

# How Digital Will Disrupt Luxury Marketing & Retail

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# What is happening here?



**60+ million**



**155+ million**

**30+ million**



**KINECT™**  
for  **XBOX 360.**

**Apple took two years to sell 1 million iPods**

# Digital Disruption is happening here

“When companies **adopt** technology, they do old things in new ways;  
when companies **internalize** technology, they find disruptive new things to do.”

**They become digital disruptors**

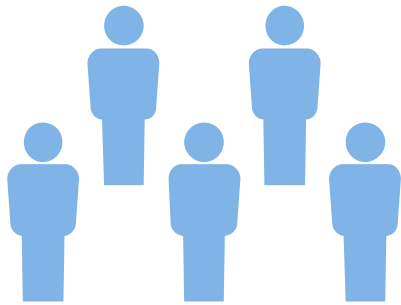
# Digital disruptors do this

- ▶ They will build **Better** product experiences
- ▶ That create **Stronger** customer relationships
- ▶ Bringing it all to market **Faster**

**You have to do this, too**

# Digital disruption is better, stronger, faster

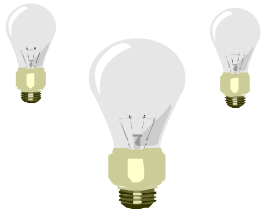
Old disruption



**10x**  
the innovators

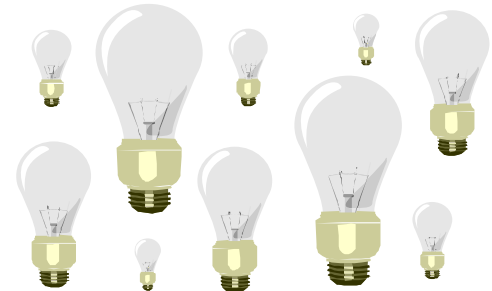
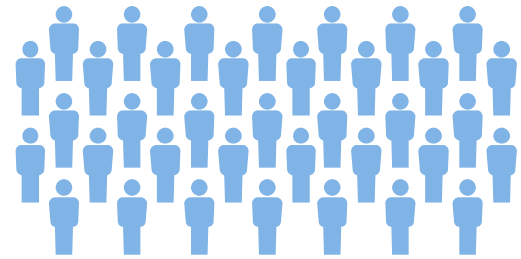


**1/10th**  
the cost



**100X**  
the power

Digital disruption



# Digital disruption is a good thing: Your customer wants more

- More of your products
- More joy in the experience of searching for them
- More satisfaction in the ownership of them

If luxury products and services embody an aspiration, then people will always want more – not just at purchase, but before, during and after purchase

**Digital tools help you give your customer more**

# My Beauty Bag builds a digital relationship

sign in or register ACCOUNT BEAUTY INSIDER 3 FRI AT&T 4:36 PM 68% STORES 0 BASKET

FREE SEPHORA COLLECTION  
USE CODE TAKEITOFF. SEE ALL OFFERS ▶

SEARCH

MAKEUP SKINCARE FRAGRANCE HAIR NAILS

makeup > eyes

EYES

- Mascara
- Eyeliner
- Eyeshadow Palettes & Eye Sets
- Eyeshadow
- Eyeshadow Primer & Base
- Under Eye Concealer
- Eyebrows
- Eyelash Enhancers & Primers
- Eyelash Curlers
- False Eyelashes
- Eye Makeup Remover

My Account

m.sephora.com/profile/r Search

SIGN IN SEPHORA

SHOP MY ACCOUNT LOVES

SEARCH SEPHORA

MY BEAUTY BAG

SEE WHAT'S INSIDE +

YOUR BEAUTY BAG JUST WENT DIGITAL.

