



Social Media Marketing - Effectiveness, Methods and Luxury Brands

Parul Shair¹

¹. **Assistant Professor, DAV College, Jalandhar.**

ABSTRACT

During different time era's different methods of communications has developed and has changed the day to day life. Social media has become the method of statement in the 21't century, enabling us to express our belief, ideas and manner in an absolute new way. The social mediaalso have a huge impact on corporations, where they have realized that without a correct plan and social media strategy they have no chance to stand out in the rapidly changing digital world. The growth of community websites, such as Twitter, Facebook, snapchat and LinkedIn, have usher the world into a new era of social media.Social media marketing is a form of Internet marketing that utilizes social networking websites as a marketing tool. It plays a hybrid role in promotion mix of a company as it provides marketers a great opportunity to boost their market share figures. It allows companies to establish a communication channel with its customers, market their products, build brand equity, and earn clientele faithfulness. The paper will focus on the effectiveness of social media, strategies and tools used by companies for brand promotion and luxury brand management through social media as a tool.

INTRODUCTION

During different time era's different methods of communications has developed and has changed the day to day life. Social media has become the method of statement in the 21'st century, enabling us to express our belief, ideas and manner in an absolute new way. The social mediaalso have a huge impact on corporations, where they have realized that without a correct plan and social media strategy they have no chance to stand out in the rapidly changing digital world. The growth of community websites, such as Twitter, Facebook, snapchat and LinkedIn, have usher the world into a new era of social media.Social media marketing is a form of Internet marketing that utilizes social networking websites as a marketing tool.

Social media may seem to be a new trend but its existence dates back to beginning of computer era. **Usenet** launched in 1979 was the first progenitor of social media. It allowed users to post on newsgroups. It was succeeded by **Bulletin Board System (BBS)** which enabled users to login and interact. Then arrived **PROGIDY** which was followed by internet relay chat and instant messaging. It was in 90's when social networking sites developed. A brief summary of these in order of their inception and key features are discussed as follows:

- **Six degrees:** it allowed profile creation and listing peers.

(Blogging emerged in this phase, creating a sensation in social media.)

- **BlackPlanet (African-American Social Website) and MiGente (Latino):** it provided provision to create profiles and add friends.

(Modern social networks came into picture post 2000.)

- **Friendster:** it was launched by Apple in 2002. It has millions of users.
- **Hi5 and LinkedIn:** launched in 2003 linkedin is a group for professionals to reach out to one another.
- **MySpace:** also originated in 2003 and became well known by 2006.
- **Facebook:** launched in 2004 and it surpassed MySpace, Orkut, Multiply, etc., and is still expanding. In 2007, facebook started its advertising system.

This decade also conceived media sharing platforms like photobucket, flicker, youtube, instagram, etc., along with news and bookmarking platforms like Digg and Delicious. Since 2000, social media has bloomed to new horizons and is still expanding limitlessly.

DEFINITION OF SOCIAL MEDIA

According to Evans (2008), Social Media relates to a self-generated, authentic conversation between people about a particular subject of mutual interest, built on the thoughts and experiences of the participants. Therefore, Social Media is definitely all about sharing and aiming at a collective vision, often intending to offer a more-appropriated or informed choice at the end. Furthermore, Social Media changes over time as it allows people to generate the content in a participative way whenever they want to add any additional piece of information. Social Media are also evolving constantly as they are part of internet high technologies, which are modified regularly with additional or replacing features. Social Media covers a wide variety of “online and mobile, word-of-mouth forums including social networking websites, blogs, company sponsored discussion boards and chat rooms, consumer-to-consumer email, consumer product or service ratings websites and forums, Internet discussion boards and forums, and sites containing digital audio, images, movies, or photographs, to name a few” (Hollensen, 2011).

Social media is engaging with consumers online. According to Wikipedia, social media is internet-based tools for sharing and discussing information among human beings. The meaning of the term ‘social media’ can be derived from two words which constitute it. *Media* refers to advertising and communication of

ideas or information through publications/channels. *Social* implies the interaction of individuals within a group or community of society. Thus, social media refers to communication/publication platforms which are generated and sustained by the interpersonal interaction of individuals through the specific medium or tool.

Social media is the medium to socialize. It uses web-based technology to quickly disseminate knowledge and information to a huge number of users on social web-sites.

