
| RESEARCH ARTICLE

Does the Magic Elixir of Treasure Rejuvenate the Elderly Work in the End - Taking Tiffany as an Example: A Study on the Brand Strategy of Younger Jewelry Industry

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| ABSTRACT

In the era of millennials becoming the main force of young consumers, how to make the brand younger is the key to revitalize the strength of the old jewelry. This paper mainly uses SWOT analysis and comparative analysis to analyze a series of strategic measures taken by the old luxury jewelry brand taking Tiffany as an example in the face of the younger market consumer groups, such as developing online and offline pop-up stores, creating younger social opinion, digital interaction, looking for traffic star endorsement, bold use of new design language and so on as well as their influence. Based on the analysis results, the paper finally puts forward a series of suggestions for Tiffany, a high luxury jewelry brand: adjust the positioning to the high-end class instead of focusing on the public; Widely use and deepen the customization service to produce more personalized jewelry; And extensive use of online distribution, while focusing on building physical stores to raise brand awareness and receive customer feedback quickly.

| KEYWORDS

Tiffany; youth strategy; brand strategy; young consumers; the jewelry industry.

| ARTICLE INFORMATION

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1. Introduction

1.1 Research Background

Chinese luxury consumers tend to be younger. According to the data of the World Luxury Association, the average age of Chinese luxury consumers has dropped to 25 years old. Millennials will become the main force of luxury consumption. Millennials have more disposable income, and their consumption intention is stronger. Their consumption purpose is changing to individuation. At the same time, influenced by the digital environment, the way they collect information about products, make decisions and buy products is also very different. Digital channels have played an important role. Moreover, according to the survey, the young generation of consumers regard Tiffany as a luxury product of a different era, which leads to a serious loss of young customers and a sharp decline in customer share. The article uses the abbreviation Tiffany&Co. (Tiffany).

1.2 Literature Review

Some scholars have said in the article: Brand culture keeps pace with the times in the new era to meet the consumption needs of a new batch of cultural capital consumer groups is the key to the long-term vitality of cultural brands (Yu, 2019). At the same time, some researchers have analyzed that the luxury market has shown two major trends: business digitalization and younger consumers (Yan & Liu, 2019).

1.3 Problem Statement and Objectives

Nowadays, the young generation is becoming the main force of luxury consumption, and the lifeblood of jewelry brands is in the hands of young people. Therefore, how to create a brand that is more suitable for young people's tastes has become the top priority of brand transformation. Tiffany brand has realized this and launched the existing brand rejuvenation strategy, but from the fact, the effect is not significant and even damages the image of the brand as a high-end luxury product, which is not conducive to long-term development. This paper discusses the advantages and disadvantages of Tiffany's rejuvenation strategy at this stage and puts forward corresponding suggestions.

2. Define the Youth Strategy

Brand rejuvenation refers to the strategy of constantly adjusting the development of the brand in the process of brand development so as to make the brand constantly full of vitality, to adapt to the dynamic development of the market environment and the characteristics (Wang, 2022) of different consumer groups. The brand strategy of youth not only means to gain more favor and purchase from young consumer groups but also to reshape and develop brand resources. Brand aging is inevitable, and the old brand is a precious wealth, which means that the brand has completed the basic accumulation of customer cognition and popularity. After the accumulation of brand capital, if you want to change the outcome that the brand is aging or even forced out of the market, you must find and build a new source of brand resources. The youth of the brand is also the youth of a way of thinking, which delivers a youthful, active and dynamic image to consumers and makes the brand radiate youthful charm from inside to outside (McLean & Luo, 2021).

3. SWOT Youth Strategy Analysis

3.1 Advantages

As a senior jewelry brand in the United States, Tiffany has a profound brand awareness and mass base. After being acquired by LV&MH Group last year (Li et al., 2020), Tiffany has gained strong financial support and the update of its new management model. Tiffany blue has a strong color effect, which is a unique color impression in the American fashion industry. Tiffany deeply binds beauty and love, as well as romantic elements, attracting and satisfying the majority of women's imagination and dreams of love. Among the young group, even if they have never bought Tiffany products, they have a certain brand recognition and understanding. In the purchase of jewelry brands, brand awareness and brand image are often the first factors to be considered, and Tiffany's brand positioning as an old luxury brand is unshakable. Therefore, when choosing jewelry, Tiffany is often considered. This is the advantage of Tiffany as an old luxury jewelry brand.

