# Engagement of E-marketing by Luxury Brands, including an Empirical Study.

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### ABSTRACT

#### Luxury Brand Management in the Internet Age

The purpose of this study is to highlight the reasons provided by academic literature and the successful stories of luxury brands with their actual use of internet as marketing strategy, such to inspire other low or non online active brands to engage the internet with all its possibilities and activities as well and thereby help solve the research problem: 'How can luxury brands successfully engage the internet as marketing strategy?' Luxury brands and the management of these brands are discussed in the background section, while the literature review elaborates on e-marketing and luxury brand management. Three key activities are introduced: interacting, storytelling and experience. After an in depth description of the current online activity and highlights of five luxury brands: Burberry, Chanel, Louis Vuitton, Gucci and Dolce & Gabbana, the outcome of the empirical study conducted among these luxury brands is described and discussed.

The survey outcome corresponds with the possibilities described in the literature review and shows that the luxury brands questioned use a lot of the internet marketing tools provided, and although they can still learn from each other and the possibilities presented in the literature review to enhance their marketing strategy, the survey is also providing supporting evidence from the field of practice that the possibilities and activities the literature review describes are actually used by the luxury brands and therefore it is practically a given that the luxury brands that are low or not active online should also engage the internet as their marketing strategy.

#### **Supervisors**

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### Keywords

Marketing, e-marketing, web 2.0, social media, luxury brands, interaction, storytelling and experience.

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### **1. INTRODUCTION**

For a couple of years already it is obvious that we live in the digital area. The internet and social media has become an extensive part of people's everyday life which offers great opportunities for any company in any industry to interact with their customers and to enhance their marketing strategy. Unfortunately the internet is not used to the fullest by these businesses yet. They do not take full advantage of the possibilities and activities that internet marketing offers. This could be because of the fact that internet marketing and social media is still frequently seen as particularly new, or since these businesses do not know of successful examples 'out there'.

Brands, and especially luxury brands seem to have a good understanding, for many years already, of how to sell their brand and image together with a fully equipped experience to the customer. In particular the top luxury brands seem to have exploited e-marketing to their own advantage. Including interacting with the consumers and telling the original story of the brand, these brands are able to create an entire online experience with the tools provided by the internet and new technologies. The successful engagement of internet as the luxury brands' marketing strategy leads to fascinating examples, inspired by the successful stories of the luxury brands.

In the literature review the ideal situation of the engagement of e-marketing by brands is sketched - by use of academic literature, and three key activities are introduced: interacting, storytelling and experience. Examples are given of luxury brands with some of the highest online activity and social media followers: Burberry, Chanel, Louis Vuitton, Gucci and Dolce & Gabbana, including their current e-marketing strategy and online presence. The empirical study is conducted by a survey among the marketing managers of the previously mentioned brands, and tests if the luxury brands approach corresponds with the expectations written in the literature review and the brand online activity. And if there are any recommendations or improvements for these luxury brands when in the outcome of the survey the brands are compared to each other and to the endless array of emarketing possibilities to improve the interaction, storytelling and experience.

The purpose of this study is to highlight the reasons provided by academic literature and the successful stories of luxury brands with their actual use of internet as marketing strategy, such to inspire other brands to engage the internet with all its possibilities and activities as well.

### **1.1 Research Problem**

There is a gap between what is possible in terms of emarketing and how brands are currently using these possibilities. With the help of successful luxury brands this study tries to reduce this area of controversy and help solve the following research problem: How can luxury brands successfully engage the internet as their marketing strategy?

To be able to address this problem this study elaborates on: Luxury Brands and their Management, Marketing, Emarketing, and finally Luxury Brand Management and Emarketing, where the various components and possibilities of E-marketing are addressed. The online activity and highlights of the luxury brands is described and the actual use of these E-marketing tools is going to be test in the survey. This research focusses specifically on the top luxury brands based on the assumption that these brands use E-marketing in the most advanced manner. Furthermore the research will address in how far E-marketing is of a strategic essence to the luxury brands.

### **1.2 Justification of Study**

Various academic papers and researches address the importance of internet in relation to marketing and more recent papers highlight the use of social media. Mangold & Faulds state: 'The tools and approaches for communicating with customers have changed greatly with the emergence of the internet and social media; therefore, businesses must learn how to use the social media in a way that is consistent with their business plan' (Mangold & Faulds, 2009) (Paquette, 2013) Yet engaging internet as their marketing strategy is not only important for the business, 'Interacting and shopping across channels is also exactly what the customers expect from brands. Previous research in the context of online fashion show that customers want a website experience that is engaging, memorable and interactive; a website that can offer social interaction, two-way communication and a personalized relationship with the brand' (Siddiqui et al. 2003, Lacroix and Riley, 2003 Serringhaus, 2005) (Hansen, 2007). 'Moreover, the interactive and collaborative aspects are also what industry reports from McKinsey and the Economist business surveys point out as opportunities for increasing a company's revenue and/or margins' (McKinsey, How businesses are using Web 2.0: A McKinsey Global Survey, 2007) (McKinsey, Building the Web 2.0 Enterprise, 2008) (Economist Intelligence Unit Research, 2007)

According to Uché Okonkwo, writer of 'Luxury Online' 'Luxury Fashion Branding' and various reports, 'the question of 'why' luxury should be online is no longer relevant but the current issue is 'how' luxury should present itself online particularly as consumers take charge of their virtual experiences. As the most powerful marketing tool that will drive luxury forward in the next century, the internet has become indispensable for brand reinforcement, breaking into new territories, engaging clients and demonstrating overall value.' (Okonkwo U., 2010)

'Social media channels offer both firms and customers new ways of engaging with each other. Companies hope to engage with loyal customers and influence individuals' perceptions about their products, spread information, and learn from and about their audience' (Brodie, Illic, Juric, & Hollebeek, 2013). Altogether 'internet and social media open up a whole new world for luxury brands by providing an endless array of potential interactions with consumers, which is the main reason why there is a need for an increase in studies examining the impact of the new phenomenon.' (Paquette, 2013)

### **1.3 Deficiencies in the Evidence**

Although internet and social media marketing is a wellresearched topic, I see a gap in researches which describe e-marketing in the field of practice and use multiple successful luxury brands as example. There are researches that focus on retail and general luxury, but the top luxury brands are rarely researched, while these leading brands provide hands on examples how to apply the theory in practice.

### **1.4 Key Concepts**

The key terms are marketing, e-marketing, web 2.0, social media, luxury brands, interacting, storytelling and experience.

Digital marketing is also known as E-marketing which consists of web 1.0 (one way communication) and web 2.0 (two way communication). Social media is seen as the applications of web 2.0.

### 1.5 Audience

The audience effected are the top luxury brands Burberry, Chanel, Louis Vuitton, Gucci and Dolce & Gabbana who are leading examples for the non or low online active brands and luxury brands who can benefit from this study.

#### 1.6 Purpose

The purpose of this study is to highlight the reasons provided by academic literature and the successful stories of luxury brands with their actual use of internet as marketing strategy, such to inspire other low or non online active brands to engage the internet with all its possibilities and activities as well and thereby help solve the research problem: 'How can luxury brands successfully engage the internet as marketing strategy?'

### 1.7 Findings

The literature review about e-marketing and luxury brand management introduced three key activities: interacting, storytelling and experience. The survey outcome corresponds with the possibilities described in the literature review and shows that the luxury brands questioned use a lot of the internet marketing tools provided, and although they can still learn from each other and the possibilities presented in the literature review to enhance their marketing strategy, the survey is also providing supporting evidence from the field of practice that the possibilities and activities the literature review describes are actually used by the luxury brands and therefore it is practically a given that the luxury brands that are low or not active online should also engage the internet as their marketing strategy.

### 1.8 Methodology

The data collection technique for the secondary data is a literature review of academic papers, books and reports. The primary data is a survey of marketing managers of luxury brands. The following five luxury brands are chosen because of their high publicity, social media activity and online presence: Burberry, Chanel, Louis Vuitton, Gucci and Dolce & Gabbana. The survey consists of five questions made in and send through Google Drive. The questions are included in Appendix 1. Marketing managers and (global) social media managers of Burberry, Chanel, Louis Vuitton, Gucci and Dolce & Gabbana were contacted. All these managers completed the survey, except for Burberry. I have been in contact with four social media marketing managers at Burberry who all responded with the same answer: Burberry has a strict policy not to share any company information about their marketing strategy external. They can't speak on behalf of the brand or contribute to Thesis or Dissertation projects.