SOCIAL MEDIA MARKETING

Lazer and Kelly's (1973) define social marketing as "concerned with the application of marketing knowledge, concepts, and techniques to enhance social as well as economic ends. It is also concerned with the analysis of the social consequences of marketing policies, decisions and activities."

Social media marketing is marketing tool that utilises the online communities, social networks, blog marketing and more. It is using of social media websites and social networks to market a company's products and services. The goal of social media marketing is to produce content that users will share with their social networks to help a company increase brand exposure and broaden customer reach. So the key component that social media marketing uses is Social Media Optimization. Through social media optimisation a company can attract new and unique visitors to the website. It directs the public from social websites to the company's website, where more information can be provided.

A list of some top social media networks/websites for 2016 are giving below:

- **Snapchat:** Playing by own rules and loved by their users. If one wants to see where social media is headed, Snapchat might be the best place to start.
- **Facebook:** Dominating the scene on all fields. Keep an eye out especially for Messenger, Live and Instant Articles.
- **Instagram:** Leading the way into visual storytelling. Nowadays becoming more and more interesting for brands, too.



EFFECTIVENESS/BENEFITS OF SOCIAL MEDIA MARKETING

According to Hubspot, 92% of marketers in 2014 claimed that social media marketing was important for their business, with 80% indicating their efforts increased traffic to their websites. And according to Social Media Examiner, 97% of marketers are currently participating in social media but 85% of participants aren't sure what social media tools are the best to use. The benefits and effectiveness of social media marketing is discussed in detail as below in form of points-

1. Improved brand loyalty:

According to a report published by **Texas Tech University**, brands who engage on social media channels enjoy higher loyalty from their customers. A strategic and open social media plan could prove influential in morphing consumers into being brand loyal.

2. Increased Brand Awareness:

Social media is one of the most cost-efficient digital marketing methods used to syndicate content and increase your business visibility. Implementing a social media strategy will greatly increase brand recognition since it will be engaging with a broad audience of consumers. Over 2.8 billion people have access to Internet and 74% of online adults use social media. It is important to increase the awareness of product or service. When consumers make purchasing decisions among different options, they are more likely to select a product that they are familiar with.

3. Build Brand Equity:

Large amounts of followers and interactions increase brand equity on social media. Brand equity is the value of the brand from the perception of consumers. In an Inc. study on the value of social media followers, a positive correlation between the amount of social media followers and business worth was found. Companies with over 10,000 connections are 4 times more likely to have a higher valuation than companies who do not. The value of building a strong social media community will improve brand's worth to investors, bloggers, media and potential customers.

4. Improved Search Engine Rankings:

Although posting on social media might get business some site traffic, and require more effort than that is required to see significant success. Search engine optimization is very important for achieving higher page rankings and obtaining traffic to business website. While social media doesn't directly increase search engine rankings, Social Media Examiner states that more than 58% of marketers who have been using social media for one year or longer still see improved search engine rankings. Being able to rank in the top positions for your keywords will revolutionize traffic and continue to generate positive results for business.

5. Cost-Effective:

Social media marketing is possibly the most cost-efficient part of an advertising strategy. Signing up and creating a profile is free for almost all social networking platforms, and any paid promotions you decide to invest in are a relatively low cost compared to other marketing tactics. Being cost-effective is such an advantage because one can see a greater return on investment and retains a bigger budget for other marketing and business expenses.

6. Increase Website Traffic:

No website can survive without traffic. By increasing the website traffic, companies are likely to increase their sales. Social media can be used to deliver relevant traffic to a company's website. One can do the same by building up a strong social media presence.

Social Network	Sessions	% Sessions
1. Twitter	3,328	71.52%
2. Facebook	728	15.65%
3. LinkedIn	331	7.11%
4. Google+	108	2.32%
5. Pinterest	84	1.81%
6. reddit	20	0.43%
7. WordPress	17	0.37%
8. Yelp	12	0.26%
9. YouTube	9	0.19%
10. StumbleUpon	7	0.15%

The web trafficking on some major social media websites is depicted in the picture.

7. More Brand Authority:

Customer satisfaction and brand loyalty both play a part in making business more authoritative, but it all comes down to communication. When consumers see the company posting on social media, especially replying to customers and posting original content, it makes company appear more credible. Regularly interacting with customers demonstrates that business cares about customer satisfaction, and is available to answer any questions that they might have. Satisfied customers are eager to spread the word about a great product or service and they usually turn to social media to express their opinion. Having customers mention the business on social media will advertise the business, and show new visitors value and brand authority.

