LUXURY BRANDS ON INSTAGRAM - A NETNOGRAPHIC APPROACH

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ABSTRACT

The present research concerns a netnography study from June 1ˢᵗ 2020 to January 1ˢᵗ 2021 on Instagram communication of six luxury brands: Louis Vuitton, Prada, Gucci, Dior, Chanel and Burberry. Five variables were taken into consideration: number of followers, number of posts, average comments, average likes and engagement rate. This qualitative study reflects the impact of digital transformation on the luxury market. Overall, results demonstrate luxury brands similarities in their Instagram communication strategy - Louis Vuitton and Gucci; Dior and Chanel; Prada and Burberry. With our findings, we were able to associate these luxury brands with the core dimensions of brand coolness. Implications of these findings are discussed with future research directions suggested.

INTRODUCTION

Luxury is an subject of a great deal of research due to the hedonic benefits it provides and its consequences on consumer spending (Vigneron & Johnson, 2004), being frequently related to status and admiration. According to Roberts (2011) the sales revenue of the Louis Vuitton Moët Hennessy (LVMH), the largest luxury brand group, was 20,320 million euros in 2010, with strong annual growth in terms of value and volume despite the economic influences (Jin, 2012). Thus, enhancing the relevance of the luxury industry for the worldwide economic sector.

Following Ko, Costello and Taylor (2019, p.2), “a luxury brand is a branded product or service that consumers perceive to be high quality, offer authentic value, have prestigious image, be worthy of a premium price and be capable of inspiring a deep connection with the consumer”. For instance, a consumer might purchase a Louis Vuitton bag as a reflection of his/her personality (i.e., self-expression) or, because the brand reflects a social status symbol (Jin, 2012). The growing importance of social media led luxury brands to start developing a strategy to enhance customers experience, especially during the pandemic, so that their relationship with consumers could be sustained.

Consumers desire to treat themselves with luxury goods and services to celebrate positive life changes (Han et al., 2010). With Millennials and Gen Z being the largest and fastest-growing consumer segments for luxury (Arienfi & Sheehan, 2020), this presents an immense opportunity for luxury brands to connect and engage with their customers (Abdullah et al., 2020). In particular, the digital transformation of luxury is

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essential today, when workforces and consumers alike are in confinement (Nicola et al., 2020).

Prior literature and most recent research (Arienti & Sheehan, 2020) state that the luxury consumer is changing, therefore it is very important for luxury brands to serve them as uniquely as possible. The luxury consumer is influenced by social media, as they tend to search for the latest trends, collections and interact with their favorite luxury brand. In every minute, users share more than 600,000 pieces of content within social media (Daugherty & Hoffman, 2014). To this extent, in the following sections we provide a theoretical and qualitative approach - netnography study. With this research we aim to answer the following research questions: how can luxury brands meet their consumers expectations and enhance engagement? Which coolness dimension is associated with each luxury brand? How do luxury brands behave in Instagram platform? To our knowledge, this is the first netnographic study concerning the association of luxury brands and brand coolness. The results are further discussed, managerial and theoretical suggestions presented, and future directions are also proposed, as a means of extending our knowledge in this subject.

THEORETICAL BACKGROUND

Brand Communities
One of the main concerns in the relationship marketing is sustaining long term customer relationships (Webster, 1992). Although one-to-one relationships are still relevant nowadays, brand communities are introduced as a solution to serve consumers (Laroche et al., 2012). The concept of brand community is proposed by Muñiz and O’Guinn in 2001, focused on face-to-face relationships. Since then, a large number of studies have used the brand community concept to further explore the online consumer interaction (Arvidsson & Caliandro, 2016). The most frequent online brand communities are found on websites, forums, and chat rooms. Social interactions between community members influence customer relationships and attitudes toward the brand.

A brand community 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). For instance, these communities support assistance to consumers, sharing information and promoting the culture of a brand. Consumers have their own motivations to join specific brand communities, as brands fulfill psychological and social needs. Brand communities are based on interaction and provide individuals with a sense of identity. Through these interactions, social relations are further constructed (Cova & Pace, 2006). Prior studies point to individuals joining brand communities to identify themselves with brands, searching for symbols or signs which help them decide who they want to be and how they want to be identified with others.

Members of a brand community are those who feel a sense of belonging and identify themselves with the brand community. As a matter of fact, in online brand communities the interaction is computer-mediated, however they still share a social identity and consciousness of kind (i.e., feel connected with the group members) (Loureiro & Araújo, 2014).

