

MARKETING

Luxury investors cannot overlook brands' Instagram performances

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Gucci continues to maintain momentum on Instagram. Image credit: Gucci

By SARAH RAMIREZ

Social media, particularly Instagram, is crucial to understanding luxury brand performance including investment purposes, according to a new report from UBS.

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UBS combined Instagram data with Google Search trends for a more complete analysis of the momentum behind luxury brands. The Facebook-owned platform continues to evolve, making it more important for heritage retailers to engage their social audiences.

The third quarter Instagram and Google performances for 25 European-based luxury brands were evaluated for this report. UBS notes that Paris Fashion Week ended after the evaluation period, which may have skewed some of the results.

Brand momentum

Italian fashion label Gucci is one of the most successful luxury brands on social media, having surpassed Louis Vuitton's Instagram following with more than 28 million Instagram followers. Louis Vuitton's follower growth on Instagram has declined, as has its search interest on Google.

Gucci's Instagram growth has slowed some since June, but the brand's average likes per post were up 83 percent year-over-year in the third quarter of 2018.

[View this post on Instagram](#)

Velvet shoulder bags with a square G crafted in crystals from #GucciFW18 by #AlessandroMichele mixed with women's pieces from the collection including printed silk dresses and shirts. Discover more through link in bio.
Gucci / SEGA

A post shared by Gucci (@gucci) on Oct 22, 2018 at 2:00am PDT

Instagram post from Gucci

As brands started to recognize the massive potential of Instagram in the beauty sector, Gucci has launched a special page only for its beauty brand. The @GucciBeauty account debuted in September with an original start, spotlighting important works of art to exhibit Gucci's creative director's unique idea of beauty ([see story](#)).

Versace saw increases in total Instagram likes, averages likes per post as well as year-over-year growth on Google Search. The Italian brand, which was recently acquired by Michael Kors, has more than 15.5 Instagram followers.



#TheBSeries was available for 24 hours only via Instagram. Image credit: Burberry

After a temporary social media slowdown, British fashion house Burberry has seen an improvement in Instagram engagement. The label received 2.4 million Instagram likes in September, coinciding with Richard Tisci's debut show.

As part of Mr. Tisci's first collection for the brand, special pieces were available for a limited 24 hours from a series

of releases. The special designs launched on Burberry's official Instagram and WeChat accounts ([see story](#)).

However, according to UBS's report, Burberry's Google Search volume has not seen similar growth leaving the brand's momentum murky.

Instagram impact

Instagram is making additional moves into shopping as it increasingly positions itself as a place for commerce as well as conversations.

Instagram is rolling out Shopping on Stories to a wider array of brands as well as testing out a Shopping feature on its Explore hub. These launches come as the brand is said to be working on a standalone shopping application.

With Shopping in Stories, companies can place a product sticker within a Story to direct consumers to a page containing item details and suggestions of similar products. From here, the consumer can tap a link to navigate to the brand's mobile site to make a purchase ([see story](#)).

Luxury brands such as Chanel, Dior and Shiseido are also creating separate Instagram accounts dedicated to sharing images of its fans sourced on the app.

User-generated content can establish significant trust with consumers, creating a more personal touch and a strong connection from peer-to-peer recommendations. Beauty brands have a well of endless UGC on Instagram, more so than most other sectors, as these fans are highly interactive, especially on the photo-centric application ([see story](#)).