created by “Yayoi Kusamo” is not only entertaining the consumers but also with its attractive features it catches the attention (Louis Vuitton 2012 a). This special application is to show that LV is announcing to the young consumers of LV that they care about them and their needs. The iphone application which was created by Yayoi Kusama is a special progress from LV and this is a great emphasis that the brand is following the latest trends of technology. This news is to show that Louis Vuitton is in collaboration with the Japanese artist and feed the brand from the arts she made. According to the information on Binlot (2012), LV has been in cooperation with different artist, but when it comes to “Yayoi Kusama” she is not only the newest one but also known with her creative contributor to the LV (Binlot 2012). “Escape Louis Vuitton Tokyo” is an exhibition with Japanese artist “Mariko Mori” and this exhibition on 2011 is to show that LV is in collaboration with a Japanese artist and that they are creative and open to new ideas in order to serve their customers better. According to the Chairman and CEO of Louis Vuitton “Yves Carcelle”, he commented about this exhibition as a special even to meet with the Japanese public to show that they are providing an art and a luxury for them (Escape LouisVuitton Tokyo 2013). The collaboration with the “Yayoi Kusama” benefited the brand globally. The application she contributed took the attention of
LV consumers worldwide. The main points are the colors, different shapes and the liveliness of the application which attracted the audiences and maintained the interest.

*Japan Louis Vuitton Nonverbal Support*

**Figure 59: Timeless Muses Opens at the Tokyo Station Hotel**

Louis Vuitton (2013 j).

Louis Vuitton Japan contributed to the Louis Vuitton’s non-verbal support with the special exhibition in the Tokyo “Station Hotel” and honor the women who take part in the journey of Louis Vuitton namely “Charlotte Periand, Françoise Sagan, Catherine Deneuve, Kate Moss and Coppola (Louis Vuitton 2013 j). This is a real support for the brand in Japan LV to announce again and again its special collaborations with the celebrities to the public. According to the Janette and Thomas (2013), the exhibition not only displays the contributors to the brand’s reputation but also provided visitors a technology based different experience to watch the pictures (Janette and Thomas 2013). LV is continuing its nonverbal activities all around the world without cutting the speed and the main idea is to form stable bridges with the consumers for long period of time.

**Figure 60: Kobe Kyomachi Japan tha facade**

Source: Louis Vuitton (2013k )

56 According to oxford dictionaries (2013) “Facade is the front of building which faces to a street or open space” (Oxforddictionaries.com 2013)
The figure 60 shows the store of LV in the Kobe Kyomachi Japan. This store’s exterior design was built by Japanese facade design (Louis Vuitton 2013k). LV is aware of the fact that the LV location has to orient itself to the environment of the cultures in order to collect sympathy from its customers. This store is the example of the non verbal support attempt in Japan.

**Figure 61: Kusama in Wonderland**

![Figure 61: Kusama in Wonderland](image)

Source: Louis Vuitton (2012 d)

**Figure 62: Yayoi Kusamo Selfridges for Louis Vuitton at Selfridges London**

![Figure 62: Yayoi Kusamo Selfridges for Louis Vuitton at Selfridges London](image)

Source: Louis Vuitton (2012 c)

The collaboration with “Yayoi Kusama” provided a different edge for the understanding of concept stores. This is an artistic contribution from Japanese artist to LV. The designs and the forms of the architecture fulfills beyond the words use. This contribution provides advantages ranging as displaying the products with a different concept, provide a sustainable image for consumers and gives the message that LV cares their consumers (Louis Vuitton 2012 c). What is attractive with the collaboration with the artist is the color and the shapes that she provides and limited edition of the idea behind “Kusama in wonderland” attracts the interest of the consumers (Louis Vuitton 2013d).
South Korea Louis Vuitton Nonverbal Support

Louis Vuitton’s global non-verbal support aim is to announce and provide the news about the brand. When it comes to regional tastes or for countries what is different is the location and the culture that is changing. South Korea announces it’s store openings and also events to support LV’s reputation in South Korea. Furthermore, being a well known and a successful brand is also an advantage for LV (Burgunder 2008:436). The reputation and the reliability factors supports LV and fulfill the required non verbal support in which geographic area it continues it’s business. In this regard, being the most powerful luxury brand name provides already the non verbal support just with the logo of the brand.

Figure 63: Louis Vuitton Airport Store in Incheon

Source: CNN Travel (2011)

Louis Vuitton has chosen Incheon airport to open its first airport store in South Korea (CNN Travel 2011). This idea came in to life because of its strategic location. By opening this store LV not only collect the non verbal support from Asian people but also will take their attention the luxury consumers when they are travelling.

Figure 64: Kdrama Stars attend “Louis Vuitton” Opening Event

Source: Kdramastars (2012)

South Korean Kdrama stars are so popular that they are showing off in the events of the luxury brands. One of the example is the last event for the one of the popular LV store in South Korea (The Star Online 2013). As a global strategy for LV to be in collaboration with
the celebrities is also popular in South Korea to take the attention and preserve the communication with the audiences.

6.2 Case 2

6.2.1 Case Company Overview

“Guccio Gucci” established Gucci as a luxury brand. Gucci’s main activities consists of “handbags, shoes, fashion collections, children’s clothing, small leather goods, jewelry, fragrances” (Pricewaterhouse Coopers Accountants N.V. 2004:15). In 1906, Gucci started its business as a saddlery shop specialized in “leather bags” then it expanded its business and since 1920’s its main objective is to produce “luxury luggages”Forbes.com (2008b). Moreover, when it comes to define Gucci, some of the key points are that its famous of being an Italian brand and specialized in craftsmanship and quality in their products (Gucci 2012 p), (Kering 2012a). According to PPR (2012), some of the Gucci’s sales channels consists of “Boutiques, e-commerce and their department stores”(PPR 2012:18). Furthermore, consumers has a high demand to the products of Gucci therefore specializing to produce unique products are their main aim (PPR 2012:18). Moreover, Gucci is in a position to be strong rivalry with the other strong brands because of company’s strong image and profitability. Moreover, according to PPR (2012), Gucci is one of the global luxury brand who has corners in different countries (PPR 2012:18).Also, Gucci is one of the luxury brand of “Kering” 57 (Kering 2012b:3), (Kering 2012c). According to the Kapferer (2008), “The Pyramid Brand and Business Model in the Luxury Market”, Gucci is in the “luxury brand” category (see page 28). According to the interview from chairman and chief executive officer of Kering, “in 2012 the group’s annual revenue rose to 11%, non-recurring items by 28% net debt fell € 904 million” (Kering 2012b:4).Moreover, Since, 1972 Gucci has been active in Tokyo (Chadha and Husband 2006:16). In this regard, Gucci discovered the potential of luxury consumers in Japan since 1972. According to luxury fashion brand index, being 24th on out of 129 brands is the cause of an honor for the Gucci brand eventhough, it is an old brand from 1921” (Okonkwo 2007:45).

57 “Kering is a family controlled listed company and which is a world leader in apparel and accessories with an ensemble of powerful brands”(Kering 2012b:2)
Gucci is the leader for the luxury category of PPR according to the table for “breakdown for recurring operating income”. 2012 compared to 2011’s overall operating income was higher for the PPR group. PPR group’s “luxury division” compared to “sport & lifestyle” division had an increase from 2011 to 2012. (PPR Press Release 2013:13)

Gucci’s growth position compared to luxury sector starting from 2000’s till 2013 always increased and luxury followed Gucci’s way of growth (Interbrand 2013d). It is a success scene for a luxury brand which is leading the way like Gucci to the luxury market. Moreover, what is special about Gucci and the way it sustains a brand loyalty among its key consumers
not only locally but also globally is coming from being in cooperation with quality artisans and doing their work with unlimited wish and desire (Interbrand 2013b).

**Figure 65: Breakdown by region 2012**

![Breakdown by region 2012](image)

Source: PPR (2012:6)

**Figure 66: Breakdown by region 2011**

![Breakdown by region 2011](image)

Source: PPR (2012:6)

**Figure 67: Breakdown by brand in revenue 2012**

![Breakdown by brand](image)

Source: PPR (2012:17)

**Figure 68: Breakdown by product category in revenue 2012**

![Breakdown by product category](image)

Source: PPR (2012:17)
Between 2011-2012 period region’s revenues percentage didn’t changed for Japan and Asia Pacific (PPR 2012:6). Gucci is the most valuable brand with 59% revenue according to the breakdown by brand category of PPR in 2012. On the otherhand, “leather goods” are the best category of PPR group which brings revenues to the group with 55 percent and the second one is “ready to wear category” with a 16 percent (PPR 2012:17). When it comes to Gucci’s product categories revenue in 2012 leather goods accounts for 59% and Japan other than Asian region’s revenue accounts for 11% and Asia pacific 37% (PPR 2012:18). Overall, the revenue of PPR group 2012 was 6,212 € Million (PPR 2012:17) and the revenue of Gucci in 2012 was 3,639 € Million (PPR 2012:18).

Gucci’s public relations

Gucci is following and benefitting from variety of channels for announcing its public relations activities ranging as “advertising, fashion shows and special events” (Pricewaterhouse Coopers Accountants N.V. 2004:25). Moreover, London, Milan, New York are some of the cities which supports Gucci’s public relations. Conducting special events locally and globally, preparing for fashion shows and also all the collaborators for Gucci to announce its name is for adding its success level (Pricewaterhouse Coopers Accountants N.V. 2004:26). Furthermore, the success of the Gucci brand mainly depends on the well working and organized communication activities which includes PR (Pricewaterhouse Coopers Accountants N.V. 2004:5). “Public relations and events” are the main supporters and communication builders towards their unique consumers (Catry 2003:14). Public relations and advertising serves for different purposes for luxury goods sector. When it comes to public relations for Gucci, “brand recognition” is the key term which sustains its success in the luxury market (Voguepedia 2013). Maintaining its brand recognition is possible via strong
public relations. For example, “Timepieces & Jewelry Music Fund” is the globally supporting fund from Gucci to support the music talents all around the world. (Shea 2013).

Being a part of this supporting event is a way to announce their brand name globally. Gucci prepared their “90th anniversary celebrations” with an opening event (Gucci 2011a). This event is the displaying of the Gucci’s success since 90 years in the luxury sector and also a chance to strengthen its relations. Moreover, Gucci collaborated with the well known bicycle “Bianchi” and produced “Gucci bicycles” (Gucci 2011b). This is a different way to announce Gucci’s name and the outcome is not only to announce the “Gucci” but also the “Bianchi” as a brand. Gucci has been a responsible brand and been in cooperation with “UNICEF” (UNICEF 2012). This partnership was to guarantee the educational and social needs for children in Africa. Moreover, being a collaborator with a well known organization will enhance the ties with their clients. Japan Gucci’s public relations is serving their consumers in order to obtain their confidence and long term relationships. Japan hosted a press event about the “Gucci Timepieces & Jewelry Music Found” for Japanese talents. (Gucci Timepieces & Jewelery Press Corner 2013). Gucci is adding to their world wide sponsorships day by day in order to support young people. These events encourages Gucci to collect goodwill and preserve its good image among the consumers.

Figure 71: Gucci Time Pieces & Jewelery Music Fund

Source: Gucci Timepieces & Jewelery Press Corner (2013)

“The time piece artisan corner “ also came to Tokyo Ginza to meet with their consumers (Gucci timeless 2012a). Furthermore, what is special about this event is to show and give the message to the audience how the artisans form the unique watches. This is a live show for Gucci to display their products quality. Moreover, there was again a special artisan corner in Japan but this time in the “Takamatsu” to honor the 40 years of Gucci’s (Gucci timeless 2012b). There was a special VIP event for the consumers and in this event exists special collection (Gucci timeless 2012c). Being in a close communication with the important consumers is the insurance to obtain and maintain the brand loyalty and image among the Japanese consumers.
This special event is to announce “Fashion’s night out 2013” event of Gucci which is in collaboration with “Namie Amuro” with the magazine Vogue(Gucci 2013 b). Gucci was collaborating with the local artist to emphasize the live of its unique collections and to combine the different stories of the artists. “Giannini 2013 Cruise collection” was an example of how Japanese artist would be in harmony with the characteristics of the collection of Gucci (Clarkson 2013).

South Korea’s Gucci public relations

Public Relations main characteristics and the understanding from public relations differs in South Korea. The main factor which shapes this ideology is the South Korean “Confucian culture”58. When it comes to define the characteristics, behaving on their own and also mutual relations and benefits are the main ones (Jo 2011:400). Gucci South Korea manages its public relations effectively by holding events. Gucci is a sensitive brand for preserving the unique art. Therefore, being a sponsor for South Korean “NTK” was to demonstrate that Gucci cares the historical related arts (Gucci 2012a). The latest event that took place in Pusan Korea is called “Gucci Timepieces & Jewelery artisan corner” (Gucci timeless 2013). This event is an opportunity for Gucci to communicate effectively with their consumers with the latest “Gucci 2013 Fall Winter Jewelery collection” and also collect a goodwill from South Korean consumers.

58 “When it comes to understand the real meaning of Confucianism in South Korea, Confucianism is affecting the ideas, values, morals and norms for judgement and behaviour” (Jo and Kim 2004:293).
Source: Gucci timeless (2013).

Figure 74: Lee Yong Ae in Gucci Seoul Flora Exhibition

Source: Yahoo (2013)

Gucci hosted an exhibition in Seoul about the “Flora Collection” (Min 2013). In South Korea exhibitions for Gucci, celebrities who took part in the event is a positive image for public to take their attention. For that reason, Gucci prefers to display its events with the well known local celebrities to manage its public relations activities. Therefore, celebrity endorsements plays a big part for well know luxury brands like Gucci.

Table 31: Complementary Roles of Advertising and Public Relations for Luxury Goods

<table>
<thead>
<tr>
<th>“Audience”</th>
<th>“Advertising”</th>
<th>“Public Relations”</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Large”</td>
<td>“Limited”</td>
<td></td>
</tr>
<tr>
<td>“Good for”</td>
<td>“Awareness”</td>
<td>“Preference”</td>
</tr>
<tr>
<td>“Emphasize on”</td>
<td>“Roots, legitimacy”</td>
<td>“Excitement, emotion”</td>
</tr>
<tr>
<td>“Brings”</td>
<td>“Reassurance”</td>
<td>“Risk”</td>
</tr>
</tbody>
</table>

Source: Catry (2003:15)

Public relations for luxury goods is distinct and different from public relations for non branded goods. According to the events and exhibitions that Gucci Japan and South Korea
held had limited time and collection range. Moreover, in order to collect the goodwill and sympathy from the exhibitions, collaborations with the celebrities provides excitement to the event. Furthermore, luxury brands are not for everyone, instead it is for a specific group of people. Therefore, there is the possibility to risk about breaking the ties between the consumers and brand image from the eyes of the clients.

