

Storytelling and Social Networking: Why Luxury Brand Needs to Tell Its Story

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Abstract

Recently, luxury brands are selling their products to consumers using their own direct online channels. In the online channel, marketing strategy through storytelling is needed because consumers do not have enough product experience. Therefore, luxury brands are actively utilizing social media and delivering stories includes their birth and growth. Unlike mass media, social media communicates with consumers more quickly and frequently and delivers the story of brand naturally. This study classifies luxury brands into four groups based on story recognition of luxury brands and self-esteem, and analyzes and materializes each group of the propensities of luxury brand consumption. It also tries to draw strategic implications for effective SNS advertising by analyzing narrative transportation on SNS advertising, interests in videos, and the interests in story based on these typified groups of luxury consumption. The result of the analysis shows that there is a difference in consumption propensity among consumers who were classified into four groups according to story cognition of luxury brands and self-esteem. There is also a difference in the response to narrative images through SNSs, such as narrative transportation, interests in videos, and interests in brand stories.

Keywords : Shopping Mall, Brand Management, Luxury Brand, Brand Story, Self-Esteem, Narrative Transportation, Social Media

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1. Introduction

After a slow start, luxury brand has earned its place in the digital universe. Most brands now interact with consumers both through their own branded online store and on multi-brand e-tailers. And even though pure online transactions are currently just a sliver of the total luxury goods market, this isn't going to stay the case for very long. Nearly half of luxury goods buying decisions are already influenced by what consumers hear or see online.

Emotional sharing of brand has a power of connecting brand and consumer by transcending rational reason. Brand emotionally affects the public and can have more meaning than buying and selling goods. In particular, sharing emotional experience has been treated importantly in luxury brand management. Story and emotional experience of luxury brands provides consumers with a chance to create shared experience, and as a result, the brand story clearly delivered which bring consumers' voluntary participation. Recently, many luxury brands create customer commitment experience through emotional communication based on experience and communicate through SNS such as Instagram, Facebook, and Twitter. Communications through SNS can deliver real-time messages that luxury brands wants to deliver and receive feedback, regardless of time, place or types of media. Therefore, it is a good device to connect luxury brands with consumer's story and experience.

Especially, with history and tradition, luxury brand has various stories related to birth and growth process, designer and muse. Luxury brands have maintained brand identity and marketing concept based on these stories. The delivery of brand story that had been limited through mass media adverti-

sing is now easily and diversely delivered through social media. Images included the story of the birth of luxury brands, the effort for quality, designer's life, and the date of the muse quickly delivered and naturally permeated to consumers. Thus, consumers form the image and attitude of luxury brands based on these images. The increasing usage of social media as a marketing communication device for luxury brands has an important influence on purchase intention of luxury brands, and it is necessary to empirically analyze them empirically [Kim and Ko, 2010].

What kind of emotional empathy and emotions do consumers have about luxury brands that actively operates SNS, and how will it affect the interest of the brand? This study examines how the story of luxury brands delivered through SNS is being received by consumers. Therefore, this study starts from the question of how many consumers will understand the story and consume the brand. And, it tries to analyze it by linking self-esteem to find out the propensity of consumers consumption who do not understand the story. Self-esteem is a personal evaluation of one's self. The reasons for consumption of luxury brands may differ according to these evaluations, and the patterns of understanding and consumption of luxury brands story may show difference. This study has two purposes: First, it is to classify luxury brands into four groups based on story recognition of luxury brands and self-esteem, and analyze and materialize each group of the propensity of luxury brand consumption. Second, it is to find the effect of advertising by analyzing narrative transportation on SNS advertising, interests in videos, and the interests in stories based on these typical groups of luxury consumption. The study 1 will analyze the typology. Based on the result of this, study 2 will examine to

compare advertising effects by type. Therefore, the result can provide strategic implications of SNS advertising for delivering stories of luxury brands.

