

How Has Street Culture Changed the Nature of Luxury?

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Abstract: This article mainly studies how street culture influences luxury brands. Modern luxury brands want to meet the changing needs of consumers around the world. While maintaining product permanence and heritage, it is also beginning to generate the pursuit of specificity or specific services. There is a link between street culture and the luxury industry that cannot be ignored. By reading the literature and materials, and adopting archival research in this paper. And analyze from the perspectives of Marketing strategies, Marketing model, and supply and demand. It is not difficult to find that the street culture has changed the luxury goods from various aspects through the uniqueness of its creation.

1. Introduction

The modern luxury brands are undergoing an evolution, which is meant to meet the changing tastes of the consumers around the global world. In some of the markets, the timelessness and the heritage of a product is tailored to represent the hallmark of luxury while others have focused on the exclusivity or the experience of a given service [1]. Different brands tend to resonate with the demands of the consumers in different parts of the world depending on the nature of luxury that they prefer. There is a connection between street culture and luxury industry that cannot be ignored.

Therefore, the main idea of this paper is to highlight the ways in which street culture has changed the nature of luxury especially in the fashion industry. It is important to discuss this because street culture has undergone changes and this has been necessitated with new marketing strategies. For instance, the advancement in technology has led to the development of different platforms for marketing such as social media. Social media marketing has influenced the street culture and this has made it interesting because the marketers are able to reach out to a wider market.

Some scholars at home and abroad have done some studies, such as whether street culture has an impact on luxury industry and the reasons for such impact. However, these articles only focus on these aspects instead of focusing on how it has an impact, especially on marketing strategies and marketing models. The gap in the literature that leaves space to ask the main question is whether the brands, which resonate with consumers in the developed nations would still remain popular in other parts of the world such as the developing nations. While more luxurious brands that are developed in the western market adopt the latest technology, the gap is whether this can still be affordable in other parts of the world as well. The literature available has not addressed this gap and there is need to consider the impact it has on the consumer market. The street culture is relevant today because it is the dominant force in the consumer market. With the new forms of marketing and fashion labels

coming up in the market, street culture has redefined and changed the nature of luxury in the fashion industry.

2. Literature Review

2.1. What is street culture?

Street culture refers to the beliefs, tendencies, ideologies, informal rules, practices, styles, symbols and values associated with, adopted and participated in by individuals and organizations who spend a great deal of time on the streets of central cities. When read in this way, street culture is not just graffiti and street art, or street style or street dress, and street food. This is a broader term and practice. Street culture is the glue that holds many urban environments together. [2]

Most aspects of street culture are observable, and a considerable part of it requires experience to understand its potential implications and impacts. In the same way, many of the behaviors that people do on the street are subtle and detailed, and when we try to understand the street culture, we need to look at it from a broad perspective, but also need to learn to appreciate the diversity of the urban environment, not only in the way of tourists, but in a holistic way.

More and more people, especially those who live, work and/or visit major urban centres around the world, are exposed to street culture every day. And more and more people appreciate its contribution to the city's cultural vitality. And it's not just people in the city, but more and more brands are trying to incorporate street culture. In the busy modern city, people are busy making a living, and we may not even be aware of or admit that street culture has an effect on how we talk, walk, communicate, dress, or even the way we live, how happy or painful it makes us feel, or how new or interesting it is. Most of the time, this happens by accident, perhaps when we are walking down the street, or traveling to another strange city. The things and the environment around us are making us feel different and are shaping our perception. We are absorbing the things around us and the things around us are changing us and influencing the choices we make in life.

2.2. The correlation between street culture and the luxury industry

Streetwear, simply put, is stylish casual wear: T-shirts, hoodies, and sneakers. But this is only a superficial definition of streetwear, and street culture is an important model: exclusivity. Streetwear has its roots in countercultures such as skateboarding, surfing and hip-hop. It brings a wider range of fashion trends to the masses.

Much of the uniqueness of traditional luxury fashion comes from its high price and its ability to serve as a symbol of cultural status. The uniqueness and exclusivity of streetwear also depend on its unique cultural symbol. New factors such as street and community have become indispensable factors to establish the dominant position of streetwear.

For the early street culture and streetwear, the beginning was basically an underground movement, and then quickly developed into the mainstream society, because it brought new blood and new elements to the whole fashion industry. It has influenced the creative development and marketing of the entire fashion industry.

While most fashion and luxury brands are struggling to redefine themselves in order to remain relevant, streetwear is thriving by being close to the ground and the masses. As a result, a growing number of traditional fashion and luxury brands are trying to use streetwear elements to breathe new life into them.

Traditional luxury brands now routinely include streetwear as part of their products. Once limited to brands making T-shirts for a niche group, streetwear can now be adopted by any company and appeal to a wide range of people. Street culture and clothing are undeniably cool and functional,

upending the paradigm in a more approachable, casual way. Streetwear is no longer niche and underground, but a fashion component of a larger pop cultural shift that spans fashion, art and music.

From the above analysis, it is not difficult to find that traditional luxury brands are influenced by street culture, and any luxury company is adopting this element and culture to attract a wide range of people. Street culture and streetwear are no longer a niche, but a part of fashion. Next, I will specifically discuss how street culture affects luxury. I will give specific explanations and examples from several aspects of marketing strategy, marketing model and supply and demand relationship [3].

3. Discussion

3.1. Impact on the nature of luxury

Even before the street wear term was officially coined, the consumer market was already experiencing success through the small exchanges on the streets. The introduction of streetwear led to emergence of street wear such as sneakers and fashionable clothes such as hoodies and T-shirts. However, this definition underplays the important role played by streetwear, which is exclusivity. Street culture has changed the nature of luxury in the world because it has created exclusivity [4]. The exclusivity is experienced by looking at the different brands available on the streets and promoted by different companies.

