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# In the lap of luxury: Consumer conversation concerning online advertisements of luxury brands

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While branding is an area that is extensively studied in the marketing literature, there is a noticeable lack of attention to the study of luxury brands, and even more so from an online perspective. In this exploratory study, we make use of the content analysis software Leximancer to comprehend the consumer feedback around conversations about luxury brand ads posted online.

We study consumer comments posted on YouTube around three different luxury brands and analyse these comment in order to find meaning among the large volume of consumer discussion. We attempt to shed some light on how these conversations can be tracked and interpreted in order to gain valuable insight into the consumer's role in advertising through discussing the ads for well known luxury brands that were chosen for this study and the subsequent reactions to them. We go on to discuss the Leximancer tool that can be used for deciphering and interpreting the consumer conversations surrounding these ads and the results of the analysis. We conclude by acknowledging the limitations of this methodology, identifying implications for managers, and suggesting avenues for future research.

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#### Introduction

While branding is an area that is extensively studied in the marketing literature, there is a noticeable lack of attention to the study of luxury brands. This is surprising for various reasons. First, the international market for luxury products and services is prodigious (Cohen, 2007) and seems certain of future growth considering the increasing numbers of affluent consumers in markets such as China and India. Second, while brand extensions are widely studied in marketing (cf. Balachander & Ghose, 2003; Czellar, 2003; Meyvis & Janiszewski, 2004; Völckner & Sattler, 2006), attention to luxury brand extensions seems limited to practitioner orientated journals (Reddy & Terblanche, 2005; Reddy et al., 2009). Third, luxury brands are controversial: they provide conspicuous and controversial consumption symbols for consumers and are seen by some as the personification of excess (e.g. Sekora, 1977), yet by others as a pick-me-up in an otherwise mundane existence (e.g. Twitchell, 2001).

The purpose of this study is to comprehend the consumer feedback around conversations about luxury brand advertisements online. This necessitates a definition of the term "luxury" however, what constitutes a luxury product or service today has become somewhat of a challenge as the term "luxury" has not been clearly defined by marketers (Vigneron & Johnson, 1999). Since luxury brands are difficult to define, this paper is in agreement with Berthon *et* 

al. (2009) that luxury brands are better "conceptualised" rather than defined. Berthon et al. (2009) propose that luxury brands should be thought of as having three dimensions: the functional (what the brand does), the experiential (the subjective value a particular luxury brand has to a particular individual) and the symbolic (what the luxury brand allows the user to symbolise to the social collective). For example, the Porsche Panamera (which is to be discussed later in this paper) is a very fast, reliable and safe car indicating the functional dimension. It is valued by individuals who seek speed and performance in a practical way (as opposed to stylishly uncomfortable vehicles such as Ferrari or Lamborghini) which shows the experiential dimension. And finally, it signals wealth and prestige and this can be used to constitute and reinforce the owner's self image, whom through their display of the Porsche may reinforce the brand's collective image, and by extension, theirs as well, indicating the symbolic dimension.

Kapferer and Bastien (2009) contend that everyone wants their product to be luxury today and these types of products have become far more readily available in recent years. They remark that luxury today is everywhere as there are various columns in magazines discussing luxury as well as numerous television programs about luxury items and the business thereof. They further note that even massconsumption brands refer to many of their products as 'premium' or 'deluxe'. Fiske and Silverstein (2002) observe that a decline in household size (and resulting increase in family income), a rise in levels of education and also technological change may be some of the reasons for today's more affordable luxury. Dewey (2009) believes that the number of aspiring consumers has increased significantly and that it is no longer the case that luxury products and services can only be afforded by the super wealthy. As noted by Luca Solca of Bernstein Research, up to 60% of the total luxury market demand is generated by the "aspiring consumer" (*The Economist*, 2009).

While luxury brands are much more widely available from a traditional retail point of view, this is also true for the internet. Balwani (2009) argues that a common misconception among brand managers is that the internet is not a luxury market. Consumers are however, spending more money online and the internet is therefore a place where luxury brands should build a presence. A study by eMarketer (2007) projected that the number of affluent (i.e. annual income-level of more than \$100 000) internet users is expected to grow from 43.7 million in 2006 to 57.1 million by 2011. This clearly indicates that it is in this luxury seeking affluent consumer segment that online growth is taking place. Marco Corsaro, MD of 77Agency, a new media marketing company, remarks that their research has shown that luxury consumers spend more time online than using any other media (Baretto, 2009). It is for these reasons that this paper attempts to provide managers of luxury brands with an approach to analysing consumer conversations surrounding their advertisements online.

