

“SOCIAL MEDIA: A NEW CHANNEL OF
COMMUNICATION FOR LUXURY BRANDS'
CUSTOMER RELATION STRATEGY”

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ABSTRACT

With the arrival of social media into our lives, that made it possible to reconsider traditional marketing strategies. Various brands have created their own page on many social media platforms such as Facebook and Instagram. Despite this increase in brand membership, luxury brands have been reluctant to engage in new digital strategies.

This project involves discovering the new relationship between luxury brands and social media. The goal is to show how the luxury world digitalized gradually, and how they are now getting more and more involved on each platform. Each social media platform has its own potential and luxury brands should use them in the best possible way, in order to seek profit and improve customer relationships. This paper attempts to understand how luxury brands can modernize their image through social media. It is paramount to analyze how they are targeting new generations such as the millennials. Audiences are no longer passive; they are seeking for commitment and information from brands. Moreover, a comparative analysis between luxury brands and masstige brands will help us understand how collaborations between those two can be a benefit for the social media strategy in the luxury sector. Furthermore, luxury brands should engage with new social media strategies by using networks (such as WhatsApp, Snapchat or Twitter) that are not saturated by the fashion sector yet.

Key words: Social media marketing; Fashion luxury brands; profit seeking; Customer relationship

JEL Classification System: M310

SUMÁRIO

Com a chegada dos media sociais nas nossas vidas, tornou-se possível reconsiderar estratégias tradicionais de marketing. Várias marcas criaram sua própria página em muitas plataformas de redes sociais, como Facebook e Instagram. Apesar desse aumento na adesão à marca, as marcas de luxo relutam em engajar-se em novas estratégias digitais.

Este projeto envolve a descoberta do novo relacionamento entre marcas de luxo e redes sociais. O objetivo é mostrar como o mundo do luxo digitalizou-se gradualmente, e da maneira na qual estão cada vez mais envolvidos em cada plataforma. Cada plataforma de media social tem o seu próprio potencial e as marcas de luxo devem usá-las da melhor maneira possível, para buscar lucro e melhorar as relações com os clientes. Este artigo tenta entender como as marcas de luxo podem modernizar a sua imagem através dos media sociais. É fundamental analisar como eles estão visando as novas gerações, como por exemplo os milênios. As audiências já não são passivas; eles estão buscando compromisso e informações de marcas. Além disso, uma análise comparativa entre marcas de luxo e marcas de massigenos nos ajudará a entender como as colaborações entre esses dois podem ser um benefício para a estratégia dos media sociais no setor do luxo.

Além disso, as marcas de luxo devem envolver-se com novas estratégias de redes sociais usando redes (como WhatsApp, Snapchat ou Twitter) que ainda não estão saturadas pelo setor da moda.

Palavras-chave: marketing de media social; Marcas de moda de luxo; Busca de lucros; Relacionamento com o cliente

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Abbreviations' List

CAE : Economic Analysis Committee (in France)

ROI : Return-on-investment

KPI : Key Performance Indicator

ROO : Return-on-objectives

RONI : Risk of Non-Investment

CM : Community Manager

SMO : Social Media Optimization

1. Introduction

In this first chapter, the subject of the Thesis will be presented. Indeed, the aim is to define how social media has become a new channel of communication for luxury brands' customer relation strategy. The area and purpose of the research will be settled and problem statement will be identified. This chapter also defines the methodological approach used to respond to the subject, and highlights the research contribution. In a final part, each chapter will be introduced to better understand the proceedings of the Thesis.

1.1. Background to the study

By definition, the luxury sector is akin to everything that is ostentatious and goes beyond purchases related to real needs. Addressed to a very specific clientele, luxury brands cannot be exempt from the necessity of communicating, whether it is targeted or mass communication. In 2010, in their research titled "Impacts of luxury fashion brand's social media marketing on customer relationship and purchase intention", Angella Jiyoung Kim and Eunju Ko conclude that:

"More luxury brands should engage in social media marketing activities to anticipate a positive contribution to the brands by providing new luxury value to customers."

The authors proclaimed that luxury brands need to provide new luxury value to customers. The customers must remain at the center of the marketing strategy.

Moreover, the Web is no longer just a showcase for luxury brands or a way for them to communicate with their customers. In 2015, e-commerce in the luxury sector represented 12 billion dollars. According to a study by McKinsey, the e-commerce market in the luxury sector is likely to increase rapidly over the next few years, from the ongoing 3% of the total luxury fashion to 17% of the market (McKinsey, 2015b). Thus, online sales for luxury brands only represents a small market share, however the growth expectations suggest a boom for online luxury fashion market.

The luxury sector has established itself over time as synonymous with refinement, rareness and prestige (Sicard, 2010). Luxury fashion brands cultivate a difference based on the distance. As they work on their creativity and their ability to offer special products or services, luxury brands are looking to achieve the excellence. As it is difficult to distinguish between an ordinary good

and a luxury one, there is no exact definition of luxury brands. However, Moore and Birtwistle (2005) define them through four factors: luxury brands can be characterized by a well-known brand identity, customer loyalty, high brand awareness and perceived quality and obviously by exclusivity. Besides, Kapferer and Bastien (2009) believe that the phenomenon of luxury consumption is the result of “the symbolic desire to belong to a superior class”. Indeed, the purchase of luxury fashion goods relates values and meaning about consumers’ self-identity, and fashion brands’ consumers are seeking to gratify their symbolic needs. Even if a much more precise definition of luxury brands could be given, we would need to define the luxury services and goods that are characterized by their rareness, their aesthetics and design, and hence their higher prices which make them important and symbolic social indicators.

While the luxury sector is exclusive, rare and precious, how could this be combined effectively with the digitalization and the use of social media, which promote the accessibility and the constant networking between individuals?

In order to approach this issue in a comprehensive way, it is paramount to go back to the definition of the digitalization of the economy, in order to apprehend the need of using social media for luxury brands.

Firstly, the digitalization of the economy can also be related to the digital transformation. These terms all describe the same phenomenon, that is to say the increasing popularity of Internet, computers and smartphones, and its impact on our way of consuming or doing business. According to the new “Digital in 2017 Global Overview” (report from We Are Social and Hootsuite), more than half of the world’s population now uses the Internet. Indeed, there are 3.77 billion people using the Internet in 2017, which represents 50% penetration, and 2.80 billion global social media users, equaling 37% penetration. Therefore, the digitalization of the economy is unavoidable.

In a report from the CAE (Economic analysis committee in France), the digitalization of the economy is defined by two major factors: the effects of networking and the dependency of the users (Colin et al., 2015). From this report, authors highlight that the quality of the service depends on the number of users, which creates network effects. The digitalization of the economy is the result of the growing offshoot of users. Indeed, it has been created by the potential of lowering transaction costs; digital technologies make the authentication of the other part of the transaction easier, facilitating easier communication and the tracking of all information exchanges. In other words, it establishes a sense of trust between people that do not know each other. Moreover, the digital economy depends a lot on users, especially for digital enterprises. Based on networking effects, digital companies expect to reach the

maximum of users, and collect as much data as possible. The analyzed data is an important aspect to broader client knowledge and represents a powerful marketing lever. This phenomenon is described by the “big data”, which is a key to success for digital companies (Delorme & Djellalil, 2015).

Thus, the digitalization of the economy results from the exponential networking of users thanks to an increasingly important rate of digital equipment. Therefore, the use of the Internet enables the creation of companies that rely on accessibility, the creation of communities of users and the fluidity of information. The digitalization of the economy no longer only represents the use of the Internet in commercial transactions but also the resulting large community of connected users (Delorme & Djellalil, 2015).

In that context, it is necessary to understand how the luxury sector can be digitalized. Indeed, the place of this exclusive and unattainable sector in this new economy that seeks to connect its peers and make information accessible is difficult to understand.

If the presence of luxury brands on the Internet is late and the sector is still lagging behind, the digital revolution is underway for the luxury industry. This trend is due to an evolution in the perception of digital technologies by large luxury houses (Remy et al., 2015). Indeed, at these beginnings, the Internet seemed to bring little added value within the customer relationship. Yet, the quality of the customer experience is at the heart of the definition of a luxury product or service (Kim & Ko, 2010).

However, the digitalization of the economy, as we have just pointed out, implies, through networking and data collection, an in-depth knowledge of the customer and therefore prospects for enriching customer relations. Beyond this observation, the digitalization of the economy engenders the development of new means of communication, exchange and sharing between users, but also between a brand and a consumer.

Thus, the emergence and development of social media have had an important impact on the way the luxury sector is apprehending the digital revolution. While the main questions were based on whether or not to create online points of sale, the arrival of social media plunges the industry into questioning its marketing strategy.

Social media can be defined as platforms on which individuals are invited to create "social data", that is to say not only to share all types of content but also to converse and interact with each other (Remy et al., 2015). According to their article *Users of the world, unite!*, Professors Andreas Kaplan and Michael Haenlein (2010) define social media as "a group of online applications that are based on the ideology and technique of Web 2.0 and enable the

creation and exchange of user-generated content". The term social media, often confused with the term social network, encompasses three types of social media:

- Social networks
- Blogging and micro blogging platforms
- Content sharing and creation platforms

Nowadays, the importance of social media is indisputable. The number of social networking users is particularly relevant. Thus, in January 2016, out of the 3 billion Internet users, 2,206 billion use social networks monthly to exchange, share content and to connect to each other (Statista, 2017). Therefore, the presence of luxury brands on social media becomes a need.

1.2. Problem statement & Research Purpose

Communication for a luxury brand means being confronted with several paradoxes. Social media have characteristics which sometimes are opposed to those of the luxury sector: innovation and tradition, transparency and secrecy, ephemeral and ancestral, mass and elite, etc. (Sicard, 2010). However, the use of social media is an appropriate way to introduce customers to the brand, which can be a much more difficult task in the points of sales as some customers do not feel at ease in luxury stores. Indeed, the way other consumers behave in the store can affect the customer. If people do not identify with the regular type of buyers from a fashion store, they can feel awkward about going into it (Brassington and Pettitt, 2010).

As the Web does not focus on details, it is difficult to understand how it can spread a brand's aesthetic and attractiveness. This can be one of the reasons why luxury brands have been slow to move their sales onto the digital market (Kapferer & Valette-Florence, 2016). Moreover, another reason that could be examined is the importance for luxury brands to evaluate the profit they can make from their social media marketing strategy (Fan & Gordon, 2014). Indeed, brands expect their investment to provide higher benefits than the costs incurred.

The main challenge is that luxury brands understand that a social media marketing strategy is absolutely necessary nowadays, and to evaluate which social media suit them best. After implementing an innovative digital strategy, they should be able to understand the profitability of employing such a strategy.

According to Angella Jiyoung Kim and Eunju Ko (2010), "With the growing interest of luxury fashion brands in providing luxurious value to customers in every way possible, using social media appears to be appropriate for retaining old customers and attracting cross-shoppers."

Indeed, the aim for luxury brands is to keep an elite as their clientele, but they also need to attract new customers, who will later be part of this elite.

The main purpose of this research is to determine the new challenges that lay ahead for the luxury sector. The luxury sector can be seen as ancestral and sometimes a little bit too traditional (Sicard, 2010). Nowadays, the aim for luxury brands is to develop a younger brand image through new and innovative social media strategies in order to lure new targets such as the millennials.

1.3. Methodological approach

The relationship between social media and luxury brands will be developed in the literature review. Indeed, it was paramount to understand the gradual digitalization of the luxury sector, to evaluate the potential of the relationship between social media and luxury brands and to assess what brands are earning from such a marketing strategy. Therefore, this research attempts to evaluate new challenges for luxury brands to develop a younger brand image. This research was supported by the identification of a new target for luxury brands, a comparative analysis between masstige brands and prestige brands, and a description of new social media strategies that should be used by luxury brands in order to remain innovative.

This thesis follows a secondary research methodology. The questionnaire applied in this thesis is conducted as a qualitative research. The responses from Camille Krantz and Bertrand Taillé, who work in the Fashion sector, to questions regarding social media strategies in this sector support the literature review. The qualitative questionnaire is an interesting way to obtain accurate answers from people managing the reputation of brands through digital marketing strategies.

1.4. Research contribution

The purpose of this research is to contribute to the current digital strategy of luxury brands on social media. While the luxury sector can seem too traditional, its social media marketing strategy is nowadays acting towards young generations. This research provides new trends for luxury brands to embrace a more youthful and dynamic image.

The main research questions are:

- While the luxury sector is exclusive, rare and precious, how could this be combined effectively with the digitalization and the use of social media, which promote the accessibility and the constant networking between individuals?

- As the luxury sector sometimes seems ancestral and too traditional, how can luxury brands provide new luxury value to customers? How can they enrich customer relationship?
- While brands are usually expecting their investment to provide higher benefits than the costs incurred, how can luxury brands evaluate the profit they can make out of their social media marketing strategy?
- Which social media best suit the luxury sector? What are the best social media to develop a luxury brand's marketing strategy?
- How can the luxury sector lure new customers, while remaining unattainable with an elite clientele?
- What are the new challenges for luxury brands' marketing strategy? How can they develop a younger brand image?

1.5. Outline of the dissertation

The first chapter is expected to provide a general overview of this thesis and explain how it will be developed.

In a second chapter, the challenges of the digitalization of the luxury sector will be identified. It will be necessary to understand what barriers this sector faced at the beginning and subsequently evaluate its current digital implication with social media. An evaluation of the relationship potential between luxury brands and social media will be given. This second chapter is also meant to examine what luxury brands earn from their social media strategy, whether it is quantitative (return-on-investment) or qualitative (social ROI, relationship with customers). Finally, this chapter will provide a study of two successful digital campaigns that should inspire the luxury sector.

The third and final chapter will provide the new challenges luxury brands are facing as they develop a younger and more dynamic brand image. This chapter is emphasizing this new strategy with the identification of a new target, the analysis of masstige brands and the description of new social media strategies from luxury brands on WhatsApp, Snapchat and Twitter.

Within this study, we will limit our approach to the luxury sector, which includes ready-to-wear and perfumery. Indeed, the fashion and beauty sectors are the most relevant sectors to consider when analyzing the use of social media since they allowed the luxury sector to catch up with its delays.

2. Literature review on social media and luxury brands

2.1. A gradual digitalization in the luxury world

In this chapter, the major objective is to understand the relationship between the luxury sector and social media. We will study how the digitalization of the luxury sector has taken place. While luxury brands have long rejected the influence of the Internet, digital technologies represent nowadays a marketing strategy with which the sector must compose.

