HOW LUXURY FASHION BRANDS ARE LEVERAGING SOCIAL MEDIA AND INFLUENCER MARKETING

SOCIAL MEDIA AND INFLUENCER MARKETING

PERFORMANCE BENCHMARKING REPORT

Prepared by

SOCIALLY POWERFUL MEDIA

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OVERVIEW

Social Media provides tremendous opportunity for brands to generate an uplift to their bottom line. Despite the undeniable opportunity that exists, social media has been leveraged at vastly different levels of effectiveness across sectors. Social media and influencer marketing are often used as siloed activities and as part of a box-ticking exercise due to a fundamental lack of knowledge and ignorance to its potential to generate a positive and significant impact on a brands' bottom line.

Only a few brands have been able to fully capitalise and reap the benefits provided by the unique combination that social media and influencer marketing offer.

This paper provides a methodology that enables brands to analyse their performance and to help identify opportunities across their social media and influencer marketing activity.

THE SOCIALLY POWERFUL INDEX

This analysis uses public quantitative data extracted from a combination of social insight tools, combined with proprietary data from Socially Powerful. The amalgamation of quantitative and qualitative data forms the Socially Powerful Index. It gives a direct indication of how a brand effectively uses social media in combination with influencer marketing relative to its peers. The Socially Powerful Index is made up of 4 dimensions:

1- Social media audience size and growth,

2- Social media engagement, popularity and sentiment quality levels,

3- Social media content strategy effectiveness, and

4- Influencer marketing performance.

Size of Growth

Engagement Quality

SOCIALLY POWERFUL INDEX

Content Strategy

Influencer Marketing
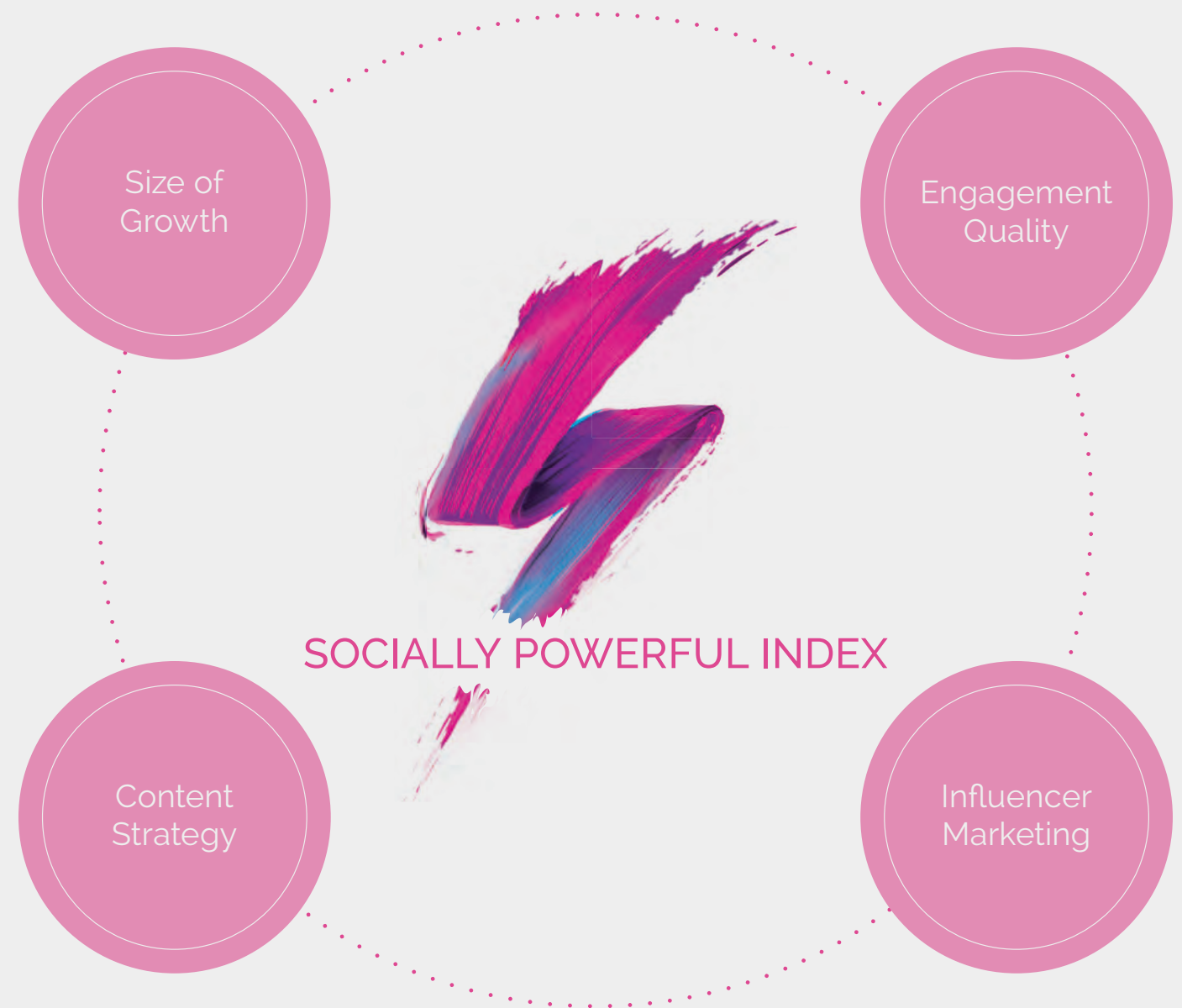
9 LEADING LUXURY FASHION BRANDS

This document is a report of summary findings and data analysis from 9 leading luxury fashion brands' primary social media pages namely; Burberry, Calvin Klein, Chanel, Christian Louboutin, Dior, Gucci, Louis Vuitton, Paul Smith and Ralph Lauren.

