

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

Submitted to Professor Gaukhar Chekembayeva

Leung Ka Seem, Vanessa
61903158

Vienna, Austria, 8th June, 2023

Affidavit

I hereby affirm that this Bachelor Thesis represents my own work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed. The thesis was not submitted in the same or in a substantially similar version, not even partially, to another examination board and was not published elsewhere.

Date:

08.06.2023

Signature:

Vanessa Leung

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.

Table of Contents

| | |
|--|-----------|
| <i>Affidavit</i> | 2 |
| <i>Abstract</i> | 3 |
| <i>Table of Contents</i> | 4 |
| <i>List of Tables</i> | 6 |
| <i>List of Figures</i> | 8 |
| 1 Introduction | 9 |
| 1.1 Problem Statement..... | 9 |
| 1.2 Research Objective | 10 |
| 2 Literature Review | 11 |
| 2.1 The Concept of Luxury..... | 11 |
| 2.2 Consumers Behaviour | 12 |
| 2.2.1 Luxury Customer’s Psychology | 14 |
| 2.3 Luxury Fashion Industry | 14 |
| 2.4 Luxury Hospitality Industry..... | 15 |
| 2.5 Similar Characteristics between the Fashion and Hospitality Industry.. | 16 |
| 2.6 Different Characteristics between the Fashion and Hospitality Industry | 17 |
| 2.7 The Marketing Strategies of Luxury Brand | 20 |
| 2.8 Hypotheses Development | 21 |
| 3 Methodology | 29 |
| 3.1 Research Principle and Method | 29 |
| 3.2 Survey Development..... | 30 |
| 3.3 Measures..... | 32 |
| 3.4 Research Ethics | 33 |
| 4 Data Analysis and Results | 34 |
| 4.1 Sample Characteristics | 34 |
| 4.2 Respondents’ purchase habits | 36 |
| 4.3 Hypotheses Testing..... | 37 |

| | | |
|----------|--|-----------|
| 5 | <i>Conclusion</i> | 47 |
| 6 | <i>Limitations and Recommendations</i> | 49 |
| 6.1 | Limited in Sample Size..... | 49 |
| 6.2 | Limited in Collecting Data from Internet Users | 49 |
| 6.3 | Limitation in Specific Brands..... | 49 |
| 6.4 | Limitation in Location..... | 50 |
| 6.5 | Recommendation for Future Study | 50 |
| | <i>Bibliography</i> | 52 |
| | <i>Appendixes</i> | 62 |
| | Appendix A - Survey Questions | 62 |

List of Tables

| | |
|--|----|
| Table 1 - Definition of Luxury | 12 |
| Table 2 - Factors affecting consumer behaviours | 13 |
| Table 3 - Measurement items from existing papers | 33 |
| Table 4 - Overview of respondents' gender | 34 |
| Table 5 - Overview of respondents' age | 35 |
| Table 6 - Overview of respondents' education level | 36 |
| Table 7 - Summary of developed hypotheses | 38 |
| Table 8 - Descriptive statistic for loyalty programmes..... | 39 |
| Table 9 - Correlation matrix between loyalty programme and purchase intention in the luxury fashion industry | 39 |
| Table 10 - Correlation matrix between loyalty programme and purchase intention in the luxury hospitality industry | 40 |
| Table 11 - Descriptive analysis of loyalty programme and purchase intention and brand loyalty..... | 40 |
| Table 12 - Correlation matrix between loyalty programme and brand loyalty in the luxury fashion industry | 41 |
| Table 13 - Correlation matrix between loyalty programme and brand loyalty in the luxury hospitality industry | 41 |
| Table 14 - Descriptive statistic for celebrity endorsement | 42 |
| Table 15 - Correlation matrix between celebrity endorsement and purchase intention in the luxury fashion industry | 42 |
| Table 16 - Correlation matrix between celebrity endorsement and purchase intention in the luxury hospitality industry | 42 |
| Table 17 - Correlation matrix between celebrity endorsement and brand loyalty in the luxury fashion industry | 43 |
| Table 18 - Correlation matrix between celebrity endorsement and brand loyalty in the luxury hospitality industry | 43 |

| | |
|--|----|
| Table 19 - Descriptive analysis of celebrity endorsement and purchase intention and brand loyalty | 44 |
| Table 21 - Descriptive statistic for referral programmes | 45 |
| Table 22 - Correlation matrix between referral programme and purchase intention in the luxury fashion industry | 45 |
| Table 23 - Correlation matrix between referral programme and purchase intention in the luxury fashion industry | 46 |
| Table 24 - Correlation matrix between referral programme and brand loyalty in the luxury fashion industry | 46 |
| Table 25 - Correlation matrix between referral programme and brand loyalty in the luxury fashion industry | 46 |

List of Figures

| | |
|---|----|
| Figure 1 - Luxury fashion brands' followers on Instagram (by 14 May 2023) | 19 |
| Figure 2 - Luxury hotel's followers on Instagram (by 14 May 2023) | 19 |
| Figure 3 - Research model for luxury fashion industry | 22 |
| Figure 4 - Research model for luxury hospitality industry | 22 |
| Figure 5 - Respondent's luxury purchase experience..... | 36 |
| Figure 6 - Respondent's luxury consumption frequency..... | 37 |

1 Introduction

1.1 Problem Statement

Marketing is one of the most important business functions for a company in dealing with customers and is defined as “about managing profitable customer relationships” (Kotler et al., 2015). The marketing strategies used are highly influencing and related to how a company will perform. According to a senior account executive for an equipment-supplying company, the tastes and responses and customer preferences of each generation are different (Albertson, 2020). Looking at the current luxury market, there is a growth in young luxury consumers (Ko et al., 2016). To maintain and expand the business, it is important to catch up with the changing consumers and market needs. Various brands, especially the luxurious ones in this thesis, cannot stay with their traditional promoting methods but developing new marketing strategies, such as technological and innovative marketing tools are required. Although both luxury fashion and hospitality brands are targeting the high-income consumers, they may not share the same marketing tools.

Having different characteristics of goods, the marketing for the luxury sector is different from other industries (Atwal & Williams 2009). Studies on the marketing of luxury products and services have grown in recent years (Ko et al., 2019). Luxury is a complicated topic which requires a great deal of more theoretical exploration and reflection (Wood, 2019). The idea of luxury does not only applied to hard and soft luxury, which are the two traditional categories, but also to the experience aspects such as hotels and spas (Bellaïche et al., 2021). There is existing research regarding the marketing strategies used in the luxury fashion industry, and some for the luxury

hospitality industry. Indeed, most of them concentrated on a particular industry, and little is known comparing the marketing strategies used in the luxury fashion and luxury hospitality industries. With the differences in product characteristics and consumer demand and wants, the marketing strategies used in promoting luxury fashion products and luxury hospitality products are different. Simply using social media, Instagram, as an example, the number of followers of luxury fashion brands is much more than that of luxury hospitality brands, while more details will be discussed in the later chapters, this shows people's awareness on social media towards fashion and hospitality brands are different, proving the marketing tools used might not be the same. Also, there is a relatively small body of literature looking into the related topic in the Hong Kong market. Throughout the thesis, various marketing tools used in the two industries will be evaluated, followed by a comparison to fill the research gap.

The objective of this thesis is to list out the differences and comparisons between them by tackling a few research questions including (1) What are the similarity and connections between the luxury fashion and hospitality industries? (2) What are the differences in the marketing tools between the fashion and hospitality industries? (3) What marketing tools benefit the luxury fashion companies the most? (4) What marketing tools benefit the luxury hotels the most? To answer these research questions, multiple pieces of literature and articles will be reviewed, and an online survey will be conducted for better data collection and analysis.

1.2 Research Objective

By identifying what luxury is, what affects consumer behaviour, and what are the similarity and different characteristics between the luxury fashion and hospitality industry, this research aims to contribute readers a better concept of the marketing strategies used in the two industry and to find out what

marketing tools benefit luxury brands the most. The finding can provide useful marketing ideas for both industries to better attract their targeted customer segments. The research can also use as a reference for future marketing strategies designing and planning.

2 Literature Review

2.1 The Concept of Luxury

There was not a clear definition of what exactly should be included in a luxury brand as everyone got their interpretation with their own background, social and financial status. Table 1 shows some definitions suggested from other research which are relevant and more general to cover the idea of luxury in different industries.

| Sources | Definition |
|--------------------|--|
| Keller, 2009 | Luxury brands can be differentiate with the mass brands in ten characteristics; (1) having a premium image, (2) creation of intangible brand associations, (3) aligned with quality, (4) logos, symbols, packaging are drivers of brand equity, (5) secondary associations from linked personalities, (6) controlled distribution, (7) premium pricing strategy, (8) carefully managed brand architecture, (9) broadly defined competition, (10) legal protection of trademark |
| Tynan et al., 2010 | Luxury brands are high quality, expensive and non-essential products and services that appear to be rare, exclusive, prestigious, and authentic and offer high levels of symbolic and emotional/hedonic values through customer experiences. |
| Hudders et al., | Luxury consumption has been long associated with qualities of exclusivity, such as rarity, uniqueness, high pricing, and |

| | |
|------|--------------------|
| 2013 | excellent quality. |
|------|--------------------|

Table 1 - Definition of Luxury

Most author agrees that purchasing luxury is consumer behaviour in that someone pursues the quality of material and services with high consumption (Xu, 2020). Consumers pay a premium for exclusive and customized products and services that are unique compared to the mainstream brands (Moreau et al., 2020), and these goods are not essential for people's life (Xu, 2020). Globally, the luxury goods industry includes many different products such as cars, drinks, fashions, cosmetics, watches, jewellery, handbags and more (Statista & Sabanoglu, 2022). Another main idea of luxury goods is the brand value of that good is greater than the commodity value (Feng and Wang, 2014). It is likely that people consume a luxury brand because of the brand value and reputation more than the product value. Taking Balenciaga, a luxury brand famous for its breakthrough design and products, as an example. They launched a series of "destroyed" sneakers on May 2022, while the "extra destroyed" sneakers cost \$1,850 in a limited edition for 100 pairs (Ryan, 2022). Even though the product was designed for a campaign and might convey a specific meaning, a ruined shoe still does not worth the price and the public definitely would not go for it if it was brandless. This illustrates the idea of luxury in which the price exceeds the actual value.

2.2 Consumers Behaviour

Consumers' behaviours are actions like consumer product choice, or how likely will they attracted by new things and what are their responses (Keh et al., 2021). Five characteristics are commonly used for segmentation: geographical, socio-economic, demographic, psychographic and behaviouristic (Swarbrooke, 2022). As most published article categories demographic under socio-economic, Table 2 listed four characteristics with different factors such as age, gender, and lifestyle that affects consumer behaviours. These factors create different consumption needs and

motivations for people and affect their buying behaviour (Gajjar, 2013). This explained the phenomenon of why many people long for and hold a positive attitude towards luxury brands and goods despite the fact that it was unaffordable for them (Deham & Svinos, 2007). For instance, the younger generations may rely more on using luxury products in building self-confidence, while the older generations may have a higher actual need for these goods to present their social status on some working occasions.

| Characteristics | Factors | Sources |
|------------------------|--|-----------------------|
| Geographical | <ul style="list-style-type: none"> • Countries • North and South within a country | Kumar, 2014 |
| Demographic | <ul style="list-style-type: none"> • Ages • Gender • Income • Occupation • Culture • Social network | Kardes et al., 2014 |
| Psychographic | <ul style="list-style-type: none"> • Personality • Lifestyle • Interest • Motivation • Perception • Skills and knowledge | Stávková et al., 2008 |
| Behaviourstic | <ul style="list-style-type: none"> • Occasion • Product attribute • Product Usage | Kardes et al., 2014 |

Table 2 - Factors affecting consumer behaviours

2.2.1 Luxury Customer's Psychology

To understand the market of luxury products and services, research on the psychological motivation of luxury consumers is made. Consumers' needs, desires, thoughts, expectations and decisions in buying any kind of product are based on psychic phenomena (Zaharia & Zaharia, 2015). There are studies finding that luxury brands are associated with status, wealth, exclusion and ego-enhancement, and may even induce someone's feeling of pride that signify success and achievement (Mcferran et al., 2014). Studies show people use luxury brands as it enables them to differentiate from others in the social hierarchy (Dubois et al., 2021). Linking with the three main social reasons guiding an individual suggested by McClelland; the need for achievement, the need for power and the need for affiliation (McClelland, 1988). One of the intentions of consuming luxury brands is to seek status identification through the luxury consumption process.