8. Lower Customer Acquisition:

The customer-acquisition costs of social media marketing is much less than traditional outbound methods, such as cold calling, print, radio, and television commercials. According to Hubspot, inbound marketing leads cost 61% less than outbound.

9. Personalize Messaging to Different Segments:

The brand can personalize content to different segments of the target audience. The benefit of doing this is to make content extremely relevant to the reader. The more relevant it is, the more results will be seen.

10. Establish Trust:

People purchase from brands they trust. One can establish trust through social media. In the University of London's study of the impact of social media on consumers, Nick Hajli draws a direct correlation between trust, perceived usefulness, and intent to buy. When people trust a brand and perceive a product or services as useful, it indirectly influences their intent to buy.

11. Develop Relationship Capital:

Building strong and meaningful relationships is a major benefit of social media. One can have access to engage and interact directly with preferred customer to build a bond. In Dove's *#Speak Beautiful* campaign, they engaged thousands of users through inspiring positive remarks. This national campaign won the hearts of thousands of people, which ultimately developed Dove's relationship capital with their customer base.

12. Creating richer experiences:

Social media enables a company to add value to its stakeholders in a targeted way, allowing it to communicate faster, more often and with greater relevance. Satisfied customers are more likely to share their experiences with others online which will in turn help to promote brand and bring in new customers. The online space allows you to share dynamic content easily and can also enable interactivity that a company simply wouldn't have through other traditional marketing channels.

13. Increasing organic ranking on Google:

Effective social media helps improve business' search engine ranking. Google loves high-quality content, created with a defined keyword strategy in mind. A company's website hosting this content, and links to this content across its social platforms, can create valuable links back to its website. For Google, these backlinks are a vote of confidence and it ranks pages with multiple, authentic backlinks highly. Google also loves moving and evolving content, so regular, targeted and compelling content will rank highly on Google and attract more interest and virality (which also ranks highly on Google).

14. Improves customer insight:

Social listening allows a company to observe its customers on social media. In turn, this information can be used to align company's content and target users to a far greater degree than offline communications. To help keep track of its customers, cookies can help track online activity by storing information about an

individual's browsing habits, including which pages have been viewed. This information can be used to reserve specific products or brand messages to users when they visit social media sites. In short, online presence gathers valuable information about company's current and prospective customers' habits on a daily basis.

METHODS OF SOCIAL MEDIA MARKETING

Social media marketing is popularly called as Internet marketing. Social network marketing is grown to such a height that today many people can't earn without it. Some of the most recognized network marketing tools are Facebook, My Space, Twitter and LinkedIn. There are some most popular methods of social network marketing:

➤ **Personal website or blog:**

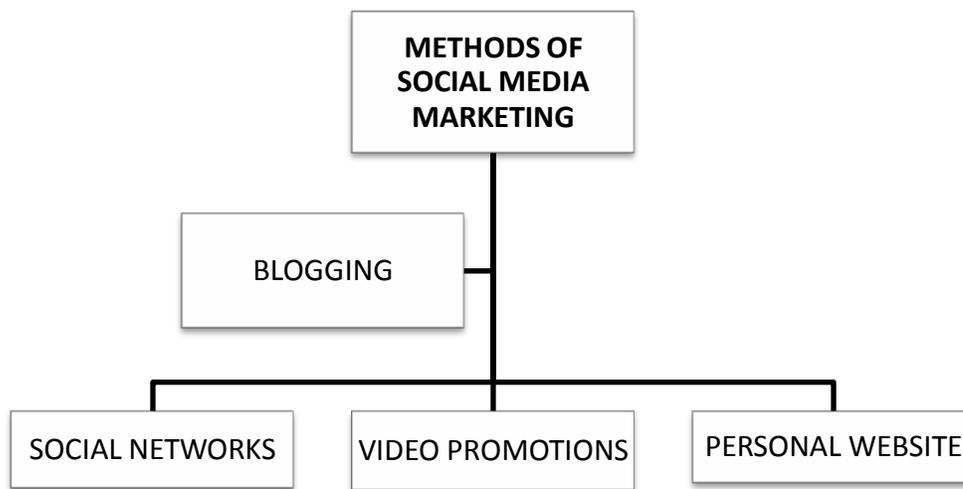
It is important to have private BLOG OR WEBSITE which will help clients to know more about the company and it will make them clear that the company has a serious business and help to make huge revenue via online marketing.