We recognise that, with a sample of only nine brands over a three-month period, the views presented in the study, whilst insightful, are open to interpretation.
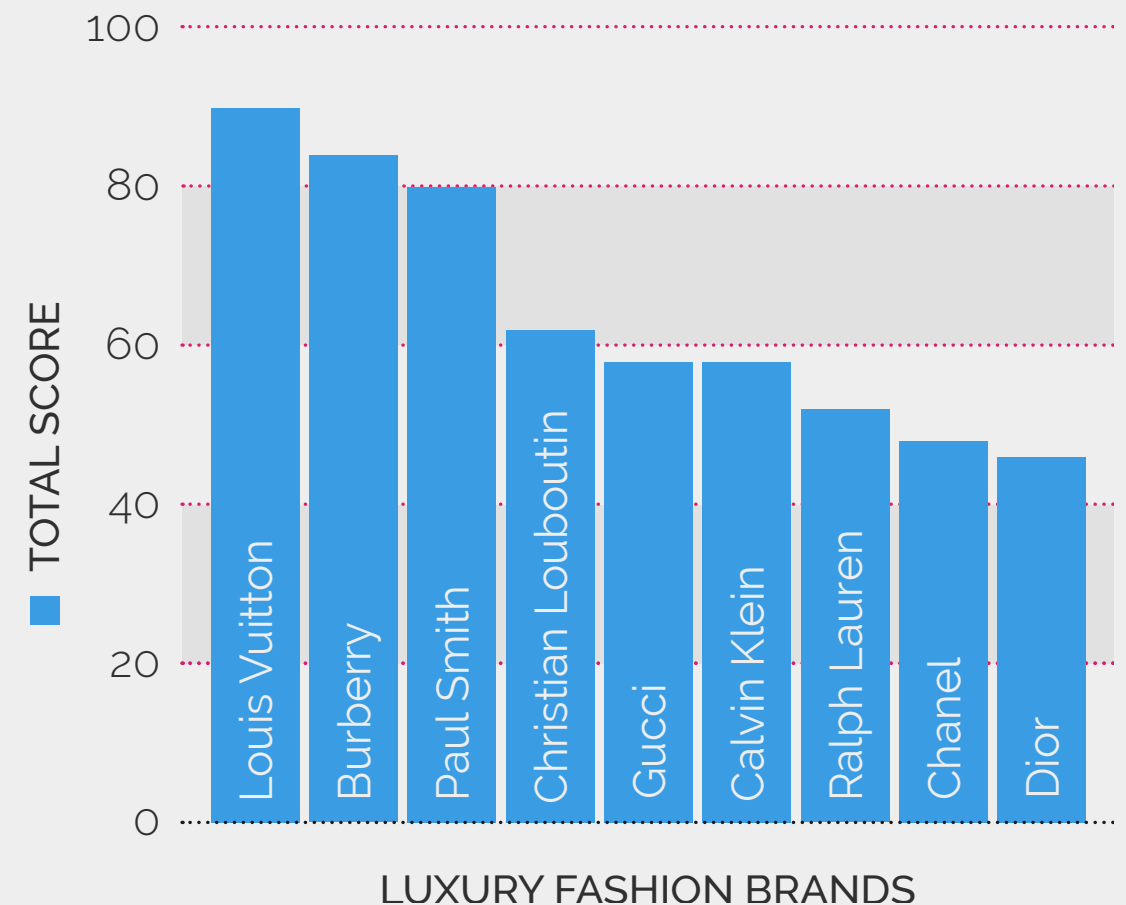
HIGHLIGHTS (1 OF 2)

This study aims to highlight the varying degrees of effectiveness in which Social Media and Influencer Marketing is leveraged by prominent luxury fashion brands. It appears that for some of the studied brands Social Media does not appear to be a priority but rather an emerging channel that shouldn't be completely ignored. Some of the studied brands have seen high business growth despite very rudimentary Social Media activity. This indicates a significant opportunity to further positively impact the bottom line if resource and effective strategy are deployed into Social Media Activity.
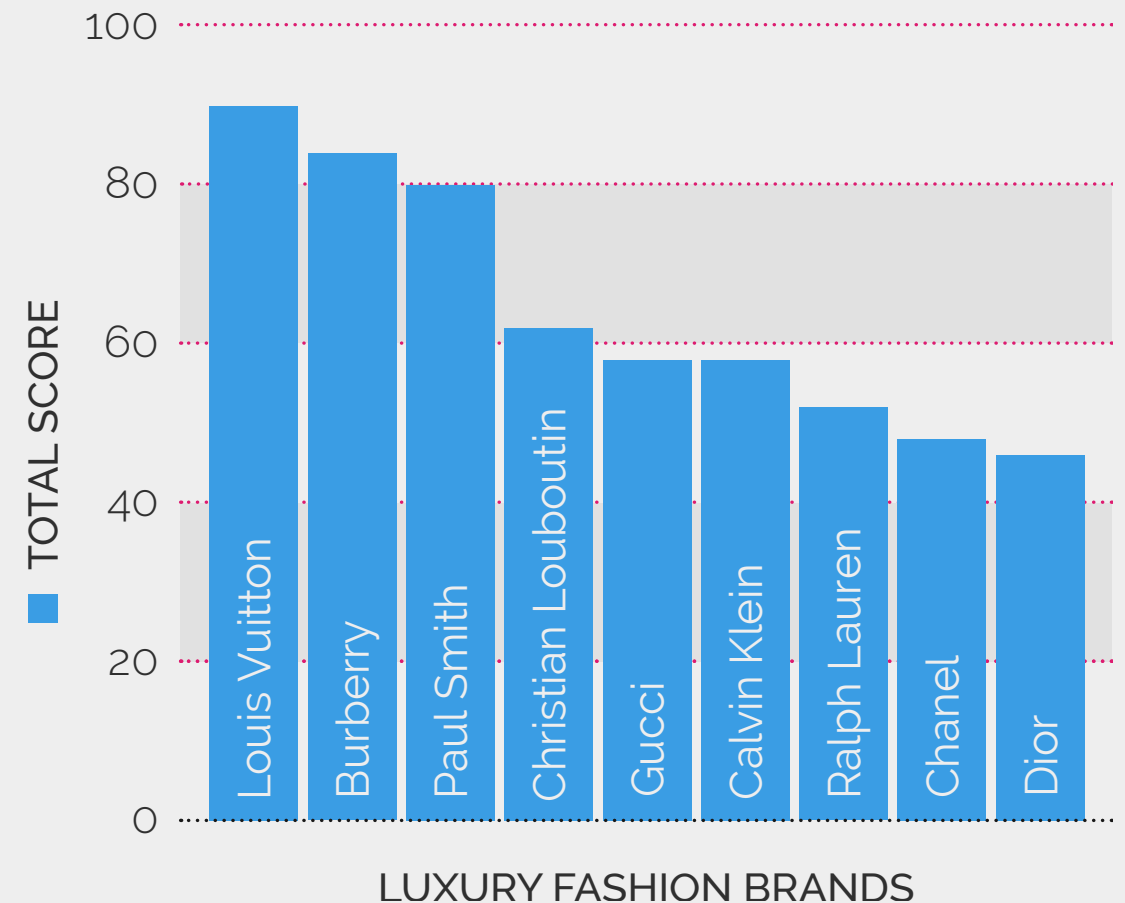
Further insight uncovered that some brands have a more traditional marketing mix, illustrating a lack of understanding to the potential upsides of effective social strategy. These brands are turning a blind eye toward the success of up and coming online fashion retailers, who are effectively disrupting the space by breaking conventions and driving business growth predominantly through social media and influencer marketing. In order to prevent a vulnerable position with stagnant growth, declining market share in future there are important lessons for luxury fashion brands in this analysis.