### 1.9 Background

### **Brands**

Before we dive into luxury brands and the luxury world, it is important to first define brands because 'there is no luxury without brands' says former LVMH top man Vincent Bastien. (Bastien & Kapferer, 2013). The America Marketing Association (AMA) defines a brand as "a name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of other sellers." But a brand is not only a distinction. According to Idris Mootee a brand is 'an intangible asset that resides in people's hearts and minds. It's defined by the expectations people have about tangible and intangible benefits that are developed over time by communications and, more importantly, by the actions of the brand.' (Mootee, 2013) Brands focus on identity- and customer-orientation, which means that companies use brands to identify their products or services, and make deep impressions on customer minds. (Heine, 2012) (Zhang, 2013) Therefore 'branding is also described as the art and science of identifying and fulfilling human physical and emotional needs by capturing attention, imagination and emotion long enough to make money from it.' (Mootee, 2013)

#### Luxury brands

Luxury brands are one of the purest examples of branding and a dominant phenomenon in today's marketplace. The number of luxury consumers worldwide has more than tripled over the past 20 years, from roughly 90 million consumers in 1995 to 330 million at the end of 2013, according to an extensive study of 10,000 luxury consumers, conducted by Bain & Company. (D'Arpizio, 2014) (Keller, 2009) They are defined by many authors and mostly characterized by a high level of price, quality, and exclusivity. Kapferer & Bastien give a very comprehensive definition of a luxury brand in their book 'The Luxury Strategy': 'A luxury brand produces a very qualitative hedonistic experience or product made to last, and offers this at a price that far exceeds what their mere functional value would command. The luxury brand is tied to a heritage, has unique know-how and a culture attached to the brand. The products or services of a luxury brand are available in purposefully restricted and controlled distribution and are offered with personalized services which represent a social marker and make the owner or beneficiary feel special, with a sense of privilege.' (Kapferer & Bastien, The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands, 2009)

'Luxury goods are all about emotional value, and functionality plays a subordinate role', emphasizes Rik Riezebos, brand expert at the European Institute for Branding (EURIB). Aldo Gucci thinks quality is the most important feature of a luxury product: 'Quality is remembered long after price is forgotten'. Tungate, writer of Luxury World, says that quality is even more important than emotion. 'The first attribute of luxury is quality. The second is emotional reward'. (Tungate, 2009)

There are multiple reasons for a consumer to purchase products from luxury brands and often these consumers have several reasons at the same time. Personal pleasure is one of them, the sensual perception and experience of luxury, according to Bronkhorst, Jorritsma & Lemmens. Luxury brands are also frequently purchased for their exclusivity so the buyer can use it to show who he or she is and their social status. The clearly recognizable brands, because of their logos, are popular in China. The consumer distinguishes him or herself, through the purchase of a well-known symbol, from the mass who cannot afford it. In Asia, you are able to show others that you've outgrown poverty with products from luxury brands. In the West we are more individual and exclusivity is rather associated with uniqueness and is especially used for self-expression. (Bronkhorst, Jorritsma, & Lemmens, 2014)

### Luxury Brand Management

The management of luxury brands is different from another brand or company. 'The luxury strategy aims at creating the highest brand pricing power by using all intangible elements of singularity. These elements are time, heritage, country of origin, craftsmanship, manmade, small series, and prestigious clients. By mobilizing all these intangibles, the brand is able to be made non comparable to any other. The luxury strategy commands to control the manufacturing and quality on one side, and customer retail experience on the other.' (Bastien & Kapferer, 2013) Therefore advertising for luxury brands is not only focused on selling. 'In luxury, advertising aims exclusively at recreating the dream. In fact, this dream is permanently eroded by sales growth and media over-visibility: for the desire engine to work, the tank must be refilled with dream. Luxury brands should not measure dreams by immediate effect on sales: there will not be much,' (Kapferer & Bastien, The Specificity of Luxury Management: Turning Marketing Upside Down, 2009) 'because the value a customer brings to a firm is not limited to the profit from each transaction but is the total profit the customer may provide over the duration of the relationship with the firm.' (Kumar & George, 2007) Customers are seen as the intangible assets a firm should wisely acquire, maintain and maximize just like other financial assets (Blattberg et al., 2001). (Kim & Ko, 2010)

### 2. LITERATURE REVIEW 2.1 Marketing

Marketing has been defined as 'the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individual and organizational objectives' by Philip Kotler. (Kotler, 2003) To some extent, marketing has stayed the same in many years. (Shima & Varfan, 2008) Traditional marketing uses tools and channels like face to face communication, TV, radio, magazines and newspapers. One of the first marketing theories was introduced by Jerome McCarthy in 1964. The 4Ps marketing mix includes product, price, place and promotion. For a long time this theory is being used and found useful. But since the technology has developed and the internet is becoming a more and more important part of everybody's life, marketing is also affected by the internet. Therefore the internet is added to these traditional channels, and provides opportunities and possibilities that were not available before. (Shima & Varfan, 2008) 'These opportunities go beyond the 4Ps, and the internet becomes a source of information and communication at the cost of traditional communication channels and media.' (Constantinides E., 2009)

### 2.2 E-marketing

Internet marketing is defined as 'the application of the Internet and related digital technologies to achieve marketing objectives and support the modern marketing concept' by Chaffey. (Chaffey 2000) Internet marketing, also known as 'E-marketing uses the internet as a platform that allows customers to move from time- and location-based behaviours toward non-temporal and nonlocational behaviors'. (Watson et al, 2002) (Sheth & Sharma, 2005)

Traditional marketing was always focused on the organization and the products or services they produced. 'Marketing has been seen as demand management since the goal of marketing was to create a demand for the product that matches the requirements of the organization.'(Kotler, 1973) Because of the introduction and development of the internet and e-marketing, the

focus of marketing has been changed from a supplier perspective to a customer perspective. (Sheth & Sharma, 2005)

In the beginning internet has been used mainly for communicating to customers through emailing and getting response from them. It was used as a communication channel as a part of direct marketing. Then the websites of the companies and brands online got attention and have become a very common media for presenting the company, its offerings and image. (Shima & Varfan, 2008) The one-way communication is called Web 1.0. There has been lots of developments and improvements and today 'the internet has become a strong marketing tool which can be compared separately to other marketing tools' (Shima & Varfan, 2008) 'The technology has enabled a shift in focus from companies to customers, individuals to communities, nodes to networks, publishing to participation, and intrusion to invitation' (Berthon, Pitt, Plangger, & Shapiro, 2012) and brought us into a new area: Web 2.0. 'Web 2.0 is a term that describes a new way in which consumers use the World Wide Web' (Kaplan and Haenlein 2010) and 'is the most recent stage in the evolution process of the Internet as a social and commercial environment.' (Constantinides E., 2009) 'Web 2.0 has evolved from retrieving simple information into interactivity between customers and companies and even collaboration.' (Paquette, 2013)

Whereas marketing via traditional channels was based on interrupting and disrupting the lives of consumers, in the world of Web 2.0 the consumers control their media content. They not just control, but also create content by making videos, posting photos, writing blogs, and reading and watching a lot of the content of other users online. (Tuten, 2008). So instead of only retrieving information, as consumers did in Web 1.0, these consumers now both create and consume information. (Berthon, Pitt, Plangger, & Shapiro, 2012)

'Customers become more and more aware of the fact that the applications of Web 2.0 and the improvements in comparison to Web 1.0, give them new possibilities and power.'(Urban, 2003; Gillin, 2007; Bernoff and Li, 2008) (Constantinides E. , 2009) 'Customers have extensive access to product information, reviews, comments and recommendations contributed by other (Constantinides E. , 2009) consumers, which 'studies have shown that consumers consider as more trustworthy sources of information than the traditional instruments of marketing communications used by companies.' (Schivinski & Dariusz, 2013)

