



## Social Media and Luxury Brand Management: The Case of Burberry

Michel Phan , Ricarda Thomas & Klaus Heine

To cite this article: Michel Phan , Ricarda Thomas & Klaus Heine (2011) Social Media and Luxury Brand Management: The Case of Burberry, Journal of Global Fashion Marketing, 2:4, 213-222, DOI: [10.1080/20932685.2011.10593099](https://doi.org/10.1080/20932685.2011.10593099)

To link to this article: <https://doi.org/10.1080/20932685.2011.10593099>



Published online: 12 Dec 2012.



Submit your article to this journal [↗](#)



Article views: 12047



View related articles [↗](#)



Citing articles: 62 View citing articles [↗](#)

# Social Media and Luxury Brand Management: The Case of Burberry

## 社交媒体与奢侈品品牌管理：以巴宝莉（Burberry）为例

Michel Phan<sup>1</sup>\*, Ricarda Thomas<sup>2</sup>), Klaus Heine<sup>3</sup>)

### 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 repositioning 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,

1) \* Corresponding author: Associate Professor of Luxury Marketing, EMLYON Business School, Asian Campus, Shanghai, China. Tel.: +86 21 6260 8160, E-mail: phan@em-lyon.com

2) Masters student, University of Mannheim, Germany, E-mail: rthomas@mail.uni-mannheim.de

3) Dipl.-Kfm., Technical University Berlin, Germany, Tel.: +49 30314 29922, E-mail: klaus.heine@marketing-trommsdorff.de

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 obsolescent 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 theatrics 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

## 摘要

社会网络, 以社会媒介作为工具, 在当今的市场营销活动中已经非常普遍。他们的重要性已经被广泛关注, 并且被市场营销研究会 (MSI) 在2006年认定为最重要的研究领域之一。而作为品牌, 特别是具有很高品牌资产的奢侈品品牌, 应该清晰的理解社会媒体对其产生的作用。他们应该发展清晰的战略来增强消费者的品牌体验与认知。

社会媒介与WEB 2.0的概念关系密切。O'Reilly (2005)认为这种密切的关系就是那些在2001年的网络泡沫中幸存的公司所应该具有的共性。这些共享的原则和实践就是现在社会所经历的网络第二个阶段, 被称为网络WEB2.0。WEB2.0允许并鼓励使用者进行新的内容创造, 包括创作; 分享文章、图片和视

频; 以及对已存在的内容进行评论。除此之外, WEB2.0还要求网站的创建者要相信他们的用户, 并和他们进行交流, 只有这样网站创建者才可以运用网络的力量和群体的智慧创造出更能满足使用者的应用。通过这些互动, 用户产生的应用的集合就被称谓社会媒体。

除了博客和论坛意外, 社区还提供用户进行存储和分享的功能。用户可以上传各种不同种类的媒体信息, 如照片 (例如: Flickr), 视频 (例如: YouTube), ppt (例如: Slideshare), 广播 (例如: Podomatic), 文字 (例如: BookCrossing)。社会网络网站 (例如: LinkedIn) 可以使用户与其他用户联系与交流。品牌可以利用社会媒体的潜能来设立一个独特的, 没有地理束缚的品牌社区, 使得使用相同品牌的消费者可以建立联系。这个品牌社区可以在已有的社区网站中建立, 也可以完全从新开设。其中有许多社会媒介被奢侈品品牌广泛使用, 例如: Facebook, Twitter, 和 You Tube。这些平台鼓励品牌与消费者之间的互动, 而且消费者之间可以互相关注和评论。

本研究主要研究巴宝莉如何从一个足球流氓钟爱的品牌成功转变成为在社会媒体营销中流行趋势的风向标。巴宝莉是第一个全身心投入到社会媒体中的奢侈品牌。它的Facebook主页已经有超过七百万的粉丝, 而它的Twitter账户已经有了40万的拥护者。这远比路易威登, 古奇等品牌要高。巴宝莉也是第一个在2010年面向5个国际城市同时直播时装发布会, 并通过3D效果展示的企业。2011年4月, 巴宝莉在北京的时装发布会上让它的模特与全息图像进行了混合, 给观众带来了一场全新而且独特的感官盛宴。所有的视频在发布会后被立刻上传到Youtube上。

公司仅在2011年第二季度的销量就增长了34%, 利润增长了39.8% (税前)。公司这些年的变化就足以使我们来研究其主要战略和成功要素。其中, 最为重要的一个要素就是巴宝莉是第一个投资数字沟通、社会媒体的奢侈品牌。社会媒体平台, 例如Facebook和Twitter, 是接触年轻消费者最为主要的方式。而相比之下, 电视广告却越来越难做到这一点。

2011年, Famecount把巴宝莉评选成为社会网络排名中排名最靠前的奢侈品牌。在整个排名中位列22位, 落后于可口可乐, 星巴克, H&M之类的品牌, 但是高于BMW和香奈儿等奢侈品牌 (Famecount, 2011)。更为重要的是, 巴宝莉是Facebook和Twitter中最受人关注的FTSE100企业 (Retail Week, 2011)。看来, 社会媒体已经成为巴宝莉获得成功的关键。但是, 这种潜力是如何发掘的呢? 较多的粉丝就是成功的关键吗?