It is paramount to:

- Discuss the various stages of the digitalization of the luxury sector in order to understand how it has begun and identify opportunities for improvement
- Analyze the potential of the relationship between luxury brands and social media
- Understand how luxury brands develop profitable social media strategies, either to achieve ROI or strengthen brand equity, with the help of their community manager or by becoming marketplaces

2.1.1. Some hesitant start

Due to a likely incompatibility, the digitalization of the luxury sector took place very slowly (McKinsey, 2015b). Firstly, this delay can be explained by the contradictory values that appeared to exist between the luxury sector and the digital innovations that were born (Sicard, 2010). Indeed, while the luxury sector seeks to convey the values of exclusivity, scarcity and absolute control of its products, digital tools, in particular the Internet, seeks to connect users and make everything (products, information, services, etc.) accessible to as many people as possible.

However, in order for a luxury product to be considered as such, it must meet a certain number of criteria. In their study “Beyond rarity: the paths of luxury desire. How luxury brands grow yet remain desirable”, Jean-Noël Kapferer and Pierre Valette-Florence (2016) prove that the attractiveness of luxury brands depends on their ability to create value far beyond satisfaction:

“As luxury high prices are not fully explained by functional qualities, this means that luxury brands create value far beyond the satisfaction derived from superior product or

service performance or quality. Luxury price is that of the “singularities” built by the intangibles (such as heritage, tradition, history, country of origin, association to famous clients, to an imaginary lifestyle). It is also the price to be paid to symbolically be part of the same closed club as these VIP’s who made the brand, thus, gain social recognition and distinction.”

Hence, luxury goods are not simply high-quality products that are priced high but are strong social indicators. They allow their owners to be part of a restricted and privileged circle. For many years, luxury products and services were associated with powerful consumers of high status (Chandon et al. 2017). In order to guarantee this exclusivity, the luxury industry exercises significant control over its products.

The networking of the Internet does not make this control possible. More specifically, the development of e-commerce in the early 2000s seems incompatible with the luxury sector in view of the essence of the products offered. Indeed, selling luxury goods online is perceived for brands as a risk of harming the image of rarity and desirability of the brand (Esmaeilpour, 2015). There is a certain incompatibility between the luxury sector and e-commerce. Indeed, luxury brands seek to make the brand as attractive as possible by restricting as many purchasers as possible, either through distribution channels, very high prices or limited production. However, luxury brands are forced to recruit new customers and use new distribution channels to ensure the long-term profitability of the company.

Therefore, the emergence of e-commerce makes it difficult for luxury brands to use the Internet to recruit new customers while keeping an aura of inaccessibility around their products or services. However, most luxury brands now interact with consumers through the Internet. Indeed, most of them have overcome their previous concerns about control and exclusivity, and are now more comfortable with marketing on their own website or with the help of social media (McKinsey, 2015a).

The famous English ready-to-wear Burberry understood quite rapidly the potential of the digitalization and became a pioneer in the luxury sector.

2.1.2. Fast and successful digitalization of Burberry

In 2006, Angela Ahrendts is appointed Chief Executive Officer of the British brand Burberry, at a time when the brand is experiencing weak growth (about 2% growth) (Fortune, 2017) and whose image is increasingly aging. The best days of Burberry seemed behind, and Angela Ahrendts said “There was not time to even think about the downsides”. While the luxury sector is booming, Burberry's revenues are stagnant. Moreover, competition is tough as luxury players such as LVMH or Kering generate turnover 12 to 15 times higher than those of Burberry.

Consequently, significant structural changes were made and Angela Ahrendts decided to set up a serious digital strategy. Thus, the shops were equipped with iPads on which were broadcasted videos, images, texts telling customers the history of the brand. The multiple websites that existed were gathered on the same platform, and the design of the website was totally recreated. Moreover, the website, in addition to presenting the collection, relied on numerous contents to support the legacy of the Burberry brand whose 150 years of history were an undeniable asset. The Burberry website then also offered an online customization service of the iconic trench. Indeed, it became possible for the customers to customize their trench and create up to 12 million different styles. Existing customers of the brand could also share pictures of themselves with the Burberry trench coat, which was giving them fame as models on the website. This campaign called the Art of the Trench was a good strategy to make Burberry's customers their brand ambassadors. (Business Today, 2013).

Finally, Angela Ahrendts and her team decided to make a significant change regarding their strategic target by targeting a segment on which Burberry's competitors were then not positioned, namely "Generation Y". Generation Y, also known as millennials, refers to people born between the 1980s and the 2000s (Main, 2013). To target these individuals, also known as digital natives, Burberry intensified its presence on existing social networks and created its own social networking platform called “artofthetrench.com”. This platform gathered a gallery of customers' photographs wearing different Burberry trench patterns. In 2013, 2.5 million people visited this platform. (Harvard Business Review, 2013).

Therefore, the strength of Burberry is to have preserved the richness of the history of the brand while dusting this heritage with a digital approach. This new strategy did not seek to deny what has made its success but to democratize its story with a young public. Burberry

therefore decided to become a digital transformer while its competitors had a wait-and-see approach. Motivated by a slowdown in growth of the brand, this move is today one of the strengths of Burberry. Indeed, following these changes, the website Burberry.com has become the "shop" generating the most traffic and sales for the brand. Besides, Burberry is one of the most followed brand on social networks with more than 17 million fans on Facebook, 7.93 million subscribers on twitter and 9,3 million on Instagram. Burberry chose to move 60% of its marketing budget to digital in 2012, and this was a bold strategy (Business Today, 2013). Finally, Burberry's digital efforts had a significant impact on its financial situation; company's sales doubled and stock growth reached 300% since Angela Ahrendts arrival (Business Today, 2013).

Thus, in 2006, Burberry was the first luxury brand to consider the digital sector not as a threat but as a strategic lever. The vision of Angela Ahrendts, who is today Senior Vice President of Apple Retail, has helped to boost the image of the brand by combining the power of heritage and digital innovations.

Nevertheless, if Burberry understood before the others the importance of digital, the luxury sector has accumulated a significant delay in its digital transformation. Other luxury brands should understand that it is now mandatory to have a digital strategy.

2.1.3. Use of social media by luxury brands nowadays

For a long time, luxury brands have refused to be involved in any digital transformation for fear of losing control over their brand. Some of them then adopted cautious positions, not considering the digital adventure and seeing the emergence of digital technologies as a passing fad. Others tried unsuccessfully to digitalize like the LVMH group, which in 2000 opened its first online store, eluxury.com, bringing together more than 50 brands on the same platform. The site was a failure and eluxury.com closed in 2009. LVMH is now launching a new one called "24 Sèvres"; it took them 8 years to reevaluate their strategy and create this new boutique shopping website and mobile app (NY Times, 2017). However, it should be highlighted that the digital transformation of luxury has imposed itself as an obligation because of certain societal transformations and that in no case has the luxury sector been the leader in this field.

Thus, the sector has been digitalized under the influence of several criteria.

The first criterion is a cultural. Nowadays, digital transformation is affecting all parts of Western economies and denying its impact would be a mistake. According to McKinsey & Company (2014), new business models, integrating digital marketing at the heart of their offer, are created every day and some digital companies such as “Net-A-Porter” are increasingly influential players.

According to Bard Papegaaij, research director at Gartner, companies that want to involve in digital transformation should take a “culture-first” approach (Moore, 2016). Indeed, the digital revolution is not only a technological fact. It is also about a culture based on the openness, the good use of the multitude, the data and above all the valorization of the user experience (Delorme & Djellalil, 2015).

The luxury sector has sometimes been hit hard by this cultural shift. Thus, the arrival of pure digital players like Amazon or E-bay affected the luxury sector. These giant digital players may trigger the loss of control for the luxury sector.

The Internet is perceived by the luxury sector as a loss of control over brand image or storytelling (McKinsey, 2015b). This is why luxury players are remaining cautious with digital experiences. It can also potentially be dangerous as CtoC platforms are helping the development of counterfeits.

However, there is a change in the sector's perception of these new players: since it is impossible to avoid online sales, it would be better to get involved in this sector in order to maintain some control rather than leave other actors denaturalize the brand.

Besides, the digital transformation of the luxury sector has become a necessity because of a change in the way people consume luxury goods. First of all, luxury consumers are now active digital actors, whom are very well equipped with new technologies. Nearly all luxury consumers have a smartphone (between 95% and 100% of them). Moreover, 75% of luxury buyers use multiple devices such as smartphones, tablets and computers (McKinsey, 2015a).

In addition, the McKinsey's report (2015a) explains how consumers of luxury goods are also highly social, in digital sense. Indeed, 80% of them use social networks every month (either Twitter, Instagram, We-chat or Facebook). Moreover, the report emphasizes that this use is not passive but active, that is to say that these users share content (photos, videos, etc.). Out of these daily users and buyers of luxury goods, 15% post daily on social networks. In addition, McKinsey's report emphasizes the power that those luxury consumers are amassing for luxury brands. Indeed, every time a luxury brand posts on its official account, consumers

post 10,000 times more with the brand's hashtag (#). Nowadays, it is difficult to evaluate who – between the brand and its consumers - is creating the information that defines the brand's identity.

Thus, luxury consumers are evolving and they can now be influenced by digital innovations. Digital natives or millennials, for which online consumption goes without saying, are becoming important luxury consumers. These cultural changes and modifications in consumer habits have forced the luxury sector to develop tools to meet these demands. So, while online commerce had very rarely been considered, more and more luxury couture houses have their own e-shop (NY Times, 2017).

Although they have long ignored their potential, today almost all luxury brands are active on at least one social network. The luxury goods consumers are now connected and buy via websites, on their tablet, on their smartphone, etc. (i-D, 2017). From then on, new criteria of customer satisfaction appear. Indeed, the luxury clientele is now sensitive to the website usability (the fact that the website is user-friendly), the ease of online shopping whether on a computer, tablet or mobile. These customers are now demanding about the quality of content posted on social networks. As luxury customers tend to buy brands that they already know, the issue of quality digital service is very important. Customers of a brand are used to a certain level when they consume in a shop and they must find this quality in their online purchases or in any other digital experience that they have with the brand (Kaiser, 2012). From then on, it is a new challenge for a luxury brand: how to approach digital activities such as creating an online shop so that the brand maintains its reputation?

To digitalize themselves, luxury brands are gradually digitalizing their points of sale by giving iPads to their sellers, installing screens or offering e-booking services. Brands also invest, for the most part, in Internet and create accounts on each social network. In addition, some groups like LVMH are recruiting new talents specialized in digital transformation like Ian Rogers. Ian Rogers was a former Apple employee who has been appointed, in October 2015, Chief Digital Officer of the LVMH group (NY Times, 2017). His mission was to build a digital strategy for the group while respecting the identities of each house belonging to the group.

This question regarding the recruitment of experts in digital transformation raises the question of "management of change". Change management is the action of bringing an

organization from a situation A to a situation B (which is deemed preferable) while preventing as much as possible the difficulties (Skalik, 2016). The issue of change management applied to the digitalization is crucial because it involves that all employees in a company must change their ways of working, thinking, proposing solutions and so on. Indeed, the management of change on the digital issue is no longer just giving digital tools to collaborators (such as iPads). Rather, it is a matter of working to change the managerial culture so that digital marketing is involved in all aspects of the company. Thus, the management of change in periods of digital transformations will also affect cultural practices such as how to interact between two collaborators.

For instance, younger generations do not have the same vision of the company as the older ones. Young people are looking for freedom, operate in virtual networks rather than in close relationships and want to be able to express themselves (Stewart et al., 2017). These new arguments in the workplace may come up against the mentalities of more experienced generations who do not work in the same way. Thus, in the context of digital transformation, change management must not simply focus on the emergence of new technological tools but on the very change in the corporate culture. Vincent Stuhlen, digital director of L'Oréal Luxe, defined how the digitalization of luxury can be a challenge (Internet Retailing, 2013). Upon his arrival, he had to change old practices at L'Oréal in order to successfully digitalize the company. In particular, Vincent Stuhlen had to rethink L'Oréal's marketing strategy to make it more suited to the digital model. L'Oréal had a product-oriented marketing vision. According to him, there was a lot to say regarding digital revolution, but the real revolution was to put the customer back at the heart of everything (Internet Retailing, 2013). L'Oréal's marketing strategy therefore had to evolve towards a more customer-oriented strategy than product, leading to major structural and organizational changes.

Thus, the management of change is an essential aspect in the process of digital transformation, especially with the luxury sector as it is difficult to adapt it to new digital requirements. The objective is to evaluate the efforts of the luxury sector to catch up with social media. Are luxury brands able to integrate digital experiences in their marketing strategy? What digital actions could they take to reach customers' expectations?

2.1.4. Efforts of the luxury world to catch up with social media

Through this study of the beginnings and evolution of the luxury sector's digitalization, it is clear that if the sector has finally realized the importance of digitalization, the digital transformation of most luxury brands is far from being complete.

Indeed, the consumer's relationship to digital and the expectations they develop evolve faster than the luxury sector is able to offer. It would seem that the sector is not creating digital innovations in its marketing or distribution strategies. This difference between consumer expectations and experiences delivered is called the "digital divide" (Deloitte, 2014). According to Deloitte's report, the sector's mistake would be to have seen digital as a business distinct from others. Taking the example of e-commerce, the report highlights that efforts in this area have been at the expense of actual stores.

However, digital marketing should not be considered a separate department but must be integrated into each department of the company. Thus, the report focuses on the digitalization of points of sale. Indeed, digitalization does not mean the disappearance of actual stores. Nevertheless, customers want to use digital platforms in a shop. That is why the strategy of the shops must now focus on how to accompany customers in their digital experience once they have walked into the store (Lobaugh et al., 2014). While Deloitte's report (2014) explores the digital divide on retailers, certain situations can be applied specifically to the luxury sector. Thus, the report explores some situations where the digital divide is particularly existing and can be found in the luxury sector. The report mentions, for instance, the use of screens. On the one hand, consumers use more and more screens when purchasing. The answer to this behavior for retailers in general but also for luxury brands is to offer purchasing possibilities on screens without considering this use as part of a larger digital experience.

Another example is the merchandising of products in an actual store. Merchandising is "the activity of promoting the sale of goods at retail" (Business dictionary, 2017) that is to say how to present product in actual stores. Indeed, luxury brands now know that some customers create, on the brand's website for instance, pre-choices by selecting items that are then saved in fictitious shopping cart. The report shows that shops often do not have the same products as those offered on their website, which creates frustration among customers.

Similarly, customization strategies could be conducted such as offering a specific merchandising for each customer based on the data collected on fictitious shopping carts or even based on liked, shared or commented photos (Kapferer & Valette-Florence, 2016). Finally,

another example of digital divides that it is possible to observe in the field of luxury is the existing gap between the quantity and quality of information available for the same product offline and online (Kim & Ko, 2010). Luxury companies must therefore be able to harmonize the information available to customers on both channels. They must understand that each marketing action (customization, harmonization of the information, etc.) has an impact on the consumer behavior, which means they should focus on multi-channel optimization (Sicard, 2010).

