Social Media Marketing Efforts of Luxury Brands on Instagram

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Social media offers marketers a broad set of instruments to connect to targeted customers in a personalized and interactive manner. Different social media platforms enable different innovative strategies for an organization’s social media presence. In this framework, Instagram has become a popular social media platform for luxury fashion brands. This paper explores the area of luxury fashion brands on Instagram by focusing on key practices that should be implemented in a social media marketing strategy. The main objectives of this study are: (1) the present the concept of luxury brands, (2) to examine the social media marketing of luxury brands aimed at driving consumer engagement, (3) to assess the marketing practices of luxury fashion brands on Instagram, especially as they relate to influencers and celebrity endorsements.

Keywords: luxury brands, fashion industry, social media marketing, Instagram, digital marketing

JEL Classification: M30, M31

1. Introduction

As consumers’ engagement rate tends to decrease, luxury brands need to reconsider their digital marketing strategy and discover new ways to maximize their return on marketing spend. A content marketing strategy needs to be adjusted to the appropriate social platform for each targeted audience, while grabbing the attention of key demographics and is, and highlighting compelling calls-to-action with an integrated link to checkout.

Social media platforms represent an essential resource for consumers, whether they use them for leisure activities, interacting with friends, or discovering new products and services. More and more, social media has an important role in the customer journey or decision-making process, influencing every stage from awareness, consideration, evaluation, to purchase and repurchase. For this reason, marketers are highly invested in developing social media strategies aimed at acquiring, retaining, and expanding their customer base. To this end, fashion is considered one of the most important industries since it accounts for a significant part of the worldwide economy (McKinsey&Co, 2019).

In this industry, luxury fashion plays a key role. A Deloitte report (2017) on millennials’ consumer behavior found millennials inclined to purchase luxury say they find information from traditional sources such as magazines, through to videos, websites and blogs. More specifically, 20.5% of respondents find out about

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the latest high-end fashion or luxury item trends from social media (Deloitte, 2017). Almost all luxury brands practice social media marketing which is defined as “marketing communications via digital applications, platforms and media that facilitate interaction, collaboration and content sharing among users” (Kim and Ko, 2012, p. 1480). Social media offers new opportunities for luxury brands to facilitate the lead qualification process, create brand awareness, and develop the brand as an ‘aspirational brand’. According to Tennille Kopiasz, Senior Vice President of Marketing at Parfums Christian Dior, “the best way for luxury brands to inspire consumers has always been through storytelling. As Instagram is a visual storytelling platform, the link is a natural fit.” (Instagram, 2017).

In this framework, this study examines this unexplored area of luxury brand marketing on Instagram and examine the key practices high-end brands are currently implementing on social media. The specific objectives of the study are as follows: (1) to examine the concept of luxury brands, (2) to understand the premises social media marketing of luxury brands aimed at driving consumer engagement, (3) to evaluate high-end brands’ popular and specific marketing practices on Instagram, particularly related to influencers and celebrity endorsements.

2. Luxury Brands on Social Media

2.1. Defining Luxury Brands

A luxury brand represents “a branded product or service that consumers perceive to be high quality, offer authentic value via desired benefits, whether functional or emotional, have a prestigious image within the market built on qualities such as artisanship, craftsmanship, or service quality, be worthy of commanding a premium price, and be capable of inspiring a deep connection, or resonance, with the consumer” (Ko et al., 2017, p. 2). The main reasons for purchasing luxury brands extend beyond functionality. Customers acquire luxury brands to gain exclusivity (Berthon et al., 2009), status and prestige (Amaldoss and Jain, 2005). Jackson (2004) proposes the following as the core characteristics of the luxury product, namely ‘…exclusivity, premium prices, image and status which combine to make them more desirable for reasons other than function’.

Moreover, luxury brands “possess distinct brand identities and meanings distinguished by specific associations” (Tynan et al., 2010). Petina et al. (2018), Beverland (2004) and Okonkwo (2009) propose that the “associations utilized by luxury firms in developing their brand identities usually include (a) authenticity, heritage, or pedigree; (b) stylistic consistency; (c) quality commitment; (d) unique aesthetic symbolism; and (e) hedonic and emotional promotional appeals”. Fionda and Moore (2009) reinforce the concept of luxury in the context of a status symbol that has a profound psychological value for consumers, stating that buying a luxury brand is a “a highly involved consumption experience that is strongly congruent to a person’s self-concept.”