It all starts with conversations and discussions between consumers on social media sites like Facebook and Twitter. Secondly consumers create reviews or make evaluations on blogs or Youtube. (Berthon, Pitt, Plangger, & Shapiro, 2012) Other consumers read these conversations, discussions, reviews and evaluations, which has a positive or negative effect on the opinion of these reviewed brands. 'And next consumers become involved in the promotion or demotion of brands.' (Berthon, Pitt, Plangger, & Shapiro, 2012) 'For brands and companies to benefit from the power of customers, the phenomenon of Web 2.0, they must invite customer participation and encourage customers to engage with their brand.' (Tuten, 2008)

The tools, channels and opportunities customers use to create and share their own content is called social media. Kaplan and Haenlein (2010) describe social media as 'a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allows the creation and exchange of usergenerated content.' (Berthon, Pitt, Plangger, & Shapiro, 2012) Social media is a communication platform where people can share their ideas, express their own views, make personal comments on any matters and build online relationships with others. (Zhang, 2013) 'Because of the fast improvements and technologies social media has advanced already and is now not only a place where consumers can learn more about their favorite companies and the products they sell, marketers and retailers are also utilizing these sites as another way to reach consumers and provide a new way to shop.' (Paquette, 2013)

There are various forms of social media, the main representing forms include text, image, video, audio and communities/networks. (Zhang, 2013) Text forms of social media are usually called 'blogs' and can involve diaries and reviews, but also pictures as on photography or fashion blogs. BlogSpot, Tumblr, and self-created websites are the most used blog applications. Microblogs enable users to send and read messages to and from other users, which are character restricted. The most famous example of microblogs is Twitter. People can share their photos and pictures on picture sharing websites like Instagram and Flickr, and share their videos and audio on Youtube and Vimeo. Networks and communities are services to connect and stay in contact with friends, colleagues, and organizations. Facebook and LinkedIn are well known examples for network applications. (Berthon, Pitt, Plangger, & Shapiro, 2012)

### 2.3 Importance of E-marketing

Social media has become a standard element of the social life of many consumers. 'A huge amount of consumer content is published daily on multiple social media applications in the form of product reviews in customer forums or blogs and shopping advices or recommendations in social networks.' (Chevalier and Mayzlin, 2006; Mathwick, Wiertz, and De Ruyter, 2008; Zhu and Zhang, 2010). This shows that social media can be used for more than entertainment and sharing one's personal feelings and experiences. Commercial advantages for customers are writings and reading reviews or products and seeing other customers using or wearing these products. For companies and marketers there are also multiple commercial advantages like seeing the opinions of customers, communicating and interacting with customers, and using the internet and social media to distinguish themselves from other companies and brands.

'Companies hope to engage with customers and influence consumers about their products, spread information and learn from and about their audience.' (Schivinski & Dariusz, 2013) 'Social media boosts brand awareness, creates brand loyalty and also speeds word-of-mouth marketing through the way of building relationships with existing and potential new consumers.' (Gunelius, 2011) (Zhang, 2013)

The growing volume of word-of-mouth has given consumers new sources of product information and empowerment. People do trust their peers' opinions more than marketers advertising their products or even product experts. (Lorenzo-Romero, Constantinides, & Alarcóndel Amo, 2013) Therefore 'marketing managers have to consider the many opportunities and threats that Web 2.0, social media, and creative customers present.' (Berthon, Pitt, Plangger, & Shapiro, 2012) 'Marketers should recognize that engaging social media is the best way to communicate with the increasing numbers of consumers who spend a considerable part of their time online.' (Forrester, 2007) (Constantinides E., 2009) 'Social media is no longer a trend for marketers: It is a reality.' (Chung & Austria, 2010) (Markos-Kujbus & Mirkó, 2012)

### 2.4 Luxury Brand Management and Emarketing

There are multiple reasons to argue why luxury brands should engage the internet and social media marketing activities, and that these can be as powerful a tool for luxury brands as it has proved to be in all other sectors of the retail world. Firstly, 'the characteristics of the Internet are a global reach: it is a pull marketing approach where customers are drawn to information and purchases rather than a push approach where customers are driven by advertising.' (Okonkwo U. , Sustaining the Luxury Brand on the Internet, 2009)

Secondly, when using social media the consumer is in charge of his or her online experiences for the first time. 'They can now choose, interpret, accept or reject brand messages while influencing thousands of others. It's time for luxury brands to make a critical assessment of the new opportunities brought by the social web and how they may be applied to the luxury business.' (Bjorn-Andersen & Hansen, 2011)

Further, this consumer power also changes the consumer needs, 'luxury consumers are no longer just looking for one-way information from brands, they also want a twoway interaction that comes in the form of dialogue, exchanges, sharing, entertainment and engagement.' (Okonkwo U., Sustaining the Luxury Brand on the Internet, 2009) Research shows that consumers want a web experience that is engaging, memorable and interactive. They are looking for a website that can offer social interaction, two-way communication and a personalized relationship with the brand. (Bjorn-Andersen & Hansen, 2011) 'This personalisation and product customization were also the origin of luxury products, it was all about the individual and intimate relationship with the designer, craftsman and consumer.' The internet offers the opportunity of connecting with the individual consumer in this unique and intimate manner again. Altogether, 'the internet has become indispensable for luxury to reinforce brand presence, to break into new territories, engage with clients on a higher level and to demonstrate overall value.' The internet, including social media is called 'the most powerful marketing tool that will drive luxury businesses forward in the next century. (Okonkwo U., Sustaining the Luxury Brand on the Internet, 2009)

### 2.5 E-marketing activities

According to U. Okonkwo the question of 'why' luxury should be online is no longer relevant but the current issue is 'how' luxury should present itself online, especially since consumers are taking charge of their online experiences. (Okonkwo U., Sustaining the Luxury Brand on the Internet, 2009)

The internet is a key source of value for the positioning of luxury brands and can be used in various ways. All these possibilities have their own functions. They help the brand to interact with the customer, tell the customer the brand's story, or give the customer a special experience. Therefore I divide these possibilities of emarketing in three key activities: interacting, storytelling and experience.

### 2.5.1 Interacting

Interacting is mostly used by luxury brands when using the internet and social media. It is about using existing social media platforms to interact and communicate with consumers, and to provide information and updates online, where consumers can also give their reactions and share their opinions. By interacting with consumers the luxury brand builds a relationship with consumers, but also creates brand- awareness and loyalty. Social media like Facebook, Twitter, Instagram and Tumblr are mostly used by luxury brands to interact directly with the consumers. Burberry, Chanel, Louis Vuitton, Dolce & Gabbana and Gucci all use Twitter, Facebook and Instagram and update these extensively for their millions of followers. They also broadcast their fashion shows live on their websites and other social media. Louis Vuitton, Dolce & Gabanna, Gucci and Chanel all have created multiple iPhone and iPad applications. A luxury brand can also create an interactive website and or web store, like the Burberry web store which interacts with the fashion shows live broadcasting.

'Brands and customers are interacting and communicating with each other without any restriction in time, place and medium and old-fashioned one-way communication is changed to interactive two-way direct communication. In this way, brands and customers are working together to create new products, services, business models, and values. Meanwhile, brands can gain exposure and strengthen relationships with customers.' (Kim & Ko, 2012)

Not only existing social media platforms are used for interaction with consumers, but also other blogs and their owners. 'Brands can engage social media personalities as product or brand advocates to interact but also influence consumers. Marketers should establish relationships with leading blogs so that they review, discuss, comment or even recommend the products or brand.' (Constantinides E., 2009)

Various luxury brands set up collaborations with 'fashion bloggers'. Sometimes these bloggers are invited to help launch or introduce a new product and are asked to post photos and a little story on their blogs. For example Gucci, who recruited over 40 bloggers worldwide to participate in their global digital campaign of the Bamboo bag, to celebrate the anniversary of their trademark bags. Gucci gifted all of them the Bamboo bag and these girls were given free reign to create a shoot, the only catch was it had to be shot in an elevator in their own city. Gucci also promoted their own campaign stills and video on the brand's social media pages. Sara Donaldson, owner of harperandharley.com was one of the lucky few. And Louis Vuitton who asked Nicole Warne, from garypeppergirl.com, to set up a collaboration and create a photo shoot of their new collection, resulting in ten story telling photos, all dressed in Louis Vuitton clothes and accessories.