Therefore, the report emphasizes that it is imperative to bridge the gap between the expectations of consumers and what retailers, and therefore luxury brands are able to offer. This imperative is urgent as digital divide creates important opportunities for competitors who are pure players. Indeed, the report highlights a decline in the market shares of major retail players since 2009. This decline is characterized by less concentration on the market between major players, which means that small players are gaining market shares.

In essence, the digitalization of the luxury sector was slow. If contradictory values existed between luxury product and the Internet preventing the digital transformation of the sector, today the latter is necessary. The sector had to be bogged down to consider this transformation. Indeed, it is paradoxically in a crisis situation that the company innovates. While the luxury sector is becoming more digitalized, there is still room for improvement, particularly in the perception of digital by luxury brands. To be successful, they must fully integrate digital at each level of the company and put the consumer at the heart of their strategies.

To do so, they must learn from pure digital players who constantly innovate in these fields. For instance, it is in the interest of couture houses to take inspiration from innovative start-ups who propose to their customers to design the clothes they have chosen while respecting, after a scan, their measurements. Nevertheless, there is a digital domain where luxury companies are particularly active: social media. Indeed, the exponential development of social media, and among them social networks, is particularly beneficial for luxury brands. As a powerful marketing tool, it will be necessary to see to what extent social media is particularly compatible with the luxury sector.

2.2. Evaluation of the potential of social media in the luxury sector

In order to understand the relationship between the luxury sector and social media, we first need to define the latter. Secondly, it will be necessary to understand on what types of social media luxury brands are particularly performing. We will focus on some social networks such as Facebook and Instagram before studying the relationship between luxury brands and bloggers.

2.2.1. Definition of social media

Social media came from the United States through the private sphere years ago now, and they became part of our daily life. It is paramount to make the distinction between social media and social networks. Social media are defined as “Primarily internet or cellular phone based applications and tools to share information among people. Social media includes popular networking websites, like Facebook and Twitter. It involves blogging and forums and any aspect of an interactive presence which allows individuals the ability to engage in conversations with one another, often a discussion over a particular blog post, new article, or event.” (Business dictionary, 2017). As for social networks, it is “the activity of sharing information and communicating with groups of people using the Internet, especially through websites that are specially designed for this purpose: Most businesses now use social networking to spread their message » (Cambridge dictionary, 2017).

The difference is held but lies in whether or not to interact. In both cases, it is about sharing content but for social networks this involves a discussion. Social networks are therefore a subcategory of social media. This distinction is important because it allows us to include in our analysis the importance of blogs for the luxury sector, whereas the latter are not social networks. If we now focus only on social networks, it may be difficult to see clearly as there a lot of different ones and their functions are different. Indeed, the original offer of each social network is relatively the same namely the sharing of content. However, the increasing number of users is constantly changing the nature of these social networks. Indeed, social networks are an integral part of our everyday life and their arrival a few years ago has shaken the way we communicate, learn, share, look for information, etc.

No other technologies have been so well known in so little time. Facebook has converted more than 200 million people in less than a year (The Guardian, 2014). Everything is constantly evolving: new networks are invented regularly and users are sharing content and information all the time. Social networks change everything in our world: how to communicate, how to learn, how to react, how to buy, how to sell, how to advertise, etc. It is paramount to look into the main social networks and see how they work and why people are using them.

The concept of social media has evolved a lot since it first appeared. The anthropologist John A. Barnes would be the first to use this notion in 1954 in a famous article (Merckle, 2011). At the time, he did not realize that there would be a great movie called *The Social Network* in 2010, explaining Facebook and how Mark Zuckerberg created this huge new network that Facebook is. There are three particular words that can describe social networks: cohesion, circulation and awareness (McCarthy, 2014). According to Kaplan and Haenlein (2010), the aim of social media is to avoid any kind of boundaries or special delimitation between people. We use the expression “Picture Marketing” for certain social media such as Facebook, Twitter, Instagram and Pinterest. Picture marketing means that the image has a strong impact on the visibility and the engagement (McCarthy, 2014). It is how Fashion brands communicate to involve their consumers.

As said earlier, no other technologies have been so well known in so little time. Indeed, to reach out to 50 million users, the radio needed 38 years. Facebook has converted more than 200 million users in less than a year. This massive recruitment of users attracts not only individuals, who enjoy an increasingly broad community to exchange, but also businesses. With 1.97 billion monthly users on Facebook in April 2017, 700 million on Instagram, 300 million on Snapchat, companies see in these social networks a new communication channel with particularly powerful reach. However, what can be the role of these different social networks for a company?

According to Cyril Bladier (2014), Facebook is rather a tool that helps for notoriety; YouTube helps to broadcast video campaigns, Instagram concerns brand image; Twitter is interesting for after sales service; Snapchat to federate fans and "flash" operations; Pinterest to anticipate trends and LinkedIn for career and to develop a business.

Therefore, each social network's use is part of a specific strategy. However, the large number of users of these social networks and therefore the visibility given to the company is not the only reason for their activity on these platforms. Indeed, one of the major stakes of social networks is what is commonly called big data.

The big data is the volume of data collected on the Internet. According to IBM, "Every day, we create 2.5 quintillion bytes of data — so much that 90% of the data in the world today has been created in the last two years alone. This data comes from everywhere: sensors used to gather climate information, posts to social media sites, digital pictures and videos, purchase transaction records, and cell phone GPS signals to name a few. This data is big data." (IBM, 2016). This volume of data collected is a valuable source of information for the company, which can therefore use this data in order to better know its consumers, better target them, recruit new ones and sell better.

Thus, social media have become an essential business tool for companies both for visibility and for data collection. In our study on the relationship between social media and the luxury sector, we will focus on the use by the sector of the certain types of media. Brands understood the importance of social media for their digital marketing strategy. However, it is paramount to analyze which media are the most relevant to the sector through their ability to enrich the brand image. How should luxury brands use those social media? What are the specificities of each of them?

We will concentrate on Facebook, Instagram and on blogs.

2.2.2. Facebook, Instagram and blogs, what are their relationship with luxury brands?

2.2.2.1. Facebook, a tool to increase consumer awareness of the brand

The social network Facebook has 1.5 billion active accounts. Mark Zuckerberg created it in 2004 at the University of Harvard, and is now the most well-known social network on earth (The Guardian, 2007). Used by both individuals (via profiles) and businesses (via pages), Facebook affects all segments of the population. Nevertheless, 51% of its users are between the ages of 18 and 34, making it a social network particularly appreciated by young people. For a company, Facebook has a number of features that allow to test the loyalty of its customers, notably through the number of fans, that is to say, those who liked the brand. It is also possible to know who liked, commented or even shared a photo. Moreover, the main advantage of Facebook lies in the number of users that it reaches. This number makes Facebook the most efficient platform in terms of data collection.

Fashion companies can create an account, which will be called a “fan page” to become well known. Fashion brands aim to create an engagement, that is to say interact with their fans and make them share their posts. Andzulis, Panagopoulos and Rapp (2012) affirm that nowadays, brands want Facebook to be part of their development and to help creating a sales process.

For luxury brands, Facebook is a way to communicate with its consumers, while enriching its database. The pages of luxury brands, relying on the prestige of their name, count an important community of fans. Thus, Gucci has more than 15 million fans on its Facebook page and Chanel and Louis Vuitton have both 19 million. The fans of these pages are not all customers of the brand. Many people who like the page are indeed just admiring the brand, eager to follow its news or want to be part of a very wide community. By presenting via photos or videos its collections, the brand affects a much wider audience than in the past. Indeed, before the arrival of these social networks, this kind of information was available to the "general public" only in the press. By posting via Facebook freely, the brand controls the quality of the information it broadcasts and makes it accessible to a much wider audience than its customers only. The message does not change but the reach is greater. Thus, the brand greatly enhances its notoriety without popularizing its brand image.

Luxury brands create Facebook campaigns that allow them to gain notoriety and data. Thus, in 2013, Yves Saint Laurent offered on its Facebook page to send a makeup kit to 350,000 selected fans. The concerned women then received the make-up kit and had to testify to the rest of the fan community about the quality of this kit. In addition to creating a privileged relationship with the selected individuals, this operation allowed to collect a large number of data since it has led to a return on a product. In addition, this experience was also a success generating a turnover of 80,000 euros and a gain of 6,300 new fans on the page (Web and luxe, 2012).

Thus, Facebook has become a powerful engine for notoriety for luxury brands. However, the Instagram application is now a much more powerful tool for the luxury sector.

2.2.2.2. Instagram and its image strength

Launched in 2010 by Kevin Systrom and Michel Mike Krieger, Instagram is an application allowing to share photographs and videos with a network of friends (if the account

is private) or with all the people using the application (if the account is public), to provide a positive appreciation (function "I like ") and to leave comments on pictures or videos posted by other users. It also allows to dialogue with the members via the use of the internal mailbox called Instagram direct. In addition, the special feature of Instagram is to be able to apply to each photo taken a special filter to improve or modify the colors of the photo. In 2011, the app has 100 million users. Its growing success is in the interest of Facebook which redeemed Instagram for 1 billion dollars in 2012. In 2016, only 5 years after the takeover by Facebook, Instagram had 700 million monthly users (Statista, 2014). 95 million photos and videos are posted every day.

According to Camille Krantz (please see Appendix 2), International Online Reputation Manager for Galeries Lafayette, who agreed to answer questions to enrich the content of this thesis' research, Instagram is a powerful lever in the luxury world:

“Like the luxury industries, everything on Instagram is based on the visuals. In the luxury sector, brands no longer have to prove the quality and the know-how of their products (although this is a key area of communication and key to success in their community). On the other hand, they have to differentiate themselves with a strong and differentiating visual identity allowing their target to adhere. The quality of the content created, the bias, and the formats selected are thus at the origin of the power of its visibility and the image of a campaign. The picture above all, the visual on the front line.”

For luxury brands, picture marketing is an undeniable strategic tool. They can use Instagram to spread strong visuals based on the quality and the beauty of their products, their advertisements or their brand ambassadors (often celebrities who are, themselves, very closely followed on Instagram). Instagram accounts of the luxury brands are among the most followed. For example, the Gucci account has 15 million followers, the Dior account 15,4 million, the Chanel account 21,6 million.

In addition, luxury brands quickly realized the impact that Instagram could have, especially thanks to influencers, who represent a great opportunity for them:

- Influencers are people whose Instagram accounts have a large number of followers
- They are privileged intermediaries between brands and their customers
- They have a power of persuasion over their fans

Thus, little by little, Instagram has become a place of increasingly powerful marketing promotion. Indeed, the engagement rate, the total number of interactions (like, comments,

shares) divided by the audience of a publication on Instagram, is 60 times higher than Facebook's. This commitment rate is particularly strong for influencers. Luxury brands are using celebrity endorsement as a tool for word of mouth (McKinsey, 2010). The aim is to trigger a positive buzz for the product worn by the celebrity, or more broadly, for the brand itself.

The power of influencers on Instagram can be explained by Gigi Hadid's success. Aged 22, this model's income was estimated in 2016 to more than \$82 million. As a result of the "millennials" generation, she has mastered social networks and the use of Instagram as a promotional showcase. Like Alexa Chung, she uses the app to promote brands that pay her to her community of fans of more than 25 million people. By posting a simple photo of her on the red carpet on which she tags the brand Versace (as she is wearing a Versace dress), the model has collected over a million mentions "I love". It thus becomes a particularly interesting influence for luxury brands.

Promoting their brands via influencers is an advertisement that seems more authentic to the target. Indeed, the message is less marketing, the user can truly believe that his favorite model has a particular affection for Versace, when it is actually a real advertising contract. Nowadays, well-known models such as Kendall Jenner or Cara Delevingne are really well paid for a single post on Instagram. Indeed, Cara Delevingne has 40 million followers on Instagram and she can expect to earn \$100k for a shot that promotes an item from a brand (The Richest, 2015). From then on, a relationship is established, in which the influencers need the brands and the latter need to promote their products through influencers.

Instagram is therefore a promotional tool particularly suitable for luxury brands because the application relies on the power of the image and on the existing networks of influence.

However, these networks of influence are also very present in a third social media widely appreciated by the luxury brands: blogs.

2.2.2.3. Proximity marketing opportunities with blogs

According to the Cambridge English dictionary, a blog is "a regular record of your thoughts, opinions, or experiences that you put on the Internet for other people to read" (Cambridge dictionary, 2017). In recent years, blogging has grown significantly and as for April 2017, the social network Tumblr.com has surpassed 345 million blog accounts (Statista, 2017). The phenomenon of blogs is partly explained by the need of Internet users to share the subjects

that are important to them and to have a feedback on their experiences, their opinions, etc. Among them, blogs dealing with the subject of fashion, beauty and luxury sector have particularly been developed.

By challenging the classical media, blogs reinvent a way of communicating and for readers, to learn. Fashion blogs are shaking up classic magazines such as Vogue, Harper's Bazaar, or Citizen K. Blogs have the particularity of connecting people who are alike and who talk about the same subject. This proximity is the strength of blogs because it supposes a relationship of trust. So, when a blogger evokes the quality of a Chanel bag offered for her 30 as a birthday gift, the reader of her age can identify and thus bring more credit to the feelings of the blogger on her purchase. This proximity and credibility is quite different when this same reader discovers an article written by a journalist in a major fashion magazine. Luxury brands are using blogs to have feedbacks from their customers. Indeed, Dolce & Gabbana are frequently inviting bloggers to the front seats of the brand's fashion shows, so that bloggers will upload feedbacks, and customers will see it instantly (Kim & Ko, 2012).

The growing success of blogs has been translated by an increasingly important audience. Thus, the publication of articles in relation to a fashion item for a brand has become a windfall for the luxury brands (Kim & Ko, 2012). The greater the visibility of the blogger, the more the brand has an interest in having a blog talking about its products. Hence, creating collaborations between brands and bloggers can be very interesting. Indeed, this collaboration may look like a gift (such as sending a bag to a blogger), and the blogger will write an article concerning the brand.

Nevertheless, if the system of gifts works, most of the collaborations via blogs are today remunerated. Since then, the majority of blogs with a certain rating have become monetized. The brands are now signing contracts with bloggers to promote their articles (Halvorsen et al., 2013). The rates are also very precise. A dedicated article accompanied by an Instagram post will be more expensive than a simple article. Similarly, the text of the article may in some cases be negotiated with the luxury brand. This is a way for the brand to control the message and image of the product. For instance, the text following the picture might involve some hashtags that are especially created by the brand. As a reminder, hashtags are usually a word or sometimes a sentence preceded by a hash sign (#) and enable a number of publications

to be identified on social networks. By using these hashtags, the blogger enriches the content and allows readers to follow the content of this hashtag on the networks.