The product category of the luxury goods represents a cornerstone of the marketing approach. More specifically, Chevalier and Mazzalovo (2008) and Lee and Watkins (2016) distinguish between eight luxury product types: “fashion, jewelry, cosmetics, wine, automobile, hotel, tourism, and private banking”. As related to the scope of this paper, luxury fashion tends to have a high propagation online due to their social value (Lee and Watkins, 2016) and hedonic associations. Therefore, luxury fashion brands have the potential to induce psychological and emotional values among customers and aspirational consumers especially because these brands have prestige price, craftsmanship, exclusivity, and in certain cases, heritage.

2.2. How Luxury Brands Approach Social Media Marketing

Social media offers marketers multiple opportunities to connect with consumers and develop more meaningful relationships with them. Social media also provides opportunities to create and share marketing content with targeted audiences, but also repurpose user-generated content to highlight the connection of customers with a particular brand. Luxury brand marketing on social media has been discovered to have a positive impact on consumers’ favorable luxury perceptions, desire for luxury, and purchase intentions (Lee and Watkins, 2016; Chu et al., 2013).

Existing studies on the use of social media marketing by high-end brands shows that despite of the logical inconsistency between luxury associated characteristics of exclusivity and the accessibility of social media, brands’ presence on these platforms enhance their visibility and awareness. Social media helps develop trust with luxury brands (Kim and Ko, 2010) and leads to brand evangelism (Dhaoui, 2014). In the luxury industry, social media can have an important impact on the brand’s success (Godey et al., 2016), especially as new trends in social media leads to shorter lifecycles. Moreover, due to the growth of young customers of high-end products, brands need to constantly innovate their marketing strategies and tactics to stay relevant in this volatile industry (Kim and Ko, 2010).
From a general perspective, a wide assumption is that social media is a threat that can harm the reputation and prestige of high-end brands. The main characteristic of luxury brands is exclusivity, and social media, that helps develop a mass appeal, is a main selling point of premium products. Nonetheless, high-end fashion brands, such as Chanel, Gucci, Prada, Valentino, Elie Saab, Dior, and many more have developed social media marketing strategies to connect with targeted customers (Lee and Watkins, 2016). Phan et al. (2011) analyzed the social media presence of Burberry, as one of the first luxury fashion brands to embrace social media, and as a result the profits of the company rose by 39.8%.

As the majority of luxury brands use social media to connect with their consumers, it is important to comprehend how high-end brands can establish significant and long-term relationships with their customers by engaging in online conversations and harnessing the power of influence of the brand among targeted audiences (Chu et al., 2019). As increasingly more high-end brands utilize social media to create meaningful connections with their customers, it is critical to comprehend how these luxury brands drive consumer engagement on social media.

2.3. Luxury Brand Marketing and Consumer Engagement in Social Media

In recent years, consumer engagement has received considerable research attention in advertising and marketing literature (Hollebeek et al., 2014). Vinerean (2016) proposed that customer engagement is directly and positively related to a number of “relationship outcomes such as satisfaction, trust, affective commitment, and loyalty” (Brodie et al., 2011). “Customer engagement has great potential to affect customer behavior and many authors consider it a successful retention and acquisition strategy for establishing and sustaining the competitive benefits for brand in digital marketing” (Brodie et al., 2013; Hollebeek et al., 2014).

Consumer engagement has been an interesting research topic in recent years, attracting interest from academics (Hollebeek et al., 2014) and marketers. Nonetheless, not enough studies have focused on consumer engagement with luxury brands in digital settings. One such study was developed by Dhaouki (2014) who examined “key attributes of luxury brands to consumer engagement on social media platforms” and found that a well-established social media strategy can have positive results on WOM marketing and the propagation of the message, thus leading to a higher brand visibility in online settings.