The internet has evolved from an information retrieval source to a place of interactivity, and a place for dialogue on the basis of one-to-one, one-to-many and many-to-many. Many observers term the internet today as "Web 2.0" which according to Berthon, Pitt and Campbell (2008), is more to do with how people are using the technology than the technology itself. As a result of the popularity and interactivity of this medium, many companies have placed their ads on video sharing sites such as YouTube in order to create brand awareness and to stimulate conversation among consumers around their brand. Video is gaining ever increasing popularity among internet users where more than three quarters of broadband users are regularly watching or downloading video content (cf. Madden 2007). According to Comscore (2009), in 2009 100.9 million internet users viewed 6.3 billion videos on YouTube, which amounts to 62.2 views per user. This increasing popularity of video hosting sites like YouTube, is changing the advertising landscape.

While advertisers have relatively powerful measuring tools to ascertain the effect of their own more traditional messages which include surveys (e.g. Leavitt 1970, Schlinger 1979, Shimp 1981), ratings services and viewer response profiles, these tools may not be as effective in measuring conversation about and responses to their ads on the internet. According to Campbell, Pitt, Parent and Berthon (2010) these traditional measuring devices "may not be able to capture the nuances in an environment where consumer feedback to advertising is networked rather than one-way, a dialogue rather than responses to a scale, and possibly assumes more dimensions than might be captured in a standard survey" (Campbell *et al.*, 2010:94). While these consumer dialogues and market conversations are

difficult to interpret through traditional advertising research methods, there may be an opportunity for brand managers to gain some valuable insight into the way consumers interact with their brands.

In this exploratory study, the researcher makes use of the content analysis software Leximancer to comprehend the consumer feedback around conversations about luxury brand advertisements. The researcher studies consumer comments posted on YouTube (where the three advertisements used in this study appear) and analyse these comment in order to find meaning among the large volume of consumer discussion. The paper is structured as follows: Firstly, there is a discussion of the advertisements for well known luxury brands that were chosen for this study and the subsequent reactions to them. The paper goes on to discuss a powerful tool that can be used for deciphering and interpreting the consumer conversations surrounding these advertisements and the results of the analysis. The paper concludes by acknowledging the limitations of this methodology, identifying implications for managers, and suggesting avenues for future research.

#### Luxury advertisements: The examples

The three specific advertisements chosen for this study were selected according to the following criteria:

- 1. These brands are some of the most recognisable among luxury consumers.
- 2. The brands cover a range of luxury products (luggage and accessories, jewellery and vehicles).
- 3. The relative popularity on YouTube of these advertisements (they were among the highest viewed luxury advertisements).
- 4. There were a high number of viewers' comments about these advertisements (not all highly viewed advertisements have high numbers of comments by viewers) and there was some variation in the comments.

The advertisements selected were:

#### Louis Vuitton Long Version – Bruno Aveillan

(http://www.youtube.com/watch?v=zTtpFmgBmTI)

This advertisement was directed by Bruno Aveillan, who is a graduate of the Ecole Supérieure des Beaux Arts in Toulouse. He is known for his attention to detail, smooth blend of the artistic and groundbreaking special effects. The advertisement shows a series of magnificent artistic shots of exotic travel destinations set to bewitching music, ending with the caption "Where will life take you?" and the Luis Vuitton brand name. This advertisement has won several awards like the Gold Clio Award, the Gold London International Award, the Epica Award, the Mobius Award, the World Medal at New York Festival, the Top Com d'or, and the Grand Prix Stratégie.

#### **Rolex Commercial Compilation**

(http://www.youtube.com/watch?v=BP6d5ckvo2Y)

This advertisement is a compilation of previously screened Rolex advertisements. It includes scenes from the Wimbledon Tennis Championship, the Rolex Fei Equestrian World Cup and a classical performance by Lang Lang and a symphony orchestra, all set to classical music. Throughout the advertisement, the brand's message of performance, achievement, passion and skill are reinforced.

