

The Role of Social Media in the Luxury Brand Fashion Industry

As told through an analysis of Burberry's Social Media Strategies

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History of Fashion Industry:

Luxury fashion brands have always been at the front of the fashion industry. They determine trends and set the standards for future fashion leaders; yet, they have never been as widely accessible as they are currently.

While there have been semi-annual runway shows since the first New York Fashion Week in 1943, these shows were almost entirely restricted to fashion insiders for decades. Until the late 1980s, large retailers that sold standardized styles dominated the fashion apparel industry; thus, mainstream fashion did not reflect the clothes on the runways (Bhardwaj and Fairhurst). This was largely due to design restrictions of the factories that were mass-producing clothes at the time. They could not keep up with the quickly adapting trends of luxury fashion. Therefore, the leaders in the retail industry were those brands that produced a certain type of product, for example, Levi's jeans. As a result, the influence of luxury fashion brands was largely unknown to the public.

During this period, luxury brands were viewed as unattainable because they were not as widely produced. However, in the early 1990s, a shift started to occur within the retail industry. Consumers were being introduced to more luxury brands through different mediums, and thus learning about upcoming fashion trends before they hit stores. Consequently, consumers were becoming more sensitive to style and fashion, which meant they were not settling for the basic mass-produced apparel sold by retailers. To respond to customer's changing habits, "Retailers started focusing on expanding their product range with updated products and faster responsiveness to the newness of fashion trends" (Bhardwaj and Fairhurst).

This retail trend continued as technology continued to develop. With the commercialization of the Internet in the mid-1990s, information sharing became much easier: “From 1999 onwards, fashion shows and catwalks became a public phenomenon, where photographs of the recent fashion shows could be seen in magazines and on the web leading to demystification of the fashion process” (Bhardwaj and Fairhurst). Once information became readily available to people outside the fashion industry, luxury brands were faced with the new challenge of adapting to the increased exposure, while still maintaining their exclusivity.

This challenge became much more difficult with the rising popularity of social media, which are “the two-way communication platforms that allow users to interact with each other online to share information and opinions” (Kim and Ko). Around this time, luxury brands were starting to feel the competition from lower sectors. In order to maintain credibility in the changing market, luxury fashion brands had to learn how to utilize social media platforms. Today, “Use of social media sites such as Twitter and Facebook has already expanded to almost every luxury fashion brand” and social media has been valued as an effective marketing tool (Kim and Ko).

While luxury brands have adapted to social media practices, some brands certainly understand it better than others. Through my study, I will show how one luxury brand, Burberry, is the model to follow in terms of social media marketing strategy. Not only was Burberry an early adopter of social media, the brand also quickly established a digital presence that allowed consumers to interact. In order to remain current and competitive in today’s market, luxury fashion brands should follow Burberry’s lead.

Case Study on Burberry:

To show how social media has helped luxury brands, I have tracked one of the industry leaders in social media marketing, Burberry Prorsum. Burberry is a British heritage luxury brand that was founded by Thomas Burberry in 1865. The established design house is best known for its trench coats, which have been worn throughout British history, since World War I. However, just around the time that the fashion retail landscape was changing in the 1990s, Burberry was becoming outdated. In 2001, Burberry's current Chief Creative Officer, Christopher Bailey, was hired to make the brand exciting and relevant for the twenty-first century customer. Unfortunately, this revitalization of the brand backfired when Burberry "became popular among 'chavs,' young people characterized by brash, loutish and anti-social behavior" (Phan, Thomas and Heine). It was not until June 2006, when the current Chief Executive Officer Angela Ahrendts was hired, that Burberry started its journey toward becoming a major trendsetter in digital and social media marketing.

