Lüks Marka Pazarlamasına Dijital Bir Yaklaşım: Burberry

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Öz

Dijital trasformasyon iş dünyasında devrimsel bir rekabet başlattı. Şirketler bu değişime uyum göstermek, hayatta kalabilmek, rekabetin gereğini yerine getirebilmek ve konumlarını koruyabilmek için işlerini yürütebilmenin yeni yollarını keşfetmek durumundalar. Mobil iletişim ve sosyal medya « dijital kanallar » diyebileceğimiz, özetle şirketler ve müşterileri arasında yeni dijital iletişim kanalları yarattı.

Dijital kanallar bağlanabilirlik özelliği ile dijital devrimde önemli bir rol oynamıştır. Dijital trendler insanlara bireylerin zaman ve mekan sınırı olmadan iletişim kurabilme, bilgiyi dünyada yayabilme ve işlemler yapabilme imkanı. Buradan hareketle müşteriler artık sadece statik bir bilgiyi arama ya da kaydetme işlemi yanında etkileşimde bulunabilme, bilgi yükleme ve kendi içeriklerini ağlara yayma imkanına sahiptir.

Müşteri etkileşimleri iş stratejilerini etkilemiştir. Şirketlerin karşılaştığı en büyük zorluk bu kanallar aracılığıyla müşteri ihtiyaçlarını anlayabilmek, zira dijital dünyada artık geleneksel müşteri segmentasyonu mevcut değildir. Dijital kanalları geliştirip, başlatmaktan ziyade onları işletilebilmek ve müşteriye değer yaratabilmek önemlidir.

Pazarlama ve dizayn edilmiş araştırma, duyguları marka tutum ve davranışlarına etkisi olduğunu ispat ettiği gibi uzun dönemli müşteri ilişkilerinin de ekonomik değerini etkilemektedir.

Bu makale Forbes'in 2015 en değerli markaları arasında 94. sırada olan ve 2016'da dijital IQ derecelendirmesinde 1. sırada olan Burberry markasının lüks markaların dijital pazarlamasındaki mevcut konumunu değerlendirerek, lüks moda ve marka pazarlamasına genel bir bakış sağlamaktadır.

Bu makale aynı zamanda başarı elde etmek için dijital pazarlamanın tamamlayıcı önemini göstermektedir. Bu çalışma Burberry'nin dijital müşteri deneyimine duyguların, iş iletişiminin ve dijital kanalların kesişerek nasıl bir fikir verdiğini anlatmaktadır.

Atıf Bilgisi / Reference Information

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A Digital Touch to Luxury Brand Marketing: Review of Burberry Case

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Abstract

Era of digital transformation has created an entirely new class of competition across businesses. Companies have to keep up with these changes and in turn developing new ways of doing their businesses in order to survive, and to respond and adapt their position in such competitive environments. The mobile internet and social media have created new digital communication channels between a company and its customers labelled as 'digital channels' (Edelman, 2010 :62).

Digital channels have played a significant role in the digital revolution through online connectivity. Digital trends in society have enabled individuals to communicate without the boundaries of time or place, accessing information worldwide and making multiple transactions in real time (Brand & Henning, 2002). Moving from here, customers are no longer just downloading or searching for static data, but are able to interact, upload and share their own content to a wider online network.

Customer interactions through digital channels have influenced business strategy (Schultz and Peltier 2013). The main challenge faced by companies is understanding their customer's needs through these channels, as traditional customer segmentation is no longer valid in a digital world (Nunes & Cespedes 2003 :104). Rather than developing and launching digital channels; making them truly engaging and valuable to the customer is difficult (Schultz & Peltier, 2013).

Marketing and design research has proven that emotions have influence on attitudes and behaviour towards brands and the economic value of long-term customer relationships (Hill, 2010; Mattila, 2001).

This paper intends to provide an overview on luxury fashion marketing and luxury brand marketing, by looking at the current role of digital marketing in luxury fashion brand Burberry, (ranking ninety-fourth on the 2015 Forbes list of World most valuable brands, eighth on the 2015 Luxury Institute of New York list and first ranked by Digital IQ Score on 2016) The paper also highlights the significance of integrating digital marketing as a key component to drive success. The study also shows an illustration of intersecting the areas of emotions, business communications and digital channel to provide insights into the Burberry's digital customer experience.

