

Comparison between the marketing strategies of luxury fashion and luxury hospitality industry in Hong Kong

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Abstract

The luxury industry is a huge market with powerful companies and strong purchasing power consumers. Even experiencing the economic crisis due to the pandemic in 2020, luxury consumption is still getting popular in recent decades, especially the rising purchasing power of millennials and the increasing numbers of lower-tier diffusion brands launched by luxury brand, such as Prada and Miu Miu. Luxury goods and service are more accessible than before. To capture the growing size of potential consumers, luxury brands should think of what marketing tools attract most consumers and maximise their business. Taking the difference in characteristics of the luxury fashion and hospitality industry into consideration, the marketing tools used should be different. Titling “Comparison between the marketing strategies of luxury fashion and luxury hospitality industry in Hong Kong”, this research aims to find out and compare the suitable marketing strategies for the two industry targeting the Hong Kong market. A comprehensive literature review covered the idea of luxury consumption, the similarity and different characteristics in the luxury fashion and hospitality brand, and what are the marketing strategies using in the industries. Three marketing tools, namely loyalty programme, celebrity endorsement and referral programme were selected to test their effect on enhancing consumers’ purchase intention and brand loyalty. A survey was conducted to understand consumers’ thoughts. 95 out of 101 collected responses were taken into analysis. It was found the three selected marketing tools also show a positive relationship in customers’ purchase intention and brand loyalty. Loyalty programmes and referral programmes better stimulate purchase intention and enhance brand loyalty in the fashion industry, while celebrity endorsement works better in the hospitality industry. Yet, the differences were not significant.