Engagement on Social Network
Since 2005 there is an increasing role of social networks in influencing brand
perceptions (Dwyer, 2007; Meadows-Klue, 2008; Duong & Sung, 2021). Through this relationship, consumers increase their willingness to pay, recommendations to other consumers and their loyalty to the brand (Gee et al., 2008; Noris et al., 2021; Chu, Kamal & Kim, 2019). Thus, leading brands to shift their focus from traditional to digital media, allowing more interactive opportunities, connectivity and build long term customer-brand relationships. Social network can be defined as “a group of internet-based applications that builds on the ideological and technological foundations of Web 2.0, and it allows the creation and exchange of user-generated content” (Kaplan & Haenlein, 2010, p.61).

Consumers are social individuals who can be influenced by several factors including, family and friends, social environment, or celebrities (Hagtvedt & Patrick, 2009; Noris et al., 2021). With the appearance of social media contexts, consumers have access to more opinions outside their social circle. These opinions somehow influence consumers choices (Dhar & Chang, 2009; Morra et al., 2018), especially for hedonic goods (Dellarocas et al., 2007; Smith et al., 2005). As a result, a phenomenon named research online and purchase offline (ROPO) has become more frequent (Heil et al., 2010). Consumers interact on social networks asking for opinions, researching for reviews, ask sales assistant for help and purchase their product on a traditional store (Jin, 2012). The ROPO is relevant, as it decreases the risks of counterfeit luxury for consumers (Morra et al., 2018).

Within the marketing literature on social media, the concept of online brand engagement emerged as an affective commitment to an active relationship with the brand through website or other computer-mediated entity designed to communicate brand value (Mollen & Wilson, 2010). Following Coursaris et al (2013), engagement has eight subcategories: assistance, community, likes, photos/videos, polls, questions, appreciation and directional.

Although we can find several social network webpages, past research tends to focus mainly on Facebook (e.g., Loureiro & Gomes, 2016; Shen & Bissell, 2013; Salman et al., 2016) and Twitter (e.g., Arvidsson & Caliandro, 2016). The current study is conducted through Instagram. Instagram is a social network launched in October 2010 by Kevin Systrom and Mike Krieger. The main goal of Instagram is sharing photos and videos with other users, named followers. Instagram users typically use hashtags (#) to caption a particular topic and can be easily searched by other users; (@) to link a specific user in a video or photo; (like) to identify that they enjoy the post.

Instagram usage allows brands to better understand their audience, though listening to their opinions and shaping their communication. Brands targeting a younger generation are more likely to succeed as well, as they usually respond positively to campaigns on Instagram. Following Goor (2012), brands can use two strategies on Instagram: emotion, when a brand can be associated with specific emotions when using the product, and symbolism, when a brand needs to display a certain identity focusing on brand image.

**Cool Factor on Fashion**
Consumers tend to construct relationships with brands providing them symbolic benefits (Rahman, 2013; Heine, 2010; Lloyd & Luk, 2010). In a highly competitive environment as the luxury sector, this relationship is crucial for success. The brand
coolness concept emerges as being an important factor that might influence consumers attitudes towards a brand. The term cool or coolness has been associated to fashion (Loureiro et al., 2018), as individuals tend to use outer layers of coolness to conspicuously represent their image such as uniqueness and fashionable items (Rahman, 2013). Understanding the concept of coolness is essential to better comprehend the consumer-luxury brand relationship, as it is assumed that cool is a social phenomenon (Warren et al., 2018). Warren and Campbell (2014, p. 544) attempt to define coolness as “a subjective and dynamic, socially constructed positive trait attributed to cultural objects inferred to be appropriately autonomous”. Fashion luxury brands must have several features to be regarded as cool, such as: prestige, high quality, exclusivity, uniqueness (Loureiro et al., 2021).

Following Rahman (2013), cool or coolness consists of: being fashionable, eye-catching, unique, entertaining, and amazing. Cool and designer brands are also overlapped, as cool is much involved with commodities and aesthetics of designer labels and niche brands (Nancarrow et al., 2002). Luxury consumers are aware of the symbolic motive when purchasing luxury goods, for instance, associated with logo display, price signaling and so on (Han et al., 2010).