2. Study 1 : Luxury Brand Consumption According to Level of Self-Esteem and Story Cognition

2.1 Theoretical Backgrounds and Hypotheses

Brand has its own story. There are many stories that express the values of luxury brands such as background of birth, history and, etc. Especially luxury brand delivers stories those are based on history and tradition. This is because these stories enhance the brand's value, differentiate it from competitors, and bond customers and companies [Van Laer et al., 2014]. However, do consumers consume luxury goods while truly understanding and sharing stories of luxury brands? The motivations of luxury brand include promoting social status and reputation, supporting and restoring self-identity, belief in superior quality of products, hedonism, social necessity, and scarcity. Based on the study of motivation of luxury brands consumption, most luxury brands consumers tend to consume luxury goods to show off, for quality expectation, and for pleasure rather than understanding true stories and consuming value. Therefore, researches related to this have been conducted. Recently, trends have been changed with consumption for oneself rather than the propensity of conspicuous consumption. Thus consumers who think in-depth understanding and sharing on brand importantly are increasing.

This research first started with a pretest of how consumers perceive and understand the story of luxury brands. As a result, most

respondents answered they do not know and only a few consumers consume luxury goods after understanding about luxury brands. The reason of consumption without understanding luxury brands can be found in self-esteem. Self-esteem is that saying the perception of self. It refers to evaluation of saying yes or no. Self-concept is a personal evaluation, and the goal of evaluation is to protect or enhance self-esteem (Coopersmith, 1967; Paradise and Kernis, 2002). The closer the distance between the ideal self and the realistic self, the higher the self-esteem.

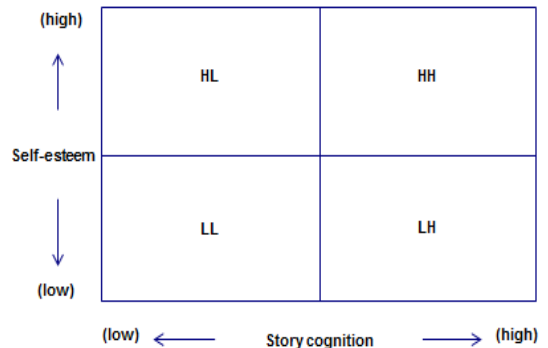
People who are psychologically stable are not affected by external stimuli but they may change by depending on outside [Dommer, Swaminathan and Ahluwalia, 2013]. In other words, self-esteem is sometimes determined by others, thus, people want to seek a good evaluation from others and thereby seek to enhance self-esteem of them. Self-enhancing bias is a universal phenomenon that protects self-esteem and has a positive self-image for oneself by positively interpreting and perceiving reality related to oneself. Efforts are made to enhance self-esteem in many ways by enjoying good performance, trying to achieve better result, and getting interest in obtaining information that can identify their superiority. Sometimes people pretended to be strong by conceal unstable and weak self-esteem, and contingent self-esteem can easily change dependence on the evaluation of the surroundings. Self-esteem, which is easily dependent on outside, tends to depend on external materialistic values such as money, image, and popularity [Deci and Ryan, 1995]. Research show that new athletes tend to wear well-known brand outfits other than those have earned reputation [Braun and Wicklund, 1989]. Luxury brand consumption is also a way to increase self-esteem in the sense of using

external means to express self-esteem. According to the social comparison theory, people compare themselves with the model who appears in the advertising and forms satisfaction with themselves [Richins, 1991]. Therefore, people consume luxury brands to show their status to the others [Veblen, 2009].

〈Figure 1〉 distinguishes groups of luxury brand consumption based on self-esteem (Low/High) and story cognition of luxury brands (Low/High). LL is likely to consume luxury brands to enhance self-esteem and the propensity of conspicuous consumption will be high. The propensity of conspicuous consumption is done with the desire to show off the ability to buy products at a high price [Mason, 1981]. With a high level of self-esteem, HH consumes a brand that suits their lifestyle because HH understands the story of luxury brands and then consumes. Thus, the propensity of conspicuous consumption will be low in HH because they are likely to enjoy the value of brand.

Among these groups, the difference is shown not only in the propensity of conspicuous consumption but also in self-satisfaction and quality assurance on luxury brands. Self-satisfaction and quality assurance are likely to be low in LL. Therefore, followings are hypotheses.

