


# “Online strategies of brands: A case of Portuguese luxury fashion designers”

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# ONLINE STRATEGIES OF BRANDS: A CASE OF PORTUGUESE LUXURY FASHION DESIGNERS

## Abstract

The assertive online strategies of Portuguese luxury fashion brands/designers (LFBDs) are essential for managers to succeed in the digital medium and establish long-lasting relationships with clients. This paper explores the challenges in digitizing all the distinctive elements of a luxury fashion brand: the product characteristics, the luxury atmosphere, the personalization of the service, and the services provided. Fourteen Portuguese brands/designers were selected for content analysis. According to Hansen's framework, 43% of Portuguese LFBDs fail to share information about their companies on their websites, and only 43% include promotions. Only 36% have a community outside the websites, compared to 93% of the international luxury fashion brands. Moreover, Portuguese websites lack 360° technology and augmented reality. Considering the Digital Visual Merchandising – MVD Grid, Portuguese LFBDs do not allow multiple zooms and 2D F/T cursor change, while international brands feature these tools. Regarding the Social Media Performance Analysis Grid, the global average engagement rate of Portuguese LFBDs on Facebook is 0.19% and on Instagram – 0.89%. According to Social Media Content Analysis Grid, Portuguese brands bet a lot on sharing content in story format, mainly on Instagram; however, Facebook has a higher network value. Therefore, the findings show that Portuguese LFBDs should be present and market their products online. This online presence must be supported by a multi-channel strategy while maintaining luxury product characteristics and elements of differentiation.

## Keywords

social networks, Facebook, Instagram, online luxury atmosphere, content analysis, international luxury fashion brands

## JEL Classification

M31, M37, L81

## INTRODUCTION

The demand for luxury goods has been growing in recent years. According to the report "Luxury 2022 Spring Update" by Bain & Company in partnership with Fondazione Altagamma, the foundation of the Italian luxury goods manufacturers industry, this industry is expected to grow by 19% in 2022. As a result, luxury brands are attracting great interest in the Portuguese market. This growing attractiveness has brought new consumers of luxury fashion brands to Portugal, with whom Portuguese Luxury Fashion Brands/Designers (LFBD) must communicate and develop lasting connections. The best way to engage with these consumers is through digital media, as it allows new customers to continue buying brands. In this way, brands preserve an ongoing relationship with their consumers. Luxury fashion brands reluctantly enter the digital environment. However, according to the Bain & Company report (2022), luxury brands have the opportunity to play a key role in shaping the rising virtual worlds by acting as creators and builders. Portuguese luxury fashion brands/designers should take advantage of these market opportunities to become more vital and relevant to consumers.

This study intends to answer the following research question: What are the critical elements of the Portuguese LFBD's e-commerce strategies? To answer this question, the study analyzes appropriate websites and social networks to specify key characteristic components. To answer the research question, a study based on a descriptive research design methodology was developed. This paper highlights the most relevant information from the literature review related to the theme under study, namely what is understood by the luxury market and its main features, how luxury brands are worked and their presence in digital platforms, including e-commerce. The second part of the paper presents the methodology with the definition of the sample and the way of construction of the analysis grids. The third part of the work provides the results and its discussion. Finally, the conclusions of the work are presented.

## 1. LITERATURE REVIEW

The word "luxury" is used in the literature to depict the most famous brands (Vigneron & Johnson, 2004). It etymologically means "superabundance, excess, beyond necessity" (Kapferer, 2014, p. 372). Luxury is associated with exclusivity, wealth, and power, identified as superfluous and non-essential desires (Loureiro & de Araújo, 2014). According to Passarelli (2010), a luxury product should offer beauty, quality, nobility of the materials, details, tradition, emotion, higher price, and scarcity.

Today the luxury market is faced with two types of consumers, the "old money" and the "new money." These consumers are mainly distinguished in their preferences. While the "old money" prefers retained and durable luxury goods (material objects), the "new money" prefer experiential and momentary luxury goods (travel) (Chandon et al., 2016).

There is no consensual definition of a luxury brand concept (Ko et al., 2019). For example, Roux and Floch (1996) defined a luxury brand as a brand that meets the symbolic needs of its consumers, characterized by the imaginary, symbolic, and social values that differentiate it from others. Ko et al. (2019) determined five principal features of any luxury brand:

- high quality;
- authentic value (as desired benefits at functional and emotional levels);
- prestigious image within the market (craftsmanship and/or quality of service);
- worthy of owning at a premium price; and

- inspiring a deep connection (resonance) with its clients.

Tong et al. (2018) illustrated dimensions that characterize a luxury brand's personality and traits. They are prestigious, competent, sociable, unique, snobby (the only negative personality dimension, in which luxury fashion brands are associated with characteristics such as eagerness and arrogance), and romantic. Okonkwo (2007) expresses that luxury fashion brands must think ahead to stay innovative, unique, and attractive.

It is necessary for luxury fashion brands to offer their products online. However, when a brand decides to be present in the digital sphere, some precautions should be evaluated so that the brand equity is not damaged. For example, consumers who buy luxury products online expect the online shopping experience to be equal to offline (Rovai, 2018). This implies that through the online presence of the luxury brand, customers can feel the comfort in their homes, the same as they would feel if they were in a physical shop of a luxury brand.

