

INTERNET

How luxury brands can move the needle with social marketing

November 4, 2010



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The emergence of social media has created an opportunity that luxury brands should exploit to magnify the effects of their marketing by generating word-of-mouth and fostering consumer loyalty.



Luxury companies need to understand and engage in the conversations consumers are having about their brands. No one-size-fits-all solution exists, but brand marketers need to sit down and think seriously about overall marketing strategies and which social media platforms would be the best complements.

“Social media and messaging can target consumers more effectively and efficiently and add value to the segment a luxury brand is in directly,” said Matt Anderson, partner at the consumer media and digital practice at Booz & Co, New York.

“I think that amplification around what that brand does is much more powerful and pronounced through social media because its metric driven and open to many people you care about,” he said. “Those who do engage are going to see increasing returns.

“Those who don’t will find their brand message and many of those elements falling by the wayside.”



Organizing social media

One of the big challenges of developing a social media strategy is picking and choosing the appropriate vehicles for engaging consumers, according to Tracy Tuten, associate professor of Marketing at East Carolina University's College of Business, Greenville, NC.

As the growth of the social media space accelerates, difficulties only become more pronounced.

Rather than haphazardly picking social media platforms to deliver marketing over, brands should develop a conceptual framework for the space in the context of consumer behavior.

"How can we organize the structure of social media in a way that helps us as marketers figure out what we're going to do with brands and how we'll interact with people?" Ms. Tuten said. "It turns out there are four key areas."

Those areas of engagement relationship building, commerce, publishing and broadcasting and entertainment.

Action plan

Luxury brands should use that context when considering what types of engagement they consider important as they decide how to approach social media, Ms. Tuten said.

Brands interested in relationship building should turn to social networks such as Facebook and Twitter. The key is to engage in a dialogue and be an active participant.

The perks of relationship building for luxury brands are not just viral.

Relationship building generates value for brands by putting marketers in the minds of consumers, which can spark research ideas and provide ethnographic data.

Those interested in social commerce can integrate commerce platforms into Facebook pages or create similar platforms on their own Web sites.

For example, Neiman Marcus just launched a holiday wish list contest on its Web site where consumers can choose items they would purchase for their friends or relatives and send those lists via Facebook and Twitter ([see story](#)).

Marketers looking to add a social element their commerce platforms can also integrate a

third-party solution such as Facebook's Like button ([see story](#)).



"I commonly have discussions regarding Facebook's Like button," said David Berkowitz, director of emerging media at 360i, New York. "For some luxury brands that have a lot of product pages on their Web site, it might be a good fit to include the Like button.

"For others, that's part of the experience that the brand doesn't own, and the brand wants to tailor every last pixel on pages and will find that as stretching things too far," he said.

Those luxury companies with an interest in publishing and broadcasting can use methods such as Facebook, Twitter and other social media platforms as a public relations outlet by blogging about initiatives and posting branded content.

Upscale products and service providers interested in entertainment could either produce their own or host user generated content to achieve brand engagement with consumers.

Louis Vuitton has done both, broadcasting several fashion shows on its Facebook page while also hosting a competition to encourage filmmakers to explore the themes of its Journeys campaign ([see story](#)).

"I hope this [framework] is a way to help us restructure the big picture of social media," East Carolina University's Ms. Tuten said.

Challenges abound

While some brands have found success with social media, many more are still struggling, according to Cheryl Stallworth-Hooper, CEO of Firefly Millward Brown, Westport, CT.

Marketers are struggling to devise strong social media strategies, particularly bricks-and-mortar companies. Meanwhile, brands do not know how to proceed in the space.

And, brand management groups lack the resources and internal support – not to mention a set of guidelines and best practices – necessary for orchestrated a successful social media strategy.

"Some brands are ignoring social media altogether," Ms. Stallworth-Hooper said. "The risk is that they may lose relevance.

"They won't be able to participate in the dialogue and conversations taking place with respect to the brand," she said. "Consumers want dialogue,"

"One way communication isn't working."

Final Take

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