Luxury Brands in Social Media
How to maintain the allure of luxury online

By Synthesio

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Introduction

One of the main problems for luxury brands on social media has been the classic problem of who they are addressing, exactly. For luxury brands, being online is not necessarily an effort to maintain contact with their customers. Rather, it is a manner of rendering their products that much more exclusive, because millions of people can talk about them, but only a select few can actually buy them. The communities that a brand addresses online, then, are not communities composed of clients – for the most part – but communities of brand advocates.
Internet users want more from luxury brands

70% of the wealthy class use social networks in the U.S.

Affluent people in the U.S., and therefore potential luxury brand clients, are more present on social networks than the average population. Among those polled in a Unity Marketing study¹, 78% have at least one social network profile, usually Facebook, and 50% have used social media to learn more about a brand, see new products, or comment about a brand. There is one constraint, however. Luxury shoppers declared that they simply don’t have much free time to be “very” active on social networks. This framework has allowed luxury brands to take advantage of channels other than Facebook to connect with their customers and advocates. Rather than depending on third-party networks, some luxury brands simply provide positive online support and interaction through their own website.

A new generation of digital natives, a new marketplace

A new generation of consumers has arisen with the “digital natives” that have grown up using the web and social media. They expect brands to use social networks the same way they do, using the same platforms, reacting in real time, and providing interesting content. Although not all of these digital natives can be potential customers for luxury brands, they may be potential brand advocates. After all, a luxury brand wouldn’t be so if there wasn’t the exclusive side of who can actually afford luxury products.

Case Study: Jimmy Choo’s CatchAChoo

To celebrate the launch of the first ever Jimmy Choo sneaker collection, the brand worked with the FreshNetworks Agency in London to launch a true treasure hunt in the streets of London. Building upon the newfound popularity of Foursquare, the sneakers, or rather people with them, “checked in”, indicating to the brand’s Foursquare followers where they were. Locations were chosen that made sense for the brand – the Ritz, for example – to keep the marketing operation fun and interactive but also relevant for the brand’s image. The first person to get there won the pair of shoes. 4,000 people participated in the treasure hunt in less than 3 weeks.

Information about the treasure hunt was first shared by “influential” bloggers before being picked up by the press agency Reuters and in publications like The Evening Standard and Vogue. Jimmy Choo showed that it is possible for luxury brands to maintain their originality all while addressing bloggers and specialized social media bloggers. Following the article in The Evening Standard, Jimmy Choo sneakers sales rose by 30%.

Bloggers, consumers, and ambassadors

One way that luxury brands certainly are using social media, however, is through privileged relationships with certain fashion and luxury bloggers. Much in the same way their products are reserved for an elite class, many luxury brands carry on long-term relationships with these bloggers to maintain a feeling of exclusivity. These bloggers, in return, are intimately familiar with the brands. Brands are able, then, to overcome the accessibility of information on the web by using its notoriety to restrict information. If we look at the use of Twitter, for example, many use it to simply relay information and not answer people or provide storytelling. 64% of all information about luxury brands online, however, comes from blogs.²

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¹ How Affluent Luxury Consumers Use the Internet and Social Media
² Insights on Social Media Monitoring for Luxury Brands: Facebook, Twitter, Blogs, Forums

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**Case Study: Chanel and its bloggers**

The high fashion brand opened up to social media use within the confines of well-tuned operations that maintained its exclusive reputation. The brand began by choosing a handful of select bloggers chosen with care. These special few received regular invitations to try products before they were launched and share their experiences via their blog. In 2007, for example, for the launch of the Coco Mademoiselle campaign, Chanel invited 15 international fashion bloggers including Géraldine Dormoy (Café Mode) and Susie from Style Bubble, to spend a luxurious day with Chanel. They were led through a visit of the perfume factory and the house of Gabrielle Chanel, were invited to have lunch at the Ritz, dinner at the Mini Palais, and spend the night in a luxury hotel.

Chanel has become known for its capacity to woo certain ambassadors for the brand. Karl Lagerfeld even went so far as to lend a dress to the Sea of Shoes blogger Jane Aldridge. The event was the object of several posts on her blog, including the first fittings, after which she wrote, "If I could, I would re-live my fittings a million times!"
How should luxury brands behave online?