Burberry was the first luxury fashion brand to invest in digital communications, and social media in particular. It was also the first fashion brand to "broadcast live and in 3D its fashion show from London to five international cities simultaneously in 2010" (Phan, Thomas and Heine). The following year, Burberry staged a catwalk show in Beijing and had live models mixed with holograms, which was something that had never been done before. Burberry turned this into a social experience by posting these videos to its YouTube channel, so anyone could see the shows. This was the first time a luxury fashion brand truly opened the elite runway to the public, and it positioned the brand as trendy among younger, web-savvy consumers (Phan, Thomas and Heine). Since the start of its social media trendsetting, Burberry has tried to out due itself every fashion week. Last year, Burberry was the first to

broadcast its runway show live from London Fashion Week on Facebook. This February, it became the first brand to broadcast its runway show through a live link tweet, which could be viewed directly from Twitter. All of these tactics have positioned Burberry as a top influencer in luxury brand social media marketing, and digital consumers all over the world have taken notice.

This adoption of social media and digital-age revitalization of the Burberry brand did not come cheap, despite the fact that most social media sites are free to use. In 2011, Burberry told the Financial Times that over 60 percent of its annual marketing budget is now devoted to digital media – more than three times the market average (Barrett and Bradshaw). Though 60 percent may seem high, digital and social are the future of marketing and branding, and the sooner companies adapt to the digital marketing landscape the better their future relationships with customers will be. Because of Burberry's success in digital, New York University think-tank LuxuryLab, named Burberry the world's most 'digitally competent luxury brand' in October 2011. In order to further understand why Burberry earned this status, we should analyze Burberry's social media statistics.

Figure 1, on the following page, contains metrics from Burberry's main social media platforms. The data is from the week surrounding the 2013 Autumn/Winter London Fashion Week, which took place over February 15 to 19. Through an analysis of Burberry's social media insights, we can see how popular the brand's typical posts are in comparison to its posts on the day of the runway show on February 18. It is evident that big events in the fashion industry attract more engagement, especially when the brand creates excitement around the reveal of the new season's line. From this data, we can also infer that the increase in Facebook shares and retweets on Twitter on February 18 led to more exposure for Burberry. As a result, Burberry's following increased on both social media platforms. For

Burberry to make this a trend, the company's social media strategy team will have to pay attention to what types of posts generate more shares and retweets because those are the actions that increase virality on social media.

Burberry's Key Performance Indicators/ Engagement

FACEBOOK

Date	Fans	#Posts	Likes	Comments	Shares	Post Content
2/14	--	1	44,491	364	2119	Wishing fans Happy Valentine's Day
2/15	--	1	13,941	80	508	Invite for Burberry Facebook Fans to the runway show
2/16	--	1	4410	38	277	Watch the runway show live on Facebook Monday 18 February, 4pm London time
2/17	--	1	31,311	178	1047	Locks & Studs, Close up sneak peak on the F/W line
2/18	14,779,038	3	114,408	1478	5059	Note from Chief Creative Officer, Christopher Bailey, Watch the runway show live now (video), Reposted video later
2/19	--	1	26,523	284	1746	Photo album of looks from Burberry Prorsum Womenswear F/W 2013 runway
2/20	--	1	52,957	535	3438	Photo album of looks from Burberry Prorsum F/W 2013 runway
2/22	--	1	20,833	204	562	Beauty looks from Burberry Prorsum F/W 2013 show
3/1	14,854,133	1	20,628	167	609	Introducing new Burberry Body Tender fragrance, featuring British model Cara Delevingne

TWITTER

Date	Followers	#Tweets	Favs	Retweets		Post Content
2/14	--	2	268	381	--	Wishing fans Happy Valentine's Day; celebrate Valentine's Day with Burberry video
2/15	--	4	227	386	--	Congrats to Burberry artist on award nomination, Tweets from Chief Creative Officer, Christopher Bailey, runway show invite for Twitter followers
2/16	--	2	105	141	--	Fittings for runway show, Listening to Jake Bugg
2/17	--	5	276	285	--	Photo of seating chart, Burberry logo on bag, Vine Video of backstage and countdown, Beauty look for show, listening to artist
2/18	1,636,000	55	4045	5617	--	Live tweeting the day of the runway show
2/19		5	421	482	--	Personalized runway item made for Twitter followers, Photos from show, coats, bags made for you straight from the runway
2/28	1,640,560	3	241	289	--	Men's wallets, crossbody bags, metallic bags

