

LUXURY MEMO SPECIAL REPORTS

## Public relations in luxury Luxury Memo special report

November 16, 2018



*Public relations in luxury has evolved beyond print placements. Image credit: Saks Fifth Avenue*

By SARAH JONES

Public relations has evolved to be about more than media outreach and placements, with practitioners today managing a brand's overall strategy and image.

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The role public relations plays in the marketing ecosystem is changing, as publicity efforts become more aligned with other marketing activities and the lines between earned and paid media blur. In this altered media landscape, the skills and tools needed to effectively build and guard brands are also adapting.

"It has become much more important for luxury brands to connect with consumers in an authentic way," said Stacy Berns, president of **Berns Communications Group**, New York.

"While the goal of PR has always been to connect brands with other businesses and consumers, the focus of PR has changed in recent years," she said. "With social media and influencer marketing generating a huge audience of global consumers for brands, storytelling has truly become a brand's currency. And it's important that PR leverages this new currency.

"PR professionals today understand that consumer expectations, especially in terms of luxury goods, have changed. Consumers really want to connect with brands that reflect their lifestyle and share their values.

"PR professionals work with brands to develop a story that creates an authentic connection. In turn, this connection creates communities of brand loyalists who effectively market the brand in a truly authentic way."

### Top 5 trends in luxury PR

- Social media

Digital media has changed the ways in which PR representatives share news, giving them a direct channel of communication to consumers as well as press.

- Expanding definition of press

Along with traditional print media and television news, PR professionals now work with bloggers and other new media.

- Influencers

Both PR agencies and in-house managers typically handle influencer relations, overseeing partnerships with today's lucrative content creators.

- Events

Experiences are key at driving consumer engagement and content. As a result, events are a key way to promote launches and earn media.

- Bigger budgets

A 2017 report from the USC Center for Public Relations at the Annenberg School and the Association of National Advertisers found that while the majority of marketing professionals foresee flat budgets and staffing for PR within the next year, a significant portion plan to up spending in five years.

### Brand custodians

Even though PR still largely involves gaining placements for clients in media, today public relations services extend beyond media relations. PR professionals act as brand stewards and strategists, establishing and maintaining a company's positioning and managing its reputation.

This management also extends to key individuals at a particular brand. For instance, The Communications Store highlights its work with Versace, which includes gaining key profiles of Donatella Versace that have helped to further position her as a feminist icon.

USC Annenberg's Global Communications Report 2017 found that strategic planning is the top quality that PR professionals believe is important for future growth. This was the first time this skill displaced written communications from the top position.

Companies are also most apt to tap a PR agency's help for creative thinking.

To help launch Waldorf Astoria New York's rooftop garden and beehive, Quinn strategized ways that the bees could be incorporated into other guest experiences. These included roof-to-spa treatments and roof-to-bar cocktails infused with honey.

#### *Tennis Channel Feature on the Waldorf Astoria's Expanded Rooftop Garden*

Those in communications roles also believe that PR will be more aligned with marketing in the future. While less than one-fifth of PR agencies and in-house representatives report to marketing departments today, there is a potential that more PRs will be integrated into marketing teams in the future.

However, there is a debate over whether PR will dominate or be dominated by marketing in the coming years.

This changing role may lead to a new name for PR, as 87 percent of PR professionals surveyed for the report believe that public relations will not be an accurate description of their work in the future.

As part of the changing corporate structure for PR, a number of luxury companies have embraced the rise of the fairly new C-level title of chief brand officer. These executives oversee areas usually guided by chief communications officers, chief executive officers, chief operating officers or chief marketing officers.

For instance, U.S. fashion label Michael Kors has appointed Francesca Leoni its senior vice president, chief brand officer.

Ms. Leoni joined Michael Kors from Valentino, where she was most recently the worldwide communications director out of the brand's Rome headquarters. The executive's resume is primarily focused in PR and strategic communications ([see story](#)).