Brands like Burberry, Gucci, Louis Vuitton, Chanel and Dolce & Gabbana send fashion bloggers invitations to their fashion shows, shows which used to be extremely exclusive. Christopher Bailey, Burberry's creative director, explains this phenomenon: 'It's important that the bloggers become well respected. They have a very articulate way of expressing an opinion. The difference between bloggers and traditional press is that bloggers are often talking directly to a final consumer.' Dolce & Gabbana also uses social media in order to get direct feedback from its customers. Dolce & Gabbana invites fashion bloggers to the front seats of its fashion shows, and the bloggers instantly upload feedback from the show on their blogs, Facebook and Twitter. In that way, customers get to see the brand modeled directly without the involvement of fashion editors or merchandisers, and the company builds purchase intentions right away. (Kim & Ko, 2012)

### 2.5.2 Storytelling

Storytelling goes even further than interacting. It is about using social media and the internet to tell the brand's own and unique stories and give emotional depth to the customers, to provide customers with more information and to engage them in the world of the luxury brand. 'Storytelling is at the heart of the luxury universe, used to tell not only the story behind the fashion house but also behind the creation or the designer.' Perfume ads are an offline example of how storytelling has always been part of selling the glamour behind a luxury brand. Social media, then, offers an opportunity for the experience to be even richer, multidimensional, and multimedia. A brand may choose to create a mix of virtual and real experiences to create a story, and publish this on multiple social media sites. (Synthesio, 2011) These social media sites enable consumers to share and talk about the brands' stories which will not be unlikely since these 'stories create emotional involvement, build an appealing identity and travel fast like rumours'. (Kapferer & Bastien, The Specificity of Luxury Management: Turning Marketing Upside Down, 2009)

A good example of a luxury brand that uses storytelling is Burberry. Everything Burberry posts on any social media, from Facebook to Instagram is to highlight and emphasize its British heritage and culture. Burberry also launched a social network site, 'Artofthetrench.com' with a noncommercial purpose: to raise admiration for the design of their trench coats and create Burberry fans while communicating its culture with customers. Burberry calls Art of the trench 'a celebration of the trench coat and the people who wear it'. Every consumer can upload his or her photo of wearing the iconic Burberry trench coat on the site. 'Online sales increased after the site was launched and the participation of customers online resulted in broadened insights for Burberry as Burberry creates more stories of the brand.' (Kim & Ko, 2012)

Tiffany & Co is another luxury brand that tells the story of the brand on social media with their campaign 'What Makes Love True' that encourages anyone to upload their love stories. 'The emotional connections can thus building brand loyalty for existing targets and promote brand awareness for potential customers.' (Zhang, 2013) Chanel shares the story and history of the famous designer Coco Chanel and founder of the brand. Dolce & Gabbana highlights the importance and love of a true Italian family, whereas Louis Vuitton shares their stories and view on travelling and stimulates and influences others to share their travel experiences and stories as well.

### 2.5.3 Experience

Experience is about creating the best possible experience online. This experience can build on the interacting and storytelling activities and use these to create an even better and richer experience. It can also stand on its own by creating a new and innovative platform or online world.

Luxury brands define and distinct themselves from other brands, besides quality and exclusivity, by the experience customers retrieve when they buy a product in a store. This offline experience must also be delivered online. The internet has become an extremely relevant part of our everyday lives, a part we cannot imagine to live without anymore. Every luxury brand should be able to create an experience online. This can be done by creating a web store and therefore selling their products online and making this experience special. But also by combining interacting with customers, storytelling, and own platforms since not every luxury brand wants to sell their products online. It is important to create an entire universe, a virtual world that exists beyond a company's standard website. To become an innovative and technology frontrunner online. Luxury brands should therefore try new things and explore the endless possibilities of the internet to capture the attention of the consumers and to give them a whole new experience. One they never even imagined.

The online world has become a world on its own and the luxury brands should provide the special experience they created in the physical world, in the online world too. Bjorn-Andersen and Hansen also indicate this in 'The Adoption of Web 2.0 by Luxury Fashion Brands'. They say that it is not only a question of being present on the internet, but about creating an exceptional online experience for every person visiting and revisiting the website. 'It is about keeping a focus on ensuring the best possible web experience and perfecting this as the only mission of the luxury online strategy. This rich experience will eventually translate into sales and loyalty.' (Bjorn-Andersen & Hansen, 2011) So the aim of the brand experience is to recreate a universe within the virtual environment of a brand. 'A luxury brand should replicate the unique identity, style, signature and code that the brand uses in its offline existence. It is about creating an environment that appeals to all the senses and results in an experience which will get consumers hooked on and interested in the website and returning for more.' (Bjorn-Andersen & Hansen, 2011) Okonkwo also notes the need for luxury fashion brands to create a compelling, memorable, enjoyable and positive total customer experience for online shoppers. (Okonkwo U., Luxury Fashion Branding: Trends, Tactics, Techniques, 2007)

'The Web Experience can be defined as the total impression of the consumer about the online company, which is a result of the exposure of the customer to a combination of virtual marketing tools.' (Constantinides E., 2004) Several web experience models have been developed in order to guide the design of virtual experiences. 'A.T. Kearney developed a 7C model to create a high impact digital customer experience content, customization, customer care, communication, community, connectivity and convenience. E. Constantinides identified functional factors (usability, interactivity), psychological factors (trust) and content factors (aesthetics and marketing mix) as the main building blocks of web experience.' (Atwal & Williams, 2009) But even with these models, understanding how to re-create the store design and atmosphere online and

presenting the products in such a way that the clients are immersed in the brand universe and forget that they are staring at a screen is a definite challenge. (Okonkwo U., Sustaining the Luxury Brand on the Internet, 2009)

### 3. ONLINE ACTIVITY AND HIGHLIGHTS OF LUXURY BRANDS 3.1 Burberry

Burberry is a British luxury fashion house, founded in 1856, distributing clothing, handbags and footwear, fashion accessories, perfumes, sunglasses and make up. Burberry is most famous for its trench coat which was designed by founder Thomas Burberry. Its distinctive tartan pattern has become one of its most widely copied trademarks.

The primary focus of Burberry is the authenticity of the brand. Burberry believes that its innovative brand content is the most powerful means it has to connect with customers, and it has developed a website that allows customers to connect with all aspects of the brand - from heritage, to music and video, to the full product offer. You can shop the entire collection online, fashion accessories and beauty, watch latest shows and events, read more about their foundation and heritage, and Burberry Acoustic. The famous trench coat has its own page, with the artofthetrench.com as an extension and the Burberry Bespoke section, where you can create a trench coat to your personal specifications. The content is created centrally and distributed globally, ensuring a customer experience whenever, wherever and however the interaction takes place. (Perlmutter, 2011)

The fashion shows or Burberry are streamed live in the Regent Street store and on their website. Their web store interacts with the fashion show: once the show begins on the live stream, the left side bar offers options to buy the runway look exclusively, and the right bar streams Instagram photos, along with updates containing information of the songs that are playing. The Burberry Online World also interacts with their store on 121 Regent Street, the physical store resembles Burberry World Live, their digital retail space (rather than vice versa). They remodeled the building into a bricks-and-mortar version of a website which gives a clear statement to the world that, for Burberry, digital comes now first. Christopher Bailey, the firm's chief creative officer explains: 'We designed it like that because when you're shopping at home online, you are on the sofa with your credit card. You don't stand up and queue.' The flagship store in London uses RFID technology which is embedded in the clothes to trigger relevant catwalk and other filmed content to appear on nearby screens and mirrors. You can also make an appointment in the flagship store for a one-to-one experience with a Burberry Bespoke specialist. Burberry knows precisely how to meld online and offline together and continues to invest in innovation and digital.

For Bailey the primacy of the digital experience is selfevident: 'Most of us are very digital in our daily lives now. Burberry is a young team and this is instinctive to us. To the younger generation who are coming into adulthood now, this is all they know.' (Cartner-Morley, 2012)

Their Beauty Box store in Covent Garden, London, places all commerce in the hands of digital touch points. Consumers can find Burberry's beauty, fragrance, and accessory with the help of sales associate consultations and digital touch points, including mobile checkout. Customers can even virtually 'try on' new colours of nail polish.