HIGHLIGHTS (2 OF 2)

Based on our findings, it appears that the brands doing the best job creating engaging content are;

- in-touch with the cultural-positioning of their audiences,

- active on multiple platforms with relevant and topical content,

- utilising a strong influencer portfolio comprising micro, macro and hero influencers to drive engagement, and expand their reach creatively and authentically,

- creating content worthy of their audience's precious time.

TOTAL SCORE

100
80
60
40
20
0

Louis Vuitton
Burberry
Paul Smith
Christian Louboutin
Gucci
Calvin Klein
Ralph Lauren
Chanel
Dior

LUXURY FASHION BRANDS

TOP PERFORMERS
THE ANALYSIS

Louis Vuitton grew their fanbase the most, received the highest number of mentions, and generated positive sentiment by tapping into their audience values.

The top two brands in our ranking were Louis Vuitton and Burberry, who both use their social media platforms well as reflected in their high overall engagement quality and the high number of mentions received relative to their size, which positively impacted their popularity.

Their strong brand equity combined with aspirational content style on social media make their products appear desirable, as revealed in their audience comments and brand mentions.

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LOUIS VUITTON

Louis Vuitton deeply understand the values underpinning their brand, and the importance of these to their core audience. The careful selection of content and slick videos released during the Paris Fashion Week further illustrate this conclusion. They successfully grew their fanbase by over 3.6m new followers during the study - the highest of the brands examined.

Louis Vuitton scored well on sentiment and created an enormous amount of mentions on Instagram (c. 2.2 million compared to Ralph Lauren's c. 440,000).

3.6M
New followers during the study
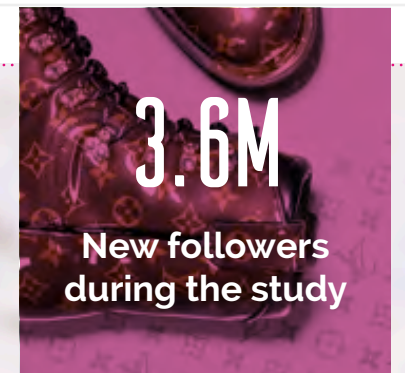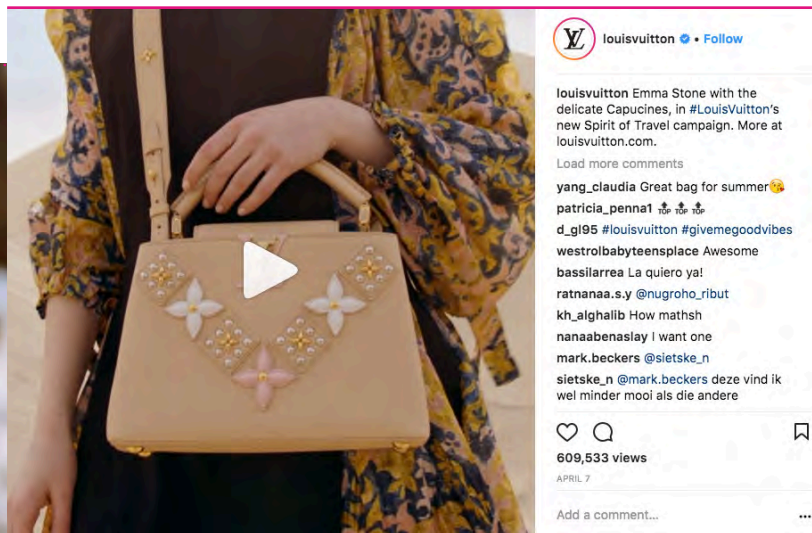
LOUIS VUITTON

During the Paris Fashion Week, Louis Vuitton flighted a series of videos (seen right) which received notably high engagement.

In 2017, Louis Vuitton collaborated with cult streetwear brand Supreme, known as one of the more socially relevant, "real brands".

The goal of this partnership was to transform the colder, high fashion Louis Vuitton identity into a culturally relevant and influential brand, desired by millennials. The tactical collaboration resulted in a 23% increase in profit in the first half of 2017*.

23%

increase in profit in first half of 2017

*https://fashionista.com/2017/07/lvmh-group-earnings-increase-2017

BURBERRY

Burberry also drove social engagement by leveraging Paris Fashion Week with a strong use of influencers on Instagram

The brands with the highest number of mentions (relative to their size) over the test period in both Social and Mainstream media, were Burberry and Louis Vuitton, an outcome that reflects their solid brand equity, and the use of engaging content.