Similarly, Rimowa's chief brand officer Hector Muelas oversees the luggage brand's visuals, public relations and partnerships.



*Still from Rimowa's "Never Still" campaign featuring Yoon Ahn. Image courtesy of Rimowa*

Conglomerate Mot Hennessey Louis Vuitton also looked to strengthen its communications by putting one of the group's heirs in charge.

Antoine Arnault, already chairman of Loro Piana and CEO of Berluti, has added to his oversight as he heads the company's communications and image. According to a report by Bloomberg, the newly created role was announced in a company memo from chairman and CEO Bernard Arnault, which mentioned the need to manage the group's growing media attention ([see story](#)).

"The public relations advisor role has become a broader strategic partner to clients for all things branding, marketing, digital, copywriting, social media, events and media relations," said Suzanne Rosnowski, CEO and founder of [Relevance International](#), New York and London. "We recommend brand partnerships to elevate a brand and are often seen as key connectors with direct access to target consumers and influencers.

"We advise clients on the messaging and tone of the brand and guide strategy for clients to ensure maximum impact and effective execution," she said. "We have more tools than ever in our PR toolkit to ensure success."

#### Digitizing media relations

With the rise in social media, public relations professionals now have more means at their disposal to share news directly and engage with the media.

In USC's report, digital storytelling was the top trend indicated by survey takers. Beyond being able to write, visual communication skills are also becoming more necessary as photo- and video-centric platforms continue to take off.

For instance, HL Group worked with Four Seasons to develop an Instagram Story around the hotel chain's partnership with NetJets.



*Four Seasons Hotels and Resorts and NetJets teamed up. Image Credit: Four Seasons Hotels and Resorts*

Beyond sharing images and video content directly themselves, PR representatives benefit from being able to create assets that can live in digital and social media, helping the press tell visually appealing stories.

"Visual storytelling is at the very heart of how luxury brands communicate and engage with their consumer," Ms. Gaunt said.

When it comes to luxury compared to mass public relations, there are some similarities and differences.

"Messaging and platforms can be different, but the essential principles of using the brand's authentic voice to communicate with the target audience is the same," said Linda Gaunt, founder and president of [Linda Gaunt Communications](#), New York. "Luxury does allow for more 'high-touch' moments. But engagement is key for both."

The definition of who the "press" is has changed as online media picks up. In addition to liaising with newspapers, magazines and broadcast channels, today PR representatives also work with bloggers and influencers to get placements.

As their name suggests, influencers hold a lot of sway over consumers, making posts from them equally if not more effective than traditional journalism. A report from Olapic proves the commercial potential of these content collaborations, showing that 31 percent of consumers have bought a product or service because an influencer posted about it ([see story](#)).

While pitching journalists typically revolves around an email or phone call, PR reps often reach out to influencers through direct messages on social media.

Aside from official press, each consumer is now armed with the ability to publish news themselves, becoming citizen journalists. This requires additional diligence in listening on social platforms for brand mentions and potential threats to a company's reputation.

"Luxury brands face many challenges in the evolving communications environment," said Vanessa von Bismarck, founding partner of [BPCM](#), New York. "One of the issues luxury brands, especially large companies, are increasingly confronted by is that they are running out of media to work with.

"In any given month, the sheer volume of activations a big luxury player needs to communicate means having to strategically pick and choose which traditional media they approach with each project or news," she said. "Digital media and owned digital channels afford the brand more opportunities to widen its reach."

Consumers also turn to more digital channels to get their news.

According to a report from the University of Oxford's Reuters Institute, the portion of consumers using Facebook for news has fallen this year, but it is still significant. Consumers are showing an increased interest in using messaging platforms to get news from their inner circle of friends.

Beyond consuming news on social media, readers also share content, which can help a story gain a wider audience than it would otherwise.

In the fashion world, brands that receive the most buzz and see results from marketing and publicity online are often times luxury labels, according to a new report by Fashionbi.

