

MULTICHANNEL

## Models are key to connecting directly with consumers

April 22, 2016



*Irene Kim for Estée Lauder*

By FORREST CARDAMENIS

SEOUL, South Korea Models are the vanguard of the digital revolution, according to an executive from Pacific Global Management speaking at Cond Nast's International Luxury Conference on April 21.

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The frequent, rapid communication environment that social media has created has helped brands connect with consumers, but it has primarily helped the individual connect with other people. Because people will always be drawn to and trust one another more than a brand, models have emerged as indispensable marketers and content creators.

"We are entering an age where in general we will no longer watch TV, read magazines or buy newspapers, at least not in the same way," said John Hooks, CEO of Pacific Global Management. "We can now skip most advertisements, obviously a great dilemma for advertisers who can imagine a world without advertisers?"

"Of course, it's never going to disappear," he said. "It will take on new forms and new subtleties.

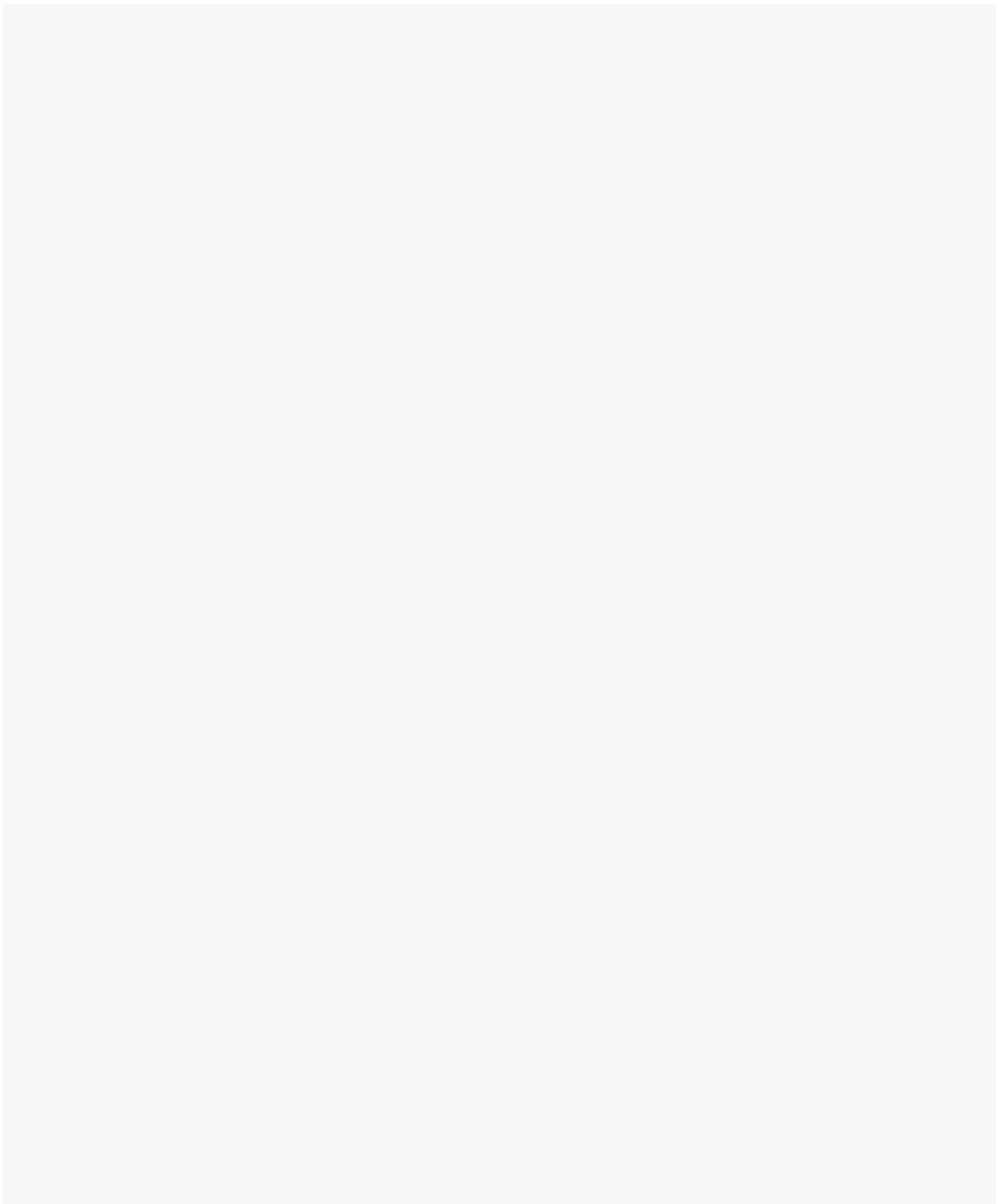
"The most powerful way to attract an audience will be to create great content. That will always be the solution and it always has been."

