

# ***Generative AI on Luxury Brand Strategy and Market Management***

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**Abstract.** With the rapid development of the digital economy and artificial intelligence, generative artificial intelligence (genai) has a profound impact on the brand strategy and market management of the luxury jewelry industry. As a tool, AI has the technology of content generation, database mining, and intelligent algorithms, which have changed the promotion and production of brand content in the luxury jewelry industry, and also promoted systematic changes such as market insight into consumers, user relationship management, and brand value communication. Based on the review method, this paper reviews the application progress of generative AI in luxury brand strategy and market management in recent years, focusing on the mechanism of brand marketing, consumer experience upgrading, brand value, market management, and brand authenticity maintenance. The analysis found that generative artificial intelligence, through big data planning and intelligent generation technology, has improved the overall upgrading of the luxury jewelry industry, optimized the market response ability and user demand of the luxury jewelry industry, and tested the scarcity and value shaping of luxury jewelry. On this basis, this paper further constructs the integration analysis of generative AI on luxury brand strategy, so as to provide theoretical reference and strategic enlightenment for future related research and enterprise practice.

**Keywords:** generative artificial intelligence, luxury brand strategy, market management, consumer behavior

## **1. Introduction**

With the continuous update of artificial intelligence technology, the application in market management has changed from auxiliary tools to technical tools. As a branch of artificial intelligence, generative AI is gradually changing from a tool for simple information induction to a new tool for intelligent detection, analysis and coordination, and is reshaping the way of production and logical communication of enterprise marketing management content [1].

In the luxury jewelry industry, the brand is reflected in many aspects such as functional value and cultural and social identity. Relevant studies believe that the core competitiveness of luxury jewelry brands is embodied in the scarcity and uniqueness to meet the emotional value of consumers. With the development of generative artificial intelligence, the value of traditional luxury jewelry is being restructured. AI can produce content through big data engine search and intelligent algorithm to

improve the communication efficiency and personalized customization of luxury jewelry brands. In addition, in today's era of rapid social and economic development, generative AI features large-scale and automated content production, which to some extent weakens the dependence of the luxury jewelry industry on scarcity and uniqueness [2].

The existing research has been from many aspects, such as digital marketing, AI application, consumer behavior analysis and intelligent generation, but the systematic review of the brand strategy and market management of generative AI in luxury jewelry industry is still lack of integration and structural analysis. Based on this, this paper uses the method of literature review to analyze and summarize the mechanism of the brand strategy and market management of the generative AI enabled luxury jewelry industry, and further provide the future development direction for enterprises and society.

## **2. Research progress and mechanism analysis of AI driven marketing**

### **2.1. Theoretical basis of generative AI in luxury marketing**

With the technological progress of generative AI, the marketing role in the luxury jewelry industry has gradually shifted from auxiliary tools to strategic key resources. Relevant research shows that luxury jewelry brand strategy has long relied on scarcity to attract consumers, and its unique value has built the narrative system of brand strategy. The brand strategy of luxury jewelry industry distinguishes consumers socially through symbolic value and pricing. However, the updating and upgrading of generative AI has maintained the high-end positioning to a certain extent, and also improved the diversified expression of generative AI for the development of luxury jewelry industry. This change is reflected in the deepening of technology, and directly reflected in the application and remodeling of technology [3].

In the process of combing the existing literature review mechanism, the marketing role of generative AI in luxury jewelry industry is reflected in content production, strategic resources and marketing mode. At the content production level, through technical processing, text generation, image processing and multi-mode integration and innovation, the artistic boundary of brand visual expression is expanded to a certain extent. On this basis, the cultural expression of high-frequency forms is further enhanced. At the level of strategic resources, it has gradually been incorporated into the core of the enterprise's market management ability. Through generative artificial intelligence, it can improve the creative productivity and efficiency, enhance the brand's competitive advantage, and promote the brand's immersion experience in the marketing mode. Through generative AI, consumers can participate in the deepening and construction of brand meaning. Based on the perspective of resource-based view and dynamic ability, relevant studies explain the above phenomenon. On the other hand, the promotion of generative AI improves the influence of enterprises on market management and the perception of consumer preferences, presenting the improvement of emotional value and the flexibility of marketing activities in marketing. Generative AI accelerates the acquisition and arrangement of big data information, effectively compresses decision-making, and promotes the real-time update of marketing mode. The above theories together constitute a basic analytical framework for understanding the brand strategy and market management of generative AI in the luxury industry.