3.2 Disadvantages

Tiffany's current youth strategy has not achieved obvious results. Tiffany launched Tiffany T series specifically aimed at young consumer groups, which has helped Tiffany to improve its revenue to a certain extent but has had a damaging impact on Tiffany's brand positioning. Desperate to get rid of the influence of established brands, Tiffany launched simple, direct or even rude title words such as "Not your mother's Tiffany" and slightly cheap model modeling too eager for quick success and instant profits, which caused a great impact. Although a series of such behaviors are in a hurry to cater to young consumer groups, in fact, they have caused a great blow to the brand image and will also affect the purchasing behavior of loyal consumers. Therefore, the young brand strategy has not achieved a good impact on Tiffany and even damaged the image of Tiffany's high-end brand.

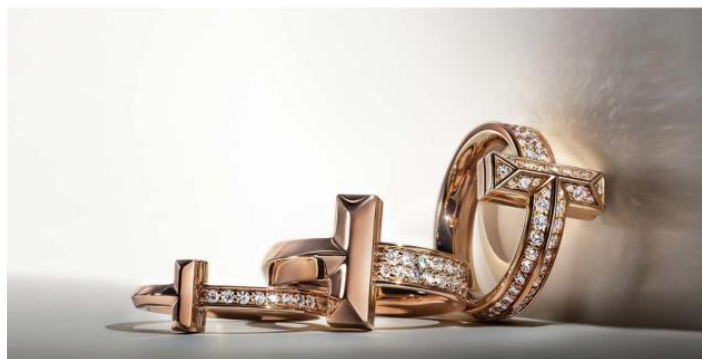


Figure 1. Official website Tiffany T Series

3.3 Opportunities

Millennials are gradually becoming the new main generation of luxury consumption, and implementing a youth strategy in luxury jewelry is very attractive and full of opportunities (Xu & He, 2019). In the jewelry and luxury goods market, the younger generation

has gradually become the main consumer group, so capturing the eyes of young consumers also means that we can occupy the market faster and expand the share.

3.4 Threats

Tiffany is facing not only old luxury brands such as Cartier and Bulgari but also a light luxury brand Pandora and other fashionable jewelry brands competing for young consumers (Yan & Liu, 2019). Due to the strong consumer competition Tiffany faces and its brand image of youth, many young people still have an earlier understanding of Tiffany in the market and have not been re-recognized. On the one hand, Tiffany wants to get closer to young consumer groups, so it gradually loses its high luxury status equal to Cartier Bulgari. On the other hand, it does not show enough young brand image, and its competitiveness among the young generation cannot compare with light luxury and fashion brands like Pandora. Tiffany has always focused on the consumption caused by love and marriage. Now, more and more young independent women do not rely on the demands of marriage (Yu, 2019). Therefore, Tiffany only closely connects its brand with love, which makes it unable to become the first choice of young women.

4. Comparative Analysis of Tiffany's "Youth Strategy" Compared with Other Luxury Jewelry Brands

"Youth" is one of the most important keywords in the luxury industry in recent years, and it is an important measure to open up the young market. However, "How to youth" is a problem that every high-end brand has repeatedly thought about and worried about.

4.1 "Cartier" Youth Strategy Measures

French palace brand Cartier launched its new Clash de Cartier series of jewelry synchronously worldwide in 2019. It has made a bold breakthrough in design language, using rivets, round beads and square studs for decoration. At the same time, it has also made a series of innovations in deepening the connection with young consumers and improving the efficiency of digital interaction. Seamless connection of the young generation for jewelry products, "double-sided demand", "to luxury, more life, more modern" jewelry design has become an important weapon for luxury brands to attract young consumer groups. Take the Cartier Clash de Cartier series as an example of the value of the continuation of Cartier's century-old exquisite skills in the creative also meets the young generation's pursuit of personalized taste. Once in 2020, Cartier held a carnival party in Shanghai. The event featured PASHA DE CARTIER, a legendary watch created in 1985. The party, attended by various stars, was broadcasted live on multiple platforms through official Weibo, Douyin, wechat mini program, Tmall and Tencent Video, aiming to share PASHA DE CARTIER's cutting-edge attitude with more young generations through more networked and platformization means.

