

RESEARCH

Collapsing the two-way conversations between brand and consumer: report

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By JOE MCCARTHY

A new report by Ledbury Research discusses the power of pictures, storytelling, retail improvements, art of the temporary and taking responsibility.

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Luxury Daily

The "Global Luxury Themes" 2014 report contributes to the growing case being made for visual commerce, since brands from all categories are vying for social media prominence. Brands will continue to try to solve the puzzle of social-driven ecommerce, but other areas of brand identity must also be groomed.

"The report is designed so that luxury brands, marketers and otherwise, can quickly see what most of the top global luxury brands have been up to over the past 6 months," said Nicola Ko, luxury analyst at Ledbury Research, London.

"These may be direct competitors in their own industry, or their peers in other sectors," she said. "They can therefore learn best practices across these 8 industries to either inspire their own marketing initiatives, or to use as comparison when evaluating their existing marketing plans.

"Most surprising was not only the explosion of activity on Instagram and Pinterest, but how it has quickly overshadowed Facebook and even more so, Twitter. The fact that even

watch brands are getting on the bandwagon is a strong signal that visual-heavy social media cannot be ignored now."

The report identifies common themes across all the activities of 40 luxury brands in the last 6 months, and explores a select few in further detail.

Visual language

Ledbury's report discusses the move away from Facebook and Twitter to Pinterest and Instagram in searching of higher return on investments and engagement levels.

Several luxury brands such as Aston Martin and Givenchy have entered these visual platforms only recently.



Early Aston Martin Instagram post

Other brands such as Louis Vuitton and Burberry command a strong following.

Brands such as Four Seasons have excelled on Pinterest with early adoption of new components, while Michael Kors sped ahead with Instagram's advertising.



Early Four Seasons Pin.Pack.Go image

The report mentions a survey by Deloitte that found that 88 percent of watch executives surveyed viewed social media as important to the watch industry, and nearly half said that it poses a bigger online risk than counterfeiting.

For jewelry brands with limited production lines and high price tags, creating a strong social community helps to maintain relevance.

Other subjects explored in the report include retail, product, collaboration, ad and marketing campaigns and corporate activity.

"Although social media is globally recognized as an essential component of every marketing strategy, when it comes to luxury brands doubts and concerns are not few," said Benedetta Moreno, a London-based marketing consultant, London.

"If luxury generates value by creating distance between a brand and its customers with the purpose of developing the dream associated with the brand's products and services, being on free-to-all social platforms can be interpreted as a loss of exclusivity and uniqueness," she said.

"However, there are many benefits that these democratic communications tools can offer to the elitist luxury brands. They help brands learn about customers in terms of what they

like, what they don't like, what works and what doesn't work and, if the ability to understand the customer is worthwhile for any business, it is even more important for the luxury market where demanding customers want to be not only satisfied but also surprised.

"Since many online conversations relate to one's appearance and self-esteem, all the luxury brands which are by definition status symbols, should engage their affluent customers by offering the possibility to follow and eventually share on social media the latest news of their favorite premium brands."

Consensus

Other researchers have also weighed in on digital prospects for 2014.

A new report by Forrester Research forecasts digital trends for the year ahead such as advanced user experiences will no longer be optional and tablet innovations will surge.

The "Digital Customer Experience" report breaks down the major digital trends that will sustain 2014 and then provides evidence to ground its predictions. This year will continue to widen the gulf between laggards and top performers and consumers will flock toward the better digital experience ([see story](#))

Also, L2 Think Tank's latest social media report makes the case that Instagram is beginning to outstrip veteran platforms because of its proliferating and attractive user base, high engagement levels and ecommerce conducive format.

Visual commerce company Olapic collaborated on the report with insights, such as user-generated images presented on brand Web sites increase conversion by 5 to 7 percent and boost average order value by 2 percent. Luxury fashion brands such as Michael Kors, Burberry, Louis Vuitton and Marc Jacobs have emerged as dominant Instagram players, suggesting that Instagram is ideal for an "evolved form of window-shopping" ([see story](#)).

"Moreover, according to the latest research, around 86 percent of customers say they trust the advice of their friends more than anything else," Ms. Moreno said.

"Consequently, letting your existing customers do the talking for your brand through sharing your social media content on their personal profiles will not only improve the brand awareness and advocacy, but it will have a direct positive impact on your sales."

Final Take

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