YOUTUBE

Date	Subscribers	#Videos	Views	Comments		Video Content
2/18	--	1	173,816	220	--	Repost video of Burberry Prorsum F/W 2013 runway show
2/28	59,274	1	13,342	27	--	New Burberry Body Tender fragrance commercial, featuring British model Cara Delevingne

Figure 1

To put Burberry's Facebook fans into perspective, we can compare the brand's social media following to other luxury fashion brands. Alexander McQueen, another popular British design house that designed Kate Middleton's wedding dress for her royal wedding to Prince William, Duke of Cambridge, just reached 1 million fans on Facebook on February 26, 2013. As of March 1 2013, Burberry had 14,854,133 million fans; a significant difference in social

popularity. Alexander McQueen created its Facebook page on November 26, 2010, whereas Burberry joined Facebook on June 10, 2009. While a year and a half may seem like big time difference in which Burberry could have earned more followers, we must consider that social media does not follow a specific pattern; it is determined by how well you engage your audience. Alexander McQueen is comparable in that it is a British luxury brand that is well-known globally.

Another famous luxury brand, Dior, joined Facebook on September 13, 2010, only two months before Alexander McQueen. Dior's Facebook page had 11,445,803 fans as of March 1, 2013. From this information, we can infer that Dior and Burberry are engaging their current fans, and establishing relationships with new fans through their content. On the other hand, Alexander McQueen has not yet determined the type of content that its followers would want to share to their networks. Of course, there may be additional factors: Burberry was established first, in 1865, Dior in 1946, and then McQueen in 1992. Currently, Burberry has the most Facebook fans and McQueen has the least, however we cannot follow this logic. The difference of 10 million fans between McQueen's page and Dior's page does not directly correlate to how long they have been established. Since Alexander McQueen gained popularity during the information age, you could argue that it should have more of a following on social media sites.

Data from over two months of tracking these luxury brand Facebook pages gives us another comparison on the growth of Burberry's Facebook following. On April 18, 2013, Burberry's Facebook page reached 15 million likes. Burberry still has the largest following in comparison to other luxury fashion brands, and therefore was the first brand in the industry to reach this milestone. As of May 1, 2013, Burberry had 15,123,679 page likes, Dior had 11,795,208 likes and Alexander McQueen was up to 1,127,865 likes. From Figure 2 we can see

that Dior had the largest increase in fans over the two-month period. Dior gained 79,859 more likes than Burberry did over this period. Burberry had only 30 posts over those two months, while Dior had 43 posts, and featured more celebrities in those posts. People idolize celebrities in the way that they look at luxury brands, so they are more likely to share or like a post that involves both. Dior did a good job at recognizing what their audience was reacting to, and changing their future posts to reflect that. Burberry will be faced with this challenge in the future; the brand’s social media team will have to be more flexible in adapting its posts to meet the wants of their audience, instead of just continuing planned campaigns as they have been currently.

Luxury Brand	Facebook Likes on March 1, 2013	Facebook Likes on May 1, 2013	Likes Gained in 2 Months
Burberry	14,854,133	15,123,679	269,546
Alexander McQueen	1,000,000 (February 26)	1,127,865	127,865
Dior	11,445,803	11,795,208	349,405