### Business models

The digital revolution has been spearheaded largely by and for young people. Its advancements, from ecommerce to social media communications to its capabilities for researching and information gathering, have addressed the needs and priorities of youth.

As new social media platforms and other advancements arrive, brands must recognize, as many already have, that they are designed and populated by future customers, but also for the current and upcoming waves of models.

New modeling talents are digital natives, people who instinctively understand the opportunities that come with modern day connectivity and communication. As such, they should no longer be treated as mannequins or images to help a brand sell, but rather embraced as content creators whose charisma can be leveraged by a brand.



Finally feeling like spring in Seoul with my @MulberryEngland #CliftonBag ???? #MulberryEngland #JohnnyCoca

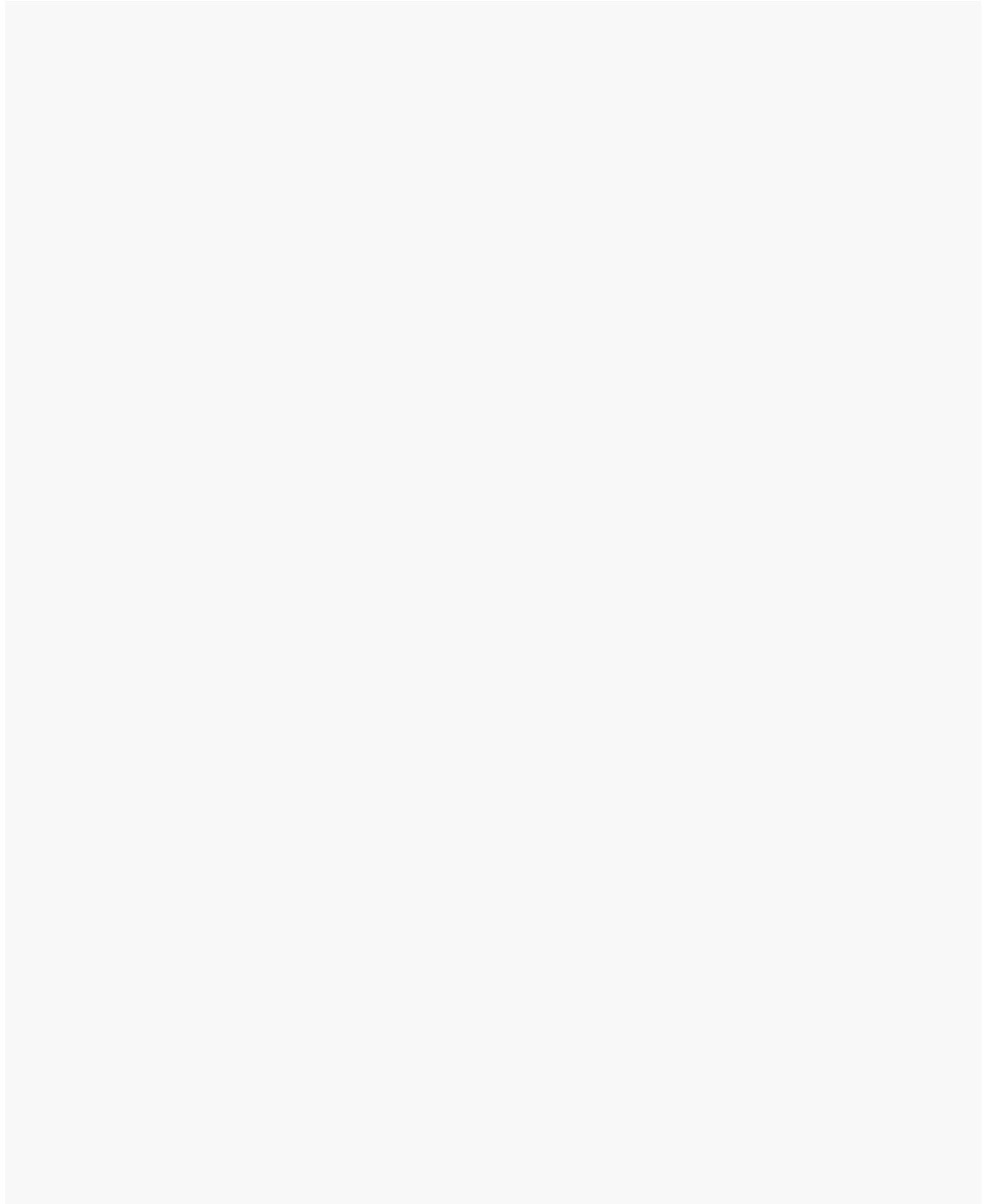
A photo posted by Irene Kim (@ireneisgood) on Mar 31, 2016 at 10:07pm PDT

