A Study of Utilizing Social Media for Luxury Brand Promotion

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Abstract. With the development of the times and the increasing popularity of the Internet, the traditional market has long since ceased to be the main track for the promotion of luxury brands. Nowadays, social media has profoundly changed people's daily behavior throughout all their daily lives and has also profoundly changed the way luxury brands market today, becoming the spring of luxury marketing. This paper discusses how luxury brands utilize social media for product promotion. Using the PEST framework to analyze the macroenvironment affecting the luxury industry, it introduces the types of promotional strategies on social media platforms and analyzes the study through a successful case study of the current application by LVMH Group. The research results show that there are a series of challenges and opportunities in the promotion of the luxury market on social media. Given the lack of integration of digital and physical outlets, the research suggests that luxury brands strengthen the deep integration of web-based and brick-and-mortar platforms, enhance the shopping experience by directly linking online malls, and set up digital displays and fitting areas to increase sales conversion rates and better meet consumers' shopping needs. In addition to facing the risk of brand popularization, luxury brands need to pay attention to brand uniqueness and high-end image, maintain excellent quality of product design and marketing strategy, emphasize the traditional craftsmanship and historical pedigree of the brand, attract customers who truly understand and value the luxury culture, and carefully choose partners and promotion channels to maintain the high-end reputation and unique charm of the brand.

Keywords: Luxury; social media; LVMH; online marketing; PEST.

1. Introduction

Social media has become deeply ingrained in modern life, reshaping how individuals interact, consume content, and engage with brands. This transformation extends to the promotional landscape for luxury brands, where social media has emerged as the predominant platform for consumer engagement. Luxury brands are not only using social media to promote their products but also to create aspirational lifestyles and engage communities. Platforms like Instagram provide fertile ground for luxury brands to showcase their products in aspirational contexts, generating a sense of exclusivity and desirability among consumers.

This paper explores the role of social media in luxury brand promotion. By analyzing specific cases and empirical data, it seeks to elucidate the multifaceted impact of social media on consumer behavior and brand perceptions within the luxury sector. Additionally, this paper will identify and assess the opportunities and challenges inherent in leveraging social media for luxury brand promotion.

The growing impact of social media on consumer preferences and behaviors highlights the importance of this research topic. As more individuals turn to social media platforms for product discovery and inspiration, luxury brands must adapt their promotional strategies accordingly. Despite social media's growing recognition, comprehensively understanding its implications for luxury brand promotion remains a notable gap.

Existing literature has explored various aspects of luxury brand marketing, but there has not been much thorough research done on how social media and luxury brand promotion interact. This study seeks to fill this gap by adopting a multidimensional approach to examine the complex dynamics at play.

This paper will analyze how social media affects luxury brand promotion, covering strategy, consumer engagement, and emerging trends. Through an interdisciplinary lens, it will synthesize

theoretical frameworks, empirical evidence, and practical implications to offer a nuanced understanding of this evolving phenomenon.

In summary, this paper aims to shed light on the transformative potential of social media in luxury brand promotion, offering valuable insights for practitioners and scholars alike. By exploring the intersection of social media and luxury brand promotion, this research seeks to inform strategic decision-making and contribute to the advancement of knowledge in the field.

2. PEST marco-environmental Analysis

2.1. Political Environment

Political factors have a significant impact on the regulatory environment in which luxury brands operate on social media platforms. Governments have adopted growing regulations on data privacy, intellectual property rights, and international trade agreements that can affect the way luxury brands interact with consumers on media platforms. For instance, laws about data protection, like California's CCPA and the EU's GDPR, are designed to give consumers more control over their data [1]. This has significant implications for how luxury brands collect and utilize consumer data for targeted advertising.

2.2. Economic Environment

The luxury goods industry is facing significant challenges under the current pressure of ongoing global inflation, with rising inflation and supply chain disruptions leading to higher prices for luxury goods. Luxury brands have increased prices beyond consumer expectations in response to the losses incurred by the recession [2]. The influence of this has been felt strongly in consumer conduct and purchasing power, and luxury brands have had to modify their strategies to adapt to the new reality. In the digital space, economic factors are also directly impacting consumer demand for luxury goods on social media platforms.

2.3. Social Environment

Social factors such as cultural shifts, demographic trends, and lifestyle preferences have profoundly shaped consumers' perceptions of and engagement with luxury brands across emerging media platforms. Continuously changing societal values, such as sustainability and inclusiveness, shape consumer expectations and preferences for brands [3]. At the same time, with the rise of social media influencers and user-generated content, the way consumers discover and interact with luxury goods has transformed, creating new opportunities for brands to cultivate brand advocacy and increase loyalty [4].