Scoring high in mentions indicates the brands are effectively tapping into the attitudes and views of their audience, which is something Burberry do very well, as evidenced with Burberry Bespoke (2010), and Burberry Scarf Bar (2015). Both initiatives allowed customers to personalise their Burberry product; initially with just their initials, and later with a variety of colours and other specifications.
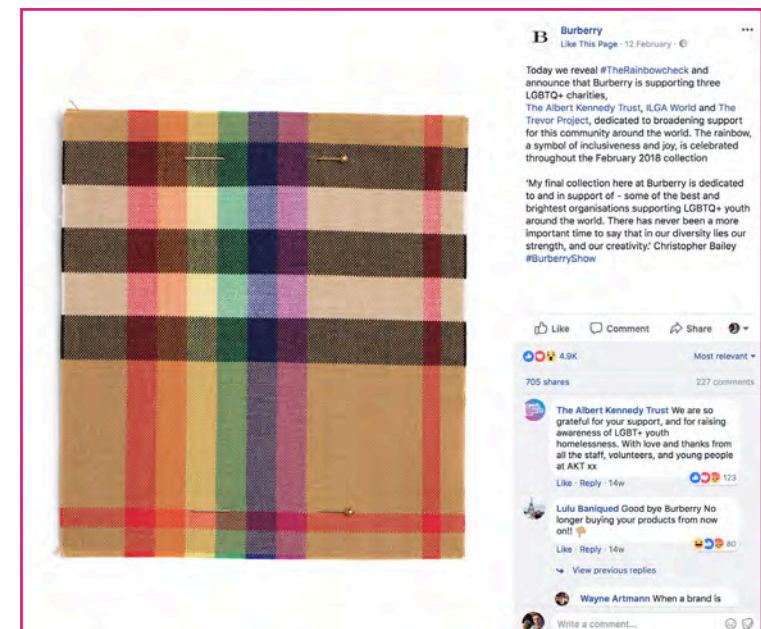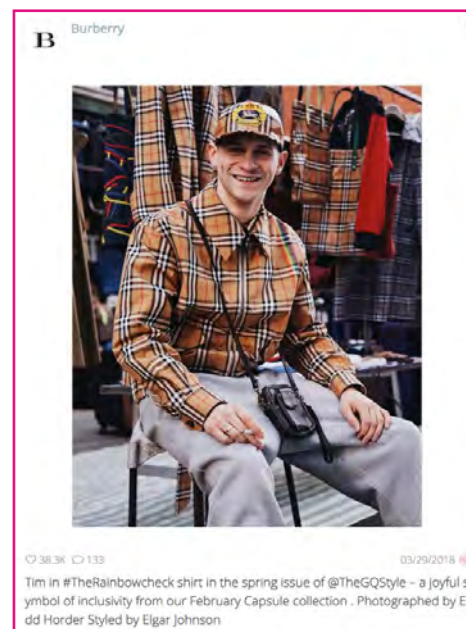
BURBERRY

In this study, Burberry scored the highest in engagement quality, which indicates that their content and use of influencers is resonating with their desired audience, as seen in the post below.

In early 2018, Burberry ran a mid-scale influencer programme across key markets for their male fragrance aptly named Mr Burberry. They collaborated with over 20 micro and macro male influencers across fashion and lifestyle. The influencers were each tasked to create two aesthetic posts with content complimenting Burberry's claim that the scent reminds wearers of "an impromptu escape from the city".

Their aspirational two-part campaign depicted where they go to escape, feel inspired and free. The bottle only featured in one image; however, the brand handle and both campaign hashtags (#MrBurberry and #MrBurberryIndigo) featured in all content. Top influencers included; Marco Fantini (961,000 followers) and Adam Newell Bartoshesky (309,000 followers). The campaign was hugely successful and generated over 200,000 engagements.

Burberry's strategy in keeping their brand culturally relevant is paying off, as can be seen with the high engagement in the right post during the London Fashion Week.

Although Burberry created well received social media content for the London Fashion Week, they did not manage to grow their audience at the same rate of the other brands studied over the period studied, which suggests an organic growth strategy. Although they had the least growth regarding audience size, they had the most mentions - a definite reflection of their huge popularity and super engaged audience.

PAUL SMITH

Paul Smith, the outlier, generated good quality engagement through culturally relevant content, and a strong influencer marketing campaign.

Paul Smith had the smallest audience compared to the other brands in this study and did not experience significant growth relative to its peer group. However, they topped the engagement quality score (particularly on Instagram), which implies that they have a good appreciation of their followers' attitudes towards fashion, and are creating meaningful conversations, which signals a content strategy that resonates well with their audience.

With authentic posts such as the one below, Paul Smith's Instagram ranked the highest in engagement as a percentage of total audience.

Last night Paul visited his newest shop in the heart of Berlin's blossoming art district. Follow all the action on our Instagram Story today. #PaulSmith #Berlin #Art #Design #

By "keeping it real", they are capitalising on organic growth, giving their audience the chance to connect and engage in relevant topics, in an intelligent way, instead of forcing their message through interruption. Based on our findings, Paul Smith's content is in-touch with the attitudes and interests of their audience, as further evidenced by their positive engagement performance on YouTube.

In early April 2018, Paul Smith ran an online-campaign entitled #ShareYourSocks, to raise awareness of their annual sock subscription service. This small-scale initiative used four niche influencers across fashion and lifestyle, each posting an image of his or her Paul Smith socks along with the campaign hashtag. To launch the competition the influencers encouraged their followers to do the same for the chance to win a free subscription (see post below).

Congratulations to #GaryOldman who picked up the @BAFTA for Best Leading Actor last night, wearing a bespoke #PaulSmith suit. Head over to @paulsmith to find out about the meaning behind the special cuff buttons. #PaulSmith #bespoke #EEBAFTAs

The campaign was amplified on Paul Smith's YouTube channel to increase the reach. They incentivised fans to create their own #ShareYourSocks content with the promise of reposting the best content on their 212,000 strong page. The campaign created over 13,400 highly-engaged content creators for the brand and over 1,000 individual mentions.

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MIDDLE OF THE PACK
THE ANALYSIS

The brands that came in the middle of the pack in our analysis were Christian Louboutin, Gucci, Calvin Klein, and Ralph Lauren.

Christian Louboutin is a highly demanded brand as evidenced by their high number of mentions on Instagram. They had a better response time compared to the other brands in our study.

Opportunities exist for these brands to improve their engagement levels by;

Positioning their content in a manner that invites their audience to be part of their story (topical/relevant)

Reinforcing their understanding of their core followers' interests and values.