OWN IT. SHOP IT.  
PURCHASES

LOVE IT. HEART IT.  
LOVES

NEW SEPHORA FAVORITES Draw The Line \$30.00 (\$79 value)

NEW ARDENCY INN PUNKER Unrivaled Volume & Curl Lash Wax

NEW STILA Magnificent Metals Foil Finish Eye Shadow

NEW SEPHORA COLLECTION Eye Graphic 4 Colors Palette

WHILE SUPPLIES LAST

3-DAY SHIPPING FREE OVER \$50 ▶

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# LOUIS VUITTON

*Neverfull GM Tote*

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# Even high-end services can succumb to relationship-based digital disruption

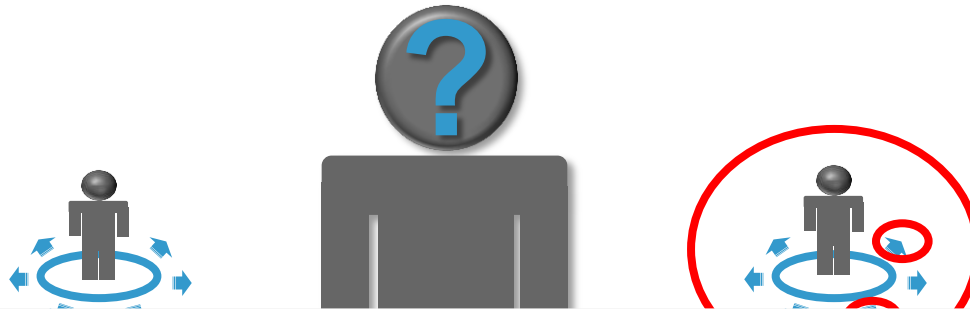
The image shows a screenshot of the Surfair website. At the top left is the Surfair logo. To its right are navigation links: "HOW IT WORKS", "DESTINATIONS", and "TRAVEL INFO". Further right is a "JOIN THE WAITLIST" button. The main heading is "ALL-YOU-CAN-FLY" in large white letters, with the subtitle "Private Air-Travel Membership" below it. Two buttons, "LOGIN" and "LEARN MORE", are positioned below the heading. The background of the top section is a photograph of a white and blue private jet on a tarmac at sunset. Below this is a section titled "Member Benefits" with three columns:

- MORE TIME**: Unlimited flights, 30-second booking and executive-level service save you valuable time. And time is money.
- MORE COMFORT**: Flying should be enjoyed, not endured. Discover the joy of flying—always first-class and always a warm welcome.
- MORE FREEDOM**: Free from endless lines, congested airports and constant fees. Hassle-free air travel will soon be a reality.

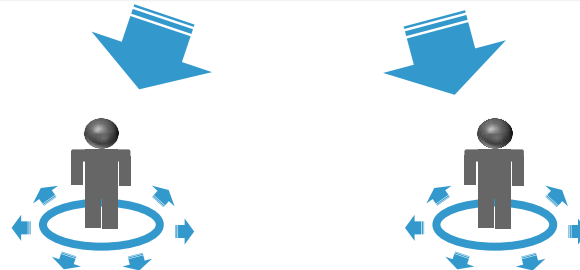
What should you build first?