According to Rovai (2018), more than a website is needed to create a firm and lasting customer connection. Social media can gain customer satisfaction with the online shopping experience and a stable upsurge in online sales. Furthermore, the content shared among peers in online spaces increases consumers' emotional connection to luxury fashion brands (Morra et al., 2018). Therefore, these brands should offer an engaging shopping venture, mainly at the level of identification and individual identity of consumers of luxury fashion brands (Rovai, 2018).

According to Orth and Metoyer (2005), an online store should perform the same or similar func-

tions as a physical store. Brands should try to recreate a physical shop environment in the online shop by introducing a virtual shop on their websites. Wijaya et al. (2017) stated that web design positively affects buying decisions of current and potential customers. Moreover, creating a simple and dynamic design increases buying emotions and positively influences purchasing decisions.

One way to make online shops more dynamic is by introducing immersive environments, i.e., the virtual shop on the brand's website. Pantano and Servidio (2012) concluded that the perception of the shop and the available products are positively affected by the immersive system because they increase consumer satisfaction. Orth and Metoyer (2005) distinguished virtual shops by considering two criteria. The first refers to the distinction between monitor-based and non-screen-based stores. The second is based on the distinction between 2D and 3D environments created in each shop.

Luxury fashion brands should invest in social media communication strategies because, according to Godey et al. (2016), it enhances preference, loyalty, and willingness to pay a premium price for these products. Furthermore, Faustino (2019) comments that a company must have a strategy for social media because its role in the lives of billions of people is undeniable.

A prime factor in using social media is producing quality content. Liu et al. (2021) found that brands need to share content on their social media that will spark interest and excitement in current and potential customers. Grassi and Marques (2018) presented a set of essential variables for defining the communication strategy of luxury fashion brands on social media (Facebook and Instagram). It includes content in video, photo, and gif format, appeals to the lifestyle of potential consumers (events, street style, or celebrities), informative appeals (information about the company, product manufacturing, involvement in social causes, or company values), promotional appeals (sales, offers, or discounts), and interactive publications. However, Larrossa (2019) and Macarthy (2019) advocate the importance of using subtitled videos on social media because most users watch videos without sound; if the video is not subtitled, they cannot understand the shared content.

Another influential aspect is the source of the traffic to the website. According to Larrossa (2019), brands need to use social media as a source of the traffic to the website to turn leads (followers) into customers. This link can be achieved by sharing an article from the brand's blog (Larrossa, 2019) or by including a link in the post's description (only available on Facebook). On Instagram, it is impossible to insert links in the description of posts; the only places where it is possible to insert the link are in the page description and stories (only available for pages with more than 10,000 followers) (Macarthy, 2019).

Brands can also add emojis to their posts. According to Ayres (2019), Facebook posts with emojis achieve more impressions, higher engagement, and more clicks. It is crucial that the emoji is relevant to the content it accompanies, placed in the right place, and can be viewed on different mobile devices. The same happens on Instagram. It is also vital for brands to activate the shop on social media, which does not replace e-commerce on the website but supports brand sales (Larrossa, 2019; Hur et al., 2020).

According to Kotler et al. (2017), marketing mix is the classic tool for brands to plan what and how to offer their products. The marketing mix comprises 4Ps: product, price, place, and promotion. The foremost objective of a product strategy is for the luxury brand to be superior on the market and to achieve substantial benefits. Luxury brands either create a reduced product portfolio or make a product line extension. Brands can define their pricing strategy by psychological pricing, product portfolio pricing, differentiated pricing, or pricing by region. The luxury goods market has three types of distribution: zero-channel, single-channel, and limited coverage distribution (Yan & Qu, 2014).

Although the 4Ps of marketing-mix are the basis of any marketing strategy of luxury fashion brands, with the emergence of the Internet, marketing strategies had to change and adapt to the new market needs. However, according to Dubois (2017), the intimacy created through social media may weaken the prestige associated with luxury, as digital channels are at odds with the perception of scarcity and uniqueness. Considering this disagreement and the need to be present online,

Dubois (2017) notes that many luxury fashion brands are trying to recreate this distance through digital channels.

For a brand to survive in the digital environment, it is not enough to use only offline channels (4Ps); it should consider the 4Cs and change its selling paradigm, where customers must be involved in a transparent sale (Kotler et al., 2017). According to Kotler et al. (2017), in a connected world where a consumer has an increasingly more significant stake, the marketing mix has evolved into the 4Cs: co-creation, currency, community activation, and conversation. When defining its digital strategy, a luxury fashion brand needs to recognize the situations in which the brand should be reactive and the situations in which the brand should be proactive, i.e., whether to monitor and react to online conversations or to develop and disseminate new content (Dubois, 2017).

Kotler et al. (2017) concluded that the new product development strategy in the digital economy is co-creation. Co-creation allows luxury fashion brands to offer products that align with customer expectations. In other words, by involving consumers in the initial phase of product creation and design, luxury fashion brands can increase the success rate of the new product. According to Dubois (2017), digital channels provide instantaneous insights into what is popular online. This information can be obtained using tools such as Digimind, iSentia, and Radian 6 by analyzing the number of mentions on social networks or through tools that analyze online search intensity, such as Ubersuggest and Google Trends.