公司开始认识到从品牌到社会媒体的转移最终目的是为了重新建立顾客关系。在社会媒体中, 顾客是盟友, 而不是听众。听众模式是基于过时的市场营销理念, 其认为品牌是在受众面前“表演”。一个在公众面表演的品牌最终发现自己树立了表演的印象。这在一段时间内是有效的, 但在品牌停滞萎缩时是徒劳的花费。而作为盟友, 顾客可以为品牌增加数倍的价值。所以, 巴宝莉在未来处理“听众vs.盟友”关系将会非常有趣。

本文成功地概述了巴宝莉这个英国品牌在Rose Marie Bravo成为CEO后如何度过90年代末品牌衰退阶段的历程。然后分析了产品总监Christopher Bailey于2001年任职后如何开始品牌振兴战略。巴宝莉的社会媒体战略始于其现在的CEO—Angela Ahrendts, 其效果可以通过两个近期的独立研究的成果来展现。巴宝莉的社会媒体运作效果会随着时间的推移而改变, 但是可以肯定社会媒体会帮助其以不同的方式来运作。最后, 我们将讨论社会媒体对于奢侈品品牌管理的重要性。结论强调了中国市场与日俱增的重要性, 在这个市场巴宝莉提供了最为先进的品牌体验。本研究将会对于奢侈品品牌的营销者有很大的

帮助，使他们抛掉进入社会媒体的犹豫心理，开始改变他们的社交媒体战略。

**关键词：**社交媒体，奢侈品品牌管理，巴宝莉，博客，论坛

## 1. Introduction

Social networks, and social media as the tools, are everywhere in the marketer's world today (Van Den Bulte & Wuyts, 2007). 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. Everyone can still remember how quickly the Christian Dior Couture house dismissed its designer John Galliano during the "John Galliano's anti-semitic incident" in a restaurant in Paris. This rapid suspension was motivated by fear of Galliano contaminating the Dior brand fuelled by social media such as YouTube, Facebook, Twitter and blogs. Social media are definitely the 21st century communication tools, especially among the youngsters who seem to not know how to communicate otherwise. In this current context, Angela Ahrendts was right, and can be very proud of her achievements and the marketing strategy she adopted over the past five years for Burberry. 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 ([www.burberry.com](http://www.burberry.com)). 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. Social networking platforms such as Facebook or Twitter are the best means to reach young consumers that are increasingly difficult to address via TV advertising (Van Den Bulte & Wuyts, 2007). Every fashionista around the world can still recall Burberry's first 3D fashion show that was projected live from London in the five international cities Paris, Dubai, Tokyo, New York and Los Angeles, in February 2010. The video of the fashion show was immediately posted on YouTube for those who had missed out on the event. In April 2011, Burberry innovated again by staging a catwalk show in Beijing where real models and 3D holograms were mixed creating a unique experience for their audience (Sullivan, 2010). Burberry is one of the most active luxury brands on social media applications with over 7 million fans on Facebook (as compared to about 5 million fans for Gucci and 3 million fans for Louis Vuitton) and over 400,000 followers on Twitter (as compared to 100,000 for Gucci and over 200,000 for Louis Vuitton). Social media seem

to be a key to the success of Burberry. But how did the brand actually manage to exploit its potential? Is the high number of fans on social media a good indicator of success? Social media is highly related with the concept of Web 2.0, which goes 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 (Vickery & Wunsch-Vincent, 2007). The collection of these interactive, user-controlled applications can be described as social media (Constantinides and Fountain, 2008). 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) (Kaplan & Haenlein, 2009; Zarrella, 2010). 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" (Muniz & O'Guinn, 2001, p.412). 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.

## 2. The Company Background

Burberry, a flagship of luxury British fashion, was founded in 1856 by 21-year-old Thomas Burberry, a former draper's apprentice (Power & Hauge, 2008). In 1880, Burberry introduced the gabardine, a hardwearing, water-resistant yet breathable fabric, in which the yarn is waterproofed before weaving.