Publishing content which is designed to generate a response (comments).

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CHRISTIAN LOUBOUTIN

Christian Louboutin, had a smaller audience than most of the other brands in our study (17.2 million fans compared to that of Chanel with 61.8 million fans).

Although Christian Louboutin's Instagram growth was approximately half that of Ralph Lauren (who have a similar sized audience c.19 million), they are using social media as an extension of their customer service department. In other words, their results indicate that they are using their social platforms (better than the others in the study) to respond to their audience messages, which is a likely contributing factor to their audience positive brand sentiment.

Behind the Scenes with Christian Louboutin for Star Wars: The Last Jedi

14,894 views

147   5   SHARE

Christian Louboutin
Published on Dec 7, 2017

SUBSCRIBE

Innovation meets imagination. Christian Louboutin has partnered with The Walt Disney Studios and Lucasfilm on a one-of-a-kind collaboration for Star Wars: The Last Jedi. Go behind the scenes from San Francisco to Paris as Christian Louboutin and Vice President

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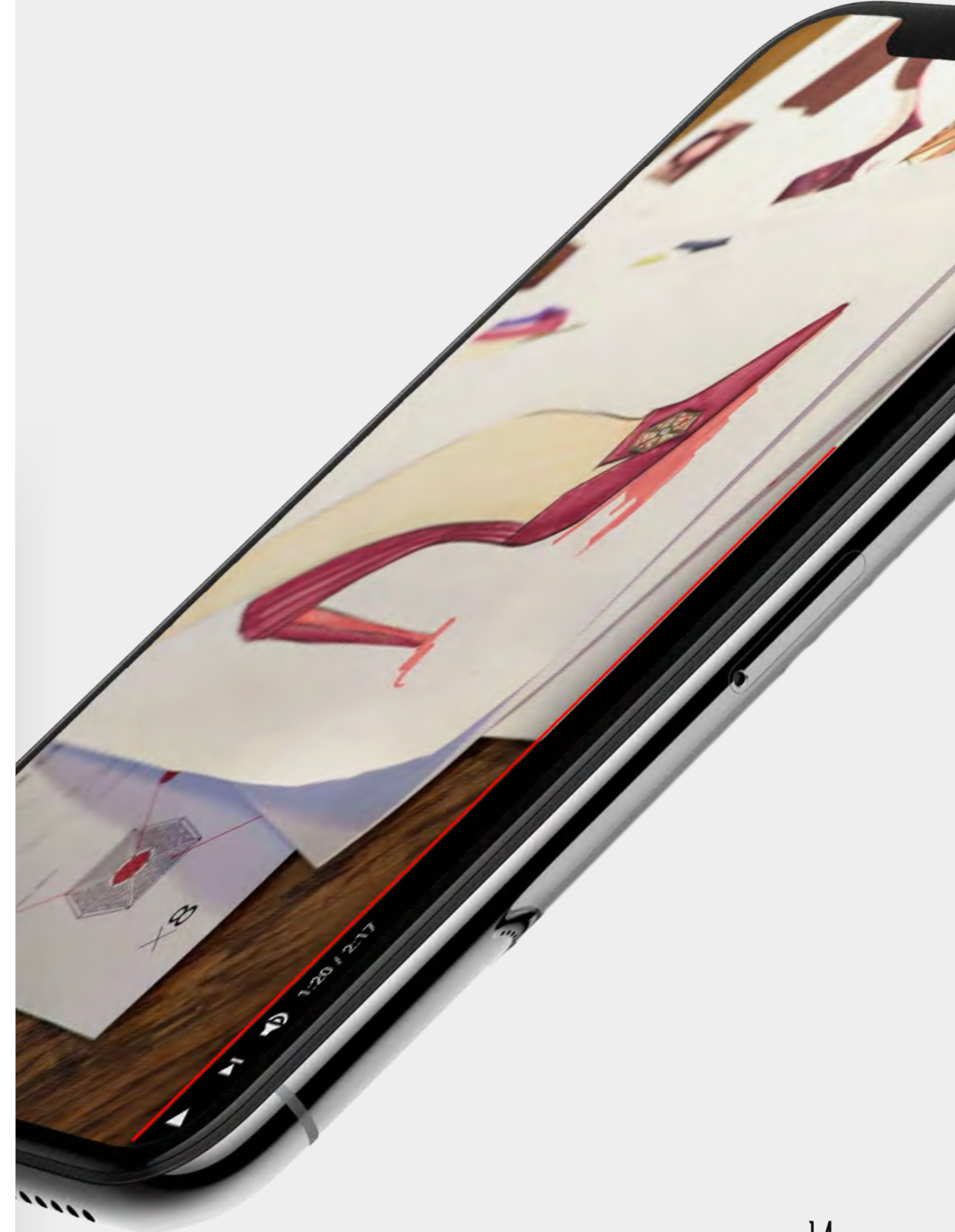
CALVIN KLEIN

Calvin Klein grew their fan base with low-quality engagement (a high ratio of likes to comments) and positive brand sentiment (positive conversations).

Calvin Klein had a large audience (27.9 million) and managed to grow it over the period, particularly during the New York Fashion Week (see post below), where they had the best engagement results. An interesting observation was that they had lower engagement quality across the entire period of our study, which means that the majority of engagement they received was in the form of likes, and not comments. Their low engagement further illustrates that their content was not positioned to drive comments and audience response; although from the comments received, the sentiment was positive.