Fashionbi looked at the buzz generated by social media posts and actions to calculate an index score measuring the effectiveness of a brand's marketing in 2015. In France and Italy in particular, luxury brands were the highest scorers ([see story](#)).

However, while emerging forms of media are playing key roles in consumers' reading and researching habits, the most affluent still turn to print.



*T Magazine covers. Image source T*

Since the launch of Ipsos' Affluent Survey in 1977 the way media is consumed has drastically changed, going from analog to digital, but the wealthiest individuals' behavior and sentiment has stayed relatively unchanged.

Evolving from analog to digital and mobile technology, the media advertising "sweet spot" is a mix of throwback platforms and modern channels. Web sites and social media, television, magazines and newspapers deliver broad reach with consumer interest in seeing the ads ([see story](#)).

"The truth is that more and more consumers use their mobile devices to get their news," Ms. von Bismarck said. "What was originally known as ambassador programs and word-of-mouth campaigns has now shifted to social media, Instagram, Twitter, Facebook, Pinterest or YouTube.

"In some cases these platforms have a wider reach than traditional media could ever have and they allow the consumer to click through for more information or purchases. Digital media has also allowed luxury brands to communicate directly with their existing and potential customers through their own channels.

"By creating captivating, sometimes viral branded content, luxury brands can achieve true measurable engagement in stark contrast to a static page in a magazine."

#### Earned vs. paid media

Marketing communications professionals believe that earned media is more effective than paid media, but recent attacks on journalists' credibility by politicians and others in the public eye are making the press feel less trusted. According to Cision's State of the Media 2017 report, consumers today trust brands more than the media or government.

As a result, brands themselves have become a more important part of the communications strategy.

USC's report notes that revenues from paid, shared and owned media are expected to grow at a faster rate than earned media. Accordingly, as the budgets for earned media fall, paid and shared content are gaining resources.

Six in 10 PR professionals believe that branded content and influencers will be important trends in the coming years. About half also feel that consumers will not make as much of a distinction between earned and paid media in the future.

Some have even argued that PR teams are the best suited to handle native advertising, since they have existing relationships with media outlets and an understanding of storytelling.

One way in which brands are bridging the gap between earned and paid media is through organic influencer content. For instance, in an effort to raise awareness in the U.S. for Furla, Linda Gaunt Communications gifted influencers with handbags, resulting in more than 101 million earned impressions through 686 non-paid placements.



*Furla received organic placement through PR. Image credit: Linda Gaunt*

According to data from Tribe Dynamics, the top 10 luxury brands drive millions in earned media value, with Gucci generating the most organic media placements in recent months.

Many of the efforts that drive the most posts and media content are events, such as influencer excursions, fashion shows and brand moments.

#### Experiencing luxury

For luxury brands, events are more effective at driving engagement and sales than tactics such as digital marketing. As consumers become more interested in experiences than things, events become all the more important at not only

interacting with clients, but driving a brand's lifestyle image through media.

Both in-house and external PR firms often handle events, staging memorable occasions to mark milestones or celebrate launches, driving media in the process.

For instance, in 2016 Cartier held a star-studded soiree in New York for the reopening of its Fifth Avenue store that included live music and dance performances.



*NYC Ballet performing at Cartier's Fifth Avenue opening. Image credit: BPCM*

Meanwhile, Jet Aviation has used experiences to help raise awareness and position itself as a leader in the market. For one such excursion planned by Shamin Abas PR, guests were invited to partake in a James Bond-style experience presented in partnership with Aston Martin.

Events can also extend to consumer-facing in-store experiences.

High-end concept store Colette rounded up a host of brands represented by Paris-based public relations firm Lucien Pges for a pop-up shop last August.

From the beginning of August to September, visitors were able to visit Colette and pick up a number of exclusive and one-off items from the various luxury brands represented by Lucien Pges, including A.P.C., Loewe and Moynat. The collections are inspired by the PR firm's namesake founder Mr. Pges' love of the summer holidays and feature a fun, summery vibe ([see story](#)).