- H1. Self-satisfaction will be significantly different regarding story cognition of luxury brands and self-esteem.
- H2. Quality assurance will be significantly different regarding story cognition of luxury brands and self-esteem.
- H3. The propensity of conspicuous consumption will be significantly different regarding story cognition of luxury brands and self-esteem.



〈Figure 1〉 Typology of Luxury Brand Consumption based on the Levels of Self-Esteem and Story Cognition

2.2 Method

Surveys were conducted by using the Google Survey with young people in their 20s who are familiar with SNSs in South Korea. The survey subjects in this study were limited to 20s, because they are a generation with a high understanding of storytelling through SNS. In addition, the subjects were selected only for specific generations lest differences by various ages did not affect them.

152 surveys were handed out, and as 12 of the returned questionnaires were imperfect. Therefore, a total of 140 questionnaires were used for analysis. Respondents consist of 84 males (60%) and 56 females (40%). The collected data were used in the SPSS (statistical package for the social sciences) program for analysis.

In the questionnaire, respondents were asked to choose a luxury brand they preferred and answered questions about how well they knew the brand's story. Moreover, they answered individual questions about their self-esteem, story cognition, self-satisfaction, quality assurance, and propensity of conspicuous consumption. Self-esteem is described as a sociometer that monitors whether an individual is being included or excluded and motivates

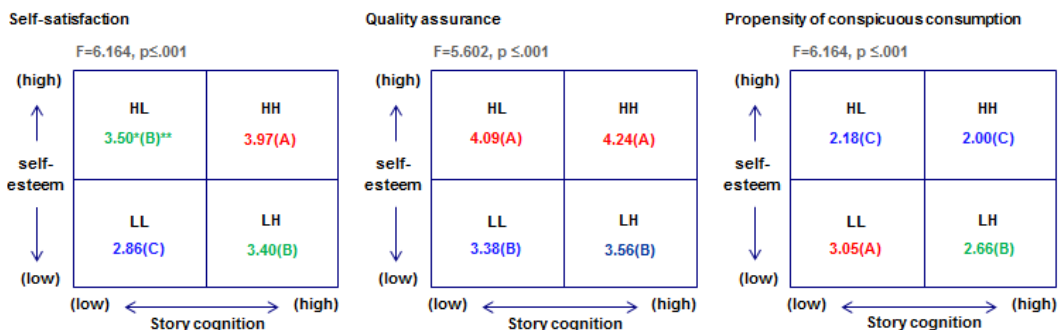
the person to engage in behaviors that minimize the probability of future rejection [Leary and Baumeister, 2000; Baumeister and Leary, 1995]. Story cognition is the extent of understanding story related with birth, history and story of luxury brands. Self-satisfaction is defined as a pleasurable experience using a direct product brand in itself [Csikszentmihaly, 1990]. Based on research of Vigneron and Johnson [2004], quality assurance defined that the luxury brands has a superior quality compared the general products. Propensity of conspicuous consumption refers to the propensity to purchase luxury brands to show their status to others. All constructs were measured by a 5-point Likert type scale.

2.3 Results

For the comparison of the four groups, we examined differences of self-satisfaction, quality assurance, and propensity of conspicuous consumption as dependent variables (see <Figure 2>). This study was divided into 4 groups according to self-esteem and story recognition, and cluster analysis was conducted. As a result, self-satisfaction was highest in HH and lowest in LL. Quality assurance was low in the LL, LH, and higher in HL, HH accor-

ding to self-esteem. In contrast to self-satisfaction, the propensity of conspicuous consumption was the highest in LL and the lowest in HH.