The brand name was changed temporarily to Burberrys, after many customers from around the world had begun calling it Burberrys of London. This name is still visible on many older Burberry products. In 1891, Burberry opened a shop in the Haymarket, London, which still exists and until recently was the site of Burberry's corporate headquarters. Today the head-



Source: <http://uk.burberry.com/store/>

Fig. 1. The heritage of Burberry

quarters have moved to Horseferry House just behind the Houses of Parliament, Westminster (Figure 1).

In 1901, the Burberry Equestrian Knight Logo containing the Latin word "Prorsum", meaning forwards, was developed and registered as a trademark. In 1914, Burberry was commissioned by the War Office to adapt its officer's coat to suit the conditions of contemporary warfare, which resulted in the world-famous trench coat, achieving cult status not least thanks to its association with Audrey Hepburn's character in "Breakfast at Tiffany's" (Werdigier, 2009). After the war, the trench coat became popular with civilians. The iconic Burberry check was created in the 1920s and used as a lining in its trench coats. Burberry was an independent company until 1955, when it was taken over by Great Universal Stores (GUS), a British retail conglomerate. Originally, the young and the old, and virtually everyone from Princess Margaret to Sid Vicious wore the brand. However, with the years, the brand lost much of its allure and was seen by the fashion world as a "stodgy nonentity" (Collins 2009, p.77). As the brand was in serious trouble, Rose Marie Bravo, a former Saks Fifth Avenue executive, was appointed Chief Executive Officer in 1997 and was mandated to transform the company into a modern luxury brand (Power & Hauge, 2008). One of the first things Bravo did to revitalize the brand was to come up with three company values taken from a pamphlet written by Thomas Burberry: protect, explore and inspire. Based on her success, Burberry Group plc. was initially floated on the London Stock Exchange in July 2002. GUS divested its remaining interest in Burberry in December 2005. In June 2006 Bravo retired and was replaced by the current CEO Angela Ahrendts. While Bravo revived the brand and led Burberry to mass-market success, the mission of Ahrendts was "to purify the brand's message" (Collins 2009, p.77).

### 3. The "Chav" Attack

The revitalization of Burberry deviated from a pure success story, when the company became a victim of its own success. The problems rooted in the brand's particular popularity among "chavs", young people characterized by brash, loutish and anti-social behavior. Burberry turned into the brand of choice for British football hooligans. There was even a group of hooligans who called themselves the Burberry Boys and adopted a Burberry-checked cap as their symbol of recognition. These developments had a major negative impact on Burberry. Moore (2006) argues that the brand image was "rewritten" by chavs. At the end, chavs were even defined and recognized by wearing Burberry (Hollingworth & Williams, 2009). Even more so, there were bars and clubs in some English towns that started to ban customers dressed in Burberry (Collins 2009, p.78). The hype did not even yield growing sales for Burberry as most of its low-income fans were satisfied with counterfeited products (Power & Hauge, 2008). As a consequence, Burberry discontinued offering the checked cap in 2004 and more recently even deviated from using its famous check pattern. But the damage was done. The brand associations linked to cheesiness and uncultured working-class customers were already established and scared many original customers away from the brand.

### 4. Brand Revitalization

Rose Marie Bravo managed a "miraculous turnaround" and saved the brand, which in the industry jargon has come to be called "doing a Burberry" (BusinessWeek, 2002). An essential part of the brand revitalization was an aggressive communication strategy (Figure 2) to change the brand image. Advertising



campaigns were shot by Mario Testino, one of the world's most celebrated fashion photographers, and pictured "aristocrats (Lord Frederick Windsor), models (Kate Moss), and aristocratic models (Stella Tennant)" (Collins 2009, p.77). These images were also increasingly spread on social media platforms including Facebook and YouTube (especially making-offs of photo shoots). Social media have been found to be one of the key influencers among young women's purchase decision of fashion items (Kinley, Josiam & Lockett, 2010).

In addition, Burberry improved control of its distribution and licensing strategy. Only licensing partners with a solid experience and reputation were considered such as Safilo Group, which also produces eyewear for brands such as Dior and Gucci (Power & Hauge, 2008). It opens more and more directly operated stores (DOS) to fully control the visual merchandising and product assortments in each store. Overall the use of social media as a communication vehicle has helped Burberry to stay connected to its young customer base and accessible to the masses while controlling its luxury brand image through well-designed messages.

The other major revitalization decisions were to launch "Burberry Prorsum" as the high-end range of its brand portfolio and to hire Christopher Bailey as the Creative Director in 2001 (Werdigier, 2009). Bailey has been credited with transforming the fortunes of the company ever since, and even with helping to make British fashion exciting again and relevant for the twenty-first-century customer (Collins, 2009).