Online customer service is risky for a luxury brand

Internet offers the advantage of speed to any brand that wishes to use it to communicate online. However, what type of customer service might a luxury brand actually be able to provide online? For a luxury brand, customer service is equally a luxury and is typically carried out directly in the brand’s boutique. Repairing a handbag or verifying the authenticity of a product via Twitter is impossible. Most luxury brands’ Twitter streams, in fact, are nothing more than RSS feeds of their latest news and updates. One possibility that certain brands have opted for, however, is to send information that can help an Internet user find a solution to their problem. If a person tweets that they think their Chanel handbag is a fake, for example, Chanel can tweet back the address of the closest Chanel boutique and the process that should be used to verify.

Showing off a luxurious way of life

Luxury is not measured just by a price tag, but also by a way of life that it embodies — culture, esthetics, art, fine cuisine, etc. It’s a universe all to its own that is unlike “ordinary” life. Social media offers the possibility for brands to communicate about this universe rather than about a particular product, thereby offering a glimpse of this “other” side of society. Certain brands, for example, have decided to aggregate content from different sources onto a blog or a Twitter account to let people in, while others broadcast fashion shows or behind-the-scene interviews to offer continual glimpses without ever losing their exclusivity.

Case Study: Nowness from LVMH

The luxury group LVMH has taken a dive into the 2011 hype of Internet curation by creating a blog, Nowness, updated daily, that aggregates news and trends having to do with art, culture in general, and of course, luxury. Although it is clearly a type of branded content, since LVMH’s announcement of its opening in 2009, very few ads or logos appear on the site. This dashboard allows web users to share information directly from the platform to various social networks like Twitter, Facebook, MySpace, Digg, Delicious, and StumbleUpon. The group created an algorithm using Love/Don’t Love buttons to aggregate the most appreciated content and offer a more pleasurable navigation experience. Web users also have the option of creating an account on the blog to gain access to exclusive content.

Storytelling 2.0 is the preferred method of communication

Storytelling is at the heart of the luxury universe, used to tell not only the story behind the fashion house but also behind the creation or the designer. Perfume ads are an offline example of how storytelling has always been an integral part of selling the glamour behind a luxury brand. Social media, then, offers an opportunity for the experience to be even richer, multidimensional, and multimedia. A brand may choose to create a mix of virtual and “real” experiences to create a story, intertwining the information relayed on Twitter, Facebook, Foursquare, and YouTube, for example.
**Case Study: Lady Dior**

For the launch of the handbag Lady Dior, 4 short films were produced with Marion Cotillard as the star. The four films were Lady Noire produced by Olivier Dahan, set in Paris, Lady Rouge in New York City, Lady Grey, and Lady Blue in Shanghai, directed by David Lynch. A Twitter account was created to reveal the campaign as it progressed, and videos were first shared on the campaign’s site as well as blogs. The campaign was launched in 2009 and lasted one year. Each film portrayed a different genre of the “Lady” and showcased the new collection at different moments throughout the films. As with many luxury brands, the purpose was not necessarily to increase sales for the collection, but rather buzz around it before they were even available.
Luxury brands are able to remain exclusive online

Create and share content with people interested in the brand

People who choose to follow a brand’s activity online, either by Facebook, Twitter, or other channel, automatically signal their desire to receive information, which the brand would like to communicate. It is important, then, that brands aim to please their online fans with quality content that is interesting, perhaps exclusive, and able to retain the interest of those who are signed up, while attracting new “fans” or “followers.”

Case Study: Thierry Mugler’s fashion show live on Facebook

March 2, 2011, the world-renowned designer Thierry Mugler invited a star to his 2011-2012 fall-winter fashion show: Lady Gaga. In order to take advantage of her online notoriety and her newly launched single that she sang during the show, the designer decided to organize an event that would be transmitted online. Fans of the Thierry Mugler Facebook page were able to watch the show live online via a tab created for the event. Lady Gaga’s 9 million “followers” and the brand’s 30,000 meant that the operation went off without a hitch. The brand attracted 40,000 more fans to its page wishing to take advantage of the exclusive event. For more information click here

Building online communities around luxury brands

Social media regroups people more or less organically in certain communities in different spaces. Brands, then, are able to choose to integrate themselves into certain “communities” (or create their own) which will be the most adept at transmitting their messages.