6.2.2 Application of PR- MBO Model Management by Objective

Client/Employer Objective

The client-employer objective of the PPR which is the parent company of Gucci is to preserve the “brand loyalty” of its brands among their target consumers for long term. (Marketline Advantage 2013: 23). Furthermore, their unique “brands” and the way the “distribution” management is the PPR group’s real success factor. (PPR Press Release 2013:1). In this regard, with their special strategies the group is collecting goodwill and sympathy among its consumers. What is important to understand as a global ideology of Gucci Group’s main objectives is to focus not only on the results of the work but also the revenues which has been obtained through every unit (Proquest 2004a :3). This piece of information provides the fact that the group’s objective in communication is to identify every category in the brands product portfolio that will be contributing to the profit of the group. Moreover, the core strength of the Gucci group according to “Robert Polet” is that it is a special brand well known for their quality products with a well management (Proquest 2004a:6). Gucci brand main objectives since 1938 has well formed and implemented according to the strength from their core values which makes the Gucci brand an exclusive and a special one.

Gucci Japan Client/Employer Objective

When it comes to the number and quality of production capacity increase, Gucci was trying different ways to be in collaboration with the suppliers in Florence. (Passariello, C. 2006). The main idea to be in a good collaboration with the suppliers in order to serve their consumers and reward the consumers more effectively.

The interview with “Patrizio di Marco” (President & CEO) about Gucci is conducted in order to learn the Gucci’s main success objectives globally. He emphasized the fact that, relying on strong roots and following the innovations are the key strengths that Gucci has. Moreover, what is important for Gucci’s success is about the management of communication via “stores” and the “products” (Youtube 2010). According to his speech what is important for their client-employer objectives is to effectively management of the communication process with their target consumers. The communication tools has to serve to different cultural preferences to obtain their goodwill and to create a stable relationship between them. According to the information available in (Pricewaterhouse Coopers Accountants N.V. 2004) the Gucci fashion and accessories main aim is to successfully build a strong communication between its target consumers by offering a true value with their distinct quality products in their special stores (Pricewaterhouse Coopers Accountants N.V. 2004:1).
Japan personal accessories sector between 2008-2012 period didn’t have a stable growth. The most significant growth was visible in 2008 and 2011 compared to 2009-2010 and 2012. Moreover, 2008 position of growth was higher than 2012. The reason behind this drop could be that first one is that Gucci is in configuration time for their product categories and therefore couldn’t reach a peak level of growth and also the economic issue effects (Euromonitor International 2013 h)

Table 32: Brand Shares by Global Brand Name Historic Retail Value RSP % Breakdown, Japan, Bags and Luggage


In Japan when it comes to bags and luggage industry, “Coach” is the number one choice for consumers. “Louis Vuitton” is the second and “Gucci” is the third (Euromonitor International 2013j). The reason about Coach is to be the number one because LV has different product categories other than bags and luggage as a luxury brand but even Coach also exist different categories in their brands but they emphasize and focus on bags and luggage categories especially for Japan.

59 Author selected the top three brands from the original table, for more information please look: http://www.portal.euromonitor.com/Portal/Pages/Statistics/Statistics.aspx (Euromonitor International 2013j).
Gucci South Korea Client/Employer Objective

The Gucci CEO “Patrizio di Marco” and Creative Director “Frida Giannini” emphasize on, as a global strategy their focus is on not only their unique brand values but also the product and service they are producing as a company and changing people’s lives with an Italian label dream brand (Kering 2012b: 22). Because of all the good and the quality features which forms a luxury brand surrounded around the brand Gucci, as a group they are indebted first of all their Italian roots and their management ideology which forms long lasting relations with their environment (PPR 2012:19).

Figure 76: Brand Shares by Global Brand Names Historic-Retail Value RSP-% Breakdown Personal Accessories-South Korea

![Bar chart showing brand shares by global brand names in South Korea]

Source: (Euromonitor International 2013 i)

Table 33: Brand Shares by Global brand name historic retail value RSP % Breakdown, South Korea, Bags and Luggage

<table>
<thead>
<tr>
<th>Year</th>
<th>Louis Vuitton</th>
<th>Prada</th>
<th>Gucci</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>8.5</td>
<td>2.0</td>
<td>4.8</td>
</tr>
<tr>
<td>2009</td>
<td>10.1</td>
<td>3.5</td>
<td>5.2</td>
</tr>
<tr>
<td>2010</td>
<td>10.0</td>
<td>4.8</td>
<td>6.4</td>
</tr>
<tr>
<td>2011</td>
<td>13.9</td>
<td>6.5</td>
<td>8.0</td>
</tr>
<tr>
<td>2012</td>
<td>14.2</td>
<td>10.4</td>
<td>7.6</td>
</tr>
</tbody>
</table>


South Korea’s personal accessories between 2008-2012 period had a growing trend. This is the success of the Gucci brand that it continues successfully implementing their strategies in this market and also the demand is satisfying the brand that every year the growing trend was increasing. (Euromonitor International 2013 i). In South Korea when it comes to bags and luggage market “Louis Vuitton” is the number one than in the second raw “Prada” and finally

---

60 Author selected the top three brands from the original table, for more information please look: http://www.portal.euromonitor.com/Portal/Pages/Statistics/Statistics.aspx
“Gucci” is coming. In South Korea market, consumers prefer Louis Vuitton as the number one bags and luggage luxury brand company because of their products unchanging quality and also the practibility of their products (Euromonitor International 2013i).

### Media Channels and Why?

The media channels are playing still a major role to attract and being in touch with the consumers. What is important to analyse is the target consumers and effective medium types. According to Salsberg and Yamakawa (2010-online), generally when companies are seeking for a dominant media channels to announce their public relations activities, the suitable forms of media channels consists of “events, companies websites and magazine advertisements” (Salsberg and Yamakawa 2010-online:6). Gucci hasn’t been in cooperation with a mass media tool which is a Television to announce its latest advertising campaign before. In this regard, “CNN style 2014” is the latest collaboration between Gucci and TV channel CNN (CNN 2013 a).

#### Figure 77: Gucci Advertising Campaign on CNN

![Gucci Advertising Campaign on CNN](source)

Source: CNN (2013 b)

As a luxury brand Gucci has been benefiting from Social media channels and written media, but never benefitted before from the mass media. Moreover, by taking part in the television campaign Gucci reached its clients globally. Other than the other media types that Gucci has been using, advertising the brand name on television is an extraordinary way of communicating with its clients. Because this media channel is a new type of communication for luxury brands to effectively manage their communication. Moreover, choosing mass media as a communicator between the target group and the brand is a pure way of marketing communications so to saystrenghtening the brands image.
Gucci Japan was in collaboration with the “Story magazine” Japan to prepare the news of the two types of “limited Gucci bags” called “Soho hobo bag” and “Soho boston bag” (Storyweb.jp 2013). Especially for this type of bags Gucci has chosen the mass media to promote its new product. The idea behind why especially Gucci has chosen this magazine in Japan is the reason why the characteristic of the bag and the specific target consumers who will be interested were the same. Moreover, choosing a specific bag from a luxury brand and collaborating with a magazine to inform the regional targeted consumers is an effective means of communication. Gucci’s latest advertisements have been chosen to analyse which media channels Gucci was benefiting for leather handbags for Japan and South Korea. It is also possible to search for the relation about the media channels with the other product categories. Author has chosen leather handbag from the fashion leather goods category because of its popularity among women consumers.
Japan:

Figure 79: Bamboo Confidential Campaign

Source: Gucci (2012 e)

Figure 80: Bamboo Shopper Bag

Source: Gucci (2012 g)

Figure 81: Bamboo Confidential Bag

Source: Facebook Gucci Japan (2013e)

Figure 82: Gucci Bamboo Bag Leather Tote

Source: Gucci Twitter Japan (2013a)
This is the latest advertisement from Gucci with the artist who is “Andreea Diaconu” with a different leather handbag called “Bamboo shopper leather tote” (Gucci 2012 e). The price in the Japanese web page of Gucci is ¥184,800 (Gucci 2012 f) and in the international web page the price of the bag is $2290 Gucci (2012 i). Gucci have chosen Japanese Gucci web site Gucci 2012 (g), Gucci Twitter Japan (2013a), Gucci Facebook Japan Gucci (2013 e) to announce their latest leather handbag campaign. These are the media channels of the Gucci where it benefits to provide the latest bags display with every feature they have. Also it gives a message and an example about how a global handbag from Gucci is benefitting from media channels and the preference of media channels for local markets like Japan.

Figure 83 : Gucci Icon The New Bamboo Bag

Source: Gucci (2012 j)

Figure 84: Japan MTO HB Gucci Icon The New Bamboo

Source: Facebook Gucci Japan (2013a)

Figure 85: Gucci Icon The New Bamboo Bag

Source: Gucci Twitter Japan (2013b).

61 (Fashion Gone Rogue 2013)
Gucci’s other original handbag is called the “New Bamboo”. This bag has a special distinction among the other bags because it’s not only the traditional style of Gucci but also it exist natural bamboo handle (Gucci 2012 m). The advertisement campaign “Forever now” conducted with “Charlotte Casigari” was aiming to advertise the “bamboo bag” which was distinguishable since 1947’s. (Gucci 2012 j). The “new bamboo” bag from the international web site starts approximately costs from $15800- $5900 according to the style and model of the new bamboo bag (Gucci 2012 n). Furthermore, The “new bamboo” in the Japanese Gucci webpage started from approximately ¥256,200 - ¥2,310,000 (Gucci 2012 r). Gucci Japan used to announce the new version of the bag in Gucci Facebook Japan, Gucci Twitter Japan to do the product publicity. Eventhough, this handbag and the handbag mentioned before in page 91 has different characteristics, model, color and so on. Japan Gucci has chosen the same media channel to announce them to their target consumers.

**South Korea:**

**Figure 86: Bamboo Confidential Campaign**

![Bamboo Confidential Campaign](image)

Source: Gucci (2012 i)

**Figure 87: Bamboo Shopper**

![Bamboo Shopper](image)

Source: Facebook Gucci Korea (2013a)

~ 95 ~
In the South Korean Gucci website “Bamboo Shopper” bag costed from approximately W2,665,000. (Gucci 2012 q). Gucci South Korea used to announce the “Bamboo Shopper” bag in Facebook Gucci Korea page (Facebook Gucci Korea 2013a). Unlike Japan, South Korea benefitted from a different media channel to announce the handbag eventhough they are the same bag, what is changing is the implementing of the leatherhandbag public relations activity suitable to the South Korean’s market. This gives the idea that eventhough both countries (Japan and South Korea) are from East Asia, their preferance in media channels varies for their markets.

Figure 88 : Gucci Icon the New Bamboo Bag

Source: Gucci (2012 j)

Figure 89: Gucci Icon The New Bamboo Bag  Facebook Gucci Korea

Source:  Facebook Gucci Korea (2013b)

Figure 90: Gucci Icon The New Bamboo Bag South Korea Gucci  website

Source:  Gucci (2012 s).
In the South Korean Gucci website “Gucci Icon new Bamboo” bag started from approximately ₩ 2,965,000 - ₩ 3,805,000 according to its style and collection Gucci (2012 i). Gucci South Korea used to announce the “Gucci Icon new Bamboo” bag not only in Facebook Gucci Korea web site but also from their own South Korean Gucci web site. (Facebook Gucci Korea 2013b), (Gucci 2012 s). Especially for this type of handbag, South Korea Gucci prefers to use the same media channels. This means, Gucci in this local market doesn’t change their usage of media channels strategies according to the different products for leather handbags.

Table 34: Japan and South Korea Gucci Latest Handbag Media Channels

<table>
<thead>
<tr>
<th></th>
<th>Japan</th>
<th>South Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gucci</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bamboo Confidential bag</td>
<td>Gucci Japan website</td>
<td>Gucci South Korea Facebook</td>
</tr>
<tr>
<td></td>
<td>Gucci Japan Twitter</td>
<td>Gucci South Korea web page</td>
</tr>
<tr>
<td></td>
<td>Gucci Japan Facebook</td>
<td></td>
</tr>
<tr>
<td>Gucci Icon the new bamboo bag</td>
<td>Gucci Japan Twitter</td>
<td>Gucci South Korea Facebook</td>
</tr>
<tr>
<td></td>
<td>Gucci Japan Facebook</td>
<td>Gucci South Korea web page</td>
</tr>
</tbody>
</table>


Starting from the year 2011, mobile, tablet applications and internet has been the main channels which enable Gucci to effectively reach their consumers. (Euromonitor International 2013 g). Fashion shows which are important to display and show what the lastest trend of the brands is in, in a close cooperation with the PR department because PR has to build different stories and inform public related with the brand. According to the information available in Pricewaterhouse Coopers Accountants N.V. (2004), Public relations and their related activities and organization’s dominance is an indispensible fact for Gucci. In 2003, their success in their profit numbers approved this fact (Pricewaterhouse Coopers Accountants N.V. 2004:26). Fashion shows for each season is an effective way to take the attention again for the related consumer of the brand. Because of fashion shows excitementes and also the atmosphere of the colorful world mainly attracts the attention the Gucci’s consumers.

Media Channels Objectives

“The gatekeepers” who are the critical persons who decide about the quality of the news changes from one culture to another culture (Milkie 2002:855). These people’s contribution is an indispensible factor for media channels because they have to manage the process step by step (Foster, Borgatti and Jones 2011:248). Luxury brands has to rethink how to manage the “consumers, editors, and the brand” triangle. In order to clearly and successfully reach the target consumers, the relation with the editors is important. So to say, understanding and
fulfilling the necessary criterias of informations is the guarantee to publish the information via mass media (Chadha and Husband 2006:263). Furthermore, “bloggers” are also playing a crucial role to attract consumer’s tastes about the luxury brands (Welter and Lillethun 2011:253). Bloggers who are providing messages and informations with the intended brands are also playing a part to inform the public about the brands news.

