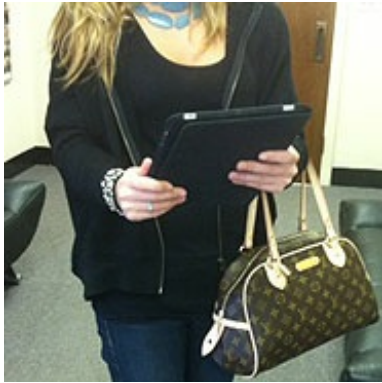


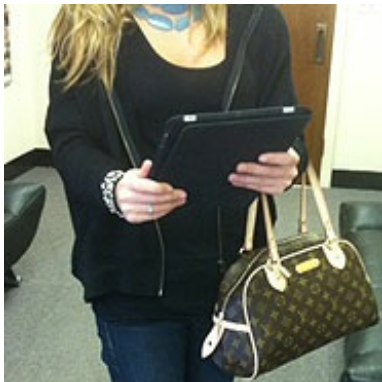
RESEARCH

Gen Z members likely to buy counterfeit products to get closer to brand: research

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By RACHEL LAMB



LONDON – The upcoming Generation Z members are brand-

focused rather than product-focused, meaning that they may opt for wearing counterfeit luxury items rather than waiting for the money to buy the real thing, according to a study from the ESSEC School of Business.

Gen Z members are highly opinionated, speak their minds and are online natives, meaning that they have completely given rise to nontraditional brand ambassadors. However, this could mean that since Gen Z members are so brand-focused, they know the value of luxury products but since they do not have the money to pay for them, they could still buy their products.

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“Gen Z is casual about pricing,” said Octavian Cornea, candidate for Masters of Business Administration for Luxury Brand Management at ESSEC, London. “If they can buy a counterfeit bag for its status, they still consider it engaging with the brand through the product.

“They are smart and understand what the brand is,” he said. “They want to engage with the brand this way if they cannot afford the real thing.”

The future

Gen Z members are tweens and teens that have the potential to become the next primary luxury buyers.

The members fell into two categories: the “pleasure seekers” category, meaning that they usually buy luxury products for themselves or friends.

The others are “connoisseurs,” with both money and education.

Both of these categories are highly educated and most likely have some money. They already know their place in society.

However, ESSEC’s research has not shown that luxury brands are really marketing to them.

“Very few brands are directly engaging with us,” Mr. Cornea said. “They should be doing it because they are engaging with you whether you like it or not.”

“Having seen some of the features and behavioral threats of Gen Z, it is apparent to us that their nature will unfold in the social media environment as luxury brand consumers,” he said. “Engaging now means regaining control over long-term behavior.”

Brands could start using marketing techniques to better assimilate into the Gen Z lifestyle.

For instance, the panelists cited Hermes’ manufacturing of skateboards as an example of a luxury brand trying to reach younger consumers.

As for counterfeiting, Gen Z knows the worth of the products that they covet.

However, they enjoy mixing the fake products in with real ones because they believe it enhances their emotional exhibitionism, per Mr. Cornea. In fact, they do this with irony.

Moving forward

Luxury brands should make sure that they are properly engaging Gen Z members so that they can monitor the amount of chatter on social networks.

“We are not saying that control cannot happen, but brands should put much more effort on how the brand is being integrated and how to best leverage the brand,” said Lidija Pehak Kolenko, candidate for MBA of International Luxury Brand Management at ESSEC.

“Brands need to pay attention with how to integrate the chain in shorter cycles,” she said. “Brand loyalty of the new generation is exposed to an enormous amount of information, online ads, tools that are extremely potent and have become difficult to switch from one brand to another.

“You should also trigger their emotions when trying to relate to them.”

An example of a brand triggering younger emotions is the Audi New Luxury campaign for the A8.

It was released during the Super Bowl and saw an enormous amount of feedback ([see story](#)).

If a brand shows that it cares about this new group of consumers, then perhaps they will start to realize that the attachment to a real luxury product is not as good as a counterfeit.

Still, if the Gen Z consumers do not believe that the brands care about them, then it is possible that they will continue to buy counterfeit items.

Brands could start marketing towards this younger generation to close the gap.

“Event marketing is very effective for Gen Z members,” Ms. Kolenko said. “Word of mouth can reach this generation much faster than the previous one.

“Another good way to reach them is to engage them in the creative process,” she said.

“Brands should allow them to participate and give them a chance to create.”