According to Kotler et al. (2017), an omnichannel strategy integrates multiple channels to create a continuous and consistent customer experience. Luxury fashion brands need to have an omnichannel strategy, as customers constantly move from one channel to the other and expect their experience to be unaffected by the separations of online and offline channels. Companies should create consistent brand lifestyle images and emotional connections through an omnichannel communication strategy (Bai, 2018). According to Corzine (2018), Tiffany & Co., Cartier, and Gucci are some pioneering luxury brands designing an omnichannel strategy. For example, Tiffany & Co.

has created a concept store in London, allowing customers to create jewelry designs. Gucci, for its part, initiated the “Gucci Hallucination” campaign in partnership with artist Ignasi Monreal, in which customers could enter a unique world of fictional creatures and enchanting lights using virtual reality.

According to Kotler et al. (2017), omnichannel strategy has three main trends. The first is the focus on mobile, as this channel is the closest to customers, as well as personal and convenient. In addition, customers have less and less time and value brands that offer instant solutions to their problems and provide transaction convenience. The second is webrooming in offline channels, meaning brands can help consumers more easily choose products in shops using sensor technologies and radio frequency identification (RFID). For example, Burberry employs sensor technology to provide information about the pieces customers try on in fitting room mirrors. Finally, luxury fashion brands should bring showrooming to online shops, meaning they should use technology to bring the offline shopping experience to the online world. For example, they can provide 3D visualization of products or virtual reality on the brand’s website.

Luxury fashion brands must start integrating offline and online channels as soon as possible, as digital activities do not only influence the brand’s online shop; 75% of purchases made in physical shops are influenced by the digital medium (Corzine, 2018). Such brands must be prestigious, competent, sociable, unique, snobby, and romantic (Tong et al., 2018). Online spaces allow customers of luxury fashion brands to live the online shopping experience by sharing know-how, trends, and lifestyle (Rovai, 2018). Regarding the e-commerce strategies of luxury fashion brands, the product strategy is the product line extension or the creation of a reduced portfolio of products (Yan & Qu, 2014). It must be complemented with co-creation; customer information must be collected to design new products that better respond to customer needs (Kotler et al., 2017). Furthermore, luxury fashion brands must pay close attention to omnichannel and focus on creating consistent brand lifestyle images and emotional connections (Bai, 2018).



Therefore, considering the literature review, this study aims to explore how Portuguese luxury fashion brands/designers define their online strategies to communicate and create relationships with their current and potential customers and become more relevant online.

## 2. METHODOLOGY

This study uses a descriptive research design. The analysis was conducted in a natural environment (Sekaran & Bougie, 2013). According to Sekaran and Bougie (2013), correlational studies conducted in natural settings are classified as field studies. Since this study is correlational and developed in a natural environment, the degree of interference is minimal. Content analysis was chosen as a data collection technique. The data for analysis were gathered from the websites and social networks of the selected brands/designers.

### 2.1. Sample definition

The study population includes brands/designers and is delimited to the Portuguese LFBDs that market products in the categories of clothing (haute couture and prêt-à-porter), leather, and bags. Since there is a lack of statistical research and rankings of all Portuguese LFBDs, an online search was conducted in April 2019 to find the largest possible amount of samples. The study selected the Luxury Design Craftsmanship website and the Portugal Fashion website. As a result, on-

ly those who operate in luxury fashion and have an online presence were selected. Afterward, a grid was created to analyze the products of the Portuguese LFBDs, where the gender and the categories of the collections of each of the brands/designers are identified. Only three of the selected brands/designers were males. Thus, Bottier, Estelita Mendonça, and The Baron's Cage, which are exclusively male brands, were removed to make the sample more homogenous. As a result, fourteen Portuguese LFBDs were selected: Miguel Vieira, Luís Buchinho, Katty Xiomara, Micaela Oliveira, Luís Onofre, Anabela Baldaque, Diogo Miranda, Egídio Alves, Guava, Carla Pontes, Âme Moi, Lemon Jelly Josefinas, and Nuno Baltazar (Table 1).

Subsequently, the study assessed the online and offline presence of the brands/designers selected for this study. It was necessary to understand if all the selected brands/designers have a website or a social media page to proceed with the content analysis.

### 2.2. Construction of the analysis grids

The content analysis was performed following the procedures of Hansen's Analysis Grid (Hansen, 2011) for website content analysis, Digital Visual Merchandising – MVD Grid (Teixeira & Machado, 2018) for product presentation analysis, the Social Media Performance Analysis Grid, and the Social Media Content Analysis Grid by Grassi and Marques (2018) for social media analysis.