Pentina et al. (2018) discovered 11 discrete social media engagement behaviors: “1. Following or liking the brand; 2. EB2: Commenting on brand’s posts and ads; 3. Liking, tagging, and sharing the brand’s posts on one’s personal newsfeed (which represents the most frequently reported SM behavior); EB4: Mentioning friends in comments; 5. Tagging brand names and using fashion-related hashtags in posted photos; 6. Publish photos of brand’s Products; 7. Publish photos of oneself with the brand; 8. Explicitly soliciting comments to brand selfies; 9. Initiating and maintaining brand-related conversations in personal social networks; 10. Publishing multimedia shopping stories; 11. Modifying the branded product or suggesting a new interpretation.”

3. How Luxury Brands Approach Instagram

3.1. Luxury Brands on Instagram

With over 1 billion users (Instagram, 2019), Instagram is the fastest growing social media platform that offers users the opportunity to discover, share, tag, use hashtags, comment and ‘love’ visual content, in the form of images, videos and gifs. Bonilla et al. (2019) mention that on Instagram “brands and users post and share outfits that are then commented and voted on by other users, thus also serving as an inspiration for the brands themselves”. In addition, Instagram has a visual component that connects perfectly with fashion brands. It has several visual formats, including images, videos, boomerangs, layout, stories and live.

Compared to other social media platforms, Instagram has a higher appeal among consumers because it offers them the opportunity to take more actions (follow brands, influencers, friends…; visit websites; easily shop different products or brands they see on Instagram). Other studies (Locowise, 2017; Globalwebindex, 2015) show that consumers tend to shop more often on Instagram, after interacting with brands’ posts and their level of engagement with brands is far higher on this platform compared to Facebook or Twitter.

Under these circumstances, a 2017 report from Instagram (Instagram, 2017) characterizes luxury customers who use this popular platform as “highly driven and successful individuals …, with an average age of 35, who are tech-savvy, they own more devices than the average global Instagrammer and spend more time on them than any other group.” Because of its visual extension, Instagram is appropriately used by fashion luxury brands to extend the brand in social settings. As a result, consumers use the content they see on Instagram to inspire their future searches, behavioral intention and shopping behavior (Casaló et al., 2018).
More and more, consumers use influencers to inspire their fashion luxury choices. Figure 1 presents the number of Instagram followers of luxury fashion brands, as reviewed in May 2019.

![Figure 1. No. of Instagram followers (in millions) for Luxury Fashion Brands as of May 2019](source: Statista.com, 2019)

In an effort to bring brands closer to their audiences (current, potential or aspirational customers), luxury fashion brands develop different practices as part of their Instagram marketing strategy, such as:

- **Stories.** High-end brands use the 24-hour stories to present ads of their products (Tom Form @tomford), magazine spreads that use the high-end products (Gucci @gucci), making of different looks (Oscar de la Renta – @oscardelarenta), and so on.

- **Live videos.** Usually, live videos are used by luxury brands to present their fashion shows (Louis Vuitton @louisvuitton).

- **IGTV.** Instagram TV is mostly used by luxury brands to showcase backstage access of the preparations for the newly launched collections (Valentino @maisonvalentino; Tom Form @tomford) and advertising campaigns (Balmain @balmain; Burberry @burberry; Saint Laurent @ysl).

- **Instagram Shopping.** This feature provides luxury shoppers the opportunity to explore and shop for different products they encounter on Instagram. With Instagram Shopping, companies can “share featured products through your organic posts and Stories, or have people discover your products in Search and Explore” (Instagram, 2019). Luxury brands that already apply Instagram Shopping are: Tom Form @tomford, Gucci @gucci, Burberry @burberry, Balmain @balmain, Dior @dior, Prada @prada.

- **Highlights.** Compared to the 24-hour stories, highlights allow a brand to group different old stories in new thematic sections, that are located below the biographical section of the account. Luxury brands currently use stories to showcase past runway shows (Tom Form @tomford), celebrities wearing the brand (Elie Saab @eliesaabiworld; Givenchy @givenchyofficial; Valentino @maisonvalentino; Tom Form @tomford), different products (Gucci @gucci), different collaborations with other brands (Puma x Balmain @balmain) or store experiences in different cities (Louis Vuitton @louisvuitton).

- **Filters.** Many luxury brands (Valentino @maisonvalentino, Louis Vuitton @louisvuitton, Dior @dior, Balmain @balmain, Prada @prada) have developed special AR (augmented reality) filters that give Instagram users the opportunity to interact with the brand in a fun manner, while building brand awareness.