4.2 "Bulgari" Youth Strategy Measures

Jean-Christophe Babin, CEO of Bulgari, said in an interview with Forbes China in 2019 that there will be a lot of affluent, highly educated young people in the Chinese market who will become wealthy consumers. They are connected to the world through the digital Internet, and they are betting on this group of young people. Which later turned out to be correct. Over the past 15 years, Bulgari has built up a comprehensive network of stores in China. Bulgar.cn took the initiative in 2018 by launching e-commerce services on its website and wechat. Bulgari is also considering partnerships with the likes of Tmall and JD.com, and has already dabbled in the perfume business, which is usually where the younger generation goes to buy perfume. When people want to buy jewelry, they often like to browse the brand's official website, find out what they think, and then visit a store. Customers can make an appointment in advance to try on their desired jewelry and then pick it up at the store. Compared with pure e-commerce or brick-and-mortar stores, it is more "omnichannel", with close links between online and offline. Of course, not all Internet marketing can meet the tastes of young people. Bvlgari's short video series "The Year Flowers Bloom", which was launched on the eve of the 2021 National College entrance examination, has not been well received due to the default "labeling" of young people, but young millennials cannot be fully defined with a few labels.

4.3 Comparative Analysis of "Tiffany's" Youth Strategy

The young generation presents a completely different view of jewelry consumption from the previous generation. Jewelry consumption opportunities are no longer only related to weddings or love and are no longer limited to specific formal occasions. Their demands for jewelry are more diversified: gifts or personal use, occasions wear or daily decoration, and self-rewards. To this end, Cartier and Bulgari, two major jewelry brands almost equal to Tiffany, have also made their own changes in response to the youth of the main consumer force, using a series of operations such as e-commerce platforms, offline experience stores, pop-up stores, flow star endorsement, to change their traditional image and sell to the main consumer force of the millennial generation, in order to expand the consumer market. Tiffany believes that it can expand its audience group. Compared with the main brand, Tiffany T series has a lower price, so Tiffany acquiesces that the consumption power of the young group is low. Lowering the price will undoubtedly weaken Tiffany's own brand positioning. Tiffany has always been positioned as a high-end jewelry brand, so it should not adopt a low price strategy to cater to consumers. Tiffany needs to find buyers who can become its loyal, long-term customers rather than those who only have one or two consumption behaviors. Audrey Hepburn's Tiffany's breakfast is deeply

rooted in the hearts of the people, and noble and elegant is the mainstream image of Tiffany. In the advertisement "Not your mother's Tiffany", it is not wise for Tiffany to get close to the young group in a hurry and cut with its loyal customers. The main force of loyal customers of Tiffany is the basic plate of the brand, and to abandon its basic plate is to lose the loyal customers of its brand. In the way to close the relationship with young people, the forms of expression can be young and diversified; for example, Cartier and Bulgari have developed online and offline pop-up stores to create young social public opinion, digital interaction, looking for traffic star endorsement; Product design can be more close to the aesthetic of young people, inject young people's favorite elements, innovation because the market does need young people to join, millennials have become the main consumer force in the luxury market, and generation Z is also expected to replace the millennials in the near future. However, Tiffany's cultural route has profound deposits and historical stories. To blindly cater to young consumers like Bulgari's "That Year in Bloom" series will lose the foundation of brand culture. Tiffany can add some content in line with the original values, add appropriate youth elements on the basis of the original, attract young consumers without losing the original customers, and try its best to win the recognition of young people. However, the products and positioning should not take the road of popularization and common but should continue to adhere to the road of high-end fashion forefront. The brand cannot be shaken at all. Only by penetrating the concept of youth into all aspects of product design and marketing and maintaining the brand image and connotation can the sustainability of brand development be improved.