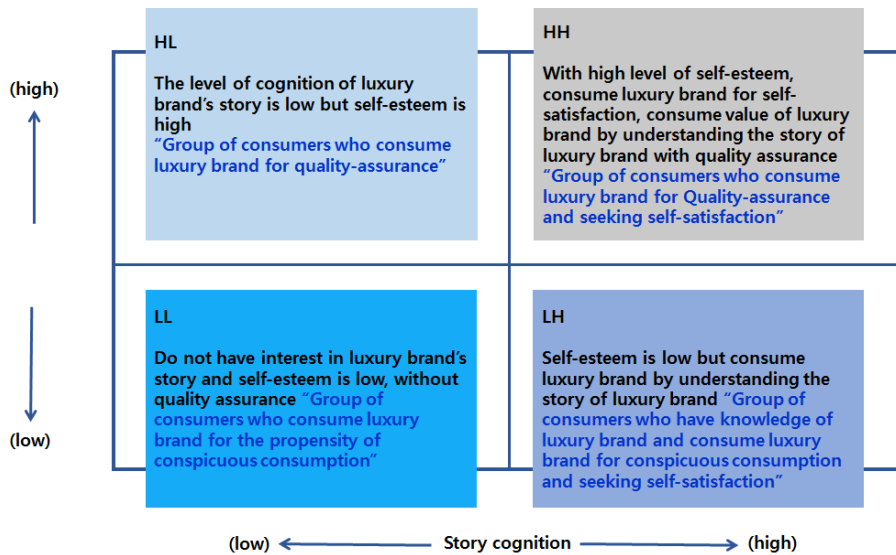
Based on these results, the characteristics of each type are summarized in <Figure 3>. LL is a type that has low self-esteem and low level of cognition of luxury brands' story. Here, self-satisfaction was lowest and the propensity of conspicuous consumption showed the highest. It is a group that buys luxury brands to show off to other people for their satisfaction. LH shows low self-esteem but recognize brand story and then consume. It has higher self-satisfaction than LL and shows low conspicuous consumption. Moreover, this group seems to seek conspicuous consumption and self-satisfaction simultaneously. HL, of course, has high self-satisfaction and lower level of the propensity of conspicuous consumption than LL but shows high in quality assurance. This group is more focused on quality assurance and consumption than other groups. HH is a group that has high self-esteem and story cognition. This group was high in self-satisfaction and quality assurance but low in the propensity of conspicuous consumption. And they consume luxury brands for self-satisfaction with quality assurance.



* The numbers are mean values.

** (A), (B), (C) were classified into groups with statistically significant difference in Duncan test.

<Figure 2> The Comparisons of Luxury Brand Consumption



<Figure 3> The Comparison between Self-Esteem and Story Cognition

It was found that there is a difference in consumption propensity among consumers classified into four groups according to story cognition of luxury brands and self-esteem. Furthermore, the next section will look at ways to increase the effectiveness by conducting the test to what type of consumers will be more effective when presenting the advertising to deliver story for the luxury brand consumers through SNSs.

3. Study 2 : Narrative Transportation of Luxury Brands in SNS

3.1 Theoretical Backgrounds and Hypotheses

Recently, luxury brands have drawn attention from consumers, showing designer's lives and episodes as well as their PR contents on SNSs such as Facebook, Instagram [Kim and Ko, 2010]. According to the rarity principle, the rarity of luxury brands is important, but high recognition is directly linked to purchase intention [Phau and Prendergast, 2001]. Unlike advertising for upper class consumers in 40~50s mainly through magazines, now

these are delivering message via SNS to 20~30s who are new to purchase luxury brands. Unlike the existing media, delivering luxury brand's message become more quickly in real time in a variety way based on the accessibility, interactivity, and familiarity of SNSs. Thus, consumers are constantly interested in and communicating with attached luxury brands through SNSs. In this process, the story of a luxury brands has naturally delivered and shared by the luxury brands. It indirectly delivers information and value of the target of advertising through story, rather than directly describing the strengths or characteristics of the product or brand.

Messages using these narratives are slow and cannot be easily predictable, thus messages that are against their existing attitudes cannot be easily recognized. Therefore, it is known to be an effective way to reduce resistance to new messages and gain empathy of consumers as intended. Narrative is a story or discourse. It is often used to enhance the effect of persuasion of educational messages such as education or public service advertisements.