- **Custom hashtags:** Luxury fashion brands use different custom hashtags (in addition to their usual hashtags) to generate higher volume of engaging posts. For instance, Balmain (@balmain) uses the hashtag #BalmainArmy, and different hashtags to aggregate content related to different collections, (#BalmainRE20) or to promote particular products (#BALMAINBBOLD). Similarly, Fendi promotes hashtags for products (e.g. #FendiBaguette), couture (e.g. #FendiCouture) and collections (e.g. #FendiPrintsOn).
Below there are a series of figures that showcase these social media practices that have been successfully implemented by luxury fashion brands on Instagram.

**Figure 2.** The use of Instagram shopping by luxury brand “Tom Ford” (@tomford)

**Figure 3.** The use of Instagram highlights and IGTV by “Valentino” (@maisonvalentino)

**Figure 4.** The use of Instagram highlights and AR filters by “Balmain” (@balmain)

3.2. Celebrity Marketing and Luxury Brands on Instagram

Celebrities appeal to a common reference group. A reference group represents “a person/group of people who serve as a reference to an individual in forming values and attitudes, and in so doing provide consumers with a reference in their purchasing decisions” (Schiffman et al., 2012). Djafarova and Rushworth (2017) propose that “celebrities’ profiles are at the top of the list of the most-followed pages on Instagram, frequently used to deliver marketing communication messages to their followers.” Their study (Djafarova and
Rushworth, (2017) focused on a qualitative research approach that aimed to examine the influence of Instagram celebrity marketing on purchase decisions. As a result, Djafarova and Rushworth (2017) found that “respondents' self-esteem is enhanced in buying a product or service that was recommended by a celebrity”.

In social media marketing, “celebrity endorsement is a widely used strategy” (McCormick, 2016). Luxury brands especially from the fashion sector partner with celebrities to gain access to new markets. Different types of celebrities, whether they are models, athletes or singers, resonate with different audiences. As a result, luxury brands contract them to post about a brand in exchange for some sort of payment. Mark Glassman, in an article from Bloomberg (2019), states that we should expect the trend of using partnerships between luxury companies and celebrities to continue in upcoming years.

### 3.3. Influencer Marketing and Luxury Brands on Instagram

Influencer marketing reflects a practice in which influencers are able to influence the attitudes, decisions and behaviors of their audience of followers (Watts and Dodds, 2007). Instagram (2017) defines influencers as “ultra-connected individuals, [who] are the first to try out new trends, and their knowledge of luxury is second-to-none… This power to introduce brands to an audience of consumers that’s often complementary to that brand’s own Instagram following makes them highly sought-after.” Influencers are brand ambassadors on Instagram because they integrate different brands into their own lives as they showcase them on Instagram.

According to De Veirman et al. (2017), by co-creating value with influencers for targeted customers (for example, by offering them the opportunity to test an item, organizing an event, or offering them sums of money for their created and shared original content), luxury brands expect influencers to advertise their products among their base of followers and potential customers. Compared to celebrities, influencers seem more personable, credible and easy to relate based on their shared experiences and snippets of their life on social media. In this respect, Casaló et al. (2018) posit Instagram as the “platform that is most used by opinion leaders (influencers), due to the sense of immediacy that is generated and because of its creation of communities; and it seems that this trend will continue in the near future”. Social influencers have an important role in the fashion industry (Wiedman et al., 2010). Casaló et al. (2018) state that Instagram is the platform that is most used by opinion leaders (influencers), due to the “sense of immediacy that is generated and because of its creation of communities; and it seems that this trend will continue in the near future” (#Hashoff, 2017).

Consumers seek advice on Instagram from influencers who publish content that match their psychographic characteristics, to achieve an aspirational self-image that resembles that of the influencer (Pradhan et al., 2014). In a report by Business of Fashion and McKinsey&Company (2019) estimates that approximately 86% of companies use influencer marketing. However, the engagement rate for sponsored posts developed by influencers on Instagram “dropped from 4 percent in Q1 2016 to 2.4 percent in Q1 2019”. Engagement rate for sponsored posts on Facebook and Twitter is far worse, namely 0.37 percent engagement rate on Facebook, and 0.05 for Twitter (McKinsey&Company, 2019).

