

# *On the Influence of Hunger Marketing Strategy of Luxury Group in Global Market on Company Development*

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**Abstract:** Under the background of the global financial crisis, which led to the continued decline of luxury goods sales market in Europe and America, China's luxury goods consumption market grew rapidly, showing a strong consumption momentum. Luxury marketing has increasingly become the focus and focus of scholars in various countries, and China, as an emerging economy in the world market, occupies an irreplaceable position in the world luxury market. Therefore, it is necessary to deeply understand and carefully study the Chinese luxury consumption market and its consumption characteristics. Furthermore, it is the cornerstone for major luxury brands to carry out luxury marketing business in the Chinese market to study the characteristics of Chinese luxury market, as well as the purchase characteristics and behavior characteristics of consumers. Through the fundamental characteristics of luxury goods groups, the consumption characteristics and stages of Chinese luxury goods market and the consumption psychology of Chinese consumers, it is proposed that hunger marketing can match the characteristics of luxury goods, and it is a marketing strategy suitable for China's current consumption stage of luxury goods and consumption psychology of luxury goods consumers, and some targeted methods and strategies of hunger marketing are put forward.

## **1. Introduction**

In the global marketing theory, hunger marketing is a marketing strategy with great influence. With the continuous deepening of the reform of China's socialist market economic system in recent years, some enterprises, starting from the actual needs of the market, actively used hunger marketing strategies in the process of sales and service, and achieved good economic benefits [1]. Under the background of the continuous decline of the luxury sales market in Europe and America caused by the global financial crisis, China's luxury consumption market has increased rapidly and showed a strong consumption momentum [2]. Luxury marketing has increasingly become the focus of scholars all over the world. As an emerging economy in the world market, China occupies an irreplaceable position in the world luxury market. According to relevant data, in 2011, with China's GDP officially surpassing Japan and becoming the world's second largest economy, the total consumption of China's luxury market has reached US \$10.7 billion, accounting for 27.5% of the

global share, and China's luxury consumption has also reached the second in the world. In fact, hunger marketing comes from Mencius's thought of “gentlemen lead without hair, the more like also”, which means to store goods and observe market price changes [3-4]. In marketing theory, hunger marketing research is based on consumer behavior and consumer psychology. It refers to that enterprises deliberately reduce production to adjust the relationship between market supply and demand, trying to create the illusion that supply is in short supply, so as to maintain the price of products at a high level and improve economic benefits.

With the continuous improvement of consumers' brand awareness, China's luxury consumption level is still in a state of continuous improvement. With the rapid rise of China's newly rich class and middle-income class, China's consumption rate is still rising. The wave of network informationization is sweeping the world, and the survival and competition space of enterprises is gradually changing from traditional market to network market. The network marketing mode with the Internet as the core is gradually developing into the mainstream mode of modern marketing [5]. Therefore, it is necessary to deeply understand and carefully study the Chinese luxury consumption market and its consumption characteristics. Furthermore, studying the characteristics of Chinese luxury market and consumers' purchasing characteristics and behavior characteristics is the cornerstone for major luxury brands to carry out luxury marketing business in the Chinese market [6-7]. The implementation of internet marketing strategy management will definitely change the enterprises, but the progress of this change, how profound and extensive the influence is, how enterprises can control or keep up with the trend, how to maintain or strengthen their competitive advantage without being abandoned by the trend or avoiding going too far, how much space is available for enterprises to develop and promote their own competitive disadvantages, and what is the appropriate choice for enterprises, all of which have become major challenges for enterprises [8].

## 2. Concept and Characteristics of Luxury Goods

### 2.1 Definition of Luxury Goods

The study of luxury goods is a comprehensive study of various disciplines integrating anthropology, sociology, psychology, marketing and communication. In the study of luxury theory, different views are obtained due to different types, dimensions and research methods. When talking about the luxury industry, we must first clarify the concept of luxury [9]. Luxury goods are unconventional goods that have nothing to do with basic life. Luxury goods are often luxurious because they are scarce or expensive, which can only be obtained by a few people. Ordinary people can't afford and can't obtain them, and only serve a few social elites [10]. Although there is a large demand for luxury goods in the Chinese market, if consumers have to wait hard every time they consume, it will make consumers have a sense of resistance, weaken their preference for the brand, and then affect their loyalty to the brand. In “luxury brings prosperity”, the concept of “luxury” is divided into different transformation stages according to different social division of labor and economic development in different periods. The “luxury” concept roadmap is shown in Figure 1.

