

# Luxury brand forums set the scene for status competition between consumers

**LSE** [blogs.lse.ac.uk/businessreview/2016/10/04/luxury-brand-forums-set-the-scene-for-status-competition-between-consumers/](https://blogs.lse.ac.uk/businessreview/2016/10/04/luxury-brand-forums-set-the-scene-for-status-competition-between-consumers/)

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We live in a world where we spend increasingly more time online. In fact, online activities are intertwined with many different aspects of our lives, from checking our Facebook profile in the morning over breakfast, to posting photos of our gym achievements on Instagram.

Fast Moving Consumer Goods (FMCG) companies have been seizing the trend early and are now offering rich and diverse ways for consumers to connect together and with their favourite brands. Luxury brands, however, have been slower to enter the social media sphere. But they have gradually adapted to changing consumers' habits, and started launching websites and, for the more adventurous, online stores. Eventually, the 2009 global financial crisis and the growth of Asian and Middle Eastern markets gave luxury brands no choice but to integrate digital platforms to preserve and enhance their customer relationship.

This resulted in profound changes in how luxury brands interact with their audience – now broader than ever. Traditionally, luxury brands focused on exclusivity and prestige, and were reserved to an elite. Brands would aim at building a relationship with consumers in store, developing a deep knowledge of their most complex and at times extravagant preferences. Luxury brands' growing presence in the digital world changed the ways in which they engaged with consumers. It also opened doors to a wider audience, who would not necessarily have entered a luxury store before or even engaged with a luxury brand.

Yet, it also created new challenges, for brands that suddenly had to engage with a broader audience with different expectations and habits. Whereas traditional media (press, cinema or television) offered a good control over the target audience, social media offer reaching a wider mass, while losing some control over both the way a message is interpreted and shared by the recipients.

Among the platforms that indirectly contribute to the reputation of a brand through the interactions of consumers are

brand forums, which gather consumers interested in sharing their interests in a given brand. Such forums gather information for consumers but also for marketers, who can observe discussions happening about their brands on these forums. In our research, we explore consumers' interactions on luxury brand forums dedicated to luxury consumption, and looked at how forums can remain impermeable to the brand's influence. We were particularly interested in uncovering luxury consumers' motivations to contribute to online luxury brand communities in the fashion industry and how they interacted with other online consumers.

### **Two sides of the same coin: maintaining vs. gaining status in luxury brand forums**

We identified two groups of consumers – the 'haves' and the 'have-nots', both developing their own strategies to compete on the forum. The 'haves' are high-power members describing themselves as coming from wealthy families and possessing a large collection of luxury goods. Their motivation to participate in online luxury forums mainly comes from a desire to restate their wealthy status by regularly displaying their luxury collection in the forum, and becoming reference points for their followers. The 'haves' do not initiate any conversations when creating threads; rather their posts are picture-centred, exhibiting their continuously expanding luxury collection and stories of their shopping and post-purchase experience with the goods. Their scarce and occasional replies are highly sought after by the 'have-nots'.

The 'have-nots', on the other hand, are low-power members on the community, and merely possess and display one small luxury item or none. Their main motivation in joining these forums is to get a sense of belonging to the community, in order to experience a life of luxuries through the proxy of the 'haves'. For them, however, occasional posting on luxury forums is not enough. Their goal is to associate with the haves as much as possible, and to dissociate from the have-nots. In order to do so, they use flattery (e.g. "you've got great taste and style") and self-deprecation (e.g. "I wish I had parents like yours") tactics to reach out to the haves. They do so by regularly posting compliments to the high-power members about their collection and tastes. Occasionally, when posts sound sincere and not too generic, high power members feel flattered and answer back. This can even occasionally lead to the development of an offline friendship between both members, in which they engage in activities such as offline shopping.

### **Product over brand**

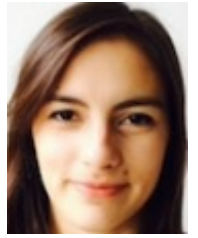
What is the role played by luxury brands in all this? Interestingly, we found that the social aspects of belonging to an online luxury community were stronger than the desire to develop any form of relation with the brand. Community members were more interested in products and their features than the brand itself, which was often in the background and barely mentioned. This raises interesting questions about the upcoming challenges for luxury brands and digital marketing, as they come to engage with a new type of audience. More than ever, luxury brands become a mean to an end for individuals who want to signal about their belonging to a certain elite world. Yet, the cohabitation between haves and have-nots online creates a puzzling situation for brands where target and non-target audience coexist.



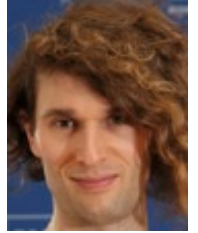
#### *Notes:*

- *This blog post is based on the authors' paper [Exploring the Specificities of Online Luxury Brand Communities: an Ingratiation Theory Perspective](#), in *NA – Advances in Consumer Research Volume 43*, Association for Consumer Research, Pages: 379-383 (2015)*
- *The post gives the views of its authors, not the position of LSE Business Review, the London School of Economics or the University of Minnesota.*
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