**Table 1.** Sample of Portuguese design luxury fashion brands

No.	Brand	Website	Online store	Physical store	Facebook	Instagram	Twitter	Youtube	Pinterest	Other
1	Miguel Vieira	✓	✗	✓	✓	✓	✓	✓	✗	✗
2	Luís Buchinho	✓	✓	✓	✓	✓	✗	✗	✗	✗
3	Katty Xiomara	✓	✓	✓	✓	✓	✓	✓	✓	✗
4	Micaela Oliveira	✓	✗	✓	✓	✓	✓	✓	✓	✓
5	Luís Onofre	✓	✓	✓	✓	✓	✗	✓	✓	✗
6	Anabela Baldaque	✓	✗	✓	✓	✓	✗	✗	✗	✗
7	Diogo Miranda	✓	✓	✓	✓	✓	✗	✓	✗	✗
8	Egídio Alves	✓	✓	✗	✓	✓	✓	✓	✓	✗
9	Guava	✓	✓	✓	✓	✓	✗	✓	✗	✗
10	Carla Pontes	✓	✓	✓	✓	✓	✗	✓	✗	✗
11	Âme Moi	✓	✓	✗	✓	✓	✓	✓	✓	✗
12	Lemon Jelly	✓	✓	✗	✓	✓	✓	✓	✗	✗
13	Josefinas	✓	✓	✗	✓	✓	✓	✓	✓	✗
14	Nuno Baltazar	✓	✗	✓	✓	✓	✓	✗	✗	✓

Hansen’s analytical grid provides a theoretically consistent framework that identifies all relevant assessment categories (subcategories) for B2C websites in this industry (Hansen & Bjørn-Andersen, 2013). For example, in Hansen’s Content Analysis Grid, the interface categories analyzed were content, community, communication, collaboration, connection, commerce, context, and customization. The Digital Visual Merchandising – MVD Grid analyzes how products are shown in the online shop through six categories of variables and 34 analysis variables (Teixeira & Machado, 2018). The Social Media Performance Analysis Grid considers the performance of brands/designers on Facebook and Instagram, through the number of followers, updated posts, likes, comments, reactions, shares, and guest posts (Grassi & Marques, 2018). Finally, the Social Media Content Analysis Grid examines content and interaction on social media (Grassi & Marques, 2018). However, due to the emergence of new features and trends, it became necessary to add analysis variables to this

grid. Therefore, based on Ayres (2019), Faustino (2019), Larrossa (2019), and Macarthy (2019), 18 variables were added: captioned video, story, live broadcast, link-to website, content that tells a story, content accompanied by a text, content accompanied by a question, content accompanied by emojis, content accompanied by hashtags, content accompanied by call-to-action, content accompanied by a link to the website, link in the photo product to the social network shop, response to followers’ comments, mentioning of followers in response to comments, likes of followers’ comments, and promoted content.

### 3. RESULTS AND DISCUSSION

#### 3.1. Content analysis using Hansen’s grid

The findings imply that the variables most used by Portuguese LFBs on their websites are content, connection, and communication (Table 2). The last

**Table 2.** Results of Hansen’s grid

Hansen’s Analysis Grid		Total	%	Values reported by Marques (2016) for ILFBs
Content	Product information	10	71%	100%
	Brand history	12	86%	87%
	Corporate information	8	57%	100%
	Special promotions/campaigns	6	43%	87%
Community	Community on the website	0	0%	20%
	The community outside the website	5	36%	93%
Communication	Email registration	9	64%	100%
	About us/contacts	14	100%	100%
	Interview videos	0	0%	40%
Collaboration	Product design collaboration	0	0%	0%
	Allows feedback and comments	1	7%	7%
Connection	Links to other sites	13	93%	60%
	Microsites	0	0%	33%
	Syndication	8	57%	100%
Commerce	Online shop	0	0%	0%
	Commercial transaction	10	71%	93%
	Links to other e-commerce sites	2	14%	0%
	E-commerce assistant	7	50%	87%
	Shoppable videos	0	0%	0%
	Social commerce	10	71%	0%
Context	Flash	0	0%	0%
	Videos	7	50%	93%
	Animations	12	86%	53%
	360° visualization	0	0%	7%
	Augmented reality	0	0%	0%
	3D technology	0	0%	0%
Customization	Product customization	0	0%	27%
	Product personalization	1	7%	27%
	User recognition	10	71%	93%

outcomes are collaboration, community, and customization. Compared to international luxury fashion brands (ILFBs), Portuguese LFBs should invest more in community and customization because ILFBs show higher significant values.

ILFBs considerably use the different content variables of Hansen's framework (between 87% and 100%), which differs from the Portuguese companies analyzed in this study. Surprisingly, 43% of Portuguese LFBs do not post information about their companies on their websites, and only 43% include promotions. No Portuguese LFBs have a community on the websites, and only 36% have a community outside their websites, compared to 93% of ILFB. Some brands have social networks, but many show little activity. Notably, the communities outside the Portuguese LFB websites are mainly on Facebook. As for the communication variables, none of them includes website videos from the interviews, which tend to host 40% of ILFBs. Finally, collaboration holds the lowest value for the Portuguese LFBs, confirming the trend among international brands Marques (2016).

In contrast, Portuguese LFBs show a higher percentage of links to other websites, 93%, compared to 60% reported by Marques (2016). Links to other Portuguese LFB websites are mainly to the brand's social networks and the web designer's website. While 40% of the international brands analyzed by Marques (2016) present microsites, Portuguese LFBs avoid using this feature. As for the commercial dimension, only several Portuguese LFBs allow commercial transactions on their website, and only 50% have an e-commerce assistant, compared to 87% of ILFBs.