Figure 2

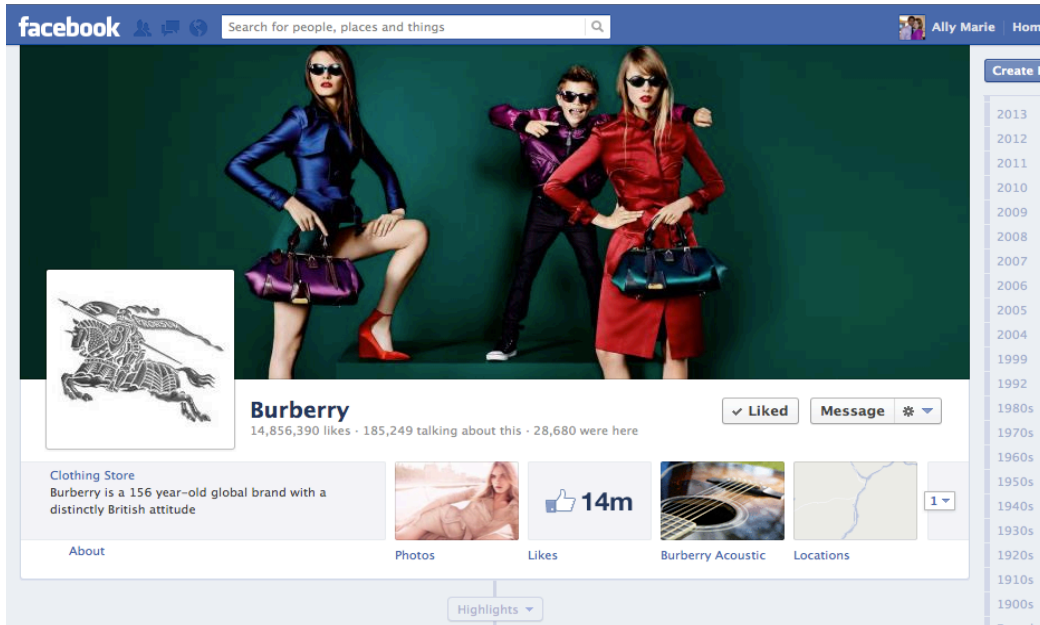
With that said, Burberry is still leading the conversation on their own social media website, The Art of the Trench, which is something no other luxury brand can claim. In November 2009, Artoftthetrench.com was created as a way for Burberry customers to share photos of how they style their own Burberry trench. Burberry had noticed that street style was becoming increasingly popular, and decided to leverage this trend and apply it to the Burberry brand. According to a study in Business Today:

“The Art of the Trench site was designed carefully to walk the fine line between appealing to Burberry's high-end customer base and also generating interest in the new youthful, aspirational future customer....To engage both existing and aspirational customers, the Art of the Trench

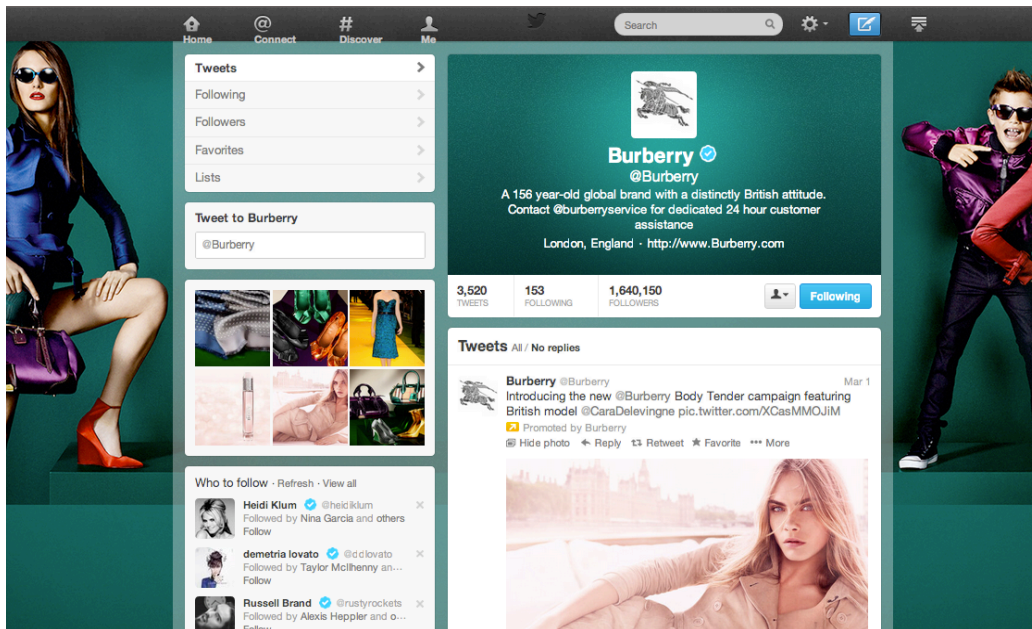
offered two levels of participation. Customers could upload photos of themselves in their Burberry trenches, and customers and "aspirational" alike could comment on them, 'like', and share the photos via Facebook, email, Twitter, or Delicious" (Grieve, Idiculla and Tobias).

