

MARKETING

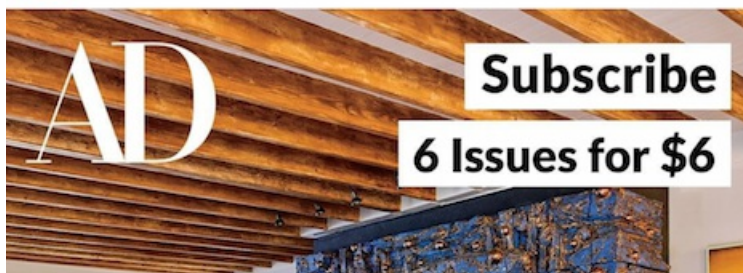
Future of marketing is not big data, it is big understanding: Facebook exec

January 17, 2019

1 DAY AGO



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Instagram sponsored post from Architectural digest

By BRIELLE JAEKEL

NEW YORK – Facebook Inc. has seen a 257 percent increase in advertising from luxury brands on its platforms, as the affluent consumer becomes increasingly connected.



Gone are the days in which affluent consumers would cite *Vogue* and other magazines as their source for luxury inspiration, and in its place Instagram has risen. The tech company is taking the rise of mobile as an opportunity to connect luxury brands with their audiences throughout the consumer journey and truly understanding the user, according to a Facebook executive speaking at Luxury FirstLook 2019: Digital Acceleration on Jan. 16.

“The path to purchase is very complex and for the affluent consumer, there is even more steps,” said Karin Tracy, head of industry for beauty, fashion and luxury retail for **Facebook**, Instagram and Messenger. “The challenge we’re all faced with is how she goes from one phase to another.

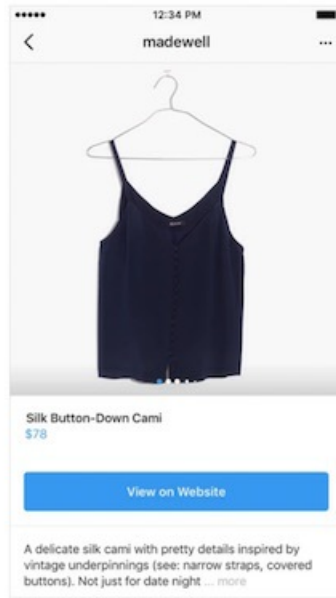
“She is spending over an hour on Facebook and Instagram a day,” she said. “What happens as a result is that we get a real understanding of what she’s doing as it relates to your brand.”

Luxury Daily produced Luxury FirstLook 2019: Digital Acceleration

Facebook at the intersection

The affluent consumer is becoming younger, with 60 percent of ultra-wealthy consumers to be under the age of 35, thanks to entrepreneurship and inheritance from the baby boomer generation.

While a significant portion of sales are still occurring in the physical space, fostering a relationship with consumers online and via mobile is imperative to cater to these younger affluents. Facebook is seeking to help drive consumers to stores and help brands tell their story.



Instagram has turned on Product Tags for Stories. Image credit: Instagram

Ms. Tracy believes that the future will see three forces coming together: technology, people and commerce. And at the center of it all is the mobile device.