## 2.2. Innovation of luxury marketing model driven by generative AI

In terms of the technological progress of generative AI, the marketing management of the luxury industry has been transformed from the traditional mode to the new situation, and the interactive, immersive and personalized experience has been comprehensively upgraded, as well as the dynamic core capabilities. Relevant research shows that emerging technologies such as generative artificial intelligence can reshape the consumer experience and enable brands to conduct more potential scalable marketing with the help of digital content and intelligent interaction [4].

In artificial intelligence interaction. It enhances the interaction between brands and consumers, and improves user participation and response efficiency. With the integration of immersive virtual technology, build digital experience and break through the limitations of online and offline experience. Through the dynamic grasp of consumer demand with generative AI, customized content is formed. Promote brand communication and differential expression, and enhance the brand strategy of luxury goods.

Generative AI has the challenge of scarcity and uniqueness for the innovation of brand strategy and the progress of market management, and the large-scale production of this technology has an impact on its potential. On the whole, generative AI promotes the marketing of luxury industry, from the traditional high price closed to today's open interaction, but the final effect is mainly reflected in the clear grasp of brand and technology application and value.

## 2.3. The impact of generative AI on luxury brand value and brand perception

The promotion and development of generative artificial intelligence will enhance the brand value of luxury goods and highlight the structural change through the mechanism of brand perception and brand value. Studies have shown that in the digital context, the source of brand value for social development is not limited to telling the historical precipitation story of the product, but increasing depends on the interactive experience of digital content. The change shows that the brand value is changing from driven to experience and content driven [5].

From the review path, generative AI affects brand value through brand marketing creative expression, consumer user experience and user cognition. Its efficient content generation ability can strengthen the output of attractive stories and the creation of innovative brand image, promote personalized interaction and immersive experience and consumers' emotional connection and participation, and promote the construction of brand image formation characteristics in the hearts of consumers.

The brand perception of generative AI on luxury jewelry brand strategy has two-sided characteristics. On the one hand, it reflects that generative AI technology innovation improves efficiency and enriches frontier image for the development and content efficient production of luxury jewelry industry; On the other hand, excessive reliance on generative AI may lack authenticity, weaken the high-end positioning of the brand, and have an emotional identity crisis on the cultural depth of luxury accessories and the image of brand value. Its contradiction has an impact on the high dependence on brand value.

Artificial intelligence improves brand personalization ability, but the lack of the overall unique aesthetic of the brand may lead to the inconsistency of brand aesthetic style. We should strengthen the direction of technology in the consistency of brand style.

## 2.4. The impact of generative AI on brand trust and brand authenticity

Under the conditions of luxury industry, brand trust and brand authenticity structure become one of the test standards for consumers. The application of generative artificial intelligence in consumer scenarios has gradually influenced consumers' and academic circles' trust mechanism. Relevant research shows that the content of consumer awareness is generated by AI, which will have an impact on the brand's purchase intention [6]. On the positive side, by improving the production efficiency of production content and the integration of consumer information, it can effectively respond to consumer demand and improve its professional ability. But on the negative side, excessive reliance on AI intelligent production will largely affect the reputation and transparency of the brand. In the brand strategy, it is easier for content production to retain the innovative creativity and unique aesthetic style belonging to human beings to win the trust of consumers.

The brand should carry out reasonable technical processing, and cannot completely rely on the generation of big data and algorithms. It should retain human creativity and participation, avoid the occurrence of trust crisis, enhance humanized cultural expression, and enhance consumer trust. Existing studies generally emphasize the role of human-computer collaboration in the marketing management of luxury industry. AI can enhance brand value, consumer relationship and consumer trust through the improvement of creativity and technical efficiency and the rational use of generative AI.

## 3. Mechanism analysis of generative AI enabling luxury brand strategy

On the basis of the review progress described earlier in this paper, the existing literature has gradually shifted from the response performance of AI to the systematic discussion of the internal mechanism, that is, how generative AI can empower the brand strategy and market management of the luxury industry. Relevant research shows that the application of artificial intelligence forms a collaborative mechanism through market research, big data model and consumer demand relationship, and promotes the transformation of the brand strategy of the luxury jewelry industry from the traditional story narrative to the transformation through artificial intelligence data and algorithm model [7].