It is called narrative transportation that these consumers show empathy and committed in the story of luxury brands [Kim et al., 2016]. According to narrative processing theory, the effect of persuasion is increased by driving strong emotional response on the story that matches self-experience [Green and Brock, 2000]. Therefore, many luxury brands builds and promote relationship by making self-brand connection between brand and consumer [Escalas, 2004]. Such attachment has an effect on consumer's persuasion. According to four types of luxury brand consumer groups classified above, it is predicted that there will be differences in narrative transportation. Responding to external effects may differ by self-esteem [Campbell et al., 2010], and there will be differences in interest in SNSs or in the story provided by luxury brands depending on the story recognition. Therefore, following hypothesis can be derived.

- H4. There will be difference in narrative transportation according to story recognition of luxury brands and self-esteem.
- H5. There will be difference in additional images according to story recognition of luxury brands and self-esteem.
- H6. There will be difference in interest in the brand story according to story recognition of luxury brands and self-esteem.

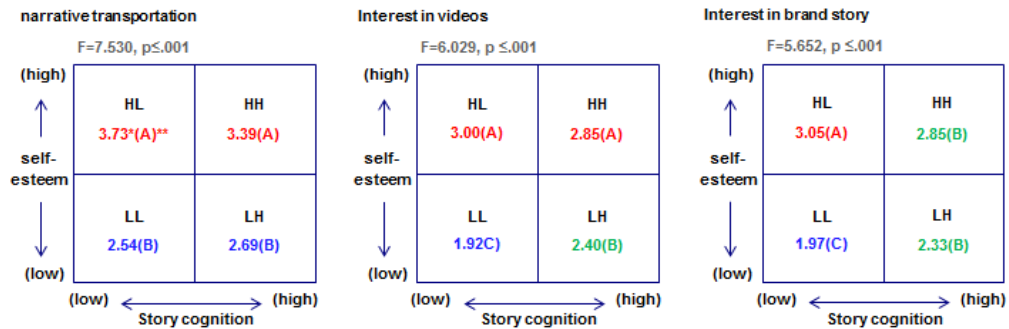
3.2 Method

Experiments were conducted to compare the previous four groups in order to investigate the difference in the effect of narrative images such as narrative transportation, interest in additional image, and interest in brand story in the case of accessing narrative images through official SNSs of luxury brands.

First of all, we selected two luxury brands (Chanel and Burberry) that actively operated their official SNSs with similar preferences through pretest, and conducted experiment by selecting each image with narrative in SNSs. It was confirmed that there is no difference in the preference ($M_{\text{brandA}} = 3.26$, $M_{\text{brandB}} = 2.95$, $F = 0035$, $t = 2.743$, $p \geq 0.1$) and narrative ($M_{\text{brandA}} = 3.59$, $M_{\text{brandB}} = 3.26$, $F = 4.796$, $t = 1.230$, $p \geq 0.1$) through the manipulation verification. In this experiment, respondents were asked to answer a simple questionnaire about their preference for luxury brands at first, and answer the questionnaire about narrative transportation, interest in additional image, and interest in brand story after seeing narrative image selected from the pretest. 150 respondents were randomly allocated to two images and 75 responded to each image. Respondents are in their 20s and men make up 50% of those taking part in the test.

3.3 Results

As a result of analysis of narrative transportation, two groups are divided as shown in the first figure in (Figure 4). The difference of story understanding was not affected by the level of self-esteem. When self-esteem is low, narrative transportation is low, and narrative transportation is high when self-esteem is high. Second, as a result of analyzing the response to the interest in the additional image, it was the lowest in LL and the highest in HL and HH, as shown in the second figure in (Figure 2). High self-esteem showed higher interest in videos same as narrative transportation. Third, the result of comparing the interest in brand story the highest in HL and the lowest in LL as shown in last figure of (Figure 4).



* The numbers are mean values.

** (A), (B), (C) were classified into groups with statistically significant difference in Duncan test.

(Figure 4) Consumer's Response Toward Narrative

Concerning low self-esteem, it is possible to try to increase self-esteem by easily accepting utopia presented in advertisement, and may not be interested in true meaning or understanding of brand itself based on the finding that consumers with low self-esteem can respond more sensitively to external influences and strength materialist value system through media [Campbell et al., 2010]. Concerning high self-esteem, consumers may tend to consume the brand by thinking of true meaning that brand gives rather than the effects of advertisement in the media [Singelis et al., 1999]. The result of this study also shows that when self-esteem is high, narrative commitment appeared to be high and the interest in videos can be increased.

