

# *Bridging the Virtual and the Real: Social Media and Customer Engagement in Luxury Fashion Brands*

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**Abstract:** The advances in communication media have changed the way people search or share information. Social media are the two-way forms of communication that provide new opportunities to users to interact with each other on platforms to share ideas. This study analyses customer expectations and interactions through integrating social media and luxury fashion brands. Also, by identifying the advantages that can be obtained by businesses from social media, this paper develops a structural model that contributes to address the gap and current knowledge of consumer buying behaviour in luxury product purchases under the effect of social media. The research also suggests that it is important to understand and interact with customer expectations via the combination of social media and traditional marketing media to develop effective marketing communications. The paper concludes with some strategies that practitioners and researchers can adopt to develop effective marketing communication strategies using social media platforms.

## 1. Introduction and Rationale

Luxury products are always characterised by authenticity, exclusivity, uniqueness, innovation, craftsmanship, premium pricing and high-quality (Okonkwo, 2007; Ozuem & Azemi 2017). Brun & Castelli (2013), also refer to the creative and emotional intangible worth. The overall luxury market grew by 5% in 2017, to an estimated €1.2 trillion globally. Most luxury segments experienced positive growth (Bain, 2017). The personal luxury brands sector experienced growth worldwide, driven both by more robust local consumption (up 4%) and by strong tourist purchases (up 6%) (Bain, 2017). In addition, wholesale remains the largest channel for personal luxury goods, accounting for roughly two-thirds of all sales. The relentless expansion of e-commerce has continued, with online sales jumping by 24% in 2017, reaching an overall market share of 9% (Statista, 2018). Also, the extensive development of social media has changed the democratisation of communications (Dann & Dann, 2011).

The introduction of Web 2.0 has transferred the internet to a social environment through developing social media platforms that allow users to interact and share content online (de Vries, Gensler & Leeflang, 2012). Social media is increasingly regarded as the new way to establish relationships with consumers. With the rise of social media platforms, users can more easily access information from many different sources generated by other people's experience and reviews. At

this point, the involvement of consumers in social media is an important factor in the marketing aspect for businesses. More and more brands now communicate with consumers directly via popular social media platforms to promote products as well as to establish a connection with consumers (Hollebeek, Glynn & Brodie, 2014). In addition, the use of social media has increased dramatically in recent years. As of 2017, the daily social media usage of global internet per user amounted to 135 minutes per day, up from 126 daily minutes in the previous year (Statista, 2018). Luxury brands need to adjust to the new trend created by the market (Kim, Lloyd & Cervellon, 2016).

Theoretically, social media has been identified in scholarly literature (Mathur et al., 2012; Nair, 2011; Dann & Dann, 2011; Stokes, 2010). Additionally, Okonkwo (2009) has proposed that it is important to use the internet to market products in a luxury market. This research is firmly based on social media platforms rather than on all internet services. Forbes & Vespoli (2013) conducted research with 249 consumers, concluding that consumer buying decisions are influenced by their friends' opinions on the social media. The study concluded that more than 50% of respondents, users of Facebook, used social media to obtain product reviews from friends or other contacts. This result also supports the opinion that social media has an impact on the buying behaviour of consumers.

## 2. Contextualisation: Social Media

There are already many researchers in the world providing a definition of social media. The definition given by Kaplan and Haenlein (2010:60) was considered to be the most widespread in literature, defining social media as “a group of online communications channels based on the technology of Web 2.0 which provide platforms to exchange information”. Web 2.0 is designed to provide different kinds of tools that allow users to share and publish content with online contacts and friends (Evans, 2011). Safko (2012) stated a concept similar to that of Kaplan and Haenlein (2010) in that people share information, experience, and ideas online by using media. Strauss and Frost (2009:328) defined social media as “a word to describe the media based on communication online”. Social media differs from traditional media where information is generated as a monologue, whereby participants on social media can interact, discuss, and edit the content (Strauss, & Frost, 2009). As noted by Nair (2011), social media platforms are places where participants can share opinion and perspectives. Ngai, Tao and Moon (2015) claim that social media is a platform on which information is created and initiated by consumers to educate each other about brands, products, and other kinds of issues. These authors support the opinion that people are more likely to be persuaded by reviews generated by other consumers in social media channels rather than by the companies themselves.