This was a strategic move to create a specific social media site just for Burberry customers to engage on; however, it also jump-started the rest of Burberry's social media platforms. The brand found that existing customers could generate content that would appeal to them and their peers, and as a result, engagement on all of Burberry's social media sites increased. With this move, Burberry managed to attract existing customers as well as gain interest from new digital age consumers. Unfortunately, The Art of the Trench is still Burberry's main source of creating dialogue with its customers, since its other social media platforms tend to just be outreach. However, as social media continues to become the norm, we will likely see Burberry integrate posts from The Art of the Trench into its other social media networks. At least, this is something Burberry should consider, as a way to engage its fans on all platforms and increase traffic to its website. As Burberry's high-end customer base becomes more digitally savvy, this shift to integrated social marketing will be a beneficial way to increase overall engagement.

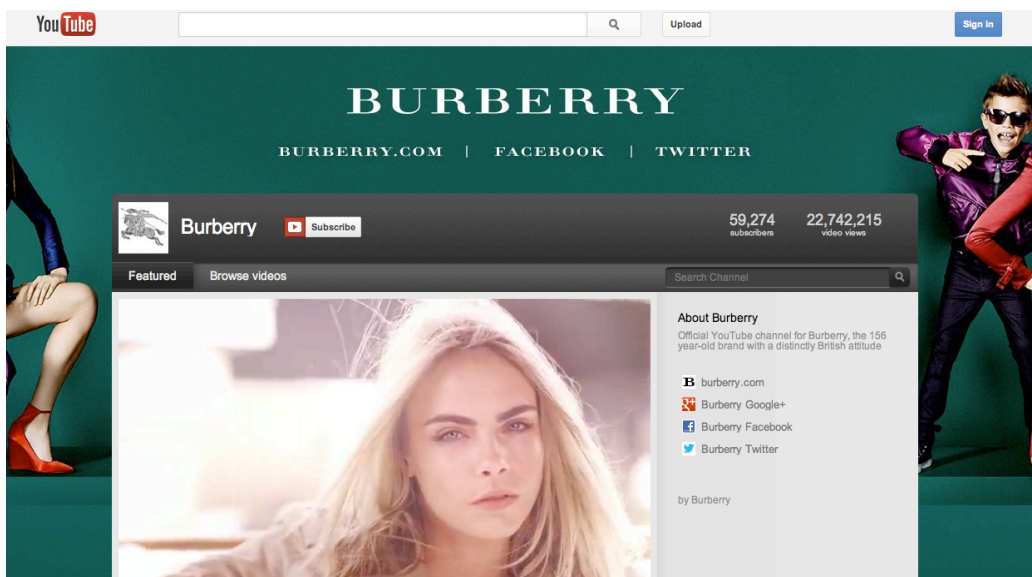
Over the past few years, Burberry has attracted a new digital audience, and if the brand continues to remain innovative, these people will likely be future consumers. Since Burberry has reestablished itself globally as a digitally innovative luxury fashion brand, it has created various types of customers. In order to continue to be a luxury brand leader, Burberry will soon have to reevaluate its customers and retarget its messages. So far, Burberry has managed to remain an iconic British luxury brand and maintain its original fan base, and reinvent itself for the digital generation. Hopefully, we will see the brand continue on this path.