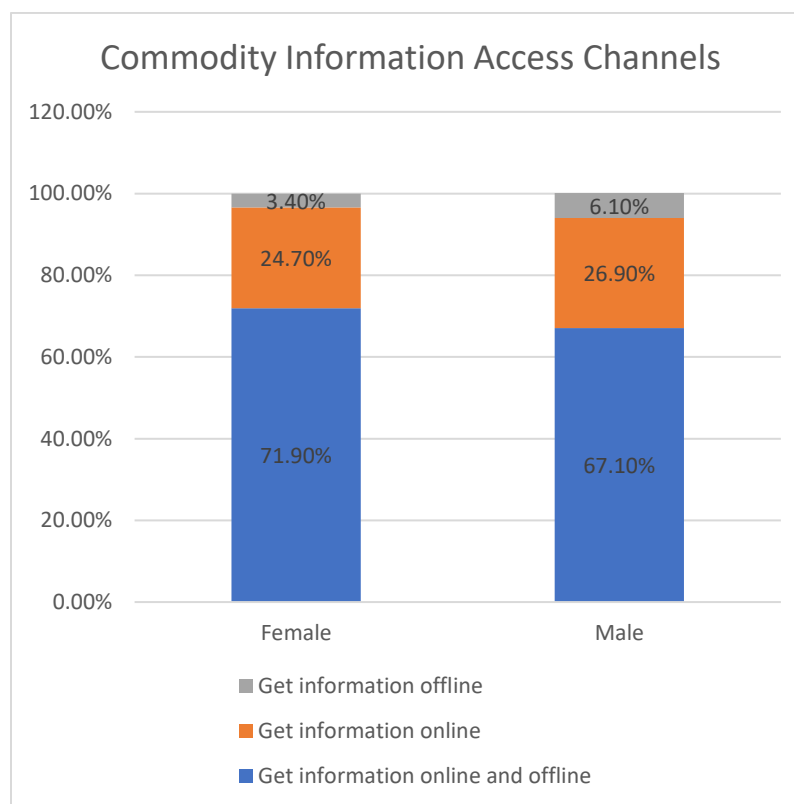


Figure 2. Channels for obtaining commodity information (gender)

5. The Long-term Impact of the "Youth Strategy"

5.1 The New Attempt of Strategy Helps the Brand to Get Closer to the New Generation of Consumers

According to the 2022 China Luxury Consumption Behavior Report of the China Luxury Research Center at the University of International Business and Economics, 69.6% of consumers, on average, will use both online and offline channels to learn about product information. Online channels have become an important way for consumers of all ages to explore their consumption needs and learn about product information (Zhang & Huang, 2022). Tiffany has launched various e-commerce platforms, opened online official channels, launched a series of exploration of online digital marketing, and cooperated with Luxury Pavilion, a luxury luxury exclusive platform on Tmall, to hold a "flash" activity, which is the first time to release new products online and optimize the shopping experience. At the same time, it launches online social networking platforms where many young people gather, such as Xiaohongshu and B Station, and interacts with and penetrate young consumers through such social software. Offline new retail concept stores focus on "interaction" with consumers and attract the attention of young consumers with innovative thinking. Similar strategic moves conform to the changes in the purchasing way of the new generation of consumers to learn information through dual channels, which is conducive to brand publicity and building brand image among the new generation of young consumers.

5.2 The Move to Abandon the Brand Route and Positioning Will Lose the Consumer Base

In the new advertisement launched by Tiffany in July 2021, the young models in street style shot a large film with the theme of "cool". The models wore white vests and jeans, giving them a youthful and trendy atmosphere. With phrases such as "Not Your Mother's Tiffany" and "Have the guts to tell us that silver jewelry is out? "(tell us again silver's dated... we dare you) "and a series of provocative language that is seriously at odds with the highbrow brand image in " Breakfast at Tiffany's." Tiffany's reform completely ignores the older customer group. In doing so, Tiffany could end up in a situation where both sides do not please it; The staff in the offline concept store take off their serious black suits; instead, they wear casual sportswear with casual jewelry, which is inconsistent with the previous noble, elegant and demure brand image. Such measures completely inconsistent with the original brand positioning will not only not attract young consumer groups but also lose the trust and attention of the original consumers, which is counterproductive.