With these changes, Mr. Hooks notes that modeling agencies must adapt their business model as well. An agency must help establish and primp an image and provide necessary platforms to allow a model to harvest her natural charisma and intelligence in an authentic way that speaks to consumers and followers.

As Mr. Hooks cites, the profit margin on word of mouth advertising and recommendations from another person is significantly higher than more traditional channels. During his presentation, he showed a post and video that a brand and a celebrity both shared with their followers; the brand received only 1,000 likes on social media, while the model received 1.2 million.

This is because in spite of the accessibility and reach social media has promised brands, it has primarily strengthened the ties people have with one another. Before the Internet, people were interested in one another, and while the way they connect may be different, the fundamental interests of people have not been altered.

"Models are the vanguard of a great wave of change," Mr. Hooks said. "With the phenomenon of creators becoming increasingly centralized, more and more individuals will drive up mass followings and drive enormous consumption by their recommendations," he said.



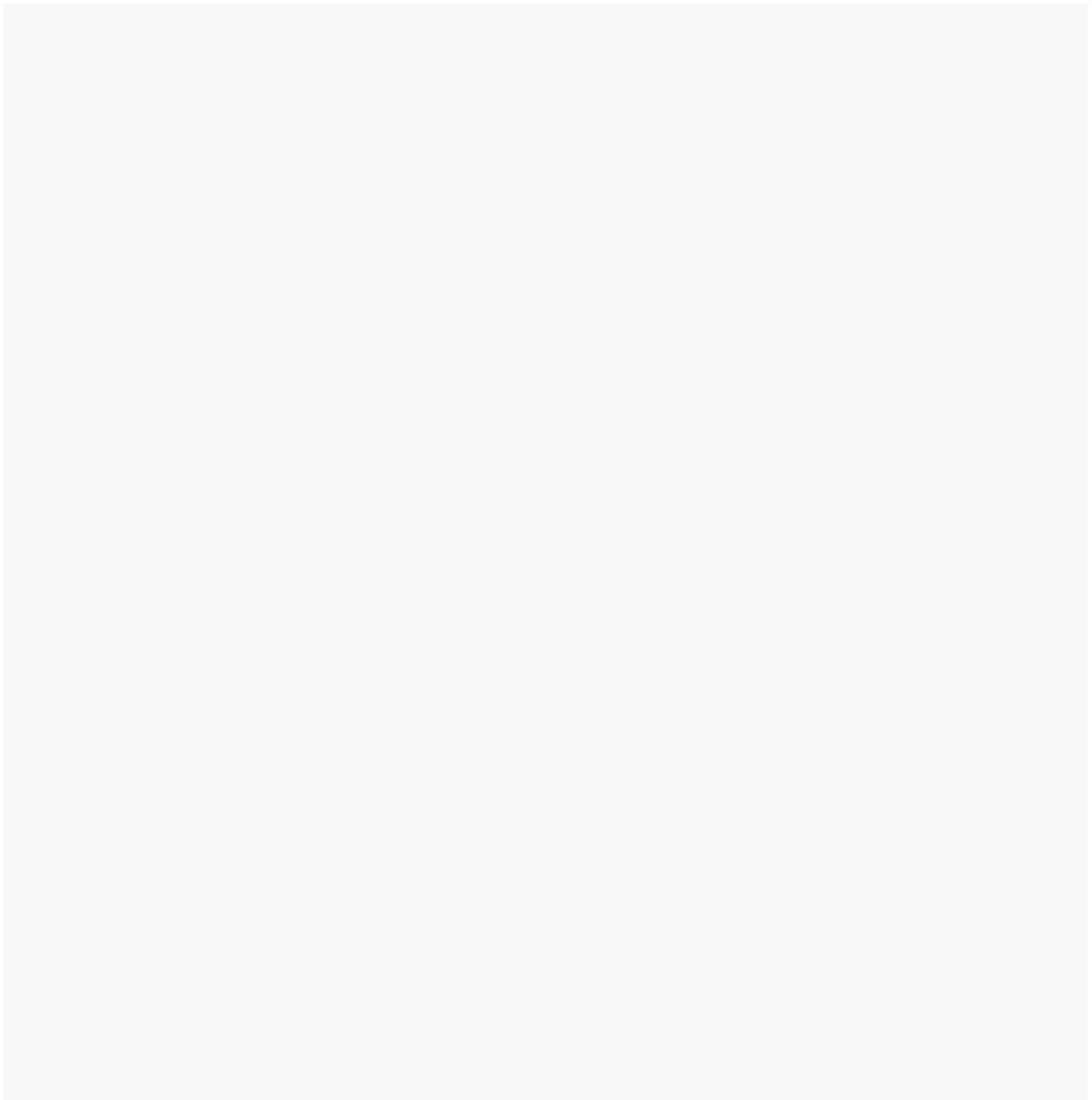
On set with the @esteelauder team and lots of "Nutritious" fruit ??? #LW4EL #Nutritious  
#RadiantOvernightCremeMask