**Gucci Japan’s Media Channel Objectives**

In Japan, when it comes to distinguish who is the “gatekeeper” question, the answer is the “agencies” who distribute the news to the mass media (East Asian Executive Reports 1996:8). Public relation with the media is a form of winning and influencing the decision makers in media and activities that would influence journalist and create attachment to the brand through cooperation with local celebrities, participating in local events and special gatherings and invite journalist as the guest of honor. Gucci organized an event for Japanese magazine journalist who are working for “Elle Japan and 25 ans” (Gucci 2012 d). This event’s main topic is to describe the “Gucci time pieces and jewelery” and collect a goodwill from the gatekeepers in Japan. The journalists are in a strategic poision to form the news in media for Gucci in Japan.

**Gucci South Korea Media Channel Objectives**

The strong characteristics of the values of South Korean society also had an affect on the “gatekeepers” job in media. The treatment of the news depends on the relationship with the gatekeepers (Jo 2011:400). In this regard, building strong bridges with the key gatekeepers in the South Korean media more likely to save the main idea of the news. Strong and consistent relations and behaviours are the keys for effectively managing the media in South Korea (Jo and Kim 2004:293). Furthermore, in South Korea the gatekeeper role is divided in to two, that means on the one hand “journalist” and on the other hand “individuals” (Park 2001:405). This division provides individuals to give their own decisions depending on their emotions and mental thoughts and decide on the reliability of the news in the media. “Gucci’s scholarship program” was announced in one of the popular daily news (Lee 2012). According to the news publication the news writer was objective about the details of the news. The news was treated in dept from the writer of the news, this shows the clearity of especially this media.

**Sources and Questions**

Gucci’s main global working discipline and also the way how it manages to care its sustainability without sacrificing its quality brand is its main success story. The correspondent of “Urban Times” “Elizabeth Keach” made an interview with “Rossella Ravagli”62 (Keach 2012). According to the interview, the main topic of discussion is to highlight the “sustainability” of Gucci and how it was preserving brand image. She focused on her image about the maintained success of the brand and also their careness attitude toward their consumers. This interview provided an idea about Gucci’s main sustainability since it’s built with the responses to key questions that the interviewer had asked. The latest global campaign of Gucci which is called “Chime for Change” is a fantastic campaign which will provide a chance for the young girls and women’s social development (Chime for Change 2013). Gucci’s main objective as a luxury brand ambassador is matching with the “Chime for Change” campaign’s main objective.

---

62 She is the Gucci’s” Corporate Social Environenental Responsibility manager” Urban Times( 2013).
There was a panel discussion in order to talk about the women and girl’s education opportunities and “Robet Lance Triefus” was one of the attendants of this panel. The main questions that were asked to him was to understand why Gucci took part in this project, what is the objective of the project and what they want to obtain from this global advertising campaign. Mr. Triefus, highlighted that this campaign will provide the opportunity for the young girls and women to achieve their dreams and the most important aim is to announce the stories of women all around the world by the help of technology (Youtube 2013 a). To this extent, by attending the panel Gucci underlines the fact that Gucci is not just a worldwide known luxury brand but also a contributor and a leader to support and help people all around the world. According to the Gucci presentation in (2004), the question that was asked to the speaker “Robert Polet” was mainly to understand how well known Gucci has been keeping stable its communication with its target consumers. Mr. Polet answered the question by emphasizing the activeness of the brand with the support of the main characteristics of Gucci (Proquest 2004 a).

According to the “sales conference in Q3 (2008)”, when it comes to count for the rising stars of Gucci, Asia pacific, Japan and South Korea are the leaders for Gucci as a brand consumption (Proquest 2008). There was an “earnings conference call for PPR group in (2008)”. In the conference, one of the questions which was forwarded from the audience was wondering what is the Gucci’s business growth. “Francois Henri Pinaul” underlined the fact that when it comes to 2008 and 2009 years, Gucci South Korea’s growth was distinguishable among Asia (Proquest 2009). The other “earning conference for Q2 (2012) PPR”, potential revenue of Asia were asked from one of the attendants in the conference. “Jean Marc Dupaix” replied the question by focusing on the current situation and the potential position of sales. When it comes to rank the Asia Pacific countries for this period, China is in the first rank then South Korea and Taiwan was coming (Proquest 2012 c). According to the “Sales conference call for Gucci” one of the questions was to understand the Japan’s market calmness and their reasons behind this scenes. “Claire Kent” underlined the answer of the question as the consumption of the brand from Japanese has changed its route to the outside of Japan (Proquest 2004b).

Interms of understanding the Japan’s image for affecting Gucci’s revenues, “Jean Marc Dupaix” emphasized on the Japanese market positiveness for consuming luxury despite the tsunami disaster that affected Japan (Proquest 2012 b). According to the sales conferences mentioned before that were held for PPR group and therefore for Gucci, in terms of sales, profitability Japan has a better place than South Korea because of the luxury consumption considered as a normal process in their lives. Moreover, by attending the conferences as a group, the questions got answered for the related periods and the unknown points were cleared by the group’s responsible persons.

**Communication Strategies:**

Managing the communication of luxury brand is not the same with the mass communication. The main objective in this communication with the clients is to maintain the relationship, inform about the brand name and again strengthen the bridges with the clients (Kapferer and Bastien 2012:255-258). These objectives are also pointing the role of the Public relations for luxury brands. Gucci’s globally well known communication strategies formed the success of

---

63 He is the “Chief marketing officer of Guccio Gucci Italy”(Chime fo Change 2013)
64 “Jean Marc Dupaix” is the Group's Chief Financial Officer of Gucci (Proquest 2012 b).
the brand. The globally well known communication path of Gucci exists as, “Guccio Gucci” is the creator of the brand, “GG” is the logo, exist in “brown colour and green red green stripes”, “leather, zip closures”, “interior design of the bag” and “Gucci” style (Voguepedia 2013). (Vogue encyclo 2013), (Gucci 2012 o). These features are unique for Gucci and determine and highlight the Gucci’s image as a luxury brand and also luxury brand characteristics(Kapferer and Bastien2012: 274).

According to the “Patrizio di Marco” communication strategies are playing a fundamental role for Gucci globally (Youtube 2010). Every point in communication has to clearly serve for consumer’s tastes and their needs. In order to meet its consumers on on-line based platform Gucci launched not only a “digital Flagship” store but also a “Gucciconnect.com” website (Proquest 2010). These establishments leads Gucci to a next level in digital world. Gucci lovers can easily shop and check the latest new products of Gucci in the “flagship store” and also follow the fashion shows on-line with “gucciconnect.com”. These platforms unite people on the idea that Gucci is a unique brand. Furthermore, Gucci also provides the message that it follows the global technological trends and innovations for luxury fashion market and present these establishments and make available for the target consumer’s tastes. Therefore, PR is a strong contributor for Gucci to establish and maintain their communication management strategies.

Figure 91: Gucci Style Winter 2012

Source: Gucci (2012 h).

Gucci emerged a “iPhone app” for the lovers of the brand in order for the audiences to follow Gucci online with this app. (Gucci 2012 h). This is a global communication strategy for Gucci in order to effectively communicate with them on online platform and provide their consumer a quick service via on-line. Furthermore, this app also provides the chance to have a different experience to visit and live the differentiation of “Frida Giannini’s” work compilation ranging as “360 degree features”, “Gucci iconic handbag preparation”, “social media news about Gucci” and so on (Proquest 2011 b). The creative director of Gucci is supporting Gucci’s not only communication strategies but also encouraging their consumers for following creative applications from the Gucci brand.
Gucci is benefiting from every popular channel to attract and collect a goodwill from their target group globally. The target group easily follow the latest videos, fashion shows, campaigns, events by Youtube (Youtube 2013 b). This media channel is not only visually supporting Gucci with its content but also being fast and enjoyable channel. This channel is also a chance for consumers to understand how quality products and services Gucci provides from pictures and videos.

Gucci has added a new and an innovative way to meet with its clients all over the world which is the “Gucci online flagship store”. Because of the launch of the digital store there was a special “Gucci Connect E-event Facebook App” (Kering 2010). All the newest attempts that was created by Gucci is to serve the clients better and follow the latest innovations. Moreover, this is a chance for Gucci to learn how many of the clients are following Gucci via social media. Gucci collected its important moments, events, fashion shows in the “Gucci’s
podcast”. The clients of Gucci easily follow the Gucci via on-line. Gucci is carrying their communication strategies online to meet with their clients.

**Gucci South Korea’s Communication Strategies**

Communication is a significant tool for South Korea Gucci to reach their consumers. Communication is related with strong relationships and there is an accepted belief in South Korea which is “yon”⁶⁵ (Jo and Kim 2004:294). Gucci is managing it not only by social media, with fashion magazines or in its websites but also with the special events and fashion shows that are held in South Korea. For example, “0809 FW Collection in Korea show, The Gucci 10-11 F/W Collection Fashion Show” are the examples that took place in Seoul (Yenjee’s Asian Journal 2008), HaNniE JoOniE BloGie woGiE (2010).

**Figure 94: Gucci Style I-phone Application**

![Image of Gucci Style I-phone Application](source: Apple (2013 a))

The application for Gucci app is also available in South Korean alike in the Japanese language. Gucci enabled this special application for every specific country and the message behind this is that Gucci is a global brand and use every opportunity of innovation which will benefit all its consumers and will be adapted to all the specific regions (Apple 2013 a). The application is the same with in the global iphone application. The difference is mainly the language which is the strongest tool for luxury brands to convert their global application to the local markets. South Korean consumers of Gucci can easily follow and live the privilege of choosing Italian brand who follows innovation in their business.

---

⁶⁵ In South Korean culture “yon” is about the main idea about the relationships concept whereas managing the relationships is not in the hands of a person, instead there are other factors shapes the relationship (Jo and Kim 2004:294)
A new establishment from Gucci launched to attract their consumers from all over the world. Gucci has chosen social media tools when it comes to announce their campaigns for globally and also locally (Gucci 2012b). Especially, in order to announce and show the winners of self made handbags for the campaign Facebook has been chosen (Facebook Gucci Japan 2013c). This global campaign was a great chance for Gucci in order to build a stable communication with their target consumers. First of all, announcing the advertisement in a social media is an attractive communication strategy for Gucci to inform the young women for both Japanese and South Korean. Moreover, like the other applications or announcing the
events of the brand, applying the global strategy to the local markets is an effective way of communication.

**Figure 98: Facebook Gucci Korea**

![Facebook Gucci Korea](image)

Source: Facebook Gucci Japan (2013 b)

**Figure 99: Facebook Gucci Japan**

![Facebook Gucci Japan](image)

Source: Facebook Gucci Korea (2013c)

**Figure 100: Pinterest Gucci Japan**

![Pinterest Gucci Japan](image)

Source: Gucci Japan Pinterest (2013).

**Figure 101: Gucci Japan Twitter**

![Gucci Japan Twitter](image)

Source: Gucci Twitter Japan (2013c).
Gucci is benefiting from the Social media for its brand image and value. This is a strategic way of communicating with their target consumers. Gucci has a facebook page special for Japan and South Korea here it displays the latest news from Gucci, celebrities. This shows that Gucci follows the Online PR strategies to be in contact with their luxury consumers. This is an effective way of doing publicity whereas Gucci easily describe its new products and services via social media which is an alternative of media channel. Moreover, this is a clear strategy to maintain the consumer loyalty toward the brand. Moreover, Gucci Japan is also using Twitter and Pinterest to display their latest products on-line. On the otherhand, Gucci South Korea started to use e-commerce web site of (Gucci 2013d). In order to increase its quality and speed of their service to the South Korean consumer, Gucci South Korea has modified its services online.

Gucci Japan’s Communication Strategies

Communication about the luxury brands is playing an important role for Japanese consumers to be in touch with their desired brands latest collaborations, news and innovative ideas. In order to achieve this, the best strategy is to strengthen the communication ties with Japan and also the other local markets and to convert and modify the global communication tools to the local tastes. Japan hosted Gucci’s 90th anniversary in its temple in Japan (Proquest 2011a). This collaboration is a chance for Gucci to strengthen its ties with the Japanese public who had faced the earthquake and the tsunami disasters in their country.

Figure 102: Gucci Style I-Phone Application

Source: Apple (2013b)

The “Gucci global app”, is also available for Japanese Gucci lovers to download and follow the latest news in Gucci especially in Japanese. This is an effective communication platform for Japanese to whom that particular audience will have the chance to follow Gucci. Moreover, this is an on-line friendly fashion magazine which was built by Gucci (Apple 2013b).
Essence of Message

This section’s analysis based on analyzing the speeches, sensitivity to the social issues and how Gucci successfully manages and forms the bridges to transmit the intended messages to the local markets like Japan and South Korea. According to the Gucci presentation in (2004), in the speech of “Robert Polet”66, he underlined the importance of marketing communications and planning (Proquest 2004a:6). The essence of the message in his speech is, effective communication is in the core place for the group to improve their brand image in the eyes of the consumers and to collect an understanding and provide an effective working supply chain system for the success of the Gucci group’s business. The newest campaign Gucci Icons of Heritage Cut & Craft, is aiming to show that we are a reachable luxury brand and love to communicate directly with our women consumers and potential consumers. This way creative director of Gucci’s handbag design who is “Gionni Fennini” will provide a benefit with social media which is an one way of effective online PR to manage the long lasting relations (Luxury daily 2012 a).

Gucci Japan’s Essence of Message

Gucci has a special interest in Japanese market whereas there are special attempts from Gucci Japan ranging as, “a place for special anniversary celebrations, Gucci loves you bracelet, Gucci icon store in Tokyo, Fiat 500 by Gucci” (Luxuo 2010), (2011a), (Luxuo 2011b), (Luxuo 2011c). All these all events and an interest to the Japanese market shows that, Gucci is aware of the fact that Japan is the worldwide most luxury consuming market and special events or products will improve the communication effectiveness between its consumers. The most attractive attempt is to help the people of the Japanese public who had suffered from the tsunami and the earthquake with the “Gucci loves you bracelet”. Moreover, there was another collaboration from a Japanese artisan called “Yoshif Koda” who will collaborate with Gucci as a Japanese in order to help the people who get affected from the tsunami (Aquino 2013). The objective of the client is to help the Japanese public with the support of the image of a strong brand worldwide and consumers to accept and relate these attempt as a support from a strong valued brand. Moreover, the concept of being unique and important as a nation for Gucci has to be clear in the consumer’s minds of Japanese consumers. Furthermore, Gucci also believes that the Japanese people’s unique talent for arts and for that reason being in collaboration with artisans will honor Gucci. Gucci has been active in Japanese market not for business issues but also to collaborate for social issues which shows that Gucci is a real luxury brand.

