

RESEARCH

Consumer passion strengthened by brand-based social engagement: report

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Social mentions drive passion

By JEN KING

According to a new report by NetBase, identifying and understanding consumer preferences in relation to luxury brands is one part art and one part science.

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Luxury Daily

Through the rise of social media, luxury brands have been able to engage consumers on a deeper level and gauge sentiment based on these interactions. With millions of comments, retweets and likes occurring daily, brands have unprecedented insight into how consumers think and feel about particular products, campaigns and happenings.

“NetBase Brand Passion Report: Luxury Brands is an in-depth study of social media perceptions and rankings of the world’s most recognized luxury brands, from Chanel to Rolex to Mercedes-Benz, with Louis Vuitton holding steady in the top spot, and Prada and Rolex showing the biggest drops in the Top 10,” said Pernille Bruun-Jensen, chief marketing officer of [NetBase](#), Mountain View, CA.

“Not all of these brands participate in social media but for those that do and can take actionable insights—to drive business objectives, to fulfill a need, to stir emotions and to get a desired response—will win in the long-run,” she said.

NetBase's Brand Passion Report: Luxury Brands ranks the top 45 luxury brands in the United States, the United Kingdom and globally.

Also, the report offers an in-depth analysis of consumer sentiment. The study analyzed more than 95 million social data points to identify changes in consumer preferences over a two-year period determining what brand's are "hot," who is not and who is considered a luxury brand, according to purchasers.

Converting consumer comments

Based on mentions in social media between September 2013 and August 2014, NetBase determined the top 45 luxury brands in the world. At the global level, Louis Vuitton is ranked as first, with Apple and Chanel following.

Interestingly for Apple, who is ranked second, its range of iPhone mobile devices also landed in the top 15 at number 7.

"What is surprising and perhaps most noteworthy is that Apple, both the company and its iPhone product brands, is the only U.S. brand in the global top 10," said Ms. Bruun-Jensen.

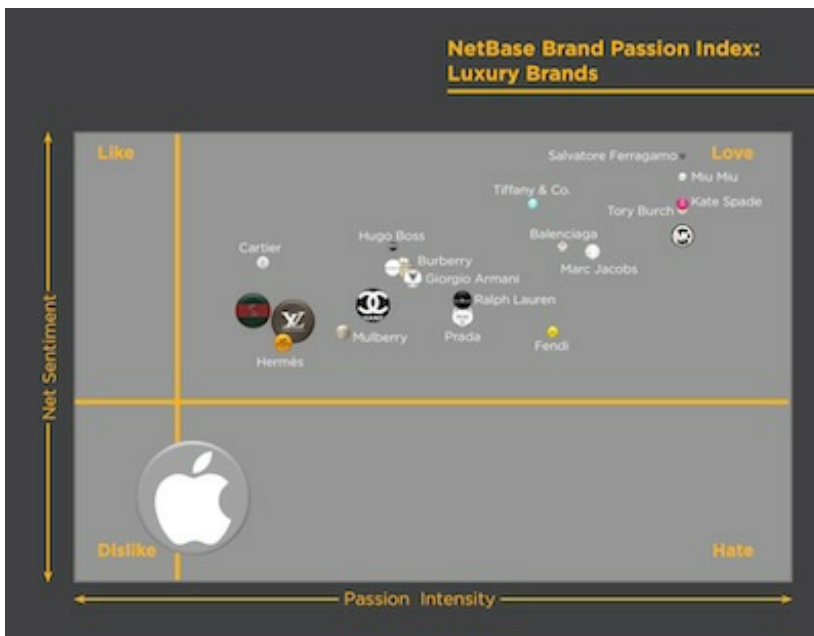
"The report also shows Apple, a consumer electronics manufacturer, moving rapidly into the number two position worldwide, with an astounding 194 percent increase in social media mentions and consumers declaring it a luxury brand," she said.

This jump toward luxury has been in the making through product releases and recent hires.

L2's founder predicted that technology giant Apple will be venturing into luxury categories in the near future to capitalize on enormous profit margins and its pristine brand image at the L2 Forum 2013.

During the "7: The Forces Shaping Prestige in 2014" session, L2 founder Scott Galloway pointed out that Apple's acquisition of CEOs from Burberry and Saint Laurent indicates that the brand is forcefully moving toward the luxury sector ([see story](#)).

But, overall, Apple's successes does not result in a deep passion for the brand.



NetBase's net sentiment and passion intensity chart

Brands that dropped the most in the two-year period measured by the report within the top 15 included Prada, Rolex and Coach. The biggest ascenders in the 16-30 group were Tag Heuer, eBay and Samsung, while Mulberry saw the largest drop.

Rounding out the list was retailers Barneys New York and Neiman Marcus, who took a leap forward in the top 31 to 45 brands, while Saks Fifth Avenue took a “tumble” from number 28 to 37.

Luxury conglomerate Kering entered the list at number 35 while Moët Hennessy claimed the 38th position, the only spirits brand in the ranking.