The monetization of blogs has become for some bloggers an important business opportunity. Almost all of the most followed female bloggers have left the jobs they once held in order to concentrate full-time on their blogs, whose incomes are particularly attractive. Thus, the case of the blogger Chiara Ferragni is particularly interesting. Indeed, in 2009, Chiara Ferragni created a blog dedicated to her passion for fashion. She regularly posts photos of herself with luxurious products from huge ready-to-wear brands. These photos are accompanied by a description of the products and short texts on her wish-list, her travels, her inspirations, etc. Since 2009, the blogger works with luxury brands like Dior, Chanel or Balenciaga and gets paid through her posts. Today, the success of Chiara Ferragni is indisputable. The young woman has 9.4 million subscribers on her Instagram account and her blog generates more than 9 million dollars a year (WWD, 2016). Its success is such that in 2015, the blogger is invited by the Harvard Business School to be interviewed concerning the reasons for her success.

Figure 1 - Example of Chiara Ferragni's posts on « The Blond Salad »



Bonjour Paris. Finally here we are with Chiara's first look of this Paris Fashion Week. Blue and Autumn leaves are the perfect combo to start this important week. Chiara was wearing total look Chloé and Céline shoes.

Source: The Blond Salad (2016)

The text following the photo report is very reduced and only gives information regarding the different brands worn by the blogger as well as the links on which the followers can find these products. The photo is shot so that all the pieces carried by the blogger are visible. Chiara Ferragni is not the only blogger to work closely with brands and to have made her blog her own business. In France, the blogger Jeanne Damas is particularly appreciated with 447,000 followers on Instagram. She used to be the brand ambassador of a lingerie brand (Yasmine Eslami), and she now just launched her own ready-to-wear line (Rouje). Jeanne Damas is one of the most well-known “it-girl” from France, as she represents perfectly the natural French style called “chic à la française”. This is why Yasmine Eslami chose her to launch a new capsule collection in partnership with her brand Rouje (Vogue, 2017).

Since then, fashion blogs are an interesting marketing tool for luxury brands since they convey a disguised advertising message based on the close relationship established between the blogger and her readers.

2.2.3. Case studies of innovative digital marketing strategies

Thanks to their creativity and their innovative brand content strategy, "Enter the Game - Snapshot in LA" and "Number 5 L'Eau" are punchy digital campaigns. Those two cases are very interesting in the analyze of the relationship between luxury brands and social media. Chanel and Dior are two major luxury brands and managed to adapt to the digitalization. They were able to modernize their brand image through digital strategies. We will see how the entire luxury sector can draw inspiration from these campaigns.

For the launch of its new fragrance Number 5 L'Eau, Chanel wanted to make people rediscover the mythical Number 5 with a younger and millennial target. Indeed, while the olfactory details of the number 5 perfume are not liked by the girls because they are considered too strong, Number 5 Water is lighter and therefore adapted to a younger audience. To attract the millennials, Chanel initially launched its campaign on social networks. Indeed, as of August, photos and short videos were posted on Facebook and Instagram with visuals without apparent relationship with the perfume. These photos and videos were however constructed in a binary way with two visuals combined in a picture. Those visuals were confronting each other as they were representing two opposing values. A legendary text was following these photos "#YouKnowMeAndYouDont #NewChanel5". These photos then acted as teaser to announce

the perfume. Once again, the brand did not choose an explicit advertising message, but a visual one since it is the latter that have the most impact on the millennials. Below are the posted visuals:

Figure 2 – Visuals of campaign



Source: Instagram Account of Chanel (2016)

The teaser continued throughout the summer and fall. In November 2016, the entire commercial was released on the social networks and on the digital press platforms. The commercial featured a young girl played by Lily-Rose Depp, who is the daughter of Vanessa Paradis and Johnny Depp. Lily-Rose was filmed playing different sides of her personality in order to show the paradoxes that can inhabit any girl. By choosing Vanessa Paradis's daughter, Chanel chose a young muse, who is part of the millennial generation, who happens to be a major influencer. Indeed, this young woman is very active on social networks and is followed on Instagram by almost 3 million people. This audience is an asset for the brand as Lily-Rose Depp shared the campaign's visuals on her own account. She got 181,306 likes for a picture of her holding an enlarged version of Number 5 L'Eau.

Figure 3 – Instagram post of Lily-Rose Depp



Source: Instagram Account of Lily-Rose Depp (2016)

Furthermore, the choice of this muse was consistent with the marketing message of the campaign. Indeed, Lily-Rose Depp is known as the daughter of Vanessa Paradis and actor Johnny Depp but no one really knows her. This created a parallel with the Number 5 perfume itself, which many millennials know by name without knowing the smell of it.

In addition to regular publications on Facebook and Instagram, Chanel is using bloggers to seduce more of the millennial generation. Thus, in May 2016, the brand invited six bloggers to come and discover the manufacturing process of Number 5 L'Eau in Grasse in the south of France. The six female bloggers are young women with a similar audience. These six bloggers were able to observe the manufacturing process, participate in the picking of roses, exchange with the perfumer and visit the extraction plant. During these two days spent in Grasse, bloggers are spoiled by the brand and many gifts are offered to them.

Julie Sariñana from the blog Sincerely Jules wrote on June 22nd: “Last month, I had the absolute pleasure of being invited by Chanel to visit the rose fields in Grasse and learn about how they process their new No. 5 L’eau! It was a true magical experience being able to learn about the inspiration behind the new perfume from perfumer Oliver Polge. It’s definitely a lot more fresh, spontaneous and kinda sexy. We started the day with a cute introduction then we changed into our gardening accessories like custom CC rain boots, apron, hat, gloves and a little book to take notes. Since May is the month of roses, the fields were fully bloomed and filled with pink roses everywhere. It was the prettiest scenery you can imagine! We helped pick fresh roses from the garden and later went on to have a little learning session from Chanel’s perfumer. I definitely have a new appreciation for how they make perfumes- it’s such hard work!” (Sincerely Jules, 2016).

Thanks to these two days and these gifts, Chanel encouraged bloggers to post an article on their blogs and share on social networks on their weekends. It is a very impactful digital strategy as some of those bloggers are becoming very well-known. Indeed, Sincerely Jules has 4,6 million followers. Furthermore, the hashtag #newchanel5 generated 7,180 posting on Instagram and gathered nearly 1 million likes in the first month of the campaign (Mediakix, 2016). Besides, Chanel was able to expose almost 10 million people to its digital campaign as the brand partnered with both well-known influencers and traditional celebrities.

It is therefore an indirect marketing operation that enriches the storytelling around the brand with a broad digital audience. Moreover, when we compare the articles of the different bloggers, we see that the photos are almost the same and that some sentences are similar, as if

Chanel had insisted on a particular message. Chanel's digital-oriented marketing strategy is likely to pay off as it is based on attractive visual content, digital communication channels and networks of influencers (including the muse).

This willingness to target younger and digital native customers via digital marketing campaigns is shared by other luxury homes. This is particularly the case of Christian Dior with its campaign "Enter the game-Snapshot in LA".

The digital campaign "Enter the Game - Snapshot in LA" by Christian Dior was published on November 13, 2014 in the form of a music video. The video is first broadcasted exclusively to Elle.fr, VanityFair.fr and Stylist.fr before being taken over by the whole digital press. "Enter the Game" was produced by Elliott Bliss, a member of the Metronomy group, and the well-known French actress Marion Cotillard. The latter is the muse and egerie of Christian Dior for the bag "Lady Dior", one of the most emblematic bags of the house.

The particularity of this campaign is that it was first broadcasted on digital press platforms and not on the Dior website or on the social network pages belonging to the brand. In addition, the video clip does not respect the traditional codes of luxury advertising.

Indeed, the surreal clip features the actress Marion Cotillard lolling in a very sophisticated and elegant Californian villa. The view is characterized by a magnificent pool and the Hollywood Hills in the background. After delicately pouring a cocktail, the main character decides to perform jumps and stunts on the surface of the pool. The whole scene happens with a music of Metronomy, called "Snapshot in LA", in which the actress sings (L'Orpheus, 2014). Thanks to special effects, the character flies and dances on the water.

Throughout this video, the only reference to Dior is a bag, a Lady Dior grey model, which only appears a few seconds and is far from being in the spotlight. When Marion Cotillard performs all kinds of pirouettes in the garden and on the swimming pool, she enjoys full freedom of movements and does not hold the bag.

Shortly after its release, the video was broadcasted on the website and the social networks of Dior. Its diffusion was a success. As of November 11, there were 6000 tweets per day regarding this campaign and more than 1600 press and blog articles are posted. The video becomes viral. Between the 10th and 15th of November, "Marion Cotillard" 'is the most associated term with the brand while there are a lot of comments regarding the Lady Dior bag on social media (Vanity Fair, 2015).

This campaign generated a significant amount of discussion around the brand and the video clip. Yet, the message did not use advertising codes.

Indeed, the strength of the video clip is based on the quality of the brand content developed by Dior. Brand content is the fact for a brand to develop its communication territory by adopting a universe that transcends the boundaries of its product and its service (Delorme & Djellalil, 2015). For the campaign "Enter the game - Snapshot in LA", Dior deliberately chose to let the Metronomy group and the muse Marion Cotillard create the video clip. The participation of the brand was limited to the funding of the campaign.

Therefore, although the product is not much shown, this video has managed to tell a story and to make the viewers focus on the aesthetics of Dior. Indeed, thanks to this campaign, Dior shows a modern vision of women. A woman who can move freely, who is dynamic and joyful while remaining beautiful and elegant. Besides, the Metronomy group's involvement and the creation of a music, especially for Dior's clip, makes it possible to associate an electro music, therefore quite young, with a brand whose legacy is impressive.

If the video modernizes the Dior woman, it does not remove the luxurious dimension of the universe in which it evolves. Indeed, the villa in which the clip is shot is a modern but luxurious residence. The interior design and the aesthetics are tasteful. Finally, the choice of a Californian residence is also a mean to move the brand from its image of the Parisian bourgeoisie towards another atmosphere, and in this case a city, with a particular energy where a different clientele lives.

Moreover, the choice of a video format (stronger than a single advertising page in a magazine), broadcasted exclusively on digital platforms and then on social networks have ensured a massive diffusion of this campaign.

"Enter the Game - Snapshot in LA" was a successful digital campaign because it provoked a large number of reactions on social media and allowed the famous luxury brand Dior to modernize its approach. The strength of this campaign lies mainly in the inventiveness of its video, far from the advertising codes of luxury and therefore with a particularly well-thought-out brand content. Indeed, by focusing on a strong visual and no advertising message, the Dior house differentiates itself from other brands. Dior also demonstrates that consumers are sensitive to visual supports and the creativity.

This vision seems to have been particularly understood by LVMH as the group created a digital platform in 2011. Indeed, LVMH created a blog that is updated daily. Named Nowness,

the blog is a video platform that previews the best of trends, art and culture from around the world. Besides, very few ads or LVMH logos appear on the blog. It is a purely independent space that share creative video content. Users can share any information they find on the blog to social networks such as Facebook or Twitter. Those users can create an account on the blog so that they have access to exclusive content.

Nevertheless, this blog allows the LVMH group to diversify its target by showing its openness to various fields while focusing on digital viewers. This strategy of brand content is also effective since the Facebook page of Nowness is followed by 751,840 people and its Instagram account by 512,000 people.

Social media became a necessity for luxury brands' marketing strategy. However, when engaging in a such strategy, it is paramount to examine if luxury brands earn a real benefit from it.

2.3. Development of a new strategy

If the presence of luxury brands on social media is therefore essential for the reasons we have mentioned, this presence is becoming a fully-fledged business strategy. Thus, the most common questions concern the Return on Investment (ROI) that luxury brands are obtaining after engaging in a social media strategy.

In order to understand how luxury brands develop social media strategies with real profitability strategies, some principal points should be considered. On the one hand, it will be necessary to understand how the notion of Social ROI has taken precedence over the notion of ROI (Hoffman & Fodor, 2010). It is also paramount to highlight the importance of strengthening brand equity (Huang & Sarigöllü, 2014). Then, we will focus on the role of the community manager within the company (Garrigos-Simon et al., 2012). Finally, it is necessary to examine how Facebook and Instagram became online buying places (Big Commerce, 2017).

2.3.1. ROI versus Social ROI

The use of social media has therefore gradually become a necessity for luxury brands in order to maintain control over their brands and to promote their products to a wider audience. When a brand implements any marketing strategy, it expects its investment to provide higher

benefits than the costs incurred. This logic also applies to the management of the customer relation set up on social media. The relational marketing strategy is time-consuming and often requires the mobilization of human resources that are entirely dedicated to this strategy (Garrigos-Simon et al., 2012). Given the recency of this channel of communication, brands need to know what they can actually earn from using a social media strategy.

Nowadays, social media advertising is only one part of the company's investment in its relationship strategy. To measure the return on investment of a relational marketing policy on social media, it is necessary to be able to link the costs with the benefits of the actions undertaken by the brand. A social media marketing strategy incurs costs in setting up communication mechanisms, in community animation, in analyzing the environment and in social advertising campaigns (Keller, 2009). However, it remains difficult to evaluate precisely the financial impact of a social campaign and to know its exact conversion rate, that is to say whether the presence on social media translates into a substantial increase in yields for the brand.

According to Bertrand Taillé (please see Appendix 1), menswear Editor for Asos, who helped for the reflection of this thesis through an interesting interview,

“Almost everything can be numbered. Tools like Sprinklr and Iconosquare can give you how many followers you gain/lost, what is the best moment to engage a conversation on a 24h ratio, etc. However, it is difficult to measure the real return on investment that brands get after a publication on social media.”

Some brands will not engage a real strategy on social media because of the difficulty to track ROI. However, the Return on Investment is an essential issue in any Internet action. Using social networks is a strategic approach with objectives and evaluation criteria. Brands are moving from a logic of presence (to be there) and / or animation (to engage) to a more business-oriented logic to make its investments profitable (Keller, 2009).

Some authors see in the evaluation of benefits a trade-off between working on social media or not (Fan & Gordon, 2014). This leads to Risk of Ignoring. Instead of questioning the benefits of a social media marketing relationship strategy, brands should instead reflect upon what they would lose if they were ignoring social media. They would achieve management savings, especially in terms of time and human capital. However, consumers are increasingly present on social media. The fact to refuse to work on social media is ignoring a fraction of the population (Fan & Gordon, 2014). By following such a guideline, companies would ignore the evolutions regarding relational marketing and this distance with customers could damage their reputation.

It is in their interest to be where their customers are if they wish to satisfy their expectations and implement a customer relationship management policy adapted to this new environment.