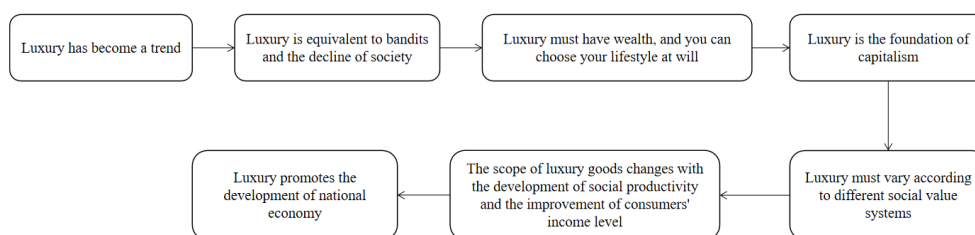


Fig.1 Roadmap of the Concept of “Luxury”

The concept of luxury goods is constantly developing and changing due to different periods and regions, and is constantly extended with the development of the times. Up to now, in the international academic field, there has been a lack of an accepted definition of luxury goods, and the definition of luxury goods needs to be defined from many angles. Luxury is a scarce product that is not easy to obtain in a certain period of time. Luxury is a concept that is constantly changing and extending. For a certain period of time, it is a luxury, which is not easy for most people to obtain and scarce. At another period of time, it may become a basic daily necessities [11].

## 2.2 Characteristics of Luxury Goods

Compared with traditional consumer goods, luxury goods have the following characteristics:

Higher barriers to entry, brand loyalty and less competitive pressure in the field of luxury consumption; The price of luxury goods is usually dozens or hundreds of times that of similar ordinary goods. Price is one of the important symbols to distinguish between ordinary goods and luxury goods.

(1) Luxury goods manufacturers have strong pricing power, which is far less affected by the price rise of raw materials and labor costs than low-end consumer goods and basic supplies. This feature has brought higher profit space to the luxury industry; Different from the materials of general commodities, luxury goods have first-class quality, and the selected materials are also relatively rare and precious.

(2) Luxury companies have higher brand premium. Many luxury brands have experienced nearly a century of accumulation, rich historical and humanistic connotation, long tested and strong viability. The output of luxury goods is often very limited. If you don't book them at the beginning of listing, once they are sold, they may only be customized, and the delivery time may be a year later. This also ensures the uniqueness of luxury goods.

Foreign scholars have done a lot of research, and their basic views are summarized in Table 1.

Table 1 Summary of Characteristics of Luxury Goods by Foreign Scholars

Research scholar	Study time	Research object	Research method	Summary of research views
Nueno Quelch	1999	Luxury characteristics	Inductive summary	<p>Eight characteristics of luxury goods are summarized:</p> <ol style="list-style-type: none"> <li>(1) Deliver high quality, including product line All products.</li> <li>(2) Handmade tradition.</li> <li>(3) Unique style and design.</li> <li>(4) Limited production to maintain uniqueness, appropriate Our customers are waiting.</li> <li>(5) A unique set of marketing operation process, including Limited channels, high prices and limits.</li> <li>(6) Global popularity and reputation.</li> <li>(7) The image of country of origin with good reputation.</li> <li>(8) Every product has a unique element.</li> </ol>
Dubois Duquesne	1993	Luxury characteristics	Qualitative	<p>The characteristics of luxury goods in the eyes of consumers are summarized as follows:</p> <ol style="list-style-type: none"> <li>(1) Super high selling price.</li> <li>(2) Excellent product quality.</li> <li>(3) Scarcity and uniqueness coexist.</li> <li>(4) With high aesthetic and sensory stimulation.</li> <li>(5) Far reaching inheritance and long history.</li> </ol>

Luxury goods need to have a long tradition, culture, history or distinctive materials or crafts. In Europe, the birthplace of luxury goods in the world, many luxury goods are produced by family businesses, and the emphasis is on inheritance and lineage. The most talked about aspect of the radar watch is that it has a surface that will never wear out. Bentley always puts its leather seat that is completely hand-sewn by the top British craftsmen on the lips of publicity. There must be stories and culture in it, which can make luxury goods become an important reason for luxury goods, and this is where the rich brand connotation lies.

