Social Media and Luxury Brand Management: The Case of Burberry

Abstract

Social networks, and social media as the tools, are everywhere in the marketer’s world today. Their growing importance was quickly acknowledged and they were casted one of the top research priorities by the trustees of the Marketing Science Institute (MSI) in 2006. Brands, and in particular luxury brands with their high brand equity, ought to have a clear understanding of what social media could do for them, and develop a clear strategy of how they could enhance customers’ experience and perceptions of their brands.

Social media are highly related with the concept of Web 2.0, which go back to O’Reilly (2005) who realized that the companies that had survived the dot-com bubble in 2001 seemed to have something in common. These shared principles and practices are the modern second era of the web that can be described as Web 2.0. Beyond the social classification of content by tagging (folksonomy), Web 2.0 pages allow and encourage the creation of user-generated content. This includes creating and sharing texts, pictures or videos and commenting and editing on existing content. Besides these practices, the Web 2.0 principles require webpage creators to trust and to involve their users, but enable them to harness network effects and collective intelligence to create applications that actually get better the more people use them. The collection of these interactive, user-controlled applications can be described as social media.

Besides blogs and forums, content communities facilitate storage and sharing of media content between users. They empower users to upload a wide range of different media types, such as photos (e.g., Flickr), videos (e.g., YouTube), PowerPoint presentations (e.g., Slideshare), podcasts (e.g., PodOmatic) and text (e.g., BookCrossing). Social network sites (e.g. LinkedIn) enable users to connect and stay in touch with other people. Brands can exploit the potential of social media by establishing an online brand community, which is a specialized, non-geographically bound community, based on a structured set of social relations among admirers of a brand. A brand community is created by setting up a profile on a social network site or by developing an own brand community website. The most important social media pages that are used by many luxury brands include Facebook, Twitter, and YouTube. These platforms encourage communication between brands and consumers, but also among the consumers themselves as they can view and comment each other’s messages.

This study examines how Burberry succeeded an amazing turnaround from a brand for “chavs” and English hooligans to a major trendsetter in social media marketing. Burberry was the first luxury fashion brand to invest wholeheartedly in social media. Burberry’s Facebook page now has more than 7 millions fans and its Twitter’s account recorded more than 400,000 followers, way ahead of Louis Vuitton, Gucci and other fashion brands. Burberry was also the first to broadcast live and in 3D its fashion show from London to five international cities simultaneously in 2010. In April 2011, Burberry staged a catwalk show in Beijing where live models are mixed with holograms, creating a new and unique experience for its audience. All the videos were immediately posted on YouTube for fans that had missed the shows. This social media strategy helped Burberry to rejuvenate the brand and reposition it as a more fashionable and aspirational one than ever. With this re-positioning Burberry can attract younger consumers. However, to preserve its core customer base the company continues to invest in mainstream marketing activities such as print media advertising and public relations. The company recorded a whopping 34% increase in total revenue in the second quarter of 2011 alone, confirming its strong financial health of 39.8% increase in profits (before tax) of the previous financial year, ending at 31st March 2011. The company’s steep rise in recent years gives reason enough to dedicate this paper to analyzing its major strategies and success factors. One of Burberry’s key success factors was undeniably its decision to be the first luxury brand to invest in digital communications, and social media in particular, to reposition its brand as a ‘cool and trendy’, and increase its appeal to younger and web-savvier consumers. Young consumers are the future of all fashion brands and Burberry knows “how” to speak to them directly through social media. Social media platforms such as Facebook or Twitter are the best means to reach young consumers that are increasingly difficult to address via TV advertising. Burberry is the best-ranked luxury brand in the Top Social Network ranking by Famecount in 2011. In the overall brand category, it spotted the 22nd position behind brands such as Coca-Cola, Starbucks and H&M, but the best among luxury brands, ahead of BMW and Chanel (Famecount, 2011). Moreover, Burberry was ranked the most popular FTSE100 Company on Facebook and Twitter, according to a report by social media agency Three-D in 2011 (Retail Week,

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2011). Social media seem to play a key role in Burberry’s success. However, how did it actually manage to exploit their potential? Is the high number of fans on social media a good indicator of success? Companies are beginning to understand that the brand transition to social media ultimately involves a re-casting of the customer relationship. In social media, the customer is an ally, not an “audience.” The audience model is a carryover from obsolete marketing thinking, as if the brand was an “act” in front of a crowd. A brand that considers customers an “audience” often finds itself resorting to the tactics to make an impression. These can work, for a time, but at the cost of a stagnating brand on a shrinking stage. As allies, customers can add value to the brand, many times over. It will be interesting to see how Burberry handles the “customer audience vs. customer ally” question in the future.

The objective of the paper is to highlight how Burberry managed to re-build its luxury image over the last ten years while being closer to its customers than ever and accessible to the mass through its social media marketing. The paper successively presents the heritage of this iconic English fashion brand, its strategy to overcome a major drop in its brand desirability in the late 1990’s with the arrival of Rose Marie Bravo as the Chief Executive Officer. It will then analyze the revitalization strategy of the brand with the arrival of its Creative Director Christopher Bailey in 2001. Burberry's social media strategy, initiated by the current CEO Angela Ahrendts, and its performance will also be evaluated using the findings of two recent independent studies. Burberry’s social media performance can definitely be improved and it will be with time, as social media will help it to run the business differently. Finally a discussion about the importance of social media for luxury brand management is presented. The conclusion highlights the fast-growing importance of the Chinese market where Burberry is deploying the most advanced brand experience to its consumers. The lessons learned from this study will certainly help luxury brand marketers to engage in social media if they were still hesitant, or improve their social media strategy if they have started, but not sure of how and where to go next.

**Keywords:** Social media, Luxury brand management, Burberry, Blog, Forum

**Abstract**

Social networks, as a social medium, have become an essential tool for companies to interact with customers. In today’s marketing activities, they are increasingly being used by businesses to create customer relationships. Social networks and social media are becoming a key component of business strategy. However, not all brands are successful in using social media. Burberry is a luxury brand that has managed to transition to social media successfully. Burberry’s social media strategy is based on building a strong customer relationship. Burberry uses social media to engage with its customers and provide them with a unique experience. Burberry’s social media strategy includes the use of various social media platforms, such as Facebook, Twitter, and Instagram. Burberry has also partnered with other brands to create a unique experience for its customers. Burberry’s social media strategy has not only helped the brand to engage with its customers but also to increase its brand awareness and loyalty. This case study provides insights into how Burberry has successfully used social media to build a strong customer relationship and increase brand awareness and loyalty. Burberry’s social media strategy is a model that other luxury brands can learn from.