

MARKETING

Luxury struggles to find balance between visibility and exclusivity

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Image courtesy of Dolce & Gabbana

By SARAH JONES

With the increased prevalence of social media in luxury marketing, brands have become more accessible to consumers, but a new report from Fashion and Beauty Monitor finds that nearly three-quarters of luxury labels still cite maintaining exclusivity as a top challenge.

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Despite concerns about keeping their elite image, luxury brands have overwhelmingly adopted influencer marketing, allowing personalities who have developed a large following to tell a story for them. While relatively new to this type of collaboration, luxury brands are enthusiastic about the potential and results of this form of consumer engagement.

"The luxury industry continues to be very protective about its image, particularly online, which explains why it has been so cautious, even slow, in its adoption of influencer marketing," said Priyanka Dayal, content marketing manager of **Centaur Media**, parent of **Fashion and Beauty Monitor**. "Our research shows that while almost 73 percent of luxury brands are active within the influencer marketing space, almost half admit their influencer marketing is less than a year old.

"That being said, we are seeing a flurry of activity in this space with more luxury brands working with influencers and dedicating more budgets and resources towards managing their influencer strategy," she said. "This is because if they don't do it, they will lose out on not just new, but existing customer segments who are now searching, comparing, engaging and shopping brands online.

"Luxury today is not only about the price tag, but the personality of the brand that people want to associate with. However, perfecting this balancing act between accessibility while maintaining exclusivity is what is proving to be one of the biggest challenges facing luxury brands today."

Fashion and Beauty Monitor's report, produced with Econsultancy, is based on an online survey of 322 individuals working in luxury, fashion, beauty and lifestyle. The report compares the sentiments of luxury marketers to non-luxury peers.

Exclusivity versus engagement

Similar to luxury brands, the industry's clientele also straddle the worlds of broadcasting and maintaining secrecy, as younger generations opt to share their purchases while longer established luxury shoppers value privacy.

While grappling with exclusivity, 73 percent of luxury brands have some kind of influencer marketing program in place, with an additional 15 percent planning to begin tapping influencers within the next 12 months. Many luxury brands are fairly new to the influencer marketing space, with about half saying their efforts only date back a year.

Luxury may be greener when it comes to influencer initiatives, but according to respondents, these efforts are seeing results. Only 2 percent deemed their influencer strategies ineffective.



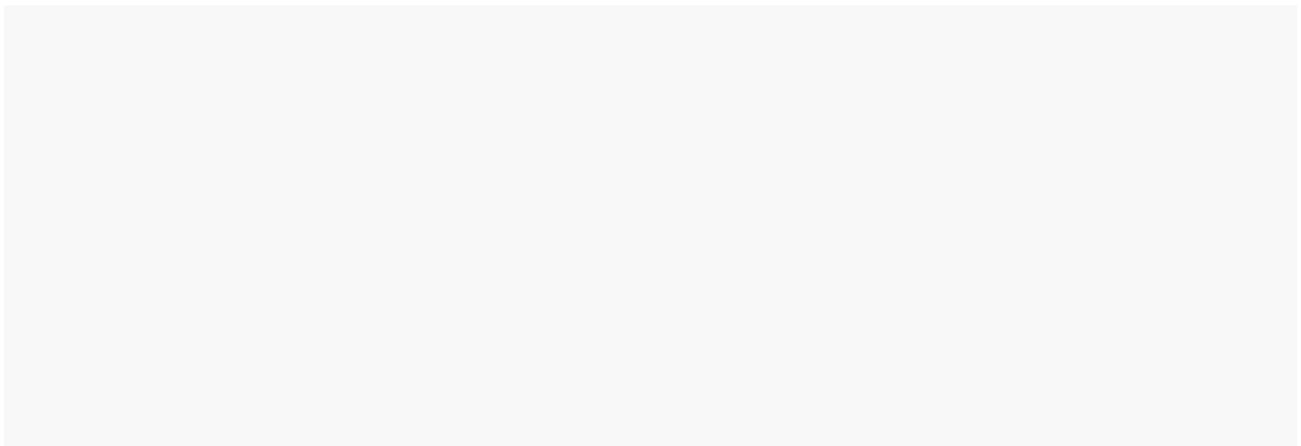
Harrods' Endless Summer influencer campaign in Positano