The timing of Bailey entering the company was perfect, as his idea of luxury seemed to meet the "Zeitgeist" (ideas and spirit of time). His major objective for Burberry was to become "friendly and warm and embracing." Baily explains: "I think there's an expectation that all fashion companies have to be cold and austere and arrogant, and I just think there are other ways of doing things" (Collins 2009, p.73). With

Burberry Prorsum, Bailey emphasized the British heritage of the brand in international campaigns and put craftsmanship at the heart of the collection (Kopnina, 2007). There are crocheting, stitching, embroidery and hand-block prints. Bailey explains: "I wanted to celebrate the idea of craftsmanship. I love the whole digitalization of the world. But I don't think one has to be at the expense of the other." From the exercise of crafts, emerged an array of ethnic references, which Bailey said was a natural part of the process: "I think just the idea of making things by hand immediately becomes ethnic." Geometric shapes around the neckline were suggestive of traditional Native American dress. Block prints gave a textured look to tops and sweaters, with pebbling giving way to bold shapes. Circular patterns on T-shirts suggest ancient art. Burberry's native Scotland, too, had its due (Barry, 2011).

## 5. Social Media Strategy

The repositioning of Burberry grounds to a bigger part on its social media strategy. Even more, the brand had grown from a "stodgy nonentity" into a pioneer and major trendsetter in social media marketing. "It's Burberry, many believe, which is setting the agenda for luxury brands as they turn to digital to supplement offline sales, develop revenue streams, broaden their reach and appeal to a new generation of younger, affluent consumers"(New Media Age, 2010). The strategic realignment of Burberry is reflected by its expenditures on digital media, which accounted for only 1.5% of its total advertising expenditures in 2008 and went up to 40% in 2010 (Women's Wear Daily, 2010). In addition to regularly posting news, pictures and videos on Facebook, Twitter and YouTube, Burberry launched its own social networking site, called Art of the Trench in October 2009. The site encourages consumers to



Source: <http://uk.burberry.com/store/>

Fig. 2. Burberry advertising campaigns in the 2000s

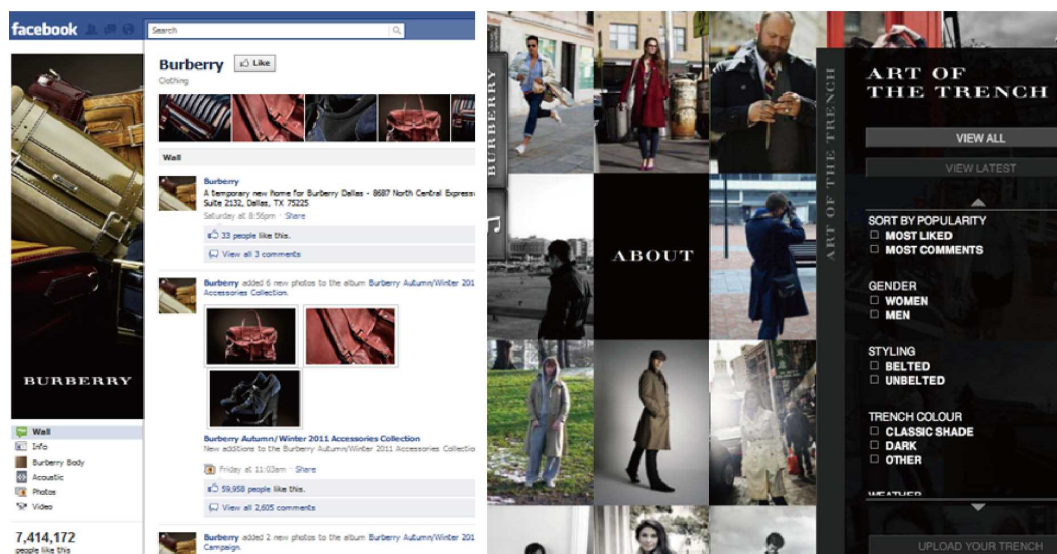
share their own trench coat stories and to post pictures of them wearing the iconic coat. Burberry regularly selects its favorites from these submitted images to post them onto the front site, creating a body of images reflecting personal style from across the globe (Figure 3). The concept of the Art of the Trench aims at stimulating the consumers to interact with the brand's culture and at bringing them closer to the brand. The ability to create content and to become a featured part of the website, creates a sense of belonging and affinity to the brand. This type of social network is a major step that all luxury brands are watching, because the future of brands may be written with personal platforms and social media (Werdigier, 2009).