#### **Porsche Panamera Commercial**

#### (http://www.youtube.com/watch?v=YssFS12jVUU)

This extended version of the commercial shows even more impressively how the Porsche family welcomes its newest sibling, the Panamera. For the filming of this ad, 50 cars were gathered from the Porsche museum. It shows the different Porsche models driving through a desert landscape eventually forming a family tree with their tracks (welcoming the Panamera to the family). The brand message of this aspirational brand is clear as the voice over reminds the viewer that "Porsche has a long history of fulfilling dreams".

#### Leximancer Analysis of Viewer Conversations

In order to explore viewer discussions about the luxury advertisements mentioned above, we used the text analysis tool Leximancer (see www.leximancer.com). This is a relatively simple but powerful data-mining tool that enables a visual depiction and interpretation of complex textual data. Leximancer uses a machine-learning technique in order to collect the main concepts in a collection of writings and to discover how they relate to each other (see Rooney, 2005). In order to discover concepts in the text and how they interrelate, Leximancer does a conceptual (thematic) as well as a relational (semantic) analysis. Once a concept has been identified, a thesaurus of words that closely relate to the concept is built, whereby the concept is given semantic and definitional content. Leximancer then displays the concepts visually by means of a 'concept map' showing the main concepts and the interrelationships. The concept map visually details the relative importance of concepts and the strengths between them.

On the concept map, the key themes are represented by large circles while concepts are shown by dots. Darker coloured and larger themes (circles) and concepts (dots) indicate greater importance in the text. Concepts that overlap or are close together on the map indicate that they appear close together in the text. Semantic links are represented by distance i.e. concepts that are closely linked semantically will appear close together on the map and concepts that are not strongly linked semantically will appear further apart (Rooney, 2005 p.410-412). This will cause concepts that are semantically linked to form clusters. This concept map serves as an overall interpretation of the textual data and will guide the researcher in the interpretation thereof.

The Leximancer algorithm is based on Bayesian theory; as evidence gathers and increases, the degree of belief in a relationship or hypothesis changes. When this is applied to text data, the words that compile a sentence are the predictors of the concept that emerges. According to Rooney (2005) over many trials, the automatic selection of the important concepts has proved to agree with expert human judgement.

#### Method

As a first step, we copied the textual information from the three advertisements chosen for this study (the textual comments below the video clip on YouTube) and placed this into a text document. Without cleaning, this text was then used as input data to the Leximancer program for analysis. Some of the benefits of the Leximancer package are that since it builds concepts rather than counting specific words, pronouns and conjunctions (words with low semantic value) are automatically excluded from the analysis. This makes Leximancer such a user-friendly tool for researchers as the researcher does not have to manually select the various words that are to be excluded. Another advantage is that Leximancer does not do stemming which is common among many other packages. It does not remove suffixes or reduce adjectives and verbs to stem words. Furthermore, Leximancer is able to read all types of text, including comments that are not necessarily grammatically correct (which is commonly found in text posted to sites such as YouTube).

## Results

YouTube allows viewers to not only view and comment on the advertisements, but also to add the specific video clip to their list of "favourites". The site reports statistics on the activity surrounding a specific video such as the amount of times the video has been viewed, the number of comments and the number of times the video has been "favourited" (marked as a favourite) by viewers. A summary of the statistics (as reported on 19 September 2010) for the three advertisements used in this study can be found in Table 1 below.

Table 1: YouTube summar	y of statistics for the three <b>'</b>	CG advertisements analysed
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Advertisement	Date added to YouTube	Number of views	Number of comments	Number of times favourited
Louis Vuitton	7 March 2008	208 311	105	2 014
Rolex	16 December 2006	85 934	74	690
Porsche Panamera	20 October 2009	312 460	220	1 467

In summary, all the advertisements have been placed on YouTube in the last four years. The Porsche Panamera advertisement has received the most views as well as the most comments out of the three advertisements, where the Louis Vuitton advertisement was favourited the most by viewers. The Rolex Compilation commercial was viewed the least of the three and also received the fewest comments and was favourited the least.