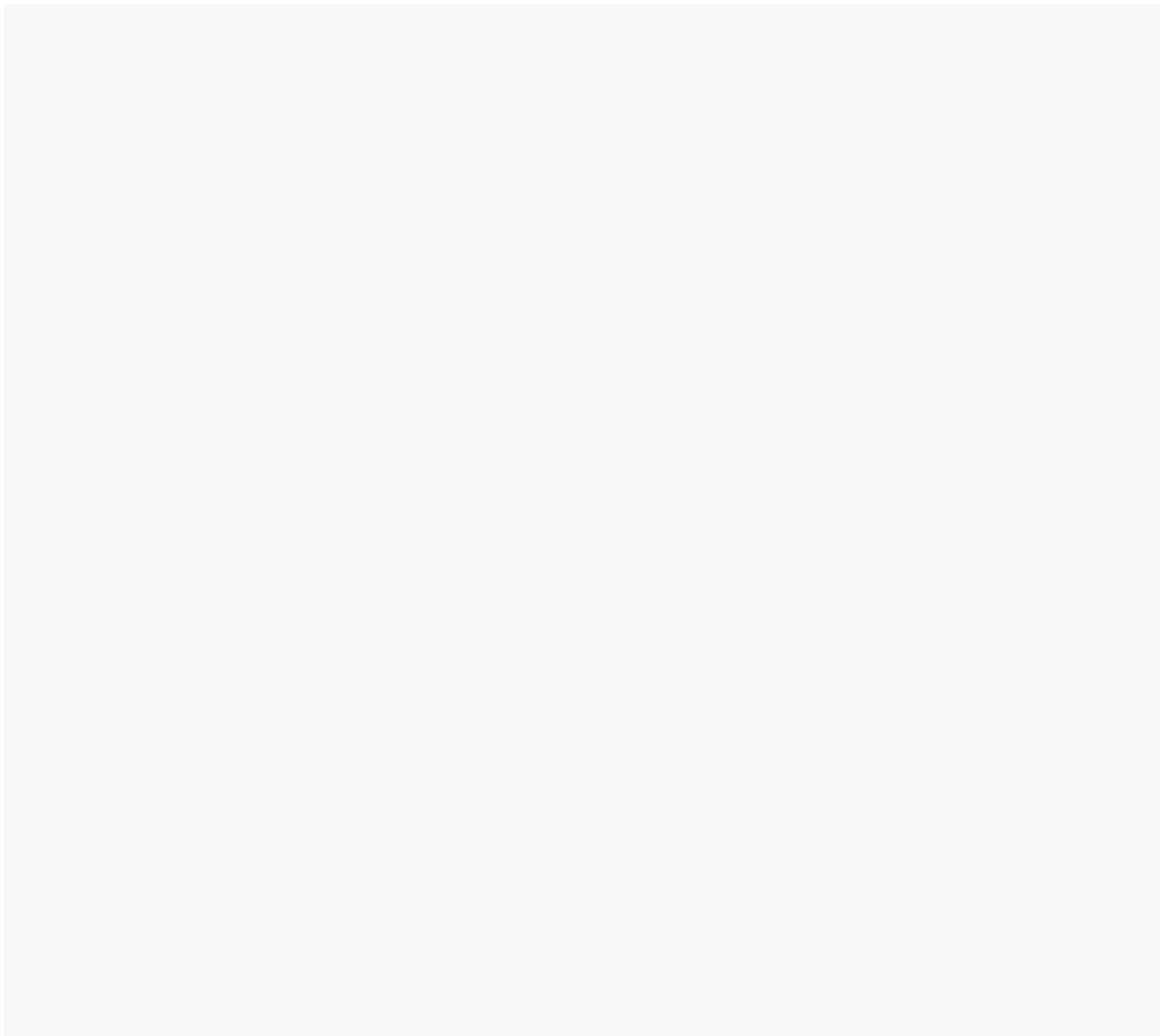
When measuring the efficacy of an effort, brands rate Web traffic and social media shares higher than sales boosts. While 62 percent of luxury brands do look to these initiatives to generate revenue, it can be difficult to connect the marketing campaigns' impact on sales data.