6. Thoughts and Suggestions on Tiffany's Future Youth Strategy

Tiffany should adjust its positioning to the high-end class instead of focusing on the masses. Given Tiffany's current situation, the new products are characterized by a lack of gemstones, resulting in products that do not display the luxury as before. The first step is to change the material of the product, using high quality ingredients to demonstrate high value and worth haggling over. According to the latest positioning strategy, Tiffany will also make some changes in service to adapt to the high price of products (Zhao, 2018). For example, an innovative retail store design should be used to showcase high standards of decor and be consistent with the same colors in the store, thus reinforcing the brand image and enhancing the customer experience. Consumers buy luxury jewelry not only because of its intrinsic value but also because of the high value placed on the service experience. Meanwhile, the real value of luxury jewelry lies in the user's identity, which brings the pleasure and satisfaction of showing off through the membership of some brands. Therefore, Tiffany Store can provide the best and high quality service for all consumers who intend to buy any product and give specific and professional recommendations so that they feel satisfied with the buying experience and think it is a great deal.

In addition, the Tiffany brand should widely use and deepen customization services to produce more personalized jewelry. Customization is a great way to build a personalized relationship with consumers, especially for loyal customers, and provides a reasonable way to gain insight into consumer behavior (Yang & Chao, 2018). Luxury brands have to give consumers extra benefits compared to non-luxury brands due to their premium, so customizing products is a great way to achieve this. However, the scope of such personalized service should be limited to specific consumers rather than each buyer, and the cumulative purchase amount of the buyer should reach a certain number. This approach can show that not everyone is entitled to this service, only loyal customers. The core concept of luxury brands exists in the fact that most people cannot buy and enjoy their products and behave differently from most people. Therefore, customized services should only be open to a few people, stimulating some loyal consumers to buy more while increasing customer stickiness. However, the service goes beyond simple mass customization and gives customers plenty of choice, from raw materials to designers. While this service is only suitable for certain people, the brand should promote it on a large scale to showcase what makes Tiffany unique and attract people to own their own jewelry.

While luxury jewelry brands make extensive use of the online distribution, the importance of physical stores can't be overlooked to increase brand awareness and receive rapid feedback from customers. The number of Tiffany stores in the United States was 93 in 2018, but the number was 95 in 2016, which has been decreasing in recent years. Since the price of Tiffany's luxury jewelry is higher than that of other types of luxury goods, consumers need more time to think and should have many opportunities to experience the products, which is a necessary way to build more stores to manage the brand atmosphere. In addition, the architecture and artistic design of the store will enhance the status and heritage of the elite brand and add to the commercial atmosphere. Therefore, attaching importance to the exploration and design of Tiffany's spirit store will help establish a clear market positioning and give consumers valuable brand recognition. However, that doesn't mean Tiffany should abandon online distribution, which is a great way to ship to branded stores and build solid relationships with consumers. The parent-child relationship in U.S. luxury online sales was 9% in 2019 and will continue to grow to 14% in 2023. Tiffany should seize this opportunity to increase its income and, more importantly, communicate with buyers to strengthen its luxury brand image. In other words, the establishment of online channels is not only to generate income but also to provide a platform for the public to understand the positioning of Tiffany and for more young consumers in Tiffany's target customer group to have a clearer understanding of Tiffany.

7. Conclusion

Based on the background of younger consumers, this paper analyzes Tiffany's existing brand rejuvenation strategy, discusses how to create a brand more suitable for young people's tastes, and puts forward corresponding suggestions. Compared with other first-line jewelry brands such as Bulgari and Cartier, the youth strategy adopted by Tiffany has not received a good response, and the effect is minimal. In this regard, a series of suggestions put forward in this paper can be used for reference: to maintain high-

end product positioning instead of focusing on the public, further deepen the customization service, and increase personalized jewelry production; In addition to the extensive use of the online distribution, focus on the construction of physical stores to improve brand awareness. However, due to the limited research materials, this study may still have limitations. In future research on brand rejuvenation strategy, we should broaden our horizon, analyze more brand-name jewelry rejuvenation strategies, adjust strategies and put forward suggestions based on the market response after implementation.

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