➤ **Using social networking websites:**

Social networking websites like Twitter and Facebook can be used to promote sales. These provide best platform for all who are thinking of online marketing. The social networking websites provides a better online window for advertising and promoting the company and its products with more views and clicks by people.

➤ **Video promotion:**

In social media particularly video marketing can also be very effective. Millions of Internet users look at videos every day. A short video about services and products can reach millions of potential customers. Several video distribution websites also helps in online marketing. These websites uploads service to the whole world. All that is needed to do is film a video about marketing and send it to video uploading sites like You Tube. It seems it is the easiest way of marketing than any other modes since many people will be interested in view videos rather than word form of advertisement.



➤ **Blogging:**

When person starts blogging or posting data about any product, later it can become big business via blog. Websites and blogs are most powerful tools for social network marketing when matched with other networking tools. Blog is an amazing tool which provides many other facilities in addition to just marketing business. It also helps to communicate with other clients in case of any problems. Very effective can be to combine social media with article marketing and blogging. Blogging when done by celebrities, professionals etc can largely publicize the product of a company positively.

SOCIAL MEDIA MARKETING AND LUXURY BRANDS

Brand is an image in the minds of the customers and other target groups, which a company designs to identify its product. Luxury brands are regarded as images in the minds of consumers that comprise associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of non-functional associations.

Today, luxury brands embracing social media marketing are achieving big. According to a 2014 study by the Blackstone Digital Agency, **75% of luxury shoppers use social media**. All the major players of the luxury goods industry have now adopted social media marketing and are looking for new ways to engage with their fans and customers to build up brand awareness. Luxury brands enjoy very high brand awareness – both aided awareness and top of the mind awareness. Owing to high brand awareness and perceived quality, consumers confer high status and prestige value for consuming luxury brands.

Top 10 luxury brands of the world, 2017 with total value is discussed as follows:

S.NO	BRAND	TOTAL VALUE	ESTABLISHED
1	LOUIS VUITTON	\$28.4 BILLION	1854, PARIS, FRANCE
2	Hermès	\$19.2 BILLION	1837, PARIS, FRANCE
3	GUCCI	\$12.7 BILLION	1921, Florence, Italy
4	PRADA	\$9.4 BILLION	1913, Milan, Italy
5	ROLEX	\$7.9 BILLION	1905, LONDON, UK
6	CHANNEL	\$7 BILLION	1910, PARIS, FRANCE
7	CARTIER	\$6.3 BILLION	1847, Paris, France
8	BURBERRY	\$4.1 BILLION	1856, Basingstoke, United Kingdom
9	FENDI	\$3.6 BILLION	1925, ROME, ITALY
10	COACH	\$3.2 BILLION	1941, Manhattan, New York City, New York, United States

A do's n don'ts list that luxury brands should follow for social media marketing is given as follows:

DO's

- ✓ Focus on quality than quantity
- ✓ Know who the targeted audience is
- ✓ Have a brand video strategy
- ✓ Think before you tweet
- ✓ Provide solutions to problems
- ✓ Make sure trends are relevant to the brand

Don'ts

- ✓ Fail to gather competitive intelligence
- ✓ Posting too much on social media
- ✓ Not putting videos and stories
- ✓ Ignoring customers queries and questions
- ✓ Delayed responses
- ✓ Being disrespectful towards customers

Luxury Brands doing Social Media Marketing / Digital Marketing:

Luxury brands are embracing content to reach a growing audience that is scattered across the globe.

❖ Burberry:

One of the first luxury brands to jump on the digital bandwagon, Burberry's digital strategy is nothing short of stupendous. With a number of creative digital projects and a website that's without flaw, it isn't surprising that Burberry's brand value is reported to be \$5,722 million. The website is well laid out, highly interactive and easy to navigate. An additional section to check out is Burberry Acoustic, featuring fairly undiscovered musical talent from across UK. The well directed and highly stylised videos on the channel feature the artists wearing clothing from Burberry's latest collection.