1. Luxury Fashion Marketing

1.1 The Concept of Fashion

The concept of fashion is such that it remains popular for a limited period of time, although this fixed period could be a matter of days, weeks, months or years. In fact entire decades have been linked to the clothing fashionable in a particular decade, for example 1970s disco chic or 1960s hippy style. Regardless of its duration, something which is in fashion, will by definition, inevitably lose popularity at some point to be replaced by a new fashion and the cycle begins again. This notion of a 'cycle' relates closely to research in the field of sociology by Rogers on the theory of the 'diffusion of innovation' and to the product-lifecycle model.

1.2. The Concept of Luxury Fashion

The luxury industry can be considered as small, in terms of the number of companies. However, it is far above its weight both in terms of sales revenue and influence on consumers. Luxury brands frequently lead the marketing world; as the best design, the best materials, the best promotions, and the best packaging takes place in the luxury industry. The fashion marketing of luxury brands should focus on new developments, theories, and knowledge in order to see the trends toward global luxury and fashion markets (Ko and Megehee, 2012:1395).

Luxury fashion brands (such as Louis Vuitton, Chanel, Gucci and Prada), are faces the risk of being left behind in the market if they not fully integrating digital marketing tools to engage their customers. Brands are searching how to handle it rather than avoiding it. Consumer behavior and expectation in relation to fashion aligned with the level of social media engagement had made this area of innovation in the internet is focus of attention in several fashion marketing studies (Kim and Ko 2012; Phan & Heine 2011). Thus, it has empowered customers giving them the platform to engage with brands consequently enhancing their expectation and perception of their brands (Ko and Megehee, 2012:1396).

The luxury-purchase decision process utilizes a high dose of emotions and irrationality which are raised by a high-impact experience (Okonkwo, 2007). The retail environment is becoming more competitive than ever, with e-commerce growing inescapably, at a rate that outpaces traditional retail channels (Blázquez, 2014:97). Luxury retailer Burberry and its digital campaigns have been selected for this study in order to review, due to Burberry becoming a leader in digital strategy.

2. Luxury Brand Marketing

The creation and development of luxury brands is an augmenting area of research interest (Ko and Megehee, 2012:1397). The use of social media marketing in the marketing of luxury fashion brands is significantly growing. The effects of social media on marketing activities positively affect value equity, relationship equity, and brand equity (Ko nad Megehee, 2012:1398).

Kim Willems, Wim Janssens, Gilbert Swinnen, Malaika Brengman, Sandra Streukens, and Mark Vancauteran (2012) noted that consumers buy luxury fashion brands to express or enhance their self-image, they can also patronize retailers with a self-congruent personality positioning.

Known worldwide for their distinctive check pattern, Burberry distributes clothing, footwear, bags and fashion accessories, jewelry and watches, cosmetics and until early 2015 it had licensed fragrances from Inter Parfums (who also developed and distributed perfume for other brands such as Jimmy Choo). It has been selected for this paper due to its digital channel strategy of building the 'Burberry Love' theme, becoming a market-leader in digital communications within the competitive sector of luxury brands.

3. Brand ID

Burberry has a rich history, at over 150 years old its fashion has seen the trenches of First World War, has been an official supplier to the royal family and worn by a range of celebrities (Ahrendts, 2013:40; Phan& Heine, 2011: 213; Moore and Birtwistle, 2004).

In 1879, Thomas Burberry invented gabardine – a breathable fabric made using an innovative process whereby the yarn was waterproofed before weaving. This fabric was not only water-resistant but also extremely durable. A patent was taken out in 1888 (www.burberry.com, 2019).

Burberry was the original name, but then the company soon switched to using the name Burberrys, after many customers from around the world began calling it Burberrys of London.

Burberry is now a leading luxury brand with a global business. The brand is carried in boutique stores and franchises across the globe while overseeing a fashion catalogue, a fragrance and cosmetic line.

The Burberry brand is defined by its authentic British heritage and is globally recognized by its trademark check, the iconic trench coat and Prorsum horse logo. What makes Burberry a well-known global company is Burberry still stuck by its founding principles of quality, function and modern classic style, rooted in the integrity of its outerwear (www.burberry.com, 2019).

4. Burberry Marketing Mix & Strategy

Product: The core product segments of Burberry are beauty, accessories, men, women, kids. All these offerings are the product strategy in the luxury fashion brand's marketing mix.