Gucci South Korea’s Essence of Message

Gucci is not only well known because of their quality brands and a distinct value but also their success and sensitivity for social issues. One of the local example for Gucci is South Korea. Gucci’s image also highlighted with a chance provider to the people who needs. In all of the campaigns, events which are converted to South Korean market shows that this brand is a global brand known as a collaborator and supporter.

66 “Robert Polet is the Chairman and CEO of Gucci Group” (Proquest 2004 a)
Gucci is in collaboration with “KOSAF” to conduct a scholarship program called “The Gucci Scholarship” (Gucci 2012 l). Gucci is a strong worldwide known brand which is putting importance for education related issues mostly to communicate with a specific country’s public. Gucci wants South Korean people to remember Gucci as an ambassador not only for luxury brands but also as a strong collaborator who is willing to support students. Moreover, the intended message has been accepted by the South Korean public.

Non-Verbal Support

When it comes to non-verbal support for luxury brands, it is one face of their public relations. Because luxury brands has to go beyond the words to form their marketing communications. This could be either supported via pictures, events or sponsorships which in a sense has a greater impact than the words. Luxury brand’s one of the main goals is to provide a non-verbal support for the brand, in order to reach the consumers other than the words, to be used describe the brands (Kapferer and Vincent 2012:271). Gucci is managing its non-verbal support via window installations, charity event, scholarship, collaboration with other brands and fashion shows. Different luxury brands has variety of plans to implement for their non-verbal support to their brand names. The described activities are special for Gucci and also special for these local markets of Japan and South Korea.
Gucci Japan’s Non-Verbal Support

Figure 104: Window Installation from Japanese Manga Artist

Source: Gucci (2013 a)

Gucci is in a collaboration to announce that the brand feeds itself for “Giannini’s 2013 Cruise Collection” with an artist such as Japanese Manga artist, “Hirohiko Araki” and this collaboration was exhibited all over the world (Gucci 2013 a). Like Louis Vuitton, Gucci is also in collaboration with the Japanese artists. This provides a different edge for the Gucci to get inspired with the different artist and improve the non-verbal support to the brand all over the world. Moreover, the message behind the picture that the artist created also had an affect on the uniqueness of the art and creativity. Furthermore, being in collaboration with the artist provides the message that strong markets especially in East Asia like Japan’s artists inspires Gucci’s non-verbal support and provides them a different color to the brand.

Figure 105: Gucci Stamps “Icons of Heritage”

Source: Facebook Gucci Japan (2013d)
According to the information available in the facebook webpage of Gucci, “the Gucci stamps” which are for the post stamps are the limited editions to help for the charity event. (Facebook Gucci Japan 2013d). These special stamps shows that Gucci cares about people and its environment therefore takes part in these philanthropies and is a trustable brand. Moreover this is an effective way to reach to the audiences via appropriate channel. Because, the desired target group notices the message and follow the activities of Gucci Japan.

**Figure 106: Gucci Scholarship**

![Gucci Scholarship](https://example.com/gucci-scholarship.jpg)

Source: Gucci (2011 c)

The scholarship that Japan has offered to the “Fukushima earthquake” victims in Japan is supported by the Unesco especially for the student’s education life. This is a real sensitivity action from a luxury brand to an important local market to show that Gucci respects and ready to invest their support to the people who needs help (Gucci 2011 c).

**Figure 107: Fiat 500 by Gucci**

![Fiat 500 by Gucci](https://example.com/fiat-500-gucci.jpg)

Source: Gucci (2013c)

---

67 Fukushima earthquake was the big disaster for Japanese which took place in 2011 (Taylor and Engel 2013)
Iconic Fiat 500 was designed in collaboration with Gucci’s creative director “Frida Giannini” because of Gucci’s 90th anniversary. This collaboration shows that Gucci is a creative player in the luxury industry whereas with a new age it prefers to conduct a publicity with a new design of a car brand (Gucci 2013c). Also this collaboration is an unexpected form from a well-known brand Gucci and which also shows creativity has no limits. Normally, luxury brands are collaborating either with artists or celebrity endorsements. Gucci shows how a luxury brand collaborates with a car brand and provides a creative style in collaboration with Gucci.

**Figure 108: Gucci Ai Tominaga Charity Fashion Show**

Fashion shows are also playing a role to be in communication with target public. Japan is hosted a “Charity Fashion Show—Japan 2011” in Japan (Fashion TV 2011). Japan is sensitive for the earthquake and other social issues and therefore is willing to help their suffered public from this disasters. Gucci fashion event has been chosen with the collaboration of the Japanese model to show their support to the people.

*Gucci South Korea’s Non-Verbal Support*

**Figure 109: Gucci Makes Commitment to Preservation of Korean Heritage**

Source: Gucci (2012a)
According to PPR (2012) report, “there was a special exhibit in Seoul from Gucci and it was called: “Timeless Touch of Craftsmanship: Korean Heritage Meets 91 Years of Gucci Archive at the Korea Furniture Museum (KOFUM) in Hanok” (PPR 2012:19). This exhibit mainly highlighted the agreement between Gucci and “National Trust Korea” (NTK) which showed that it’s a sensitive brand which cares historical and cultural issues (Gucci 2012a). This collaboration with the South Korean museum underlines the fact that Gucci as a luxury brand’s main sensitivity towards preservation of the Koren culture. Gucci mainly specialized in its Italian craftsmanship in its products and therefore it always gives importance to heritage in its 91 years effort.

Figure 110: Flagship Store in Japan Gucci

![Gucci flagship store in Japan](image)

Source: Gucci (2012 c)

Figure 111: Gucci to Unveil Renovated Seoul Flagship Store

![Gucci flagship store in Seoul](image)

Source: Gucci (2012 k).

When it comes to display the beauty and the creativity and combination of art and a store Gucci flagship store in Tokyo is equals to this explanation. Because of the flagship stores well exterior and interior design and compatibility with innovation supported in a clear form (Gucci 2012c). In this regards, Gucci supports its brand with nonverbal support in Japan effectively because everything was designed according to the consumer’s tastes. Furthermore, the flagship store establishment in Japan is the main window for contributing to the retailing understanding of luxury brands (Chadha and Husband 2006:75). Gucci South Korea is following its traditional flagship store concept and displaying the creativity of Gucci not only for their products but also for the flagship store. Gucci’s main distinction in the luxury market is that it follows the latest modern trends and apply it in its unique flagship store concept. Evethough, Gucci is implementing its modern features in its brand but still it is
preserving the key traditional characteristics of Gucci (Gucci 2012 k). In this regard, combination of the key characteristics with a harmony of innovation tools is the exact strategy that Gucci is benefitting for their communications.

**Figure 112: Gucci Bamboo Shopper in Jaguar Printed Leather Handbag**

Source: Gucci Bamboo Tumblr (2013)

The celebrities in South Korea are also following the latest trends collections of the product categories of well known brands and South Korean actress “Lee Young Ae” in the picture are the example for a well known actress who is carrying Gucci handbags (Gucci Bamboo Tumblr 2013). When it comes to displaying and announcing that celebrity endorsements importance for luxury brands, collaborating with the local celebrities is a strategy for brands like Gucci to be different from their competitors (Riot, Chamaret and Rigaud 2013:920).

**Figure 113: Yu-I with Bamboo Tote Handbag**

Source: Blog naver (2013)

South Korea Gucci is also following the global trend of Gucci's main communication strategy to form an effective communication with their customer. But especially with the South Korean popular actress “Young Ae Lee” is carrying a “Bamboo Shopper” handbag in “Incheon international airport” and the other celebrity who is carrying “Bamboo Tote” is “Yu-I” and this was the event called 'House of Artisan'. (Gucci Bamboo Tumblr 2013), (Blog naver 2013). Gucci who provides a different edge for luxury lovers also keeps on attracting with following the newest media innovations which is desired by the consumers. According to Kering (2012 b), preparing an online friendly platforms and make it compatible to the local differences and changes is a working strategy to catch the attention and maintain the communications (Kering 2012b:22). This means Gucci cares and gives value to their consumers and trying every opportunity to attract them.
7. Conclusion

The obtained results of the research points out that public relations of the two European luxury brands which are Louis Vuitton and Gucci have a positive impact on building the image and the communication of the luxury brands in Japan and South Korea.

The main aim of the study is to compare the similarities and differences of public relations management strategies for Gucci and Louis Vuitton in Japan and South Korea and also to investigate whether Louis Vuitton and Gucci apply the global public relations management strategies in Japan and South Korea. In order to highlight the results, “PR-MBO Management by Objectives” model key points ranging as, “client / employer objectives, audiences / publics and why? audiences characteristics, audiences objectives, media channels and why?, media objectives, sources and questions, communication strategies, essence of message and non verbal support” has been applied. (Nager and Allen 1984:103-149).

According to the results of the research, mass media and online media are the main collaborators for Louis Vuitton and Gucci to effectively manage their public relations activities in Japan and South Korea. These two brand’s reputation and well known image is coming from managing their public relations not only globally but also locally. The case studies comparison results according to the “PR-MBO Management by Objectives model” shows that, the main objectives of the employer for Louis Vuitton Japan and South Korea is to ensure goodwill, make aware of the target consumers from the brand name and maintain brand loyalty and awareness among their clients. This way, Louis Vuitton not only maintains to preserve its brand image but also realises the main employer objectives. Furthermore, Gucci’s main employer objectives for these two markets is to highlight their brand name not as a well known and global luxury brand but also with contributing to the social lives of the people who needs support.Moreover, both countries are following the objectives of the Louis Vuitton strategies globally which are the price strategies, strategic locations for stores, special promotions and ensuring long lasting products, being in collaboration with celebrities. The difference in Japan Louis Vuitton client-employer objectives is the usage of social media or popular magazines in order to inform the public about the Louis Vuittons’ latest products or news.

Globally ensuring its clients brand loyalty is the most important feature of Gucci employer objective. In addition to this, Gucci brand’s main strength is coming from its communication management via its stores and products. (Youtube 2010). Gucci Japan and South Korea are following the global Gucci’s employer objectives ranging as, providing superior service to their customers, building quality relationships. When it comes to inform the clients, Japan is benefiting mostly from social media whereas South Korea is benefiting from their official South Korean websites of Gucci and Facebook. In Japan audiences / public consume luxury because the main aim is to show that they are following the luxury market and consuming it therefore as a country according to “ Spread of Luxury Model” they are in the “way of life” stage. On the otherhand, for South Korean audience / public consume luxury brands because of the pressure from their peers and to show their wealth in their environment therefore, they are in the “fit in” stage of the Spread of Luxury Model. (Chadha and Husband 2006: 44-46). Moreover, “word of mouth” and “price factors” are the popular ways that South Korean women considers in their shopping experiences (Jin and Sternquist 2004:16), (Sternquist, Byun and Jin 2004:88). For both countries specific target groups are willing to consume luxury brands, eventhough their main intensions and therefore consumption behaviors are different. The main common features of the audience / publics is that they are interested in
consuming European luxury brands. Furthermore, these specific target groups have the authority and power to affect the shopping behaviors of the consumers. When it comes to the audiences characteristics and objectives, the consumers of the LV and Gucci are the same in their natures because they are luxury consumers and at the end they are consuming the luxury brands. Especially for Japanese 25-30 years old young women consumers have a tendency to consume luxury brands and on the otherhand, in South Korea, 20-30 years old women are consuming luxury brands. (Chadha and Husband 2006:86). Also women in their 40’s or 50’s have a tendency to consume luxury brands in Japan and South Korea. The main difference of the audience characteristics is their psychology which affects their purchasing behavior and attitudes. As for Japanese audience in their purchasing behavior, they search for the brand’s tradition, quality of the product which has to satisfy the consumers. On the otherhand, South Korean consumers consume not only to satisfy their psychological needs for luxury consumption but also to consume unique brands.

Media channels are the most effective means of mediums for Louis Vuitton and Gucci to announce their latest news and products to their target public. Japan is mainly benefitting from mass media, modern electronic media, social media and in their official Japanese websites. Whereas, South Korea is mainly using magazine advertisements and its brand website. Louis Vuitton in Japan was using the social media and South Korea is benefitting from their South Korean web pages to reach their target consumers. The reason why Japanese consumer’s tendency to follow their desired luxury brands via on-line means of channel is because of the characteristics of the audiences and the way they want to be informed. Louis Vuitton and Gucci builded their own on-line magazines for their consumers, aiming to provide them to follow directly the latest products, company news which are publicized online by the brand itself. (Louis Vuitton 2013 m), (Gucci 2012 h). Therefore, the clients have their emotional and mental control about the news from Louis Vuitton and Gucci. Also, following the news and products from the brand’s online magazine encourage consumers to be their own gatekeepers.

The main sources of information for Louis Vuitton and Gucci were obtained from the sales conferences and panel discussions, by the answers of the responsible persons from Louis Vuitton and Gucci the questions being asked. Also the main questions that were directed to Louis Vuitton were about the price factor for Japan and the consumption demand between Japan and South Korea (Proquest 2012 a). On the otherhand, questions for Gucci are about the Asia Pacific countries sales profitability, reasons why Gucci take place in campaigns especially for “Chime for Change”, Gucci’s communication stability, the effective countries of Asia Pacific for Gucci brand consumption, business growth in Asia. (Proquest 2012 c), (Youtube 2013 a), (Proquest 2004 a), (Proquest 2009).