Focusing on ROI in a social media strategy is a short-term approach (Hoffman & Fodor, 2010). It is legitimate for brands to pursue a business goal when implementing a marketing strategy. However, it is necessary that they realize the increase in turnover is not the main gain that they can get from social media. They should not see social media as a channel of communication similar to the others and measure the many opportunities that social media bring. The question of the ROI on social networks is explained by the novelty of these means of communication. Highlighting the impossibility of calculating precisely how much a company's sponsored post on Instagram with a famous model is an argument often used to not develop advanced social media strategies. This question does not arise when it comes to a luxury brand spending a marketing budget to send a paper catalog or a commercial. Yet, these classic marketing actions have a high cost. Thus, the famous commercial for the Chanel number 5 perfume with the actress Nicole Kidman cost the company \$33 million (The Richest, 2014). If the ad is a success, its ROI is however difficult to measure. Thus, the level of demand is higher for the Internet and for the social networks than for these traditional actions. As a result, the majority of companies, especially luxury brands, tend to focus on criteria that are not relevant to the ROI of social media. However, luxury brands should evaluate differently what they can earn from collaborations for instance. Indeed, the Chinese influencer Mr Bags, who has made several capsule collections of bags with luxury brands, sold exclusively on their Wechat account (Chinese social network No. 1). Those limited edition bags rarely stayed more than 10 minutes online before being out of stock... The power of the operation is here obvious." Luxury brands should engage in collaborations on social media such as the one with Mr Bags in order to see a direct ROI if necessary.

Brands need to rethink their approach by focusing more on what social media can bring to customer relationships. Moreover, according to Camille Krantz, International Online Reputation Manager for Galeries Lafayette (please see Appendix 2):

"Some operations allow to measure the impact of social networks. If we talk about e-commerce, a simple tracked link will allow to track the user between the moment he clicked on the link and the moment he will have validate or not his shopping cart. The measurement here is very simple. The ROI for a drive-to-store is a bit blurry unless you offer a voucher to present in store or provide special offers against purchase"

However, those vouchers or special offers do not correspond to the luxury industry. With social networks, the luxury sector is facing a major paradox between its inaccessibility, with a sector dedicated to a premium target, and social communication. The ROI cannot be a primary KPI (Key Performance Indicators) for this sector.

Social media is an opportunity for the brand to get closer to its clientele and develop a privileged relationship with it. Brands must admit not to be able to immediately appreciate the benefits of their presence on social media (Godey et al., 2016). Developing constructive relationships with consumers takes time because online relationships involve interactive conversations. Brands will then be able to appreciate the impact of their relational strategy on social media through their brand equity.

It is necessary to set clear goals and define KPIs before starting to analyze a social network. Brands are too often limited to counting the number of followers and likes. According to a social media consultant named Cannon Hodge, “Because it can be difficult to collect data and exact customer behavior leading up to a sale, companies prefer sharing numbers that are most finite, which typically is limited to engagement rates and estimations” (WWD, 2015). The KPIS are not necessarily financial indicators. Indeed, since it is difficult to evaluate the ROI of social media campaigns, the notion of Social ROI is now favored (Hoffman & Fodor, 2010). Rather than focusing exclusively on the return on investment, it is possible to talk about social ROI. This term reflects the social dimension of actions carried out on social media to evaluate efficiency, performance and profitability.

So, by using the Social ROI, brands will try to understand what are their target's behaviors after being exposed to a social media campaign. Later, they will evaluate if the consequences of their digital campaign are in line with the objectives that were set in advance. The Social ROI will therefore rely on two criterias (Wizishop, 2016):

- The Return on Objectives (ROO), which consists in the ability to measure the achievement of the objectives determined during the establishment of the brand social presence. In other words, the brand begins by defining the objectives and goals, which, afterwards, will allow an effective and appropriate measure to deliver the desired outcomes.
- The Risk of Non Investment (RONI) is the risk of underestimating the potential of social media and therefore the consequences of a non-presence on social media while the

consumer is there. Indeed, it seems that the media on the Internet are still too little used in view of the number of users.

Therefore, the calculation of the Social ROI is based on both qualitative and quantitative indicators.

The quantitative tools to measure the impact of social media are, for instance, the number of shares, website traffic, number of subscribers, number of retweets, number of views, number of likes, and so on. If they give an accurate representation of the post's impact, quantitative measures should be considered with caution. Indeed, a "like" on a Facebook page can have several meanings. The fact to "like" a content on the Facebook page of a brand can mean the person is really attached to the brand, that this person has a measured attachment but a desire to know the topicality of the brand or it can be a competitor monitoring the competition (Esmaeilpour, 2015).

Thus, to complement these quantitative indicators, it is necessary to combine them with qualitative tools that will inform the brand on its reputation.

Some indicators are both quantitative and qualitative. Thus, hashtag (#) makes it possible both to measure its traffic on social media and also to measure its notoriety. Indeed, by adding a hashtag after their publications, users categorize the publications that are then listed in the same place. Users can find all the publications with the same hashtag. The more the hashtag lists publications, the more the reputation of the brand is important on social media. Thus, #dior lists almost 36 million publications on Instagram. Hashtag makes it possible for the brand to control its image by following the publications that include its name (Bladier, 2014).

Social media are also a way for luxury brands to evaluate their brand equity (Huang & Sarigöllü, 2014). It is paramount to analyze how the luxury sector is using social networks to strengthen its brand image and brand awareness.

2.3.2. Strengthening brand equity

Valuing their brand equity is a strategic goal for companies that develop a customer relation policy on social media. Brand equity is the value of the brand due to its ability to generate specific opinions, attitudes and behaviors to its customers (such as reputation, loyalty, perceived quality, differentiation, etc.) (Huang & Sarigöllü, 2014). The social media channel

influences in different ways all of these building blocks of brand equity and its two main dimensions: brand image and brand awareness.

A brand cannot exist durably if it is not visible to its customers. According to Rossiter and Percy (1897), “brand awareness refers to the strength of the brand node, or the trace of this brand in memory, which consumers' ability to identify the brand under different conditions represents”. Brands need to make the customers think of them so that there will be more chance that their brand name will come to the customer's mind.

This rule takes an even more strategic dimension with the development of Web 2.0 and social media: brands are present everywhere, which is complicating the analysis for marketers. It is essential for the brand to stand out in the middle of all the daily information on the Internet. With social media, users are increasingly generating content and companies are not exercising any control over them. If they want to exist on social media, they have to assert their presence by also publishing content about the brand.

The number of visitors on the social media page is not enough to reflect the presence and visibility of a brand today. It is paramount to take into account other indicators that are specific to this new channel. The KPIs enable the brand to evaluate the distribution and the amount of branded content found on social media and through the Web.

Delorme and Djellalil (2015) distinguishes several relevant indicators to translate the brand awareness and visibility of a brand on social media: the number of status published on Facebook or the number of Tweets on Twitter, the number of videos published on sharing platforms such as YouTube, as well as the number of views, the number of blog posts posted, the number of images published or the number of displays of a Facebook advertisement. It is paramount to place this information in a time frame to estimate the frequency of diffusion of the brand content. Logically, a commercial video viewed a million times in a week will have a greater potential than a video with a million views in six months. Thus, brands can estimate the impact of a social media communication campaign. The visibility of a brand on social media is linked to the level of engagement of the audience: the higher the community's commitment, the greater the visibility of the content (Tsai & Men, 2013).

According to Keller (2009), “Luxury brands are perhaps one of the purest examples of branding, as the brand and its image are often key competitive advantages to create enormous value and wealth for organizations”. Indeed, luxury brands can only exist if they have a deeper

brand identity than other brands, otherwise customers would buy from more mundane brands. Brand image refers to perceptions about a brand, which the brand associations in consumers' memory reflect. For instance, fashion brands need to determine the position they want in the minds of customers, and then develop a compatible strategy to achieve their goal; indeed, they can choose between being a luxury brand or an ultra-premium brand, which will make the perception of the customers vary (Uggla, 2016). Luxury brands' marketers need to encourage interaction, entertainment, trendiness, customization and word-of-mouth (Godey & al., 2016). Those efforts can lead to three main customer responses: brand loyalty, brand preference and price premium. Brand loyalty refers to the attachment of consumers towards a brand because they believe that the brand is more satisfactory than the alternatives (Esmailpour, 2015). Customers can also prefer a brand based on what they feel and know about the brand, which is known as brand preference (Keller, 2009). Finally, price premium is very important for luxury brands. Indeed, it refers to the willingness of customers to pay a higher price because they want to buy from a specific brand rather than choosing a less premium brand (Kim & Ko, 2010).

Regarding brand image, Camille Krantz (please see Appendix 2), International Online Reputation Manager of Galeries Lafayette, affirms that luxury brands understood the importance of social networks to increase their visibility but also create exclusive content:

“The organization of luxury brands may sometimes be at odds with the spontaneity required by social networks. As the validation of messages and internal processes are cumbersome, the flexibility required by social platforms is not always clear. The luxury sector has understood the importance of the brand equity and brand image created and modeled by social networks and has succeeded in finding its own identity by allocating specific creative budgets that enable to increase visibility on These platforms (specific video capsule formats, collaborations with international celebrities and influencers to create exclusive content for social networks and generate premium experiences for Internet users). The luxury industry still faces a major paradox between its inaccessible sector dedicated to a premium target and social communication that is intrinsically massive. Therefore, ROI cannot be a primary KPI for this sector.”

Indeed, the search for profits should not be the driving force behind brand actions on social media. This new media is above all a relational channel, not transactional. Improving customer relations is the key to any strategy developed on social media.

The role of the Community Manager (CM) is very important when a brand wants to improve customer relations. Indeed, the CM takes care of the brand image daily in order to analyze how customers perceive the brand.

2.3.3. The role of the community manager

According to Camille Krantz (please see Appendix 2), International Online Reputation Manager for Galeries Lafayette, the role of the community manager (CM) within the company has become central. The various roles of the CM are:

- To speak up for the company on social networks
- To be the main showcase of the messages conveyed by the brand
- To prioritize and arbitrate subjects that are suitable for social communication (messages likely to engage a conversation and reactions of the Web users)
- To create content in accordance with the brand strategy (press relations, public relations, e-Influence, etc.)

The CM defines the major lines of communication online and the means to be employed in order to optimize online discussions. He is also the ambassador of the brand on social networks and needs to facilitate the dialogue between the brand, his community and the influencers. To sum up, “the specific task of the community manager in creating, managing and enhancing participation and collaboration in virtual communities and social networks is of vital importance for firms.” (Garrigos-Simon et al., 2012). To fulfill its role, the community manager will rely on the use of the qualitative and quantitative indicators that we discussed. More specifically, the community manager will rely on five key indicators:

- Visibility of actions on the Internet
- The acquisition
- The recommendation rate (Net Promoter Score and Virality rate)
- The Commitment
- Tone

The visibility of actions on the Internet refers to the Social Media Optimization (SMO), which consists in optimizing a website by relying on social networks, with the aim of improving the website’s referencing, and therefore its visibility. Furthermore, the community

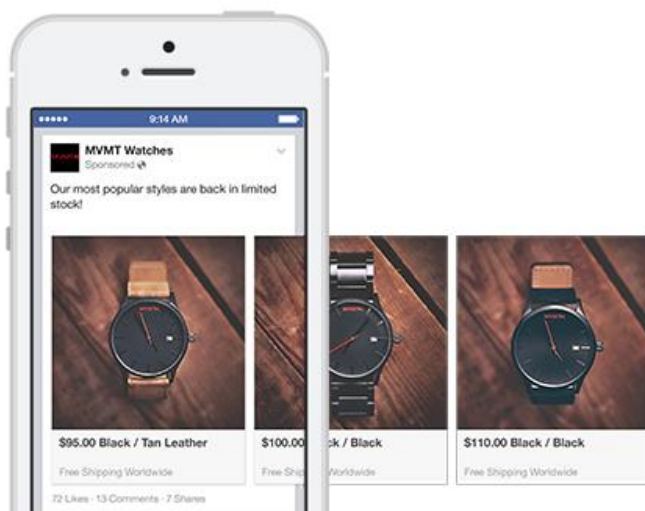
manager must ensure that the actions taken are visible to the target users, through the use of Facebook Audience, for example.

For instance, Facebook has a platform that provides analytical tools for companies. In fact, Facebook Audience Insights is a statistic tool to collect demographic data (age, sex, marital status, occupation), information about the lifestyle and the interests of the target, information about their purchases (including online shopping behavior), categories of products or services that interest them the most, as well as geographic data that allows the CM to know where to make special promotions and organize events. This data is used to enhance customer knowledge and evaluate the relevance of the publication for the target.

Another way to check the effectiveness is to use the "Net Promoter Score", which means the percentage of people recommending the brand on social networks less the percentage of critics. To evaluate the tone (quality of exchange between users), the CM can rely on different reporting tools, either free or not, which have the advantage of centralizing all the searched indicators. For example, Google Analytics is a practical and free tool for a community manager because it enables him to understand what campaigns on social media have led to a traffic on the website and what the benefits in terms of Social ROI are.

Moreover, the CM needs to propose new campaigns and must therefore be aware of the innovations in this field. Thus, the community manager can rely on increasingly developed services from social media, which have understood their advertising potential, such as Facebook advertising Carousel, which allow brands to tell a true story.

Figure 4 - Facebook Carousel



Source: Facebook (2015)

In addition to advertising carousels, Facebook developed other marketing tools for luxury brands. Indeed, in January 2016, Facebook created the possibility of broadcasting a live video to share a moment instantly (Newsroom, 2016). A few months later, Facebook added the possibility for the user to know who is watching his live video at the same time as him, but also to react thanks to the use of emojis. This feature makes it possible for the CM to see how many people are following the live video, and to analyze the reactions.

The creation of live videos and emojis seduces luxury brands. Indeed, they now broadcast their runway show on Facebook live so that customers can see the new collection instantly. Indeed, for London Fashion Week in 2016, Burberry embraced real-time fashion and streamed its show on YouTube, WeChat and Facebook. This practice is particularly new for the luxury sector because it allows a large audience to access runways, which usually remain closed for the public. In addition, this tool can measure the reactions and emotions of online users. For people watching the live, it is a spontaneous way to react to the new collection and to see their opinion valorized. Again, social media makes it possible for the CM to evaluate how consumers are reacting in order to create a strategy to improve the consumers' perceptions.

In conclusion, social media have developed more and more interesting tools for companies and especially for luxury brands. These tools have many goals, including those to convert and engage customers. The community manager can then evaluate the Social ROI of the actions implemented. However, if advertising tools continue to be developed on social media, they become marketplaces. What is the potential of this new feature?

2.3.4. Facebook and Instagram as new marketplaces

Since November 2016, Instagram is considering the possibility of buying directly through the application via a purchase button. The user, by clicking on a specific button, can now see the price and description of the products, and finally access the product sheet of the article from the e-shop of the website (Big Commerce, 2017).