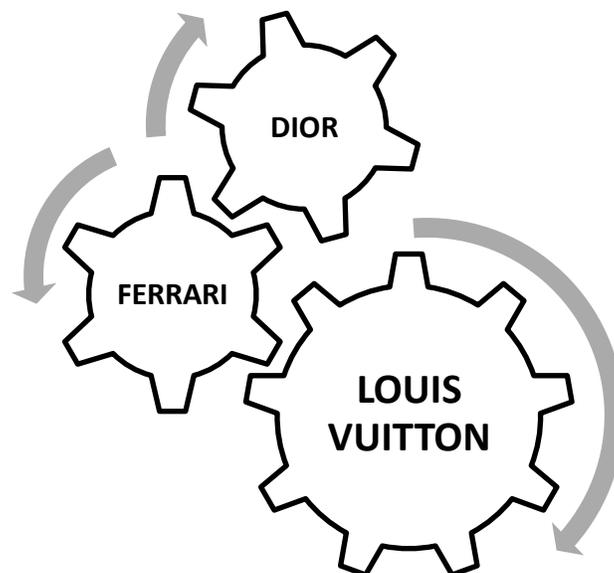
Burberry is also one of the few luxury brands that are big on *Snapchat*. They were the first brand to utilise Snapchat's Discover to promote Mr. Burberry, their men's fragrance and grooming collection. While quite a few luxury brands have a presence on Pinterest, Burberry was the first to collaborate with the visual platform.

❖ Louis Vuitton:

Last year, *Interbrand* published its *Best Global Brands* list and the luxury brand that figured right on top was legendary fashion brand *Louis Vuitton*. With a brand value of \$27.3 billion this year, it isn't surprising that LV is one of the leading luxury fashion brands with a strong digital presence.

They have the usual avenues covered- with state of the art mobile apps that allow users to browse through their latest collections, to faithful followers on all social networking sites. Their website is beautifully designed and easy to navigate, but the one aspect that stands out is the '*World of Louis Vuitton*'.

The section takes people through a detailed narrative of the history of LV, their dedication to design and their love for art. It's almost as if you're immersed into a digital library of sorts, moving through stories about how the iconic brand came to be, to descriptions of their detailed production process.



❖ **Chanel:**

One of the most elusive luxury brands, Chanel was comparatively late to start their digital marketing strategy. With over a 100 million viewers on YouTube, Chanel's digital campaigns are one of the most successful among luxury brands. The famous *'The one that I want'* video starring *Gisele Bundchen* which launched Chanel into the digital universe is one of the most watched commercials of all time with over 11 million views on YouTube. Their website is another design spectacle with a beautifully flowing narrative.

❖ **Ferrari:**

Many would wonder why a legendary brand like Ferrari needs to be on social media. After all, only a handful of their customers are on social media. Well, Ferrari has 16 million Facebook fans today. However, a minority of these fans will eventually end up buying one or influencing their peers to purchase one in the future. That's the incentive for Ferrari to be on social media. With its fans already posting millions of pictures on these platforms, Ferrari had to be present on social to dictate its own story through its own portal.

❖ **Dior:**

With 14 million fans on Facebook, Dior is translating its offline strategy into an online one. Regularly featuring models and Instagram celebrities, the brand aims to target the mainstream audience to enter the Dior family with an entry level product, while pivoting upwards year over year. In fact, one of its core strategies to make social work for it is to give a first look of its new collections (and show the painstaking amount of work involved) through its own fan pages. This ensures that fans are really treated like fans and not just a statistic or a number.

❖ **Harley Davidson:**

Harley Davidson doesn't believe in discounts or sales. Instead, the company focuses on community and collaboration. In India it has a strong paid membership brewing in the local markets for people to become a family of the Harley Davidson group. On social media, these members often talk about their passion and regularly meet up both offline and online. They collaborate with bike magazines, online bike influencers, and hog enthusiasts to bolster their brand in the online space. For Harley, the cost of acquisition is significantly lower when it comes to having a great online experience rather than a store or an in-person communicator. Going away from the exclusivity tag, they are more available than any of their competitors and are more open to collaboration for their community than most luxury brands.

To conclude, building a brand online is hard work. Luxury brands must create a fine line between balancing exposure to exclusivity. By limiting its presence to its fans, it makes a significant impact in the lives of its customers by being fan-first and creating value in terms of online experience. By providing a platform for video and audio content to please an audience, social media is a great tool for including new members into the brand's legacy.