Public relations representatives also play a role in establishing a brand image through red carpet lending, picking which celebrities are on-brand to wear their designs. With the rise of social media and the 24/7 news cycle, every day has turned into the runway, as paparazzi shots and stars' own social media accounts provide documentation of off-duty outfits.

"Events have seen a huge resurgence and changed significantly," Ms. von Bismarck said. "Originally, events were really for the guests invited and in attendance, to create word of mouth exposure and to secure coverage in print magazines.

"Today 99 percent of print publications will not cover events anymore because they deem it irrelevant for the readers by the time the magazine hits newsstands," she said. "But with digital media and social media platforms, luxury brands are able to leverage events to create online buzz, both through their own channels and those of influencers.

"Events have changed forever. Gone are the Champagne and canap store events. Today we need to think about the Instagrammable moments we are able to create at an event.

"How can we grab the imagination and attention of the guests to entice them to post images? How can we create something at an event that can live on beyond that day or night? It also means that we as a communications agency need to work much more closely with production companies to ensure that social media impact is top of mind."

Data driven

Similarly to other areas of marketing communications, public relations is embracing data to both target and measure campaigns.

A report from the Institute for Public Relations notes the Big Data will play a key role in PR going forward, calling for communications professionals to leverage different streams of information to guide their strategies.

Data may come from internal sources such as owned media channels, but PR firms can also tap into shared data culled from events or retailers, as well as external data from sources such as the news.

"A common misconception holds that messaging' is a purely creative endeavor based on clever phrasing, brilliant visuals and edgy disruptive execution," the report notes. "While creativity certainly plays an important part, successful messaging is as much science as art."

Information can be used to help determine a target audience for a particular message, looking at their priorities and perspectives. Data can also help find the right platforms or publications to reach a certain type of reader.

Data is also having an impact on how PR representatives establish objectives and measure their results.

Some of the most common metrics now used include page views and engagement. But beyond the reach of a particular media vehicle, the relevance of the publication's readership should also be considered.

Because of this, bigger is not always better. Micro influencers tend to have higher engagement rates, and the right placement can sometimes move the needle more than simply courting the biggest media partners.

Beyond driving awareness, PR activities today are often measured on the business results they drive. Among other trends, this is indicative of the increasing convergence of PR and marketing.

"The debate of identifying the business impact of PR activities is ongoing," Relevance International's Ms. Rosnowski said. "Every client has different needs and different ways of reporting into stakeholders, and we advise them on a case by case basis as to what the most impactful way of measuring impact might look like for their business."

"It is important for our global clients to use global database services who offer comprehensive measurement and analytic tools," she said. "This could work in tandem with a measurement tool specifically created for them to suit their requirements."

"In addition, we set KPIs for every PR campaign we work on for the team to work towards, which are used to measure the results of our efforts."

#### Crisis aversion

While luxury brands work to build up a positive image, this position can be put at risk by PR crises. Scandals ranging from perceived ethical violations to business malpractices prove that not all press is good press.

Social media is giving consumers much more power over brands, where a mob-like mentality can influence the business practices and decisions of these companies, as well as their reputations.

Whether it is social issues, business practices or customer service issues, the Internet has given consumers the tools to hold brands accountable for their actions. Brands such as Herms, Balenciaga, Valentino and Nordstrom are only a few of the luxury marketers who have fallen victim to the harsh reaction of social media, exhibiting how brands of today need to be more careful ([see story](#)).



*PETA has targeted Prada. Image credit: PETA*

A number of brands, including Prada and Hermès, have been the targets of repeated protests and PR campaigns from People for the Ethical Treatment of Animals.

Consumers threatened to boycott French fashion label Balenciaga after an incident of reported racism at a Paris department store went viral.