Burberry's Facebook Page

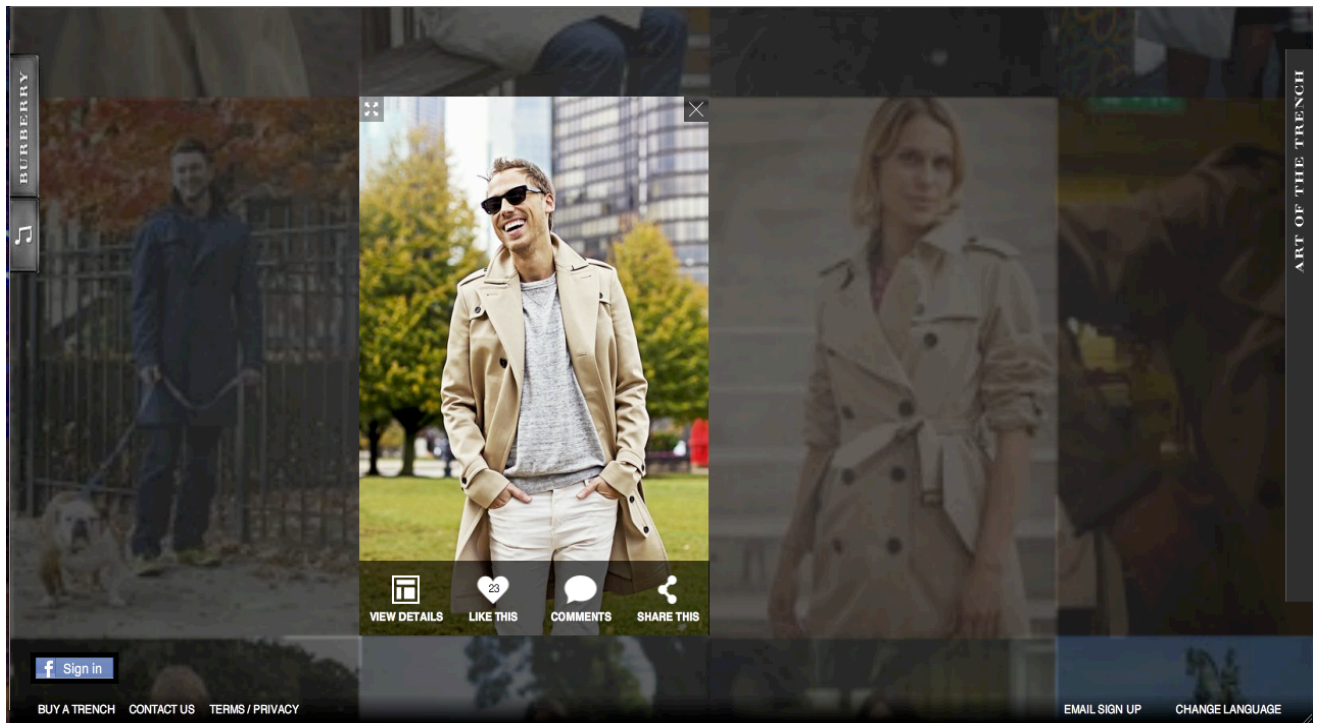


Main Twitter Account @Burberry



Burberry's YouTube Account

Burberry's Social Media Website - The Art of the Trench



Impact of Social Media on Luxury Fashion Industry:

While “the image of exclusivity is still important to luxury brands,” social media cannot be ignored (Carr). A recent study on social media marketing found that: “Companies are beginning to understand that the brand transition to social media ultimately involves a re-casting of the customer relationship. In social media, the customer is an ally, not an ‘audience.’” (Phan, Thomas and Heine). This means that luxury brands need to show that they value their customers and want to hear their opinions, which may be a difficult task for companies that have been known to set fashion trends for the public, not the other way around.