Price: Burberry uses premium pricing strategy to sell its products. The right mix of low cost range and the high end premium products is what Burberry aims to achieve. Being a luxury brand Burberry does not compete directly on price in its marketing mix with its competitors. The differentiators are product design, durability and perception.

Place: All of the Burberry stores are mainly located in highly populated areas which guarantee a definite revenue to the firm. Huge number of people residing in these areas fall into the target audience of Burberry. Also the Burberry stores coming up are more digitally influenced and innovative in terms of customer service. At the same time equal number of people buy online from burberry.com which constitutes a large percent of traffic.

Promotion: Burberry focuses tremendously on its marketing activities. Promotion is the most important part of apparel industry. Burberry uses promotions of all types of like TV, online ads, print ads, billboards etc in its marketing mix. Burberry recognised the importance of social media marketing and has been present since then. Investments in digital marketing helped Burberry communicate their brand message easily to customers. They heavily rely on celebrity endorsements (www.burberry.com, 2019)

Their competitive strategy is being market leader in digital & being market challenger in terms of the goods (Straker& Wrigley, 2016: 281).

5. Business Case Study: Burberry Love

5.1. Research Context and Design

The luxury-purchase decision process utilizes a high dose of emotions and irrationality which are boosted by a high-impact experience (Okonkwo, 2007). The retail environment is becoming more competitive than ever, with digital commerce growing significantly, at a rate that outpaces traditional retail channels (Blázquez, 2014). Luxury retailer Burberry and its digital campaigns have been selected for examination by, due to Burberry has becoming a leader in both digital strategy and marketing.

5.2. Burberry Love

To engage customers with the brand, Burberry formed increasingly personalized and connected experiences across all digital touchpoints with targeting audience was aimed at millennials (born after 1980). This was to transform their marketing strategy “from targeting everyone, everywhere, to focusing on the luxury customers of the future millennial”. With this new target audience, Burberry had to recode their entire marketing approach for millennials as they might be unnoticed by other luxury brands. Starting with their website, which was redesigned to show “everything in one place” to present every facet of the brand. This was planned to become the hub of all marketing and branding to highlight the world-wide known Burberry trench coat. The website was also designed to speak to the millennial customer through “emotive brand content: music, movies, heritage, storytelling”, as stated by Ahrendts (2013). Their digital strategy widen the brand’s audience, from “brand browsers” to “brand advocates” (Straker& Wrigley, 2016: 284). The “Burberry love” theme, which connected millennials with the brand via emotions, has been successful in motivating and engaging its target audience, which has contributed in the desired behavior of sharing the experience to others in their digital network and engaging intensely with the brand.

The study which examined the emotional analysis of Burberry’s mission statement and six core strategies revealed that the two emotional drivers about the brand were stimulation and pride (Straker& Wrigley, 2016: 288).

For the Burberry Love campaign, key digital channels included the Burberry website and social touchpoints Facebook, Instagram, Pinterest and YouTube in order to engage customers. The content on these touchpoints are primarily for promotion, with the aim of diversion and engagement. The customer engages selected from these digital touchpoints were coded and were categorized into six emotions (satisfaction, desire, admiration, enjoyment, stimulation and love). These emotions were then linked to a key strategy of Burberry’s mission statement and core strategies (Straker& Wrigley, 2016: 289).

Understanding a customer’s purchasing story starts from understanding the customers’ needs and desires, and then designing an experience that best meets those needs. Burberry paid close attention to their target customer and realized that millennials are more influenced by peers rather than anything that a brand might say to them. This ends up with the targeted audience want to stamp their personality on a luxury brand, and use products and fashion as an interpretation of their individual personality identity. Through evoking key emotions such as desire and stimulation, Burberry’s touchpoints such as Burberry Bespoke and Art of the Trench activities on their website in order to turn this interaction into a social activity. Customers bought the idea and spent their time into designing their very own Burberry trench coat or express a wanting to be captured wearing it (Straker& Wrigley, 2016: 292).