Warren et al. (2019) proposes ten dimensions of brand coolness and a distinction between niche cool and mass cool. They argue that dimensions of brand coolness could emerge in different combinations regarding luxury brands, depending on participants evaluations as niche or mass cool brands. For instance, niche cool brands being perceived to be cool by a particular subculture, but not adopted by the masses. These consumers are highly affected by strong and passion-driven emotions (Loureiro et al., 2021). On another hand, mass cool are brands perceived to be cool by the general population. In this case, consumers responses are more related to word-of-mouth and familiarity than emotional responses.

**Methodology**

Netnography is an online research method with its origin in ethnography. The main objective of this type of study is to understand social interaction in the digital communication context. According to Kozinet (2010), netnography is based on observing users’ online behavior. The netnography research technique is a marketing research tool, that uses publicly available information available in online forums, social media, and other online platforms (Kozinet, 2002) with the goal of better understanding needs and decision-making influences of relevant online consumers groups.

Kozinet (2015) suggests twelve phases to conduct netnography. However, for this research, the twelve phases netnography will be adapted from Kozinet (2010) in six-phase research: Research planning; Community identification and selection; Participant-observation and data collection; Data interpretation; Ethical standards to be assured and Research representation (see Figure 1).

**Figure 1. Six-phase of netnography**
The aim of this netnographic study is to aggregate users’ comments, likes and interactions, on Instagram social platform. In order to choose the most appropriate sample, at first, the top fifteen luxury brands were identified. According to Haigh (2020), these brands are: Porsche, Gucci, Louis Vuitton, Cartier, Chanel, Hermès, Ferrari, Rolex, Dior, COACH, Estée Lauder, Tiffany & Co., Guerlain, Burberry and Prada. We then proceeded to select the brands taking into consideration the context of our research – fashion. Following previous research (e.g., Moreau et al., 2020; Loureiro, Serra & Guerreiro, 2019), six luxury fashion brands were selected: Prada, Christian Dior, Louis Vuitton, Chanel and Gucci (brand description can be found in Table 1). All data was gathered during the Covid-19 pandemic between June 1st 2020 and January 1st 2021.

Instagram features are suitable for the fashion industry, as Instagram promotes viralization (Russman & Svensson, 2016), reaching a larger audience. Instagram enables messaging, sharing posts, visual images, community, celebrity and consuming all in the same digital place. Instagram has been enhanced over time by improved analytics, targeted advertising, and explosion of influencer marketing. On this social network one can share photos, videos (reels – up to one minute and IGTV – more than one minute), Instagram Stories (a feature which permits to share several photos or a video of ten seconds, and is available for 24 hours), Instagram Shop (in which one can directly buy an item from the page, connected directly to the website) and Magazine (in which the brand can organize several posts in a category styled digital magazine) (see Table 1).

Table 1. Brand characterization

<table>
<thead>
<tr>
<th>Brand</th>
<th>Origin</th>
<th>Best-Seller Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louis Vuitton</td>
<td>1864, France - Rue Neuve-des-Capucines near the Place Vendome. In memory of the first place, Louis Vuitton has a collection of handbags named “Capucines”.</td>
<td>Handbag - Speedy Bandouliere 25</td>
</tr>
<tr>
<td>Prada</td>
<td>1913, Italy - Mario Prada opened an exclusive store in the Galleria Vittorio Emanuele II.</td>
<td>Handbag - Re-Edition collection</td>
</tr>
<tr>
<td>Gucci</td>
<td>1921, Italy - Founded by Guccio Gucci.</td>
<td>Handbag - Marmont and the GG belt</td>
</tr>
<tr>
<td>Dior</td>
<td>1946, France - Christian Dior, established the fashion house at 30 Avenue Montaigne in Paris</td>
<td>Handbag - Lady Dior</td>
</tr>
<tr>
<td>Chanel</td>
<td>1909, France - Gabrielle “Coco” Chanel founded the</td>
<td>Handbag - Boy Bag</td>
</tr>
</tbody>
</table>
Findings
The engagement was analyzed through five variables - number of followers, number of posts, average comments, average likes and engagement rate - across the six luxury fashion brands – Louis Vuitton, Prada, Gucci, Dior, Chanel and Burberry, during six-months, from June 1st 2020 to January 1st 2021. The results revealed that Chanel is the most followed brand \((N_{Followers} = 42,670,600)\), Prada is the brand with higher average comments \((N_{Comments} = 515)\), Gucci is the brand with more posts \((N_{Posts} = 7,415)\) and Dior has the majority of likes \((N_{Likes} = 96,750)\) and the higher engagement rate \((0.29\%)\) (See Table 2).

