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# Managing Digital Consumer Influence in Luxury



By , INSEAD Assistant Professor of Marketing and Debbie Teo, INSEAD MBA '12]

**The democratisation of the Internet has led to the emergence of influencers who sometimes have more followers, reach and influence than brands themselves. How can luxury brands manage and engage with such influencers?**

The digital revolution has levelled the playing field, by giving some individuals – often referred to as influencers, online fashionistas, or bloggers – more sway and energy than an entire brand. This democratisation can enable brands to co-create brand stories with powerful personalities in the fashion community, who embody common values and aspirations.

Such style “authorities” don’t just emanate from fashion websites and magazines anymore. They exude a confident, opinionated and authoritative aura and they command respect. Consumers feel they are experiencing a more authentic perspective on fashion when following individual bloggers, socialites and fashion editors and stylists. This is particularly important in an industry where codes, tastes and preferences are subjective.

Influencers can count their followers in the millions. For instance, Anna Dello Russo, who started as a traditional fashion editor in print, has about 430,000 followers on Instagram, significantly more than retailers like Neiman Marcus with 330,000. Cara Delevingne, the model has about 4,800,000 followers, and famous bloggers like Chiara Ferragni, who also has her own shoe line, has 2,100,000. Gary Pepper has 871,000 - far more than traditional fashion print authorities like Harper's Bazaar (290,000 followers). While numbers may vary across platforms, it is now clear that the digital revolution has led to the emergence of new influencers, with considerable sway over purchase decisions.

### **Engaging with the bloggers**

Luxury and fashion brands can be tempted to bandwagon and associate with bloggers. For instance, blogger Margaret Zhang in Australia has about 150,000 Instagram followers and has been shot and styled even by online fashion websites like ModaOperandi.com and given fittings at Roberto Cavalli offices in Milan. Stylist Tina Leung in Hong Kong who has about 25,000 followers on Instagram has publicly thanked brands like Michael Kors, Dior, Hugo Boss, Jimmy Choo, and Chanel, on her account for products and/or event and show invites. The very allure of such street influencers are their individuality and nonpartisan take on fashion, and so the tripartite balance of power and content creation between the brands; the style personalities; and their legion of followers do need to be mindfully curated.

In addition, brands also need to carefully select personalities who are in line with their positioning, and who have the right demographic profile of followers. Indeed, bloggers can be a source of serious backlash, especially if bloggers are primarily looking to monetise their engagement and cast doubt on the sincerity of their production and advice. In addition, in the case of classic endorsement, brands can run the risk of being associated with negative behaviour or unethical practices of bloggers seeking reward for their favourable reviews. To prevent potential damage and assess risks, brands should carefully define a blogger strategy *beforehand* and think about the type and strength of interaction they want to carve with influencers.

### **Co-creation with the Community**

Another way that digital has empowered the community is in co-creation, by combining engagement with product design. Consumers can now digitally

design a product that appeals to their own tastes and even luxury brands that traditionally want the most control over product design and specifications, have caved in to the power of the individual. Prada.com enables select customisation of their “Lettering Project” for their travel collection, although their much more exclusive “Made-to-Measure” ready to wear project is only available in-store and further complemented by their website, encouraging clients to visit a store to experience this service.

This digital co-creation has also been further moulded into a store environment. Louis Vuitton has a digital customisation atelier, except that it is only accessible in-store (their new Townhouse in Selfridges London) and reaffirms the need for brands to engage customers digitally in a physical environment. Shoesofprey.com, an Australian start up, enables consumers to digitally design their own shoes in 3D, and has most recently opened up in David Jones with 6 iPads. These examples are testament to the power of digital co-creation and should also be synergised in stores to create a seamless brand experience for customers who are adept in both realms.

### **The digital dilemma**

Luxury brands face a dilemma in the duality of digital and physical, the marriage of bricks and clicks. This duality is more entrenched than ever, and while many luxury executives see them in direct conflict with one another, the opportunities and benefits to both spheres far outweigh the risks and challenges – provided brands proactively build a digital strategy that incorporates all three aspects: image, content and people. With digital being a new sensory touch point, the subsequent choice of platform and channel communication is just as important. A brand needs to be very clear on the objectives it wants to achieve, in order to be the director of selectively using the different platforms and tools available to build resonance. Coupled with carefully curated content luxury brands, can build meaningful conversations with their followers and turn engagement into inspiration and sales.

*This is the final part of a three-part series on luxury in the digital world. The full series can be viewed [here](#).*



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