Brand communities, such as the Art of the Trench, make use of the forced compliance paradigm (Festinger & Carlsmith, 1959). It says that if a person is induced to do something that might be contrary to his or her opinion, there is a tendency that in order to avoid cognitive dissonance this opinion will be changed so as to bring it into correspondence with what he or she has done. This paradigm is employed in marketing by inducing consumers to do "something" for a brand, for instance, to take part in prize competitions, which is expected to improve and to intensify the consumer's attitudes towards this brand. Social media offers a multitude of new possibilities to engage consumers with a brand and to exploit the forced compliance paradigm. For instance, Burberry Acoustic exploits the paradigm even subtler and reaches a bigger share of people, who might not be fans of the brand (yet).

In 2010 Bailey initiated Burberry Acoustic. Consumers can log on to [live.burberry.com](http://live.burberry.com) and watch session performances by new and emerging British bands handpicked by Bailey. There is no commercial element to Burberry Acoustic, although in a bit of subliminal marketing, band members are wearing pieces of Burberry mixed in with their own clothes. In the past, Bailey has worked closely with, and dressed, bands including

Florence and the Machine, Coco Sumner, Life in Film, The Kooks and One Night Only, all of which could make an appearance on the site (Women's Wear Daily, 2010). However, according to the industry expert Brian Phipps (2009), the challenge for Burberry goes far beyond social media marketing. It's a challenge of brand innovation. Whether Burberry intends to pour old marketing wine into this new social media bottle, or uses social media to reinvent its brand to create new customer value, the brand has definitely renewed its image and is now in tune with the 21st century technologies. The next step for Burberry is to embrace the F-commerce (or Facebook commerce) trend by selling its products directly from its Facebook page. This will help consumers to engage even deeper with the brand by creating more frequent connections.

Social media offer clear advantages, but not only. One of the biggest downsides of a company-hosted social network site that highly involves consumers is the damage that can be done to a brand image by poor management of the site. It would be insufficient to have a social network site without a real daily interaction between the brand and its followers. Another downside is the opportunity cost for missing possible brand advances through a real social network, especially one focused on value creation. The clothes shown on the "Art of the Trench" website are basically the same, and how will all those blurry and more or less exciting amateur pictures represent Burberry's chic fashion sense, not to mention its exacting quality? How deep and meaningful is a customer's "brand experience" by seeing photos of others in Burberry outfits? Might this undercut the Burberry identity so ably set forth in exquisite photos and videos of Burberry-adorned models? In addition, it may be challenging to keep this social network fresh and relevant. There might be a point when consumers are bored with seeing ever more people in their trench coats (Frank, 2011).



Source: [www.facebook.com/burberry](http://www.facebook.com/burberry) & <http://artofthetrench.com>

Fig. 3. Burberry's facebook profile & "Art of the Trench" social media site

Many luxury brands such as Burberry are moving beyond traditional mass-market advertising toward social media marketing. That stands to be a positive shift, but only if it is anchored in a customer-focused brand strategy. Brand strategy must come first, social media second. A brand cannot flip a social media switch and expect a stronger brand to bubble forth, like Champagne from water (Phipps, 2009).

### 6. Social Media Performance

As a result of all its efforts, 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, 2011). Scott Galloway of digital think tank "L2" and Mike Lazerow, CEO of Facebook marketing firm "Buddy Media" have pointed out in their study that as attention has shifted from traditional lean-back media to Facebook, the audience for brands on the social network is larger than the combined circulations of major magazines. Recent studies raised doubt about the effectiveness of Burberry's social media strategy. Although Burberry's Facebook page has more than seven million fans around the world, Galloway noted that fan base size isn't everything on Facebook. Burberry was only rated average in their study that analyzed 100 luxury brands on Facebook, as it was not as active as other brands at trying to engage consumers. The study assigned brands "IQ scores" based on four criteria: size and growth of their Facebook com-

munity, engagement, content, and integration across other on-line platforms. BMW reached the top score thanks to the second highest engagement level and a five million strong fan base. Engaging fans and connecting its Facebook presence with its online catalog has helped women's fashion brand Tory Burch also getting into the top ten even though it has far fewer fans (Walsh, 2011).