The concept is more than just having the capability to sell from either a traditional store or online. It combines the two in every sense: in marketing, merchandising and operations, and allows the customer to determine how and when they will interact with the brand. Burberry has merged the digital and brick-and-mortar shopping experiences better than any retailer in the world. Each digital element adds value and excitement to the customer's experience. Burberry makes digital an integral part of the experience and is exceeding the consumer's expectations and raising the bar for other luxury brands. (Jones, 2013)

Burberry's collaboration with Google, Burberry Kisses, is an interactive experience which allows you to send a friend or loved one a message sealed with your own digital kiss in a Burberry Beauty lip colour. According to Christopher Bailey, Burberry Kisses gives technology a bit of heart and soul and uses it to unite the Burberry family across the world, by telling a story that makes the digital personal. Burberry is constantly thinking about how they can translate the emotion of what they create and experience in the real world, into the digital space. (Robison, 2013) Former Burberry CEO Angela Ahrendts also expresses the importance of experience by quoting American poet Maya Angelou: 'People will forget what you did, they will forget what you said, but they will never forget the way you made them feel.'

Burberry was the first luxury fashion brand to invest wholeheartedly in social media, and to broadcast its fashion shows live. Burberry has managed to stay ahead of trends and even set them, from its early presence on Instagram to its Burberry Acoustic campaign, and Artofthetrench.com. (Phan, Thomas, & Heine, 2012) Burberry Acoustic shows a series of video performances by emerging and established artists filmed exclusively for Burberry, whereas Artofthetrench.com is a living document of the trench coat and the people who wear it. Art of the Trench, launched in 2009, continues to be an important social platform to celebrate the iconic trench coat and has recorded almost 24 million page views from over 200 countries. Today Burberry uses the internet and their digital world to interact, tell their story and give customers a special experience. Burberry realizes that luxury consumers become increasingly mobile and global, and therefore Burberry's digital and physical store innovations have worked together to create a seamless customer experience online and offline.

Burberry seeks to extend the brand's reach and engagement through marketing excellence and innovation. As part of the highly anticipated iPhone 5s launch, Apple teamed with Burberry on the womenswear S/S14 show, capturing runway images through the camera feature of the device, which was before the release of the iPhone 5s. This collaboration achieved record levels of social media engagement. Burberry also announced an innovative partnership with the mobile messaging platform WeChat at the Burberry Prorsum Womenswear Autumn/Winter 2014 (A/W14) Show. WeChat facilitated the delivery of Burberry's most personalised show experience, and in addition, the A/W14 show generated the most social media buzz in Burberry brand history, measured across all social platforms. (Burberry, 2014)

Burberry has 17,2 million Facebook followers, 2,92 million followers on Twitter, and 1,54 million on Instagram.

#### **3.2 Chanel**

Chanel is founded by Coco Chanel in 1909 in France and is a high fashion house that specializes in haute couture and ready-to-wear clothes, luxury goods and fashion accessories. The house is known for the little black dress and the tweed suit, the quilted handbag, the red lipstick and the world's bestselling fragrance N°5. Coco Chanel reinvented fashion for woman and Chanel has continued this heritage ever since.

The history of Chanel and therefore Coco Chanel is the highlight of the use of the internet and technology in the marketing of Chanel. The concept of 'Inside Chanel' shows different chapters and small films of the iconic perfume N°5 and the little black jacket and a lot more information of Coco Chanel and Karl Lagerfeld. Together with the timeline from 1883 till 2013 with photos, commercials, films, the history and the introductions of the products, you get an exclusive insight into the world and history of Chanel.

The website of Chanel covers the fashion collections and products, and also provides different pages for jewelry and watches. They offer an online shop for their fragrance, makeup and skincare, which is also optimized for mobile access. You can share all the things you love on the website and web shop on multiple social media platforms. Chanel News is presented in a blog form and shows pictures, information and commercials of events and shows and celebrities wearing the fashion of Chanel. Chanel uses multiple social media tools like Twitter, Facebook and Google + which they use for interaction, news and behind-the-scenes features. Their YouTube channel contains not only commercials, films and fashion shows, but also make up tutorials. You can also subscribe to a newsletter to receive the latest news from Chanel on your email. Chanel also has produced a Chanel Fashion app which shows Chanel News, and videos and looks from the latest fashion show, as well as a store locator.

Each piece of communication and marketing of Chanel is another link in the grand construct of the Chanel story. The film 'Once Upon a Time' shows how the brand's founder Coco Chanel revolutionized fashion by creating a new style concept for modern women. The 18-minute brand film signals that the French label is not only an innovator in fashion, but is also looking to break the rules with its digital marketing. (McCarthy, 2013) (Carr, 2013)

Chanel has 12,1 million followers on Facebook, 4,79 million on Twitter, and an impressive 1,5 million followers on Instagram even though there has never been posted a picture on the account.

### **3.3 Louis Vuitton**

Louis Vuitton is a French fashion house founded by Louis Vuitton, a trunk-maker in Paris since 1854, who became a legend in the art of travel by creating luggage, bags and accessories as innovative as they were elegant and practical. Louis Vuitton played a big role in the development of modern luxury and is now also active in other creative spheres: ready-to-wear, shoes, watches, jewellery and accessories.

Louis Vuitton provides a 'World of Louis Vuitton' online with information about the friends of the house, the encounters, Louis Vuitton and the arts, the house, history and designers. You can also read their values about the environment, brand protection and charities, see their stores and discover 'savoir-faire' which shows the expertise of the products with clips and pictures. The fashion and accessories collections of Louis Vuitton are available online in their web shop. For their exclusive technical cases they created a playful universe of vintage video games which stimulates interaction. You can personalize your online experience by creating a My LV account which enables you to save products and contents as favorites.

Louis Vuitton News shows their commercials and advertisements, new products and collections, fashion shows and live broadcasts. Louis Vuitton uses Facebook, Youtube, Google+, Twitter, Instagram, Pinterest and Foursquare as social media tools.

Louis Vuitton use their iconic trunks to relate to their history and heritage to unite both past and present and presents the stories on 'Louis Vuitton Histoires'. You can discover more about travelling, the products of the travel collection, stories about the repair service, and learn the art of packing. The importance of travelling for Louis Vuitton is shown in 'Louis Vuitton Amble' which is an iPhone application that enables you to immerse yourself in Louis Vuitton's spirit of travel. You can create customized tours enhance these with personal pictures, videos, sounds and comments or decide to let the Louis Vuitton City Guides and other Amblers inspire you.

<sup>6</sup>Louis Vuitton Pass' is another iPhone application which invites the consumer to experience a virtual world where Louis Vuitton advertising campaigns are brought to life. By scanning the campaign images that feature the application's icon in magazines and elsewhere, a dedicated space showcasing product information, videos, images and more will be unveiled.

Louis Vuitton has 17,1 million Facebook followers, 3,28 million followers on Twitter, and 1,8 million on Instagram.

### 3.4 Dolce & Gabbana

Dolce & Gabbana is an Italian luxury fashion house. The company was established by Italian designers Domenico Dolce and Stefano Gabbana in 1985. Dolce & Gabbana standards are an unmistakable style, the expression of unconventional luxury which combines strong innovation with the powerful Mediterranean flavor of its origins. They are selling clothing, footwear, handbags, sunglasses, watches, jewellery, perfumes and make up.

Everything on the website of Dolce & Gabbana highlights the Italian family aspect of the brand. Small films, commercials and all other advertising try to replicate the love and relationships of a true Italian family. On DolceGabbana.com/dgfamily everyone can upload their own family picture. 'The Family is our point of reference' say Domenico Dolce and Stefano Gabbana and the designers know how to trigger the ultimate feelgood feeling.