Furthermore, no Portuguese LFBs and none of the ILFBs studied have shopping videos (videos that allow the purchase of products) and virtual stores. As for 360° technology and augmented reality that allows recreating the offline shopping experience in a digital environment, no Portuguese website does so, compared to only 7% of ILFBs. Thus, Portuguese LFBs should invest more in videos, as they show a much lower percentage value than ILFBs. However, Portuguese LFBs show more animations on their websites than ILFBs, 86% and 53%, respec-

tively. It was concluded that Portuguese and international luxury fashion brands do not use flash and HTML5.

The new strategy for product development is co-creation in the digital economy (Kotler et al., 2017). As brands allow customers to customize and personalize their products online, they can match their tastes and preferences and thus gain more insight. Rovai (2018) argues that consumers of luxury products expect the online shopping experience to be equal to offline. This service should be available online if brands allow customization and personalization of offline products. It is worth emphasizing that Portuguese LFBs fail to allow customization of their products on the website, except for one. In comparison, four ILFBs have these technologies available on their websites. While 71% of the Portuguese brands have user recognition, almost all ILFBs (93%) have already incorporated this function.

### 3.2. Analysis of the Digital Visual Merchandising Grid – MVD

This analysis considers Teixeira and Machado's (2018) Digital Visual Merchandising Grid – MVD. Thus, all ILFB websites have a front view of their products, except one. As for the rearview, only two Portuguese brands do not offer this function. The side view in the Portuguese LFBs is 71%, less than the LFBs. Partial zoom, longer 2D view on the same page, double-sided 2D, auto-change 2D, and double-sided 2D on the same page are the most used tools of Portuguese LFBs. However, they do not allow multiple zooms and 2D F/T cursor change, while ILFBs feature these tools. Furthermore, Portuguese LFBs and ILFBs lack extensive 3D views on separate pages, automatic 3D rotation, and clickable 3D rotation, which would decrease the digital barrier between a customer and a product.

In addition to technologies that provide a more transparent and closer view of the physical reality of products, brands must offer the same shopping experience in two ways: online and offline. It is essential to digitally transfer the assistant's service in the physical store through the facility to select the desired color, visualize how the garment will look worn and suggest garments that complement



it. As for the presentation of product colors, less than half of Portuguese websites present all product colors on the same page; the rest are in different colors on separate pages. Furthermore, only 20% of the ILFBs provide the product colors this way. In line with the conclusion above, no Portuguese and international brands permit automatic color change with a cursor swipe on the garment.

The Portuguese LFBs have their products available through catalog models, flat, with filling and model, leaving aside the layout through a digital model, packaged mannequin, mannequin, and hanging. In comparison, ILFBs arrange products through a model, flat, catalog style, hanging, filled, packed mannequin, and digital model, leaving out the layout through mannequin.

### 3.3. Analysis of the Social Media Performance Analysis Grid

It was found that the number of followers varied among brands/designers and between the two social networks analyzed (e.g., Josfinas had 288,896 followers on Facebook and 88,200 followers on Instagram). Therefore, the network value was calculated to understand which social network has the most significant potential to create communities and value in Portuguese LFBs.

The network value allows obtaining the possible number of interactions between the followers of a page and/or the creation of relationships with a

particular product or service. However, it does not allow for evaluating the return or interactions in a social network, but the potential of interactions that may exist (Celeste & Moniz, 2019). The values obtained are directly related to the number of followers on the pages because the higher the number of followers, the higher the network value (Celeste & Moniz, 2019).

According to Figure 1, the social network with tremendous potential to create communities and value for Portuguese LFBs is Facebook. In contrast, Instagram is more relevant only for four brands/designers: Katty Xiomara, Micaela Oliveira, Egídio Alves, and Âme Moi.

Figure 2 shows that some Portuguese LFBs invest in the social network with a lower network value. For example, Luís Onofre has a higher network value on Facebook; however, he only has four publications here, in contrast to 14 on Instagram. Nuno Baltazar has the highest network value on Facebook, in which there is no recent activity; however, six posts were published on Instagram. Thus, Portuguese LFBs should invest more in social networks with a higher potential for community and value creation. If a brand intends to develop a new social network, more content is expected to be shared.

Furthermore, Figure 2 shows that four brands/designers in the sample invested in the social network with a higher network value, five in the so-