The most pressing concerns for luxury brands is finding an influencer who fits their particular positioning and personality, with 44 percent identifying this as a must for a successful campaign. Most luxury brands use manual social media searches to find their talent.

When looking for the right influencer, luxury recognizes that relevance is more important than follower count. This reflects an overall influencer marketing trend in which brands are opting for individuals who may have between 15,000 and 1 million followers over someone with millions of fans.

With big audiences, the rate of interaction also drops, meaning that mid-tier influencers offer brands a platform to reach more engaged followers.





Picture perfect even when I'm travelling with the new Touche clat Le Cushion by @yslbeauty #yslbeauty #yslaboutlastnight #thanksyslbeauty #ad

A post shared by Chiara Ferragni (@chiaraFerragni) on May 10, 2017 at 12:34am PDT

Chiara Ferragni's 9 million followers still attract luxury labels, but brands are increasingly opting for more niche influencers

A quarter of luxury brands also identify long-term influencer relationships as the secret to their success.

Once brands have found the individual they wish to work with, luxury labels believe email and Instagram are the most effective means of first contact. Following these methods, personal introductions by mutual acquaintances are still favored by 40 percent of luxury respondents.

About two-thirds of luxury brands value influencers' thought leadership, and these social media talents' frequently mentioned a desire to have control over the creative content process. When working with these individuals, 75 percent of luxury brands collaborate with them in a different manner from celebrity ambassadors.

According to brands, influencers are most interested in partnering with luxury labels to achieve goals in personal branding through association, with monetary compensation a secondary concern.

As professional influencers have emerged, the cost of doing these campaigns has also risen. Compared to the gifts that used to satiate influencers in the past, today these individuals command thousands of dollars for a collaboration.



Influencer Kenza Sadoun for Marriott's Tribute Portfolio

Half of luxury brands note that budget is a top challenge in influencer marketing, noting that the financial resources they can dedicate to these efforts hold them back from reaching their full potential. However, this may change, as 66 percent of luxury brands expect their influencer marketing budget to grow in the coming year.

"Mid-tier influencers are accessible, they are affordable and most importantly, they still engage with their audiences," Ms. Dayal said.

"Fashion and Beauty Monitor recently had Lorna Luxe, a mid-tier lifestyle influencer, on a panel we hosted, who said that for every post she publishes, she spends at least two hours engaging with her followers," she said. "This is what brands want for influencers to follow through with their followers on the brand long after they hit the share button.

"Besides, top-tier influencers are now celebrities in their own right and celebrities serve a different purpose for luxury brands they continue to dominate mainstream campaigns and advertising campaigns, while influencers are increasingly being used for product launches, brand storytelling, content promotion and distribution in creative and innovative ways online."

Trusted voices

Consumers often place more trust and weight on influencers' opinions than those of brands or celebrities.

Plus-sized model and social media influencer Iskra led the way for the top content coming out on Instagram from New York Fashion Week, as influencer content saw the most engagement well beyond designer content, according to Chute.

Michael Kors and Vogue were the luxury brands amongst the top content creators who saw the most engagement surrounding NYFW. Fashion Blogger was the top hashtag discussed in relation to Fashion Week, alluding to the rise of importance of fashion blogger Instagram influencers for NYFW ([see story](#)).

Also, British department store chain Harvey Nichols recently embarked on an Arthurian-style quest for the ideal beauty collection.

The retailer launched a five-week content series that searched for the "Holy Grail" across five cosmetic categories with help from five expert ambassadors. The beauty industry is filled with new launches and a seemingly endless array of choices, making this round table an opportunity for consumers to test out products through a personable proxy ([see story](#)).

"Finding influencers who are the right fit is the single most important criteria for success for nearly half of all luxury brands, yet when it comes to searching for influencers, luxury brands are currently still searching manually on social media which can be a time-consuming and immensely inaccurate approach," Ms. Dayal said.

"Number of followers and topics covered is a good place to start but understanding the true value an influencer

brings to your business involves knowing things like their previous endorsement history, their skills and interests, audience insights such as demographic and psychographic data only then will brands be able to match their own positioning with a personality," she said.

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