### 4. Conclusions

#### 4.1. Theoretical Contributions

This paper addressed multiple objectives, highlighted in the Introduction section, to enhance existing literature in the following areas: (a) the conceptualization of “luxury brands”, (b) social media marketing of luxury brands aimed at consumer engagement, (c) specific Instagram marketing practices in the context of luxury fashion brands.

The basis for this study was the luxury fashion sector where social media strategies have been successfully used to engage and reach customers and aspirational consumers. Academic work dedicated to fashion luxury brands’ social media strategy is limited. This paper provides new perspectives on this topic. Previous academic research (Godey et al., 2016; Kim and Ko, 2012; Phan et al., 2011) examined how high-end brands approached Instagram to develop closer relationships with customers and increase the brand awareness in digital settings.

In this current business environment, social media marketing actions are part of the promotional mix in the new brand communication paradigm (Mangold and Faulds, 2009). While traditional media have a stronger impact on brand awareness, social media communication strongly influences brand image (Godey et al., 2016). Instagram is targeted for luxury brands because of its visual extension that allow brands to have a visual storytelling approach. More and more, Instagram is considered the new destination for inspiration and a new form of “window shopping” as consumers tend to consult this social media platform especially in the discovery and consideration phase.
Social media represents an essential resource for consumers in their decision-making process, and for marketers in developing and maintaining a close brand-customer relationship. In this framework, Instagram has gained popularity with consumers and marketers, alike. Instagram is a social media platform highly focused on visual storytelling which creates the perfect medium for products and experiences. Luxury brands have also adopted this platform to reach potential audiences in a creative manner (Instagram, 2017).

4.2. Managerial Implications

This study addressed multiple Instagram marketing practices that can be successfully implemented in the context of luxury fashion brands. Through its social media efforts, a company can influence consumers’ perceptions, attitudes, and preferences related to their brand, by pursuing practices that aim to develop brand awareness and creating a brand image that resonates with targeted customers. Godsey et al. (2016) state that “brands should no longer regard social media marketing as a way to reach consumers, but also as an important and cost-effective image-building tool.”

On Instagram, luxury brands need to be proactive in developing original, attention-grabbing content that engages customers. Moreover, original content can also be achieved through partnerships with celebrities and influencers. The created content aims to enhance the brand’s legacy and reinforce its uniqueness to potential and current customers, as well as lead to positive behaviors (Herrando et al., 2018). Tools such as boomerangs, highlights, stories, filters, shopping and so on, have proven to be interactive practices that give brands multiple creative options to develop the luxury brand image, brand awareness and drive engagement.

Luxury brands who approach Instagram as a social media platform that bridges the gap between the company and targeted consumers need to focus the storytelling. On Instagram, these storytelling capabilities can be achieved through the feed, videos, stories, and live videos. The feed should have an editorial look and be timeless, compared to Stories, where momentary and ephemeral content has a great value. For instance, in its 2017 report, Instagram reveals that Burberry “led London Fashion Week with 38% of the discussion thanks to its engaging behind the scenes content”.

Another useful Instagram practice that luxury fashion brands should consider are hashtags. Hashtags represent an effective practice to mobilize the right audiences on Instagram. Moreover, hashtags are used for research and inspiration, by marketers and consumers, alike. Nonetheless, celebrity marketing has a significant role in communicating marketing messages. Similarly, influencer marketing has the advantage of presenting high-end brand in an informal and accessible context. Therefore, luxury brands have to use Instagram in an effective manner to reach targeted audiences.

4.3. Limitations and Future Directions for Expanding the Research

One major limitation of this study is the lack of empirical evidence for these propositions. Future research should focus on developing a quantitative marketing research with primary data to examine the level of Instagram use to influence luxury fashion purchases, in general and related to a particular high-end brand. Another idea for expanding this study is to conduct a qualitative research based on text mining and sentiment analysis to gather new information from users’ comments about their use and perception of luxury fashion brands’ presence on Instagram. The study could also be extended in developing a cross-cultural research that examines consumers’ use of Instagram and how they perceive social media marketing practices of luxury fashion brands.

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