For Bertrand Taillé (please see Appendix 1), menswear Editor for Asos, it seems logical that Instagram becomes a marketplace:

“Instagram as a marketplace is a logical evolution of this social media, that is more and more business-oriented. The possibility of media campaigns, affid links, the layout gallery that works

like a product gallery, for example, are features very useful for a business. Also, everything is measurable and numbered on Instagram.”

As of now, Instagram has only developed this new feature with a few companies. Depending on the results of these tests, the social network could extend the program. Otherwise, Instagram also considered a small discovery engine for shopping as well as a backup feature that would allow the user to save the link of any product pages. This feature does not currently affect luxury brands. According to Camille Krantz (please see Appendix 2), International Online Reputation Manager for Galeries Lafayette,

“The challenge for Instagram is to respond to this desire from advertisers who see an immense potential for their m-commerce (an influencer posts a pair of glasses, one clicks on the link, put them in its shopping cart: in 3 clicks, the purchase is achieved), without distorting its original platform which is social and communal. The already well-developed advertising formats are not always well accepted by the users, so we must consider this evolution so that all these players come out winners: operators, advertisers and most of all obviously: users.”

Instagram needs to develop its marketplace while keeping the essence of the app, which means that the visuals need to stay the same and the platform still needs to look social and communal.

New generations are increasingly using social networks as part of their online shopping experience (i-D, 2017). The time spent on brand sites via mobile versus desktop is steadily increasing. Social networks are real vectors of conversions and it is not surprising to see that the brands are closely interested and that they adapt their content for social networks. Social networks and especially Instagram are as legitimate or even more than a page of advertising in a women's magazine.

Thus, it is important to remember that followers of a luxury brand page are not all potential customers. Moreover, one of the obstacles of selling directly on Instagram may be the price (WWD, 2016). Indeed, displaying the price of items, that are high for luxury goods, is something incompatible with the values of luxury. This can be explained by the targets of the luxury sector but also by the quality of the products (which would be too perfect to be reduced at a price).

Despite these obstacles, it seems important for a luxury brand to benefit from this functionality, if it ever becomes operational. Indeed, we have highlighted the potential of social networks for the luxury sector; they are able to provide quality visuals and to generate emotion

through these visuals. In addition, we highlighted the impact of influencers for luxury brands. Thus, one could imagine a system of purchase on Instagram where only the description of the product and a link of redirection towards the e-shop would appear (therefore no price tags). This system could be particularly powerful for photos of influencers who already tag their photos. This would facilitate access to the product and therefore the purchase. However, this new way of buying luxury goods would be more suitable for the sale of accessories such as bags, sunglasses, jewelry rather than for "exceptional" pieces that require fitting. Finally, having a purchase button would allow to have a financial vision of the return on investment and thus to improve customer knowledge and communication.

However, if luxury brands want to collaborate with influencers via the possibility of buying directly from Instagram, a more substantial budget will be required. Indeed, in addition to the collaboration, which has a cost, the fact to redirect to the e-shop can be charged by the influencer. It is also a technique used by many bloggers to monetize their platforms and get an income from it. While it is hard to know the blogger's commission regarding luxury products, we know that many bloggers are working with Amazon Associates. When readers want to buy a product that the blogger recommended, they are redirected from the blog to Amazon and the blogger gets a commission of 10% (Google blog, 2009).

From then on, strategies of luxury brands on social media are real and measurable financial investments. Social media are no longer just a mean of communication, but also online shops.

In conclusion, luxury brands have developed a real social media strategy based on Social ROI. Some of the social networks offer new features to develop these spaces as means of communication.

However, in 2016, a study from Locowise showed that between December 2015 and February 2016, the commitment rate on Instagram fell by 66,07% and from 5.8% on Facebook (Locowise, 2016). This study does not focus on luxury publications, but highlights a trend within social media, such as the standardization of publications. Indeed, to respect the codes of luxury, brands tend to provide visually similar and less creative posts to reach the target. While we have highlighted the importance of storytelling on social networks, luxury brands no longer tell stories but fall into the standardization of the advertising message. This uniformity also affects influencers who, to meet the standards of Instagram, will adopt the same postures and

add the same type of text below the photos. This uniformity is all the more visible when influencers post sponsored content.

Below is an overview of the standardization of visuals on Instagram, from the side of luxury brands and from the influencers' side:

Figure 5 - Instagram post of Givenchy



Source: Instagram Account of Givenchy (2017)

Figure 6 - Instagram post of Guerlain



Source: Instagram Account of Guerlain(2017)

Figure 7 - Instagram post of Camille Charriere



Source: Instagram Account of Camille Charriere (2017)

Figure 8 - Instagram post of Pernille Teisbaek



Source: Instagram Account of Pernille Teisbaek (2017)

Thus, this uniformity of visuals can explain the decrease in the commitment rate and the weariness of the users. For a luxury brand, it is therefore important to create inventive content that is telling a story. However, “luxury brands cannot afford everything on the sole pretext of massively communicating on social networks”, according to Camille Krantz (please see Appendix 2), International Online Reputation Manager for Galeries Lafayette. She also adds:

“The main challenge lies in respecting their global communication strategy while addressing it to a much wider audience through social platforms. Its community can also be composed of

loyal customers, serious prospects, people not able to afford its products but admiring its universe, etc. The difficulty is therefore to adapt to the constraints of social networks formats, to be able to address to each of these audiences without misrepresenting the brand image and the overall communication strategy of the company. A brand which is able to arbitrate these different criteria will make the difference on the social networks. The success of this communication will sometimes even transform populations that are not the initial targets of communication into potential buyers for smaller markets (notably in more affordable sectors such as beauty), while remaining in the mind of consumers as a dreamy brand that is legitimate in its sector (quality, proximity, membership).”

3. New challenges for the luxury sector to develop a younger brand image

3.1. Lure a new target: the millennial generation

The millennial generation is becoming a very important segment for the luxury market (Giovannini et al., 2015). It is paramount for luxury brands to evaluate this new segment in order to create marketing strategies that will suit them. The aim is to:

- Understand who they are and what they represent as a target for the luxury sector
- Define how they act and react with brand content on social media
- Identify who represents this new generation of consumers
- Explain what is the best way to collaborate with influencers from the millennial generation
- Find out what social media strategy luxury brands should use to lure them

2017 is the millennial year. In Milan, for the Fall 2017 Men’s show of Dolce & Gabbana, over 50 bloggers, youtubers and instagramers took over the catwalk. The designer Stefano Gabbana said “These are the new generation, we liked the idea of adding ordinary people who have become famous thanks to the web.” (Elle, 2017). A few days later, Louis Vuitton revealed a collaboration with the streetwear brand Supreme, which is the absolute symbol of the “cool kids” (Vogue, 2017).

Those young people that we see everywhere on the Internet are called generation Y, digital natives, Internet generation or Millennials. They are between 18 and 35 years old and have been the subject of marketing surveys and other sociological studies for several years. Many people have tried to understand their behaviors, determine their expectations and anticipate their desire. The term "millennial" refers to a generation born at the dawn of this millennium and who grew up with the Internet. They are individuals that were born between 1980 and 2000 (Young & Hinesly, 2012). They also represent a lot of paradoxes (Boston Consulting Group, 2013). They are said to be :

- Individualistic, whereas, ultra-connected, they only function in community.
- Against materialism, whereas they are quite attracted by famous brands.
- Refractory to the marketing strategies, while the brand identity has never been so strong.

The only common denominator to this heterogeneous group is the digital and mobile revolution. A silent revolution that has shaken behavior to the point that today this generation thinks, lives, communicates and consumes differently.

Their demographic and economic weight makes them essential today. In the United States, according to Goldman Sachs, they would be 92 million, already exceeding in number the baby-boom generation. According to a study from AT Kearney, they would form a whole entity of 2.5 billion people - 32% of the world's population - certainly the largest generation of consumers in history. 94% of those digital natives are using their phone or computer at least once per hour (i-D, 2017).

Yet, these young consumers are the future customers of luxury brands. It is not difficult in this context to understand why the universe of luxury learns how to speak their language. Facing this new target, which responds to new ways of communicating, luxury brands have had to improve their strategies through digital transformation. Nowadays, luxury brands with ancestral know-how need to reinvent themselves without denying themselves. Bruno Pavlovsky, president of Chanel fashion activities: "We've always had to attract a younger clientele. We do it today in the same way as with their parents: giving priority to creation. But now we are witnessing an evolution in the habit of consuming images. With social networks, we have entered a new way of communicating. We had to develop new trades to create content and renew itself with relevant images." (Les Echos, 2017).

Luxury brands need to use Snapchat, Instagram, Pinterest, Facebook and other platforms... According to Camille Krantz (please see Appendix 2), International Online Reputation Manager for Galeries Lafayette:

“The millennials are born with a smartphone in hand, the front camera systematically connected: the suppression of the selfie. Their image is almost their first mean of communication even before meeting their interlocutor!”

This is why the best way to speak the language of millennials is still to integrate the spaces they master best. Burberry understood it. In 2015, the British giant launched a dedicated channel on Apple Music before investing Apple TV in 2016 (Digital trends, 2015). The brand was also the first to broadcast live shows on social networks, and to publish on Snapchat an advertising campaign signed by Mario Testino. Burberry has been visionary. Without ever changing the essence of its brand, they knew how to speak to a community that thinks digital. The brand has invented communication codes while keeping its DNA. Facing this generation, which is very cautious regarding marketing approaches, the most interesting communications are those that avoid openly sales pitch. The movies Women's Tales for Miu Miu, whose last one, Carmen, is signed by Chloë Sevigny, are a perfect example. Rather than showing the product, these films seek to create an aesthetic universe around the brand. With traditional communication strategies, it was simpler than nowadays. Indeed, marketers only needed to send a message that was going to be received by the consumers. With the millennials, it is much more difficult as they grew up with Internet and know how to sort out information (Boston Consulting Group, 2013). If you place a digital ad, customers from the millennial generation do not even notice it, so brands need to use influencers (Giovannini et al., 2015). For Camille Krantz (please see Appendix 2),

“The millennials are always searching for latest trends to be able to understand them and recreate their codes in a very short time - far less than a change of collection per season in store. The brands have to follow the movement to stay in the game without denying their initial strategy. The "See now, buy now" is now a standard practice for ready-to-wear fashion, which can sometimes be criticized. It is therefore not surprising that some Houses wish to surf on these trends and collaborate with brands from other sectors (often artistic or street) to show the importance of their resources and value their creative potential.”

Celebrities such as Kendall Jenner, Gigi Hadid and Sincerely Jules represent this new generation; they are influencers. They are about 20 years old, they are bloggers, models, and, above all, they are the queens or kings of social networks. These young prescribers followed

by millions of followers are the new fashion gurus. Nowadays, one of the best strategies for luxury brands is to win the favor of those who are desirable. Creations need to be shared and admired by people with strong prescribing power. Luxury brands need to find a way to influence the influencers, those who by liking the brand will naturally spread the good word to their community (Chu & Kamal, 2011). While partnerships with celebrities are not new, their selection criteria have evolved a bit. Fashion brands are interested in celebrities federating a strong community on the social networks.

In order to exist for the millennials, fashion has also penetrated pop culture. By choosing the well-known singer Rihanna for her "Secret Garden" campaign in 2015 in the Château and gardens of Versailles, Dior showed that there was no hierarchy between cultures (Les Echos, 2017). Indeed, from the beginning, the luxury sector has integrated music and art so it must integrate the street style and art. Among the emerging values of millennials, creativity and authenticity are fundamental (Giovannini, Xu & Thomas, 2015). For this generation, the ideal is not to be rich but creative. The brand must claim its creative power and truthfulness. So, when Maria Grazia Chiuri, Dior's first female artistic director, launches her famous T-shirts claiming "We should all be feminists" or "Dio (R) evolution", they are perceived as a message of personal commitment and sincerity (Dior Mag, 2017).

Moreover, when Louis Vuitton launches a capsule collection with the brand of streetwear Supreme, it breaks the codes and the universe of the couture house, but it works.

According to Bertrand Taillé (please see Appendix 1), menswear Editor for Asos, luxury brands are using very cool or young singers and rappers in order to break the codes, but also because those celebrities engage more than the brand itself:

"Luxury brands choose icons like A\$AP Rocky for their campaigns or very young next big things such as Rod Paradot. There is somewhat a gap between the content posted on Instagram and their mass media campaigns. The brands differentiation isn't the number 1 priority on social media, that is to engage. Just notice that celebs and icons engage more and gain more followers than brands".

This generation like fractures, and to encounter a little shock, so luxury brands need to follow their needs and wants. It is precisely this clash of cultures that worked for Saint Laurent. When Hedi Slimane arrived in the house in 2012, he wanted to create an androgynous silhouette influenced by the rock culture (punk, grunge of the 90s). He asked Marilyn Manson and Courtney Love and attracted a new clientele who recognized a sense of risk and transgression. Many people thought it was wrong as it could tarnish the brand image. However, in 2016, Saint

Laurent recorded a 25.5% increase in turnover (Kering, 2016). By integrating a new vocabulary into the lexical field of luxury, large luxury brands may well attract millennials. The power that millennials have on social media undeniable and luxury brands must take advantage of it.

Given the potential impact that the young consumers have over branding, brands have started to engage in social media strategies to develop positive brand relationships with the millennial generation. However, luxury brands are not the only ones to take advantage of social media; masstige brands are also getting more and more innovative when it comes to marketing strategies (Kapferer, 2014).

3.2. Masstige Brands versus Prestige Brands

3.2.1. Definition of masstige brands and collaborations with luxury brands

The Anglo-Saxon word “masstige” refers to the marketing of luxury products and high-end products at abnormally low prices and therefore more accessible for consumer mass market. The aim is to offer prestige to the mass. This marketing approach is also called “mass luxury” or “new luxury” (Kapferer & Bastien, 2009). It offers a share of dreams and accessibility for consumers that cannot have access to luxurious products, or only very occasionally. Masstige brands have higher rates than middle-market brands regarding luxury products. Those brands focus on offering prestige, symbolic benefits and inspiring designs but with lower prices (Kapferer, 2014). Some typical examples of masstige brands would include Swarovski, Victoria’s Secret or Coach (Silverstein & Fiske, 2003). Masstige brands differentiate themselves from luxury brands with lower pricing and from middle-range brands by their designs and prestige (Truong et al., 2009).