2.4. Technological Environment

In the realm of new media, technological advancements have revolutionized the luxury industry. Digital technologies like mobile devices and artificial intelligence enable luxury brands to interact with consumers on digital platforms, offering tailored experiences. Innovations in social media platforms, such as shopping features on Instagram and virtual reality on Facebook, create new marketing avenues. Additionally, AI-powered digital marketing enhances customer experiences and assists marketers in trend analysis [5]. Furthermore, the integration of data analytics and artificial intelligence aids luxury brands in gaining profound insights into consumer preferences and behaviors, facilitating the formulation of more personalized and precise marketing strategies [6].

3. Types of Promotion on Social Media Platforms

3.1. Platform Characteristics and Brand Positioning

The choice of social media platform is directly related to the effects of brand promotion and audience positioning. Different platforms should be selected based on their features and user groups to match luxury brands' positioning and target audience. Some platforms, such as TikTok, focus on instant interaction and the display of product features, which is suitable for brands that want to stimulate consumers' purchase desires through visual presentation. Brands can use Instagram to showcase their brand culture, collaborate with social media bloggers, and feature photos shared by real individuals or celebrities. To achieve optimal promotional outcomes, brands must consider both their attributes and the preferences of their target audience when selecting a social media platform.

3.2. Short Videos and Live Streaming

Short videos and live streaming have become essential tools for luxury firms to advertise on social media platforms, allowing for instant communication with customers. This tendency is best illustrated by platforms such as TikTok, which provide a dynamic environment in which businesses may highlight distinctive characteristics, product traits, and special offers, thereby stimulating customer demand. Using live streaming to provide virtual tours and product try-ons, luxury firms successfully capitalize on immediacy and interaction to increase sales. In order to influence consumer trends, luxury brands have been known to recruit online superstars to arrange live streaming events [7]. In marketing initiatives, these influencers have a major impact on consumer behavior [8]. For instance, a celebrity boasting nearly seven hundred thousand followers purportedly sold seventy luxury items during a live webcast lasting approximately three hours, resulting in sales of close to $157,600 [9]. Among luxury brands, Chanel and Louis Vuitton have been adept at using it for promotion in recent years, often incorporating live streaming into their marketing campaigns. This allows viewers to witness exclusive fashion shows, behind-the-scenes looks, and interactive discussions with designers. Moreover, Chinese luxury brands such as Li-Ning and Shein use live streaming platforms to broaden their brand awareness and increase sales in international and domestic markets.

3.3. Exploring Soft Advertising on Instagram: Leveraging Influencers and Celebrity Endorsements

In the realm of social media platforms, Instagram stands out as a soft advertising method using metaphorical advertising. Sharing photos is a way to communicate a brand's culture, tone, and values, whether it is with ordinary individuals or celebrities. Brands often partner with bloggers to leverage their influence and promote products. This approach emphasizes emotional connection and establishing a brand image, making it easier for consumers to identify with and resonate with the brand. According to research, display-based promotions can be integrated naturally into users' social experiences, increase consumers' trust in products, and attract them to make a purchase compared to traditional advertising forms [10].

3.4. Viral Marketing

Harnessing Facebook as the central platform for social media promotion, viral marketing campaigns achieved through regular face-to-face interactions with real individuals and celebrity endorsements will catalyze a series of unforeseeable chain reactions. This promotional method is characterized by its high level of realism and interactivity. Viral marketing campaigns leverage the power of user-generated content and social sharing to expand brand awareness and foster community engagement by encouraging users to create and share brand-related content through things like challenges or trends. For luxury brands, this kind of promotion is common in the early stages of product or new product promotion stages, such as the Ice Bucket Challenge. User-generated content due to viral marketing is a powerful tool for any brand on social media. The same is true for luxury brands, which can showcase their wares in relevant contexts while maintaining their unique sense of

sophistication by leveraging user-generated content [11]. Luxury brands have the potential to boost brand loyalty and strengthen their relationships with customers by leveraging the power of viral marketing.