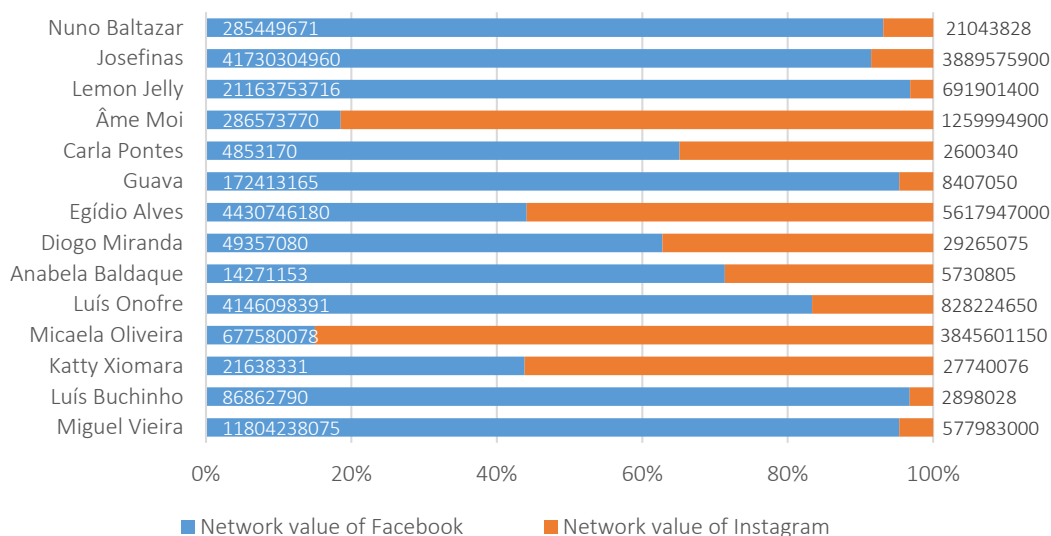
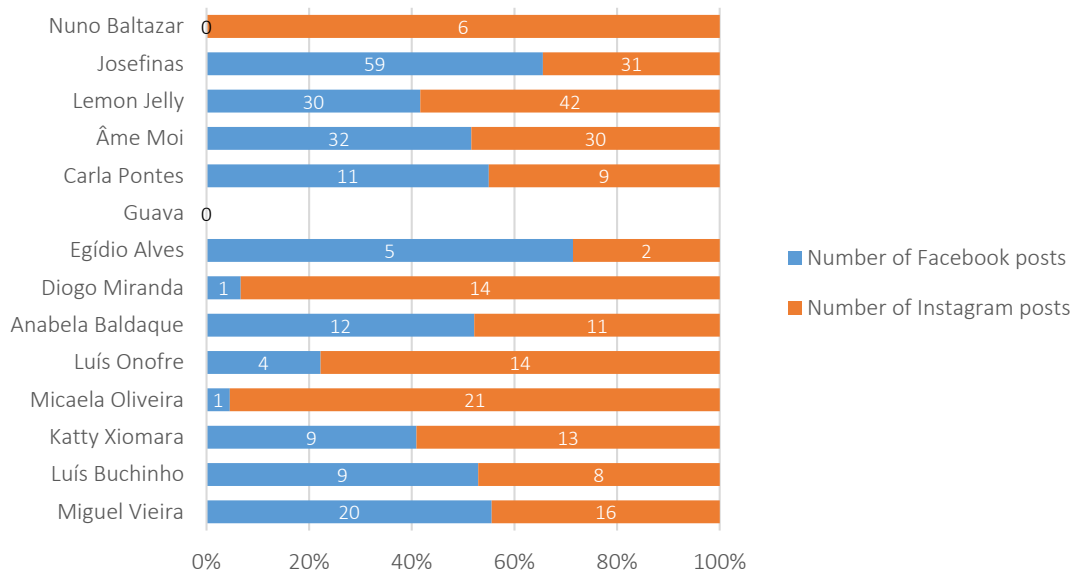


Figure 1. Comparison of network values between Facebook and Instagram



**Figure 2.** Comparison of the number of updated posts on Facebook and Instagram

cial network with a lower network value, and four in both social networks. The engagement rate allows, through the followers’ interactions with the brand/designer, determining the followers, identifying the content they prefer, and understanding the engagement and attention with the brand/designer (Celeste & Moniz, 2019). This rate is calculated by:

$$Engagement\ rate = \frac{Likes + Comments + Sharing}{Number\ of\ Followers} \cdot 100. \quad (1)$$

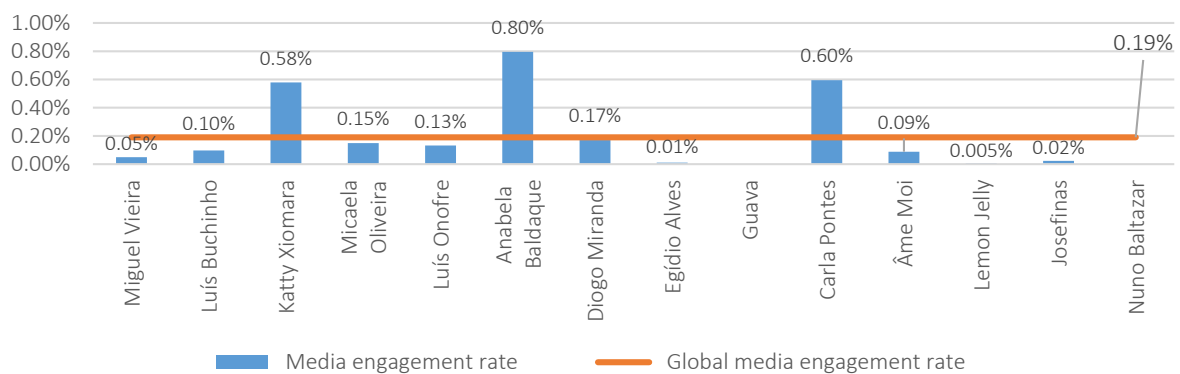
This study intends to determine whether Portuguese LFBs get the expected engagement for their social networks. Thus, all the likes, comments, and shares of publications were added and then divided by the total number of publications, obtaining an average number of interac-

tions per publication. Afterward, this value was used to calculate the average engagement rate of Portuguese LFBs on social networks (Facebook and Instagram):

