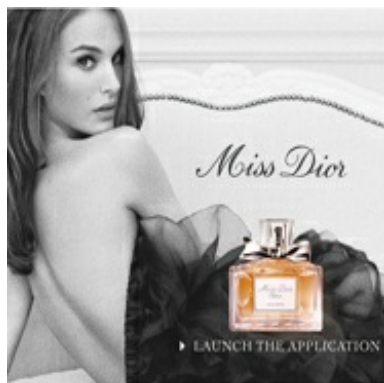


INTERNET

How luxury brands can tailor Facebook to their own needs

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By RACHEL LAMB

Depending on the type of luxury brand, Facebook can be used to tailor a company's marketing strategy to better engage with consumers, sell products, drive online and in-store traffic or educate them about the brand.

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Luxury retailers, automakers and hotels can all benefit in different ways from the social network. Some brands are reluctant to get on Facebook because they believe that its mainstream availability will tarnish a luxury brand's reputation, but that is not the case.

"At its core, Facebook is about creating and nurturing communities," said Ron Schott, senior strategist at Spring Creek Group, Seattle. "Whether it's around a brand, a location or an affinity group, Facebook allows brands to interact with and grow those communities."

"What works for one brand might not work for another, based on the fact that these communities that congregate around brands are just as different as the brands themselves," he said. "However, Facebook has proven itself as a valuable resource for providing deals and promotions, as well as creating a forum for product and service feedback."

"Focus groups of the future might look a little different and will probably be carried out

online as the ability to target messaging and get real-time responses continues to increase.”

Keep in touch

Indeed, some brands are starting to recognize the monetary benefits of Facebook.

Retailers such as Gilt Groupe and Bulgari are offering products on Facebook.

Customers can look at products and put items they wish to purchase in their baskets. To buy, the customers are taken back to the brand’s ecommerce site.



Bulgari Facebook commerce

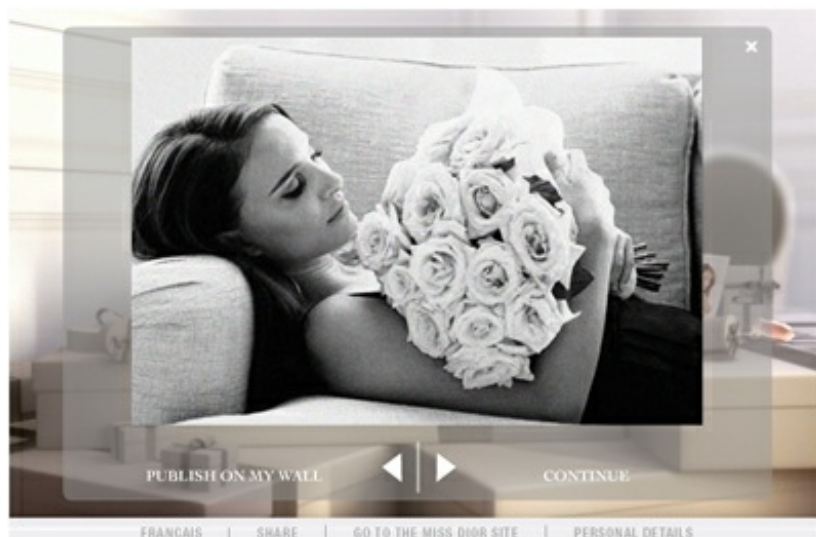
If brands do not wish to indulge in Facebook commerce, they can still use the medium to direct traffic to their Web sites by posting images and descriptions of products.

“Facebook also offers a chance to give an immersive experience by showcasing products and giving users the chance to buy right from the Facebook platform,” said Mr. Schott.

“Forget driving to Web sites, the future of online retail is purchasing right from store portals on brand Facebook pages.”

Retailers also use Facebook to play games, host fashion shows and promote contests.

For instance, Christian Dior regularly dedicates Facebook applications to different fragrances and collections where users can look at products and see exclusive content.



Dior's Miss Dior Cherie Facebook app

For other types of luxury brands, this is not an option. However, Facebook can be used for driving in-store events.

Automakers such as Mercedes-Benz, Lexus and Audi use Facebook to get customers to go to their dealerships.

By providing a quick link to additional content or featuring a video about an in-house event, it will get aid in helping customers to be excited about the event.



Mercedes' Facebook

“Facebook is actually a great medium for driving foot traffic and Web traffic to retail locations because of the opportunity to focus messaging to specific audiences,” Mr. Schott said. “Luxury brands can use geo-targeted updates to drive messaging to consumers in certain areas, making offering deals and specials or information about in-store events that much easier.

“Also, using applications that encourage sharing take advantage of the ‘me too’ nature of those on Facebook,” he said. “If someone sees a friend is attending a certain event or in-store promotion, they’re more likely to seek out information themselves.”

Facebook is beneficial to hotel chains, as well.

Hotels tend to dedicate a different property to a Facebook page. This is useful because customers can learn about location-specific events or specials that could be occurring while they stay there.

For instance, St. Regis San Francisco is currently marketing a few events and fundraisers that it is hosting at the property.



St. Regis' Facebook

Customers can buy tickets and comment on the event. St. Regis responds to them right on the site.

In any case, Facebook provides just another touch point where customers can interact with a brand.

Value of Facebook

Luxury brands are still hesitant to move into a digital world.

Old-world marketing such as mailers and print ads still reign supreme, but it is important for brands to realize the value of digital.

It is true that not many of the brand's target audiences – incredibly affluent, older individuals – will be on Facebook, but the social network can build bridges and future relationships with younger consumers.

“Social media is just another way to connect with a set of buyers,” said Steve Cannon, vice president of marketing for Mercedes-Benz USA, Montvale, NJ. “Gen Y is coming up and will become a very important buying group for us.

“They are digital natives that live on Facebook and Twitter, so if we don't use social media to engage that customer base, we'll have lost out on an opportunity to connect with them,” he said. “What's really important right now is to dive in, get smart about it and figure out how it will work with our brand.

“If we offer the product, we have to be able to connect with the consumer as a person, as well. Social media is a great way to do that.”

Additionally, it is very unlikely that Facebook is going anywhere, nor will it become less popular any time soon.

Therefore, if Facebook eventually becomes one of the main advertising channels, then brands who are not already in the loop run the risk of being left out.

“Targeting and focused feedback from consumers who self-select is huge,” Mr. Schott said. “With Facebook, luxury brands have the chance to tap into a community of people who are putting their hands in the air and saying ‘we want to be a part of this experience.’

“Messaging targeted toward these groups has a higher likelihood of success and therefore has a greater return on investment in many cases,” he said.

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