2.3 Luxury Fashion Industry

Service is important but the actual and tangible products are the core of fashion brands. The difference between mass fashion brands and luxury fashion brands can be distinguished by the price, quality and services provided. Mass fashion, also called fast fashion, is characterized by quick response in the production and distribution process (Cachon & Swinney, 2011). Low prices, long-lasting range rotation and accessibility and copying the trendy and updated luxury fashion brand's designs are some other expressions in describing fast fashion brands (Amatulli et al., 2016). Luxury goods have a higher price but also with higher durability, quality, and reliability (Wiedmann et. Al, 2007). It is likely that luxury brands' products had higher durability, as well as a longer product lifetime compared to the mass brands.

Luxury fashion brands' items mostly produce with their brand identifiers such as the brand logo, as well as some iconic pattern designs. The meaning provides through luxury consumption varies among individual buyers (Dubois et al., 2021). Brand prominence means a product has a visible marking that ensures people recognize the brand (Han et al., 2010). For Luxury excursionists, people who have less experience in the luxury domain and more from the lower socioeconomic tiers, prefer luxury products with a more obvious and prominent brand identifier (Dubois et al., 2021). On the contrary, for patricians, people who are more likely in getting more experience in luxury consumption, generally favour quieter products (Han et al., 2010).

2.4 Luxury Hospitality Industry

Same to the luxury fashion industry, luxury hospitality brands also offer both services and products to customers. It comes equally important in this industry. In the manufacturing sector, the physical good is the product, whilst the service itself is the product in the tourism service sector (Mok et al., 2001). The hospitality industry shares the same concept. Some suppliers may see services as an additional element associated with the product to improve its overall quality (Gronroos, 1978).

Luxury selection is one of the three core categories in segmenting hotels and is defined as properties in leisure and business locations that provide the ultimate hotel experience to guests who looks for the highest standards. (WTO, 2004). Another definition is an institution that provides high-quality, expensive, and non-essential products and services (Kim et al., 2022), which matches the concept of luxury mentioned above. Looking at the current market, The Ritz-Carlton, JW Marriott, Kempinski and Grand Hyatt are some examples of luxury hotel brands.

The experiences in luxury hotels are rare, exclusive, prestigious and offer high levels of symbolic and emotional values (Tynan et al., 2010). Furthermore, having more added value and opportunities beyond simply providing accommodation to stay is the way to maximize revenue in the luxury hotel segment (Kim et al., 2022).

2.5 Similar Characteristics between the Fashion and Hospitality Industry

Services are the core element in both the fashion and hospitality industries. The commonality to all services is they are intangible (Flipo, 1988). This means it cannot be touched, seen, tasted and felt in the same way as goods before purchasing (Mok et al., 2001). Each service experience is unique and different by different service providers and receivers. Even the service provided by the same person may not be exactly the same every time, and the level or quality of services received also varies among people (Mok et al., 2001). Therefore, the service in both industries is heterogeneous by the variation in standard and quality over time when the service is delivered by people to people and depends on human performance (Mok et al., 2001).

Besides, they both rely on relationship building. Brand resonance is the degree of engagement and attachment a consumer hold towards a brand (Husain et al., 2022), which affects consequences associated with consumer-brand relationships. Brand attachment, brand engagement and brand judgement can be influenced by brand resonance as well (Husain et al., 2022). These three concepts are important for luxury brands, as a strong relationship with customers and keeping them in the business can ensure and guarantee sales. Especially for brand attachment, it is an emotionally driven target-specific bond between consumers and brands (Conner et al., 2020). If luxury brands can always meet or exceed consumers' expectations, the attachment will be stronger, and consumers are more desirable in staying

with the brand. It comes the same in the fashion industry and hospitality industries. Once the attachment was weak and alternative brands were available (Keller, 2009), consumers may leave easily, causing a loss to the brand.

2.6 Different Characteristics between the Fashion and Hospitality Industry

Even though there are some shared characteristics between the fashion and hospitality industries, not all of the hospitality industry characteristics can apply to the fashion industry. Firstly, hospitality services are perishable. Perishable means things that are non-storable, non-transportable and immaterial (Schütze, 2008), and hotel rooms are one of the typical examples (Li, 2001). For instance, it is impossible to store and use unused services or unsold guests' rooms one night later. Once the rooms were not sold by the end of the day, the money lost will never be recovered by selling it on the next day. While in the fashion industry, though the services are still perishable, the launched products can be stored and sold whenever customers want. With different product characteristics, the pricing and marketing strategy will be different as well. Dynamic pricing is one of the most used pricing methods for perishable products (Schütze, 2008), which includes methods like early discounting and limited early sales. However, for the luxury fashion product, the pricing is more likely to be stable and consistent.

Secondly, it is more difficult to quality control for the hospitality industry. Compared to physical fashion goods, the inability to store hospitality services makes it difficult to select them for testing and evaluation (Mok et al., 2001). For the manufacturing sector, the quality of the products can be controlled before launching to the market as they can be physically tested. If there were any errors, improvements and adjustments can be made immediately to

produce a better version. Yet, if there was a problem with the services in a hotel, damages were caused immediately (Mok et al., 2001) and impossible to reverse. During the past decade, more hotels have attempted to implement service-quality improvement programs and come with varying degrees of success (Luchars & Hinkin, 1996). Indicating that the difficulty in quality control makes it harder for hospitality in providing better service and hotels are trying to tackle it.

Followed by the inseparability in the hospitality industry. The whole experience for a hotel guest includes a mixture of physical assets, food and beverage outlets and customer service (Beer, 2015). People can purchase fashion products through different channels such as mobile marketing channels, namely mobile websites or email (Azemi et al., 2022), they may assess the products without enjoying the service provided by those luxury brands directly. Unlike the fashion industry, products and services in the hospitality industry need to be consumed at the same time. Production and consumption take place simultaneously at the same time (Mok et al., 2001). It is impossible to purchase a hotel product but not experience the experience at that moment. Thus, offering a complete product and service in a hotel requires the simultaneous presence of consumers and service providers, which may not be the case for fashion brands.

Besides, the customer's behaviour and attitudes also showed a difference. Through collecting data from one of the social platforms, Instagram, the following case was observed. Figures 1 and 2 below show the number of Instagram followers of luxury fashion and hotel brands. It was obvious that fashion brands get much more followers than hotel brands. Chanel has 56M followers, which is the highest among all brands, followed by Gucci, with 51.6M followers. Looking at the hotel brands, IHG Hotels only have 76.4K followers. Comparing figures 1 and 2, Hermès get the least amount of

followers in the fashion industry with 12.8M followers, but it was still 11.3M more followers than the hotel market leader, Marriott Bonvoy, with only 1.5M followers. According to these statistics, people who use Instagram tend to be more interested in fashion brands than hotel brands. Thus proving the difference in consumer behaviour between the luxury fashion and hospitality industry.

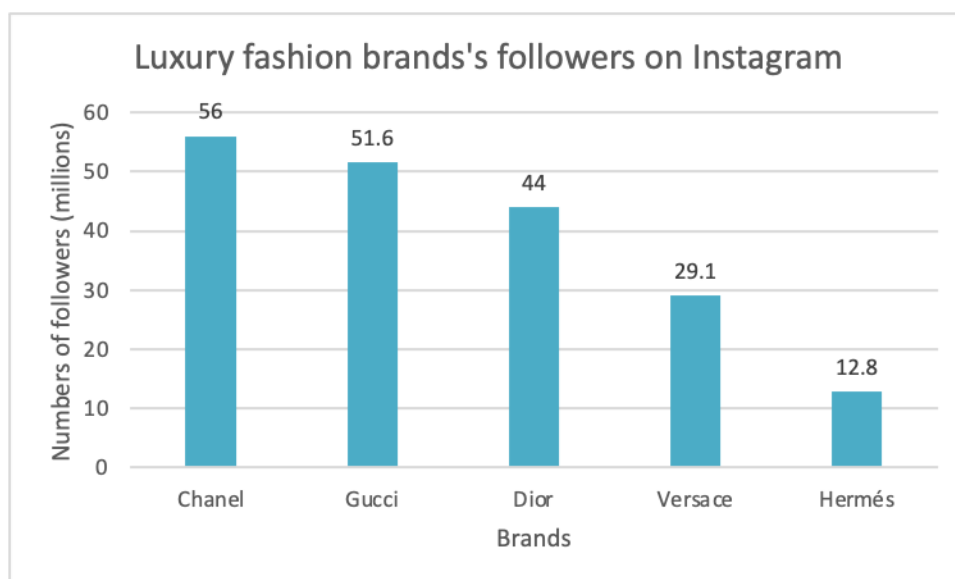


Figure 1 - Luxury fashion brands' followers on Instagram (by 14 May 2023)

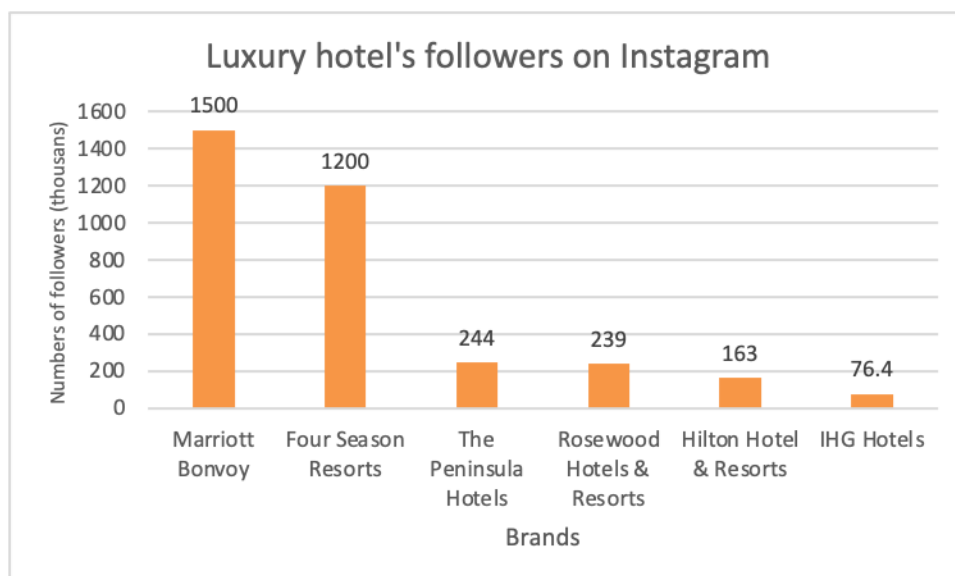


Figure 2 - Luxury hotel's followers on Instagram (by 14 May 2023)

Gender also shows a different role in the two industries. It affects customers' shopping habits in the fashion industry that females tend to consume more than males in both quantities and quality. Yet, gender seems to be less important in the hospitality industry. It doesn't really affect whether one will consume in luxury hotels. Neither male nor female shows a significant preference in their decision.

Moving to the issue of scarcity and guests' obsessions. Scarcity and obsession are more severe in the fashion industry. Even though the number of hotel rooms is limited, fashion brands normally offer a highly scarce number of products in each season. This attracts potential customers and enhances competition, causing a rapid increase in price. While for the hospitality industry, consumers are more rational and the desire to catch up with the latest products is lower.

2.7 The Marketing Strategies of Luxury Brand

Luxury brands are recognized by the material being used, the whole consumer experience, and the symbolic roles as a signification of wealth and taste (Joy et al., 2014). Marketing strategies used in luxury sectors are different from other industries in their characteristics. For example, some suggested that marketing in luxury goods sectors relies heavily on traditional marketing concepts (Atwal & Williams, 2017). From Yan and Qu's report, pull marketing strategy is used for luxury marketing which leads to a "money cannot buy" situation. Control in sales volume creates a shopping psychology that a great deal of money is difficult to buy, which also performs the way of "hunger marketing" (Yan & Qu, 2014). Thus, maintaining a pull situation is needed for marketing luxury.

Marketing is an organisational function and a set of processes to create, communicate and deliver value to customers and for managing customer

relationships in ways that benefit the organisation and its stakeholders (Kotler et al., 2015). Successful marketing is to have a close relationship with customers and maximise their purchases. Purchase intention is one of the two factors affecting purchase decisions (Kotler et al., 2015). Therefore, increasing consumers' purchase intention affects a brand's performance. In addition, enhancing consumer loyalty is also an essential part of marketing. Losing a customer means losing more than a single sale (Kotler et al., 2015). Attracting more loyal customers profit the company and offer greater long-run returns. Therefore, it is crucial to foster purchase intention and consumer brand loyalty with effective marketing tools.