Ykone, the fashion network

Launched in 2009, Ykone was created more along the lines of a social medium rather than a social network. The site is a community site that is both interactive and instructive. Built around luxury and fashion in particular, Ykone proposes an editorial treatment of this universe, inviting people more-or well-less known in the blogosphere to express themselves on the site. Members can comment on fashion shows, tap into fashion encyclopedias, share their own favorite outfits or information that they find interesting, all on the same platform. To visit Ykone click here

However, some communities must be kept private to maintain their mystery and create a group of privileged advocates. This allows the brand to capture better insights from those who talk about them online in order to better attend to their customers’ expectations.
Case Study: Mercedes-Benz

In 2009, Mercedes-Benz created two invitation-only community platforms. These private networks were created with the goal of establishing closer relationships with potential clients and buyers to create more efficient focus groups. Members are able to test the car of their choice over the course of a weekend and participate in the creation process, ad campaigns, and in general become a more important member of Mercedes. In return, members receive discounts and other thank-you gifts.

The Mercedes-Benz Advisors community brings together owners, 70% of whom regularly visit the online network. They have already responded to more than 160 surveys and 180 studies, as well as participated in 260 discussions with Mercedes employees.

Generation Benz was created for drivers who fit into generation Y. Since May of 2010, the network has gathered over 600 people aged 16 to 33, 64% of whom own their own Mercedes cars. Certain members have participated in mystery shopper experiments, allowing Mercedes-Benz employees to see that many times, people of their age were often ignored or looked down upon by salespeople.

These networks have allowed the brand to tremendously reduce its research costs and obtain more precise insights.

Other luxury brands have created their own social platforms

While some brands have found it advantageous to build off of existing online communities and/or social networks, others have created their own platforms for a specific purpose, product, or service. This allows the brand to better control their image as well as the content that is posted on the site. The branding of the platform is often more obvious and thus more visible for visitors.

Case Study: Burberry, Art of the Trench

The trench coat has been an iconic element of the Burberry house for close to 100 years. In 2009, the brand was looking to renew the look and attract a new generation of clients. In order to accomplish this goal they created an interactive platform called: Art of the Trench. Art of the Trench is not simply a gallery of trench coats, but rather a functional and high class social space created particularly for the target audience, allowing visitors to comment on photos, share them via other social networks, and “Like” them via Facebook Connect.

What’s more, Burberry called upon professional photographers to highlight the best of the operation. Scott Schuman, also known as the Sartorialist, is an internationally renowned photographer and blogger who took the first photos for the site, largely contributing to its initial buzz. In April of 2010, Burberry relaunched the operation with the agency Magnum.

Visit Art of the Trench.
Conclusion

Luxury brands have always developed their brand image by maintaining an exclusivity reserved for the lucky few who are able to afford such luxuries. With the rise of Facebook, Twitter, and other social networks, many have maintained that exclusivity should be perpetuated by selecting a few choice bloggers to represent their brand, and by responding online with information only, rather than customer service. What is important to keep in mind is that engagement online is different for luxury brands because they are not communicating with clients, for the most part, but with brand advocates. The more these advocates build up buzz around a product or a brand, it makes it that much more desirable.

About Synthesio

Synthesio is a global, multi-lingual Social Media Monitoring and research company, utilizing a powerful hybrid of tech and human monitoring services to help Brands and Agencies collect and analyze consumer conversations online. The result is actionable analytics and insights that provide an accurate snapshot of a brand and help answer the ultimate questions – how are we really doing right now, and how can we make it better.

Founded in 2006, the company has grown to include analysts who provide native-language monitoring and analytic services in over 30 languages worldwide. Brands such as Toyota, Microsoft, Sanofi, Accor Hotels, Orange Telecom and many others turn to Synthesio for the data they need to engage with their markets, anticipate and prepare for emerging crisis situations, and better prepare for new product or new campaign launches.

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