Table 2. Engagement on Instagram

<table>
<thead>
<tr>
<th>Brand</th>
<th>Engagement Rate</th>
<th>Posts</th>
<th>Average Likes</th>
<th>Average Comments</th>
<th>Followers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louis Vuitton</td>
<td>0.18%</td>
<td>4,694</td>
<td>73,480.000</td>
<td>257.95</td>
<td>40,211,244</td>
</tr>
<tr>
<td>Gucci</td>
<td>0.15%</td>
<td>7,352</td>
<td>61,321.90</td>
<td>193.35</td>
<td>41,693,014</td>
</tr>
<tr>
<td>Burberry</td>
<td>0.19%</td>
<td>5,315</td>
<td>33,023.70</td>
<td>115.70</td>
<td>17,763,235</td>
</tr>
<tr>
<td>Prada</td>
<td>0.30%</td>
<td>6,034</td>
<td>74,851.000</td>
<td>515.00</td>
<td>24,814,542</td>
</tr>
<tr>
<td>Dior</td>
<td>0.29%</td>
<td>7,202</td>
<td>96,750.60</td>
<td>393.25</td>
<td>33,324,490</td>
</tr>
<tr>
<td>Chanel</td>
<td>0.14%</td>
<td>2,964</td>
<td>58,884.30</td>
<td>246.45</td>
<td>42,008,659</td>
</tr>
</tbody>
</table>

Through analyzing users’ comments, we were able to identify luxury websites in which online consumers purchase luxury items. The most cited websites were Farfetch, MyTheresa and Net-a-Porter. All the six brands were available to shop online on their own website and at Farfetch, except for Louis Vuitton. On the other hand, MyTheresa and Net-a-Porter had half of the sample available: Gucci, Prada and Burberry.

As for Instagram tools, all the six brands explore Instagram TV (IGTV). The Instagram Shop tool is utilized by Dior, Prada and Burberry and the Magazine tool, by Prada and Gucci. Reels and Instagram Filters are available for Dior, Prada, Burberry, Louis Vuitton and Gucci. Finally, Instagram Stories Highlights are implemented by Dior, Prada, Burberry and Gucci, thus, this tool was excluded from the Chanel and Louis Vuitton communication strategy.

To complement our research, we further analyzed each brand’s Instagram communication strategy, following Russman and Svensson (2016). To conduct this analysis, the authors claim that the following variables should be measured: perception, image management, integration and interactivity. More specifically, perception is measured through image and video posting, perspective, broadcasting and mobilization. To measure image management, we need to analyze: personalization, privatization and celebrity visibility. Integration measures if Instagram is integrated in a communication mix using hybridity, shared content and campaign reference. Finally, interactivity is measured through captions and comments’ content (negative/positive tonality), and
reciprocity. The six brands reveal a similar Instagram communication strategy. The main difference identified is within the interactivity variable. More specifically, through the comment content analysis we were able to associate brand coolness dimension with each luxury brand.

Brand coolness association is one of the focuses of our research. Following Warren et al. (2019), we were able to associate each luxury brand to one or two coolness dimensions, taking into consideration users’ comments. Louis Vuitton and Gucci comments are mostly “heart emojis, fire emojis, love, trendy”, which leads us to the popular coolness dimension. The majority of Dior and Chanel comments are “love, iconic, elegant”, leading to the high status and iconic dimensions. Prada and Burberry are both associated with aesthetically appealing dimension, plus, Prada comments are related to “excellent, black heart emoji, love, perfection, clapping hands emoji”, leading us to the rebellious dimension, while Burberry comments are mostly “iconic, clapping hands emoji, love, wonderful”, leading to the iconic dimension as well (See Table 3).

<table>
<thead>
<tr>
<th>Brand</th>
<th>Brand Coolness Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louis Vuitton</td>
<td>Popular</td>
</tr>
<tr>
<td>Gucci</td>
<td>Popular</td>
</tr>
<tr>
<td>Dior</td>
<td>High status and Iconic</td>
</tr>
<tr>
<td>Chanel</td>
<td>High Status and Iconic</td>
</tr>
<tr>
<td>Burberry</td>
<td>Aesthetically appealing and iconic</td>
</tr>
</tbody>
</table>

Conclusions and Implications
First and foremost, all the brands analyzed positively react to celebrations, Fashion Weeks, and other social events (Koivisto & Mattila, 2018). It has been identified that during Fashion Weeks, independently of the place (e.g., Paris, Milan, London), the six brands increase in followers and in engagement rate. However, it is important to further analyze if this increase is sustained in a long-term perspective. As for other events related to fashion, the six brands have positive reactions as well. Besides having different strategies, the brands adapt their communication during holidays and national festivities – Thanksgiving, Christmas, and New Year’s Eve. When launching new products or collections, the engagement, number of followers and number of likes happen to increase. Influencer and celebrity usage also reflects in a positive reaction in followers and engagement.