Another recent study on social media and luxury fashion brands supports the results of Galloway and Lazerow's. The study relies on a sample of about 1,300 social media users (54% female; 82% under 30) and analyses the relationships between consumer innovativeness, luxury brand preferences and usage and preferences for social media platforms (Phan, Heine & Thomas, 2010, Figure 4). The study found that only a relatively small share of consumers maintains regular interactions with Burberry on Facebook (15% of respondents). Although Burberry ranks first by number of fans on Facebook, it only achieves the seventh rank by usage rate (percentage of respondents visiting the brand community at least several times per month). The leading brand by usage rate is Dolce & Gabbana, followed by Armani, Dior, Gucci, Chanel and Prada. However, considering from where it started, Burberry's efforts in social media started to pay off, with 44% of respondents claiming that Burberry is a "contemporary brand" in their opinion and with another 24% of the respondents considering it a trend-setter brand (Figure 4). Although Burberry's brand perception can still be improved, and it will be with time, consumers already desire the brand and 75% of respondents from this same study declare their intention to purchase Burberry if their financial means allow them to do so (Phan, Heine & Thomas, 2010). These findings show that Burberry has managed to mix skillfully its over-a-century old heritage with today's modernity.

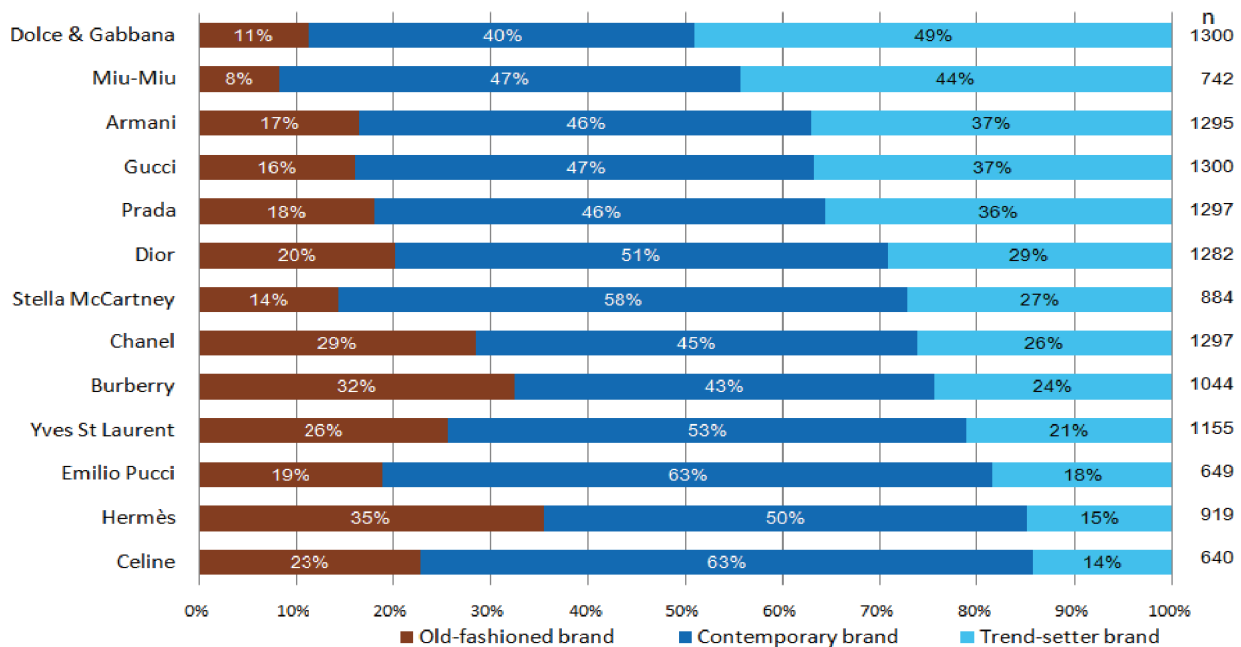


Fig. 4. Brand image ranked by Trend-setter characteristics



## 7. Social Media and Luxury Brand Management

Van Den Bulte and Wuyts (2007) argue that very little is known about the impact of social networks on brand dynamics. For brands, the value of social networks is that they have game-changing potential to create new customers and new markets, beyond old marketing structures. As many companies also realize, social networks entail a cultural change concerning the brand approach. Pouring old marketing wine into new (social media) bottles will not work. An “old” marketing approach will view social media as nothing more than a new sales and PR channel. In effect, social media becomes “social media advertising and PR”, a platform for using customers to advertise to themselves. In this “advertising from below” approach, the only connection desired from customers is the sale. When companies reduce social media to this level, brand trust often dissolves, as customers perceive themselves as being used to sell things to their friends (Phipps, 2009).

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 obsolescent 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 theatrics 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 (Phipps, 2009).