Although the role of marketing is the same in all industries, which is to promote goods and services to attract more customers, targeting different consumers with different needs and want, the marketing strategies used in the luxury fashion and hospitality industry can be very different. Adapting the right marketing approach helps in promoting the brand, attracting more business, retaining customers, and maximizing profits.

2.8 Hypotheses Development

Having an appropriate research model can enhance the credibility and reliability of research. The quantitative research approach is selected for this thesis to find out the relationship between different dependent and independent variables, gain insights into their relationships and test the hypotheses.

To understand what the most suitable marketing strategies for the luxury fashion and hospitality industry are, 6 hypotheses were made to evaluate the question. Three marketing tools, namely loyalty programme, celebrity endorsement and referral programme, were chosen in testing how it affects consumer's purchase intention and brand loyalty.

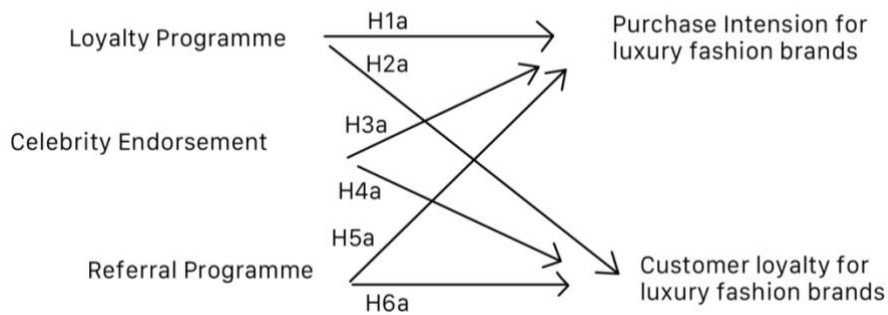


Figure 3 - Research model for luxury fashion industry

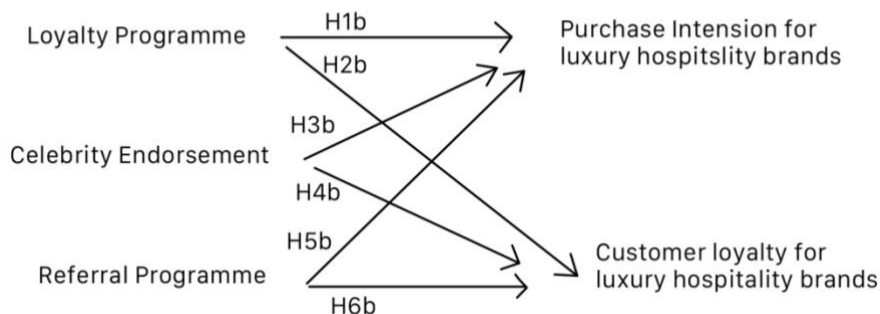


Figure 4 - Research model for luxury hospitality industry

The loyalty programme is the first tool to be tested. It is providing short and long-term benefits to customers and encourages repeat business (Stathopoulou & Balabanis, 2016). Loyalty included brand commitments and, commitments mean a long-lasting desire to continue the relationship with a brand (Erciş et al., 2012). Benefits from loyalty programmes can be categorized into three aspects; utilitarian such as gifts or vouchers, hedonic like personalized treatment or trial of new products, and symbolic like social approval provided (Dimitrios et al., 2023). In luxury consumption, the hedonic value and status symbolism highly determine consumers' experience. They will look for more unique experiences and treatments in consumption (Stathopoulou & Balabanis, 2016). Thus, benefits offered by a loyalty programme can fulfilling their wants.

***H1:** There is a stronger positive relationship between loyalty programmes and consumer's purchase intention in the (a) luxury fashion industry than in the (b) luxury hospitality industry.*

***H2:** There is a stronger positive relationship between loyalty programmes and consumer's brand loyalty in the (a) luxury fashion industry than in the (b) luxury hospitality industry.*

For luxury fashion brands, they do not go with mass production, as they highlight quality over quantity. According to the Law of Demand, when demand is larger than supply, the price increase. People who are willing to pay a higher price can get the product. With the pull marketing strategy mentioned earlier, luxury fashion brands offer limited products to stimulate competition and consumer interest in products. This led to a shortage in the market where supply is far less than demand. However, in the luxury fashion industry, people may not get what they want even when they were willing and able to pay for a higher price. Their loyalty towards the brand is considered. Although there was no official condition mentioned, it is easier for someone who is more loyal to the brand with a more appealing accumulative consuming history to get what they want. Moreover, brands will keep loyal customers updated and may reserve stocks for them before products are officially launched. The loyalty programme also exists in the hospitality industry. For example, Marriott Bonvoy members can enjoy multiple benefits based on their level of membership. From late checkout, and complimentary Wi-Fi to room upgrades and welcome gifts upon arrival (Membership Levels & Benefits, n.d.). Yet, there were always add-on options for every guest in hotels. If guests pay extra, they can get mostly every extra service they want. Even if a guest was not a member and had never stayed in the hotel, he/ she can still stay in the most luxurious room if he/she can pay for the room rate. Hence, the loyalty programme may mean different for customers in the luxury fashion and hospitality industry. Being loyal member

of fashion brands may receive special treatments, event invitations or access to pre-sales products. Customer's intention in checking the latest products or purchasing increases. While as a hotel loyalty member, the offers received are less superior, which may show less influence on the customer's purchase intention. There is a stronger positive relationship between loyalty programmes and consumer's purchase intention in the luxury fashion industry than in the luxury hospitality industry [H1].

As for customers' brand loyalty, with the benefits mentioned, loyalty programmes build a connection between customers and brands, as well as create a sense of appreciation and value for customers. Luxury fashion brands normally design loyalty programmes to differentiate the customer experience, such as superior service or exclusivity with customer-only events (Stathopoulou & Balabanis, 2016). This attracts consumers who looking for hedonic and symbolic benefits. Thus, customers' brand loyalty is enhanced when they think being more loyal to the brand ease access to more information and personal services. While for luxury hospitality brands, multiple researchers claimed that loyalty programs create customer loyalty for hotels as they increase customers' perception of switching barriers. Switching barriers included two facets; the attractiveness of alternative and switching cost (Koo et al., 2020). Whether a loyalty program creates strong customer brand loyalty is highly dependent on these two facets (Koo et al., 2020). Hence, affected by two other variables, the impact of loyalty programmes in the hospitality industry may be less significant than that in the fashion industry. There is a stronger positive relationship between loyalty programmes and consumers' brand loyalty in the luxury fashion industry than in the luxury hospitality industry [H2].

Although studies such as Erci's article suggested the effect of loyalty program benefit high-end fashion brands, and some other articles pointed

loyalty programmes positively accelerate customers' brand loyalty. These research neither put attention on the Hong Kong market nor specifically focuses on the luxury fashion and hospitality industry.

Celebrity endorsement is another tactic used by many luxury companies (Bellaïche et al., 2021). This is an effective strategy for getting attention and creating positive emotions towards the brand or products, as well as enhancing public desire for products and strengthening products' glamour (Cuomo et al., 2019). Okonkwo's idea was quoted in Cuomo's report mentioning celebrity endorsers are very important and valuable to brands, particularly in the luxury fashion sectors.

***H3:** Celebrity endorsement is more effective in raising consumer's purchase intention in the (a) luxury fashion industry than in the (b) luxury hospitality industry.*

***H4:** Celebrity endorsement is more effective in enhancing customer's brand loyalty in the (a) luxury fashion industry than in the (b) luxury hospitality industry.*

Taking the advertisements for fashion products, countless television, online advertisements and posters or banners with celebrities introducing a brand's newly launched products were omnipresent. Describing the common phenomenon of fashion brands cooperating with celebrities or influencers as their brand ambassadors. On the other hand, it is relatively rare to see hotel brands having a particular celebrity as a brand representative. Most likely, hotels will sponsor celebrities for their stays or name them as fans for the hotel, instead of having a contract and hiring them as spokesmen. In addition, talking hospitality, it does not simply about accommodation, but also includes other services such as dining (Burnham, 2018). Some hotels will invite celebrities to enjoy a meal in their restaurants, but still, they are not paying

them as brand ambassadors. The level of importance and suitability of celebrity endorsement as a marketing tool in creating buzz and attracting customers are different in the luxury fashion and hospitality industry. Hence, it is possible that celebrity endorsement works better in fostering consumer purchase intention in the fashion industry. Celebrity endorsement is more effective in raising consumer's purchase intention than in the luxury fashion industry than then luxury hospitality industry [H3].

Celebrity endorsement is also seen as a tool to strengthen brand loyalty. Research revealed celebrity endorsement impact brand loyalty directly and indirectly through consumer-brand relationship (Burnasheva & Suh, 2021). Two perspectives are included in consumer-brand relationships, the brand love approach and the brand commitment approach. They act as a mediator between celebrity endorsement and brand loyalty. Having celebrity as the brand spokesmen, especially celebrities with higher credibility, create a more favourable attitude (M. Anumol & George, 2023). Customers may transfer their positive feeling or admiration for the celebrity onto the endorsed brand, leading to an increase in trust and brand loyalty. When customers perceive that the celebrity they like or trust aligns with the brand, they are more likely to develop a connection with the brand and exhibit repeat purchases. Therefore, celebrity endorsement helps in building a better brand relationship quality which influences customer brand loyalty (Burnasheva & Suh, 2021). With the similar opinion mentioned above, celebrity endorsement is more common and widely used in the luxury fashion industry. Endorsers will wear or use fashion products, but it is harder for hotel spokesmen to show their actual consumption or usage of a hotel's goods or services. Based on the difference in product nature, the effect of celebrity endorsement in the fashion industry should be stronger than in the hospitality industry. Celebrity endorsement is more effective in enhancing

customer's loyalty in the luxury fashion industry than in the luxury hospitality industry [H4].

There is some literature pointing out celebrity endorsement as a good marketing tool for luxury fashion brands, but they didn't focus on evaluating its effect on luxury hospitality brands. Furthermore, both Burnasheva's and Anumol's articles discovered celebrity endorsement and customer loyalty are positively linked (M. Anumol & George, 2023). However, the former only tested the Korean market and the latter only focused on cosmetic products in the Kerala market. This research will go further in evaluating the effect on luxury fashion and hospitality industry in the Hong Kong market.

The referral programme is the last marketing tool to be tested. H5 and H6 will be testing the implication of referral programmes in the luxury fashion and hospitality industry. A Referral is a vital source of new customers who are recommended by satisfied customers (Tepeci, 1999). While referral programmes are a form of word-of-mouth marketing providing incentives to existing customers to bring in new customers (Schmitt et al., 2011).

***H5:** Referral programme is positively related to consumer's purchase intention in the (a) luxury fashion industry and the (b) luxury hospitality industry.*

***H6:** Referral programme is positively correlated to consumer's brand loyalty in the (a) luxury fashion industry and the (b) luxury hospitality industry.*

The attitude or perception of a person is always a deciding element in a consumer's purchasing intention. Being referred by people surrounding means the referrer got a positive purchase experience from a brand. People who received recommendations tend to have a better image of products and will be interested in purchasing the recommended brands (Darmawan, 2022).

Moreover, it may also increase their purchase intention as purchasing the recommended brand shows their appreciation for the referrer, especially for referrals with rewards, such as discounts or vouchers (Hong, 2017). Furthermore, when the referred goods or services are in the luxury sector, the products themselves marked a much higher price. Compared to goods and services with lower prices, the referee may want to seek more affirmation. A referral programme means the referrer like the brand or products that may strengthen the referee's purchase intention. Also, to use the rewards in the referral programme, a higher minimum purchasing amount is always required. To meet the amount, the referee may need to buy more products which increases their purchase intention for products that were not being considered in the first place. Therefore, referral programmes are positively related to consumer's purchase intention in the luxury fashion industry and the luxury hospitality industry [H5].

In terms of customer's brand loyalty, some findings suggested customer loyalty can be enhanced through referral programmes in most cases. It shows that referral mainly occurred between people with stronger ties, who are parents or close friends (Ryu & Feick, 2007). This support referral programs not only encourage existing customers to stay in the company, but also the new customers are more likely to exhibit brand loyalty, as the positive social proof and trust built from the referrer during the referral process. In addition, referral programmes help in encouraging first-time product trials. Along with the high-quality goods and services offered, new consumers are likely to be attracted and satisfies with the overall purchasing experience. Thus, they will revisit the brand and purchase more often. Additionally, referral programmes with larger rewards tend to build stronger behavioural loyalty (Garnefeld et al., 2013). In the luxury fashion and hospitality market, as the market price for their products and services is higher, the value of rewards is likely to be relatively larger. Consequently, referral programme is positively correlated to

consumer brand loyalty in the luxury fashion industry and the luxury hospitality industry [H6].

