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**COMMODITY SCIENCE  
IN A CHANGING WORLD**

**PROCEEDINGS  
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### III. ECONOMIC, COMMERCE AND MARKETING ASPECTS OF COMMODITY SCIENCE

#### Marketing Product Lever in The Luxury Goods Sector

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**Abstract.** In the article we analyze marketing product lever in the luxury goods sector; vital element in the choice of a non-sectorial and specialist development outlook wich compare vaviables such as quality, price and customer approach. In such a period where excessive specialization tends to prevail in many fields, the key to success lies in reasoning in counter-trend. Hence , after enunciating the so-called “anti-laws” in the marketing of luxury goods an identifying the proper and direct features of a luxury goods, we examine the “brand” feature by referring to brand extension an co-branding phenomena and broaden this analysis to other proper and direct features of a luxury good. The aspect that most differentiates the luxury product from all others is its strong relationship with the "dream". The luxury product, did not respond to a need or a want but at a "dream".

*Keywords: luxury goods marketing, marketing product lever, proper and direct attributes, brand, brand extension , co-branding*

## **Introduction**

In the luxury goods sector, the parameters that are traditionally used to identify the target audience and the correct positioning are now obsolete and outdated because of the sociological and economic changes in the current global market. The following article has analyzed the lever "product", that with respect to variables such as quality, price and customer approach is essential to adopt a non-sectoral perspective and specialized. Specifically, after declaring the so-called anti-laws in marketing luxury goods and identified the attributes and direct a luxury item, it has analyzed in depth the "brand attribute", with reference to the brand extension phenomena and co-branding, which it can be understood in each case as a "composite brand extension", as a particular case of brand extension, in which the brands involved are two instead of one.

### **1. The anti-laws of marketing**

The luxury is a social dynamic that has characterized human life from the earliest civilizations organized. In the luxury goods sector, not only they are not traditional marketing techniques adapted to luxury, but can actually damage it. In this regard we analyze the eighteen anti-laws of marketing identified by Kapferer and Bastien to operate in the world of luxury (1):

1. Forget about 'positioning', luxury is not comparative
2. Does your product have enough flaws to give it soul ?
3. Don't pander to your customers' wishes
4. Keep non-enthusiasts out
5. Don't respond to rising demand
6. Dominate the client
7. Make it difficult for clients to buy
8. Protect clients from non-clients, the big from the small

9. The role of advertising is not to sell
10. Communicate to those whom you are not targeting
11. The presumed price should always seem higher than the actual price
12. Luxury sets the price, price does not set luxury
13. Raise your prices as time goes on in order to increase demand
14. Keep raising the average price of the product range
15. Do not sell
16. Keep stars out of your advertising
17. Cultivate closeness to the arts for initiate
18. Don't relocate your factories.

## **2.The product**

"A product or service is a set of tangible and intangible attributes offered to the market to meet the needs of the consumer."

The product concept of a well with a high symbolic value is characterized by:

- First-level attributes, which provide consumers the satisfaction derived from obtaining functional and primary benefit of the same;
- Direct attributes, aiming to increase the value to the consumer and are made from the set of tangible elements that go beyond the mere functional benefits, but are still part of the product. Among these the most important are (2):
  - brand;
  - the country of origin;
  - high quality and preciousness;
  - design, style and aesthetics;
  - packaging;
  - historical legacy and personal history;
  - high price;
  - scarcity and uniqueness.

- Intangible attributes, affecting all those intangible characteristics, especially in the luxury products, are crucial to the purchase agreement.

Here we are analyzed the brand.

### **3.The brand**

The brand name for a high-end property is the strongest differentiating factor and positioning that allows the application of a premium price over the long term.

All operational marketing activities, in particular the variable communication, should be addressed to strengthen the brand image. The brand and its value (brand equity) is an intangible asset, difficult to imitate, which gives the company an enduring competitive advantage.

#### *3.1. Stretching in luxury: the brand extension*

Every day we hear of luxury brands that come out of their native expertise and extend their reputation in other sectors: Baccarat will associate its name to a range of luxury resort-hotel, Bulgari and Armani have already done. The brand extension can be defined as "the choice of wanting to be associated with a new product an existing brand, defined parent brand, individually or in combination with a new brand"(3).

The brand extension allows for a number of important advantages (4).

The brand extension will significantly reduce deployment costs and follow-up, allowing the company to exploit the image of the capital and reputation of an existing brand and to develop any production synergies, distribution and communication.

One of the main risks related to the extension of the category is the potential loss of brand recognition with a specific class of product that occurs when the breadth dilutes the meaning of the brand, weakening the associations to a category of products (5)

#### *3.2. The co-branding*

The co-branding term is used frequently, but the meaning of co-branding is not always unique. For example, according to Park, co-branding can be defined as "the strategy which combines two or more brand products (such brands constituent) to form a separate and unique product (brand said composite)"(6). To Interbrand, the co-branding can be understood as "a form of cooperation between two or more brands with a significant degree of recognition from consumers. This form of collaboration has usually lasts for medium to long term and the net value potential that can generate is still too small to justify the launching of a new brand, and / or a legal joint venture "(7).

The co-branding is the association between a "host" brand and "invited" brand, which implies a collaborative relationship that involves(8):

- the co-definition of the functional benefits and / or symbolic offered by the product;
- the co-signature of the product by the brands involved in the agreement.

The co-branding can be understood in each case as a "composite brand extension", as a brand extension special case, in which the brands involved are two instead of one (9).

The co-branding allows to obtain a series of benefits, such as (10): increase in the traditional customer satisfaction scores; the conquest of new market segments; a higher reputation of the products involved in the agreement; easier access to distribution channels with reduced brokerage costs; the reduction of the costs due to increased sales and, consequently, of the production volumes; the reduction in advertising and promotion costs; strengthening the company's position compared to the competition; improving brand image.

We can conclude by saying that luxury companies to become bigger and bigger, must expand in emerging countries, must implement policies of co-branding

and brand extension, enhance and strengthen its brand identity, differentiating itself more and more by competitors (11) .

### **Conclusion**

The aspect that differentiates a luxury product from all others is its strong relationship with the "dream". The luxury product, in fact, does not respond to a need (basic product) or a wish (product brand) but at a "dream". Dreams are an integral part of the lives of human beings, they do not necessarily have to be satisfied and often last for ever. Another feature that distinguishes and differentiates a luxury product, already mentioned in the anti-law number two, is the presence of defects. The luxury product, on the basis of the above, must be lived as a sacred product. The luxury product is also characterized by its relationship with time: it lasts a lifetime ... and beyond. The duration is the variable that justifies the high price. Last, but not least, it is the luxury product personality. Every luxury product, regardless of its product group concerned, has its own name. See, for example, the full range of Louis Vuitton (Speedy bags, Palermo, Alma, Tivoli ...) or the rooms of the Maison Moschino in Milan (Room Alice, Little Red Riding Hood...). The luxury product concept can be summarized in the aphorism of Oscar Wilde "Give me the luxury! I will make less than necessary". Clothing, footwear, accessories, jewelry, but also purchasing behavior, lifestyles, trends, passions: everything points to the concept of "take care of yourself".

In conclusion, the consumer buys a luxury item not only because it is a product /service aesthetically beautiful and high-quality, but also because it is able to excite and gratify.



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