The maps produced by the Leximancer analysis of the viewer conversations around the Louis Vuitton Bruno Aveillan advertisement, the Rolex Compilation advertisement and the Porsche Panamera advertisement are shown respectively in Figures 1, 2, and 3 below.

# Interpretation of the maps

A comparison of the three maps in figures 1, 2 and 3 above, shows that very different conversation emerged among viewers for the three different advertisements. There is a marked difference in the concepts that emerged as well as in the number of concepts and the interrelatedness of these concepts. The first main concept that resulted from conversation around the Louis Vuitton advertisement is "beautiful", where most respondents described how beautiful they found the advertisement, the music and the cinematography. Many of these comments remarked how beautiful the work of the director, Bruno Aveillan is. The second and third concepts that emerged were those of "commercial" and "film" where many respondents described the video clips as a commercial and where others remarked that they experienced the clip more as a film than a commercial. The fourth and fifth concepts that resulted were those of "love" and "amazing" which were the most common words used in the different comments to describe how the viewers felt about the advertisement. Many viewers professed to "love" the advertisement in general or more specifically the music and cinematography, and many others described the advertisement, the filming and the music as amazing. The Louis Vuitton brand also emerged as quite a strong concept among the comments as the brand name was often used to either comment on the brand in general or to describe the advertisement.

Prominent themes that developed from conversation around the Louis Vuitton advertisement were "beautiful", "love", "video" and "music". Firstly the theme "beautiful" emerged most likely due to many comments describing the advertisement as beautiful or commenting on the visually pleasing nature of the advertisement. The second, concept "love" emerged as most commentators described how much they loved either the advertisement, the cinematography, the director or the music. The theme "video" came to light quite strongly since many commentators referred to the commercial as a video rather than a commercial or YouTube clip (which YouTube videos are commonly known as). There were many comments on the video and various aspects of the video. The final important theme was "music". This is as a result of many commentators discussing their feelings about the music in general as well as numerous questions and statements about the composer.

In the conversation surrounding the Rolex Compilation Advertisement, six relatively strong concepts emerged from

the Leximancer analysis. Firstly the concepts of the brand name "Rolex" surfaced along with the concept of "watch" where there were many comments on which model of Rolex watch some of the viewers own and which they prefer. The next concepts were "music", "song" and "find" and "Lang Lang", where many viewers commented on how much they like the music and several conversations were had about where viewers were able to get hold of the music and if the composer was in fact Lang Lang (the artist featured in one of the ads in the compilation). A further resulting concept was "love" where many viewers remarked how much they loved the brand and their own Rolex watches as well as how much they loved the advertisement and the music. The last of the major concepts was "commercial". Viewers discussed the specific commercials used in this compilation and also commented on other Rolex advertisements that were not part of this compilation (such as the yachting ad) but also seem to be very popular with viewers.

The themes that emerged for the Rolex advertisement were "Rolex", "Lang Lang", "chords" and "song". There is a great deal of discussion among viewers in this case about the music used in the Rolex advertisement explaining the themes of "chords", "Lang Lang" and "song" emerging so distinctly. Discussion surrounds how much viewers like the music, questions about where they can download the song and who the composer is. Lang Lang was often debated as the possible composer of the song, but since a live performance by him is part of the advertisement, he was discussed as a performer as well, explaining his name emerging as a theme. The brand name "Rolex" also emerged as a theme in this case which signals a good deal of discussion among viewers around the brand.

In the case of the Porsche Panamera ad, the concepts of "sports" and "cars" emerged strongly since numerous viewers commented on the various models of sports cars from the Porsche brand as well as those from other brands such as Audi and BMW. The concepts of the brand name "Porsche" as well as the model name "Panamera" also emerged as prominent concepts where many discussions surrounded the Porsche brand itself, and where viewers commented on the different Porsche models. Various comments also related to the Panamera model where viewers discussed the performance and the shape of this particular model. "Commercial" also came forth as an important concept as there was a great deal of discussion among viewers regarding this specific advertisement and their feelings surrounding the commercial itself. The final concepts that arose here were "awesome" and "great" which were feelings that many viewers expressed about the brand, the Panamera, and the advertisement in general.