Louis Vuitton is benefitting from its own brands features and also communication channels globally and building relations with their consumers worldwide. Louis Vuitton’s, main communication strategies globally follows the celebrity collaborations, their fashion shows and their top designer (Proquest 2006 a). Moreover, latest advertisement campaigns, official on-line magazines, Louis Vuitton book collaboration with Japanese artists “Natsko Seki”, “Global LV Pass” in Japanese language are further supporting Louis Vuitton Japan not just to communicate with its clients but also aiming to build the synergy between the brand and Japanese consumers. (Vogue 2012 a), (Louis Vuitton 2013 m), (Louis Vuitton 2013 r), (Apple 2013 c). In Japan Louis Vuitton, Japanese artists such as “Yayoi Kusama, Murakami Takashi” play a crucial role to form the communication examples such as pop up store concepts and window installations. (Chadha and Husband 2006: 90-92). When it comes to South Korean LV communication strategies, some of the examples are, “Global LV Pass” in South Korean
language, collaboration with Vogue magazine for advertisement of the “mini icons” bags which are matching with the South Korean women tastes (Apple 2013 d), (Vogue 2013 ). To this end, Louis Vuitton communication strategies are affecting South Korea and Japan but they are also forming their own communication strategies which are serving for their regional tastes. Furthermore, the communication strategies of Gucci globally are serving their consumers tastes especially via on-line communications. Moreover, Gucci built its own communication strategy via its brand name and with its specific features. For example, the online digital flagship stores, online fashion show website, iphone applications for Gucci, youtube official websites, Gucci itunes and also social global campaigns are just some of the communication activities worldwide. (Proquest 2010), (Gucci 2012 b), (Youtube 2013 b), (Apple 2013 b), (Gucci 2012b). Especially for South Korean communication strategies of Gucci, Gucci style iphone app, Gucci South Korean website, special event fashion shows, social media are the key connectors between Gucci Korea and its clients. (Apple 2013 a), (Gucci 2013 d). (Yenjee’s Asian Journal 2008), (HaNniE JoOnIE BloGie woGiE 2010), (Facebook Gucci Korea 2013c). On the other hand, Japan is benefitting also from the Gucci style iphone app and social media for its communication. This communication strategies are not only effective for Japan and South Korea and but also for global communication activities as well. (Apple 2013 b), (Facebook Gucci Japan 2013 b), (Gucci Twitter Japan 2013 c), (Gucci Japan Pinterest 2013).

Louis Vuitton as a global strong brand announcing its essence of message via sponsorships either for education or sailing competitions and advertisement campaigns. (Sos Children Villages 2012), (Louis Vuitton 2013 p), (Louis Vuitton 2013 c) (Louis Vuitton 2013 e). The main messages of Louis Vuitton is to collect goodwill and remind its brand name’s strong image to its audiences worldwide. The potential consumption of the Louis Vuitton products shows that they appreciate the essence of the message of LV’s global activities. On the other hand, according to South Korean collectivist culture South Korea welcomes the global effects of Louis Vuitton. South Korean supportive manner for on-line communication tools are the main planned communication reason with South Korean consumers. Gucci’s main essence of message is to give the information that its a reachable luxury brand in the eyes of its consumers with the support of campaigns (Gucci 2012 b). On the otherhand, Japan Gucci’s special anniversary celebrations, “Gucci loves you bracelets”, Gucci icon stores are just some of the examples which provide the messages that Gucci cares and ready to serve the consumer in Japan. (Luxuo 2010), (Luxuo 2011a), (Luxuo 2011 b) (Luxuo 2011c). On the otherhand, Gucci South Korea’s scholarship programs in South Korea is to show that Gucci is sensitive for educational issues and this way it highlights the fact that being one of the luxury brands in the world they also means to help and support the people (Gucci 2012 l), (Gucci 2011 c). Louis Vuitton Japan is being in collaboration with “Yayoi Kusama” for the application of iphone design that she had collaborated is full of colors and interesting designs which takes the attention of the clients. Another collaboration which provides a different edge for the brand is with “Mariko Mori” for the exhibition in Japan (Louis Vuitton 2012 a), (Escape Louis Vuitton Tokyo 2013). By collaborating with the Japanese artists who contributed to the brand with their unique art understanding, Louis Vuitton’s main objective is to form a stable and a strong bridges for long term with their consumers. Moreover, Louis Vuitton South Korea’s first airport store which is called “Incheon airport” is also contributing to the non-verbal support and also Kpop drama stars contribution to display the Louis Vuitton products in South Korea is also backing to the brand’s non-verbal support (CNN Travel 2011), (Kdramas 2012). Furthermore, Gucci scholarship with “UNESCO and KOSAF”, charity fashion show of “Ai Tominaga” and “Gucci charity stamps” are some of the examples of nonverbal support for Japan, whereas for South Korea, South Korean Gucci website, collaboration with South Korean Museum, Gucci flagship stores and also celebrity’s Gucci
product displays are the examples for non verbal support to Gucci. (Gucci 2011 c), (Gucci 2012 l), (Fashion Tv 2011), (Facebook Gucci Japan 2013d), (PPR 2012) (Gucci 2012 l), (Gucci 2011 c), (Gucci 2013 d), (Gucci 2012k), (Gucci Bamboo Tumblr 2013), (Blog naver 2013).

Based on the results of the research, the research questions and their answers:

- Do Louis Vuitton and Gucci apply their global Public relations management strategies in Japan and South Korea?
- What are the similarities and differences of Public relations management strategies in Japan and South Korea for Louis Vuitton and Gucci?

As for the first research question, following and applying the global public relations strategies also for Louis Vuitton Japan and South Korea is the key factor to reach their success. Because for Louis Vuitton, shop window displaying, collaboration with well known celebrities, organizing events, being a sponsor are their main global PR strategy. What is important to highlight is that the collaboration with Japanese artists affected the public relations activities all around the world for example “Louis Vuitton Selfridges in London” (Louis Vuitton 2012 c). Moreover, Gucci Japan and South Korea are also following the global strategies of Gucci. They take the well known Gucci public relations activities and implement it to Japan and South Korea. The public relations management points and plans which are confirmed and accepted from the headquarter and are transform into strategies that is suitable to the local markets. This also shows that the decision maker’s foresight and multifaceted feature. According to the relevance of the results of the research questions both brands take the global public relations strategies as an example and build their own success stories.

As for the second research question, the main public relations management strategies of Japan Louis Vuitton is being in collaboration with the Japanese artists such as “Yayoi Kusama” and using her art in some of its window installations, store displays. On the other hand South Korea is also benefitting from store openings and shop window displays. For Gucci’s main public relations management strategies of Japan is holding press events, artisan corners to display the products journey, VIP events, special events related with fashion, anniversary celebrations, providing scholarships. On the other hand, in South Korea Gucci, is also arranging events, being a sponsorship, providing artisan corners to display the products preparation journies and also exhibitions.

In a nutshell, for both Gucci and Louis Vuitton in these two markets benefitting from the local artist especially from Japanese and implementing this collaborations arts in their window installations display, using media channels to be in contact with their consumers, investing on their flagship stores visuality to attract their consumers, investing on global advertising campaigns and making it compatible to the local markets and investing on on-line PR and converting PR activities and news to their on-line platforms and benefitting from local celebrity endorsements are all the similarities for their public relations management strategies between these two brands. On the other hand, the difference for Louis Vuitton as a global luxury brand is combining the art of the Japanese artists with their global application, their preferance for opening a store in an airport instead choosing a different place. Furthermore, Gucci provides scholarships, collaborates not only with artists but also with different sector brands and benefits from mass media for their advertising campaign. The key success factors for these two successful brands highlights the fact that being in cooperation and compatible with the Louis Vuitton and Gucci’s headquarters management strategies is the key point for not only surviving in these local markets nowadays but also for future accomplishments. These two brands are manage successfully their public relations activities not only globally
but also locally. As a conclusion, these two European luxury brands demonstrate how a well known two European luxury brands could be successful in a different market like East Asia especially for Japan and South Korea.
8. References


Communication Handbook 2008, Singapore, Asian Media Informations and Communication Centre

http://individual.troweprice.com/public/Retail/PlanninG-&-Research/Connections/Luxury-
Goods/Luxury-Brands-Expanding-Around-The-World

Multi-Paradigmatic Perspectives, Newyork, Routledge,

Communication: South African Journal for Communication Theory and Research
Vol: 30, Issue: 1 Pages:90-100

Wiedman, K.-P., Hennigs, N.,(Eds.) Luxury Marketing A Challenge for Theory and Practice,
Wiesbaden, Springer Gabler

Bernard Cova and Tae Youn Kim (2013). Luxury Consumer Tribes in Asia: Insights from
South Korea in Hoffmann and Maniere(2013). Global Luxury Trends Innovative Strategies

Binlot A.,(2012). Marc Jacobs Recruits Yayoi Kusama for Latest Louis Vuitton
Collaboration, Louise Blouin Media, retrieved from: 17.11.2013, available at:
http://www.blouinartinfo.com/news/story/755503/marc-jacobs-recruits-yayoi-kusama-for-
latest-louis-vuitton

available at: http://louisvuittonbrand.wordpress.com/about/timeline-3/

vuitton/

available at: http://blog.naver.com/pink_mocha?Redirect=Log&logNo=194542117


~ 124 ~


~ 125 ~


Gove, P., B. And Webster M., (Eds.) (2002). Webster’s Third New International Dictionary of the English Language Unabridged, Massachusetts, U.S.A Springfield


~ 127 ~


~ 130 ~


Inoguchi, T.,and Fujii, S., (2013). Quality of Life in East Asia 1, *The Quality of Life in East Asia, A comparison of Quality of Life in East Asia*, Dordrecht et.al., Springer


~ 132 ~


~ 135 ~


~ 139 ~


~ 142 ~


Rosen E.,(2002). A National Bestseller How to Create a Word of Mouth Marketing The Anatomy of Buzz, Newyork, et.al., Double day Curreny


~ 144 ~


~ 146 ~


9. Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 “P”’s</td>
<td>Product, Price, Place, Promotion (see Figure: 4)</td>
</tr>
<tr>
<td>Gucci</td>
<td>GG</td>
</tr>
<tr>
<td>IDV</td>
<td>Individualism/Collectivism (see Table 11)</td>
</tr>
<tr>
<td>KOFUM</td>
<td>Korea Furniture Museum</td>
</tr>
<tr>
<td>KOSAF</td>
<td>Korea Student Aid Foundation</td>
</tr>
<tr>
<td>Louis Vuitton</td>
<td>LV</td>
</tr>
<tr>
<td>MAS</td>
<td>Masculinity/Feminity (see Table: 11)</td>
</tr>
<tr>
<td>MBO</td>
<td>Management by Objectives</td>
</tr>
<tr>
<td>NTK</td>
<td>National Trust Korea</td>
</tr>
<tr>
<td>PDI</td>
<td>Power Distance (see Table: 11)</td>
</tr>
<tr>
<td>PR</td>
<td>Public relations</td>
</tr>
<tr>
<td>PR-MBO</td>
<td>Public Relations Management by Objectives</td>
</tr>
<tr>
<td>Toyota Corp</td>
<td>Toyota Motor Corporation</td>
</tr>
<tr>
<td>UAI</td>
<td>Uncertainty Avoidance (see Table: 11)</td>
</tr>
<tr>
<td>VVIP</td>
<td>Vey Very Important Person</td>
</tr>
<tr>
<td>WWW</td>
<td>World Wide Web</td>
</tr>
</tbody>
</table>
10. List of Tables and Figures

Tables:

Table 1: Louis Vuitton and Gucci Branding Key Steps ....................................................... 18
Table 2: New Media Options .................................................................................................. 19
Table 3: Categories of Luxury Goods Market Revenues and Growth Forecast ............... 21
Table 4: Global Luxury Goods Market Revenues and Growth Forecast ............................ 21
Table 5: H1 2013 Revenue by Business Group ................................................................. 31
Table 6: Revenue by Business Group .................................................................................. 31
Table 7: Best Luxury Brands.............................................................................................. 33
Table 8: LVMH Group Retail Stores Network ................................................................... 35
Table 9: Bags and luggage brand shares Japan 2008-2011 ........................................... 37
Table 10: Bags and luggage brand shares South Korea 2008-2011 ................................... 40
Table 11: Hofstede Cultural Dimensions .......................................................................... 46
Table 12: Japan in 2030: The Future Demographic, Female Population by Five Year Age Group .................................................................................................................. 50
Table 13: Economically Active Population Survey (EAPS) in October 2013 .................. 53
Table 14: Number of Marriages and crude marriage rate ................................................. 54
Table 15: Life Expectancy by Gender and Age ................................................................. 54
Table 16: South Korea in 2030: The future demographic, Female population by 5-year age group .................................................................................................................. 55
Table 17: Luxury Consumer Categories .......................................................................... 56
Table 18: Age structure of Japan ....................................................................................... 57
Table 19: Dependency ratios of Japan .............................................................................. 58
Table 20: Sex Ratio of Japan ............................................................................................. 59
Table 21: Literacy of Japan ................................................................................................. 59
Table 22: Unemployment, youth ages 15-24 ................................................................... 59
Table 23: Age structure of South Korea .......................................................................... 60
Table 24: Dependency ratios of South Korea ................................................................... 61
Table 25: Sex Ratio of South Korea .................................................................................. 61
Table 26: Literacy of South Korea .................................................................................... 61
Table 27: Unemployment, youth ages 15-24 .................................................................... 61
Table 28: Japan and South Korea Louis Vuitton Latest Handbag Media Channels ......... 69
Table 29: Breakdown of Recurring Operating Income ................................................. 82
Table 30: Gucci vs. Luxury Sector ............................................................................. 82
Table 31: Complementary Roles of Advertising and Public Relations for Luxury Goods ... 87
Table 32: Brand Shares by Global Brand Name Historic Retail Value RSP % Breakdown, Japan, Bags and Luggage ............................................................... 89
Table 33: Brand Shares by Global brand name historic retail value RSP % Breakdown, South Korea, Bags and Luggage ............................................................... 90
Table 34: Japan and South Korea Gucci Latest Handbag Media Channels ................. 97
Figures:

Figure 1: Communication circle ................................................................. 3
Figure 2: The Public Relations Process ...................................................... 5
Figure 3: The Public Relations Transfer Process ....................................... 6
Figure 4: The Four Ps: The Marketing Mix ............................................... 8
Figure 5: Marketing Process .................................................................. 8
Figure 6: The Marketing Concept ............................................................. 9
Figure 7: Marketing orientation ............................................................... 9
Figure 8: The Interrelationship Between Public Relations and Marketing ... 11
Figure 9: Possible Advertising Objectives .............................................. 13
Figure 10: Branding Key Steps .............................................................. 17
Figure 11: The Progressive Mass Marketing of Luxury ............................ 19
Figure 12: Goals and Objectives ............................................................ 25
Figure 13: 10 Steps Effective PR Writing .............................................. 26
Figure 14: The Pyramid Brand and Business Model in the Luxury Market ... 28
Figure 15: Louis Vuitton and the Diamond Model .................................... 29
Figure 16: 2012 Revenue by Geographic Region of Delivery Breakdown of Revenue by Business Group ............................................................. 30
Figure 17: Company Shares (by Global Brand Owner) Historic, Retail Value RSP, % breakdown- Asia Pacific-bags and luggage .............................................. 30
Figure 18: Louis Vuitton vs. Luxury Sector .............................................. 31
Figure 19: Brand Shares by Global Brand Name- Historic Retail valueRSP-%, Breakdown Personal Accessories Japan ................................................................. 36
Figure 20: Company brand shares(by Global Brand Owner)- Historic Retail Value RSP-% LVMH Moet Hennessy Louis vuitton SA Bags and Luggage Japan ......................................................... 37
Figure 21: Building Bridges Between Handbags and Luggage .................. 37
Figure 22: Revenue by Geographic Region by Delivery ........................... 38
Figure 23: Revenue by Geographic Region by Delivery ........................... 38
Figure 24: Revenue by Business group 2012-2013 .................................. 38
Figure 25: Revenue by Business group 2010-2011-2012 .......................... 39
Figure 26: Brand shares by global brand name- historic retail valueRSP-%, breakdown personal accessories South Korea ........................................................................ 40
Figure 27: Company brand shares(by Global Brand Owner)- Historic Retail Value RSP-% Breakdown- LVMH Moet Hennessy Louis-Vuitton SA ................................................................. 40
Figure 59: Timeless Muses Opens at the Tokyo Station Hotel ............................................................... 78
Figure 60: Kobe Kyomachi Japan the facade.......................................................................................... 78
Figure 61: Kusama in Wonderland......................................................................................................... 79
Figure 62: Yayoi Kusamo Selfridges for Louis Vuitton at Selfridges London...................................... 79
Figure 63: Louis Vuitton Airport Store in Incheon ................................................................................ 80
Figure 64: Kdrama Stars attend “Louis Vuitton” Opening Event ............................................................ 80
Figure 65: Breakdown by region 2012 .................................................................................................... 83
Figure 66: Breakdown by region 2011 .................................................................................................... 83
Figure 67: Breakdown by brand in revenue 2012 .................................................................................. 83
Figure 68: Breakdown by product category in revenue 2012 ................................................................ 83
Figure 69: Breakdown by product category of Gucci revenue 2012 ......................................................... 84
Figure 70: Breakdown by region of Gucci revenue 2012 ..................................................................... 84
Figure 71: Gucci Time Pieces & Jewelery Music Fund ......................................................................... 85
Figure 72: Namie Amuro Collaboration with Gucci Vogue .................................................................... 86
Figure 73: The Jewelery Artisan Corner Visits Korea ............................................................................ 87
Figure 74: Lee Yong Ae in Gucci Seoul Flora Exhibition ...................................................................... 87
Figure 75: Brand Shares by Global Brand Names Historic-Retail Value RSP-% breakdown personal accessories-Japan ........................................................................................................ 89
Figure 76: Brand Shares by Global Brand Names Historic-Retail Value RSP-% Breakdown Personal Accessories-South Korea .................................................................................................. 90
Figure 77: Gucci Advertising Campaign on CNN .............................................................................. 91
Figure 78: Story Magazine Gucci Limited Pink Bags ......................................................................... 92
Figure 79: Bamboo Confidential Campaign ......................................................................................... 93
Figure 80: Bamboo Shopper Bag .......................................................................................................... 93
Figure 81: Bamboo Confidential Bag .................................................................................................. 93
Figure 82: Gucci Bamboo Bag Leather Tote ......................................................................................... 93
Figure 83: Gucci Icon The New Bamboo Bag ..................................................................................... 94
Figure 84: Japan MTO HB Gucci Icon The New Bamboo .................................................................... 94
Figure 85: Gucci Icon The New Bamboo Bag ..................................................................................... 94
Figure 86: Bamboo Confidential Campaign ......................................................................................... 95
Figure 87: Bamboo shoopper .............................................................................................................. 95
Figure 88: Gucci Icon the New Bamboo Bag ....................................................................................... 96
Figure 89: Gucci Icon The New Bamboo Bag Facebook Gucci Korea ............................................... 96
Figure 90: Gucci Icon The New Bamboo Bag South Korea Gucci website .................................. 96
Figure 91: Gucci Style Winter 2012 .................................................................................................... 100
11. Appendix

I. Abstract

The paper highlights the points of public relations management strategies of two European luxury brands for Japan and South Korea. The main objective is to analyze the two European luxury brand’s public relations management strategies to find out the differences and similarities and also whether the global public relations management strategies are being applied to South Korea and Japan. Moreover, in order to analyze the intended questions, mainly public relations, online public relations and luxury brands marketing are the focused fields in the theoretical part of the paper. In order to clearly investigate the main objectives of the paper the methodology which is PR-MBO (Public relations Management by Objectives model) has been chosen. When it comes to the Empirical part, two European luxury brands which are Louis Vuitton and Gucci have been chosen as the case companies and the methodology applied to them. The main results from the research show that public relations management strategies build both luxury brands marketing communication and profitability success in the luxury environment. In this regard, both Japan and South Korea are following the global public relations management strategies and further developing and adapting to their countries.

II. Zusammenfassung

III. Survey

Japanese:

1. Name and Surname: Harumi Papa
   Gender: Female
   Age: 53
   Professional Status: Housewife
   Nationality: Japanese
   Income Level: 2,000 € per month
   Marital Status: Married
   Survey Type: Face to face interview

**Question 1:**

How do you define luxury and luxury brands?

When I first hear the word “luxury” and “luxury brands”, quality is the most important feature. The value of the product is there, even though it is expensive but it is good for their lives if people can afford it. The main point for luxury brands is that it is for “luxury people”. But nowadays even some people cannot afford it, nevertheless they still try to buy luxury brands. Consumers of luxury brands are paying more than the quality of the product but there is a brand name, people go for the brand name rather than the quality itself.

**Question 2:**

Can you explain Louis Vuitton and Gucci’s client-employer objectives as you have witnessed and seen in your shopping experience for the leather handbags?

The strategy of the brands are changing in some certain points. Louis Vuitton is selling a lot, if they put expensive and limited edition of the products, they go for it. I think Japanese they like Louis Vuitton’s limited edition product categories. The word “limited”, if it is limited they do want it. So to say the Japanese buyer is trying to buy something that is not easy to get it. Louis Vuitton Japan employer is mainly emphasizing not only the expensive products but also the limited edition products. There are two different types of consumers who would like to purchase, some go for affordable products of Louis Vuitton which is cheaper compared to other version of the product prices but on the other hand the other category of clients, they prefer the bags that not everybody has, limited edition and expensive items. Moreover, Louis Vuitton Japan employer is shaping their strategy by focusing on selling their 5 items which are expensive instead of 10 items which are cheap. Gucci is different from Louis Vuitton because it has continued to change according to the product season and Louis Vuitton is also nowadays changing its product category because of the newest arrival products but before
Louis Vuitton become so classical in the eyes of the consumers but now they also design newer type of designs. For example, if you want Louis Vuitton 10 years back, the style of the product you will still find in the shops. When it comes to Gucci, they change the production every season. The bags they have 10 years ago in their shops, they don’t have it in the shop any more. So it is a completely different way of selling and production of the products to the target consumers. It is important to say that Gucci employer objectives is following more of a fashionable strategy.

**Question 3:**

What are your main objectives of consuming the Louis Vuitton and Gucci’s leather handbags?

The value of the brand is the main objective for me to consume them. I am used to consume luxury brands in my life. When I first had my luxury item I was 18 years old and the bag was from Louis Vuitton. The good thing about Louis Vuitton bags is that you can use and combine the bag in any time even though the season of the bag’s model had passed. On the contrary, Gucci brand is like Prada in my perception. When you wear Gucci bag and if it is the last season’s model, people notice that the Gucci is old fashion. For that reason I prefer to consume Louis Vuitton. If you have a Louis Vuitton you feel safe because even you carry after 10 years old bag, it still writes Louis Vuitton. But Gucci, if you have a 10 years old bag, compared to Louis Vuitton it is kind of out of fashion. That’s why Louis Vuitton has more selling in Japan. For example, for Japanese women who would afford only one luxury brand then they would go for Louis Vuitton instead of Gucci.

**Question 4:**

Through which media channels and communication tools do you prefer to be reached and get informed about the luxury leather handbags? Why?

I prefer magazines to be reached and get informed about the luxury leather handbags. For example, Louis Vuitton and Gucci also send me an email about the new collection of autumn/summer which is also nice but I prefer to see the advertisements in the magazines. Vogue, Harpars Bazaar, Financial Times special edition “how to spend for expensive things” issue. Also as a communication tool, window installation is also attractive for the consumers. The main idea of the preference of the media channels is to see and observe Louis Vuitton and Gucci advertisements.

**Question 5:**

What are the motivators you want to observe or comfortable with in your culture for consuming luxury leather handbags? Can you compare them with the motivators for European countries?

In my culture, “the famous celebrity people having that bag” mentality is working for Japanese consumers to purchase luxury brands. The advertisement of the products in the communication channels and also the beauty of the products are the biggest motivators also. For me, mainly the occasions are important. In attending to an event or for something important for me to join to, if I need the bag I will go for it, if I can afford it. Moreover, preserving my status idea also plays a crucial role especially when attending to an environment. The mentality of the European is different. If European wants to consume luxury brand but if they can not afford it then they go for fake of the product. On the otherhand, in the Japanese mentality if they can not afford it, they do their best to buy the brand even for a sacrifice of somethings in their lifes.
Question 6:

How do Louis Vuitton and Gucci appeal to you so that you purchase their luxury bags or do you buy these brands?

From my own experience, I am used to many luxury handbags but at the end what remains after years is Louis Vuitton’s bags. Because I know the quality and the unique style of the product, and I always go for Louis Vuitton’s handbags which I will use them long time. Also what is interesting is that the idea of how can one bag costs so much? is also attractive. They are successfull not only in Asia but also in Europe therefore Japanese and also all around the world women are consuming it. They are doing good marketing communications and public relations strategy.

Question 7:

Which non-verbal points in Louis Vuitton and Gucci attracts you the most?

The celebrities are the biggest pie which supports the non-verbal points for luxury brands. Even though, you, as a consumer don’t see them in your daily lives but still they are catching the attention of the consumers. Other than celebrities, window installations are also important. For example for Louis Vuitton had collaborated with “Yayoi Kusama” who is a well known Japanese artists. Her contribution to the special addition handbags in Japan is taking the attention of Japanese women.

Question 8:

Does getting attracted to and buying Louis Vuitton or Gucci bags appeal to your values and your unique lifestyle?

In Japanese mentality they wish and desire luxury brands, this is in our culture. I combine my value and necessities with Louis Vuitton or Gucci bags. Because, I think as a luxury brand, they have their value and uniqueness.

<table>
<thead>
<tr>
<th>Name and Surname:</th>
<th>Akemi Oki (Jeon)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender:</td>
<td>Female</td>
</tr>
<tr>
<td>Age:</td>
<td>43</td>
</tr>
<tr>
<td>Professional status:</td>
<td>Housewife</td>
</tr>
<tr>
<td>Nationality:</td>
<td>Japanese</td>
</tr>
<tr>
<td>Income level:</td>
<td>3000€ per month</td>
</tr>
<tr>
<td>Marital status:</td>
<td>Married</td>
</tr>
<tr>
<td>Survey Type:</td>
<td>Face to face interview</td>
</tr>
</tbody>
</table>

2.

Question 1:

How do you define luxury and luxury brands?

When I think about luxury and luxury brands, I think about the quality of the product and the service. Also the value and the customer service of the brand plays a big part to be a luxury
item. I gave the example of luxury brands like a beauty forever like a diamond which is special especially for women.

*Question 2:*

Can you explain Louis Vuitton and Gucci’s client-employer objectives as you have witnessed and seen in your shopping experience for the leather handbags?

The personal communication and the consumer service are the key points for Louis Vuitton globally. When I think of Japan, investing on marketing communications, high price strategy and collaboration with the celebrities or famous people are the main points that the employer focusing on as a management strategy. On the other hand, Gucci brand globally focusing on mostly communication strategies and sponsorships worldwide. For Japan, it is all about window installations. They care the shops windows better than any other countries and always arranging it fashionable. Moreover, the advertisement budget of Gucci in Japan is lower than Louis Vuitton and therefore this affects the sales. Gucci provides sales for it’s products because this is in their management strategies but on the otherhand, Louis Vuitton doesn’t provide sales. It provides always high and higher prices.

*Question 3:*

What are your main objectives of consuming the Louis Vuitton and Gucci’s leather handbags?

I am consuming especially Louis Vuitton compared to Gucci because its quality, value and the heritage are distinguishable. Even the handbags that you have purchased years ago, they still stay in the same shape and quality. This idea shapes my main purchase decision about Louis Vuitton. Moreover, I will preserve my status and wealth in my social environment. Because I would like to purchase limited edition handbags and the idea behind is this brand is unique and special. I purchase especially Louis Vuitton handbags, jacket and boots. On the otherhand for Gucci I have bought watch and rings because they were fashionable and attractive when I bought them.

*Question 4:*

Through which media channels and communication tools do you prefer to be reached and get informed about the luxury leather handbags? Why?

I mainly prefer to be reached by special brouchures and books as a VIP consumer that LV provides me every season. Special treatment from the brand which I call it special “consumer service” encourage me to consume the brand if I like the product and the design. Moreover, I also prefer the Japanese website of the brands and the fashionable magazines like Vogue and Elle. When I get informed in these types of mediums they have the advantage of being quick and convenient.

*Question 5:*

What are the motivators you want to observe or comfortable with in your culture for consuming luxury leather handbags? Can you compare them with the motivators for European countries?

In Japanese culture signs are important. In the history of Louis Vuitton the sign of the brand was taken from “Chimastu Moyou” and “Kamon” as a symbol. Therefore it motivates me to consume their leatherhandbags instead of others. This way I am not only consuming quality and valuable pieces but also a unique sign from Louis Vuitton which has a collaboration with

~ 161 ~
Japanese culture. Therefore, I combine the main signs of the Louis Vuitton brand with the Japanese culture. Also, seeing the handbag of the Louis Vuitton in Japanese is a motivating other aspect. Because you will see how the model and the color fits with the Japanese women. When it comes to European countries, they don’t consume or motivate themselves to consume the luxury brands as much as Japanese do. They motivate themselves with the advertisements of the luxury brands and the observing celebrities accessories plays a fundamental role to motivate themselves to purchase the luxury goods.

**Question 6:**
How do Louis Vuitton and Gucci appeal to you so that you purchase their luxury bags or do you buy these brands?

