Chapter 6

Conceptualizing and Measuring Content Marketing in Luxury Firms: An Exploratory Analysis

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ABSTRACT

Luxury marketing has gone through some major changes over the past couple of decades. The power is moving away from luxury firms to luxury consumers, who are playing a more significant role than ever before. These challenges in global markets have sparked a growing interest by practitioners and academics in the content marketing and in the metrics to measure its impact on luxury firm performance. However, the literature is still fragmented. Trying to fill this gap, this chapter has two main objectives. Firstly, it reviews the existing literature on content marketing and the main metrics used. Secondly, it analyses the degree of use and effectiveness of content marketing strategies, tools and metrics on a sample of 218 luxury firms. The results of the study revealed that content marketing is seen by luxury firms as marketing communications strategy that provides valuable and helpful information to a clearly defined target audience with the aim to increase sales.

INTRODUCTION

The introduction of digital technology and the spread of the Internet have led to radical changes in the way luxury firms meet the expectations and interests of its stakeholders (Okonkwo, 2010; Mosca, 2008, 2010, 2012) and in corporate communication (Okonkwo, 2007). In digital luxury, compared to conventional one, marketing has focused on the content. Content is one of the main competitive factor

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of e-marketing mix model (Lauterborn, 1990) that offer the optimal value to the online customer. The contents of a luxury brand’s website are significant in sustaining the brand’s image. The corporate, product and services information provided on the website should be up-to-date and highly interesting (Okonkwo, 2007). “Content is king” is, in fact, one of the most popular slogan in the digital economy. Focus on content involves analyzing new communication models, very different than the usual format used by luxury firms. Content marketing (CM) attracts potential consumers and increases their engagement and empowerment (Kucuk & Krishnamurthy, 2007) through the creation, dissemination and sharing of free content, relevant, meaningful, valuable and able to inspire confidence in existing and potential customers. However, although CM is an up-to-date and hot concept it is actually as old as any other marketing initiative, but CM is still in the beginning phase as not all companies are making the most of it (Pulizzi, 2012). Despite the great attention CM is getting, literature is still fragmented. Many of the marketing journal articles focus on social media and digital marketing tools, and the changes these tools bring to marketing, but do not discuss the topic of content marketing itself. Several authors (Kaplan & Haenlein, 2010; Henning-Thurau, Malthouse, Frieg, Gensler, Lobschat, Rangaswamy & Skiera, 2010, 2013; Wymb, 2011; Weinberg & Pehlivan, 2011) focus on social media and digital marketing, and most do not even mention CM. A recent study (Rowley, 2008) suggests that there is a need for further research in the area of digital CM. Thus, clearly more academic attention is required in the field of CM. A few more contributions (Keyes, 2006; Rowley, 2008; Pulizzi & Barrett, 2009; Halvorson, 2010; Handley & Chapman, 2010; Gunelius, 2011; Lieb, 2011) try to define CM, and, above all, to measure its impact on luxury firms performance. Consequently, this chapter theoretically and empirically examines the evolution of the concept of CM in luxury firms. In doing so, this chapter especially contributes to the research on luxury goods marketing in two ways. First, authors review the literature about the concept of CM and the main metrics used for its measurement. Second, authors analyze the degree of use and effectiveness of CM strategies and metrics by a sample of 218 luxury firms. Actually, the findings of this study suggest that CM as opposed to the conventional communication strategies leads to significantly higher value creation.

In the remainder of this chapter background reviews existing literature on CM concept and metrics. This is followed by an empirical analysis of 214 luxury firms. Sampling, data collection and findings are outlined. The chapter concludes with a discussion, managerial implications and directions for further research.

BACKGROUND

This paragraph as a whole provides a review of the literature, which this research is based on. Although CM is the main subject of this study, it is crucial to explain the broader field which CM is part of in order to fully understand the theme of this research. Firstly, CM is a tool of integrated marketing communications (Keller, 2009; Ewing, 2009), which is the base of the marketing literature where authors find CM. Secondly, the concept of digital marketing (Hauer, 2012) is essential for CM as most of the CM tools today are digital. After these two important concepts have been discussed in the light of marketing literature, the concept of CM is tackled from a few different perspectives; e.g. concept itself, content and channels.
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