With that said, the conversation surrounding the fashion industry now exists largely online, and luxury brands need to become a part of that conversation. Burberry was an early adopter of social media sites such as Facebook and Twitter, and therefore has managed to become a leader in these conversations. Burberry clearly understands that social media is a helpful tool in providing value to customers, and the company’s social media statistics prove that social media is “appropriate for retaining old customers and attracting cross-shoppers” (Kim and Ko).

Burberry’s steady increase in fans, likes and followers shows that events such as runway shows and new products do attract new attention. However, the engagement on Burberry’s social media sites is what ultimately determines whether they are really maintaining that initial interest. This is a concept that all social media pioneers, including Burberry, are still trying to manipulate. It is even more difficult for global brands like Burberry because the more fans they attract, the more challenging it becomes to engage their networks. Yet, Burberry is already doing many things correctly. The company is only one of

few luxury brands that allow fans to post on their Facebook wall, and thus participate in the conversation with the company. Other luxury brands need to understand this concept, or they will begin to lose followers, since this defeats the whole purpose of social media. For better or worse, luxury brands are now in the public and therefore they have to be more transparent than ever before. If brands do not adapt to this, they will not be successful social media marketers and may lose the interest of the new digital generation.

Projections for the Future:

Based on my observations of how luxury fashion brands are managing their social media accounts currently, I can pinpoint trends that encourage engagement on social media sites. With that said, I can also see what types of posts do not receive as much feedback. Luxury brands should focus on these areas. Since social media is still a new tool in the marketing world, and is constantly adapting, companies need to be constantly tracking trends in the industry and coming up with creative ways to increase engagement.

In tracking many fashion brands social media campaigns over the last few months, it is evident that digital consumers want to feel more involved with the brands. The posts that get the most engagement are those where the fashion brand introduces a new product or provides a sneak peak at a collection or a backstage pass to a runway show. These posts generally include a photo or an entire photo album, which is to be expected because the fashion industry is about what is visually appealing. While Burberry has a whole music campaign where they share music videos created by the brand, which recently Dior started to imitate, these videos do not attract as many people. This is likely because the videos feel like they were created as advertisements, whereas the behind the scenes sneak peaks make social

audiences feel as if the brand is sharing information specifically for their benefit. Luxury fashion brands need to realize this soon in order to position themselves as top social brands in the future.

Looking at the social media trends that Burberry has displayed in the past five years, it is apparent that the brand will have to continue to impress its online global networks with new tactics. While Burberry gains a lot of exposure and free media hits for its innovative digital strategies for each runway season, the company also spends a lot of money trying to outdo itself each year. Although the bi-annual runway shows are where luxury fashion brands make their statements, it is important for these brands to harness the power of consistent daily communication with the digital world. Burberry, as well as all luxury fashion brands, can probably benefit from devoting more time on maintaining its consumer relationships, especially on Facebook and Twitter because that is where the conversations exist.

For many of these luxury fashion brands there is not enough time or manpower to respond to fans and continue the two-way communication that social media encourages. This is something that leaders in this industry are likely to realize when they consider what is working in their social media campaigns. "One can foresee the creation of a Chief Digital Media Officer position in many fashion companies in the near future"(Phan, Thomas and Heine). Many companies have been creating this new title as digital becomes more essential to the future of marketing strategies. Luxury fashion companies will see the threat from fast-fashion retailers, and will likely adapt to follow other large companies in the creation of this title. Bringing on a Chief Digital Media Officer will also require larger digital media teams to be established. If this occurs, I believe that we will see more luxury fashion brands leading the digital conversations surrounding their brands, while also adapting to feedback from consumers. At least, they better, or we may see digital consumers losing interest.

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