I mostly purchase these luxury brands for my own beauty and for myself. I love the designs, colors and the quality especially which Louis Vuitton’s handbags, wallets provides. When I think of luxury, Louis Vuitton came to my mind because of it’s strong image.

**Question 7:**
Which non-verbal points in Louis Vuitton and Gucci attracts you the most?

The designs, features of the product and the simple colors are the most interesting non-verbal points for me. The designs are not just different from the other brands but also the value of the brand is supporting it.

**Question 8:**
Does getting attracted to and buying Louis Vuitton or Gucci bags appeal to your values and your unique lifestyle?

I combine my status, wealth and being a unique successfull person by purchasing luxury brands. I love to carry quality items which I feel happy. It also matches with my own lifestyle and the way how I am looking at life. Being attracted and consuming the luxury brands is myself.

3.

<table>
<thead>
<tr>
<th>Name and Surname</th>
<th>Saori Tonomura</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Female</td>
</tr>
<tr>
<td>Age</td>
<td>21</td>
</tr>
<tr>
<td>Professional statu</td>
<td>Student</td>
</tr>
<tr>
<td>Nationality</td>
<td>Japanese</td>
</tr>
<tr>
<td>Income level</td>
<td>940€ per month/Scholarship</td>
</tr>
<tr>
<td>Marital statu</td>
<td>single</td>
</tr>
<tr>
<td>Interview statu</td>
<td>Face to face</td>
</tr>
</tbody>
</table>

**Question 1:**
How do you define luxury and luxury brands?

When I heard about luxury it is about expensive thing or it is brand such a LV or Gucci. So they are different from the non-luxury brands which are really cheap and easy to buy and consumer’s can easily buy the products. The characteristics of luxury products is authorized
with the name of the brand and its expensive price is so high also a product which is designed by famous people is a luxury product for me.

**Question 2:**

Can you explain Louis Vuitton and Gucci’s client-employer objectives as you have witnessed and seen in your shopping experience for the leather handbags?

I never bought LV and Gucci’s handbags but I saw in the department stores of the brands sites, displaying their products like extraordinary or little bit elegant. Inside the shop, it is quite and so smart and also exist welcoming environment. In Japan, high income people would love to buy the products of LV or other luxury brand. Because their quality is really good. Also, these brands are not really promoting their products so highly. Its name is already famous and the Japanese people know the brand image already. Since Japanese people highly consider about the name or the status of the luxury brands like LV and Gucci. I think they are managing their management objectives successfully. Also some magazines sometimes informs the consumers about the LV and Gucci’s trendy things. That’s why I saw many advertisement about LV and Gucci in fashion magazine such as “Nonno”. Furthermore, the PR target of the promotion is not for every Japanese but it is for the consumers who are interested in fashion.

**Question 3:**

What are your main objectives of consuming the Louis Vuitton and Gucci’s leather handbags?

I never bought their products but in the future maybe I will consume. For the Japanese consumers who are consuming these brands, their main objectives are related with the condition of the good which is so high thats why people buy these goods. Also, Japanese people care about their status.

**Question 4:**

Through which media channels and communication tools do you prefer to be reached and get informed about the luxury leather handbags? Why?

In fashion magazine or in internet. I don’t see any TV commercial for these brands. Furthermore, in Japan there is so many kind of fashion magazine to inform consumers about the brands. It is easy to get information, it is clear, reliable. On the otherhand for Europe, online media is trendy, it is really easy to the consumers. But there is no big difference according to the media channels for both Japan and Europe.

**Question 5:**

What are the motivators you want to observe or comfortable with in your culture for consuming luxury leather handbags? Can you compare them with the motivators for European countries?

Japanese people are motivated to buy because having such LV and Gucci are showing status or showing to the people that you are following fashion trends. Older people also care about the brands who are interested in fashion. Also for younger generation when they graduate from the university they are getting the luxury brands as a gift from their parent. For example, Svaka Masuvaka, Nozomi Sasaki are the famous fashion model in Japan and they are always presenting the fashionable things for younger generation. On the otherhand, Monika Hucivara who is around 40 years old fashion model in Japan is also a celebrity for this age group. The celebrities who are consuming the luxury brand are affecting the Japanese luxury consumer’s
purchase. Also, luxury goods exist artistic window display shows emphasizing the high quality of the brand I suppose. LV itself has a high status and many big fans exists in Japan. Also, global celebrities are kind of motivator and encourage consumers to consume luxury.

**Question 6:**

How do Louis Vuitton and Gucci appeal to you so that you purchase their luxury bags or do you buy these brands?

The design of LV and Gucci are different compared to other brands. Having the bag shows that I became adult which is important.

**Question 7:**

Which non-verbal points in Louis Vuitton and Gucci attracts you the most?

The design of the product’s uniqueness and the logo itself is the most motivating factor not only for Japanese consumers but also for Asia.

**Question 8:**

Does getting attracted to and buying Louis Vuitton or Gucci bags appeal to your values and your unique lifestyle?

As a student LV and Gucci are far from me but it is really attractive thing. It is kind of admiration for me to buy these products. When I start working, it would be nice for me to buy such brandy things.

<table>
<thead>
<tr>
<th>Name and Surname</th>
<th>Kumi Tanimura</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Female</td>
</tr>
<tr>
<td>Age</td>
<td>33</td>
</tr>
<tr>
<td>Professional status</td>
<td>n.a.</td>
</tr>
<tr>
<td>Nationality</td>
<td>Japanese</td>
</tr>
<tr>
<td>Income level</td>
<td>3.000 Yen/month</td>
</tr>
<tr>
<td>Marital status</td>
<td>married</td>
</tr>
<tr>
<td>Interview</td>
<td>Email survey</td>
</tr>
</tbody>
</table>

**Question 1:**

How do you define luxury and luxury brands?

Luxury products are not necessary for survival or life. Luxury is status symbol for rich people and those who can afford it.

**Question 2:**

Can you explain Louis Vuitton and Gucci’s client-employer objectives as you have witnessed and seen in your shopping experience for the leather handbags?
No, I don’t know about employer objectives. I believe, most Japanese do not think about employer objectives as consumers. They are just interested into the product itself. They promise better quality – whether they are or not – and in my experience bad quality is the exception. Longer usage can be expected.

Question 3:
What are your main objectives of consuming the Louis Vuitton and Gucci’s leather handbags?
They do not lose value. Even second hand handbags can be sold to second hand shops in Japan. Even if I pay more, I get more value for LV or Gucci leather products. Luxury brands tend to have better leather quality.

Question 4:
Through which media channels and communication tools do you prefer to be reached and get informed about the luxury leather handbags? Why?

Question 5:
What are the motivators you want to observe or comfortable with in your culture for consuming luxury leather handbags? Can you compare them with the motivators for European countries?
I can expect better quality and value for my money. In my culture lifestyle and fashion is important. Fashionable brands are more popular and Japanese always check for the newest trend in magazines on a regular basis. In Europe trends are less important. People feel more comfortable wearing the latest trend or at least not being too old fashioned. The same trend applies for luxury leather handbags as part of fashion. In comparison to Europe so-called luxury goods are used as everyday goods, so even middle class can afford them as salary is generally higher than in Europe in this segment.

Question 6:
How do Louis Vuitton and Gucci appeal to you so that you purchase their luxury bags or do you buy these brands?
I do not buy LV or Gucci bags. Their design and reviews have to be good enough to appeal. It is personal taste in the end.

Question 7:
Which non-verbal points in Louis Vuitton and Gucci attracts you the most?
They don’t attract me personally. For other people probably showing wealth and style.

Question 8:
Does getting attracted to and buying Louis Vuitton or Gucci bags appeal to your values and your unique lifestyle?
No, I would rather buy other brands.

~ 165 ~
**South Korea:**

1.

<table>
<thead>
<tr>
<th>Name and Surname:</th>
<th>Sumin Huang</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender:</td>
<td>Female</td>
</tr>
<tr>
<td>Age:</td>
<td>23</td>
</tr>
<tr>
<td>Professional status:</td>
<td>Student</td>
</tr>
<tr>
<td>Nationality:</td>
<td>Republic of Korea (South Korea)</td>
</tr>
<tr>
<td>Income level:</td>
<td>350€ per month</td>
</tr>
<tr>
<td>Marital status:</td>
<td>single</td>
</tr>
<tr>
<td>Survey type:</td>
<td>Face to face interview</td>
</tr>
</tbody>
</table>

**Question 1:**

How do you define luxury and luxury brands?

To be a luxury item, it has to be expensive, history of the birth of the luxury brand, its tradition, quality and the material has to be good are the important points. Because the masters take a lot of time one by one to produce luxury products and that is the reason why it takes a lot of time and that it is also so expensive. There is a saying in South Korea, luxury item is something that “a mother can pass this to her daughter, a daughter to her daughter”. The idea of the message behind this is that you can use it for a long time and you can have a memory about it so to say like a cultural heritage in the family. If you can afford luxury, it is worth it. Moreover, the acknowledgement of the luxury brand is also crucial. When people say it is luxury brand than it is a luxury brand.

**Question 2:**

Can you explain Louis Vuitton and Gucci’s client-employer objectives as you have witnessed and seen in your shopping experience for the leather handbags?

High price is one of the important points. They are targeting middle class. They don’t offer discounts, instead they offer higher and higher prices. Middle class thinks that “if I have the bag, I will be a part of upper class”. It is more attractive when it is expensive. The rarity of the product is shaping and managing the price of a product. The price of Louis Vuitton and Gucci in South Korea are one of the highest one in the world. In South Korea employer is trying to affect their customers by the high prices. Even if they decrease the price when they put on demand supply curve it doesn’t work for luxury item. “Price management” is the most dominant factor for clients objectives to affect their clients.

**Question 3:**

What are your main objectives of consuming the Louis Vuitton and Gucci’s leather handbags?

I am referring to my friends and Korean people because I have never bought these brands. Their main objectives is to show off. Also, peer pressure is important too. For example at the university class, there are many women class mates and if they have those luxury bags, I don’t want to be exclusive from that. When they have the luxury brands, I want to have it too. That is the main reason. You want to be special and don’t want to lose face in the social environment. When every one has it and I don’t, it is like I don’t care enough about fashion.
or I can not afford it, I am not rich enough, it is a bad feeling. Also, it is pretty, different, it is the luxury brand that I am consuming, this gives a message like I am unique and different.

Question 4:

Through which media channels and communication tools do you prefer to be reached and get informed about the luxury leather handbags? Why?

These days people use social media like Facebook and Twitter. Personally I don’t prefer it. Because all the advertisements and the social media is kind of disturbing. I also see my friends posting about the brands products, this is also too much. I prefer magazines or sections in newspaper introducing or TV shows or advertising. In South Korea there is no special TV advertisement especially for these two brands but I have seen an article that Louis Vuitton started an advertisement for the first time in a TV channel in South Korea.

Question 5:

What are the motivators you want to observe or comfortable with in your culture for consuming luxury leather handbags? Can you compare them with the motivators for European countries?

The celebrities who are wearing the brand products on TV is the most important factor. They appear in TV shows, in Soap Operas with those bags or other accessories. Then these pictures from the celebrities posted on blogs to the public. For example, Lee Young Ae is the famous actress who appears mainly in the fashion blogs. Also “catching up to drama fashion” if translated in to english is the popular blog that I have been following to check about the celebrities who wear luxury brands items. Especially, people respond to these blogs even on the website of the soap operas they provide a link for the blog followers how to get especially the product that the celebrity has. There are also different type of blogs which provides pictures about the celebrities. Motivator for a bag part of it is going abroad, in South Korea most of the luxury lover have the items when they go abroad especially in Europe. When they go to Italy or France they can purchase Louis Vuitton and Gucci cheaper price compared to South Korea. Also, because LV and Gucci are the European brands and most luxuriest brands in the world, this message is also attracting them instead of consuming traditional Korean brand. Some people adore other countries, they want to be like European people in their minds. Also in abroad there are also duty free shops even if they don’t plan to buy it before but because the price is lower than South Korea and they use this chance.

Question 6:

How do Louis Vuitton and Gucci appeal to you so that you purchase their luxury bags or do you buy these brands?

Actually, I haven’t bought so before but I think Louis Vuitton is very popular in South Korea. It has comparatively reasonable price compared to Channel or Hermes. I have seen in a survey that Chanel is the first than Louis Vuitton is in the second place for popularity. But still this rank will be differ from this survey to another survey. In the future, if I earn good money I am planning to buy Chanel. Louis Vuitton is good too. The first luxury item many girls when they enter or graduate from university, which they often get it as a gift from their parents in South Korea. Because LV has comparatively reasonable price compared to Hermes and Chanel.
Question 7:
Which non-verbal points in Louis Vuitton and Gucci attracts you the most?

Gucci’s non-verbal advertisement point, it was offering a scholarship to design school student and then they have also another event that they are protecting cultural heritage of South Korea which was a collaboration with National Trust organizations. Lee Young Ae is the model representative of the event. They were offering special services both for Louis Vuitton and Gucci in their flagship stores in South Korea. The main important points in South Korea is that they can let you know and feel about the brands such as they present their history, products.

Question 8:
Does getting attracted to and buying Louis Vuitton or Gucci bags appeal to your values and your unique lifestyle?

When South Korean earn enough money in their jobs, they are eager to purchase luxury brands in order to preserve their lifestyles and to feel that they are different. A lot of my friends say I will get one in my life, so it is motivating to purchase in the future. It is good to have one for a women. So to say it is a one face in a South Korean women lives.

2.

<table>
<thead>
<tr>
<th>Name and Surname:</th>
<th>Eun Young Lee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender:</td>
<td>Female</td>
</tr>
<tr>
<td>Age:</td>
<td>31</td>
</tr>
<tr>
<td>Professional status:</td>
<td>Doctoral Student</td>
</tr>
<tr>
<td>Nationality:</td>
<td>Republic of Korea (South Korea)</td>
</tr>
<tr>
<td>Income level:</td>
<td>under 10,000 euro</td>
</tr>
<tr>
<td>Marital status:</td>
<td>married</td>
</tr>
<tr>
<td>Interview:</td>
<td>Email survey</td>
</tr>
</tbody>
</table>

Question 1:
How do you define luxury and luxury brands?

I define luxury as items’ design, quality of the material, and quality of manufacture. The luxury brands guarantee of the three options for luxury. I have rarely talked about this topic with people, however I think my concept is quite similar with European.

