



An Analysis of Louis Vuitton's PR Strategy on RED and Taobao

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Abstract. As previous studies have shown, consumers' consumption of luxury goods depends on their symbolic value because luxury goods confer respect and social status on consumers. However, in the current information age, the consumption of luxury goods is not only for their symbolic value but also extends to the consumption experience. The communication of this consumption experience is the dynamic that users post and share on social media. This article focuses on the impact of Louis Vuitton's different PR strategies on RED and Taobao on consumers' purchasing behaviour. At the same time, the article analyses the consumer experience through the relevant behaviour of users on social media and then learns the psychology of consumers.

Keywords: PR strategy, Louis Vuitton, social media, luxury goods, symbolic value, identity, consumers, KOL

1 Introduction

This paper takes Louis Vuitton as a case study to examine the public relations strategies of luxury goods on different communication channels. Firstly, it considers the symbolic value of luxury goods to ascertain whether the consumers' willingness to purchase is related to this symbolic value (Baudrillard, 1976) [1]. Secondly, for the Chinese market - which has the fastest growing and largest luxury consumer market in the world - it analyses two different social media platforms, RED and Taobao, to study the sales strategy of Louis Vuitton in the Chinese market (Bain & Co, 2011) [2]. As social media provides an effective conduit for word-of-mouth promotion in the Chinese market, consumers can disseminate information about their preferred brands and products to their network of friends and acquaintances (Kim, 2010) [3]. The analysis subsequently examines how LV leverages social platforms and PR strategies to augment its brand influence and offers pertinent recommendations for brand PR and media communication channels.

2 Findings, Data & Analysis

2.1 Data Summary

The questionnaire was distributed simultaneously on WeChat and other online channels over a week and a total of 120 valid questionnaires were collected. The following is a descriptive analysis of the data. The educational level was 35% for undergraduates, 60% for those who had already obtained a master's degree and 5% for PhD students. Income was evenly distributed between 5,000 and 20,000, with 50 samples of around 5,000 yuan, 26 samples of 5,000-8,000 and 36 respondents of 8,000-20,000. Regarding occupation, the respondents represent the new generation of highly knowledgeable citizens, with professions ranging from senior public relations personnel, financial auditors and university graduates. The questionnaire sample was concentrated in Eastern China, Anhui, Jiangsu and Zhejiang, with a smaller distribution in Guangzhou, Hunan Changsha and other provincial capitals.

The data revealed that Louis Vuitton is commonly purchased with the factors influencing consumers to buy luxury products primarily being design and price. 53 samples were collected concerning pricing, while 81 were on appearance and design. The following data is about the consumers' preference for buying Louis Vuitton. 64% of the respondents said that they prefer to buy from overseas, while almost 30% of the consumers buy from domestic counters.

Moreover, according to the data analysis, more than half of the participants believe that the recommendation of social platforms will influence the buying behaviour of users; they likewise believe that consumers care about the influence and popularity of brands when buying luxury goods. Users will choose the products that suit them according to their own preferences on platforms and other people's recommendations. Most respondents said they would go to RED to search for relevant information before buying a product.

2.2 Balance of Detail & Analysis

The SPSS analysis tool allows for the production of data that can help answer the article's two research questions. The first is how Louis Vuitton can use its online channels on different social media platforms (Taobao and RED) to improve the comprehensiveness and relevance of its brand (Veg-Sala, 2024) [4]. The data collected through the questionnaire shows that close to 80% of people have bought luxury goods and people have a good impression of the Louis Vuitton brand. The article, therefore, chooses Louis Vuitton's recommendations on Taobao and RED as the dependent variable Y, as well as the remaining four statements: I trust luxury products recommended by KOLs (key opinion leaders) with more followers on RED (e.g., Louis Vuitton's speedy). I will search RED for relevant Louis Vuitton products. Before buying them, I will purchase luxury products KOLs (key opinion leaders) recommended on RED because of their quality content. I will follow Taobao shops as the independent variable X to analyse the data from posts on the online channel.