Empirical work has proven that compared with other marketing channels, referral programmes attract more profitable and loyal new customers and increase the loyalty of recommending customers (Wirtz et al., 2019). Indeed, these articles did not focus on a specific region and are not concentrating on the luxury fashion and hospitality industry. More research in the related field will be discovered in this research.

3 Methodology

Deciding on the research process at the early stage is the key factor for a successful marketing research project (Wilson & Creswell, 1996). The research approach and the analysis methods used will be mentioned in this chapter, as well as the process of survey development and a description of the results collected.

3.1 Research Principle and Method

The quantitative approach will be used for data collection, which is an approach that relies on statistical analysis to answer the research questions. It gathers data using “predetermined” instruments such as questionnaires (Boeren, 2018). The survey is another research collection tool of the quantitative approach. It collects data with a question-and-answer format and provides a numeric description of the attitudes and opinions of a population by studying the sample group of that population (Creswell, 2008).

The survey approach can be administered and evaluated in a shorter time frame (Choy, 2014) as the time for organising and responding is shorter. Additionally, it was an online survey created and answered fully online, resulting in cost-saving and efficiencies. Furthermore, an online survey breaks

the geographic limits. As people access the survey online, they can participate anywhere and anytime. This reduces the geographical limitation and provides a wider range of respondents with different backgrounds and may lead to a different result. Despite it brought plenty of advantages. There were weaknesses such as limited resources may lead to small-scale research and there was no depth experience description (Choy, 2014), which matched Rahman's opinion that it was harder for quantitative research to understand the underlying meaning and explanations from respondents (Rahman, 2016).

The survey research will be taken for this research to test the hypotheses and the target number of responses received will be set at around 100. To understand different stakeholders in the market, it is important to achieve a diversity of demographic factors mentioned previously, such as age and gender. These are the factors affecting participants' responses and attitudes towards luxury consumption. A self-administered online survey experiment will be created with Google Forms while the link for the online survey will be posted on various social media such as Instagram and spread by family and friends through WhatsApp. It offers a platform for reaching different demographic groups. A more objective result can be obtained by collecting various responses from different groups of people. Thus, everyone living in Hong Kong is the target participant for the survey.

3.2 Survey Development

The survey was conducted in English with a total of 22 questions, categorized into 6 parts. It began with an introduction stating the research objective and the use of the survey. This allows respondents to understand the purpose of the research before they start answering any questions, and make sure they join the survey and provide their personal data voluntarily. Questions 2 and 3 asked respondents whether they had purchased any luxury goods or stayed in a luxury hotel before. As well as how often will they consume these goods

and services. This allows the author to acquire a brief idea of the consumer's engagement and consumption habits in the luxury industry in Hong Kong. Parts 3 to 5 are the main questions used to test the hypotheses. Questions 4 to 7 are questions related to the loyalty programme. A capture of Dior's and Kempinski Hotel's loyalty programmes was provided. Respondents need to answer their thought on the two loyalty programmes, etc. do they like it and will they recommend the programme to others? Questions 8 to 15 questioned respondents about the use of celebrity endorsement. Jennie and Andy Murray representing Chanel and Mandarin Oriental respectively, were used as examples of how brands use celebrities as a marketing tool. Respondents need to answer their attitude and thoughts toward Jennie and Andy Murray, etc, how likely they think they are attractive and trustworthy. Questions 16 and 17 questioned respondents about the referral programmes. Farfetch's and Marriott Hotel's referral programmes were selected. Respondents needed to answer how likely they agree with statements such as, they like the referral programme and they wish there were more firms offering similar programmes. Question 18 investigated whether respondents' purchase intention and brand loyalty will be affected based on their answers above. Respondents were required to indicate their behavioural intentions here. The survey ended with 4 demographic questions (questions 19 to 22). Participants need to provide their gender, age, education level and whether they were living in Hong Kong. Collecting demographic data can help in understanding whether those factors will affect customers' decisions and attitudes toward luxury consumption. While respondents stated they were living in Hong Kong means they had a better understanding of the Hong Kong market. Even though it is possible that people not living in Hong Kong also know the market well, for a more accurate and precise result, respondents who live outside Hong Kong will be assumed as less familiar with the market and will not be used for further analysis.

The total of 22 questions included closed-end questions and Likert scale questions. All questions aim to provide a better understanding of the constructs mentioned in the last chapter. Respondents were required to claim their opinion on the statements on a 7-point Likert-scale range, with 1 as very negative or strongly disagree and 7 as very positive or strongly agree. Supported by the survey, the author aims to find out suitable marketing tools to attract customers and enhance their brand loyalty in the fashion and hospitality industry. Participants’ perceptions toward luxury consumption can also be researched.

3.3 Measures

To design the survey questions, measurement items were selected with reference from extant published papers conducted on related or similar topics shown in Table 3. It allows the author in creating a more precise and clear survey.

| Construct | Measurement item | Source |
|-----------------------------|---|----------------------|
| Purchase intention (PI) | It is very likely that I will buy product from brand XYZ. | Fink et al., 2020 |
| | I will purchase brand XYZ the next time I need a product/ services. | |
| | I will definitely try the products/ services offered by brand XYZ. | |
| Customer brand loyalty (BL) | I would like to come back to brand X in the future. | Han & Ryu, 2009 |
| | I like this hotel more than other hotel brands. | Ju & Jang, 2022 |
| | Bemol is always one of my first purchase options. | Cardoso et al., 2022 |

| | | |
|-------------------------|---|--------------------------|
| Loyalty Programme (LP) | I like the proposed loyalty programme more so than other programmes. (LP_L) | Hu et al., 2010 |
| | I would recommend the proposed loyalty programme to others. (LP_RC) | |
| | I have a strong preference for the proposed loyalty programme. (LP_SP) | |
| Celebrity endorser (CE) | Endorser (celebrity) X is attractive. (CE_AT) | Tiago et al., 2023 |
| | Endorser (celebrity) X is knowledgeable. (CE_KL) | |
| | Endorser (celebrity) X is trustworthy. (CE_TW) | |
| Referral Programme (RP) | I like customer referral programmes a lot. (RP_L) | Viswanathan et al., 2018 |
| | I wish there were more firms offering customer referral programme. (RP_WI) | |
| | I like to share with my friends about product/service information. (RP_SF) | Shao et al., 2014 |

Table 3 - Measurement items from existing papers

3.4 Research Ethics

Respondents are voluntarily in participating the survey and are anonymous. All personal information and collected data will only be used for this research and will be kept confidential.

4 Data Analysis and Results

The survey was created with Google Form and was open for 4 days, starting on 2nd June to 5th June 2023. A total of 101 responses were obtained. However, 6 responses did not meet the criteria as respondents were not living in Hong Kong. Thus, 95 surveys were used in the final analysis. After collecting the data needed, an analysis was made via a statistic program – Jamovi. The mean comparison method was used for the number of times of luxury consumption. To examine the relationships between the three marketing tools and purchase intention and brand loyalty, descriptive statistics and regression analysis was used. These two methods can help in analyzing the association between independent and dependent variables.

4.1 Sample Characteristics

Four questions related to demographic information were asked in the survey. Table 4 shows an overview of respondent's gender. Out of 95 responds, 32 responders (33.7%) were male and 63 (66.3%) were female. A larger percentage of respondents were female in this survey. Out of the 32 male and 63 female respondents, 10 (31.25%) and 12 (19%) of them didn't purchase any luxury good or service from fashion or hospitality brand respectively. This shows that gender shows a differences in luxury.

| Gender | | |
|-------------------|-----------|-------------|
| | Frequency | Percent (%) |
| Male | 32 | 33.7 |
| Female | 63 | 66.3 |
| Diverse | 0 | 0 |
| Prefer not to say | 0 | 0 |
| Total | 95 | 100 |

Table 4 - Overview of respondents' gender

Followed by gender, age is another crucial factor to be considered in the demographic factors. Table 5 shows most respondents age between 18 to 24 (49.5%), followed by 32 respondents aged 25 to 34 (33.7%), and 5 respondents aged 35 to 44 (5.3%). As well as 8 outliers aged 45 to 54 (8.4%) and 3 aged 55 or above (3.2%).

| Age | | |
|--------------|------------------|--------------------|
| | Frequency | Percent (%) |
| 18 – 24 | 47 | 49.5 |
| 25 - 34 | 32 | 33.7 |
| 35 - 44 | 5 | 5.3 |
| 45 - 54 | 8 | 8.4 |
| 55 or above | 3 | 3.2 |
| Total | 95 | 100 |

Table 5 - Overview of respondents' age

Education level was asked in the survey. People with higher education normally get higher positions or more professional occupations with higher incomes. They have higher abilities and are more likely to purchase luxury goods and services compared to people will lower education levels. This survey collects responses mainly having an associate degree or bachelor’s background. 49 (51.6%) respondents are Bachelor, and 27 respondents (28.4%) got an associate degree or higher diploma. They are categorised as people with higher education levels and their opinion is more useful for luxury marketing.

| Education Level | | |
|------------------------|------------------|--------------------|
| | Frequency | Percent (%) |
| Primary School | 2 | 2.1 |

| | | |
|-------------------------------------|-----------|------------|
| Secondary School | 15 | 15.8 |
| Associate Degree/ Higher Diploma | 27 | 28.4 |
| Bachelor | 49 | 51.6 |
| Master | 2 | 2.1 |
| Doctorate | 0 | 0 |
| Total | 95 | 100 |

Table 6 - Overview of respondents' education level

4.2 Respondents' purchase habits

Figure 5 and 6 below shows respondent's luxury purchase habits and frequency. It was observed that more than half of the respondents had luxury purchasing experience, but most of them are not frequent consumers. 51 respondents (53.7%) indicated that they had purchased luxury products and 57 respondents (60%) had stayed in a luxury hotel. It was discovered that people generally chose to purchase luxury products from fashion brands than hospitality brands. While for people who had luxury purchasing experience, none of them purchase luxury often. 32.9% of respondents stated that they sometimes consume luxury fashion or luxury hospitality brands, while nearly 70% stated they rarely did it.



Figure 5 - Respondent's luxury purchase experience

How often do you consume a luxury fashion or luxury hospitality brands?

73 則回應

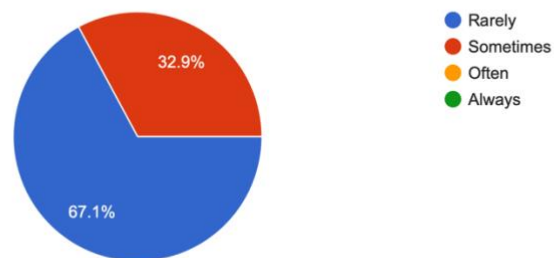


Figure 6 - Respondent's luxury consumption frequency

4.3 Hypotheses Testing

The survey was designed to test the 6 hypotheses mentioned in the earlier chapter, listed below in Table 7.

| 6 Hypotheses Developed |
|--|
| H1: <i>There is a stronger positive relationship between loyalty programmes and consumers' purchase intention in the (a) luxury fashion industry than in the (b) luxury hospitality industry.</i> |
| H2: <i>There is a stronger positive relationship between loyalty programmes and consumers' brand loyalty in the (a) luxury fashion industry than in the (b) luxury hospitality industry.</i> |
| H3: <i>Celebrity endorsement is more effective in raising consumer's purchase intention in the (a) luxury fashion industry than the (b) luxury hospitality industry.</i> |
| H4: <i>Celebrity endorsement is more effective in enhancing customer's loyalty in the (a) luxury fashion industry than the (b) luxury hospitality industry.</i> |
| H5: <i>Referral programme is positively related to consumer's purchase intention in the (a) luxury fashion industry and the (b) luxury hospitality industry.</i> |
| H6: <i>Referral programme is positively correlated to consumer's brand loyalty in</i> |

the (a) luxury fashion industry and the (b) luxury hospitality industry.