The definition of luxury is quite narrow for Asian. They are crazy to buy the luxurious brand-goods. They think if they own the luxurious items, their luxurious level increases like a RPG game. In the RPG game (ie, WOW, LOL...) if you install items in your game character, your ability statuses change.

Question 2:
Can you explain Louis Vuitton and Gucci’s client-employer objectives as you have witnessed and seen in your shopping experience for the leather handbags?
I think LV and Gucci’s leather handbags have highly good design and qualities, however their prices are extremely high. I think that to buy a leather handbag, paying a few thousands euro is a quite crazy behavior. The price is not only about the bag, however also the brand’s image. LV and Gucci’s employer are selling bags plus luxurious image. The clients exchange high amount of extra money for the image. They want to show that they can afford to buy the luxurious brand-name bag. ‘I have a LV!’

I think that it is kind of self-satisfaction, however nothing can satisfy their vanity.

*Question 3:*
What are your main objectives of consuming the Louis Vuitton and Gucci’s leather handbags?

I have not bought them. And I don’t have a plan to buy them ;)

*Question 4:*
Through which media channels and communication tools do you prefer to be reached and get informed about the luxury leather handbags? Why?

I don’t check media channels and communication tools to buy a luxury leather handbags. I have a few brand-bags (Coach, Burberry, Etro...). I can’t be sure the brands are luxurious level here.). I prefer to buy brand-goods in most items, because I have disappointed a lot in quality and duration of non-brand goods. I choose my brand-bags due to their designs, qualities, and reasonable prices, and the shopings were not influenced by media or others’ opinions.

*Question 5:*
What are the motivators you want to observe or comfortable with in your culture for consuming luxury leather handbags? Can you compare them with the motivators for European countries?

I think that Korean people mind too much others’ opinions and eyes. Also people are looking too much how others are. Therefore they care a lot their appearance, outlooks, and having luxurious items. If they are rich enough to buy such luxurious and expensive brand-items, it might not be any problems. However in Korea many people who can’t afford to buy it try to have them and spend a lot of money. When I came to Europe in 2009, I could see here people don’t care much their appearance and outlooks, so many people didn’t know about brands. However since I can meet more and more people in Europe, I could see wealthy European are also enjoying luxurious brands.

I think... in Korea they buy the items to show how they are, although they can’t afford to spend the money for the items. However in Europe people buy the items because they can buy (afford).

*Question 6:*
How do Louis Vuitton and Gucci appeal to you so that you purchase their luxury bags or do you buy these brands?

I think that LV and Gucci bags are very beautiful, and actually when I visit their shops, I admire them as art works. I have not bought them, because the price is too high. I prefer a good and useful bag, not an expensive brand reminding its crazy price.

~ 169 ~
Question 7:
Which non-verbal points in Louis Vuitton and Gucci attracts you the most?

I can’t deny that their items have beautiful design, high quality materials (leather, metal, band, zipper, fabric...), and good manufacturing (sewing, dyeing, glueing...). I think the bags are a kind of art works. Unfortunately I don’t use art works in my daily life, and I just appreciate them which are inside the display windows.

Question 8:
Does getting attracted to and buying Louis Vuitton or Gucci bags appeal to your values and your unique lifestyle?

I think having the bags can help my style, because basically I think they are very high quality and beautiful. Last month I bought a new Coach bag in US, because the bag was discounted a lot and has the perfect design which I have searched long time (enough space for my labtop, a few pockets, good handles...). I wore the bag and went to street in LA. Suddenly an American man stopped me and told ‘Wow your bag is the new XXX model? Good!!! Your are gorgeous’ -.- Thank you for his prasing... however actually later I felt like I am a materialistic person.

I want to have a beautiful and useful bag for my lifestyle, but it doesn’t mean luxurious bags are always best for it or the bags advance my value. My value is who I am and what I can do... not which items or how much money I have.

3.

<table>
<thead>
<tr>
<th>Name and Surname:</th>
<th>Sang-Yeon Sung</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender:</td>
<td>Female</td>
</tr>
<tr>
<td>Age:</td>
<td>41</td>
</tr>
<tr>
<td>Professional status:</td>
<td>lecturer</td>
</tr>
<tr>
<td>Nationality:</td>
<td>Austria (South Korean)</td>
</tr>
<tr>
<td>Income level:</td>
<td>1,500 € per month</td>
</tr>
<tr>
<td>Marital status:</td>
<td>Married</td>
</tr>
<tr>
<td>Survey type:</td>
<td>Face to face interview</td>
</tr>
</tbody>
</table>

Question 1:
How do you define luxury and luxury brands?

This is a specific luxury brand for limited people. The price of the product of the luxury brand is high but to certain image that makes for social status for people I guess. Certain people wants to be distinguished. For example in Korea the price has to be high and therefore those certain people can consume. Gucci has failed compared to Louis Vuitton because they dropped the price a bit and Channel is much more popular because they are sticking with the certain number of people. Prada, the range of the products is not as much as Louis Vuitton but because of the quality of the products, especially Korean people prefer Prada. I guess the quality, product and the image how they construct to the society is very important especially for South Korea. For me luxury also means a practical thing for me.
**Question 2:**

Can you explain Louis Vuitton and Gucci’s client-employer objectives as you have witnessed and seen in your shopping experience for the leather handbags?

The price and the image has been constructed from the brands are that Gucci is more for younger generation and LV used the impression that favored by Japanese older women. So before Gucci was much more popular in Korea and somehow they failed. The reason is that LV started to have more variety of designs that is suitable for younger women so that the price appeared the same. The image automatically for Gucci is like it has a similar products where the LV products contains much more higher value so that even younger women started to favor LV versus Gucci. So I don’t really know about Gucci because I used to consume Gucci products when I was in my 20’s. When I am in 30’s I don’t want to carry the Gucci’s bags. When you want to purchase LV bag, in the store every bags are in raw and in a good display whereas for Gucci, in their stores you check everything by yourself and this means there is a less customer service in Gucci compared to LV. LV in Vienna especially has Japanese and Chinese speaking persons. The Asians can get easily communicate with the consumers. Also the LV is limited so one person can only purchase the product with the same design. You cannot just go there and buy two same products. It is personalized that means they want to prevent that you just buy and give it away. Also, it is like there are alot of women carrying the same bag and you don’t want to purchase the bag anymore because you don’t feel special. They don’t want just anyone to use the bags. In Korea the goods are 15-30 percent more expensive, the reason is that it is an imported goods and also with the tax. They are building their public relations and marketing strategies for a specific top group so to say. The more management of LV and Gucci formulate their management strategies upon pushing people to consume then they are not going to buy the products of LV and Gucci. That is the difference between luxury and non-luxury brands. For example, when you go to Chanel department store, they don’t even want to ask you “why you are here?”. They know how to select the consumer because they know who really is there for the consumption. In their managerial point of view they are not too much pushing their product for the promotion because then the image of the luxury is not luxury brand any more. Luxury brand is an idol so that consumers purchase it. Especially for their advertisement campaigns strategies they are collaborating with really good artist who fits with the bags characters. Gucci is collaborating the celebrities with the “Girls Generation” especially in Korea because they have an luxury image with very slim body power like a fix barbie. LV actually don’t really need to do anything because Asian people would love to buy so much LV but LV Asia don’t want so much Asian to buy their products.

**Question 3:**

What are your main objectives of consuming the Louis Vuitton and Gucci’s leather handbags?

Price and design for LV and Gucci are the most important points for me. I don’t like Gucci or constantly shopping. I like LV and Prada’s bags. Hermes and Chanel also as a luxury brand is good but you have to dress up. For example, you are a working class women and you are attending to a special event, it matches. For me, LV and Prada’s handbags are matching with every dress. LV is very good you can use it daily or dressed up so to say you can combine it. LV’s handbags fits women and they look better in my opinion. The quality of the handbag is really good that is the thing. When you purchase LV hangbag it really pays off.
Question 4:

Through which media channels and communication tools do you prefer to be reached and get informed about the luxury leather handbags? Why?

Social media is not for me their website appeals more for me. When I want to buy their bags I usually check it on-line. Moreover, I also prefer to buy the handbags when somebody carrying it, then I go to the website of LV and check the price then I go to the shop. In the media channels for example the women who is carrying the bag is not realistic, when some women carries it, I automatically reflect into myself and then I check the bag.

Question 5:

What are the motivators you want to observe or comfortable with in your culture for consuming luxury leather handbags? Can you compare them with the motivators for European countries?

For me just the Louis Vuitton logo is enough, if the design with the logo, so it shows that it’s from LV’s. Moreover, they are providing a consumer service for their loyal consumers such as sending their catalogues for every season. This is also attractive for consumers.

Question 6:

How do Louis Vuitton and Gucci appeal to you so that you purchase their luxury bags or do you buy these brands?

For me LV is like a color and a design which fits with the most of the colors to my clothes especially black, white, blue or beige. Also, my occasions are important so, I would love to use LV bags with many occasions.

Question 7:

Which non-verbal points in Louis Vuitton and Gucci attracts you the most?

I can not think for Gucci’s non-verbal points which attracts me but for LV I saw the latest poster advertisement from it and the important thing is for me, it is an European brand. Because I think that European brand, has certain image that it is reliable. If they try to put a local concept like Korean celebrities I think it just drops the whole image and the authenticity. If the Asian women carries the handbag or the European carries it the image is different. This brand honestly made the hangbag more suitable for European women. Korean women dress code is totally different but still they know how to dress better, especially they have more feminine look. On the otherhand for Japanese and Chinese women they look sometimes awkward and strange. LV exist also simple designs but it has its own distinctive design if you are complicated and the bag is complicated then it is not really matching so well. I think European women wears more simple cut therefore it equals more well. LV, Gucci, Burberry exist an image that the brand’s hangbags are for certain type of women. Before the brand’s target was upper class European people know the target group of the LV is mixed. If they try to put the image for Asian women I don’t think that the image is impressive for me. I prefer to see global advertisements from the brand. It is also like when you go Taiwan and see cosmetic advertisement and they use Asian women and I don’t think that it is attractive any more.
Question 8:

Does getting attracted to and buying Louis Vuitton or Gucci bags appeal to your values and your unique lifestyle?

For me, more practical and quality is good and there is a hidden message behind the brand. LV and Gucci is a daily bag. I love to combine LV especially with daily occasions. Even if you wear casual but because you have the bag you don’t look casual. Carrying the bag is giving the signal that, she is thinking her fashion, it is not about the social status but it is like she is not behind the fashion when you carry certain bag. My lifestyle and LV fits.

4.

Name and Surname: Jiyoung Sung
Gender: Female
Age: 34
Professional status: housewife, has 9yr-carrer in Research field.
Nationality: South Korean
Income level: 100,000$ € per month
Marital status: married
Interview: Email survey

Question 1:

How do you define luxury and luxury brands?

The brands I feel that has traditional value and craftsmanship, and best quality of course.

Question 2:

Can you explain Louis Vuitton and Gucci’s client-employer objectives as you have witnessed and seen in your shopping experience for the leather handbags?

(I have no idea of 'client - employer objectives' definition, I regard that as corp's objective)

I think they try to serve some and give experience that the client is VIP.

Question 3:

What are your main objectives of consuming the Louis Vuitton and Gucci’s leather handbags?

Now I'm just at home so I don't feel like buying them. But when I was a career woman working with many colleagues, I need to buy them. It made me feel good and be different.

Question 4:

Through which media channels and communication tools do you prefer to be reached and get informed about the luxury leather handbags? Why?

Internet search is preferred.
Question 5:
What are the motivators you want to observe or comfortable with in your culture for consuming luxury leather handbags? Can you compare them with the motivators for European countries?

I thinks it is 'difference'. Luxury brand can show some value or difference of person.

Question 6:
How do Louis Vuitton and Gucci appeal to you so that you purchase their luxury bags or do you buy these brands?

Advanced design, brand's reputation and their sales growth. These are the factors that make me buy LV or Gucci.

Question 7:
Which non-verbal points in Louis Vuitton and Gucci attracts you the most?
Design and comfortable feeling

Question 8:
Does getting attracted to and buying Louis Vuitton or Gucci bags appeal to your values and your unique lifestyle?

I agree to value but not to unique.
IV. Lebenslauf Autor(in)

Angaben zur Person

Name: Süheyla Duygu Uras
Geburtsort: İstanbul, Türkei
Nationalität: Türkisch

Ausbildung:

2012-2014

Universität Wien, Wien – Österreich
Wirtschaft und Gesellschaft Ostasiens
(East Asian Economy and Society)
Studienabschluss: Master of Arts (MA)
Studiendauer: 3 Semester

2005-2009

Beykent Universität, İstanbul - Türkei
Fakultät für Administrations und Wirtschaftswissenschaften
Betriebswirtschaft (BW)
(Business Administration)
Studienabschluss: Bachelor-Abschluss
Studiendauer: 4 Jahre (8 Semester, nach vorgesehenem Studienplan)

2002-2005

Privat Doğuş Hauptschule, İstanbul - Türkei
Gymnasium mit Hauptgebiet in Türkisch und Mathematik
Studiendauer: 3 Jahre

1998-2001

Privat Doğuş Hauptschule, İstanbul – Türkei
Mittelschule

1994-1998

Bahariye Elemantere Schule, İstanbul – Türkei
Elementar
**Arbeitserfahrung:**

08/2011 - 12/2011  
Citibank  İstanbul, Türkei  
Analyse der Programme und Projekte zum Management der Kundenerfahrung

Fortis Bank  İstanbul, Türkei  
Praktikum in der Marketing Abteilung

**Sprachkenntnisse:**

- Türkisch: Muttersprache
- Englisch: Fließend
- Deutsch: Fortgeschrittene Grundkenntnisse
- Chinesisch: Grundkenntnisse

**Soziale Kompetenzen:**

- gute Kommunikationsfähigkeit
- Selbstvertrauen
- positives Denken

**Zeugnisse:**

- 2005 Prüfung Ergebnisbescheid
- 2011 ÖSYM ALES Ergebnis
- Corpoline On-line Trade Professional participation Zertifikat
- Goethe Zertifikat B1 Entschädigung bei Goethe Institut  İstanbul- Turkei
- IELTS Zertifikat
- Effektiv Präsentation und Effektive Kommunikation Fähigkeit Zertifikate

**Interessen/Hobbies:**

- Schwimmen
- Reisen
- Salsa Dance
- Interesse an Kunst und Mode