Table 1. Correlation Analysis of Social Media Recommendations and Consumer Purchase Behaviour of Luxury Goods (LV)

Relevant statements affecting consumer buying behaviour	Correlation coefficient values
I trust the luxury products recommended by KOLs (key opinion leaders) who have more followers on RED (e.g. Louis Vuitton speedy)	0.641**
Before I buy a Louis Vuitton product. I search RED for posts about it	0.595**
I will buy recommended luxury goods because of the quality content of KOLs on RED	0.583**
You will follow Taobao shops because of posts related to online channels	0.416**

From the Table 1, it can be seen that there is a correlation between the use of correlation analysis to investigate the impact of Louis Vuitton’s recommendations on Taobao and RED on my purchase behaviour and the fact that I trust the recommendations of KOLs (Key Opinion Leaders) on RED with more followers (e.g. Louis Vuitton Speedy). Another correlation is between searching for the posts on RED before purchasing Louis Vuitton products and a willingness to pay attention to KOLs on RED, Louis Vuitton Speedy). A further correlation can be seen between searching for posts on RED before buying Louis Vuitton products and paying attention to the recommendations of KOLs on RED.

When comparing and analysing the data, there is also a significant positive correlation between the two, suggesting that KOLs’ recommendations on RED drive consumers’ purchase behaviour to a great extent. Online channels are an important way for consumers to get information and make purchases. Information on online platforms and KOL recommendations also have an impact on consumers’ purchasing behaviour. Next, the article uses other relevant data from the questionnaire for cross-tabulation analysis.

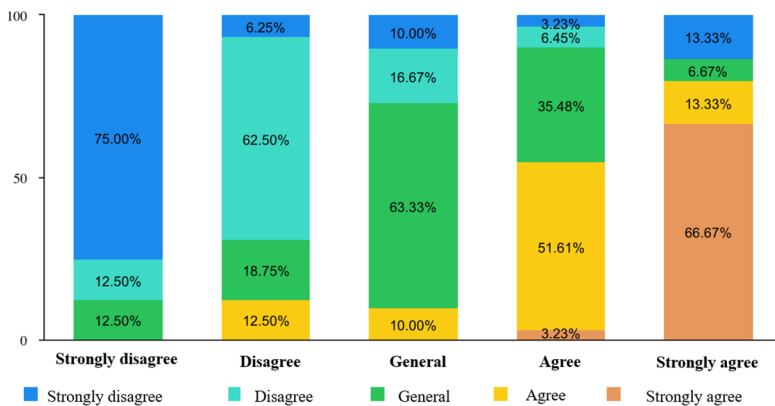


Fig. 1. SPSS cross-tabulation

The figure above (Figure 1) shows the association between the statements "Louis Vuitton's recommendations on Taobao and RED influence me to buy its products" and "I trust luxury products (e.g. Louis Vuitton speedy) recommended by KOLs (key opinion leaders) on RED with more followers", which are analysed in a cross-tabulation study. Analysing the data, it was concluded that there were significant differences between the two statements across the samples. Therefore, the correlation and cross-tabulation analyses show that the different PR strategies adopted by Louis Vuitton on the two social media channels, Taobao and Red, have had an impact on consumers' purchasing behavior and have strengthened the brand's position in consumers' minds.

The next step is to analyse the data for the related statements. For the design-related statements, we investigated whether consumers care more about their social status, i.e. the symbolic value that luxury goods bring to them, or the utility value of the product itself.

Table 2. SPSS correlation analysis

Relevant factors affecting consumer buying behaviour	Correlation coefficient values
Your monthly income	0.205**
Luxury goods can reflect my social status	-0.103
I care more about the use value of luxury goods	0.072
Luxury goods can make a difference to me	-0.130

By analysing Table 2, the results of the correlation analysis show that there is a positive correlation between education and income, which indicates that the higher the level of education, the higher the income. Meanwhile, there is no correlation between the other three groups. In other words, consumers with different levels of education (regardless of their status) do not care about the use value of luxury goods. Another set of data also shows that there is no correlation, which also suggests that consumers with low levels of education do not use the symbolic value of luxury goods to improve their social status. In addition, the questionnaire data shows that for the statement "I prefer to evaluate the attributes of luxury goods myself as opposed to the recommendations of others", consumers are more likely to be happy with pleasing themselves during the purchasing process rather than caring about the symbolic value or the use value that luxury goods bring to the table.