### 3.1. Market insight and brand positioning optimization driven by generative AI

Enhance market insight and optimize brand positioning through generative AI empowerment drive. Under the traditional marketing mode, the marketing mode of luxury jewelry industry generally depends on the story and scarcity of historical brands. The luxury industry in the marketing system has formed a basic strategic mitigation for the framework of brand positioning through market research and analysis of consumer behavior. The traditional model mostly depends on the continuity and scarcity of historical stories, and the most effective and limited market carries out research data and relevant expert decisions. The scheme is feasible in a stable environment, but the society develops rapidly and consumer preferences change gradually.

Consumer preferences change with the times, and the accuracy of decision-making is limited. Generative AI enables brands to rely more on scale and efficiency tests to analyze market insights. Relevant studies have shown that generative artificial intelligence has greatly improved its ability to deal with massive consumer data and deconstruct consumer emotions and needs through market analysis compared with traditional market insight and brand positioning, promoting the further strengthening of market analysis ability.

Generative AI enhances the decision-making ability of brand strategy in a variety of complex environments through the integration of consumer information and the reconstruction of market analysis. Brand strategy and market management identify potential needs, and conduct differentiation analysis in different markets, so as to improve a higher level of fine processing. In the luxury industry, this diversified demand is one of the key positioning optimization of its brand strategy and market management.

### **3.2. Brand content marketing and communication mechanism driven by generative artificial intelligence**

Brand content marketing conveys the core value of the brand, and generative AI drives brand content marketing and communication to enrich its content. Existing studies believe that the improvement of application technology of generative artificial intelligence is of great help to the efficiency and diversity expression of generated content, which can further spread the height and breadth of the brand and improve its market influence [8].

Generative artificial intelligence plays the role of content marketing and communication through content generation, content screening and communication. It can quickly generate diversified information processing. Further accurately match consumer data for personalized communication between content and audience. The content feedback of generative AI continues to be optimized. The one-way output of brand narrative has been transformed into an interactive expression with consumers. Consumers are no longer a single receiver of information, and thus become participants who interact with brand content.

Luxury brand value focuses on scarcity and its unique customized content. The generation of standardized content scale may weaken the value of brand focus. It is necessary to emphasize the effective control expression of the content style and the overall narrative of the brand, generate the expression of a more high-end image of content marketing and communication, and enhance the diversity of communication and expression.

### **3.3. Consumer relationship management and brand loyalty promotion supported by generative artificial intelligence**

While consumers reflect their trading behavior in the luxury market, they also make long-term emotional connection and identity construction in their values and brand values. Generative AI continues to promote the evolution of the relationship between brands and consumers by strengthening interactive experience and personalized customization [9].

Generative artificial intelligence can help brands better establish emotional links with consumers through more extensive familiarity and dependence from information acquisition to purchase decisions to after-sales service. Existing studies have pointed out that generative artificial intelligence can strengthen the relationship with consumers, avoid interaction as much as possible, weaken the humanized expression of the brand, and experience the brand value and cultural connotation by perceiving the real emotions. In the luxury industry, the unique experience of identity and scarcity needs to be humanized and strengthened.

This review focuses on the balanced development of technical efficiency and emotional maintenance of humanized expression, and promotes the continuous improvement of brand loyalty through the improvement of efficiency and coverage of artificial intelligence, unique creativity and human emotional expression architecture, and unique links between consumers and brands [10].

## 4. Conclusion

Based on the method of literature review, this paper systematically reviews the application progress and mechanism of generative AI in the luxury industry, brand strategy and market management. In general, generative artificial intelligence is profoundly affecting the brand management and strategic analysis of the luxury industry, making it combine many aspects from the classic decision-making based on manual and expert analysis, developing together with data-driven and algorithm technology, and providing a development path with humanized and unique emotional link expression. It has multiple impacts on brand strategy, marketing and customer relationship maintenance. Generative AI improves user loyalty and participation through content generation and optimization of luxury brand communication, from large-scale generation to precise control, and then to brand interaction and emotional links in consumer relationship management, forming a stable relationship between unique cultural expression and long-term trust.

To sum up, generative AI is systematically affecting the luxury industry, the reconstruction of brand strategy and market management, and its core impact is mainly reflected in the intelligence and scale of market insight and communication, and the key challenges of consumer relations. This study provides a lot of valuable reference for future research in this direction. While improving efficiency and innovation, structural problems still exist. Future research should focus more on the luxury brand needs to optimize technology and enrich brand value under the joint efforts of humanized expression and generative artificial intelligence, so as to achieve stable inheritance and long-term sustainable development.

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