
Why Social Media Is Luxury's Best Friend



By [David Dubois](#), INSEAD Assistant Professor of Marketing

Without embracing social media, luxury brands risk being shut out of conversations about their products. Here are three effective ways to go social.

As a business professor teaching in France and Singapore, I have the privilege of interacting with executives spanning many industries - from food and restaurants to technology, pharmaceuticals, health, transport and luxury.

Invariably, given my interest in social media, the discussion turns to how managers integrate social media in their business strategies. Consistently, with most managers of luxury and premium brands, I get the answer that social media is not a communication tool that luxury brands should use.

Variants of this answer include that social media is "dangerous", or that "social media and luxury are incompatible". In short, luxury managers often see social media as a threat, or at best as something not very useful.

Luxury brands that choose not to embrace social media make a serious mistake

At first, this reaction seems appropriate: luxury generates value by creating distance between a brand and its consumers. That distance is necessary to create the dream associated with a brand's core value and is commonly created through the form of scarcity, exclusivity in retail, or even being in a remote location.

It is not unusual to see retailers of large luxury cars located in more remote areas than retailers of more mainstream brands. It is not only a way to mark their difference with competitors, but also to create distance with their own potential customers and signify that if customers are interested in these brands, they should make the effort to visit.

Another good reason for why luxury brands might stay away from social media is they seem incompatible in nature - luxury is, by definition, reserved to an elite; social media platforms embrace diversity and democracy.

The world of social media is flat, and in this world, everyone has a voice and is free to engage and interact with brands. In fact, people expect brands to respond to their queries and questions. Such interactivity is tricky for luxury brands, because one could say that the more they interact, the more they risk losing their mystery and uniqueness in the eyes of consumers.

However, luxury brands that choose not to embrace social media make a serious mistake. At the very least, they miss out on a great opportunity to learn about their customers. At most, they simply run the risk of disappearing.

Brands can get bad press from graft scandals, reinforcing the need for online strategies. Why is it particularly important for luxury companies to use social media? Recent empirical evidence suggests that consumers engage intensely in conversations about luxury and premium brands. In fact, they disproportionately talk about premium and luxury brands, and do so especially when talking online.

Why? Because many online conversations relate to one's appearance and self-esteem, which are intrinsically related to consumption of luxury and premium brands that help express oneself. And, because people tend to like to share information about products or services "out of the norm" - the biggest, the largest, etc.

Luxury or premium brands often fall into this category. For instance, Jonah Berger, in his book *Contagious*, narrates how Philadelphia-based restaurant

Barclay Prime decided to offer a super premium cheeseburger - many levels above standard cheeseburgers, one with "a fresh, house-made brioche roll, Kobe beef marbled to perfection, with caramelised onions, shaved hand-harvested black truffles and butter-poached Maine lobster tail" - served, of course, with a chilled glass of Veuve Clicquot champagne - and priced at US\$100. Word of mouth was incredible and interest in the restaurant did not fade over time - in fact, it grew.

Another reason for engaging in social media is that luxury brands are more often than other brands associated with corruption and scandals that can damage them. On the mainland, for instance, several highly ranked officials have been photographed wearing watches by Rolex, Piaget, Omega or Cartier, each worth several thousand dollars. Not responding at all to the online uproar that generally follows these situations leaves the door open to many harsh criticisms that can severely damage a brand's reputation.

In sum, luxury and premium brands should embrace social media - both in response to online crises and to further connect with their customers. Here are three ways to do it:

First, open your heart does not mean become a best friend. Luxury brands should not mistake making their core values more accessible with losing their sacred distance with customers. Burberry, in that regard, has done an incredible job. On the one hand, it has created content that reinforces the story around the brand and enriches its magic. At the same time, it has "opened its heart", for instance, by deciding to share online, instantaneously, through YouTube and Instagram, its fashion shows. This allows millions of fans and potential consumers to participate in one of the central events through which the brand is reinforced.

Second, think about the web as a springboard for your brand values. Rely on the many talents that are already on the web to reinterpret your brand values and help you connect with the various groups and communities. Such initiatives should not only involve community leaders (prominent bloggers) but also online artists and other creators. For instance, MAC Cosmetics launched a Twitter community of artists to encourage the sharing of behind-the-scenes stories about the brand.

Third, recreate and manage your status online. Luxury brands are, for a large part, status symbols. To avoid diluting one's status, it is important not to trade off online brand presence with being exclusive. One solution is to build exclusive customer-only online communities. This is what Mercedes-Benz

(Generation Benz Community) and Mini (BMW Mini Space) did by creating invitation-only community platforms, with the goal of sharing more of the brand experience with their clients. Other opportunities entail creating new awards to position the brand at the forefront of one's category (such as the Rolex Awards).



David Dubois is Assistant Professor of Marketing at INSEAD.

Follow us on twitter [@INSEADKnowledge](https://twitter.com/INSEADKnowledge) or Facebook <https://www.facebook.com/Knowledge.insead>.

Find article at

<https://knowledge.insead.edu/strategy/why-social-media-luxurys-best-friend>