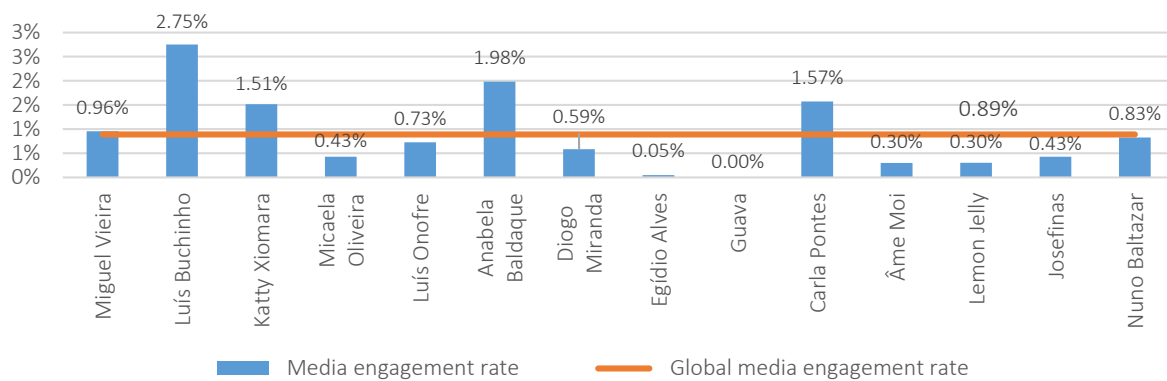
$$Media\ Engagement = \frac{Likes + Comments + Sharing}{Number\ of\ Publications}, \quad (2)$$

$$Media\ engagement\ rate = \frac{Media\ Engagement}{Number\ of\ Followers} \cdot 100. \quad (3)$$

Figure 3 shows the obtained values of the engagement rate, accompanied by a line that shows the global average engagement rate of Portuguese LFBs. Thus, the global average engagement rate of Portuguese LFBs on Facebook is 0.19%. The highest engagement rate found in the sample is



**Figure 3.** Average engagement rate of Portuguese LFBs on Facebook



**Figure 4.** Average engagement rate of Portuguese LFBs on Instagram

0.80%, and the lowest is 0.005% (excluding the brand Guava, which had no activity on this social network during the analysis period).

Figure 4 shows that the global average engagement rate of Portuguese LFBs on Instagram is 0.89%. The highest engagement rate found in the sample is 2.75%, and the lowest is 0.05% (excluding the brand Guava, which had no activity on this social network during the analysis period).

According to Figure 4, Egídio Alves is the brand that has the most followers on Instagram and, consequently, the brand that has a higher network value. However, Egídio Alves has the lowest average engagement rate, excluding the Guava brand. It is perfectly normal that as the number of followers increases, the engagement of a page decreases. However, a page with 109 000 followers on Instagram having an average of 52 interactions per post is relatively low, so the followers of this page might be bought.

### 3.4. Content Analysis Grid on Social Media

According to Larrossa (2019), videos shared on social media must be captioned so the brand’s followers can understand its content. Most users watch videos without sound not to disturb other people, and even if they watch with sound, in a public space, due to noise, they may not be able to hear everything. Followers need to clearly understand the content to interact with it. Thus, this analysis verified that in both social networks, Facebook and Instagram, subtitled videos have a higher applause rate and conversa-

tion rate than simple videos. On Instagram, the content formats perform similarly to the content format on Facebook.

The content in link format is only available on Facebook. According to Macarthy (2019), sharing links on the Facebook page allows followers to click on the image and be redirected to the brand’s website. According to the observation, this format performs well with high applause and conversation rates. As a result, Portuguese LFBs should continue investing in content in captioned video and photography on both social networks and in content in connection format on Facebook.

Since it was impossible to ascertain the applause and conversation rates of stories (content shared on social networks with a limited duration of 24 hours) and live broadcasts, the number of such publications on Facebook and Instagram was compared. Regarding the distribution of stories on Facebook and Instagram, the number of stories published on Facebook is 81, and on Instagram, 571. Portuguese brands bet a lot on sharing content in stories, mainly on Instagram. On Facebook, content is shared in this format but in a smaller quantity. These results confirm the statements of Larrossa (2019) and Macarthy (2019). According to Larrossa (2019), brands should use stories in their social media communication strategy because they activate the mental trigger consequent to their only 24 hours duration. Macarthy (2019) adds that stories allow the sharing of content in a “fast, immersive, and fun” way. In addition, considering the difference in the number of stories shared on social

**Table 3.** Analysis of Facebook and Instagram contents

Interactions	Type of interactions	Facebook		Instagram	
		Likes	Comments	Likes	Comments
Response to followers' comments	Updated publications with responses to comments	15%	36%	50%	73%
	Publications updated without reply to comments	85%	64%	59%	27%
Followers mentioned in reply to comments	Updated publications mentioning a follower in reply to comments	14%	30%	50%	73%
	Updated publications without mentioning a follower in reply to comments	86%	70%	50%	73%
Likes on followers' comments	Updated publications with likes on follower comments	35%	83%	71%	87%
	Updated publications without likes on follower comments	65%	17%	29%	13%

networks, stories on Facebook are less popular than on Instagram.