3.5. Alternative Social Media Promotion Channels: The Case of Twitter

Beyond well-known techniques like display advertising, viral marketing, and brief live video broadcasts, there are other significant promotion strategies for social media platforms. For instance, a few high-end companies, like Cartier, Balenciaga, and Hermès, prefer to use Twitter for their advertising. While Twitter may not have the same impact as YouTube and Instagram, it is increasingly acknowledged as a new avenue for reaching wealthy and younger consumers [12]. Compared with the promotion methods mentioned above, Twitter, as an information dissemination platform, focuses more on the release of real-time information and interaction with users and attracts users' attention and participation through fashion information and cooperation with celebrities and fashion bloggers. This approach provides luxury brands with another diversified promotion channel, helping them further expand their brand exposure and reach a wider audience.

Compared with promotion methods such as display, viral marketing, and short video live broadcasts, promotion methods such as Twitter pay more attention to the richness and real-time nature of content and attract users' attention and participation through videos, real-time information, and interactive cooperation. Soft advertising mainly indirectly spreads brand content, emphasizing emotional connection and the establishment of brand image, making it easier for consumers to resonate and identify. Viral marketing uses user-generated content and the power of social sharing to expand brand awareness, while short video live broadcasts focus on instant interaction and product display. These promotion methods cover multiple dimensions, such as video content, real-time information, celebrity interactions, etc., providing a broader space and richer possibilities for luxury brands to promote on social media.

4. Lvmh's Application and Promotion

LVMH effectively utilizes social media platforms for brand and product promotion as a leading player in the luxury goods industry. In the context of new media, LVMH makes flexible use of short video live broadcasts and social media platforms such as Instagram to provide consumers with intuitive and personalized product experiences and brand stories.

4.1. Use of Short Videos and Live Streaming

As a leader in the luxury goods industry, LVMH actively uses short videos and live broadcast platforms to promote products. Among them, Louis Vuitton (LV) is particularly active on short video platforms such as TikTok. LV often releases attractive short videos through TikTok to showcase its latest fashion series, accessories, and leather goods. For instance, LV once posted a series of videos on TikTok under the hashtag "#LVForever," showing the brand's classic styles and new product launches, which aroused widespread attention and discussion. These videos frequently have artistic editing and catchy music, which draws a lot of user views and likes.

In addition, LV often uses live-streaming platforms to launch and promote products. For example, the brand once conducted a live broadcast event called "LV Travel Encounter" on a Chinese live broadcast platform and invited well-known anchors to bring products. During the live broadcast, LV displayed its classic suitcases and luggage series, explained the design concepts and features of the products, provided purchase links, and interacted with the audience to answer questions. The live event attracted millions of online viewers and generated millions in sales. According to statistics, Dior's product sales increased by 30% in a short period during a live broadcast, which fully demonstrated the effect of a live broadcast.

This method of using short videos and live broadcasts for promotion not only increases the brand's exposure and awareness but also promotes product sales growth. At the same time, LVMH Group

has also established closer ties with consumers through these innovative promotion methods, strengthening the brand's influence and loyalty.

4.2. Use of Instagram

In addition to short videos and live broadcasts, Instagram, as a typical representative of display promotion, provides LVMH with an ideal platform to display brand culture and tone. The LVMH-owned luxury brand Louis Vuitton uses a variety of tactics to advertise its goods on Instagram. To draw attention from fans and sway their purchase decisions, LV collaborates with well-known Internet celebrities, like fashion blogger Chiara Ferragni and other Internet celebrities, to showcase the looks and application scenarios of LV products through their accounts. Chiara Ferragni has millions of fans on Instagram. Her sharing of images of LV products has the power to sway fans' decisions to buy, in addition to drawing in a sizable following. In a brief amount of time, a celebrity wearing LV apparel may receive hundreds of thousands, if not millions, of likes and comments on an Instagram photo that they post. For instance, LV and the Korean pop group BTS are working together once more to release a limited-edition collection in 2021. BTS members' social media posts and videos promoted the series, which included LV's recognizable monogram prints and greatly increased the brand's visibility and influence [13].

Through interaction with users, LVMH can better understand consumer needs and preferences and adjust brand strategies promptly to adapt to market changes. For example, Dior often cooperates with well-known bloggers and celebrities to publish content such as product try-ons and matching guides. Through their sharing and recommendations, Dior makes the brand image more down-to-earth and closer to consumers. This indirect publicity method can better reach the target audience and enhance consumers' trust and recognition of the brand. In addition, the brand also attracts users' attention by publishing brand stories, behind-the-scenes tidbits, and content related to social events and fashion trends. LV has utilized Instagram to publish a range of pictures and videos that focus on various themes, such as environmental protection, culture, art, and more. By sharing these contents, the brand aims to communicate its values and cultural significance to its audience while also showcasing its sense of responsibility and influence in society.