A video posted by Liu Wen () (@liuwenlw) on Apr 4, 2016 at 8:38pm PDT

Accordingly, brands must treat models as content creators, not just campaign faces. The outlandish success that Este Lauder repeatedly achieves as a result of its partnership with Kendall Jenner speak to the effectiveness of a business model in which the model engages in content creation and more direct marketing.

Part of Instagram's success is intertwined with diminishing attention spans and higher standards for marketing content. Instagram offers new and creative ways of marketing that can be digested in a short period of time.

More importantly, however, is that models, being people rather than brands, can compensate for a lack of interest in longer videos and more traditional modes of advertising. Even as that interest wanes, the interest in a person recommending or sharing products will not.



#cccombo

A photo posted by Sasha Luss (@sashaluss) on Mar 15, 2016 at 7:58am PDT

"Today's creators are influential because they have developed relationships with audiences and not because they have a prescribed taste, as designers and fashion brands have in the past," Mr. Hooks said. "They work hard at growing their audience, interacting with them on a daily basis, forever searching for new angles and approaches."

The models on the panel, Irene Kim, Sasha Luss and Liu Hen, echoed Mr. Hooks. They stated that they need agencies to help them attain opportunities. Additionally, they acknowledge that the stigma of a model being an unintelligent person who is successful because she is pretty persists, but that today's marketing culture is forcing consumers to reevaluate the stereotype.

Forever changing

Proving the power of people in marketing, a recent report found that good celebrity endorsements can result in 50 percent more fan purchases.

In particular, songstress Rihanna has been named the most marketable celebrity, according to research by The NPD Group.

Rihanna topped NPD's ranking with 367 points, due in part because her fan base has distinctive brand preferences, more so than any other celebrity in sectors such as sports, film, music and others. The research conducted by NPD aims to identify the brand preferences of fans to help marketers determine which celebrities consumers are most likely to engage ([see story](#)).

The publishing world has been responsive and dedicated to the rise of the model as creator and marketer.

Instead of merely giving Kendall Jenner a spot on its coveted cover, Vogue magazine dedicated an entire issue to the reality television star-turned-model.

Since the launch of her modeling career two years ago, Ms. Jenner has taken the industry by storm and has accomplished numerous luxury "bucket list" items, including walking for Chanel's couture show and snagging a beauty contract with Este Lauder. Ms. Jenner's rise in high-fashion was first criticized, with many feeling she was only gaining ground due to her famous family, but after walking in nearly every major fashion show, she has proved herself as a model force with enormous social reach ([see story](#)).

"Few of them will see the need to make upfront commitments or tie themselves to one brand, nor if they sell products will they sell them for licenses or minimum guarantees," Mr. Hooks said. "The monetization of creator-distributed content will be more about revenue shares and branded content.

"Nobody can exactly predict the direction of social media or the direction of its evolution," he said. "Are we destined to end up like travel agencies? I think not. [However], this appetite for newness behind all these eve and competitive forces will require constant new forces that need to be identified and trained."