On the website you can see their fashion collections, advertising, and fashion shows. At their beauty video page there are tv commercials, interviews and tutorials. The World of Dolce & Gabbana contains their sunglasses, eyewear, beauty, perfumes, make up, jewellery, and watches. They also show that they dress the Italian football team and AC Milan, and how they promote #DGfamily, the Dolce & Gabbana bar and restaurant. There is also a Dolce & Gabbana library which is according to the website a fascination of a beautiful coffee table now live in the digital sphere. Here you can browse through the Dolce & Gabbana publications and books. In the online store apparel, accessories and even runway clothing and accessories are being sold.

A big array of social media tools is promoted on the top of the website, examples are Facebook, Twitter, YouTube, Instagram, Pinterest, Google+, Vimeo, Tumblr, Apple Podcast and many more. Swide is the Dolce & Gabbana Luxury Online Magazine and describes the Dolce & Gabbana universe through digital communication. It offers news about style and fashion, beauty, celebrities, art, cinema, music, culture, food and travel.

The 'Dolce & Gabbana Mobile Fashion Channel' mobile application represents a direct communication channel between the company and its customers. Its concept is to realize a new way of interaction and contact with the Dolce & Gabbana audience, using mobile devices in order to follow the users in their real life. It provides a new mobile experience that combines a fashion-oriented interface with a unique selection of Dolce & Gabbana branded content.

Dolce & Gabbana has 8,9 million followers on Facebook, 2,33 million on Twitter, and 1,1 million on Instagram.

### 3.5 Gucci

Gucci is an Italian fashion and leather goods brand, founded in 1921 by Guccio Gucci in Florence, and is now part of the Gucci Group. Gucci represents world class luxury, Italian heritage and modern style. They sell clothing, watches, jewellery, shoes and leather goods.

The Gucci website immediately draws attention to the online store which sells handbags, shoes, accessories, watches, jewellery, and ready to wear clothes. The 'World of Gucci' shows news and events, videos and advertising. There is also more information about the personalized luxury products of Gucci, their icons, creative director and the equestrian world. You can learn about the new season collections, the house of Gucci, the 90 year legacy, and there is a special page for their history and the Gucci museum. The brand has translated the Gucci Museo experience into a dedicated website that features images of the exhibitions as well as information about the house's history.

Engagement is key for Gucci in the mobile space and the brand has been successful through its charity initiative Chime for Change and its mobile app. Chime for Change is a global campaign founded by Gucci to convene, unite and strengthen the voices speaking out for girls and women around the world. According to Luxury Daily Gucci's Chime for Change leverages technology to spark social change. (King, 2014)

The mobile application Gucci Style is a shoppable magazine and gives an exclusive look at the fashion, stories and people behind the brand. You can shop the season's key looks and accessories through videos and photography. The jet set shows pictures on travel, art and music. There is also a live runway show streaming available.

You can find Gucci on social media like Facebook, Twitter, YouTube, Pinterest, Google +, Instagram and Spotify. Gucci has 13,2 million followers on Facebook, 1,09 million on Twitter, and 1,5 million on Instagram.

### 4. SURVEY AND OUTCOME

#### 4.1 Survey

In the survey the managers are asked to indicate for which luxury brand they will answer the subsequent questions. In the first question the managers can choose which internet marketing tools their company is currently using. They can choose: website (standard), website (interactive), website optimized for mobile access, web store, web store optimized for mobile access, email / newsletter, social media (text: e.g. blogs, Twitter), social media (image/video: e.g. blogs, Instagram, Tumblr, Youtube), social media (communities/networks: e.g. Facebook, LinkedIn), mobile applications (apps), and fill in other. In the second question the managers are asked if they expect to use the internet marketing tools, mentioned above, less or more in the future and they can rate this from 1 (less) to 5 (more) or choose not applicable. The third question asks the managers which of the internet marketing tools they consider most effective for interaction, storytelling and experience. In the fourth question the managers can choose which of the internet marketing tools in particular help them to distinct their brand from other luxury brands. The fifth question consists of five statements and the managers should indicate how those statements apply to their luxury brands, from 1 (not at all) to 5 (a lot). The statements are: 1. Internet marketing is a very important part of our marketing strategy. 2. Internet marketing is used to differentiate between target audiences. 3. Online experience is a crucial part of our strategic marketing view. 4. Internet marketing is all about technology. 5. Internet marketing is all about creative innovation. The complete survey can be found in Appendix 1.

### 4.2 Outcome

The tables and figures of the survey outcome can be found in Appendix 2.

The first thing you notice when you look at the results of the first question (Table 1) is that all the brands are sending emails or newsletters and are using social media in the form of text, image/video and communities/networks. Only Chanel and Gucci use interactive web sites and only the web site of Louis Vuitton is optimized for mobile access. What is interesting is to see that Chanel didn't chose web store at all, while they do sell fragrance, make up and skincare online. Maybe they do not consider it a full web store because they do not sell clothes or accessories. The other three brands are using web stores, but the web store of Dolce & Gabbana is not optimized for mobile access while those of Gucci and Louis Vuitton are. Chanel, Gucci, Dolce & Gabbana and Louis Vuitton are all using mobile applications, but Dolce & Gabbana and Louis Vuitton have not indicated that usage in the survey.

The second question elaborates on the future use of the internet marketing tools by the luxury brands. Chanel and Gucci will continue to use the standard web site as they

do today, Louis Vuitton and Dolce & Gabbana expect to use it more extensively in the future (Figure 1). Whereas Louis Vuitton did not have an interactive web site yet according to question 1, they expect to use it a lot more, as well as Gucci. Chanel and Dolce & Gabbana will not use it more or less, but equally in the future (Figure 2). All the brands understand the importance of web sites which are optimized for mobile access and especially Gucci and Louis Vuitton are planning to use this internet marketing tool more (Figure 3). There is going to be more use of the web store at all brands. Chanel and Louis Vuitton chose the highest score, and Dolce & Gabbana a 4 out of 5. Gucci chose a 3 out of 5 (Figure 4). All the brands expect to use a web store optimized for mobile access, even Chanel and Dolce & Gabbana who indicated that they didn't use this internet marketing tool yet. The average of 4,75 is the highest score which emphasize the importance of web sites and web stores with mobile access (Figure 5).

Email and newsletter will be equally or less used in the future by the brands. This shows that while email and newsletters were one of the first and most important internet marketing tools in the beginning of the internet, it has been shifted to the background and social media marketing tools are getting more attention (Figure 6). The brands all answered more or less similar with regard to the different types of the social media internet marketing tools. Chanel and Dolce & Gabbana both are going to use social media in form of text, image/video, and communities/networks more in the future, and Louis Vuitton even a lot more. Gucci is going to use the social media equal to what they are using it currently in their marketing strategy (Figure 7,8,9).

The mobile applications will be used a lot more in the future by Chanel, whereas Dolce & Gabbana, Gucci and Louis Vuitton are not going to use them more or less (Figure 10). All of the internet marketing tools are going to be used more or equally in the future, and the focus is on the mobile access optimized web site and store and the social media tools.

The results of the third questions shows that Chanel doesn't consider any of the internet marketing tools effective for experience and that for Gucci only the interactive web site is effective for experience whereas for Dolce & Gabbana only the web store is seen as an experience. Louis Vuitton on the other hand sees the website optimized for mobile access and the web store as effective for an experience, as well as their mobile applications.

The input for the social media communities and networks is the same for all brands, it is most effective for interaction. The other social media marketing tools like text and image/video are considered most effective for storytelling for three out of the four brands. Mobile applications have a distributed outcome, for Chanel and Dolce & Gabbana mobile applications are seen as interaction, for Gucci as storytelling and for Louis Vuitton as experience (Table 2). The input for the fourth question was quite distributed. For Chanel only their social media text marketing tools help them to distinct their brand from other luxury brands, and for Dolce & Gabbana only social media text and image/video marketing tools. In contrast with Gucci and Louis Vuitton who see lots of internet marketing tools as help to differentiate themselves among their competitors. For Gucci their interactive and optimized for mobile access web site, as well as their social media communities /networks and mobile applications help them. Louis Vuitton chooses their standard web site, their web store, and their social media communities and networks (Table 3).