Louis Vuitton's social media accounts actively encourage fans and followers to create content. For example, LV uses social media advertising on Facebook and Instagram to show users customized ads according to their demographics, interests, and activity information. LV can produce highly targeted advertisements that have a higher chance of striking a chord with prospective buyers by examining user data. For instance, users who are interested in similar products or brands may see advertisements from LV for particular product categories (like handbags or shoes) [14]. Before making a purchase, consumers now access and assess product information differently, thanks to social media platforms [15]. Social media has evolved a conversational communication model from the traditional monologue-based communication model [16]. Provides LV with the opportunity to establish a more interactive and personal connection with its customers. This may entail responding to client inquiries, providing information about the product, and sharing exclusive content from behind the scenes. LV's social media presence fosters a sense of community and strengthens customer relations by frequently engaging with fans.

5. Emerging Challenges and Remedial Strategies in Luxury Brand SNS Promotion

5.1. Lack of Integration between Online and Offline Channels

Although luxury brands actively display rich product content and brand culture on social media, the degree of online and offline integration still needs to be improved. Consumers learn about a product’s appearance, features, and brand story through social media. However, when making an actual purchase, they may face a mismatch between online and offline information. For example,

although brands show live videos of new product launches on social media, consumers may not be able to purchase these products directly online and need to purchase them through offline physical stores or official websites. The lack of connection between the online and offline experiences of consumers is creating obstacles in their decision-making process when it comes to purchases and consequently impacting the sales of brands.

To solve this problem, luxury brands can further strengthen the integration of online and offline channels and provide a more convenient shopping experience. For example, the brand's online mall can be directly linked to social media platforms to enable direct purchase functions. Simultaneously, digital displays and try-on areas can be set up in offline physical stores to allow products to be experienced more intuitively and to improve purchasing convenience. Luxury brands can enhance sales conversion rates and better cater to consumers' shopping needs by deeply integrating their online and offline channels.

5.2. Brand Massification

With the popularity of social media and the increased promotion of luxury brands, some luxury brands may have problems with brand popularity. Excessive publicity and blind market expansion may lead to damage to the brand image and a dilution of the brand value. For example, to cater to popular tastes, some brands have launched too many product lines, resulting in unclear product differentiation and insufficiently prominent brand features, thereby losing the uniqueness and scarcity of luxury goods.

To avoid the problem of brand popularization, luxury brands need to pay more attention to the uniqueness and high-end image of the brand. The brand ought to uphold superior quality and distinctiveness in both product design and marketing tactics, accentuate the brand's conventional craftsmanship and historical lineage, and draw in customers who genuinely comprehend and value luxury culture. Simultaneously, to prevent undue exposure and market expansion and to preserve their upscale reputation and distinctive charm, brands must carefully select their partners and promotion channels.

6. Conclusion

Investigating how social media affects the marketing of luxury brands and offering pertinent recommendations are the goals of this study. After analyzing the macro-market environment of the luxury industry and the types of promotions on social media platforms, key issues and points have been identified.

First, the luxury industry is facing new challenges and opportunities in changing political, economic, social, and technological environments. The popularity of social media has provided luxury brands with a wider audience and promotion channels, but it has also increased the competitive pressure and the difficulty of managing brand image.

Secondly, this study finds that luxury brands promote on social media in various ways, including short videos, live broadcasting, soft advertising, etc., each of which has its own characteristics and applicable scenarios. When promoting their brand, luxury companies should maintain their uniqueness to avoid overexposure and massification.

Some suggestions have been put forward for the current problems of luxury brands in social media promotion. First, luxury brands should strengthen the integration of online and offline information to improve the shopping experience and solve the problem of mismatches between online and offline information. Second, brands should maintain their uniqueness and avoid over-promotion and market expansion to preserve their brand image and value proposition.

The significance of this study lies in its in-depth exploration of the impact of social media on luxury brand promotion and its provision of useful guidance for practitioners in the luxury industry. Emerging social media platforms offer opportunities for luxury brands to optimize social media

marketing effectiveness through artificial intelligence and big data. Future research can explore these strategies further.

However, there are some objective limitations in this study, such as the limitations of sample selection and the limitations of the data. Future research can further overcome these limitations and conduct a more in-depth and comprehensive study to provide more reference and support for the sustainable development of the luxury industry.

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