### **3. Suggestions on Marketing Strategy of Luxury Group in Enterprises**

#### **3.1 Brand Strategy**

Most of the world's famous luxury brands have a brand history of hundreds of years. Brands and products should have unique personality and unique brand style. Successful and personalized designers can create a brand full of personality charm. The brands of luxury goods groups can only correspond to the categories of goods one by one, and they must not be expanded and used arbitrarily and without restraint. Diversified marketing is a big taboo of luxury groups. So far, no luxury brand can be used across multiple industries and has achieved success. Zhou Ting, director of the luxury research center of the University of international business and economics, said: "whether LV or Burberry, these brands have grown too fast in the past. Too many people buy these brands, making them less attractive to core consumers". Therefore, "we must screen high-quality customers, maintain the loyalty of core consumers to the brand and maintain the stickiness of consumers". In fact, the best way to publicize products is through the behavior of consumers themselves. The hot sales scene of consumers' rush can easily stimulate the desire of other consumers and tap their potential consumer demand. This driving effect can be described as "pulling one hair and moving the whole body". At present, the domestic market of China's luxury groups has been occupied by European and American luxury brands, and foreign luxury enterprises enjoy an overwhelming advantage over domestic enterprises. At the same time, since China and the world have become an inseparable whole, the essence of the competition in China's luxury industry is the whole international competition.

#### **3.2 Promotion Policy**

In order to maintain the noble and scarce image of luxury goods, and strengthen the value-added and value-added characteristics of luxury goods, the price reduction or promotion of luxury goods should be avoided as far as possible. In addition to maintaining the high price of general commodities, luxury brands should also adopt the strategy of increasing the price of classic models or limited models. This kind of marketing means has a wide range of influence. If it is successful, enterprises can get huge profits, but the principle of moderation should be adhered to. Although consumers know that this is a hunger marketing tool, it will still be influenced by its publicity. The reason is that consumers often consider fashion taste, identity symbols and other factors when purchasing products, so there are many consumers who pursue famous brands, and these people play a very important role in the marketing process and are the catalysts for tapping the potential market demand. Hunger marketing takes advantage of consumers' non-conformity psychology, grasps their psychological demands of pursuing novel and fashionable products that are unique, and provides various products that can meet consumers' needs. However, with the enlargement of productivity, a wide variety of products, novel styles, and more and more products that meet the same consumer demand, and consumers' consumption ideas are becoming more and more rational, it is rare for consumers to wait for a certain product for a long time or take the initiative to increase

prices. Through the strategy of price increase, the price of luxury goods in the second-hand market can be kept firm, and luxury brands can become more vibrant.

#### 4. Conclusion

The rapid development of China's economy in recent years has led to great changes in consumers' consumption stage, consumption concept and consumption behavior. The original marketing methods have not adapted or fully adapted to China's existing economic consumption environment. In addition to the strategy of limiting supply, hunger marketing also reduces the availability of ordinary consumers in many other ways, so as to widen the sense of distance from the general public, bring consumers a high sense of scarcity and precious, and meet the sense of dignity of buyers. By analyzing the characteristics of the consumption stage and consumers of luxury groups, and combined with the application principle of hunger marketing, this paper creatively puts forward that hunger marketing strategy is suitable for Chinese luxury marketing. Hunger marketing can effectively connect the characteristics of luxury goods, which is in line with the consumption characteristics and market of luxury groups in China at the present stage, According to some hunger marketing cases at home and abroad, this paper summarizes and puts forward some hunger marketing strategies. As consumers also have a more in-depth and rational understanding of hunger marketing, only by paying attention to the psychological changes of consumers at all times can hunger marketing play its due role, and beware of breaking through the psychological bottom line that consumers can bear and causing resentment.

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