In addition, it was found that all of the results show the lowest value in the case of LL. Thus, the interest in images of narrative or additional images, and the interest in brand story was found low because consumers belonging to LL show characteristics of luxury brand consumption which aim for conspicuous consumption. Unlike other results, the interest in brand story appeared to be higher in HL rather than HH and consumers show more interest in the story when story cognition is low. These consumers are groups that con-

sume luxury brands with quality assurance as mentioned earlier, they show the highest results in all cases, and especially they seem to be interested in the story in particular. Therefore, it is expected that narrative images will be most effective when they are targeted.

4. Discussion

This study begins with the question of whether brand story of luxury brands is truly understood and consumed. It is integrated and grouped consumers with self-esteem related to luxury brand consumption. And this study tried to verify advertisements effect of SNSs by analyzing reaction that each group shows to SNS narrative. According to the results of this research, the level of understanding the story of a luxury brands were shown to be very low. By comparing the propensity of consumption of consumers according to understanding and self-esteem, consumers with a high level of self-esteem and understand the brand story consume luxury brands for their satisfaction while consumers with low level of self-esteem and do not understand the brand story consume luxury brands to impress others. In this context, when nar-

rative videos through SNSs were given, respondents with a high levels of self-esteem showed continuous interest on videos. In particular, consumers with high level of self-esteem and low level of story cognition showed high interest in stories given on SNSs. This research begins with question of whether luxury brands consumers truly understand the story of luxury brands and make valuable consumption and found that understanding of story is related to the propensity of consumer's consumption. Especially, it is meaningful to provide implications for delivering the story through SNSs.

The theoretical significance of this study is as follows. First, we have theoretically studied from the perspective of narrative transportation for how much consumers are interested in the story by focusing on the story of luxury brands. Previous studies have focused on what story luxury brand has and how to deliver it. This study analyzes how consumers understand and think importantly the story. Consumer's perceptions are not significantly high compared to luxury brands making a great deal of effort to deliver the story. And they found consumers with higher self-esteem to be more interested in the story when they access the story.

Second, this study classifies characteristics of consumption by linking luxury brands with self-esteem. Although researches on conspicuous consumption have been carried out a lot, this study suggests more specific verification results in consumption sentiment of consumers by classifying types of consumption as its psychological factor. The propensity of conspicuous consumption, quality assurance orientation and self-satisfaction classified according to self-esteem and story recognition.

Third, we tried to verify the effect of SNS advertisement by comparing narrative transportation of luxury brands according to the type of consumption. Previous effects of advertising were measured by attitude change, purchase intention, etc. However, SNSs needed differentiated measurements of effect because they have different characteristics from existing media. Therefore, this study attempted to measure narrative transportation and continuous interest in images and the interest in the story.

The practical implication of this study is that narrative transportation can be used for targeting to increase the effect of SNS advertisement. According to self-esteem and story recognition, the level of narrative transportation changed and the interest in images and story differed. Thus, based on these criteria, classifying the market can be tried, and it can be used as a strategic method to target a specific market according to delivery goal of the story.

This study analyzed the propensity of luxury brands consumption and the effect of advertising according to how consumers understand the story from their perspective. However, it would also be meaningful to compare the effects of narrative transportation by analyzing after matching the extent to which luxury brands wants to deliver the story. In some cases, the story is exposed by strategy of luxury brands, but there is also a brand that is passive in delivering specific story while establishing mysticism. It will be difficult for consumers to understand the story first and consume the brands that fail to communicate much about themselves. In addition, the analysis of the comparison of the characteristics of brands with these strategies and the propensity of luxury brands con-

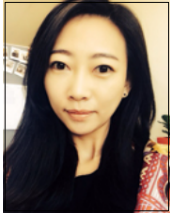
sumption would be meaningful topic of future research. In recent years, influencers and consumers have been playing an important role in the formation of the brand's story. Therefore, future research will have theoretical significance to analyze the difference in storytelling effect by classifying the types of 'consumer-led' and 'brand-led' story.

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