Nevertheless, one may wonder what Burberry’s agenda is, or why they are investing so much in social media? Burberry incorporates social media into a Burberry brand journey, so the brand becomes a force for joint cultural innovation with customers. Burberry leads this (shared) brand journey as a creative, social, moral and cultural driver in defining new horizons for its customers. In this option, social media play a key role as part of personal brand applications. Burberry might also develop a smartphone app to give its customers unique cultural advantages beyond the merchandise. Another development avenue for Burberry is to leverage on its leadership in social media in China, one of the most promising luxury market over the next few years. However, Facebook and Twitter are not authorized in China and Chinese consumers have their own versions called RenRen and Weibo respectively. Burberry should perhaps adapt its social media strategy to the Chinese market.

## 8. Looking Forward

Despite its innovative adoption of social media to reposition its brand, Burberry still needs to go even deeper in that

direction. To capitalize on consumers’ engagement with the brand, Burberry should aim at transforming those fans into “brand ambassadors” that will influence other consumers to adopt the brand. In other words, how can Burberry manage more profitably its large fans base? Firstly, the company needs to continuously find new ways of connecting the brand to its fans. One way to do so is to create a platform where fans can discuss freely (really freely) about the brand and its products. Secondly it needs to drive deeper and long-lasting consumer engagements such as getting the fans involved in some key decision-making processes, or participate in a product co-creation online. Thirdly, it should organize a democratic election of the “best” fans and assign them the role of “brand ambassador” to transmit the Burberry brand values to younger and web-savvier consumers, especially those in emerging markets such as China. Young Chinese shoppers are driving the growth of the global luxury industry. An estimated 73% of China’s luxury buyers are under 45, compared with around 50% in the U.S, according to consulting firm McKinsey & Co. As many as 45% of China’s high-end consumers are under 35 compared with 28% in Western Europe (McKinsey, 2011). It is only a matter of time that China becomes the world’s biggest luxury market. Consequently, Burberry and most other luxury brands see China as their essential key market of the future, and increasingly also, as a test market for new technologies. China will be the first market to launch the Burberry digital retail model at the start of a global campaign to improve reputation especially among younger customers, and other markets will follow suit. Burberry plans to furnish its current 57 retail stores in mainland China, and additional 43 stores in the pipeline, with touchscreens the size of full-length mirrors on which it can display special collections, fashion shows streamed from other countries and Burberry-produced entertainment, Ahrends said in an interview (The Wall Street Journal, 2011).

## 9. Conclusion

Burberry has spent the past few years revamping its global business strategy and learned its lessons from the “Chav attack”. The brand image is not only created by marketers, but also increasingly influenced by consumers and user communities. Today, it seems that the desired brand image cannot be achieved by relying on one-way communication only, but requires engaging in social media and incorporating (potential) consumers (Power & Hauge, 2008). After understanding the way of interaction, community rules and exploring the consumer desires, the marketers have to join the conversation – and talk with their consumers instead of at them. Even more, they need to encourage their consumers to share feedback, provide comments, rate products, provide reviews and download items for sharing. These conversations and interactions are added values for the consumers and facilitate long-term relationships with current and potential consumers

(Hanna, Rohm & Crittenden, 2011). The Burberry case also shows that it is a balancing act to manage further growth of a luxury brand by social media marketing, because there is always a risk that a brand becomes a victim of its own success (Werdigier, 2009). Burberry's digital strategy, and social media in particular, helped the brand to connect with its young consumers (as Ahrendts intended to) and to become the trendsetter among luxury brands. Not bad at all for a 155-year-old brand. Thomas Burberry would be proud of his legacy. Social media is a powerful 21st century communication tool that is easy to use and abuse. Luxury fashion brands such as Burberry ought to avoid the dilution of their brand equity through mass accessibility with social media. Managing a brand's desirability and accessibility is a fine balancing act. The best way to protect brand equity is to carefully control the way social media is utilized and the contents put in those platforms. Just like those luxury brands know how to produce the best quality products, they should also produce the best contents and platforms for their social media strategy to ensure brand consistency and protect their brand DNA. Consequently, one can foresee the creation of a Chief Digital Media Officer position in many fashion companies in the near future.

(Received: August 17, 2011)

(Revised: October 13, 2011)

(Accepted: October 19, 2011)

## Note

"We are pleased with Burberry's start of the year, with double-digit growth balanced across retail and wholesale and all regions and product categories. Our exceptional team continues to capitalize on our unique British and outerwear heritage, develop our global retail presence and employ innovative digital technology, specifically marketing to the younger luxury consumer."

Angela Ahrendts, Chief Executive Officer of Burberry Group, 13th July 2011 .