The answers on the statement questions show that for Dolce & Gabbana and Louis Vuitton internet marketing is an important part of their marketing strategy while for Chanel and Gucci internet marketing it is very important, which can be seen in Figure 11. Internet marketing is used a lot to differentiate between target audiences for Gucci and Louis Vuitton whereas Dolce & Gabbana is the least active online of all the brands and also doesn't use internet marketing at all to differentiate between target audiences. (Figure 12) For Chanel and Gucci online experience is a very crucial part of their strategic marketing view, for Louis Vuitton it is important, and for Dolce & Gabbana not really. (Figure 13) Internet marketing is all about technology for Chanel, while the other three brands indicate that internet marketing is about technology but not only. (Figure 14) For Louis Vuitton internet marketing is all about creative innovation, Gucci thinks creative innovation also plays an important part whereas for Chanel and Dolce & Gabbana internet marketing is not only about creative innovation. (Figure 15) Interesting to see is that for Chanel technology is more important than creative innovation and for Louis Vuitton creative innovation is more important than technology. Dolce & Gabbana thinks internet marketing is just as much about technology as it is about creative innovation, whereas Gucci thinks creative innovation is a little more important than technology.

### 5. CONCLUSION AND RECOMMENDATIONS 5.1 Conclusion

The purpose of this study was to highlight the reasons provided by academic literature and the successful stories of luxury brands with their actual use of internet as marketing strategy, such to inspire other low or non online active brands to engage the internet with all its possibilities and activities as well and thereby help solve the research problem: 'How can luxury brands successfully engage the internet as marketing strategy?' In this study possibilities and activities have been presented in the literature review and by examples of the online activity and highlights of Burberry, Chanel, Louis Vuitton, Gucci and Dolce & Gabbana. Luxury brands can engage the internet as marketing strategy in various ways. The literature review introduced three key activities that luxury brands can use to engage the internet as marketing strategy: interaction, storytelling and experience. Interaction is about using existing social media platforms to interact and communicate with consumers, and to provide information and updates online, where consumers can also give their reactions and share their opinions. By interacting with consumers the luxury brand builds a relationship with consumers, but also creates brand- awareness and loyalty. Storytelling is about using social media and the internet to tell the brand's own and unique stories and give emotional depth to the customers, to provide customers with more information and to engage them in the world of the luxury brand. Experience is about creating the best possible experience online. This experience can build on the interacting and storytelling activities and use these to create an even better and richer experience. It can also stand on its own by creating a new and innovative platform or online world.

For these various activities existing internet marketing tools can be used, like Facebook, Twitter, Instagram and YouTube, or luxury brands can develop their own platforms. Some of the most remarkable highlights of the luxury brands are the Burberry Online World, Inside Chanel, Louis Vuitton Amble, Swide by Dolce & Gabbana and Gucci Style.

The survey outcome corresponds with the possibilities described in the literature review and shows that the luxury brands questioned use a lot of the internet marketing tools provided, and although they can still learn from each other and the possibilities presented in the literature review to enhance their marketing strategy, the survey is also providing supporting evidence from the field of practice that the possibilities and activities the literature review describes are actually used by the luxury brands and therefore it is practically a given that the luxury brands that are low or not active online should also engage the internet as their marketing strategy.

### **5.2 Recommendations**

For future research it would be interesting to study the cost side of the internet marketing tools. How profitable internet marketing and social media are for a luxury brand and which internet marketing tools are the most efficient.

In addition, a study could be conducted among consumers to see how much they value interaction, storytelling and experience of luxury brands and what media they prefer most. This will provide a way for the luxury brands to understand their consumers even more, and to gain respond and a 360° feedback on their internet marketing activities.

For the field of practice and the audience effected, this study recommends low or non online active luxury brands to invest in interaction, storytelling en experience, and online active luxury brands to increase their investment, in order to take full advantage of the possibilities and activities internet marketing offers, the literature review provided, and the examples from the luxury brands and the survey showed.

### 6. DISCUSSION AND LIMITATIONS 6.1 Discussion

In the literature review the possibilities of e-marketing for luxury brands are presented, with interacting, storytelling and experience as the key activities, but in practice not all these possibilities nor activities are fully exploited by luxury and other brands. The ideal situation is sketched in the literature review and all of the activities should all be used to create the most effective marketing strategy. For interacting with the consumers it is highly recommended to use social media in text, image, video, and especially community and network forms. Interacting, the first and most common of the three activities, is used by all brands. Yet the only owners of an interactive website are Chanel and Gucci, which leaves room for improvement for the other brands. Storytelling, the second activity which elaborates on interaction, uses the web site and social media text, image and video tools to tell the story of the brand. Again all the brands use these marketing tools, Gucci specifically has opted for an interactive website only, the other brands for a standard website and Chanel even for both. The experience is about the entire and total online presence of a luxury brand. All the internet marketing tools can be used to create an online experience, yet the web store is most suitable and frequently used for delivering a special experience to the consumer. Mobile applications and secondary websites for promoting a certain aspect or product of the brand (like Burberry Artofthetrench.com and Louis Vuitton Amble) are means and tools for luxury brands to differentiate themselves among their competitors and really create an innovative and new concept (like Burberry Kisses and Dolce & Gabbana Swide), which subsequently can generate a lot of free and most welcome publicity when those initiatives are highlighted and presented by or in social media.

Chanel is the only brand that doesn't use a full web store, yet only Gucci and Louis Vuitton offer a web store optimized for mobile access. From the literature review we know that Chanel, Gucci, Louis Vuitton and Dolce & Gabbana all use mobile applications, but Louis Vuitton and Dolce & Gabbana have not indicated this in the survey.

Out of the three activities, interaction is seen as the most common and used activity and probably a must these days. Storytelling goes deeper and is therefore harder which might also be the reason it is used less than interaction. Experience is the last, the hardest and also the rarest of the three, the survey shows that experience is rarely used. Yet if brands wants to differentiate themselves among their competitors they have to combine all three activities, and can't stop at storytelling. When you order the three activities from interaction, storytelling and experience the first is easier to achieve than the latter, but the importance of the experience might surpass interaction and even storytelling. Surprisingly the luxury brands possess a different point of view. Chanel doesn't consider the marketing tools effective for experience, and Dolce & Gabbana and Gucci choose only one. Louis Vuitton differentiates from the rest and is the only one that sees the experience four times as effective. For Burberry the entire online experience is also a very important aspect of their marketing strategy, which is extensively shown in the literature review. Experience uses interaction and storytelling but also creates a special dimension, a new and innovative aspect and adds this to the delivery given to the consumer. Unfortunately it currently seems to be only used by the luxury frontrunners.

The brands indicate that the following internet marketing tools should be given more attention in the future: interactive web site, the web store, the web site and web store optimized for mobile access, and mobile applications. Gucci and Louis Vuitton both want to use the interactive web site and web site optimized for mobile access more while Chanel and Dolce & Gabbana stay a little behind. The importance of the web store optimized for mobile access is emphasized by all the brands. In terms of mobile applications a lesson can be learned from Chanel who is the only one that wants to use the mobile applications more in the future.

There are many reasons given in the literature review and practice examples why internet marketing should be an important part of the marketing strategy of a luxury brand these days, yet only Chanel and Gucci consider internet marketing very important. The literature review also showed that online experience should be a crucial part of the strategic marketing view of a luxury brand. Whereas Louis Vuitton was the only one that noticed the importance of experience in previous questions, yet Chanel and Gucci take the lead here. It is possible that the internet is already so embedded in the marketing strategy from Louis Vuitton, that this is the reason they score lower on this question. Again Dolce & Gabbana could learn from the other brands.

Internet marketing is a practical tool to differentiate between audiences and can be used to offer consumer specific news and information which is most relevant for the targeted audience. Gucci and Louis Vuitton agree with this statement whereas Chanel and Dolce & Gabbana do not use internet marketing to differentiate between target audiences. It is commonly thought that internet marketing is all about technology or all about creative innovation. For Chanel technology is more important while Louis Vuitton gives creative innovation more attention than technology. Dolce & Gabbana and Gucci consider internet marketing as much about technology as it is about creative innovation. Whereas technology does play an important role in internet marketing, it cannot exist without creative innovation. With only technology you will not be able to create an online experience. The technology should support the creative idea and innovation and therefore both are necessary for the successful engagement of internet marketing, whereby in my view technology is a 'tool' and creative innovation the actual driving force.