However, there are also some different voices about what social media encompasses. There are no clear boundaries existing between the categories. According to Hutton and Fosdick (2011), the purpose of engaging socially online for consumers is to fulfill certain needs. This may include their wish to promote themselves, share experiences with contacts, or just have fun. Four other motivators have been noted by Heinonen (2011) referring to the reason why people use social media. They include socialising, entertainment, self-status seeking, and information gathering. However, Constantinides and Fountain (2008) identify five types, namely blogs, communities, forums, social networking sites, and content aggregators. Khan and Khan (2012) also mention that businesses need to place emphasis on social networking to reach customers since certain traditional channels are not as effective as before.

Mayfield (2008) has demonstrated that social media gathers the contributions and feedback from participants, and social media sites are characterised by the following: participation, openness,

conversation, community, and connectedness. Firstly, the participatory characteristic of social media encourages users to contribute and give feedback. By doing so, social media blurs the line between media and users (Mayfield, 2008). Drury (2008) also illustrated the participatory nature of social media which enables users to share more democratised content. As a result, many companies utilise social media as a tool to facilitate a participative culture (Ross et al., 2009). Secondly, social media is openness. All services on social media seek feedback, which shows through the function of making comments and sharing information. This differentiates from traditional/industrial media, which is about transmitting and distributing information to an audience. In addition, Hoyer and MacInnis (2010) support the point proposed by Mayfield (2008) that social media is a two-way communication and that the information from a real person is more persuasive than that from traditional media. Thirdly, social media allows individuals and businesses to communicate more effectively since they can identify people with whom they want to be associated. In other words, it provides users with a mechanism to develop connections with others who share commonality with them. Social media is not simply to collect information, but it concentrates on a concept or common goal. For instance, people may share their online comments in terms of news or stories; however, this is not necessarily regarded as belonging a community. The core aspect of social media is to establish a link between individuals who have a certain commonality. This process is influenced by individuals' needs and interests. Furthermore, social media platforms can connect to other websites, resources, and people which offer connectedness to their users (Mayfield, 2008). Chan-Olmsted and Cho (2013) define social connectedness as a pattern of active and interpersonal behaviours. People with high connectedness are close to others and identify with them; they are more engaged in social groups. By contrast, people with low connectedness are usually psychologically distant from other people.

Consequently, due to these social media characteristics, people are motivated to participate in these platforms to share among themselves and for entertainment. Communicating by social media does not need to follow traditional communication structures of non-transparency and hierarchy. Now consumers can access information and message more easily than before. Since consumers actively take part in social media to share content online, they achieve strong influence in the social media (Hollebeek, Glynn & Brodie, 2014). Kozinets et al. (2010) add that online groups have an influence on consumer buying behaviour in the purchase decision. E-commerce can now be conducted via social media and it enables the acquisition of additional potential customers.

### **3. Social Media and Consumer Buying Behaviour**

Consumer purchasing and decision-making have changed significantly because social media facilitates purchase transactions and influences this, from information searching to post-purchase behaviour (Mangold & Faulds, 2009; Stokinger & Ozuem, 2015). During the process of consumer decision-making stages, social media is applicable as a prompt and a validation (Evans, 2011). It impacts awareness and provides support for purchase decisions. Social media can build brand attitudes that influence buying behaviour (Ashley & Tuten, 2014). A positive brand image would motivate a customer to make a purchase decision. The attitude towards to a certain product or brand can be affected by the shares or recommendations posted on the social media by friends (Ozuem & Tan, 2014). After becoming interested in a product, consumers tend to identify available options and search for information (Ashley & Tuten, 2014). According to Belch and Belch (2004), the information source can result from an internal and an external search. In an external search, consumers tend to seek information by consulting personal sources. Social media platforms are important ways for consumers to ask for information about a certain product or service from their friends (Power & Phillips-Wren, 2011). For example, the 'like' button on Facebook serves the

function of showing to others that he or she likes a product. Thus, their peers can see their friends' response and then recognise their new needs. Word-of-mouth marketing is a way that can strongly influence peer-to-peer advertisements (Khatib, 2016). People tend to share their purchase experiences if they are satisfied with a certain product or service, thus creating hype among participants (Shantanu et al, 2014).