## References

- Barry, C. (2011). *Burberry Explores Crafts for Summer 2012*. ABC News/Associated Press, Abstract retrieved from <http://abcnews.go.com/Health/wireStory?id=13875026>
- BusinessWeek (2002). *Rushing to "Do a Burberry"* (by Capell, K.) 9th December. Abstract retrieved from [www.businessweek.com](http://www.businessweek.com)
- Collins, L. (2009). Burberry's Working Class Hero. *New Yorker*, 85(28), 72-81.
- Constantinides, E. & Fountain, S.J. (2008). Web 2.0: conceptual foundations and marketing issues. *Journal of Direct Data and Digital Marketing Practice*, 9(3), 231-244.
- Famecount (2011). *Top Facebook Pages by Brand*. Abstract retrieved from [www.famecount.com/facebook-rank/Worldwide/all/Brand](http://www.famecount.com/facebook-rank/Worldwide/all/Brand).
- Festinger, L. & Carlsmith, J.M. (1959). Cognitive consequences of forced compliance. *Journal of Abnormal and Social Psychology*, 58(2), 203-210.
- Frank, D. (2011). Social media and luxury fashion brands, *Seminar Paper*, Technical University of Berlin, Berlin.
- Hanna, R., Rohm, A. & Crittenden, V.L. (2011). We're all connected: The power of the social media ecosystem. *Business Horizons*, 54(3), 265-273.
- Hollingworth, S. & Williams, K. (2009). Constructions of the working-class 'Other' among urban, white, middle-class Youth: "Chavs", Subculture and the Valuing of Education. *Journal of Youth Studies*, 12(5), 467-482.
- Kaplan, A. M. & Haenlein, M. (2009). Users of the world, unite! The challenges and opportunities of Social Media. *Business Horizons*, 53(1), 59-68.
- Kinley, T. R., Josiam, B. M. & Lockett, F. (2010). Shopping behavior and the involvement construct. *Journal of Fashion Marketing & Management*, 14(4), 562-575.
- Kopinina, H. (2007). The world according to vogue: The role of culture(s) in international fashion magazines. *Dialectical Anthropology*, 31(4), 363-381.
- McKinsey (2011). *The coming of age: China's new class of wealthy consumers*. Abstract retrieved from [www.mckinsey.com](http://www.mckinsey.com)
- Moore, L. (2006). The buzz of dressing: Commodity culture, fraternity, and football fandom. *South Atlantic Quarterly*, 105(2), 327-347.
- Muniz, A.M. & O'Guinn, T.C. (2001). Brand community. *Journal of Consumer Research*, 27, 412-432.
- New Media Age. (2010). *Vertical focus luxury brands: Leisure craft*. 25th February. Abstract retrieved from [www.nma.co.uk](http://www.nma.co.uk)
- O'Reilly, T. (2005). *What is Web 2.0: design patterns and business models for the next generation of software*. Abstract retrieved from <http://oreilly.com>
- Phan, M., Heine, K. & Thomas, R. (2010). Impact of social media on luxury fashion brand perceptions and purchase intentions. *Global Fashion Marketing Colloquium*, 28-29 November, Seoul.
- Phipps, B. (2009). *Brands create customers: Burberry to launch social networking site*, Abstract retrieved from: <http://tenayagroup.com/blog/2009/09/21/burberry-to-launch-social-networking-site/>
- Power, D. & Hauge, A. (2008). No man's brand: Brands, institutions and fashion. *Growth and Change*, 39(1), 123-143.
- Retail Week (2011). 3rd June. Abstract retrieved from [www.retail-week.com](http://www.retail-week.com)
- Sullivan, R. (2010). Walk Boldly Into the Future: Burberry Streams Show Tomorrow Live In 3D. *Vogue Daily*, February 22. Abstract retrieved from [www.vogue.com](http://www.vogue.com)

- The Wall Street Journal (2011). *Burberry stores in China get digital makeover* (by Burkitt, L.). 14th April. Abstract retrieved from <http://online.wsj.com>
- Van Den Bulte, C. & Wuyts, S. (2007). Social networks and marketing, marketing science institute (MSI), Cambridge, Massachusetts.
- Vickery, G. & Wunsch-Vincent, S. (2007). Participative web and user-created content. *OECD Publishing*. Paris, France.
- Walsh, M. (2011). *Size Isn't Everything On Facebook*, MediaPost, Abstract retrieved from [www.mediapost.com](http://www.mediapost.com)
- Werdigier, J. (2009). Burberry Looks Online for Ways to Gain Customers. *New York Times*, November 9.
- Women's Wear Daily (2010), 7th January & 25th June, abstract retrieved from [www.wwd.com](http://www.wwd.com)
- Zarella, D. (2010). *The social media marketing book*. 1st Edition. O'Reilly Media Inc., Sebastopol, Canada.