

# Consumer Planned Behavior Theory and its Application in Luxury Marketing Management

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**Abstract.** In the past, the purchase of luxury goods was only a privilege of a few people, and it was the wealthy. However, with the development of the economy and the change of times and cultures, people's attitudes towards luxury goods have also changed. Consumption upgrade has become a universal phenomenon globally. This article proposes a consumer behavior theory Luxury marketing strategy.

**Keywords:** Consumer behavior, luxury goods, marketing management.

## 1. Introduction

This article discusses consumer' motivations for luxury consumption and proposes luxury marketing strategies based on consumer behavior theories, which will help guide people to rational luxury consumption concepts, and help the stable and mature development of the luxury market [1]. Foreign luxury companies provide theoretical guidance and practical reference, analyze and interpret the results from the perspective of marketing management, and provide valuable reference suggestions for the future development and operation of luxury companies in China [2].

## 2. Overview of Luxury Goods

### 2.1 Luxury Concept.

Luxury is born from the Latin word "Lux". As the name suggests, luxury goods should be dazzling, eye-catching, and enjoyable[3]. In the field of economics, the emergence of the concept of luxury is used to distinguish it from necessities. Table 1 shows the concepts of luxury goods in the broad and narrow sense.

Table 1. The concept of luxury

Partition	Direction
Generalized	Social - Economic Significance(Veblen 1899,Alleres 1990 )
Narrow	Industry(Morgan Stanley, Mckinsey 1998)
	Market segment(Reid 1990, Drawbaugh 2002)
	Intangible value(Nueno and Quelch)

### 2.2 Features of Luxury

In China, luxury consumption activities are increasing rapidly, the increase is not obvious, but the momentum is very stable [4]. In the United States, the luxury market is very mature and stable, although sometimes the impact of the economic crisis has weakened, but the impact is not serious, luxury consumer groups are more fixed, the potential consumer target is small [5]. In Europe, most countries belong to the production of luxury goods, the mainland market does not have too much room for development, but the export volume has reached 70% of the total production, the remaining countries generally do not spend much [6].

### **3. Luxury Consumer Spending Movement**

#### **3.1 Social Orientation Motivation**

##### **3.1.1 Van Buren Effect**

Raising the price of goods makes consumers more willing to buy. This consumer psychology was first discovered by van Buren, a famous American economist, so it is also known as the "Van Buren effect" [7].

##### **3.1.2 Vanity Effect**

Consumers want to buy goods that are highly exclusive [8]. If the luxury goods are limited, the greater the demand. Whether it's cultural relics, specially ordered jewelry or personalized clothing, Tongtong is a vanity commodity.

##### **3.1.3 Crowd Effect**

If the group's thinking action shocks and affects an individual, then the individual will have doubts about his own conscious actions and adjust them, from which to ensure that the pace is consistent with the overall, the popular saying is "with the flow". The crowd effect is also known as the "band float effect" [9].

#### **3.2 Personal Orientation Motivation**

##### **3.2.1 Hedonism Effect**

The effect means that the ultimate human need is pleasure. The word comes from the Greek word "pleasure". For hedonism, any action is broken down into enjoyment and pain, and that is precisely to bring the contrast between the two to the limit, highlighting hedonism.

##### **3.2.2 Self-identity Effect**

The effect refers to the individual to play their own subjective initiative, according to their own criteria for self-reflection, and their own sense of identity of the whole experience.

#### **3.3 Functional-oriented Motivation**

##### **3.3.1 Performance-first Effect**

The effect refers to the reason why consumers buy luxury goods, only because their quality, style, efficacy and other factors are highly in line with their own related needs, and not to consume the brand.

##### **3.3.2 Wealth-first Effect**

The effect refers to some consumers have some inherent aesthetic and consumption ideas, they buy goods, only to show off their wealth and status; At the same time, they tend to be realistic value and high-value goods. When consuming, they also choose the most expensive goods as much as possible, they do not care about the taste of the goods themselves, nor have a high aesthetic ability.

### **4. Analysis of the Characteristics of Consumption Behavior under the Influence of Luxury Consumption Motivation**

#### **4.1 Ostentary Consumption**

This consumption purpose underpins a large part of the consumption behavior, and people often feel that this kind of consumer is trying to show their wealth and raise their value and status. The consumption covers self-inflated consumption, usually accompanied by the display of wealth [10].

## **4.2 Face Consumption**

In the eyes of Chinese, since ancient times, the face as a symbol of reputation. People socialize through their achievements in society and their own wealth, and work on their own face projects to gain the respect of others and to achieve self-satisfaction.

## **4.3 Mass Consumption**

This consumption activity covers two aspects. "In one case, consumers do not have a strong desire to buy, and they do not know about the various situations of the luxury goods before they buy, just because they see others buy, they also randomly carry out the relevant consumption." In another case, consumers have a relevant willingness to buy. However, in the selection process, they are not in accordance with their own wishes to choose the most cost-effective, the most suitable products, but to the public will choose the goods as the standard for consumption.