In conclusion, the correlation of the data suggests that consumers with different levels of education do not care much about the symbolic or use value of luxury goods. Consumers are likely to care about the process of purchasing a product, the pleasure that comes from shopping and the thrill of getting their favourite product, rather than the other values that lead to the purchase of luxury goods (Su, 2024) [5].

Finally, by analysing and studying the relevant data, this part gives a suitable answer to the above research question. Firstly, Louis Vuitton's different PR strategies on Red and Taobao influenced consumers' purchasing behaviours, in which some of the KOL's recommendations on Red were more acceptable and convincing to consumers. Secondly, by compiling and analysing the data, both highly educated and low-educated consumers care less about the symbolic value or use value of luxury goods. This part

of the paper proves this hypothesis by analysing and studying the data. The next section describes the problems and difficulties encountered in this questionnaire survey.

3 Problems and Difficulties

In this questionnaire, difficulties and problems were encountered at each stage. First of all, when designing the questionnaire, there was a lot of preparation work done before the survey, firstly, targeting the target group because accurate targeting of the audience can collect more precise information and data. At the same time, in designing the questionnaire, attention was paid to the scale of the questions, whether they touched on the privacy of the respondents or some parts that were not convenient to answer because they caused the respondents to resent and misunderstand. It would affect the collection of data and the whole questionnaire process.

There are some shortcomings in this research, firstly, the research method is a bit single, not a good combination of qualitative and quantitative research, qualitative research is relatively more. Secondly, in the questionnaire, the target group is relatively concentrated and homogeneous, and there is a lack of sample data from other age groups and different educational levels, which lacks universality. At the same time, attention should be paid to whether the number of questions in the questionnaire touches on the privacy of users, or some parts that are inconvenient to answer due to the resentment and misunderstanding caused by the respondents, which will affect the whole research process. In addition, the survey did not introduce the operation mode of the platform and did not set open-ended questions so that users could think more comprehensively and answer related questions. Furthermore, the research did not categorise the data in order to analyse specific data in different ways.

Finally, regarding the problems of this questionnaire, the following three points should be considered in future research: First, the survey population should be more comprehensive and the survey should be universal. Secondly, the questions should be more concise, relevant, logical and in line with the users' thinking. Thirdly, the data collected should be categorised and processed in a targeted way in order to increase the speed of research and save resources accordingly.

4 Conclusion

This study provides lessons for other industries in two key areas. The continuous development of new media technology has resulted in the emergence of numerous social media platforms. In the digital age, information is a valuable asset, and companies should engage deeply with social media platforms to disseminate information. Concurrently, companies can also utilise the platform's channels to obtain information, which can then be analyzed and evaluated. This approach enables a more comprehensive understanding of the needs and preferences of users. Therefore, the results of this study suggest that future research on luxury consumption should be prudent. Secondly, as media technology continues to evolve it is likely that the sale of luxury goods will increasingly take place through online channels (e.g. Livestreaming Event on Red). These

channels will be equipped with AI tools to facilitate browsing and purchasing of relevant products. (Li, 2024) [6]. Future research could explore the relationship between AI, social media, and the buying and selling of luxury goods on digital platforms. This will promote the co-evolution of consumer culture and technology.

In terms of the limitations of the study, the sample data were mainly Chinese consumers and lacked representation of foreign nationals. Individuals from different cultural backgrounds and regions may have different views on luxury consumption. Including participants from different cultural backgrounds and demographics would enhance the value of the study. In addition, the use of a single research method, i.e. a questionnaire survey, may not be sufficient for the needs of this study. A combination of other research methods, such as content analysis and focus groups, could provide a more comprehensive understanding of the research topic.

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