There are 3 types of masstige activities:

- Collaborations/ co-branding between luxury brands and mass distribution brands
- Entry-level products from luxury brands
- Lower-price brands/collections from luxury brands

Firstly, the masstige marketing approach is used by well-known luxury brands. For more than a decade now, the most prestigious designers have collaborated with major fashion brands to offer their customers exclusive collections. Indeed, there have been many co-branding between H&M and luxury couture houses, such as Karl Lagerfeld (Uggla, 2010). This marketing approach can be seen as the democratization of the luxury sector. According to

Kapferer and Bastien (2009), democratic luxury products are extraordinary items for ordinary people, or sometimes ordinary items for extraordinary people. The creation of a capsule collection, that is to say an ephemeral collection, by a luxury brand for a mass distribution brand is a communication tool that is beneficial to both the luxury brand and the retailer. Indeed, the luxury brand seduces a clientele outside its usual target by allowing people who cannot afford to buy haute couture garments from great designer. Luxury brands are thus accessible in the minds of consumers. They hope that this clientele will subsequently invest in entry-level products from the brand (Silverstein & Fiske, 2003). As for the mass distribution brands, this allows them to develop their image, but also to attract the attention of the media and generate significant benefits and press coverages.

Regarding entry-level products, this masstige strategy is regularly applied by luxury brands. Indeed, some brands extend their product range with lower-price products called masstige products. Those products are then more accessible consumers from the middle class (Truong et al., 2009). For instance, leather wallets from Louis Vuitton are part of this category. Moreover, they offer prestige to the customer and create an illusion that the owner has enough money to buy a Louis Vuitton's bag for thousands euros. This creates symbolic meaning. For luxury brands, this masstige strategy is a price differentiation that happens to be one of the major growth strategy (Truong et al., 2009).

Another strategy from luxury brands is to create their own new luxury brand. Indeed, instead of collaborating with mass distribution brands such as H&M or Zara, some brands develop their own lower prices collections. Typical examples of such a strategy would be Emporio Armani and Armani Privé or Polo Ralph Lauren and Ralph Lauren Black Label (Truong et al., 2009). Luxury brands are combining high perceived value with more accessible prices in order to lure middle-class consumers.

Masstige brands main strategy is to use co-branding, such as H&M and Karl Lagerfeld. By associating their name with the one of a prestigious brand, they enhance their brand image with their customers. Besides, they engage a lot on social media. H&M, who adopts a masstige strategy every year by appealing to huge luxury brands, has over 30 million fans on Facebook. It is paramount to understand how masstige brands are also luring millennials through social media.

3.2.2. Masstige Brands Target Millennials using Social Media

Masstige brands are offering a certain status to their customers, which is particularly important to newly affluent consumers. Indeed, they offer prestige, but to a mass market (Silverstein & Fiske, 2003). The prices are accessible for everybody, especially for young people from the millennial generation that do not always make a living yet.

In order to lure the millennial generation, masstige brands create real needs from young consumers. They rely on certain products and generate a trend around it. Indeed, well-known masstige brands are concentrating their communication strategy on one leading product:

- Polo Ralph Lauren and its famous Polo
- Adidas and its “Stan Smith”
- Levi’s and the 501 Jeans

Those three masstige brands are using social media visuals around their number 1 product to lure customers from the millennial generation. However, each masstige brand has its own social media strategy.

As for Polo Ralph Lauren, it is a very simple strategy. Indeed, the brand communicates over a strong slogan “Iconic American Style, rewritten for Today”. The brand posts pictures on Instagram of young people wearing the renowned Polo that their father’s use to wear. Regarding the case of Adidas and its sneakers called “Stan Smith”, it was a very-well thought come back. Indeed, the German brand stopped the production of the Stan Smith for two years because it was no longer cost-effective. For its come back, Adidas had initially based all its communication on social networks. As the “Stan-fans” began to mourn, the brand announced on Twitter: “The Adidas Stan Smith will be relaunched in 2014” (Nouvel Obs, 2014). This was the beginning of a huge advertising hit. A few months later, the brand published YouTube videos of athletes, including the famous English tennis player Andy Murray with the shoes on his feet. The German brand also created the buzz through Facebook by publishing photos little at a time of the sneakers. Adidas pushed the social media marketing strategy until creating, two days before the official release, a contest on Twitter, offering to Internet users to customize their own Stan Smith. This strategy has proven to be worthwhile as there were stock shortages right after they returned to the stores (Nouvel Obs, 2014). The millennial generation appreciate this kind of communication, and almost all young customers from 15 to 25 have now Stan Smith sneakers in their wardrobe.

Masstige brands often use contests to make their customers involved in their marketing strategy, especially with the help of social media. Those social media campaigns directly target

young consumers who are very active and share content easily on social networks. There are 4 main reasons why masstige brands use such a social media strategy (Kapferer, 2015):

- The Word-of-mouth: If it is a voting contest in which the participants need to share and to have many likes on their shared posts, they will invite their followers on the web page. A well-thought contest will bring free word-of-mouth to the brand.
- Virality: If the contest is properly thought through, it can become viral and increase the reputation of the business in a positive way.
- Know the online lead generation: It is the perfect opportunity to grow the masstige brand prospect base. The more the brand knows its audience, the more it will be able to directly address its marketing campaigns.
- Exposure: Young consumers love free things. Some of the brand fans or followers might follow it just because of the prize to win, but they will see other posts regarding the brand.

Moreover, masstige brands use visuals on social media with environments where young people feel at ease. Luxury brands are more and more using street art, pop, rock and rap singers in their marketing campaigns. However, the fracture is sometimes too important between the luxurious image of a famous couture house and a rapper like A\$ap Rocky. Masstige brands can sometimes be more legitimate when they use street art or skateboarding in their digital campaigns, and then better engage the millennial generation (Tsai & Men, 2013). Indeed, Louis Vuitton worked with Supreme to make its image younger and more dynamic but Supreme will always be more legitimate regarding young people skating. This is why some luxurious couture house are doing collaborations with masstige brands. Masstige brands are enabling them to modernize the image of the brand.

If working with a masstige brand can be a good strategy to modernize the image of a well-known luxury brand, there are other ways to be innovative through social media. Indeed, luxury brands should also focus on certain social networks that are not yet overloaded by the fashion sector.

3.3. Evolution of Social Media strategies for luxury and masstige brands

3.3.1. WhatsApp

Jan Koum and Brian Acton launched WhatsApp in 2009 in California, USA. The aim of this app was to replace text messages. Jan Koum, who grew up in Kiev (Ukraine, former USSR) created this app after thinking that his parents were avoiding calls because they knew they could be under surveillance by the Communist authorities. This convinced him of the need for unregistered communications and that is why, unlike other applications, WhatsApp requires nothing more than a phone number to register and does not store sent messages between users. WhatsApp is the most successful instant messaging app and its founders earned millions of dollars without any advertising on it. There are now 1.2 billion active users monthly on the app (Statista, 2017). In 2014, Mark Zuckerberg (Facebook's CEO) declared he was acquiring WhatsApp for \$19 billion.

Regarding luxury brands, they are getting more and more chatty on the app. Brands such as Burberry, Agent Provocateur or Diesel have started to pay attention to the messaging platform. Indeed, the app is attracting global users to data-free messaging groups and can enable brands to develop customer service initiatives and new marketing approaches.

Regarding Agent Provocateur, the famous brand of lingerie generalized a new customer service that is very discreet and effective. Indeed, the brand realized that, when it comes to buying the most suggestive models of the collection, its customers might feel a bit embarrassed in store. The brand was already using WhatsApp to inform its VIP customers regarding new arrivals in store or upcoming events. However, this service was launched for last Christmas as part of its advertising campaign "Naughty or Nice". More specifically, the client and his partner could invite a "provocative agent" from the brand into their WhatsApp conversation. The latter helped to discover what kind of gift they needed based on their personality. This personal shopper was a salesperson or a stylist from the brand. The success and return on investment was so important that the brand decided to make this social media campaign permanent. Out of 112 conversations, 31% of the interlocutors went to shop, and 61% went to surf on the brand's e-shop (The Drum, 2016). Such a social media strategy makes the customer feel involved with the brand.

Fashion brands are discovering that a WhatsApp strategy can make them reach the always-time-strapped consumers. Consumers are already a lot to use WhatsApp, so it is necessary to come to them where they already are. According to Matt Asay (VP of mobile at

Adobe), “people are spending 90% of their time on mobile in apps, but it’s certainly not in retail apps. It’s the social apps, and people are talking on them, especially internationally” (Glossy, 2017). The aim is to facilitate customers’ shopping. WhatsApp’s conversations from one person to another can help funnel huge customer insight back to the retailer.

In 2015, the British masstige shoe brand Clarks launched a campaign through the app to give the design story of the famous desert boots. Users could start a conversation and receive updates from the British brand. The campaign had three main goals:

- To learn more about Clarks’ customers
- To see who was interested by the campaign and the Clarks’ boots
- To gather all the data collected to improve their designs and marketing strategies

Traditional advertising is not sufficient anymore (Glossy, 2017). WhatsApp’s conversation can help brands to enhance customer relationship and foster real communities of consumers. The data collected through this Chat is more accurate and can definitely help the brand to improve itself and be more creative.

3.3.2. Snapchat

“Snapchat isn’t about capturing the traditional Kodak moment. It’s about communicating with the full range of human emotion – not just what appears to be pretty or perfect” said Evan Spiegel, Snapchat CEO and co-founder, four years ago (Hubspot, 2017). It was at the beginning just a shared idea between friends while in class at Stanford. Nowadays, 158 million people are using the app every day, and 2,8 billion Snaps are created every day (Statista, 2017). More and more companies are using the app to advertise, and some people are taking Snapchat very seriously. Indeed, Bernie Sanders did run his campaign on it, and the White House has joined Snapchat. Snapchat is an application allowing to share photographs and videos with a network of friends. What is different from other networks then? On Snapchat, photographs and videos are disappearing after 10 seconds. It also allows to dialogue with the members via the use of the internal mailbox. Snapchat also enables its users to create Stories (video or photo that can be replayed for 24 hours), Memories (saved photos that can be shared later) and stickers. In addition, the special feature of Snapchat is to be able to apply to each ephemeral photo taken a special filter.

In 2015, Snapchat launched a new feature called “Discover”; it enabled users of the app to receive content sent by top media companies such as Vice or National Geographic. The

difference with other social networks such as Facebook or Instagram is that nothing is stored and documented on Snapchat. This app is predicated on our reality; Indeed, moments that we live everyday are temporary, this is why the founders of Snapchat wanted to create a network that is consistent with people's behaviors and feelings.

Nowadays, fashion brands are realizing that Snapchat has a great potential to boost their fame and sales. They use the app through ongoing posts throughout the year regarding new collections and behind-the-scene insights but also to broadcast fashion shows. Besides, Snapchat has 158 million daily users, with 60% of that base that are between 18 and 34 years old. The 25-34 are the fastest growing demographic and are also known as "Millennials". This generation is due to be the fastest growing spending power by 2020; this is why fashion brands need to adapt and make the best use of this app.

In order to allow brands to communicate through the app, Snapchat gathers three advertising proposal:

- Snap Ads: they come out between Stories and Discover content
- Sponsored Geofilters: enable users to add a location specific overlays on images and videos
- Sponsored Lenses: they appear as augmented reality additions to pictures users take of themselves (selfies)

Many luxury brands have jumped on board with these three ads proposal such as Chanel, Gucci, Louis Vuitton and Burberry. Some others want to use an organic strategy based on storytelling and native content. As a matter of fact, Fendi broadcasted a digital campaign called Snapchat Tour this year, with the help of different influencers such as Kendall Jenner and Irene Kim. The influencers were taking over the Snapchat account of the brand and showing different moments from all over the world. As Snapchat's stories can only be replayed during 24 hours, Fendi captured and reuploaded the pictures and videos from Snapchat to its website in order to enable their fans to explore it (Forbes, 2016).

Figure 9 – Fendi’s digital campaign



Source: Forbes (2016)

Several masstige brands also use Snapchat as a social media marketing strategy. Indeed, to mention just a few, Asos, Free People, H&M, Sephora and Maybelline are famous masstige brands who post videos or pictures on Snapchat several times per week (Forbes, 2016). The masstige brand Free People is using Snapchat regularly, especially to preview its new. Snapchat is not a tool to measure sales, but the app can certainly help to generate community engagement. Free People is inviting its customers who follow the brand on Snapchat to ask and answer questions regarding outfits, trends, new collections, etc. However, the brand is doing something different from other brands also. People working for Free People are asking questions to their Snapchat followers regarding their plans for the weekend, what they like to do at nights, or where they go to have a drink (PR Couture, 2016). This strategy aims to boost the lifestyle characteristic of Free People. It creates kind of an emotional bond between the customer and the brand, and customers feel unique when having a conversation with a Free People’s representative through Snapchat. Free People’s brand identity is getting very strong and the brand’s Snapchat strategy can lure new customers.

3.3.3. Twitter

Twitter, the social network symbolized by the blue bird has reached a worldwide influence (Bladier, 2014). The latest statistics released inform that the network averaged 328 million active users per month in the first quarter of 2017 (Statista, 2017). On Twitter, people can create messages limited to 140 characters that may contain the famous "hashtag": a tool

created to classify a content according to its theme or in relation to punctual events (Remy et al., 2015). It offers very significant opportunities for luxury brands to guide or direct the public towards an event, a marketing campaign or a new product. And if the message is considered attractive, throughout a campaign of communications that goes through this network, people will probably re-tweet it or comment it. The hashtag can federate communities, or groups, around a simplified archiving of all the information regarding a specific thematic.

Firstly, the basic function of the network offers a good opportunity for brands to interact in real time with their subscribers community. Twitter does not limit the direct dialogue with its users, but this network's immediacy allows brands to be in touch in real time with their subscribers (McCarthy, 2014). This instantaneous character, combined with hashtags can be used during the Fashion Week. In this context, the administrators of the brand's Twitter can comment on the live show, share or post photos or videos. People following the live event through Twitter can then ask questions and comment the new collections. In this case, all the usefulness of the hashtag is clear, as it makes possible to federate all users of Twitter around the same event (Bladier, 2014). The fashion shows example can be illustrated by the Fashion Week of New York. Indeed, this is one of the most important event in the fashion industry, as it is the launch of the new collections depending on the seasons. For this occasion, people are using the hashtag #nyfw a lot, which stands for New York Fashion Week. Besides, the Twitter account of NYFM is followed by 417 million subscribers.

Thus, with its highly interactive and dynamic aspect, Twitter allows luxury brands to converse directly with their Twitter community; and to meet them in a space that has often been used with a more intimate approach by users. Indeed, on Twitter, it seems more legitimate from the perspective of the user to publish moods, give more personal information regarding activities or thoughts, or engage in dialogue or debate (Bladier, 2014). Twitter allows a more fluid sharing of content and publications between communities of users. Thus, luxury brands can use this network to guide their subscribers to the Twitter profiles of influential members, or members who have become true ambassadors of the brand, or emblematic people who would be part of the brand's community.

Besides, Louis Vuitton launched a Twitter account, called @LVServices, that is dedicated to dialogues with subscribers. The brand is putting the customer relationship at the heart of its social media strategy. The very basis of this social network is the exchange in real time, and consumers are using Twitter to find efficiency and speed of exchanges. The fact to have a direct

answer from someone working for Louis Vuitton can also make the consumer feel very unique and the dialogue exclusive (Godey et al., 2016).