# Find out what your customer needs next by putting them at the center of your world

## INNOVATING THE ADJACENT POSSIBLE

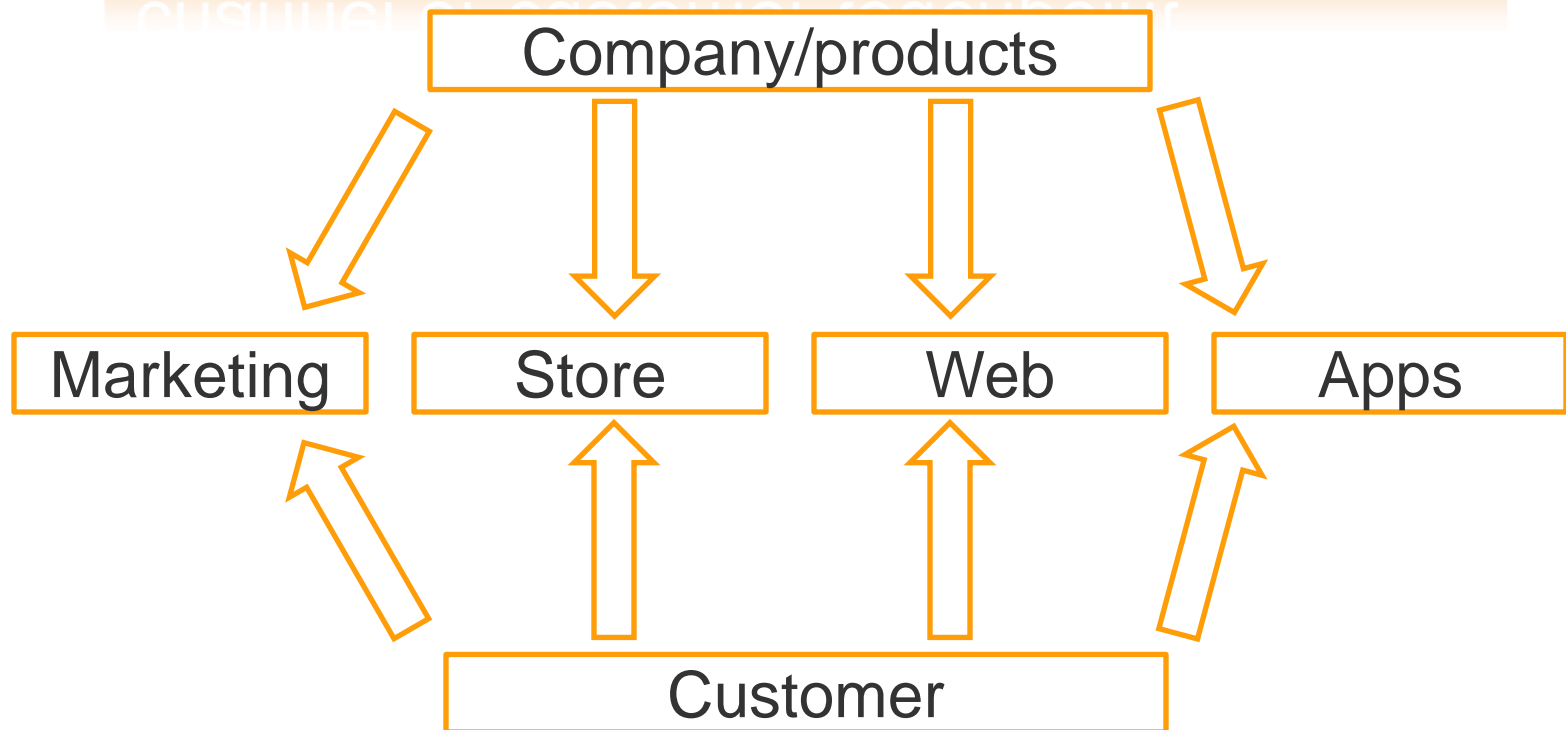


Don't build the future; build the *next* thing people really need and let the future find you.