According to Jing Daily, a social media post from a bystander says that security guards manhandled a Chinese shopper who was attacked while waiting in line to buy Balenciaga's Triple S sneakers. The story became a trending topic on Weibo, with millions of consumers viewing posts about boycotting the brand ([see story](#)).

Kering's Gucci is the latest Italian luxury brand to be suspected of tax evasion.

La Stampa reported that police searched the company's offices in Milan and Florence for evidence over three days. Authorities claim that by attributing levies on profits from sales in Italy to Switzerland, Gucci was able to save 1.3 billion euros, or \$1.5 billion over a number of years ([see story](#)).

With the proper PR strategy, a crisis does not have to have a long-term effect on brand sentiment.

In a time when social media allows customers to voice their criticisms of brands' decisions at any time, navigating through those crises becomes easier while bringing on new challenges.

Speaking at Forrester's Consumer Marketing event on Apr. 6, an analyst from the research firm explained how Forrester views brand crises, how they can be predicted and how to handle them once they arise.

Predicting these sorts of moments can be exceedingly difficult, as customers' stated intentions are not always reliable, nor are their answers to surveys. Brands also cannot judge individuals' responses based on demographics ([see story](#)).

"Because so many people around the world now have access to computers and the Internet, consumers today can discover luxury brands and gather information really easily," Berns Communication Group's Ms. Berns said.

"Because of this, consumers have a very low tolerance for disappointment from a brand.

"If they are let down in any way product quality, customer service or corporate governance there are plenty of other options just a click away," she said. "A PR misstep can result in damage to a brand's reputation, loss of consumer trust and a serious hit to its bottom line.

"That said, situations do arise in which luxury brands have to manage crises and attempt to mitigate damage. To properly manage a crisis, brands need to be transparent with their customers in order to maintain trust and they should be willing to offer explanations and apologies if appropriate.

"Also, company executives must be able to effectively explain to customers how and when the problem will be

fixed. PR crises can definitely lead to mistrust among consumers and can negatively affect brand loyalty. However, if the situation is handled in a professional, timely, honest and authentic manner, the effects are usually short-term."

Best practices for luxury PR:

- Vanessa von Bismarck, BPCM
  - "Always act as the safeguard for the brand's positioning. With the new digital media universe, a mistake can live online forever. At BPCM we always try to be honest with the client on whether certain activations make sense and others not. I believe that is why so many luxury brands have been with us for years."
- Stacy Berns, Berns Communications Group
  - "PR for luxury brands should focus on the brand experience. Consumers today want to feel connected to a brand and engage with the brand in new and exciting ways. Highly personalized experiences and experiences that reward customers in unique and creative ways are effective in establishing long-term loyalty between consumer and brand. Nespresso, the luxury coffee company, offers its best customers unique experiences such as coffee masterclasses. Neiman Marcus offers its top shoppers exclusive experiences and perks like free wardrobe consultations, fur storage and valet parking."
  - "Working with PR to create a really authentic story is also important. Luxury consumers are smart and don't like to feel duped. Paid sponsors are viewed as inauthentic and are becoming less influential. It's important for luxury brands to partner with authentic influencers these might be less well-known microinfluencers or even customers themselves who can best tell the brand story and align with brand values. Luxury consumers like to see brands that care, and that are committed to social causes, sustainability and giving back."
- Linda Gaunt, Linda Gaunt Communications
  - "We advise brands to build their reputation parallel to building their business. Otherwise it can be transactional without the the emotional connection that leads to a lasting impact."
- Suzanne Rosnowski, Relevance International
  - "Having a global outlook and ensuring ultra-high-net-worth regions are covered. These often include New York, Moscow, Los Angeles, Singapore, Dubai, Hong Kong, Sydney, London and more."
  - "Being on top of luxury trends, shifting consumer behavior and pop culture in general. The news cycle has very interesting waves that PR executives can't afford to miss. Sometimes the stories originate from the client side and are pushed out and sometimes the stories are grown out of existing media trends and topics and it is our job to ensure our clients are a part of key conversations around timely trends."