Micaela Oliveira made two live broadcasts during the period of analysis regarding the photoshoot that took place on Madeira Island and the “Amor Camuflado” fashion show. It was observed that Portuguese LFBDs do not make iterative publications with the public (raffles, questions, or questionnaires). Therefore, Facebook presents much lower applaud and conversation rates than Instagram. Moreover, Portuguese LFBDs on Facebook should accompany their posts with text, questions, emojis, hashtags, call-to-action, and links to the website. Portuguese LFBDs interact little with their followers on Facebook. Only 16 pages replied to comments, 10 mentioned their followers in reply to comments, and 38 liked comments from a total of 192 publications. Table 3 shows that the number of likes and comments on Facebook is higher for publications where Portuguese LFBDs do not interact with their followers, except for liking followers' comments.

Portuguese LFBDs only slightly interact with their followers on Instagram. However, brands/designers liked their followers' comments in 107 posts, responded to comments, and mentioned a follower in the comments in 70 out of 217 posts. The response to comments and mentioning of followers in comments present equal values. In this social network, when clicking to reply to a comment, the follower's username appears by default. According to Table 3, the number of likes and comments on publications increases when brands/designers interact with followers by liking followers' comments. When a brand responds to the followers' comments and

mentions them in the comments, the number of comments increases, however, the number of likes remains the same.

In conclusion, as for Facebook, the interactions of Portuguese LFBDs with the followers in the comments do not present relevance for the performance of the publications, except for liking followers' comments, which boosts the number of comments. On the contrary, on Instagram, the interactions of Portuguese LFBDs positively affect the publication stats. Although Facebook has a higher network value (more followers) for most Portuguese LFBDs, it presents an engagement rate (0.19%) lower than Instagram (0.89%), which justifies the big difference in the impact of interactions between these social networks.

Macarthy (2019) states that ads allow one to gain new followers, keep current ones interested, and drive both to the brand/designer's website to convert customers. According to Faustino (2019), using social media ads is an excellent option for brands/designers to expand their communication at a low cost compared to other mediums. Portuguese LFBDs invest more in ads on Facebook (39 ads) than on Instagram (37 ads), but the difference is insignificant. These data are derived from the Hootsuite (2019) analysis. This study demonstrates that in Portugal, the ad audience on Facebook is 6.30 million active users, and on Instagram is 3.60 million active users per month. However, Facebook's quarterly ad audience growth is 0%, while Instagram's is +2.9%. In conclusion, Portuguese LFBDs should continue to invest in ads on the Facebook social network. However, they should also do it on Instagram because this network is currently expanding.

## CONCLUSION

This paper aimed to analyze how Portuguese luxury fashion brands/designers interact with their customers on social media platforms. The study demonstrates that luxury brands/designers need support with their online strategies related to the limited budgets invested in online media, the cost of online advertising, and the digital communication overload. Portuguese LFBDs seldom interact with their followers on social networks (Facebook and Instagram). The interaction of brands/designers on Instagram shows a relevant impact. In contrast, on Facebook, interaction with followers does not result in a better performance of publications. Thus, brands/designers should like followers' comments, reply, and mention followers when replying to comments on Instagram. Portuguese LFBDs still need to provide more spots where current and potential customers can discover information about their products besides their websites.

Brands/designers actively use Facebook, Instagram, Pinterest, Twitter, Tumblr, and WeChat as a space for their current and potential customers to learn more about the brand, not providing any community on their website or outside the website (not inserted in social networks). The social network with the highest number of followers and, consequently, a higher network value is Facebook. However, Facebook shows a much lower engagement rate (0.19%) than Instagram (0.89%). As such, the social network with more significant potential for community building and value creation is Facebook. However, on Instagram, brands/designers can engage their followers more efficiently. Regarding social media, brand/designer managers should publish captioned videos and photographs with an informative appeal, accompanied by text, questions, emojis, hashtags, call-to-action, and links to the website. Particularly on Instagram, it is crucial that the shop link is placed in the photo and that the brand/designer interacts with its followers by placing likes in comments, replying to comments, and mentioning their followers in replies. Brands/designers must invest in creating online communities because this tool is comfortable for current and potential customers and are part of a decisive step of the advice phase of the client's journey.

The study offers some suggestions for future research. The primary limitation of this study is the sample size, which is not representative of all the digital strategies of Portuguese LFBDs. Thus, future research can enlarge the research population. Moreover, it is advised to apply this approach to other types of platforms, namely social media and marketplaces, and investigate this topic from the perspective of customers.

## AUTHOR CONTRIBUTIONS

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