Furthermore, it has been well-established that brands flourish in different markets for various reasons.

For example, in the U.S. alone, Apple and Louis Vuitton swap the first and second position. In comparison, consumers in the U.K. mentioned Giorgio Armani and Burberry more often, listed at number one and two, respectively, while Apple was fourth and Louis Vuitton fifth.



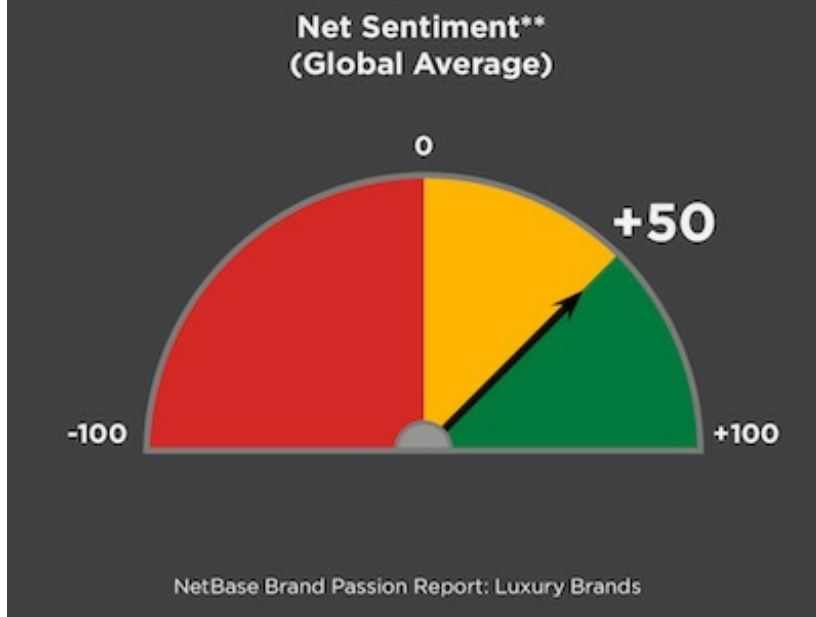
Twenty percent of luxury sales are generated by word-of-mouth

Understanding consumer sentiment on a branded level is important. NetBase notes that knowing if a brand is considered a “like” or an “adore” is valuable as it helps marketers to understand the emotion behind a purchase. With this in mind, NetBase explains that the more a consumer is more passionate about a brand, the less price is a determining factor when buying a product.

Globally, positive passion for luxury brands is 60 percent and sentiment is 50 percent. When viewed by markets the degree of sentiment toward luxury brands changes.

For example, consumers in the U.S. feel “colder” toward luxury brands while those in the U.K. show the strongest sentiment and passion. But, in the U.S., positive thoughts regarding luxury outweigh negative opinion.

Global consumers display positive passion and sentiment for luxury brands.



Net Sentiment chart, globally

“Consumers expect luxury brands to be high quality and to position them at the upper echelon of social status,” Ms. Bruun-Jensen said. “As reflected in the NetBase Passion Intensity and Net Sentiment scores, consumers globally are quite passionate and positive about luxury brands.

“However, consumers' definition of luxury brands are ever-changing and that is clearly evident in the global top 45 list as automotive brands are sliding down the ranks while technology players like Apple and its product brands are climbing the charts and considered as part of the luxury experience,” she said.

Influencers in the new year

The rise of social media has given way for influencers to arise outside traditional celebrity through popular blogging platforms who in turn have begun working directly with brands on marketing initiatives.

NetBase found that traditional news outlets such as The New York Times and Wall Street Journal were tremendously influential, but luxury blogs such as Business of Fashion and Purse Blog as well as social forum Reddit, also sway consumer sentiment. In terms of social media, Twitter was ranked number one globally, in the U.S. and the U.K. for the media outlet that opens dialogue between the consumer and luxury brands.

Since fashion bloggers arrived on the scene about a decade ago, they have gained influence and grown to be leaders in the industry, says a report by Fashionbi.

As these bloggers gained an audience, brands began to partner with them for advertising campaigns, events and other marketing efforts. While it may seem that fashion bloggers

are losing their luster, they still have large followings that can rival magazines, creating an opportunity for luxury brands to reach a large, fashion-focused audience ([see story](#)).

While preparing for the new year ahead, brands should be mindful of how social media influences can change the passion and perception a consumer may have.

“Going into 2015, luxury brands will want to understand how their brands are perceived by consumers as these perceptions can change rapidly; and marketers, advertisers and retailers will need a tool to quickly monitor, analyze and engage with consumers in real-time and at scale,” Ms. Bruun-Jensen said. “Such a tool can also provide insight into new market opportunities.

“Furthermore, it is just as critical to identify and connect with VIP influencers as they can make or break a brand’s standing,” she said. “And emulating what’s worked socially for others, such as Wild Swans and its handbag contest, can do wonders for a brand.”

Mickey Alam Khan contributed reporting for this story.

Final Take

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