A low volume of comments (conversations) with a considerably higher volume of likes, shares and subscribes, may indicate that the content lacks emotion and is not efficiently bringing the brand to life. It takes more effort for a follower to write a comment than it does to simply like the content, which is why our study rewards an audience positive comment more than a like. The fact that Calvin Klein's sentiment was positive is testament to their strong brand equity.
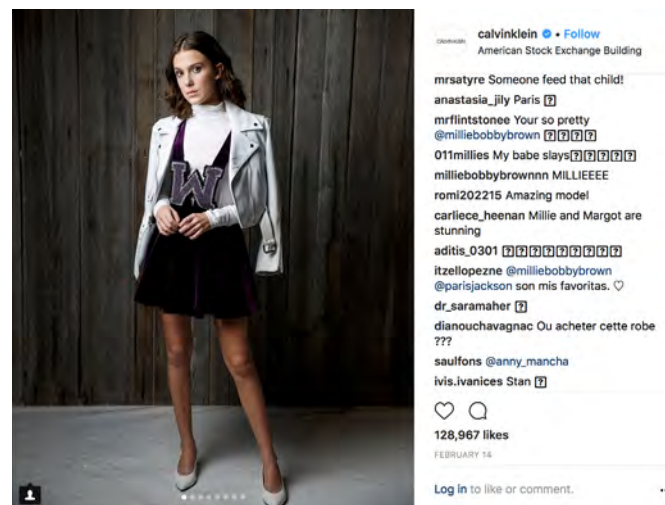
Calvin Klein has had great success with its influencer campaign. In March 2018 they launched the #CKMINUTE campaign on Instagram (see below). The #CKMINUTE was a global campaign, using influencers from all around the world. The campaign used approximately 50 influencers, ranging from micro influencers with around 40,000 followers to hero influencers with over 1 million followers.

The campaign had a spike in mentions towards the end of March and mid-April following a burst of influencer posts. Two of the top influencers used for this campaign were Nidhhi Agerwal (post below) with 1.3 million followers, and Michu (429,000 followers). These two influencers achieved an engagement of 48,000 and 46,000, respectively. The total engagement for the whole campaign was a remarkable 477,000.

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GUCCI

Gucci, growing their audience, particularly on Instagram with a high number of likes (c.3 million); received a low amount of comments relative to the size of their audience.
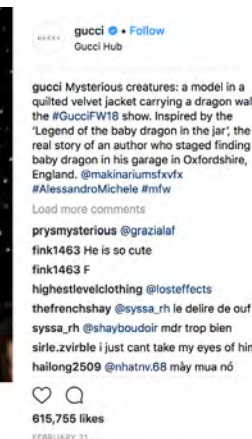
Our findings indicate that although Gucci received a high number of likes, their low engagement relative to their audience size reveals that their current content strategy may not be resonating with their fans; a possible reason may be that it lacks the necessary brand experience or cultural relevance.

The post left, from Gucci, was flighted without a caption.

During the period of our study, Gucci experienced very little engagement relative to its audience size, in other words, they were unable to leverage/capitalise on the size of their audience. We expect Gucci's low engagement result to be partly due to a content overload. Gucci had 990 posts actions, in contrast to Louis Vuitton's 365 during the same period.

An overload of posts is likely to reduce the quality of audience participation. Although they experienced notable growth in their audience around the Milan Fashion Week (see right), our analysis suggests that due to the lack of quality conversations, their content may lack the necessary appeal for their core audience, as further evidenced through their low sentiment score (relative to the other brands studied).

It is worth pointing out that in March 2017, Gucci launched a

one-of-a-kind campaign (see left) #TFWGucci (The feels when Gucci) which tapped into meme-culture and aimed to appeal to Gen-Z – their next generation of customers. They commissioned Gucci-centred memes from popular meme creators, artists, and photographers on Instagram, and shared them to their social accounts. In total, thirty pieces of content were created, in collaboration with over 40 influencers, namely Derek Lucas (237,000 followers) and Jessica Anteby Tebele (3.6 million followers). They housed all the content created in their own #TWFGucci micro-Site.

The humorous, culturally relevant aspect of the content was integral to the campaign's success. Content generated 23,000 comments with over 2.4 million likes, 1,000 individual mentions, and an engagement rate of 0.6%.

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RALPH LAUREN

Ralph Lauren had a bit of a mixed bag with regards to their results. They had a smaller audience (18.9 million) than most of the other brands in our study, and received a very average volume of mentions across the period; however, during the New York Fashion Week, their Instagram had the second highest number of mentions from all the brands in our study. We expect the volume of mentions to increase around the various Fashion Weeks as the luxury fashion brands increase their conversations with announcements and new releases.

A huge amount of effort went into creating the Ralph Lauren clip (right, top); however, with over 18 million followers, this post received very few likes and comments.

In December 2017, Ralph Lauren launched a large-scale global campaign called WOMAN perfume by Ralph Lauren (see right, bottom). They used over 100 lifestyle and fashion influencers, the majority of which had around 100,000 followers, with several macro influencers with 700,000 followers. The campaign hashtag was #womanaboveall. The total engagement for this campaign was extremely well-received and exceeded an impressive 600,000 follower actions.

ROOM FOR IMPROVEMENT
THE ANALYSIS

Chanel and Dior have massive audiences (reach), Chanel with 61 million and Dior with 43 million, with both brands' principle audiences coming from the same geographic locations (USA, UK, France, Japan, Brazil and France).

The analysis highlighted room for improvement for both brands, with Chanel placing eighth out of the nine brands studied, and Dior taking the 9th spot.

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CHANEL & DIOR

These findings indicate that both Chanel and Dior's current content strategy is not optimal, resulting in small growth across their platforms, and further illustrating their heavy reliance on their established brand equity. An interesting observation with Chanel was their low sentiment relative to the other brands, , which indicates a lack of audience appeal. Other causes could be posting material which is not designed to elicit a response, or content overload, which would also impact the quality of engagement and brand equity.

Although both Chanel and Dior scored lowest on engagement quality (i.e. a smaller ratio of comments compared to overall engagement), both brands topped the mentions across social media during the period (as an absolute number, not factoring in the size of their following) which we expect due to their enormous following.

A large number of Chanel's mentions came during the Paris Fashion Week (post right, top), where they topped the number of mentions across all the brands studied. We believe this is partly due to their powerful brand equity coupled with their heavy reliance on 'A' list celebrities for brand endorsement.

In the bottom right post, Dior receives criticism for its insistence on keeping Johnny Depp as an ambassador for their 'Au Sauvage' perfume. These angry comments illustrate how Dior missed the mark on public sentiment. Depp is under fire for claims of domestic abuse laid by his ex-wife, Amber Heard.