## **4.4 Gifted Consumption**

In China, where Confucian culture is strong, luxury goods are usually given in the form of consumer gifts. It is generally believed that gifts can maintain a relationship between each other, and the best thing to do as a gift is luxury goods. Therefore, luxury goods are usually obtained by exchanging gifts with each other.

## **4.5 Attribution of Consumption**

The consumption is derived from the consumer's infusion of their own thoughts and emotions into the goods, which is based on the degree of consumer loyalty to luxury goods. Consumers with this kind of consumption ability are concentrated in the mainstream power of society, they are not a group to show themselves with luxury goods.

## **4.6 Hedonistic Consumption**

This kind of consumption activity exists for enjoyment. To our consumers, a lot of consumer behavior is derived from their own actual experience and feelings, rather than the performance advantages of the product itself.

# **5. Luxury Marketing Strategy based on Consumer Behavior Theory**

## **5.1 Product Strategy for Luxury Marketing Management**

Beautifully designed For luxury goods, not only have superior quality, but also with high-end and sophisticated external packaging, especially for luxury goods such as cigarettes, alcohol, cosmetics and perfumes.

### **5.1.1 Shaping a Unique Personality**

For luxury goods, unique personality, showing their own style and taste is an important factor in their own brand. Such goods only firmly grasp the personalized needs of consumers, and targeted production and design, to have a competitive advantage.

### **5.1.2 Improving Product Se Services**

For luxury goods merchants, not only to always ensure that their quality in the leading water level, in order to create a good brand image, should also refine the service content, to the ultimate product close.

## **5.2 Price Strategy for Luxury Marketing Management**

Pay attention to scarcity pricing Products and services should be priced taking into account their own production costs, exclusivity and customer satisfaction. However, the luxury goods business sales activities have completely overturned the "4C" theory, it is priced, it does not attach great importance to their own production costs. The so-called scarcity pricing means, that is, according

to some consumers' spending psychology and reasons for buying, seize the exclusive characteristics of products to raise pricing.

### **5.2.1 Pricing Quasi-psychological Needs**

If a rich man drives a high-priced sports car on the highway, half way to kill another unknown sports car to go hand in hand with it, then the rich man's heart is bound to feel deeply frustrated and frustrated. If a brand is not known at all, but after entering the market, but the use of pricing is much higher than similar goods into marketing, you can show their high quality, and get consumer attention.

## **5.3 Channel Strategy for Luxury Marketing Management**

Achieving a multi-pronged luxury goods is usually sold in physical stores, but this does not meet marketing standards. Enterprises first of all to create a product brand, in order to enhance customer awareness and trust. First, to conduct adequate market research, seize the target customers, while extracting their common characteristics. On this basis, enterprises can carry out targeted publicity and marketing work. Second, for the old customers, can be regularly given new products and preferential information. Third, the establishment of luxury trade fairs, limit the strength of participants, and targeted contact and follow-up, to achieve good results.

### **5.3.1 Create a Flagship Store**

Often, flagship stores exist in important cities, and they are based on countless visitors. Flagship store a wide variety of goods, complete styles, highlighting new products, while highlighting the culture and connotation of the brand, it is to establish and promote the brand image of an important medium. Therefore, the flagship store is not only a way of selling, but also let the brand and the market have a perfect link.

## **5.4 Marketing Strategies for Luxury Marketing Management**

Improving advertising is a traditional form of advertising, and ordinary businesses generally use this to promote their products and achieve better results. For luxury goods merchants, advertising is also an indispensable means of publicity. Combined with the common and psychological characteristics of the customer group who buy luxury goods in our country, the following two advertising methods can be used. Face to the backbone of the consumer group, luxury advertising should be set in the more high-end magazines and fashion publications, side-by-side in the most prominent position, while for consumers with a show-off psychology, can take the general approach of mass advertising, although such advertising by the product details of the expression is not clear, can play a role of less than 10%, However, they are very important components. Luxury prices are high but still can get the favor of our consumers, an important reason is that many people are very envious but difficult to get, this feeling greatly raised the value of luxury goods themselves, driving the increase in purchasing power.

### **5.4.1 Conducting Public Relations Activities**

Public relations is an integral part of luxury marketing campaigns, and it will make top luxury brands shine a more glamorous light. No matter whether it is a intimate and noble member dinner, or a grand celebration, whether it is the grand launch of new products, or carefully prepared exhibitions, can make the value of luxury goods fully displayed and passed on to consumers. Excellent luxury brand public customs activities will not only pay attention to the form of novel and unique, but also from every nuance to highlight the luxury brand's own special symbols, symbols, cultural heritage and far-reaching mood, so as to maximize public recognition, in a special point in time, through a distance to allow consumers to feel satisfaction and enjoyment. Not only that, enterprises should actively carry out customer relationship management, so as to enhance the brand's visibility, enhance customer trust and loyalty.

## 6. Summary

Research on the current social luxury consumption activities, the period of sociality is obvious, to show off and identity, status of identity-based, so for the luxury industry, first of all to ensure that products have advanced and high-end quality; It can also win the attention of consumers, and finally, we should take various means to vigorously carry out publicity and marketing activities to enhance the brand's visibility, image and credibility.

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