Table 7 - Summary of developed hypotheses

Based on the collected data on respondent's thoughts toward the three marketing tools in the two industries, hypotheses can be tested by the two statistics spoken of earlier. First of all, descriptive statistics, such as mean, which shows an average of respondent's opinions; standard deviation, which shows how values or responses spread out from the mean; and Shapiro-Wilk value, which shows whether variables are normally distributed. A smaller standard deviation means responses are relatively concentrated with low variability, and vice versa. While a Shapiro-Wilk p-value less than or equal to 0.05 means the null hypothesis needs to be rejected.

Second of all, the regression statistics (correlation matrix), including Pearson's r which is one of the popular indices being used. Pearson's r measures the strength of the linear relationship between two variables (Hauke & Kossowski, 2011). P - value smaller than 0.001 indicated there is a significant relationship between variables. While a positive Pearson's r value represents a positive association between the two variables, a negative value means a negative association and a value of 0 represents no linear association.

Loyalty Programme:

Descriptive: LP_COM

| | FLP_COM | HLP_COM |
|---------------------------|----------------|----------------|
| N | 95 | 95 |
| Mean | 4.35 | 4.58 |
| Standard deviation | 1.04 | 0.99 |
| Skewness | -0.66 | -0.75 |
| Std. error skewness | 0.25 | 0.25 |
| Kurtosis | 0.91 | 1.40 |

| | FLP_COM | HLP_COM |
|-----------------------|------------------|------------------|
| Std. error kurtosis | 0.49 | 0.49 |
| Shapiro-Wilk W | 0.94 | 0.93 |
| Shapiro-Wilk p | < .001 | < .001 |

Table 8 - Descriptive statistic for loyalty programmes

To understand respondent's opinions, the computed variable; FLP_COM (including FLP_L, FLP_RC and FLP_SPR), and HLP_COM (including HLP_L, HLP_RC and HLP_SP) were created to calculate the mean for question 5 and 7. With reference to Table 8, for Dior's (fashion brand) loyalty programmes, a mean of 4.35 was observed. And for Kempinski's (hospitality brand) loyalty programmes, a mean of 4.58 was observed. This indicated that respondents tend to vote for 'neutral', and generally prefer a hospitality loyalty programme more than a fashion loyalty programme. The standard deviation of 1.04 (FLP_COM) and 0.99 (HLP_COM) means responses are not closely concentrated to the mean. Furthermore, the Shapiro-Wilk p-value was less than 0.001, which variables are not normally distributed.

Hypothesis 1

Hypothesis 1 evaluates how loyalty programmes affect consumer's purchase intention.

Correlation Matrix - FLP_PI

| | | FLP_COM |
|----------------------|-------------|----------------|
| FLP_PI - Transform 1 | Pearson's r | 0.62 |
| | p-value | < .001 |

Table 9 - Correlation matrix between loyalty programme and purchase intention in the luxury fashion industry

Correlation Matrix - HLP_PI

| | | HLP_COM |
|----------------------|-------------|---------|
| HLP_PI - Transform 1 | Pearson's r | 0.60 |
| | p-value | < .001 |

Table 10 - Correlation matrix between loyalty programme and purchase intention in the luxury hospitality industry

Respondent's stated their purchase intention for Dior and Kempinski in questions 18a and c. FLP_PI and HLP_PI illustrated the association between loyalty programmes and purchase intention in the two industries. Looking at Table 9 and 10, loyalty programmes are positively related to consumer's purchase intention in both industries, as Pearson's r value for FLP_PI and HLP_PI was 0.62 and 0.60 respectively. The p-value was less than 0.001 means there is a significant relation between variables and the null hypothesis is rejected. Also, as the p-value was less than 0.001 and the Pearson's r value for the fashion industry was slightly higher than that for the hospitality industry, it can be concluded that loyalty programmes have a stronger impact on customer's purchase intention in the luxury fashion industry than the luxury hospitality industry. H1 is accepted.

Hypothesis 2:

Hypothesis 2 evaluates how loyalty programmes affect consumer's brand loyalty.

Descriptive: LP - PI and BL

| | FLP_PI - Transform 1 | FLP_BL - Transform 1 | HLP_PI - Transform 1 | HLP_BL - Transform 1 |
|--------------------|----------------------|----------------------|----------------------|----------------------|
| N | 95 | 95 | 95 | 95 |
| Mean | 4.80 | 4.79 | 4.64 | 4.65 |
| Standard deviation | 1.31 | 1.20 | 1.30 | 1.24 |

Table 11 - Descriptive analysis of loyalty programme and purchase intention and brand loyalty

Correlation Matrix - FLP_BL

| | | FLP_COM |
|----------------------|-------------|---------|
| FLP_BL - Transform 1 | Pearson's r | 0.62 |
| | p-value | < .001 |

Table 12 - Correlation matrix between loyalty programme and brand loyalty in the luxury fashion industry

Correlation Matrix - HLP_BL

| | | HLP_COM |
|----------------------|-------------|---------|
| HLP_BL - Transform 1 | Pearson's r | 0.58 |
| | p-value | < .001 |

Table 13 - Correlation matrix between loyalty programme and brand loyalty in the luxury hospitality industry

Respondents stated their level of brand loyalty for Dior and Kempinski with the use of loyalty programmes in questions 18b and d. In accordance with Table 11, the mean for FLP_BL was 4.79 and the mean for HLP_BL was 4.65. Respondents tend to agree they will come back to Dior more than Kempinski in the future. Correlation for FLP_BL and HLP_BL was created to test the relationship between loyalty programmes and brand loyalty. Table 12 and 13 shows that the Pearson's r value for FLP_BL was 0.62 and 0.58 for HLP_BL. Both value was larger than 0 which means there is a positive relationship between loyalty programme and brand loyalty. While the value for FLP_BL is higher than that for HLP_BL and the p-value was less than 0.001. Hence, the loyalty programme has a stronger impact on customer's brand loyalty in the luxury fashion industry than in the luxury hospitality industry. H2 is accepted.

Celebrity Endorsement:

Descriptive: CE_COM

| | FCE_COM | HCE_COM |
|---------------------------|-------------|-------------|
| N | 95 | 95 |
| Mean | 4.93 | 5.45 |
| Standard deviation | 1.00 | 0.95 |
| Skewness | -1.06 | -1.51 |

| | FCE_COM | HCE_COM |
|-----------------------|------------------|------------------|
| Std. error skewness | 0.25 | 0.25 |
| Kurtosis | 1.68 | 2.74 |
| Std. error kurtosis | 0.49 | 0.49 |
| Shapiro-Wilk W | 0.90 | 0.82 |
| Shapiro-Wilk p | < .001 | < .001 |

Table 14 - Descriptive statistic for celebrity endorsement

A mean of 4.93 and 5.45 for FCE_COM (including FCE_AT, FCE_KL and FCE_TW) and HCE_COM (including HCE_AT, HCE_KL and HCE_TW) was recorded from questions 9 to 11 and 13 to 14. This exhibited that most respondents vote for 'slightly agree' and 'agree'. And illustrated that respondents generally have a positive attitude to Jennie (the endorser for a fashion brand) and Andy Murray (the endorser for a hospitality brand). The standard deviation of the two computed variables was 1.00 and 0.95, which is not concentrated to the mean. For the Shapiro-Wilk value, the p-value was smaller than 0.001. Based on this, the variables are not normally distributed.

Hypothesis 3

Hypothesis 3 evaluates how celebrity endorsement affect consumer's purchase intention.

Correlation Matrix - FCE_PI

| | | FCE_COM |
|----------------------|-------------|----------------|
| FCE_PI - Transform 1 | Pearson's r | 0.43 |
| | p-value | < .001 |

Table 15 - Correlation matrix between celebrity endorsement and purchase intention in the luxury fashion industry

Correlation Matrix - HCE_PI

| | | HCE_COM |
|----------------------|-------------|----------------|
| HCE_PI - Transform 1 | Pearson's r | 0.52 |
| | p-value | < .001 |

Table 16 - Correlation matrix between celebrity endorsement and purchase intention in the luxury hospitality industry

FCE_PI and HCE_PI illustrate the correlation between celebrity endorsement and purchase intention. The p-value for both industries was less than 0.001, describing there is a significant relation between variables and the null hypothesis is rejected. The Pearson’s r value for FCE_PI was 0.43 and 0.52 for HCE_PI. As the Pearson’s r value was positive, celebrity endorsement shows a positive relationship with purchase intention. Although the difference is small, the value for FCE_PI was smaller than that for HCE_PI, which means celebrity endorsement shows a stronger impact on raising consumer purchase intention in the luxury hospitality industry. H3 suggested that celebrity endorsement is more effective in raising consumer’s purchase intention in the luxury fashion industry than in the luxury hospitality industry. The result does not agree with the hypothesis. Thereby, H3 is not valid.

Hypothesis 4

Hypothesis 4 evaluates how celebrity endorsement affect consumer’s brand loyalty.

Correlation Matrix - FCE_BL

| | | FCE_COM |
|----------------------|-------------|---------|
| FCE_BL - Transform 1 | Pearson's r | 0.48 |
| | p-value | < .001 |

Table 17 - Correlation matrix between celebrity endorsement and brand loyalty in the luxury fashion industry

Correlation Matrix - HCE_BL

| | | HCE_COM |
|----------------------|-------------|---------|
| HCE_BL - Transform 1 | Pearson's r | 0.57 |
| | p-value | < .001 |

Table 18 - Correlation matrix between celebrity endorsement and brand loyalty in the luxury hospitality industry

FCE_BL and HCE_BL investigate the correlation between celebrity endorsement and brand loyalty. The p-value is less than 0.001 which rejected the null hypothesis. Both industries recorded a positive Pearson’s r value with 0.48 for FCE_BL and 0.57 for HCE_BL respectively. Illustrating celebrity

endorsement shows a positive relationship with consumer’s brand loyalty in both industries. However, the Pearson’s r value for the fashion industry is smaller than that for the hospitality industry. Revealing that referral programmes have a stronger positive relationship with brand loyalty in the hospitality industry. H4 stated that celebrity endorsement is more effective in enhancing customer’s loyalty in the luxury fashion industry than in the luxury hospitality industry. This does not match with the result and denoted H4 is not accepted.

CE - PI and BL

| | FCE_PI - Transform 1 | FCE_BL - Transform 1 | HCE_PI - Transform 1 | HCE_BL - Transform 1 |
|--------------------|----------------------|----------------------|----------------------|----------------------|
| N | 95 | 95 | 95 | 95 |
| Mean | 4.85 | 4.87 | 4.78 | 4.81 |
| Standard deviation | 1.25 | 1.22 | 1.20 | 1.16 |

Table 19 - Descriptive analysis of celebrity endorsement and purchase intention and brand loyalty

Table 19 presented how purchase intention and brand loyalty were affected by celebrity endorsement. The mean for FCE_PI and HCE_PI was 4.85 and 4.78 respectively, and the mean for FCE_BL and HCE_BL was 4.87 and 4.81. This indicated that when asking about whether respondents will buy products or come back to the brand, they generally vote for ‘neutral’ and nearly approach ‘slight agree’. Therefore, it can be concluded that when consumers have a positive attitude towards celebrity endorsers, their purchase intention and brand loyalty are likely to be higher.

Referral Programme:

Descriptive: RP_COM

| | FRP_COM | HRP_COM |
|---|---------|---------|
| N | 95 | 95 |

| | FRP_COM | HRP_COM |
|---------------------------|------------------|------------------|
| Mean | 4.73 | 4.81 |
| Standard deviation | 1.06 | 1.03 |
| Skewness | -1.28 | -1.19 |
| Std. error skewness | 0.25 | 0.25 |
| Kurtosis | 2.15 | 1.98 |
| Std. error kurtosis | 0.49 | 0.49 |
| Shapiro-Wilk W | 0.85 | 0.88 |
| Shapiro-Wilk p | < .001 | < .001 |

Table 20 - Descriptive statistic for referral programmes

Respondents' opinions on the referral programme were collected. The mean for FRP_COM (including FRP_L, FRP_WI and FRP_SF, question 16) is 4.73, and the mean for HRP_COM (HRP_L, HRP_WI and HRP_SF, question 17) is 4.81. This shows respondents tend to choose scale 'sneutral' and 'slightly agree'. A larger proportion of respondents like the programme and will share it with friends. The standard deviation here is 1.06 (FRP_COM) and 1.03 (HRP_COM), which is also not very concentrated to the mean. And the small Shapiro-Wilk p-value (<0.001) indicated that variables departed significantly from normality.

Hypothesis 5

Hypothesis 5 evaluates how referral programmes affect consumer's purchase intention.

