

Public Relations Management Strategies of two European Luxury Brands: A Comparative Study between Japan and South Korea

Topic and Research Question

Public relations is the key field for luxury brand companies to effectively implement their marketing communications strategies to their target groups of consumers. The master thesis is a comparative study between Japan and South Korea, aiming to research the public relations management strategies of two European luxury brands which are Louis Vuitton and Gucci. The main reason for investigating the research field about public relations management of luxury brands is due to the growing market of luxury goods and East Asian people's increasing demand towards luxury. In order to investigate the research area the following research questions have been chosen:

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?

According to the two research questions, the main goal is to investigate whether Louis Vuitton and Gucci in Japan and South Korea utilized and benefited from their global public relations management strategies and what the similarities and differences of these strategies are in Japan and South Korea.

State of the Art

The research focuses and investigates a special, partially untouched area which is new and interesting for academic research. Moreover, there have been authors who have researched about luxury consumption of young people, their cultural and social background and motivation for luxury consumption. (see for example Lukkarinen and Wei (2012), Kim (2011), Moya (2012)). Moreover, there are also authors who have researched about Japan's and China's luxury market and their consumer's behavior. (see for example Kogler (2006), Qi (2008), Zhou (2011), Ling (2008)). During my literature review, I found that none of them have explicitly researched about the similarities and differences of two European luxury brands which are Louis Vuitton's and Gucci's public relations management strategies for Japan and South Korea and none of them explicitly combined these countries' roots with their consumers' attitudes. The aforementioned authors have conducted a survey on the consumer's consumptions of luxury goods, but none of them have surveyed about the management strategies depending

on their consumptions or their observations from these specific two luxury brands.

Methodology and Approach

The methodology used during the research is an extensive literature review, as well as a comparative study which also includes a qualitative survey with Japanese and South Korean women. I have conducted this survey in order to find out about women's perceptions about the management strategies of Louis Vuitton and Gucci, which depends on their consumption or observation. I have asked four Japanese and four South Korean women eight questions, either via face to face interview or with email surveys about their perception of the management strategies of these brands in Japan and South Korea.

According to my research question's main ideas, after an intensive literature review, I have chosen "PR-MBO Management by Objectives" by Nager and Allen (1984) which is a clear model to apply. As a methodology I have applied 10 steps of "PR-MBO Management by Objectives" in order to investigate the research area effectively. These 10 steps include: client/employer objectives, audience/publics and why, audience characteristics, audience objectives, media channels and why, sources and questions, communication strategies, essence of the message, non-verbal support.

My research focuses on management ideology of the companies which in turn mainly analyses the crucial points for companies to obtain measurable results.

Main Facts

In this piece of work, the main ideology of the thesis is about public relations management strategies.

In addition to this, Louis Vuitton Japan's and South Korea's objectives consist of price strategies, ensuring strategic locations for stores, long lasting products and collaboration with celebrities.

On the other hand, in order to obtain and preserve brand loyalty and image towards their consumers worldwide, Gucci is in collaboration with local artists and with the other brands jointly preparing events and scholarship programs. Sustaining brand loyalty is the main unchanging fact of Gucci's employer objective. Gucci's main global step stones of the employer objective which is accepted in Japan and South Korea is to ensure customer service and build and maintain close relationships with their customers. Both of the two countries' consumers' main aim of consuming luxury

goods are different but what is common is that they are both eager to consume European luxury brands. The characteristics of the audience of luxury brand consumers are the same, because of their main aim, which is to consume luxury branded goods. Both brands are benefitting from media channels in order to maintain reputation and not lose contact with their consumers about their products. Moreover, LV publishes their own online magazine and on the other hand Gucci has an iPhone app, digital flagship store and also for the first time collaborated with a TV channel. Both brands think and fulfill the role of gatekeepers by providing their own magazines or iPhone app in order to inform their clients about the most up to date news of the brands. Louis Vuitton's and Gucci's main aim is to collect goodwill and build strong connections with their consumers worldwide. Gucci's main aim is to convey that they are a reachable brand for their consumers.

Results

The results show that;

The reputation and the success of the two European luxury brands not only depends on their global public relations management strategies, but also on converting and adapting the global strategies to the local strategies.

The similarities and the differences of the public relations management strategies are:

(1) The employer objective of Louis Vuitton and Gucci in Japan and South Korea are the same, which is ensuring goodwill, maintaining brand loyalty and brand awareness. According to Gucci, these are not enough, for that reason, contribution to the lives of people who are in need is also important.

(2) There are different age segments for audiences in Japan and South Korea for consuming luxury brands: 25-30 years old female consumers in Japan and 20-30 years old in South Korea (Chadha and Husband 2006). Then follow the 40-50 years old women. The objectives of the audiences consuming luxury brands are different in Japan and South Korea. The tradition and the quality of the products are affecting the Japanese consumers' purchasing behavior and for the South Korean women, psychological issues and brand image are important for the consumption of luxury brands.

(3) Mass media, modern electronic media and social media are the popular channels for Japan and on the other hand official websites and magazines

advertisements are the popular channels for South Korea.

(4) When it comes to the sources of available information, the questions asked and answers received at sales conferences and panel discussions are important implied or direct sources of data for management strategies for Louis Vuitton and Gucci other than their official websites.

(5) Both Japan and South Korea prefer magazines either online or collaboration with written magazines but on the other hand, the other methods they are applying and utilizing for communication are different. Such as, Gucci Japan and South Korea are mainly utilizing online platforms or online media ranging as, social media or online iPhone apps in their languages.

(6) The essence of the message of Louis Vuitton follows their global activities, such as their global campaigns and sponsorships. But, unlike Louis Vuitton, Gucci South Korea and Japan support its global brands with their local events or scholarships.

(7) Louis Vuitton's and Gucci's non-verbal support is actively supporting the image of these brands via pop up stores and charity shows in Japan and South Korea.

References

All references can be found in the full version of the MA thesis available at: <http://othes.univie.ac.at>

About the Author

Süheyla Duygu Uras obtained an M.A. degree in three semesters from East Asian Economy and Society from the University of Vienna and a B.A. degree in Business Administration from Beykent University. Moreover, during her Master's program she learnt Chinese and improved her German. In her work experience, she had full time project work for customer experience management department in Citibank. Besides her project work in Citibank, she obtained effective presentation skills certificate and effective communication certificate. Also, she had a full time internship at the marketing and communications departments in Fortis bank.



Contact information:

urasduygu@yahoo.com