On Luxury Network Marketing Strategies from the Perspective of Big Data

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Abstract

Based on the background of big data, the paper conducts analyses on the current situation and characteristics of luxury network marketing. It will draw lessons from the present successful cases and decide on some strategies and suggestions that promote the sound development in this regard from the perspective of big data.

Keywords

Big data; luxury network marketing; strategy.

1. Introduction

Big data is rising in response to the rapid development of science and technology and the popularity of the Internet, causing concern from national governments, the industrial and technological circles[1]. Widely applied in a variety of industries, big data has exerted huge impact on the commercial development in the information era. It has led to not simply technological upgrading, but management reform on the part of the enterprises [2]. Completed by Technavio, a market intelligence company, the survey on global luxury network retailing market from 2015 to 2019 indicates that the sum of e-commerce transactions is expected to reach $41.76 billion[3]. By this token, the Internet has brought about a platform with the largest popularity and the fastest increase. Therefore, luxury industries have to make proper adjustment and innovation on the established network marketing model in case they will be confronted with industrial difficulties and washed away by the tide of big data.

2. What is big data

As data information that is difficult to process with traditional methods and tools, there is no consensus as to what big data refers to in the academic community. We have at home a comparatively late starting in this field, and big data is defined in Wikipedia as data collection that can hardly be captured, managed or processed with conventional software tools within given time. Personally, big data technique lies in promptly getting the exact information from the mass data, and big data is characteristic of volume, velocity, variety, value and veracity[4].

3. Luxury network marketing

Luxury is internationally defined as specially valuable and rare consumer goods that go beyond the demand of survival and development[5]. It is categorized into entry level, common level and top level based on its price. The paper is focused on a new luxury category, a product of high quality, high price and exquisite workmanship between ordinary goods and traditional luxury that can be produced in quantity to meet the needs of value-driven people. The new category chiefly includes entry level and common level of relatively low price, which are accessible to the mass and being widely used today.

Grounded on modern marketing theory, network marketing is a commercial activity aimed at marketing through network, communications and digital media technology[6]. Broadly, all the marketing campaign with a certain purpose by means of the Internet is categorized into network marketing. By transmitting information via the Internet, network marketing acts as a bridge between consumers and manufacturers. As a product from combining enterprise marketing and network

information technology, network marketing is the floorboard of all professional work in marketing activities based on electronic information technology[7].

3.1 Features of luxury network marketing

Luxury network marketing is characteristic of wide spread, high efficiency, low cost, mutual exchange and easy operation. Therefore, high-efficient exchange and transmission are accessible to luxury trade information with the aid of rich media channels, and the cost of material presswork and express delivery will be reduced by removing the physical stores with extravagant shopping environment and a large sum of publicity expenses. Luxury trade through the Internet will help conduct test of low-cost products and satisfaction survey of consumers so as to realize favorable exchange and interaction between enterprises and consumers. Luxury marketing, with an easier operation, is not restricted to time and space any more, which is attributed to the development of science and technology

3.2 Current situation of luxury network marketing

Today luxury network marketing is undergoing a significant transformation from mass data and business patterns with scarce talents. Therefore, it is imperative to make proper adjustment to marketing strategies and bring forth new ideas to keep pace with the times.

（1）Extensive and complicated patterns

Mainly distributed among network construction, microblog marketing and We-chat marketing, the existing marketing pattern can not meet the mental demands and guide the attention on the part of the network clients, bringing slight effects as a result. In addition, despite the diverse business patterns, it covers only a small part of population due to its limited depth, and potential clients are inevitably lost to such an extent as to damage the effect of network marketing.

（2）Mass and disorderly data

Faced with current mass data, network marketing will be diminished unless the enterprises are able to accurately process data and grasp the basic information about the clients' demands and feedback. Many enterprises have encountered problems for lack of database processing and construction, which is the foundation of network marketing strategies.

（3）Scarce and non-proficient talents

Inter-disciplinary talents are essential for the sound development of network marketing, and it is the case with luxury industry. The employees must be proficient in network marketing and the Internet simultaneously. At present, accompanied with the era of big data is the exhaustion of human resources, which is attributed to the facts that talents in mass data analysis and processing are few and scarce and colleges find insufficiency in setting up the course of network marketing.

4. Luxury network marketing based on big data

It is common to see numerous successful cases of luxury network digital marketing and network integrated marketing, which ultimately give the credit to the technology of big data as their dedicator. A good case in point is Burberry, one of successful luxury brands in the field of network marketing.

Burberry has developed its own CRM named Sales force. CRM is used to render individual service and improve management efficiency, in the meantime purchasing behavior on the part of consumers are recorded automatically. After setting up databases, brand clients are generally classified into top clients, senior clients, ordinary clients, clients with relatively low purchasing power and one-stop shopping clients. It will help Burberry learn about their clients from different dimensions and provide individual service with all the information of clients. For instance, they are able to suggest products based on the interests of clients. When it comes to special offer, they will invite the right clients and extend greetings to clients on festivals in order to increase satisfaction and loyalty index.

Luxury network marketing is able to improve marketing strategies from the four levels, by analyzing the successful case of Burberry and the current situation of luxury network marketing.

(1)The level of Clients

Nowadays clients are inclined to grasp the relationship with merchants, especially among the luxury clients, in which advanced clients cover a large proportion. Typical of upper class, they ask for perfect service and unique products with high aesthetic value and quality so that they will manifest their social status. Therefore, luxury industry will enhance service and exchange ideas with clients through VIP channel. With customized service to the distinguished clients, they are allowed to enjoy distinctive and extravagant network shopping.

（2）The level of data

It is of critical importance to set full-scale and accurate data in the process of network marketing. Data strategy is designed to cover all the company and combine with general operating target based on the cooperation among information technology, marketing and other principal operating departments. Luxury industry must integrate all the data decentralized in different departments so as to make the best of big data.

（3）The level of talents

Currently, we are lacking in professional talents who are able to process data and master Hadoop, MapReduce, DFS and parallel computing frame. Meanwhile, a lot of colleges and universities have not set up the research direction of data analysis in computer and publishing specialties. As a consequence, luxury industry finds it increasing important to enhance talent construction in the field of data processing. The enterprises can attract professional talents with incentive policy, reinforce systematic staff training, formulate regular training system and improve profession quality, and a strong talent team of data processing will be established.

（4）The level of integrality

Many luxury companies figure out the key elements in the process of purchasing and analyze drain causes on the part of customers. It is of great significance to implement experimental work reasonably with clear target. As big data is a brand-new technology, the small-scale experimental work contributes to increasing experience of field application and advisable decision on what the information department is supposed to provide. End-users will also understand the analytical ability of big data, and achieve better result with the aid of optimized cooperation between the information department and the end-user.

5.　Retrospect and prospect

As digital age approaches, articles of luxury come into the list of big data marketing with the popularity of the Internet. Although we are short of successful marketing models, the thought of big data finds practical significance of increasing importance in luxury network marketing. Coupled with the development of technology, big data has presented a grander prospect. The paper only involves the way big data are applied in luxury marketing, and researchers are expected to expand the scope and conduct systematic studies on the accuracy and effectiveness of big data and network marketing strategies from multi-angles and practical cases with a view to achieving precise and unified network marketing in the era of big data.

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