Correlation Matrix - FRP_PI

| | | FRP_COM |
|----------------------|-------------|---------|
| FRP_PI - Transform 1 | Pearson's r | 0.69 |
| | p-value | < .001 |

Table 21 - Correlation matrix between referral programme and purchase intention in the luxury fashion industry

Correlation Matrix - HRP_PI

| | | HRP_COM |
|----------------------|-------------|---------|
| HRP_PI - Transform 1 | Pearson's r | 0.54 |
| | p-value | < .001 |

Table 22 - Correlation matrix between referral programme and purchase intention in the luxury fashion industry

To examine the association between referral programme and purchase intention, FRP_PI and HRP_PI were created. The p-value is smaller than 0.001 which indicated a significant relationship between variables. Whereas the Pearson's r value is 0.69 (FRP_COM) and 0.54 (HRP_COM) respectively. The positive value explained a positive linear relationship between variables. Referral programme and purchase intention are positively related in both industries. H5 is accepted as it stated that variables are positively related in the luxury fashion industry and the luxury hospitality industry.

Hypothesis 6

Hypothesis 6 evaluates how referral programmes affect consumer's brand loyalty.

Correlation Matrix - FRP_BL

| | | FRP_COM |
|----------------------|-------------|---------|
| FRP_BL - Transform 1 | Pearson's r | 0.69 |
| | p-value | < .001 |

Table 23 - Correlation matrix between referral programme and brand loyalty in the luxury fashion industry

Correlation Matrix - HRP_BL

| | | HRP_COM |
|----------------------|-------------|---------|
| HRP_BL - Transform 1 | Pearson's r | 0.52 |
| | p-value | < .001 |

Table 24 - Correlation matrix between referral programme and brand loyalty in the luxury fashion industry

Lastly, Table 24 and 25 is the correlation matrix for FRP_BL and HRP_BL, showing the relationship between referral programmes and brand loyalty in the luxury fashion and hospitality industry. Since both p-values are lower than 0.001, there is a significant relationship between referral programme and brand loyalty in the two industries. The null hypothesis is rejected. Both of the Pearson's r value is positive. FRP_BL attained a value of 0.69 and 0.53 for HRP_BL. The positive value indicated that loyalty programmes and brand loyalty are positively related. H6 suggested that referral programme is positively correlated to consumer's loyalty in the luxury fashion industry and the luxury hospitality industry. Hence, H6 is accepted.

Other than the tested hypotheses, it was found that the three marketing tools may not be the best tools in stimulating consumer's purchase intention and brand loyalty. In the survey, respondents were asked with the use of the mentioned marketing tools, how likely will they buy products from or come back to a brand in the future. All the mean collected ranged between 4.64 to 4.87. This indicated that respondents tend to choose the scale 'neutral' and 'slightly agree'. If respondents vote for 'agree' or 'strongly agree', the marketing tools used will be considered more effective and suitable.

5 Conclusion

The purpose of this research has been to focus on comparing the marketing strategies used in the luxury fashion and hospitality industries. Consumer's purchasing power is increasing, and the luxury market is getting larger with more millennials as potential customers. Using suitable marketing tools for promotion and attracting customers effectively is needed. Three marketing tools including loyalty programmes, celebrity endorsement and referral programmes were included in this research. The associations between different marketing tools and customers' purchase intention and brand

loyalty were tested. Combining works of literature with the survey and analysis conducted this study provides a better idea of which type of marketing tools best suit the industry.

6 hypotheses were developed in this research, 4 were accepted and 2 were invalid. Through the survey with a total of 95 accepted responses, it was found that all three marketing tools; loyalty programme, celebrity endorsement and referral programme had a positive impact on enhancing consumer's purchase intention and brand loyalty. For the two invalid hypotheses (H3 and H4), the variables are significantly related which rejected the null hypothesis. However, the initial hypothesis stated the fashion industry has a stronger relationship than the hospitality industry, which does not match the result. As for Pearson's r value, the value for the three marketing tools in the two industries was similar, but differences were still observed. For the luxury fashion industry, loyalty programmes and referral programmes work better in enhancing consumer's purchase intention and brand loyalty. While for the luxury hospitality industry, celebrity endorsement seems to be more effective. This answered the research question and provided insight for brands in choosing between the three marketing tools.

Other than that, from the mean near scale 'neutral', it was found that consumer's purchase intention and brand loyalty did not increase significantly with the use of loyalty programmes, celebrity endorsement and referral programmes. Other marketing tools may better stimulate consumer behaviour.

Overall, the characteristics and product nature are slightly different between the fashion and hospitality industries, linked to the divergence of marketing tools in reaching their potential customers respectively. The use of loyalty

programmes, celebrity endorsement and referral programmes did help in enhancing consumer's purchase intention and brand loyalty in the luxury fashion and hospitality industry. The insights gained from this thesis may be of assistance to the tourism industry with an idea of what marketing tools should be used in the luxury fashion or hospitality industry. It is important for brands to make sure they understand what elements consumers are looking for and specialize them from the mass brand. Better knowing customers' needs and wants allows brands in designing more relevant marketing campaigns for advertising and maximize their profits and business.

6 Limitations and Recommendations

6.1 Limited in Sample Size

Effective quantitative research should require a larger sample size of more than a thousand population (Choy, 2014). However, due to a lack of resources and time, the survey conducted in this report only reached 100, which is a relatively small sample size. Opinions and preferences may be limited or not reveal the actual situation.

6.2 Limited in Collecting Data from Internet Users

The survey was conducted through an online format that was shared on social media or platforms. People who do not use social media or do not have any electric devices may not get access to the survey. The data collected was limited to people who use the internet. For instance, the elderly who will purchase luxury goods and services, but not using any social media got no chance in filling out the survey. Their viewpoints were missed.

6.3 Limitation in Specific Brands

A total of 6 brands in the luxury fashion and hospitality industry were chosen as examples in the survey. Respondents may have a bias toward those brands

that led to a less comprehensive result. Moreover, to shorten the length of the survey, it is difficult to introduce brands deep in detail. Respondents who are not familiar with the brands may find it difficult to answer the questions which led to a less accurate result.

6.4 Limitation in Location

Noting the focus on the Hong Kong market in this research, the observation and result may not be suitable in other regions or countries. For example, Hong Kong is an international commercial city while research on other less developed cities may have a different result. Research in other locations should be needed for future research.

6.5 Recommendation for Future Study

Aforementioned, the current study has only examined consumer behaviours in the Hong Kong market and was unable to capture a larger sample size. Further studies should consider addressing the limitations and carrying out a more comprehensive result. For instance, bias can be better eliminated in future research. It would be fairer if the same celebrity endorser could be used when investigating the relationship between the endorser and the customer's behaviours. This avoids the difference in respondent's opinions because of bias towards celebrities. On the other hand, future studies can dig into the effect of various marketing tools on people with different cultural backgrounds or explore other marketing tools such as digital marketing. Studying alternative marketing tools allow companies to better understand the best way to attract customers and maximise business. Even more, as the purchasing power is shifting from millennials to Generation Z, explore how Gen Z's opinion towards various types of marketing tools is important. It is advised a specific study for this age group can be made. Lastly, to look for a more accurate result, it is suggested to limit the target sample group to the brand's existing customers. Having a purchase history means respondents

were more familiar with the brand and are more likely to provide practical opinions for the research.

Bibliography

- Albertson, K. (2020). Supply chains evolve rapidly to meet changing needs: New technology, shifting customer expectations drive future innovation. *ISE: Industrial & Systems Engineering at Work*, 52(5), 34–39.
- Amatulli, C., Mileti, A., Speciale, V., & Guido, G. (2016). The Relationship between Fast Fashion and Luxury Brands. *Advances in Marketing, Customer Relationship Management, and E-Services*, 244–265. <https://doi.org/10.4018/978-1-4666-9958-8.ch011>
- Atwal, G., & Williams, A. (2009). Luxury brand marketing – the experience is everything! *Journal of Brand Management*, 16(5-6), 338–346. <https://doi.org/10.1057/bm.2008.48>
- Atwal, G., & Williams, A. R. (2017). Luxury Brand Marketing – The Experience Is Everything! In *Springer eBooks* (pp. 43–57). Springer Nature. https://doi.org/10.1007/978-3-319-51127-6_3
- Azemi, Y., Ozuem, W., Wiid, R., & Hobson, A. (2022). Luxury fashion brand customers’ perceptions of mobile marketing: Evidence of multiple communications and marketing channels. *Journal of Retailing and Consumer Services*, 66, 102944. <https://doi.org/10.1016/j.jretconser.2022.102944>
- Bain & Company. (2021). Value of various global luxury markets in 2021, by market type (in billion euros). In Statista. Retrieved April 01, 2022, from <https://www.statista.com/statistics/246115/value-of-various-global-luxury-markets-by-market-type/>
- Beer, E. (2015). Creating the Best Guest Experience. *MEED: Middle East Economic Digest*, 8–9.
- Bellaïche, J., Hanisch, D., & Mei-Pochtler, A. (2021, June 16). The New World of Luxury. BCG Global. <https://www.bcg.com/publications/2010/retail-branding-communication-new-world-of-luxury>
- Boeren, E. (2018). The Methodological Underdog: A Review of Quantitative Research in the Key Adult Education Journals. *Adult Education Quarterly*, 68(1), 63–79. <https://doi.org/10.1177/0741713617739347>
- Bowie, D., Buttle, F., Brookes, M., & Mariussen, A. (2016). *Hospitality Marketing* (3rd ed.). Routledge. <https://doi.org/10.4324/9781315682549>

- Burnasheva, R., & Suh, Y. K. (2021). The Impact of Celebrity Endorsement on Brand Loyalty: Mediating and Moderating Mechanisms. *International Business Research*, 14(2), 29. <https://doi.org/10.5539/ibr.v14n2p29>
- Burnham, K. (2018, August 24). *Two Hotel Brands That Have Mastered Influencer Marketing*. Adobe Blog. <https://blog.adobe.com/en/publish/2018/08/24/influencer-marketing>
- Cachon, G. P., & Swinney, R. (2011). The Value of Fast Fashion: Quick Response, Enhanced Design, and Strategic Consumer Behavior. *Management Science*, 57(4), 778–795. <https://doi.org/10.1287/mnsc.1100.1303>
- Cardoso, A. H., Gabriel, M., De Figueiredo, J. C. A., Oliveira, I. O., Rêgo, R., Silva, R. F., Oliveira, M. C., & Meirinhos, G. (2022). Trust and Loyalty in Building the Brand Relationship with the Customer: Empirical Analysis in a Retail Chain in Northern Brazil. *Journal of Open Innovation*, 8(3), 109. <https://doi.org/10.3390/joitmc8030109>
- Choy, L. T. (2014). The Strengths and Weaknesses of Research Methodology: Comparison and Complimentary between Qualitative and Quantitative Approaches. *IOSR Journal of Humanities and Social Science*, 19(4), 99–104. <https://doi.org/10.9790/0837-194399104>
- Conner, M., Wilding, S., van Harreveld, F., & Dalege, J. (2020). Cognitive-Affective Inconsistency and Ambivalence: Impact on the Overall Attitude–Behavior Relationship. *Personality and Social Psychology Bulletin*, 47(4), 673–687. <https://doi.org/10.1177/0146167220945900>
- Creswell, J. W. (2008). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. SAGE Publications, Incorporated.
- Cuomo, M. T., Foroudi, P., Tortora, D., Hussain, S., & Melewar, T. (2019). Celebrity Endorsement and the Attitude Towards Luxury Brands for Sustainable Consumption. *Sustainability*, 11(23), 6791. <https://doi.org/10.3390/su11236791>
- Darmawan, L. (2022). The feasibility of referral reward for sere to enter the Indonesian market. *Diponegoro Journal of Accounting*, 11(4). <https://ejournal3.undip.ac.id/index.php/accounting/article/view/36346/27948>
- Dimitrios, B., Ioannis, R., Angelos, N., & Nikolaos, T. (2023). Digital Marketing: The Case of Digital Marketing Strategies on Luxurious