The first major themes that came to light for the Porsche Panamera advertisement were "Porsche", "Panamera" and "sports". This is not surprising as there were numerous comments that generally centred around the Porsche Panamera itself, other Porsche models as well as general discussion about sports cars. The final two themes were "commercial" and "beautiful" which can be explained by many comments mentioning this commercial specifically coupled with conversation about the beauty of various Porsche models, the advertisement and the Panamera itself.

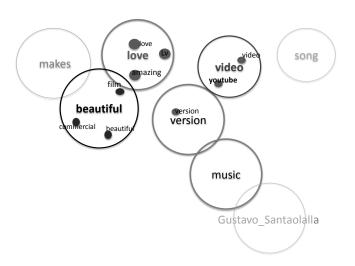


Figure 1: Leximancer map for Louis Vuitton advertisement

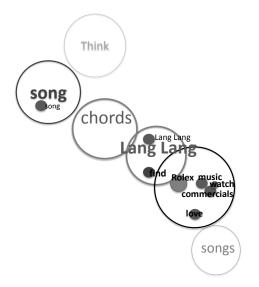


Figure 2: Leximancer map for Rolex compilation advertisement

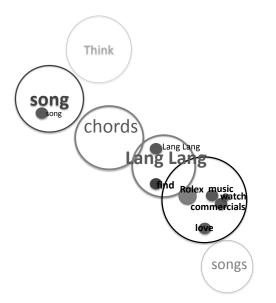


Figure 3: Leximancer map for Porsche Panamera advertisement

# Discussion

As can be seen from the interpretation of the conceptual maps above, the concepts and themes that emerge from the conversation surrounding the various YouTube advertising clips allows marketers some insight into specific aspects of their brand and their commercial that are being discussed by viewers. Marketers also gain some knowledge on viewers' feeling towards their brand as well as opinions about other models in the product category as is the case with Porsche and Rolex, where various Porsche and Rolex models were discussed and often compared.

It may also be valuable for marketers to know which other brands in the product category viewers compare their brand to. This information was particularly visible in the Porsche Panamera discussions where the Porsche brand was often discussed alongside Audi and BMW and where the sports models of these various brands were compared.

An interesting phenomenon was visible in the themes that emerged from the various advertisements. In the case of Rolex and Porsche, the brand emerged as both a concept and theme, but in the case of Louis Vuitton, the brand only emerged as a concept. In the discussion about the Porsche and Rolex ads, there were many comments on specific product models where in the Louis Vuitton discussion; almost no products were discussed, but merely the brand in general.

It could possibly be explained by the visibility of the product or products in the advertisement. In the Porsche advertisement, the Panamera model (or product) was shown almost throughout. In the Rolex advertisement, shots of various Rolex watches were interspersed throughout the advertisement in between the footage of Wimbledon, Lang Lang's performance and the Equestrian World Cup. While the events were the focus of the advertisement, the product unmistakably visible. In the Louis Vuitton was advertisement however, a Louis Vuitton product was barely visible. One woman in the commercial carried a Louis Vuitton handbag, which was not prominently visible and in the last few seconds of the advertisement, the well-known LV monogram is shown briefly. Despite the product not being visible, there did not seem any uncertainty among viewers that this was a Louis Vuitton advertisement. The lack of specific product discussion in the Louis Vuitton case may have various explanations. It could be due to the lack of product visibility in the advertisement, but it could also be as a result of the fame of the director of the commercial since the majority of discussion in this case surrounded the video itself, the director, cinematography and the music.

# **Managerial implications**

Campbell *et al.* (2010) in their study of four different online video advertisements from brands such as iPod, iPhone and Starbucks, found that this new interactive conversation around advertisements on the internet lends itself more to less functional brands as these brands seem to stimulate more on-line conversation. Analysis of conversations around the luxury brands in this study supports this finding. While

there was a large amount of discussion about issues such as the music and cinematography and so forth, particularly in the case of Louis Vuitton, there was also significant discussion of the brand and specific products in both the Rolex and the Porsche advertisements. For this reason, managers of luxury brands should have a particular interest in conversations surrounding online video ads, as there is a great deal to learn from these conversations about how consumers interact with the brand, and their feelings surrounding the brand and specific products in the brand portfolio.