Burberry also redesigned its channels to evoke “Burberry Love”. All Burberry’s digital channels are inspired by promotional content, to arouse the theme of “Burberry love”. This “love” generated by the range of Burberry composed stories expressed across the digital channels through products, events, brand’s house ambassadors, social media and PR. The main point of the strategy of Burberry’s digital channels were not driven by increasing revenue, but to connect people through the Burberry brand. The brand shifted its efforts into “evoking emotions through customer engagement”. Burberry was also be able to create its own fan community via these channels, inspired from its core product: the iconic trench coat. The design of the digital touchpoints allow millennials for personalization and customization of not only products, but also services. This inspire to customer emotions such as enjoyment, stimulation and satisfaction leading to brand loyalty and enhanced emotional exchange. All channels are designed to promote to create and share content among Burberry communities generating

online brand circulation. All these individual engagements add to the overall marketing strategy of inviting others to be part of the Burberry story. (Straker and Wrigley, 2016).

Furthermore, Burberry has created a community for “Burberry Love”, eventually. Their digital channels and online activities arose positive emotions which can be linked to being in love. Feeling of being in love can be considered as such a strong emotion for motivating certain behaviors. In this case, love represents an emotion which seems irrational. Therefore, behavior outcomes of being love are possibly lead customers to see price is no object in achieving what they desire to feel. . Through all the different channels, such as Facebook, Instagram, Pinterest and Youtube, customers are invited to be part of the Burberry story. Ultimately, customers “thank Burberry” for a range of reasons including supporting new local artists on Burberry Acoustic, or exciting customers by receiving a Burberry Kiss, or to creating their very own Burberry trench (Straker and Wrigley, 2016). Music, kisses and customizing are free of charge and reinforces to build “good will” for a loyal customer who will continue to spend their money for the brand in the future (Davis, 2014). Liking, commenting, sharing, personalizing or purchasing are behavioral outcomes of brand-customer engagement. These customer behaviors promoted Burberry’s strategy of “a company can only make potential customers aware of the brand, current customers and advocates help sell it”, stated by Ahrendts (2013).

Burberry’s digital channel presence includes over 17 million followers on Facebook, 8.4 million on Twitter and over 14 million on Instagram (www.burberry.com, 2019).

6. Conclusion: Explaining the Success of Burberry’s Digital Engagement

In today’s world, being able to choose among products, services and businesses the ability to form relationships with customers have critical impact on customer retention. Fulfilling an emotional experience depends on the overall emotional consumption experience, which is determined not only by the consumption of the product but all engagements with customers (Straker & Wrigley, 2016). The Burberry business case provides academics and practitioners avenues for future research and applied considerations. In times of digitization, organizations are required to rethink the traditional concept of customer relationships, as new technologies are empowering customers. The conceptual framework presented leverages the role of design, highlighting opportunities made possible through digital channels. This research contributes by providing processes to better enable companies to build highly engaging customer experiences via technology, specifically digital channels.

Franke and Schreier (2007) also found that customers who value the opportunity to personalize a product are willing to pay more. Through the social sharing of the brand and the personalization of Burberry products the customer is able to place themselves in the brand, community and personalization becomes a way into the brand and a way to form emotion connections with it.

Atwal and Williams (2009) explain that luxury brand managers in particular should focus on experimental marketing by taking the essence of a product and translating it into a set of experiences that amplify the brand.

What Burberry was able to succeed is pairing the digital knowledge and daily habits of their millennial target customer. Digital channels are essential part of millennials’ daily lives, therefore engagement via these channels is both convenient and easy to navigate for them. Sharing across each channel provides quick sharing, spreading the awareness of the brand through “the internet of mouth”. The range of different activities across the Burberry digital channels allows users to benefit from the Burberry brand to reflect upon their own identities. The key strategy behind all Burberry’s digital channels is “personalization” through the strategic positioning of the “Burberry love” theme (Straker & Wrigley, 2016). Personalization has been proven to strengthen the link between customers and a

product (Sirgy, 1982). Personalizing the classic trench coat, scarves, perfume bottle promotes the idea that ownership of these items can symbolically define customer's identity.

The results from this study illustrate the impact of digital channel engagement, and act of falling in "love" with the Burberry brand is aided through the emotions evoked and connection formed throughout the experiences via the digital channels (Straker & Wrigley, 2016).

Series of these digital campaigns are evident through the growth, impact (both on brand and revenue) and high level of customer engagement with each digital channel. This significant increase in online customer engagement has concluded in an increase in gross revenue (www.burberry.com, 2019).

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