- Hotels. *Procedia Computer Science*, 219, 688–696. <https://doi.org/10.1016/j.procs.2023.01.340>
- Dior. (n.d.). *MY EXCLUSIVE BEAUTY PROGRAM: your loyalty rewarded*. https://www.dior.com/en_gb/mydiorbeauty/program
- Dubois, D., Jung, S. J., & Ordabayeva, N. (2021). The psychology of luxury consumption. *Current Opinion in Psychology*, 39, 82–87. <https://doi.org/10.1016/j.copsyc.2020.07.011>
- Erciş, A., Ünal, S., Candan, F. B., & Yıldırım, H. (2012). The Effect of Brand Satisfaction, Trust and Brand Commitment on Loyalty and Repurchase Intentions. *Procedia - Social and Behavioral Sciences*, 58, 1395–1404. <https://doi.org/10.1016/j.sbspro.2012.09.1124>
- Farfetch. (n.d.). *Refer a Friend to Farfetch and get 10% Off*. <https://www.farfetch.com/uk/refer-a-friend>
- Feng, X., & Wang, B. (2014) Reflections on the concept of luxury and its function[J]. *Journal of Beijing Institute of Mechanical Industry*, 03, 70-73.
- Fink, M., Koller, M., Gartner, J., Floh, A., & Harms, R. (2020). Effective entrepreneurial marketing on Facebook – A longitudinal study. *Journal of Business Research*, 113, 149–157. <https://doi.org/10.1016/j.jbusres.2018.10.005>
- Flipo, J. P. (1988). On the Intangibility of Services. *The Service Industries Journal*, 8(3), 286–293. <https://doi.org/10.1080/026420688000000044>
- Gajjar, N., B. (2013). Factors Affecting Consumer Behavior. *International Journal of Research in Humanities and Social Sciences*, 1(2), 10–15. https://www.rajmr.com/ijrhs/wp-content/uploads/2017/11/IJRHS_2013_vol01_issue_02_02.pdf
- Garnefeld, I., Eggert, A., Helm, S., & Tax, S. S. (2013). Growing Existing Customers' Revenue Streams through Customer Referral Programs. *Journal of Marketing*, 77(4), 17–32. <https://doi.org/10.1509/jm.11.0423>
- Gronroos, C. (1978). A Service-Orientated Approach to Marketing of Services. *European Journal of Marketing*, 12(8), 588–601. <https://doi.org/10.1108/eum000000004985>
- Han, H., & Ryu, K. (2009). The Roles of the Physical Environment, Price Perception, and Customer Satisfaction in Determining Customer Loyalty

- in the Restaurant Industry. *Journal of Hospitality & Tourism Research*, 33(4), 487–510. <https://doi.org/10.1177/1096348009344212>
- Han, Y. J., Nunes, J. C., & Drèze, X. (2010). Signaling Status with Luxury Goods: The Role of Brand Prominence. *Journal of Marketing*, 74(4), 15–30. <https://doi.org/10.1509/jmkg.74.4.015>
- Hauke, J., & Kossowski, T. (2011). Comparison of Values of Pearson’s and Spearman’s Correlation Coefficients on the Same Sets of Data. *Quaestiones Geographicae*, 30(2), 87–93. <https://doi.org/10.2478/v10117-011-0021-1>
- Hodge, A. C., Romo, Z. G., Medina, I. G., & Fionda-Douglas, A. (2015). Consumer–brand relationships within the luxury cosmetic domain. *Journal of Brand Management*, 22(8), 631–657. <https://doi.org/10.1057/bm.2015.36>
- Hong, Z. (2017). *The Impact of Employee Referral Programs on Referral Likelihood and Customer Purchase Intention*.
- Hudders, L., Pandelaere, M., & Vyncke, P. (2013). Consumer Meaning Making: The Meaning of Luxury Brands in a Democratised Luxury World. *International Journal of Market Research*, 55(3), 391–412. <https://doi.org/10.2501/ijmr-2013-036>
- Hu, H. “., Huang, C., & Chen, P. (2010). Do reward programs truly build loyalty for lodging industry? *International Journal of Hospitality Management*, 29(1), 128–135. <https://doi.org/10.1016/j.ijhm.2009.07.002>
- Husain, R., Paul, J., & Koles, B. (2022). The role of brand experience, brand resonance and brand trust in luxury consumption. *Journal of Retailing and Consumer Services*, 66, 102895. <https://doi.org/10.1016/j.jretconser.2021.102895>
- Johnson, J. A., Barksdale, H. C., & Boles, J. S. (2003). Factors associated with customer willingness to refer leads to salespeople. *Journal of Business Research*, 56(4), 257–263. [https://doi.org/10.1016/s0148-2963\(02\)00436-8](https://doi.org/10.1016/s0148-2963(02)00436-8)
- Joy, A., Wang, J. J., Chan, T. S., Sherry, J. F., & Cui, G. (2014). M(Art)Worlds: Consumer Perceptions of How Luxury Brand Stores Become Art Institutions. *Journal of Retailing*, 90(3), 347–364. <https://doi.org/10.1016/j.jretai.2014.01.002>
- Ju, Y., & Jang, S. (2022). The Effect of COVID-19 on hotel booking intentions: Investigating the roles of message appeal type and brand

- loyalty. *International Journal of Hospitality Management*, 108, 103357. <https://doi.org/10.1016/j.ijhm.2022.103357>
- Kapferer, J., Kernstock, J., Brexendorf, T. O., & Powell, S. M. (2017). *Advances in Luxury Brand Management*. In *Springer eBooks*. <https://doi.org/10.1007/978-3-319-51127-6>
- Kardes, F., Cronley, M., & Cline, T. (2014). *Consumer Behavior*. Cengage Learning. https://books.google.co.uk/books?id=A-fKAgAAQBAJ&dq=consumer+behavior&lr=&source=gbs_navlinks_
- Keh, H. T., Wang, D., & Yan, L. (2021). Gimmicky or Effective? The Effects of Imaginative Displays on Customers' Purchase Behavior. *Journal of Marketing*, 85(5), 109–127. <https://doi.org/10.1177/0022242921997359>
- Keller, K. L. (2009). Building strong brands in a modern marketing communications environment. *Journal of Marketing Communications*, 15(2–3), 139–155. <https://doi.org/10.1080/13527260902757530>
- Keller, K. L. (2009). Managing the growth tradeoff: Challenges and opportunities in luxury branding. *Journal of Brand Management*, 16(5–6), 290–301. <https://doi.org/10.1057/bm.2008.47>
- Kempinski Hotel. (n.d.). *KEMPINSKI DISCOVERY Loyalty Programme / Kempinski Hotels*. <https://www.kempinski.com/en/loyalty>
- Kim, J., Kim, S. I., & Lee, M. (2022). What to Sell and How to Sell Matters: Focusing on Luxury Hotel Properties' Business Performance and Efficiency. *Cornell Hospitality Quarterly*, 63(1), 78–95. <https://doi.org/10.1177/19389655211020254>
- Ko, E., Costello, J. P., & Taylor, C. R. (2019). What is a luxury brand? A new definition and review of the literature. *Journal of Business Research*, 99, 405–413. <https://doi.org/10.1016/j.jbusres.2017.08.023>
- Ko, E., Phau, I., & Aiello, G. (2016). Luxury brand strategies and customer experiences: Contributions to theory and practice. *Journal of Business Research*, 69(12), 5749–5752. <https://doi.org/10.1016/j.jbusres.2016.04.170>
- Koo, B., Yu, J., & Han, H. (2020). The role of loyalty programs in boosting hotel guest loyalty: Impact of switching barriers. *International Journal of Hospitality Management*, 84, 102328. <https://doi.org/10.1016/j.ijhm.2019.102328>

- Kotler, P., Burton, S., Deans, K., Brown, L., & Armstrong, G. (2015). Part 1: The strategy marketing process. In *Marketing*, 1–113.
- Kuang, D., Ma, B., & Wang, H. (2021). The relative impact of advertising and referral reward programs on the post-consumption evaluations in the context of service failure. *Journal of Retailing and Consumer Services*, 65, 102849. <https://doi.org/10.1016/j.jretconser.2021.102849>
- Kumar, R. (2014). Impact of Demographic Factors on Consumer Behaviour - A Consumer Behaviour Survey in Himachal Pradesh. *Global Journal of Enterprise Information System*, 6(2), 35. <https://doi.org/10.15595/gjeis/2014/v6i2/51844>
- Lewis, M. (2004). The Influence of Loyalty Programs and Short-Term Promotions on Customer Retention. *Journal of Marketing Research*, 41(3), 281–292. <https://doi.org/10.1509/jmkr.41.3.281.35986>
- Li, F., Larimo, J., & Leonidou, L. C. (2020). Social media marketing strategy: Definition, conceptualization, taxonomy, validation, and future agenda. *Journal of the Academy of Marketing Science*, 49(1), 51–70. <https://doi.org/10.1007/s11747-020-00733-3>
- Li, M. Z. (2001). Pricing non-storable perishable goods by using a purchase restriction with an application to airline fare pricing. *European Journal of Operational Research*, 134(3), 631–647. [https://doi.org/10.1016/s0377-2217\(00\)00285-x](https://doi.org/10.1016/s0377-2217(00)00285-x)
- Loureiro, S. M. C., Maximiano, M., & Panchapakesan, P. (2018). Engaging fashion consumers in social media: the case of luxury brands. *International Journal of Fashion Design, Technology and Education*, 11(3), 310–321. <https://doi.org/10.1080/17543266.2018.1431810>
- Luchars, J. Y., & Hinkin, T. R. (1996). The Service-Quality Audit. *Cornell Hotel and Restaurant Administration Quarterly*, 37(1), 34–41. <https://doi.org/10.1177/001088049603700114>
- Luxury Fashion - Worldwide. (n.d.). Retrieved April 01, 2022, from <https://www.statista.com/outlook/cmo/luxury-goods/luxury-fashion/worldwide>
- Luxury Fashion Report 2020. (2020, November). Statista Consumer Market Outlook. <https://www.statista.com/study/56842/luxury-fashion-report/>
- M. Anumol, V., & George, J. (2023). Impact Of Celebrity Endorsement On Customer Loyalty In Cosmetic Products. *Journal of Research in Business and Management*, 11(3), 236–

250. <https://www.questjournals.org/jrbm/papers/vol11-issue3/1103256260.pdf>

- Mandarin Oriental Hotel. (n.d.). *Celebrity Fans*. <https://www.mandarinoriental.com/en/celebrity-fans#/>
- Marriott Bonvoy. (n.d.). *Refer a Friend*. <https://www.marriott.com/en-gb/loyalty/earn/reward-a-friend.mi>
- McClelland, D. C. (1988). *Human motivation*. Cambridge University Press.
- McFerran, B., Aquino, K., & Tracy, J. L. (2014). Evidence for two facets of pride in consumption: Findings from luxury brands. *Journal of Consumer Psychology, 24*(4), 455–471. <https://doi.org/10.1016/j.jcps.2014.03.004>
- Membership Levels & Benefits*. (n.d.). Earn & Redeem Points | Marriott Bonvoy. <https://www.marriott.com/loyalty/member-benefits.mi>
- Mok, C., Sparks, B., & Kadampully, J. (2001). *Service Quality Management in Hospitality, Tourism, and Leisure* (1st ed.). Routledge.
- Moreau, C. P., Prandelli, E., Schreier, M., & Hieke, S. (2020). Customization in Luxury Brands: Can Valentino Get Personal? *Journal of Marketing Research, 57*(5), 937–947. <https://doi.org/10.1177/0022243720943191>
- Mrad, M., Majdalani, J., Cui, C. C., & El Khansa, Z. (2020). Brand addiction in the contexts of luxury and fast-fashion brands. *Journal of Retailing and Consumer Services, 55*(102089). <https://doi.org/10.1016/j.jretconser.2020.102089>
- Rahman, S. (2016). The Advantages and Disadvantages of Using Qualitative and Quantitative Approaches and Methods in Language “Testing and Assessment” Research: A Literature Review. *Journal of Education and Learning, 6*(1), 102. <https://doi.org/10.5539/jel.v6n1p102>
- Ryu, G., & Feick, L. (2007). A Penny for Your Thoughts: Referral Reward Programs and Referral Likelihood. *Journal of Marketing, 71*(1), 84–94. <https://doi.org/10.1509/jmkg.71.1.084>
- Schmitt, P. S., Skiera, B., & Van Den Bulte, C. (2011). Referral Programs and Customer Value. *Journal of Marketing, 75*(1), 46–59. <https://doi.org/10.1509/jm.75.1.46>
- Schütze, J. (2008). Pricing strategies for perishable products: the case of Vienna and the hotel reservation system hrs.com. *Central European*