Masstige brands are also using Twitter to respond to specific queries. Indeed, Asos launched a dedicated account to customer service called @Asos_Heretohelp. Asos account is part of the top 10% of help handles, and Asos' representatives are responding in 5 minutes (Fashion & Mash, 2017). Besides, the customer service account (184,000 subscribers) is not as famous as the regular Twitter account of Asos (1,03M subscribers), but people are happy to get a quick response when they have a product or delivery issue. In November 2016, Twitter launched a bot-like feature that enabled brands to have direct messages (Fashion & Mash, 2017). Those messages included automated responses such as "welcome" responses. The best improvement was to create quick replies, as users are now able to choose between different pre-written sentences to facilitate responses and address a problem faster. Twitter is making the customer service easier than before; customers feel that they are being heard and faster resolutions are given by brands (Spell brand, 2016).

4. Conclusion

To conclude, the luxury sector has caught up with its digital transformation by developing new leverage points. Social media has particularly enabled the luxury sector to implement digital strategies. Thus, this thesis highlights the fact that luxury brands should focus on Social ROI instead of ROI. Even if pursuing a business goal when implementing a social media strategy is legitimate, luxury brands should realize that the increase in turnover is not the main gain that they can get from social media. Brands should rethink their approach and focus on what social media can bring to their customer relationship. Social ROI must be favored by brands, as it enables them to evaluate the efficiency, performance and profitability of their social media strategy. Brands should admit not to be able to immediately appreciate the benefits of their presence on social media, whether than avoiding it. Risks of underestimating the potential of social media are very high, and not being on social media while customers are there can lead to harmful consequences for the brand. Social media is an opportunity to get closer to customers and develop privileged relationships with them.

Social media has a particularly large audience and it would be inappropriate for a luxury brand not to take advantage of this audience. However, some social networks' strategies are more innovative and modern than others. Indeed, all luxury brands are now using Facebook or Instagram. However, this research emphasizes the need to engage in other networks such as WhatsApp, Snapchat and Twitter, which are networks that enable brands to stand out from the crowd. Those networks are not saturated by luxury brands yet, so they bring more value to customers who can feel unique when being reached out on those platforms.

Nowadays, luxury brands are counting on their Community Manager to take care of the brand image through social media. The role of the CM has become the heart of the strategy of digital communication, as brands are making the customer relationship their priority. The CM is creating and managing online communities that will then follow the updates of the brand through social media. The CM is the ambassador of the brand on social networks, so interactions with customers should be facilitated and valuable. Fashion brands, whether they are luxury or masstige, are even creating dedicated accounts for responding to customers queries, as we saw with Louis Vuitton or Asos. The direct interaction with someone working for the brand can make the customers feel unique, and can also help the brand to lure new generations who grew up with the Internet.

From then on, social media became a special platform for brands as they allow them to target a new and connected generation, the millennials. Thus, to meet this generation looking for visuals, creativity and for whom information and data must be accessible, luxury and masstige brands are investing in digital. Social media endorse the customer's takeover of the conversation regarding brands. Traditionally, the relationship between a brand and its customers was characterized by vertical and often unilateral exchanges. Nowadays, there are multilateral relations between consumers, and brands are not systematically involved in these exchanges. Discussions are created regarding brands on public platforms, especially with the arrival of the millennial generation. Yet, brands can use social media to create better customer relationship management and foster the dialogue. Some brands (either luxury or masstige) such as Agent Provocateur or Clarks are even creating private conversations with their customers through WhatsApp. It is then clear that social media is, above all, a relational channel. This is why luxury brands are using new talents such as the community manager, new tools are used to evaluate brand awareness on social media, new supports for activities are emerging as blogging platforms developed by the brands themselves such as the group LVMH and its platform Nowness.

This thesis highlights that, in order to seduce these millennials, luxury brands must develop innovative content on social networks. This generation forgets easily and can be tired of content which is too smooth or repetitive. This is one of the reasons for the recent and significant drop in the commitment rate on Facebook and Instagram. Some luxury brands are aware of the stakes and create digital campaigns focused on creative content in order to create a real history and promote the culture of the brand. Indeed, Free People created a real lifestyle aspect to its brand as the Community Manager is launching dialogues regarding people's daily life through Snapchat. Brands should be more and more innovative to remain competitive. Besides, masstige brands are offering a certain status to their customers and still remain accessible regarding prices. Their collaborations with luxury brands are helping them grow and can help luxury brands to create a more modern brand image. Moreover, as masstige brands are more accessible, they can easily lure young customers from the millennial generation. Luxury brands should take advantage of co-branding activities with those masstige brands.

4.1. Major Findings

In a nutshell, it is paramount to highlight the findings and contributions of this thesis:

- Even if profit seeking is not to be overlooked, the luxury brands must focus on Social ROI and measuring their primary goal on social media, that is, improving customer relationships.
- The Community Manager is extremely important as it places the customer at the heart of the marketing strategy of the brand. Luxury brands must rethink their exchanges with consumers, especially the ones from the millennial generation, and be particularly attentive and transparent when facing their demands.
- There are now “old” and “new” social networks. Luxury brands should focus on networks that are not overload yet, such as WhatsApp, Snapchat and Twitter.

4.2. Limitations of the current study

This thesis has encountered two major limitations. Firstly, it can be difficult to associate the image of refinement, rareness and prestige with social media. If luxury brands have been slow to move to social media, they can now seem a little bit lost with their digital strategy. Indeed, luxury brands are trying to stand out from the crowd and are sometimes engaging in unsuccessful digital strategies, such as LVMH and its “eluxury.com” website. Secondly, there are little or no articles regarding masstige brands and their social media strategy. It has then been necessary to consult a lot of masstige brand’s social networks to better evaluate and understand their social media strategy.

4.3. Scope for Future Research

A future research step could be to evaluate how brands are creating masstige brands. The best way is to engage with consumers on social media. Through social media, the brand can create a must-buy attachment if the community interacts a lot regarding a product. Creating masstige is creating a desire to buy a prestigious product that others have. The prestige associated with masstige brands is created by the consumers themselves, through perceived values. Indeed, the more people positively share and comment on a product, the more others will want to buy it. Masstige brands can build interest within online communities, and will then be closer to their consumers. It could be interesting to evaluate if consumers can create a real attachment to masstige brands thanks to social media, as they do with luxury brands, or if their attachment is only a minor feeling and a temporary infatuation to one product or collection. In a future research, it could also be worthwhile to explore how masstige brands should go beyond the step of creating awareness to loyalty, through attachment.

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Appendices

Appendix 1: Interview of Bertrand Taillé, Menswear Editor France for Asos.com

Paris, April 26th, 2017, 18:00-19:00

Questions and answers:

1. Can you define the role of a community manager and explain its importance within a company?

A community manager leads the conversations between a brand and its audience. It means that he/she has to define the topics the brand needs to talk about and when the brands need to talk about.

Also, the community manager is in charge of answering the questions asked by the brand's audience, via DM or on a public post.

2. Do you think that the luxury sector is still holding back regarding social media strategy or do you think that this statement is outdated nowadays?

Luxury brands heavily use social media because it's necessary. Still, we can wonder what is the real value of these channels for example: <https://www.instagram.com/dior/?hl=fr>, <https://www.instagram.com/louisvuitton/?hl=fr>

3. According to you, do luxury brands have a too smooth image through their publications on social networks and is it the right strategy to differentiate themselves?

It wouldn't be too smooth if they wouldn't choose icons like A\$AP Rocky for their campaigns or very young next big things such as Rod Paradot. There is somewhat a gap between the content posted on Instagram and their mass media campaigns.

The brands differentiation isn't the number 1 priority on social media, that is to engage. Just notice that celebs and icons engage more and gain more followers than brands.

4. Would you be able to measure the impact of publications on social networks? Are there limits to the existing tools? What are the key indicators for profitability targets?

Almost everything can be numbered. Tools like Sprinklr and Iconosquare can give you how many followers you gain/lost, what is the best moment to engage a conversation on a 24h ratio, etc.

Business-wise, affid links allow you to track the profit you make out of a post / social media campaign – if this campaign points to a product or a shop, of course.

5. Regarding Instagram, how do you explain that this social network is a particularly powerful lever in the luxury world?

Instagram is all about image and image crafting – and luxury brands are very good at that. So there is no surprise that Instagram is the favourite channel of these brands.

6. How would you explain the impact of the millennial generation (Generation Y) in Fashion? According to you, is it a good strategy for well-known luxury houses to collaborate with young brands (as for instance Louis Vuitton and Supreme)?

The millennials grew up with mobile phones and they know how to use social media better than anyone else. The way they behave with brands is quite similar to the fan. It means that they engage a lot with these brands, but they also can turn their back if someday the brand disappoints them.

Regarding collaborations, they are trendy at the moment, because buying an item pulled from these collections give you a maximum of credibility: they are expansive and rare, just like luxury items. Behind every collaboration, there is always the same question: do both brands make a real benefit of this collaboration? Not only financial-wise, but also in terms of communication or image.

7. What do you think of the potential of Instagram as a marketplace?

Instagram as a marketplace is a logical evolution of this social media that is more and more business-oriented. The possibility of media campaigns, affiliate links, and the layout gallery that works like a product gallery, for example, are features very useful for a business.

Also, as said earlier, everything is measurable and numbered on Instagram. It's not the case for Snapchat, for instance.

Appendix 2: Interview of Camille Krantz, International Online Reputation Manager, Galeries Lafayette

Paris, April 27th, 2017, 18:30-19:30

Questions and answers:

1. Can you define the role of a community manager and explain its importance within a company?

The role of the community manager within the company has become central. At the heart of the strategy of digital communication, the CM is the person who speaks up for the company on social networks, and becomes the main showcase of the messages conveyed by a brand. He prioritizes the subjects to arbitrate those that are suitable for social communication, that is to say the messages likely to engage a conversation and reactions of the Web users. The Community Manager needs to know all the information about the company in order to master all aspects and create content (editorial and visual) in accordance with the brand strategy: press relations, public relations (and e- Influence), corporate / CSR.

2. Do you think that the luxury sector is still holding back regarding social media strategy or do you think that this statement is outdated nowadays?

The organization of luxury brands may sometimes be at odds with the spontaneity required by social networks. As the validation of messages and internal processes are cumbersome, the flexibility required by social platforms is not always clear. However, the luxury sector has understood the importance of the brand equity and brand image created and modeled by social networks and has succeeded in finding its own identity by allocating specific creative budgets that enable to increase visibility on These platforms (specific video capsule formats, collaborations with international celebrities and influencers to create exclusive content for social networks and generate premium experiences for Internet users). The luxury industry still faces a major paradox between its inaccessible sector dedicated to a premium target and social communication that is intrinsically massive. Therefore, ROI cannot be a primary KPI for this sector.

3. According to you, do luxury brands have a too smooth image through their publications on social networks and is it the right strategy to differentiate themselves?

Luxury brands cannot afford everything on the sole pretext of massively communicating on social networks. The main challenge lies in respecting their global communication strategy while addressing it to a much wider audience through social platforms. Its community can also be composed of loyal customers, serious prospects, people not able to afford its products but admiring its universe, etc. The difficulty is therefore to adapt to the constraints of social networks formats, to be able to address to each of these audiences without misrepresenting the brand image and the overall communication strategy of the company. A brand which is able to arbitrate these different criteria will make the difference on the social networks. The success of this communication will sometimes even transform populations that are not the initial targets of communication into potential buyers for smaller markets (notably in more affordable sectors such as beauty), while remaining in the mind of consumers as a dreamy brand that is legitimate in its sector (quality, proximity, membership).

4. Would you be able to measure the impact of publications on social networks? Are there limits to the existing tools? What are the key indicators for profitability targets?

Some operations allow to measure the impact of social networks. If we talk about e-commerce, a simple tracked link will allow to track the user between the moment he clicked on the link and the moment he will have validate or not his shopping cart. The measurement here is very simple. The ROI for a drive-to-store is a bit blurry unless you offer a voucher to present in store or provide special offers against purchase (not suited to the luxury industry). Collaborations with influencers also allow to see the impact of the latter on their community. The Chinese influencer Mr Bags, who has made several capsule collections of bags with luxury brands, sold exclusively on their Wechat account (Chinese social network No. 1). Those limited edition bags rarely stayed more than 10 minutes online before being out of stock... The power of the operation is here obvious. The tools are numerous and the operators of the social networks know that it is important to propose reliable measures to conserve their advertisers (Facebook / Instagram, Google ...).

5. Regarding Instagram, how do you explain that this social network is a particularly powerful lever in the luxury world?

Like the luxury industries, everything on Instagram is based on the visuals. In the luxury sector, brands no longer have to prove the quality and the know-how of their products (although this is a key area of communication and key to success in their community). On the other hand, they have to differentiate themselves with a strong and differentiating visual identity allowing their target to adhere. The quality of the content created, the bias, and the formats selected are thus at the origin of the power of its visibility and the image of a campaign. The picture above all, the visual on the front line.

6. How would you explain the impact of the millennial generation (Generation Y) in Fashion? According to you, is it a good strategy for well-known luxury houses to collaborate with young brands (as for instance Louis Vuitton and Supreme)?

The millennials are born with a smartphone in hand, the front camera systematically connected: the suppression of the selfie. Their image is almost their first mean of communication even before meeting their interlocutor!

They are always searching for latest trends to be able to understand them and recreate their codes in a very short time - far less than a change of collection per season in store. The brands have to follow the movement to stay in the game without denying their initial strategy. The "See now, buy now" is now a standard practice for ready-to-wear fashion, which can sometimes be criticized. It is therefore not surprising that some Houses wish to surf on these trends and collaborate with brands from other sectors (often artistic or street) to show the importance of their resources and value their creative potential. The risk could be to lose a loyal clientele to its classics but these two communications are just enough solid and targeted so that the cohabitation of the two goes at best.

7. What do you think of the potential of Instagram as a marketplace?

Many tools have very quickly understood Instagram's marketplace power by offering shoppable Instagram solutions for a few years, but as long as the functionality is not official and mainstream, it works on a small scale. Instagram has proved that it allows the drive to store (customers present themselves in store with an Instagram screenshot) and the drive to website,

via tracked links added in description of biography. Instagram tends to develop new opportunities that tend towards a marketplace scheme. The URLs recently added in the stories are already a bit in this sense of traffic.

The challenge for Instagram is to respond to this desire from advertisers who see an immense potential for their m-commerce (an influencer posts a pair of glasses, one clicks on the link, put them in its shopping cart: in 3 clicks, the purchase is achieved), without distorting its original platform which is social and communal. The already well-developed advertising formats are not always well accepted by the users, so we must consider this evolution so that all these players come out winners: operators, advertisers and most of all obviously: users.