Since the questioned luxury brands are the luxury brands with the highest online activity and social media followers I expected that they would fully utilize all the available internet marketing tools. Whereas this seems to be the case most of the time, the brands can and should still learn from each other and from the literature review in particular with regard to the three main internet marketing activities - interaction, storytelling and experience -, to take full advantage of the technology and innovation provided in the digital area we live in.

### **6.2 Limitations**

The response rate of the study is 80%, four out of the five brands completed the survey. Therefore a limitation of this study is that Burberry didn't respond to the survey. Burberry is one of the front runners and leaders among the luxury brands who are using the internet as their marketing strategy and their strict policy not to share any company information about their marketing strategy seems to fit their position. All the other brands completed the survey without any hesitation, so maybe this is another thing these brands can learn from Burberry? Another limitation is the number of the interviews. Only one marketing manager filled out the survey per luxury brand and therefore mistakes made cannot been ruled out. Furthermore the outcomes of the survey did not always correspond with the present activity of the individual brand. Finally this survey does not address the cost effectiveness of the internet marketing tools described.

To increase the validity and reliability of this research the managers are properly selected and are currently working as a marketing or social media manager at the luxury brand in question. The outcome of the survey corresponds with the online activity of luxury brands described in the literature review which means that the measure behaves as expected within the given theoretical context and therefore the validity of the study is confirmed as far as possible.

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### Appendix 1

**Survey Questions** 

Please indicate for which luxury brand you will answer the following questions. \*

### 1. Which of the following internet marketing tools is your company currently using? \*

You can choose more options.

0	Web site (standard)
0	Web site (interactive)
0	Web site optimized for mobile access
0	Web store
0	Web store optimized for mobile access
0	Email / Newsletter
0	Social Media (text: e.g. blogs, Twitter)
0	Social Media (image/video: e.g. blogs, Instagram, Tumblr, Youtube)
0	Social Media (communities/networks: e.g. Facebook, LinkedIn)
0	Mobile applications (Apps)
0	Other:

#### 1 (less) 2 3 5 (more) N.A. 4 $\mathbf{O}$ Ο. $\bigcirc$ Ο. 0 $\odot$ Web site (standard) Web site (interactive) $\odot$ $\odot$ 0 0 $\odot$ $\bigcirc$ Web site optimized for $\bigcirc$ $\odot$ $\odot$ O $\odot$ $\mathbf{O}$ mobile access $\odot$ $\bigcirc$ $\odot$ $\bigcirc$ $\bigcirc$ $\odot$ Web store Web store optimized for $\odot$ $\bigcirc$ $\bigcirc$ $\bigcirc$ $\bigcirc$ $\odot$ mobile access $\odot$ $\odot$ 0 0 O $\bigcirc$ Email / Newsletter Social media (text: e.g. $\odot$ $\bigcirc$ $\odot$ $\odot$ $\odot$ $\circ$ blogs, Twitter)

### 2. Do you expect to use the following internet marketing tools less or more in the future? \*

	1 (less)	2	3	4	5 (more)	N.A.
Social media (image/video: e.g. blogs, Instagram, Tumblr, Youtube)	C	0	C	0	C	0
Social media (communities/networks: e.g. Facebook, LinkedIn)	0	0	0	0	0	0
Mobile applications (apps)	0	0	0	0	0	0
Other	0	0	0	0	0	0

# 3. Which of the following internet marketing tools do you consider as most effective for interaction, storytelling and experience? \*

	Interaction	Storytelling	Experience
Web site (standard)	0	0	0
Web site (interactive)	0	0	0
Web site optimized for mobile access	0	0	0
Web store	0	0	0
Web store optimized for mobile access	0	0	0
Email / Newsletter	0	0	0
Social media (text: e.g. blogs, Twitter)	0	0	0
Social media (image/video: e.g. blogs, Instagram, Tumblr, Youtube)	C	C	0
Social media (communities/networks: e.g. Facebook, LinkedIn)	0	0	C

	Interaction	Storytelling	Experience
Mobile applications (apps)	0	0	0

## 4. Which of the following internet marketing tools in particular, help you to distinct your brand from other luxury brands? \*

You can choose more options.

0	Web site (standard)
0	Web site (interactive)
0	Web site optimized for mobile access
0	Web store
0	Web store optimized for mobile access
0	Email / Newsletter
0	Social Media (text: e.g. blogs, Twitter)
0	Social Media (image/video: e.g. blogs, Instagram, Tumblr, Youtube)
0	Social Media (communities/networks: e.g. Facebook, LinkedIn)
0	Mobile applications (Apps)
0	Other:

Please indicate how the following statements apply to your luxury brand. 1. Internet marketing is a very important part of our marketing strategy. \*

2. Internet marketing is used to differentiate between target audiences. \*

3. Online experience is a crucial part of our strategic marketing view. \*

1 2 3 4 5 not at all 0 0 0 0 0 a lot

4. Internet marketing is all about technology. \*

5. Internet marketing is all about creative innovation. \*

### 1 2 3 4 5

not at all O O O O O a lot

### Appendix 2

Survey Outcome Question 1. Which of the following internet marketing tools is your company currently using?

Table 1.

Internet marketing tools

Chanel, Dolce & Gabbana, Louis Vuitton
Chanel, Gucci,
Chanel, Gucci, Louis Vuitton
Gucci, Dolce & Gabbana, Louis Vuitton
Gucci, Louis Vuitton
Chanel, Dolce & Gabbana, Gucci, Louis Vuitton
Chanel, Dolce & Gabbana, Gucci, Louis Vuitton
Chanel, Dolce & Gabbana, Gucci, Louis Vuitton
Chanel, Dolce & Gabbana, Gucci, Louis Vuitton
Chanel, Gucci





Figure 1. Web site (standard)



Figure 2. Web site (interactive)



Figure 3. Web site optimized for mobile access



Figure 4. Web store



Figure 5. Web store optimized for mobile access



Figure 6. Email / Newsletter



Figure 7. Social media (text: e.g. blogs, Twitter)



Figure 8. Social media (image/video: e.g. blogs, Instagram, Tumblr, Youtube)



Figure 9. Social media (communities/networks: e.g. Facebook, LinkedIn)



Figure 10. Mobile applications (apps)

Question 3. Which of the following internet marketing tools do you consider as most effective for interaction, storytelling and experience?

Table 2.

	Chanel	Dolce & Gabbana	Gucci	Louis Vuitton
Web site (standard)	Storytelling	Storytelling	Interaction	Storytelling
Web site (interactive)	Interaction	Interaction	Experience	Interaction
Web site optimized for mobile access	Storytelling	Interaction	Interaction	Experience
Web store	Interaction	Experience	Interaction	Experience
Web store optimized for mobile access	Interaction	Interaction	Interaction	Experience
Email / Newsletter	Storytelling	Interaction	Interaction	Storytelling
Social Media (text: e.g. blogs, Twitter)	Interaction	Storytelling	Storytelling	Storytelling
Social Media (image/video: e.g. blogs, Instagram, Tumblr, Youtube)	Storytelling	Storytelling	Storytelling	Interaction
Social Media (communities/networks: e.g. Facebook, LinkedIn)	Interaction	Interaction	Interaction	Interaction
Mobile Applications (Apps)	Interaction	Interaction	Storytelling	Experience

# Question 4. Which of the following internet marketing tools in particular, help you to distinct your brand from other luxury brands?

Table 3.

Internet marketing tools

Web site (standard)	Louis Vuitton
Web site (interactive)	Gucci
Web site optimized for mobile access	Gucci
Web store	Louis Vuitton
Web store optimized for mobile access	
Email / Newsletter	Louis Vuitton
Social Media (text: e.g. blogs, Twitter)	Chanel, Dolce & Gabbana
Social Media (image/video: e.g. blogs, Instagram,	Dolce & Gabbana, Gucci
Tumblr, Youtube)	
Social Media (communities/networks: e.g. Facebook,	Gucci, Louis Vuitton
LinkedIn)	
Mobile Applications (Apps)	Gucci

Question 5. Please indicate how the following statements apply to your brand.



Figure 11.



Figure 12.



Figure 13.







Figure 15.