- Journal of Operations Research*, 16(1), 43–66.
<https://doi.org/10.1007/s10100-007-0042-y>
- Shao, J., Zhang, J., & Guo, B. (2014). Research on the influencing factors of customer referral behavior based on social network—Application in the catering industry. *Journal of High Technology Management Research*, 25(2), 163–171. <https://doi.org/10.1016/j.hitech.2014.07.006>
- Stathopoulou, A., & Balabanis, G. (2016). The effects of loyalty programs on customer satisfaction, trust, and loyalty toward high- and low-end fashion retailers. *Journal of Business Research*, 69(12), 5801–5808. <https://doi.org/10.1016/j.jbusres.2016.04.177>
- Statista, & Sabanoglu, T. (2022, January 10). Value of various global luxury markets 2021, by market type [Dataset].
- Stávková, J., Stejskal, L., & Toufarová, Z. (2008). Factors influencing consumer behaviour. *ZEMEDELSKA EKONOMIKA-PRAHA-*, 54(6), 276–284.
- Swarbrooke, J. (2022). Consumer Behaviour. *Encyclopedia of Tourism Management and Marketing*.
<https://doi.org/10.4337/9781800377486.consumer.behaviour>
- Tepeci, M. (1999). Increasing brand loyalty in the hospitality industry. *International Journal of Contemporary Hospitality Management*, 11(5), 223–230. <https://doi.org/10.1108/09596119910272757>
- Tiago, M. T. B., Santiago, J. K., & Tiago, F. (2023). Mega or macro social media influencers: Who endorses brands better? *Journal of Business Research*, 157, 113606. <https://doi.org/10.1016/j.jbusres.2022.113606>
- Tynan, C., McKechnie, S., & Chhuon, C. (2010). Co-creating value for luxury brands. *Journal of Business Research*, 63(11), 1156–1163.
<https://doi.org/10.1016/j.jbusres.2009.10.012>
- Viswanathan, V., Tillmanns, S., Krafft, M., & Asselmann, D. (2018). Understanding the quality–quantity conundrum of customer referral programs: effects of contribution margin, extraversion, and opinion leadership. *Journal of the Academy of Marketing Science*, 46(6), 1108–1132. <https://doi.org/10.1007/s11747-018-0603-8>
- Wang, X., & Tong, L. (2017). The Factors Affecting the Affluent Consumers Luxury Purchasing Behavior in China. *International Journal of Business and Management*, 12(10), 194. <https://doi.org/10.5539/ijbm.v12n10p194>

- Wiedmann, Klaus-Peter, Nadine Hennigs, and Astrid Siebels (2007),
“Measuring Consumers’ Luxury Value Perception: A Cross- Cultural
Framework,” *Academy of Marketing Science Review*, 7 (7), 1–21.
- Wilson, R. D., & Creswell, J. W. (1996). Research Design: Qualitative and
Quantitative Approaches. *Journal of Marketing Research*, 33(2), 252.
<https://doi.org/10.2307/3152153>
- Wirtz, J., Orsingher, C., & Cho, H. (2019). Engaging customers through
online and offline referral reward programs. *European Journal of
Marketing*, 53(9), 1962–1987. <https://doi.org/10.1108/ejm-10-2017-0756>
- Wood, R. C. (2019). Book Review. *Tourism Management*, 72, 411–412.
<https://doi.org/10.1016/j.tourman.2019.01.008>
- World Tourism Organization World Tourism Organization. (2004). *The Joint
Wto & Ih&Ra Study on Hotel Classification* (English version).
- Xu, Q. (2020). A Study of the Marketing Strategies of High-End Luxury
Brands: The Case of Hermes. *Proceedings of the 2020 2nd International
Conference on Economic Management and Cultural Industry (ICEMCI
2020)*. <https://doi.org/10.2991/aebmr.k.201128.088>
- Yan, H., & Qu, Xiaojing. (2014). Research on the Marketing Strategy of
Luxury Goods. *Contemporary Logistics*, 42–
46. [https://www.proquest.com/docview/1617952615/fulltextPDF/130D1
89CF85D4042PQ/1?accountid=17256](https://www.proquest.com/docview/1617952615/fulltextPDF/130D189CF85D4042PQ/1?accountid=17256)
- Zaharia, R., & Zaharia, R. M. (2015). Psychology of Luxury Goods Consumer.
*International Conference on Marketing and Business Development
Journal*, 1(1), 200–208.

Appendixes

Appendix A - Survey

Survey on the marketing strategies used in luxury fashion and hospitality industry

Dear respondent,

Hello, my name is Vanessa. I am an undergraduate student at Modul University Vienna and currently working on a study to evaluate the marketing strategies used in the luxury fashion and hospitality industry. Through this survey, I would like to gather people's opinions and consumption behaviour on luxury goods and service.

The survey should take about 5 minutes. Your participation will be anonymous. All personal information and collected data will only be used for academic purpose and will be kept confidential. Please feel free to contact me via 61903158@modul.ac.at if you got any questions. Your responses are highly appreciated. Thank you for your time and participation.

vanessaleungemail@gmail.com 切换帐户

未共用

* 表示必填问题

1. By clicking on the "Start" button below you indicate that you * have read the information above, and voluntarily agree to participate.

Start

2. Have you ever purchased any luxury good or stayed in a luxury hotel? If yes, please answer the question 3. If no, please go to question 4. *

- Yes, I had purchased luxury products
- No, I never purchased any luxury products
- Yes, I had stayed in a luxury hotel
- No, I never stayed in a luxury hotel

3. How often do you consume a luxury fashion or luxury hospitality brands?

- Rarely
- Sometimes
- Often
- Always

Questions

4. What is your attitude to Dior brand? *

Dior is a French luxury fashion brands.

1 2 3 4 5 6 7

Very negative Very positive

Please answer the follow questions based on the picture below. It is the loyalty programme by Dior. There are four type of memberships based on the numbers and amount of purchase.

01 MY STATUS

FOLLOW YOUR LUCKY STAR

Get the exclusive privileges your loyalty deserves

01
Make a perfume, skincare or makeup purchase, either on Dior.com or in store.

02
Get exclusive advantages and rewards.

03
Upgrade to the next status to earn more advantages.

PEARL
2nd Purchase treat
Express in-store makeup sessi

SILVER
SILVER Welcome Gift
SILVER Birthday Gift
Event Invitations
Express in-store makeup session
2 PURCHASES OF £250 COMBINED

GOLD
GOLD Welcome Gift
GOLD Birthday Gift
Event Invitations
Exclusive beauty services
3 PURCHASES OF £600 COMBINED

PLATINUM
PLATINUM Welcome Gift
PLATINUM Birthday Gift
Seasonal Surprise Gift
Events Invitations
Exclusive beauty services
FROM 4 PURCHASES OF £1,200 COMBINED

5. How likely do you agree with the following statements? *

| | Strongly disagree | Disagree | Slightly disagree | Neutral | Slightly agree | Agree | Strongly agree |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| I like Dior's loyalty programme more than other programme. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I will recommend Dior's loyalty programme to others. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I have a strong preference for Dior's loyalty programme. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

6. What is your attitude to Kempinski Hotel brand? *

Kempinski Hotels is a luxury hotel management company. The group currently operates 78 five-star hotels and residences in 34 countries.

1 2 3 4 5 6 7

Very negative Very positive

Please answer follow questions based on the picture below. It is the loyalty programme by Kempinski Hotels. There are four type of membership, from silver to titanium. Silver member can enjoy benefits like earning credits and use as dollar. Titanium member can enjoy benefits like room upgrade and early check-in late check-out service.




Members Benefits

Unravel a world of more rewards throughout your journey, at home or away.

Silver



Gold





Platinum



Titanium



- 

Take advantage of exclusive member rates applicable on nearly all rates available on kempinski.com and the Kempinski App.
- 

Effortlessly earn and yours to spend. Earn 4% of your total net bill charges in DISCOVERY Dollars (D\$). Spend your earned DISCOVERY Dollars however you like, within 6 months of the credit date.
- 

Experiences: immerse yourself in authentic local cultures and once-in-a-lifetime journeys with our carefully curated Experiences. No flights or nights necessary.
- 

Access hotels' amenities and facilities near you, with or without a stay, and enjoy KEMPINSKI DISCOVERY member-only Local Offers. Make yourself at home.

7. How likely that you agree with the following statements?

| | Strongly disagree | Disagree | Slightly disagree | Neutral | Slightly agree | Agree | Strongly agree |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| I like Kempinski's loyalty programme more than other programme. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I will recommend the Kempinski's loyalty programme to others. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I have a strong preference for Kempinski's loyalty programme. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

8. What is your attitude to Jennie? *

Jennie is a Korean singer and a member of Blackpink.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
|---------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------|
| Very negative | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Very positive |

Please answer the follow questions based on the photos below. Jennie is Chanel's global brand ambassador. Below photos show Jennie using Chanel's mini flag bag and the Chanel 22 bag.



9. It is very likely that Jennie is attractive. *

1 2 3 4 5 6 7

Strongly disagree Strongly agree

10. It is very likely that Jennie is knowledgeable. *

1 2 3 4 5 6 7

Strongly disagree Strongly agree

11. It is very likely Jennie is trustworthy *

1 2 3 4 5 6 7

Strongly disagree Strongly agree

12. What is your attitude to Andy Murray? *

Andy Murray is a British professional tennis player.

1 2 3 4 5 6 7

Strongly negative Strongly positive

Please answer the follow questions based on the photo below.
It is the Fan Campaign page from The Mandarin Oriental hotel.
Andy Murray is one of the international celebrity fan of the hotel who stays at the hotel regularly.



13. It is very likely that Andy Murray is attractive. *

1 2 3 4 5 6 7

Strongly disagree Strongly agree

14. It is very likely that Andy Murray is knowledgeable. *

1 2 3 4 5 6 7

Strongly disagree Strongly agree

15. It is very likely that Andy Murray is trustworthy. *

1 2 3 4 5 6 7

Strongly disagree Strongly agree

Please answer the follow questions based on the picture below. It is a referral programme of Farfetch, a luxury fashion brand.. The reward for referrer is valid only for orders over £450, and minimum £100 for the referred friend. It is also only suitable for full-price items from selected brands and is valid for only a month.

16. How likely do you agree with the following statements? *

| | Strongly disagree | Disagree | Slightly disagree | Neutral | Slightly agree | Agree | Strongly agree |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| I like Farfetch's referral programme. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I wish there were more firms offering similar referral programme. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I will share with my friends about Farfetch's products and service.. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Please answer the follow questions based on the picture below. It is a referral programme of Marriott Bonvoy. Points can be purchased as \$12.50 U.S. dollars per 1,000 Points. While 11 properties under the brand do not fully offer redemption for the reward and members rates cannot apply to groups of more than 10.

How to Reward a Friend

Tell your friends all about Marriott Bonvoy—and get rewarded for it.

Refer up to five new members each calendar year to make the most of this exclusive offer.



Up to 50,000 bonus points for you

Earn 2,000 bonus points for each stay your referrals make, up to five stays per referral. That's up 50,000 bonus points for you.



Up to 10,000 bonus points for your friends

And your friends will earn 2,000 bonus points for each stay, up to five stays. That's up to 10,000 bonus points total for them.

Send Invites

17. How likely do you agree with the following statements? *

| | Strongly disagree | Disagree | Slightly disagree | Neutral | Slightly agree | Agree | Strongly agree |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| I like Marriott's referral programme. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I wish there were more firms offering similar referral programme. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I will share with my friends about Marriott's products and service.. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

18. Please indicate your behavioural intentions towards the brands observed above.

| | Strongly disagree | Disagree | Slightly disagree | Neutral | Slightly agree | Agree | Strongly agree |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| a) It is very likely that I will buy product from Dior. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| b) It is very likely that I will come back to Dior in the future. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| c) It is very likely that I will buy product from Kempinski Hotel. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| d) It is very likely that I will come back to Kempinski Hotel in the future. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| e) It is very likely that I will buy product from Chanel. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| f) It is very likely that I will come back to Chanel in the future. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| g) It is very likely that I will buy product from Mandarin Oriental Hotel. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| h) It is very likely that I will come back to Mandarin Oriental Hotel in the future. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| i) It is very likely that I will buy product from Farfetch. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

j) It is very likely that I will come back to Farfetch in the future.

k) It is very likely that I will buy product from Marriott Hotel.

l) It is very likely that I will come back to Marriott Hotel in the future.

19. What is your gender? *

- Male
- Female
- Diverse
- Prefer not to say

20. What is your age? *

- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55 or above

21. What is your education level? *

- Primary School
- Secondary School
- Associate Degree/ Higher Diploma
- Bachelor
- Master
- Doctorate

22. Are you living in Hong Kong? *

- Yes
- No