Through this analysis, we can find similarities between the analyzed brands Instagram communication. For instance, Dior and Chanel, happen to communicate a classic brand
image; Louis Vuitton and Gucci create a party related brand image; Burberry and Prada communicate a colder image, perceived in the colors chosen to their feed in the majority of the time.

Through this six-month study we are able to identify each brand communication focus. Louis Vuitton and Gucci have a trend-driven approach, in which their communication is focused on what is trending in the season. The brand posts are very focused on creating and following trends, with and without celebrities.

Dior and Chanel follow a fashion centered communication. The brands posts include fashion shows photos and iconic items. For example, Chanel has several posts regarding the Number 5 perfume, and Dior, the iconic Lady Dior bag.

Prada has a product-centered communication strategy. The majority of Prada posts are concerning their logos, most iconic products and fragrances. Burberry follows a similar approach, being product centered. The focus of Burberry is their pattern, fashion products and models wearing Burberry models.

**Limitations**  
Several limitations should be noted, as they provide potential avenues for future research. First, it is of main importance to compare results with other social media platforms, such as Twitter and Facebook. Thus, research is needed in integrating different social media platforms.

Subsequent research might build upon the reported findings, as brand coolness is a very appealing subject. Through the association of luxury brands, social media and brand coolness, future studies might reveal interesting insights. For instance, laboratory experiments (using eye tracking methods) or field studies to enhance our research, as netnography is a qualitative method. With the addition of a quantitative method, we could increase generalizability. Finally, a sample size could limit the generalizability of our results. Nevertheless, replication studies would further strengthen our findings.

**Future research**  
Following our results, it would be interesting to further understand the impact of culture in the digital communication approach. Prada and Gucci are Italy luxury brands; Louis Vuitton, Dior and Chanel are France based brands; and Burberry is a British brand. Does brand origin impact brands communication and impacts their digital results in terms of followers and engagement?

The netnography methodology is of main importance, given the number of digital users available online. Following prior studies, the Instagram study could be conducted in more than one year. By collecting data in different time-period, one can take more credible insights. To repeat the study in 2021 and 2022 should be an interesting suggestion.

The impact of digital influencers should also be studied in further detail. For example, measure the impact of Chiara Ferragni (the most followed digital influencer), or Kim Kardashian.

Finally, it would also be of interesting to study the same brands in different digital
environments. For instance, in Twitter, and compare the results on both social platforms.

Theoretical contributions:
While this study represents a single qualitative study in a dynamically changing research area, there are several theoretical insights to take into consideration. Our results are of main relevance for the following theoretical areas: social media, digital marketing, luxury and branding. The popularity of Instagram and the amount of information disseminated within the platform is what enhances our findings. As such, it is important to constantly update number of followers, comments and likes, as the variables are constantly changing. Within the luxury field, the findings gain strength, as with the pandemic of Covid-19, marketers are looking forward for new insights on how to create a stable relationship between brands and consumers.

Ultimately, this study establishes a connection between Instagram and brand coolness, two appealing and dynamic concepts, representing the future of marketing. To this end, we believe that our research opens new avenues of research and extends knowledge to the pointed theoretical fields.

Managerial implications
The managerial implications of these findings are immediate, as the future of marketing involves social media. To capture consumer attention in a saturated media environment is one of the challenges luxury brands face. Marketers must understand how to effectively engage with consumers within social media communities, especially in the luxury field. For instance, our insights, help marketers to base their digital strategy on Instagram taking into consideration each brands’ specific communication. However, additional research is essential to build upon this research.

Our results suggest that each luxury brand has a specific way to communicate and is associated with a coolness dimension. The next logical step is, to determine consumers engagement in other social media platforms, confirm coolness dimension association, compare results and build upon a framework for the future.

Keywords: luxury, brand coolness, fashion, social media, communication, netnography, Instagram.

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The author acknowledges the financial support of FCT – Portuguese Foundation of Science and Technology— BRU-IUL / BRU-ISCTE Doctoral Merit Grant
2019/2022.