Chanel does not appear to have launched a widespread, multi-tier influencer campaign on Instagram, but they did introduce the #ChanelHandbagStories on Instagram to share the creations of their spring/summer 2018 handbag collection , which resulted in over 2,700 posts.

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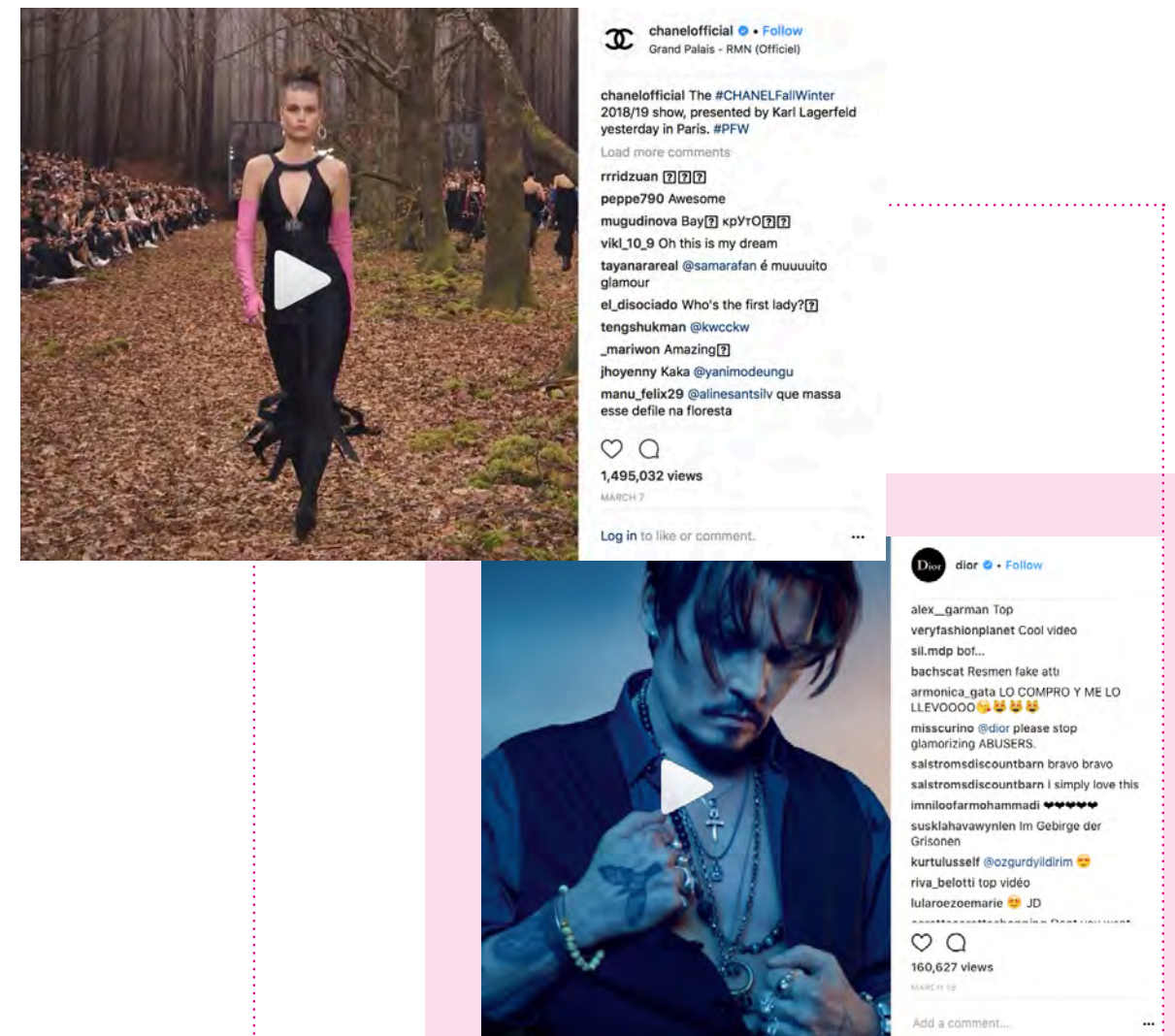
CHANEL & DIOR

Their partnership with 16-year-old model Kaia Gerber (see right), who received the most Instagram mentions during Fashion month, coupled with the addition of actress Margot Robbie will likely further increase mentions and add to positive sentiment, although to significantly improve their levels of quality engagement, they should perhaps explore an aggressive micro and macro influencer program.

Brands such as Chanel, who utilise 'A' list celebrities and fashion models, attempt to reinforce their strong brand equity, but as can be seen in the comments in the post, shown on the right, not all sentiment is positive.

Dior had a substantial social media following of over 43 million fans and received a high number of mentions particularly during the Paris Fashion Week with their #starsindior campaign; however, their Instagram growth and engagement were low when factored into the massive size of their audience (i.e. as a percentage of their total fan base).

The post right, featuring Cara Delevingne, was the most engaged post during the Paris Fashion Week. Top right is a snapshot of celebrity-featured Dior posts that received high engagement during the Paris Fashion Week.

With 606 post actions during the period, we expect Dior's low engagement to have some relationship to the high number of posts over the period (content overload). As with Gucci, an overload of posts is likely to reduce the quality of audience participation.

They recently announced the historical and stunning Chantilly Stables just outside Paris as the location for their May 25th show which will usher in their Resort 2019 Collection. We expect highly-emotional equestrian-themed posts across their social platforms to follow.

On the Influencer Marketing front, Dior launched a targeted influencer campaign in March 2018 for its skin care product, Dior Hydralife. The half a dozen or so influencers from Australia to Europe ranged from micro influencers with 10,000 followers, to hero influencers with 651,000 followers. The total engagement for the campaign was 35,000 follower actions, which translates to a fairly low percentage of engagement from an influencer campaign that reached so many followers

A CLOSING WORD
TO SUMMARISE

A CLOSING WORD

All the brands in the study had some aspects of positivity within their social media, in other words, there were no brands that performed poorly in every aspect of our study. Our study rewarded quality engagement (such as positive comments) over that of simple likes, as we feel this measure would indicate a more realistic snapshot of the brand's social media effectiveness.

