

# **SOCIAL COMMERCE AND LUXURY MARKET: AN EXPLORATORY STUDY**

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## ***Abstract:***

*This study investigates social commerce in the luxury market by analysing content on social networking sites of luxury brands. After a period of initial scepticism, luxury brands have enhanced their commitment to managing more than one social media. A maturing stream of research has emerged assessing the effects of social media platforms on luxury brands, offerings, and consumers. However, the research about social media in the luxury market is still underdeveloped when it comes to the analysis of social commerce especially when focusing our attention on how luxury brands use social media for affecting sales performance. By leveraging on the framework based on the salesmanship literature, we perform a content analysis of corporate profile on Facebook of 50 global luxury brands to investigate both the content orientation and the existence of connection among content and response of consumers in terms of comments and like. This study contributes to the literature stream of social media that deals with the emerging trends of social commerce in the luxury market. Moreover, we provide managers of luxury brands with suggestions about which contents deliver on social networks to secure consumer responses when implementing strategies that affect sales performance.*

***Keywords:*** *social media, social commerce, luxury brand, social networking*

## **Social commerce**

The notion of social commerce was introduced by Yahoo in 2005 when launching two social commerce tools: Shoposphere and Pick Lists. After that, the topic of social commerce (SC) has received more attention from both academics and practitioners (Esmaeili & Hashemi, 2019). While the first studies define social commerce as empowering e-commerce sites with social tools to facilitate engagement (review, comments, chatbot), an emerging stream of research describes social commerce as activities embodied in social networks that provide users with transactions and advertising. As explained by

Yadav et al. (2013) when restricting the discussion about social commerce to social networking sites, we better highlight the “social” nature of social commerce. In this case, studies focus on two main topics. On the one hand, studies examine the general context of social networking brand pages (tools of social networking pages). On the other hand, we find studies that limit the investigation just on contents posted on the corporate pages (Zang & Benyoucef, 2016). Such brand pages are managed by companies to disseminate information, promoting brands/products, and interacting with consumers to stimulate the final transaction.

### **Luxury brand: from the digital scepticism to the online presence**

In the beginning, luxury brands approached the Web 2.0 tools with scepticism. Luxury companies’ main concerns of managing digital strategies were mostly related the brand dilution (Dall’Olmo Riley & Lacroix, 2003). However, luxury consumers demanded more tailored and interactive experiences by integrating new digital tools into communication and selling strategies. Thus, luxury brand companies have enhanced their commitment to managing e-commerce platforms and more than one social media (Guercini et al., 2020). As social media are no longer platforms closed to external editing, they encourage active consumer participation, favour aggregation, and promote the spreading of user-generated content. In the recent literature review proposed by Creevey et al. (2021) a maturing stream of research has emerged assessing the effects of social media platforms on luxury brands, offerings, and consumers. However, the research about social media in the luxury market is still underdeveloped when it comes to the analysis of social commerce especially when focus our attention on how luxury brands use posts on social networks as a facilitative agent to a commercial transaction. Faced with the research gap and the analysis of the literature, this paper is an attempt to cover the gap above-mentioned. By using the framework based on the salesmanship literature proposed by Sheth (1976), our paper aims to discover what content orientations the luxury brands perform on Facebook. The framework proposed by Sheth (1976) focuses on the idea that a salesperson’s “orientation of communication” could significantly affect sales performance and conceptualized three kinds of content orientation: task-, interaction- and self-oriented. Task-oriented communication is highly goal-oriented and purposeful. Interaction-oriented communication emphasizes socializing and building relationships, while self-oriented communication refers to look for experiences when interacting with others.

Furthermore, as previous studies in different product categories and sectors have already demonstrated that interaction and task-oriented contents on social media were more effective in generating consumers’ responses (Kim & Hettche; 2015), we test the same hypothesis in the luxury market:

H1. On major luxury brands' social network pages, contents with task orientation will generate more consumer responses (likes, comments and shares) than will self-oriented posts.

H2. On major luxury brands' social network pages, contents with interaction-orientation will generate more consumer responses (likes, comments and shares) than will self-oriented posts.

In addition to the studies mentioned above, these assumptions seem to be supported by luxury literature that highlights an increasing consumers' preference for dual ways relation in each phase of the customer journey (Liu & Burns, 2019). Such relation is provided exclusively by task-oriented and interaction-oriented content while self-oriented contents mainly focus on one party's interests.

### **Methodology**

Leveraging the nature of the research question and in line with other studies focused on social media content, we adopt a content analysis. The content analysis was carried out by coding the contents of the posts published by international luxury brands on their corporate Facebook pages. As indicated by Zhao & Morad, (2013) Facebook delivers an interesting number of activities that allow the publication of different types of content. Concerning the sample of brands, our study considers fifty luxury brands belonged to five industries: fashion and accessories, automotive, hard luxury, cosmetics and wine and spirits. Some of these brands have already been included by the research of Mandler, Johnenb, & Gräveb, (2020), while others are cited by the most relevant list of brands ranked according to the awareness or digital performances.

To perform the content analysis, the coding was conducted by three researchers. It involves two steps. First, researchers collect quantitative data (number of comments and likes). Then the content orientation (task, interaction, or self) of posts was recorded according to the framework found in salesmanship literature. The inter-coder reliabilities were assessed for each variable to resolve the disagreements among researchers.

Finally, the hypothesis testing is conducted by using the multivariate analysis of covariance (MANCOVA) with the content orientation (interaction-, task-, and self-oriented) as the independent variable and two dependant variables that are the number of likes and comments. We use the total number of likes for each brand's page as the covariate.

## Conclusions

This paper contributes to the extant literature by putting forward the following theoretical implications. First, it contributes to the stream of researches on social commerce that pays particular attention to brand pages on social networking sites. According to Zhang & Benyoucef (2016), this stream of research is more effective than the one focused on the context of social networking sites in general when the goal of researchers is to provide companies with more detailed information about the impact of the brand page on consumer behaviour. Thus, the findings of this study concur to a better understanding and insights into how luxury brand companies can manage posts of social networks for improving the consumer response. Second, the study enriches the literature of social media marketing in the luxury market where a deeper investigation into the emerging phenomenon of social commerce is needed. As we have explained previously, the use of social media in the luxury industry is a consolidated trend but it has slightly explored how social networking sites act as a facilitative agent to a commercial transaction. Third, this research acts as a starting point for future research that deals with the analysis of content posted on other social networks. For example in recent times, Tik Tok is an emerging social network in the luxury market. Future research could focus on how contents posted on this new tool can contribute to the selling performance of luxury brands.

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