Another observation for managers of luxury brands is that conversations stem from specific comments made by some viewers or develop in a certain direction from an initial comment made by one viewer. For example in the Porsche advertisement, one viewer commented on the shape of the Panamera which resulted in a range of comments regarding the shape, profile and general aesthetics of this model. This gives rise to the opportunity for brand managers to get involved in the conversation in order to possibly correct misinformation among viewers or to manage the direction of the discussion to some degree. This would be similar to exogenous word-of-mouth (WOM) as discussed by Godes and Mayzlin (2009). They describe exogenous WOM as WOM that results from a specific action or promotion on the part of the company. While this could be a successful way of entering into these consumer conversations either openly or in a surreptitious manner, managers should err on the side of caution. While some viewers may welcome information from the company, some YouTube users may find surreptitious involvement by the company (should this be discovered by viewers) as an attempt to manipulate conversations and opinions, and as hampering their free speech.

# Limitations

Like most exploratory studies, this study of discussion around online video advertisements regarding luxury brands is not without some limitations. Firstly, the authorship of the various comments is unknown, and there is the possibility that there could be some comments in the text we analysed that may have originated from the companies themselves in order to steer the conversations in a specific direction. If this was the case however, the consumers have not been aware of any such possible interference in the discussion which makes the experience of the consumers in each of the specific cases studied here as unaffected as if all comments had come from other consumers.

The second limitation of this paper is the number of ads used in this study. Since only three ads were interpreted, there is a lack of reliability and validity testing. This may raise the question of whether the study of more luxury brand advertisements would provide similar maps with similar interpretations. A further question would be whether different individuals would interpret the resulting maps in the same way? These questions raise interesting areas for future research on this topic. Another limitation is a common limitation in qualitative research in that the interpretation of the maps is largely subjective. While the visual maps may make the interpretation of the vast amount of textual data less complex, there is the possibility that other marketing and advertising scholars may interpret the resulting maps differently to our interpretation in this case.

A further limitation is that while we have gained some valuable insights into consumer feelings and reactions to luxury advertisements and the resulting conversations, we do not have any information on who the consumers are or what their motivations are for posting their specific comments. This may be limiting where marketers are looking to form user profiles of consumers who participate in these conversations.

The final limitation is that due to this being a mapping technique, the information is merely a snapshot in time and captures the comments of viewers at a specific time. It may be the case that a very different Leximancer map may result about the same brand at a different point in time.

#### Avenues for future research

As discussed above, there is potential for longitudinal studies of luxury brand advertisements in order to create a comparative study of the results at different moments in time.

A second opportunity for future research would be to analyse viewer conversations around advertisements for brands of a similar product category. An example would be, to compare conversations around the Rolex advertisement as used in this study, to other luxury jewellery brands such as Longines, Chopard or Tiffany's. It would be insightful to see if the resulting maps show similarities in the concepts that emerge.

A limitation that was referred to previously is that there is very little information on who the authors of the comment in the studied discussion are and what their motivations are for making their various remarks. An avenue for future research that emerges here is to gain insight into who these consumers are that are posting their comments on sites such as YouTube. Since internet video advertising is a relatively recent phenomenon, very little is currently known in this regard. Research on who these consumers are, where they are located, the number of posts they contribute to conversations and their motivations for their comments could enable marketers to build a profile around these individuals in order to understand and possibly predict their behaviour. This would be especially valuable for the managers of luxury brands (where the brand reputation is of particular importance) to measure the weight and influence of consumer conversations around their specific brands.

This new interactive discussion phenomenon and the conversations that surround it have changed the advertising landscape and have forced advertisers and brand managers to cede some control to their consumers. While marketers have the option of placing their advertisement on the internet or not, once the advertisement has been placed, marketers have little or no control over the public discussion that may result from this. This is particularly significant for luxury brand managers since many luxury brands are managed along the principles of tight control around product design and quality, distribution and brand communications. For this reason, luxury brand managers may find the changing role of the consumer in advertising even more bewildering. We hope that information around luxury advertisement conversations and the demonstration of the Leximancer tool for the interpretation thereof will shed some light on how these conversations can be tracked and interpreted in order to gain valuable insight into the consumer's new role as viewer and commentator.

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