In the last five years, attention has dramatically shifted. Historically, brands could meet with success by channelling their marketing budgets towards traditional channels such as press, TV, outdoor, events, sponsorships and so on, with a small portion of their budgets directed towards their digital strategy. Now, the vast majority of their audiences attention sits on a handful of social media platforms such as Instagram, YouTube, Twitter and Facebook, and interruptive advertising is no longer effective due to the increasing rise of adblockers.

Our study suggests that some of the luxury fashion brands have an out-dated approach and are slow to adapt to the ever-changing social media environment. There are important lessons to learned from the new online fashion brands, who break conventions and are hugely successful on social.

The key is not to bolt-on a social media strategy, or add an influencer campaign onto an existing traditional approach, but rather to use a customer-centric approach and identify what the customer expects from the brand, and then establish how to reach them with authentic and engaging content.

It was evident that some of the larger established brands are overly-reliant on their brand equity, which ultimately creates opportunities for the smaller luxury fashion brands to capitalise on being culturally relevant and quicker-to-adapt to market trends. It is our view that the brands in the top 4 rankings are effectively using their social media to leverage their brand equity in a meaningful and authentic manner.

KEY CHARACTERISTICS OBSERVED BY THE TOP-PERFORMING BRANDS ARE THAT THEY:

- Remain culturally relevant and bring the brand experience to life.

- Integrate multi-tier influencer campaigns into their social media strategy.

- Manage to grow their fan base consistently (as opposed to only around specific events).

- Continue to maintain a strong level of quality engagement with their audiences.

A CLOSING WORD

The brands in the middle of our rankings may improve their social effectiveness by making their content more engaging for their audience. Based on the data, we identified a few easy-to-fix remedies for most of these brands, such as creating content designed to elicit a response and using micro influencers for authentic and engaging brand promotion.

The brands at the bottom of our ranking do not appear to be capitalising on their large fan base. In the absence of specific data on their paid promotion initiatives, we can only surmise and use the data at our disposal to provide analysis. Content overload is likely to be a contributing factor. They may perhaps consider exploring a large-scale micro influencer campaign which would help with addressing the issue of heavy reliance on their brand equity while creating quality and culturally relevant engagement, typically seen in micro-influencer campaigns.

THE METRICS

THE SOCIALLY POWERFUL INDEX (SP INDEX)

RANKING	BRAND	AUDIENCE SIZE	SCORE
1	Louis Vuitton	52,1m	90
2	Burberry	37,2m	84
3	Paul Smith	1.2m	80
4	Christian Louboutin	17.2m	62
5	Gucci	45.3m	58
6	Calvin Klein	28.0m	58
7	Ralph Lauren	18.9m	52
8	Chanel	61.8m	48
9	Dior	43.7m	46
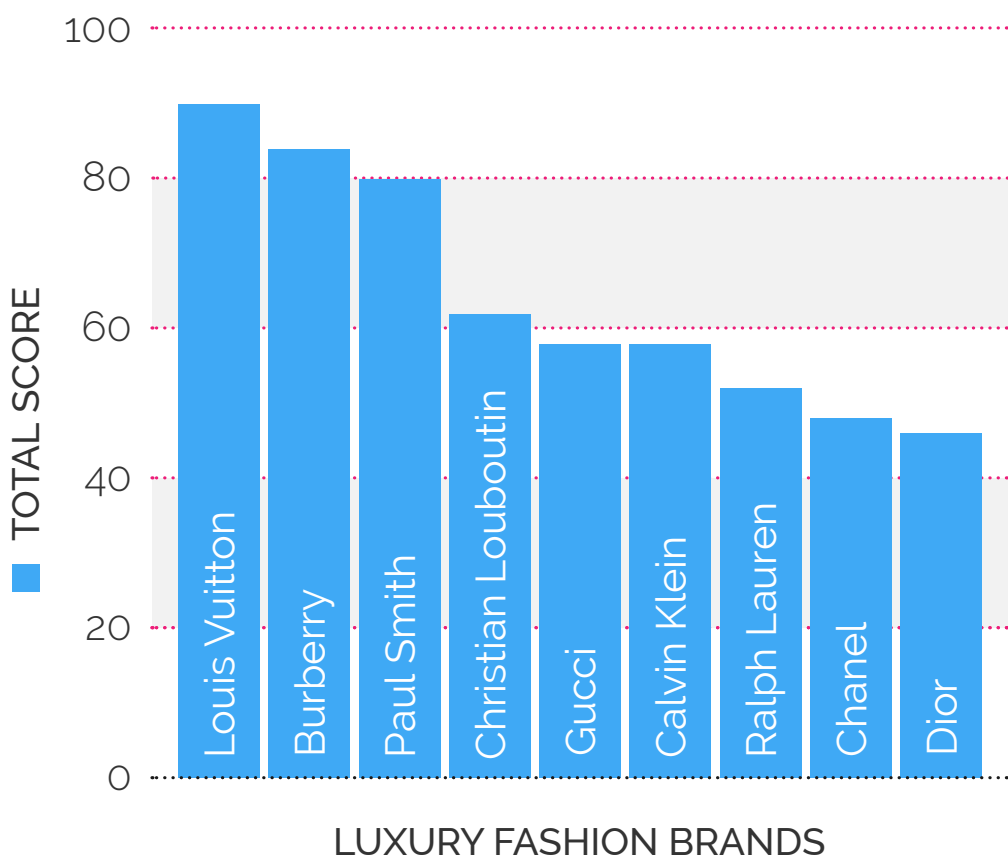
ABOUT SOCIALLY POWERFUL

Socially Powerful Media, founded in September 2016, is a performance improvement social agency who uses data-driven insight to maximise campaign-spend and uplift results against past campaigns. Socially Powerful aims to deliver more than just standard KPI's and has a track record generating growth and results by bringing to life the brand experience across social media platforms.

Socially Powerful plans to conduct further research across multiple industries to create a more representative picture of what social media success looks like, and how brands can utilise best-practice to impact their social media strategy positively.

Enquiries about using the SP Index to analyse specific brands, industries and competitors can be directed to:

Email: **tellmemore@sociallypowerful.com** Subject: **SP Index**