Streetwear brands often have irreplaceable status as street culture is more in line with the younger generation's desire for individuality. Streetwear culture has its roots in countercultures such as skating, surfing, hip-hop, graffiti, and so on. Streetwear's perceived value comes from quality, graphic design, musicians, artists, and celebrity fans. Younger consumers, on the other hand, attach great importance to the authenticity of the brands they buy. A sense of community and an inclusive culture is very important, and authenticity is a unique part of street culture [5].

3.2. Impact on marketing strategy

Street culture has promoted exclusivity not only in the fashion industry but also in the marketing strategies as well. The exclusivity experienced has led to designing of different brands such as hoodies and sneakers, which reflect the needs of the consumers. For instance, brands such as hoodies and sneakers are exclusive because they are tailored towards meeting the needs of a specific section in the market. The brands can be tailored towards meeting the needs of the sports people or the young people who are interested in the latest fashion. The nature of luxury in the consumer market is more inclined towards getting the latest brand, which is an important step towards changing the way things are done in the fashion industry.

Even though both the streetwear and the traditional luxury depend on the cultural symbols to drive demand, studies have shown that new factors such as the casual community and clothing have played an integral role in establishing the dominance of streetwear. Streetwear has changed the exclusivity aspect in terms of price. Whereas the traditional form of luxury fashion derives their exclusivity from the point of high price, the exclusivity of street culture is purely based on the know-how. With the early streetwear, it was difficult for the consumers to know what to wear but this has changed over the recent past. The streetwear has therefore devised a model that has easily elevated the know-how of the consumers and improved on the level of luxury.

Street culture has changed the nature of luxury by creating an almost cult-like and tight knit relationship with their consumers [6]. The reason for this is because they have targeted their brands to a specific target market, which makes it easy for the consumers to identify with the brands. It has also been influenced by the nature of marketing strategies adopted by the companies that offer street wear. For instance, the fashion companies have perfected the direct to consumer marketing model, which

has been difficult to crack by the wider market industry. Street culture has changed this notion and made it possible for the consumers to not only access quality products but also in a timely manner.

For instance, in January 2017, Supreme collaborated with Louis Vuitton on a limited-edition accessories collection that premiered at the label's Fall 2017 menswear show, signaling its return to the luxury industry. The collaboration with Supreme has also attracted more young people to the Louis Vuitton brand. The co-title has already been sold out. In fact, luxury brands have been struggling as traditional marketing has failed to connect with today's consumers due to the onslaught of digital marketing. The global market for personal luxury goods has also been sluggish. More and more old brands begin to cooperate with streetwear brands by adopting marketing strategies such as co-branding and cooperation. Brands are incorporating simple items, such as T-shirts, into the patterns typical of streetwear. Louis Vuitton benefits from the international influence of Supreme in the world, which infuses new blood into it and brings a new brand image. It also collaborated with Louis Vuitton, which enhanced Supreme's positive influence. Through co-branding, these luxuries can more easily get more attention and stimulate consumers' desire for their luxury brands [6].

3.3. Impact on marketing model

Street culture has changed the luxury industry because the fashion companies have adopted the drop model as a form of marketing their brands. With this model, most of the popular street wear products can only be bought directly from the company offering the brand. As such, the companies adopt a marketing strategy, which rallies the customers to buy the products online or in their stores, which are located in different parts of the world. The reason for this is because the companies want to secure their products in terms of time and place when they are released.

The use of the drop model in street culture has changed the luxury aspect because it creates a situation where scarcity is leveraged and there is limited production. The objective of this is to create high demand in the market but this does not mean they have compromised on the quality of products. Besides that, the drop model has also revolutionized street culture because it has led to the birth of the second hand market. The resell market plays an integral role in the way the street wear works since it is used as a metric for the success of the brand. The more luxurious and valuable the street wear product is, the higher the resell price will be. As such, the fashion companies end up benefiting from high sales and improved profitability.

3.4. Impact on supply and demand

Street culture operates on transparency and this has changed the luxury industry because it has made sure that street wear operates on demand and supply basis. If this has been mastered in a successful manner, the streetwear brand ends up leveraging on the drop to ensure that supply is kept and the new product meets the demand in the market. Street culture has successfully met this equation because it has created demand and supply equilibrium by designing products, which meet the consumer needs in the market [7]. As a result, the luxury product will also experience high sales, which will appear on the overall resell market hence feeding more on the demand. The street culture has changed the market dynamics by meeting the shortage in supply, which was experienced prior to the introduction of street wear in the market.

Moreover, the street culture has changed the nature of luxury because of constant supply of high demand products. For instance, the timeless supply of the luxury products creates value, which surpasses the short-lived cycle of the fashion trends in the market. It is an important marketing tool because it creates loyalty of the products and meets the demand of the consumers in the market. The fashion trends are also readily available and the companies have not shied away from producing the

latest products in the market. In doing so, there is constant supply of luxury products thus surpassing the short-lived cycle of other products in the market.

4. Conclusion

Whereas the majority of the fashion labels continue to struggle in their pursuit towards redefining themselves, street culture has continued to evolve organically by not only staying close to the consumers but by also designing luxury products, which meets the needs of the consumers. Therefore, street culture has changed the nature of luxury by creating exclusivity in terms of price and the products offered in the market. The impact of this is that more traditional fashion brands have come up with strategies, which are meant to capitalize on the street wear brands. The street culture has also changed customer relationships because they have created a close-knit relationship, which meets the individual needs of the consumers in terms of luxury.

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