In Mirza's (2008) study, blogging signifies a large number of respondents sharing their experiences and expressing themselves, which suits consumers' needs on social media. Ozuem, Howell & Lancaster (2016) also highlight the fact that consumer interactions on social media are a vital part of consumer engagement because consumers are more likely to trust their friends. Moreover, social media might create a consumer need through advertising on Facebook and through the information shared by friends (Helal & Ozuem, 2017). This could stimulate consumers to recognise their unfulfilled need(s). However, on the other hand, it was found that consistently posting similar or the same messages on Twitter and Facebook leads to a lower consumer engagement rate and decreases customer engagement (Ordenes et al, 2018). A further conclusion is that consumers are more likely to interact with content that is informational or emotional, rather than with demands or commands. Therefore, brands should develop informational and emotional social media language to engage with their consumers. Additionally, it is important for brands to refine?? their content according to the specific sequences and mainstreams, as the use of social media is dynamic for consumers (Ordenes et al, 2018).

Social media can also be a tool for businesses to make connections with their customers. The study conducted by Sema (2013) shows that through social media, consumers are able to communicate directly with brands. One of the significant characteristics of social media is that it develops a feedback loop. The conversations that happen on social media are more likely to be dynamic and flow in at least two directions. Increasingly, consumers use social media as a tool to search and buy products or services. Meanwhile, consumers are able to communicate with brands directly via social media if they have problems with the products. Moreover, after making a purchasing decision, consumers can evaluate the result of their purchase decision. According to Chaudhry (2014), this stage will have an impact on the customers' future buying behaviour. Additionally, since they will have different levels of satisfaction and dissatisfaction, their experience will also influence their peers.

Numerous studies (e.g. Jaffe (2010); Pitta (2013); Kotler and Keller (2009)); were examined to achieve an in-depth analysis of word-of-mouth communication, with the purpose of building a connection between these and the buying behaviour of social media users. According to Hennig-Thurau et al. (2004:39), online word-of-mouth communication is described as "any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the internet". Word-of-mouth is experiencing great growth online mainly due to social media platforms allowing consumers to share their experiences online (Hoyer & MacInnis, 2010:408). The participative characteristic of social media indicates that Word-of-mouth can spread in a very fast speed and over a wide range (Gruen, Osmonbekov & Czaplewski, 2006).. This has significant influence on consumer buying behaviour. Research has been conducted to investigate the impact of online word-of-mouth communication on consumer decision-making and consumer attitude to products (Brown et al., 2007; Chevalier & Mayzlin, 2006). The common feature of these studies is that they regard the information supplied through word-of-mouth communication as more trustworthy compared with the information generated by brands or companies (Ansarin & Ozuem, 2014). In addition, Chen (2017) suggests practical insights of use to marketers in influencing WOM pointing out that different types of content should be used to connect with different groups or audiences. The research proposes to investigate WOM between strangers and friends through social acceptance.

Accordingly, there are WOM differences when communicating with strangers and friends.

#### 4. Managerial Implications and Conclusions

The current research findings indicate that the buying behaviour of consumers towards a luxury brand is significantly affected by social media. The research also shows that some social media platforms are the first platforms that contact consumers when a new series of products is launched. The study has revealed that social media serves as important information platforms which include product reviews and other information that help to promote brands and improve product awareness. However, despite social media being considered advantageous platforms for consumers to seek information on luxury products, it should be noted that from the consumers' perspective, the luxury brand advertising on the social media seems to devalue the luxury brand's name and reputation.

From the research, it becomes apparent that consumers who follow luxury brands' official blogs still prefer to communicate with these brands through traditional media. It also indicates that because of the special characteristics of luxury products, consumers prefer physical interaction with luxury items and enjoy the service provided by the sales staff to assess the high quality and uniqueness of the items. Considering social media sites being perceived as convenient ways for consumers to interact with people and also brands, it is significant for luxury brands to affect the brand perceptions via social media. For instance, luxury brands should publish some product information that is not easily accessible at their boutique such as videos and behind-the-scenes pictures of their product shows. This kind of information leads consumers to cultivate an interest in knowing about the workings of luxury brands. Then, consumers may be attracted by it and become interested in the brand.

Results from this paper have demonstrated an insight into the impact of social media and how it affects consumer buying behaviour. This relates directly to the convenience of searching information and illustrates the way luxury brands contact their consumers. Therefore, luxury brands can integrate the social media and traditional media. They can initially focus on traditional marketing strategies to draw consumers' attention and show the exclusive characteristics of their brands. Then, they connect with their consumers in the more effective, convenient way that social media platforms offer. Via a combination of traditional media and social media, consumers have the convenience of obtaining product information and they are able to interact with brands easily. Furthermore, consumers enjoy glossy advertisements of luxury brands in magazines which make them feel that they are important to the business. Therefore, it is important for luxury brands to provide both traditional channels of communication and social media communication.

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