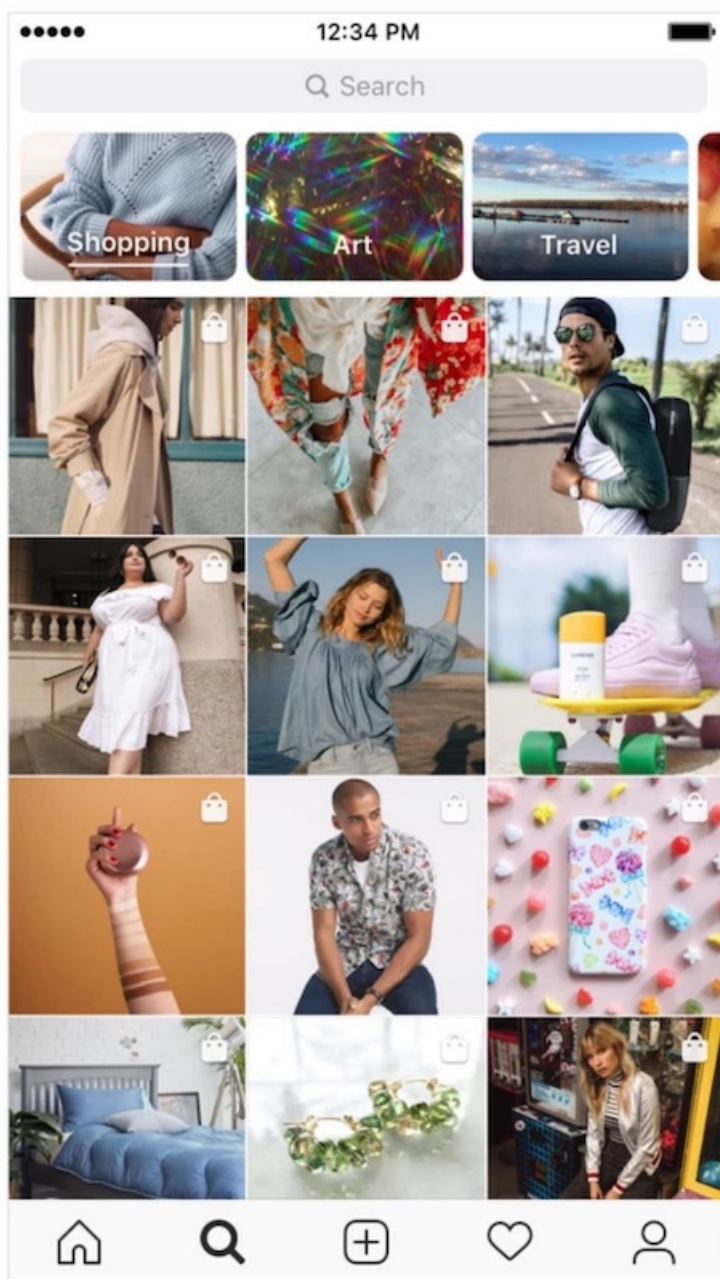
Brands can tap the smartphone to link together the online and offline, leveraging the device through which the consumer lives his or her life everyday.

With Facebook and Instagram's prominence in consumers' daily lives, Ms. Tracy claims that the company's platforms are the way to connect to them.

The executive states that users spend an hour a day on Instagram and Facebook, and come to the applications 15 times a day.

For Facebook, it is vital to get personalization right. Each person's newsfeed is completely tailored to him or her based on an individual's likes, who they follow and how they use the app.

"Relevance is critical in the age of prolific content," Ms. Tracy said.



Featured posts appear in a grid and include a prominent Shopping icon, making it simple to go from discovery to purchase. Image credit: Instagram

Brands can take this strategy and tailor it to their marketing business.

Marketers of today, including luxury, have access to a mine of data that they can use to craft a completely relevant experience.

Additional insight

In an example of how brands can implement what Ms. Tracy touched on, Italian fashion brand Bottega Veneta worked with Facebook for an experimental Luxury Hack, creating a completely digital and mobile campaign in just seven days with the help of specialists from the social network.

The Luxury Hack was a weeklong event by Facebook to help luxury brands advertise on its platforms. According to Bottega Veneta, the campaign created with Facebook led to a 9.3-point lift in ad recall for the brand ([see story](#)).

A recent report from Klear shows that Instagram Stories is proving to be a prominent source of sponsored communication from brands, as influencer marketing becomes an integral force in advertising and those involved seek out additional tools for engagement.

The growth of Instagram Stories usage from brands on influencer accounts can be attributed to the feature's ability to create a personal and close connection with followers, despite its temporary nature. Micro-influencers, women and millennials are the dominant groups within this sector, but influencer campaigns as a whole have seen a growth

of 39 percent in the last year ([see story](#)).

“It is the most exciting time in retail because the path to the consumer is shorter than ever,” Ms. Tracy said. “I still see so much runway ahead of us, of where we can take this to the next level.”

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