

COMMERCE

Maintaining a luxury status when using Facebook commerce

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As social media evolves, it is important for luxury brands to adapt and accept it as a powerful medium to not only increase consumer engagement but to drive sales and collect consumer data as well.

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Luxury Daily

With people increasingly spending more time on social media sites than any other Web medium, brands need to learn how to use Facebook to see ROI. Luxury brands such as Chanel, Bulgari, Diane von Furstenberg and Gilt Groupe have already dabbled in Facebook commerce.

“A fundamental trait of social media is allowing consumers to increasingly find themselves empowered in how, where and when they engage with commercial businesses,” said Colin Turnbull, a partner at Kolody, Toronto.

“If anything so far, best practice ecommerce has taught us that if you have the resources to extend to different touch points, then do it,” he said. “It’s not either/or.

“It’s about enabling consumers to have the choice to shop where they choose.”

Kolody is a digital agency that designs social media strategies, rich media banner suites, kiosks, microsites and full Web sites.

Status Q

To succeed on social media in general, a brand needs to translate its brand message and reputation to the Web in a way that will reach and engage its target market effectively.

Facebook and Twitter are called social networks because they foster relationships, per Mr. Turnbull.

“Luxury brands who have embraced this are seeing results across the board from consumer connections, to the creation of brand ambassadors, to online revenue growth,” Mr. Turnbull said.

Many luxury brands worry that by joining social media, they will lose the mystique and status that comes from not being easily accessible.

However, if done correctly, a brand can keep its status and be present in social media circles.

For example, Chanel opened a Facebook store to sell its lipstick line ([see story](#)).

This was likely based on research that many of its social media fans were aspirational consumers who would not be able to afford Chanel apparel or accessories, but could afford less-expensive Chanel products such as fragrances and cosmetics.



Chanel sold its lipstick via Facebook

Bulgari presumably used the same chain of thought when it created its Enchanted Garden Facebook app where consumers could buy its Mon Jasmin Noir fragrance ([see story](#)).

In addition, Diane von Furstenberg rewarded its loyal Facebook fans by opening a tab on Facebook that sells one exclusive wrap dress each month ([see story](#)).

Also, flash-sale site Gilt Groupe has a shopping tab that allows for users to browse products right on its Facebook page.

“Due to the variable nature of brand equity, any Facebook commerce done without a well-researched approach and full-scale commitment is highly risky,” Mr. Turnbull said.

The in-site

To maintain the established brand status and reputation, a brand needs to enter Facebook commerce carefully.

Research should be conducted on the brand's social media fan base to determine what types of products they would be interested in and capable of buying.

Brands need to make sure that they have the appropriate financial and human resources to run and maintain a Facebook account and commerce tab.

So long as everything on the site is done with the same quality and same consistency as the luxury brand would take with its branded Web site and flagship stores, its status will probably not decrease by partaking in social media.

“By streamlining and optimizing itself, the cyclical process of consumer engagement and brand presence will be strengthened,” Mr. Turnbull said.

“[This] allows Facebook to continue evolving into a powerful platform that can span different functions for both users and businesses,” he said.

After conducting the initial research and opening a Facebook commerce tab, the brand can easily track its success.

Facebook Insights allows a brand to track its ecommerce platform, taking into account features such as "likes" and shares.

Brands can also view demographic information and user behavior to discover their core audience.

“One of the great benefits of Facebook commerce is the opportunity to understand what your customers buy and what they want and use this to provide a personalized user experience,” Mr. Turnbull said.

“This information can then be used to understand what messages, deals and rewards will be most effective in gaining customers and maximizing sales,” he said.

Final Take

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