

Major Assignment 1 Individual Research Essay

Aldrich Quai Hoi

Are Luxury Brands and Industries in Step with the lifestyles, values and attitudes of modern society and culture ? If so, are they threatened with extinction.

This document sets out to discuss the effects that attitudes, cultures and lifestyles of contemporary society play on globalized luxury brands and industries.

When we say modern society we are speaking of generation Y. To cater for this generations lifestyle, attitudes, demands and culture brands and companies require a new perspective on strategy and approach due to the very nature of it. The contemporary society is a fast paced one, where, flexibility and speed of delivery to market ensures success and recognition.

Gone are the times of a brand attracting strong support due to the what the brand stood for. In the new generation it is no longer a case of brand, but a case of cool and hip. The strongest vision of this in the current generation is delivered by apple computers.

It was the toppling of the giant of portable music, Sony that was the highlight. Apple as a brand seldom heard of outside the design and education sectors have gained global recognition of their brand from the point of obscurity to a house hold name, just as Nintendo achieved during the eighties. Video Games, the culture were synonymous with the Nintendo brand and now music is synonymous with the Apple brand.

Apple not only took a risk with their product but created an entire luxury brand which was in step with generation y lifestyles, values and attitudes. They delivered not just the brand, but an experience, an advancement in technology and solution to a problem which faced the music industry and packaged it into a product which oozed appeal and could be categorized as a luxury brand item.

In this instance Apple Computers has become the new benchmark of how and what a luxury brand should be to the new generation of consumers. The marketing strategy utilized, together with an almost strategic placement of software combined with hardware ensured that this would be a success.

The company did not stop with this one product, but went on to innovate their entire range so as the home computer was no longer just a calculation and word processing tool but a center of ones lifestyle. It crossed and blurred the boundary between consumer electronics and décor and this resulted in more success.

Their "Think Different" campaign of the ninety's is more in tune to today rather than it was ten years ago. A visionary company far ahead of its time. They have applied what they have preached and it has yielded results in abundance.

Apple computers has raised the innovation bar time and time again. In the angle of "Mid Level Luxury", Apple Computers have covered by the release of their products in different configurations and prices so as to accommodate all level of consumers. Even though there is not a mention of the so called mid level luxury market as reported by the media. This another example of the company being ahead of its time. They have anticipated the trends in market shift and have built their strategy upon this. This is where we come to the issue of industries outside of electronics and computers and how they are or are not in tune with modern consumer requirements and lifestyle.

A luxury item by definition is a item, product or consumable that is applicable to a niche sector. The luxury brand is synonymous with quality and exclusivity and that is where they lay down. Lets take the luxury automobile industry for example, many vehicle manufacturers stayed with the fact that building a luxury vehicle with the added weight of their brand would ensure their success indefinitely. In contemporary time they have found otherwise. Factors such as the rise of petroleum prices and environmental resources depletion have caused a drastic reduction in sale.

Luxury car manufacturers have not kept up with the trends of generation y and have not refined their technology likewise. Companies such as Toyota, once again like Apple computers has kept ahead of the market in terms of vision and technology to cater for the knowledge empowered generation y consumers. They have developed technology which appeals to the new generation in terms of cost, quality, sustainability and are proving that they as a company are aware of issues at hand and are in the process of delivering a product and solution in one.

Generation y consumers are armed with this knowledge and they are heavily influenced on purchase decisions based on their knowledge. Information is accessible via the world wide web and so communication or rather the speed of communication has played an immense factor to consumer purchases and knowledge of luxury brands.

Previously luxury brands, specifically in Australian market would come out much later than the other regions in the world to the point that some items would never be released here entirely. As a result of the internet and communication it provides, consumers have become informed and they no longer have to endure a wait. They have access to the entire world of products and luxury and otherwise at their disposal. Companies have tried to seize control of the world wide web as tool of delivery yet they still want to have the air of the luxury brand, niche and exclusivity associated with it by supplying through their retail chains. This is a great solution to reach potentially more consumers but it may have an adverse effect to retail chains in the long run.

Online purchase is increasing on percentage annually at an alarming rate so a restructuring in business is essential for luxury brands and industries. With more industries being merged and better price point, with little difference in quality it is becoming increasingly more difficult to sell luxury items at inflated price points, also with the consumer having access to global online stores there could be a change in logistics operations as well. We can take the fashion industry for example, where by seasonal releases differ in global zones, for instance buyers now have the power to order the next new seasons fashion before it arrives in their zone, therefore eliminating the need to purchase from a retail department altogether and saving on tax and other expenses.

To conclude it would be fair to say that luxury brands and industries should be in a stage of revision of their operations and marketing solutions as a result of the fickle diet and nature of generation y. It is not to say that industries and brands are threatened with extinction, rather a downsize or acquisition by a parent company. This seems to be the way of the future for now until the generation undergoes changes once again where by people and society slow down and begin to appreciate craftsmanship rather than commercialism to once again bring the luxury brands and industries back to prominence.