



What women want: Creation of a luxury brand

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Abstract South Korea was first introduced to luxury brands in the 1990s. Since then, a great interest in luxury products, or *myungpoom*, and foreign products, called *waejae*, has developed. Despite the strong preference for fashion products from the United States and Europe, Sang A, a brand founded by a woman born and raised in Korea, is recognized as a *myungpoom* in Korea. This new luxury brand is also known for its designer handbags in the United States and is quite successful in both countries. In a comparative study of Sang A and the internationally well-known luxury brand Jimmy Choo using literary research, Internet research, field research, and interviews with Sang A bag consumers, I identified several key elements of success for the two brands: niche market targeting, storytelling, a ‘hungry attitude,’ high prices but accessible discounts, thorough management of distribution channels, and image-making through star power. This article implicates that Korean consumers have complex desires that go beyond simply wanting foreign goods.

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1. Korea’s love for *myungpoom* and *waejae*

The term ‘luxury designer brand’ typically refers to brands or fashion houses with a long tradition, such as Chanel or Dior, which provide hand-made, intricate clothes and other fashion items to the privileged classes. However, new luxury brands—either created as a sub-line by existing brands or completely new young brands—have been surfacing over recent years (e.g., Donna Karan, Tory Burch). This article examines luxury brands in the modern age, and the success of two new luxury brands in

particular: Sang A and Jimmy Choo. It studies the creation of luxury brands and offers lessons for designers, fashionistas, and entrepreneurs who want to follow in their footsteps.

South Korea opened its doors to the international market in the 1980s. Likewise, many luxury brands branched out to the country as recently as the 1990s or 2000s, yet there is already a love for luxury that is so strong companies consider it a major characteristic of the market. The Korean word for luxury product or designer label is *myungpoom* (명품), which literally means ‘excellent or famous goods’; it can also be translated into ‘masterpiece.’ There is a distinct group of people who are so fond of *myungpooms* that there is a new word, derived in the 1990s, *myungpoomjok*, to indicate these *myungpoom*-ers who like to constantly shop and

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wear these items—preferably goods that others can also easily recognize to be myungpoom goods.

Perhaps because of the late start of the inflow of international brands and products, Korean people also have a high preference for *waejae* (외제), or foreign products. Hence, most of the myungpooms are international brands from France, Italy, the United States, and the United Kingdom. Korean designer brands exist, but not many of those have the same high status. However, there is one Korean brand that Korean people are happy to call myungpoom: Sang A. Sang A Im-Propp is a former musical actress, TV actress, and Korean singer who moved to New York and eventually started a handbag line. Aside from the fact that Sang A was started by a Korean, it is actually a brand born and developed in the United States and made in Italy, which has been quite successful so far thanks to the fact that many well-known celebrities have chosen to carry the bags at highly publicized events. Many Korean designers and brands advanced to the United States and France in recent years in an effort to create a Korean fashion myungpoom, but no designer born and raised in Korea has been as successful as Sang A Im-Propp in terms of myungpoom image.

Jimmy Choo is another relatively new luxury brand that has achieved great success worldwide, including in Korea. The brand was co-founded by an Asian, as the name suggests, but is now a British luxury brand. It was jointly founded by a shoemaker born in Malaysia and a British fashion accessories editor. A few years after its successful launch, Equinox Luxury Holdings bought out the shoemaker Jimmy Choo and helped turn it into a worldwide brand. It is one of the most favored luxury shoe brands for women globally.

Extant studies related to myungpoom have usually focused on luxury brand loyalty (Kim & Kim, 2009), consumer perceptions toward luxury products (Choi, Hong, & Lee, 2010), luxury brand counterfeits (Lee & Kim, 2007), or luxury product addiction (Lee, 2006); however, there is lack of concentration regarding new luxury brands and case studies of Korean brands. In an age when the Korean government is seeking ways to break into the international luxury fashion market, it is significant to analyze a Korean luxury brand and compare the analysis to an overview of a well-known European brand.

2. Women and luxury brands

Luxury can mean many things, such as excellent craftsmanship or aesthetics that lead to excessively high prices or products sold in exclusive places,

but the one common characteristic of luxury is that it is tied to the social hierarchy. Premium goods are just goods that are better than others, but luxury is something that shows rank in society (Kapferer, 2010). A study on luxury goods concluded that luxury goods have higher psychological, social, and symbolic aspects, while non-luxury goods have higher functional aspects (Vickers & Renand, 2003).

A notable trend in the luxury market is the expansion of luxury brands and the appearance of new ones. The authors of *Trading Up* define ‘new luxury’ as products that have higher levels of quality, taste, and aspiration than general goods in a category but are not too expensive to be out of reach (Silverstein & Fiske, 2008). This article takes a more literal perspective and defines new luxury as successful luxury brands or products that have a short history and are fairly new to the market.

This article focuses on Korea and a case study of the Sang A brand, along with an overview of Jimmy Choo, another new luxury accessories brand. However, it must be noted that not only Korea but also the Asian market in general has a strong interest in luxury products. Asian countries favor foreign merchandise, especially European luxury brands because they are international symbols and stand for the best in terms of product and image quality (Chadha & Husband, 2006). Consequently, the Asian luxury goods market made up 37% of the global market in 2006; considering the amount they spend abroad on luxury shopping, it can be said that Asians are responsible for half of the consumption of luxury brands (Chadha & Husband, 2006).

Many economists claim that Japan is the second-largest luxury market in the world after the United States, with China ranking third (Chevalier & Lu, 2010). The economic rise of Japan took place in the 1970s, at the time when the country noticeably started to purchase European luxury goods. This phenomenon grew throughout the 1980s and 1990s, when one out of every three women in Japan owned a luxury piece. Now, even fishmongers in Japan keep their cash receipts in Louis Vuitton bags (Chadha & Husband, 2006).

Thrift and frugality have traditionally been core values in China, but due to double-digit economic growth and drastically improved standards of living for much of the Chinese population, consumption has become a big part of Chinese people’s lives. Nowadays in China, consumption not only fulfills basic needs, but also social needs such as a desire for identification, status, and social recognition (Faure & Fang, 2008). The new middle class of China are also becoming luxury customers, similar to Korea. They purchase Louis Vuitton bags as major

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