# Then deliver that next thing through a digital relationship

Digital experiences are not just another channel or customer touchpoint



Go far enough down the digital path  
and you get new products,  
experiences

Nike

Fuel

Shoes

Fuel Band

Apps

Xbox



Customer

# Digital disruption yet to come: the Magic Mirror



# Digital disruption yet to come: the Magic Mirror



Magic Mirror

Eyes

Hair

Lips

Skin



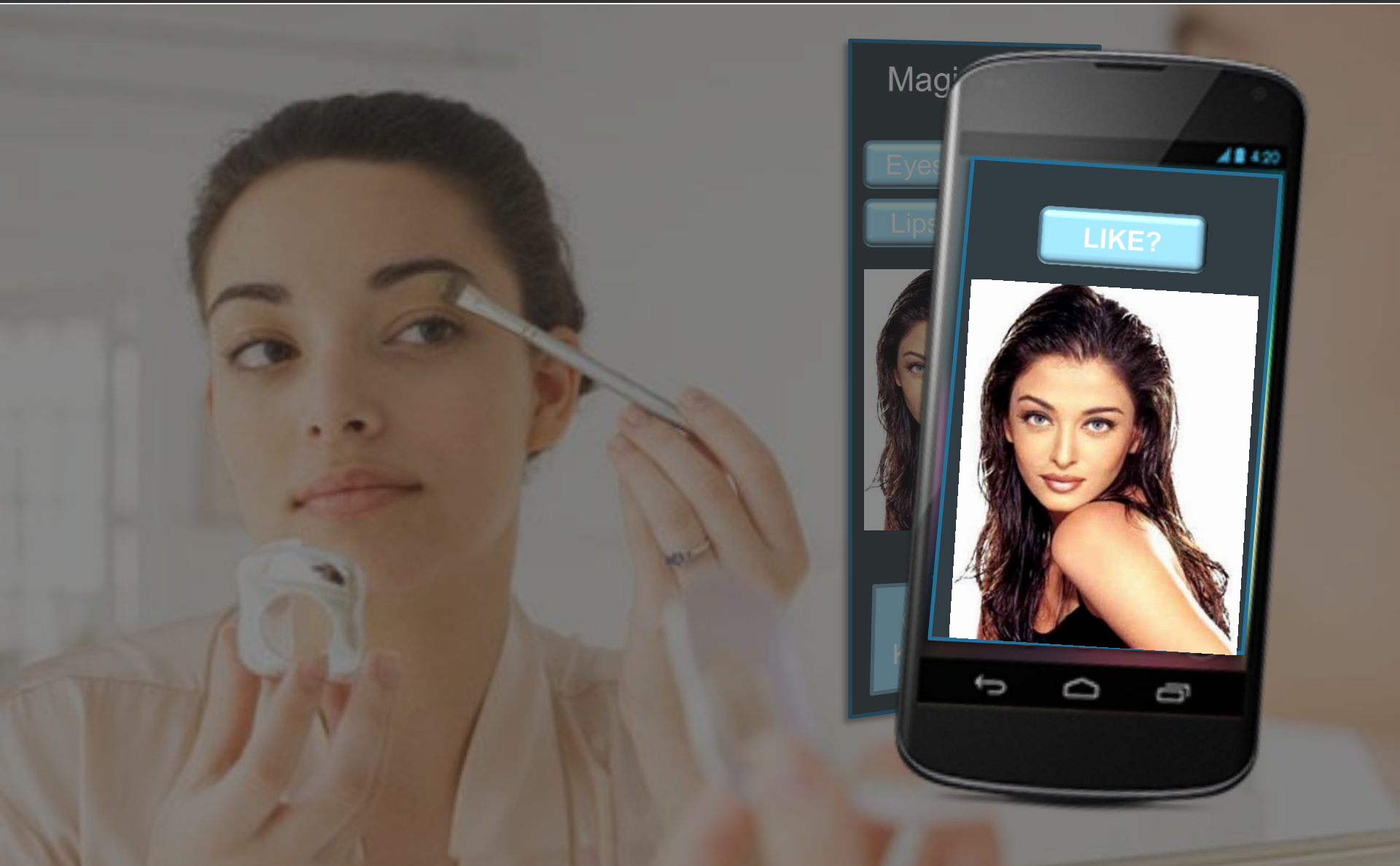
preview

Call  
Kerry





# Digital disruption yet to come: the Magic Mirror

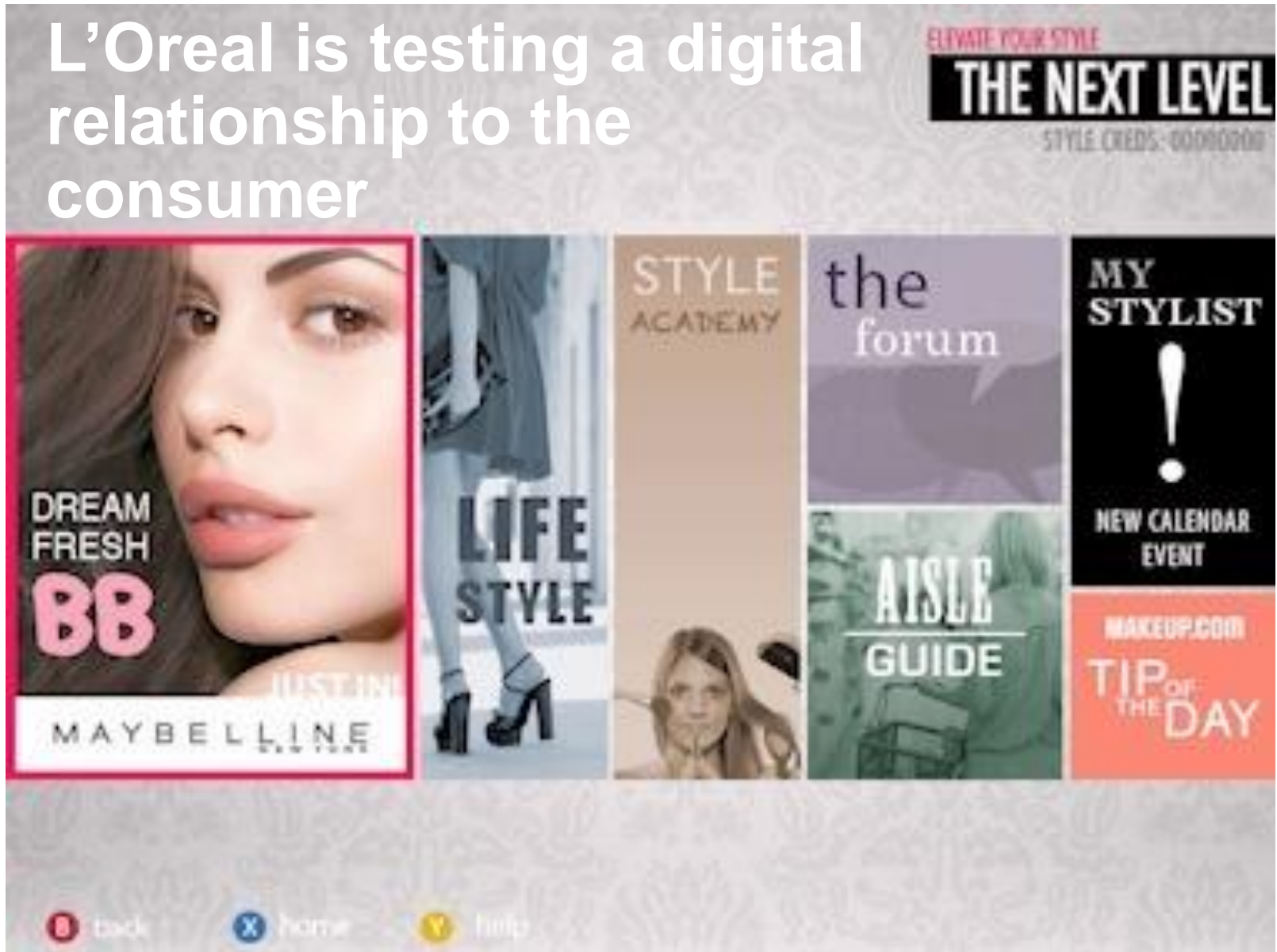


# Which companies would want to own the Magic Mirror relationship?

- ▶ Media companies have the content
- ▶ Retailers sell the products
- ▶ Manufacturers want the customer loyalty



# L'Oreal is testing a digital relationship to the consumer



# Which companies would want to own the Magic Mirror relationship?

- ▶ Media companies have the content
- ▶ Retailers sell the products
- ▶ Manufacturers want the customer loyalty
- ▶ Platforms want to enable all of it

Who will exploit digital technology quickly enough to build this relationship with the customer?

# We help companies answer this fundamental question: Can I do this?

YOU MUST HAVE A DISRUPTOR'S:

**Energy**

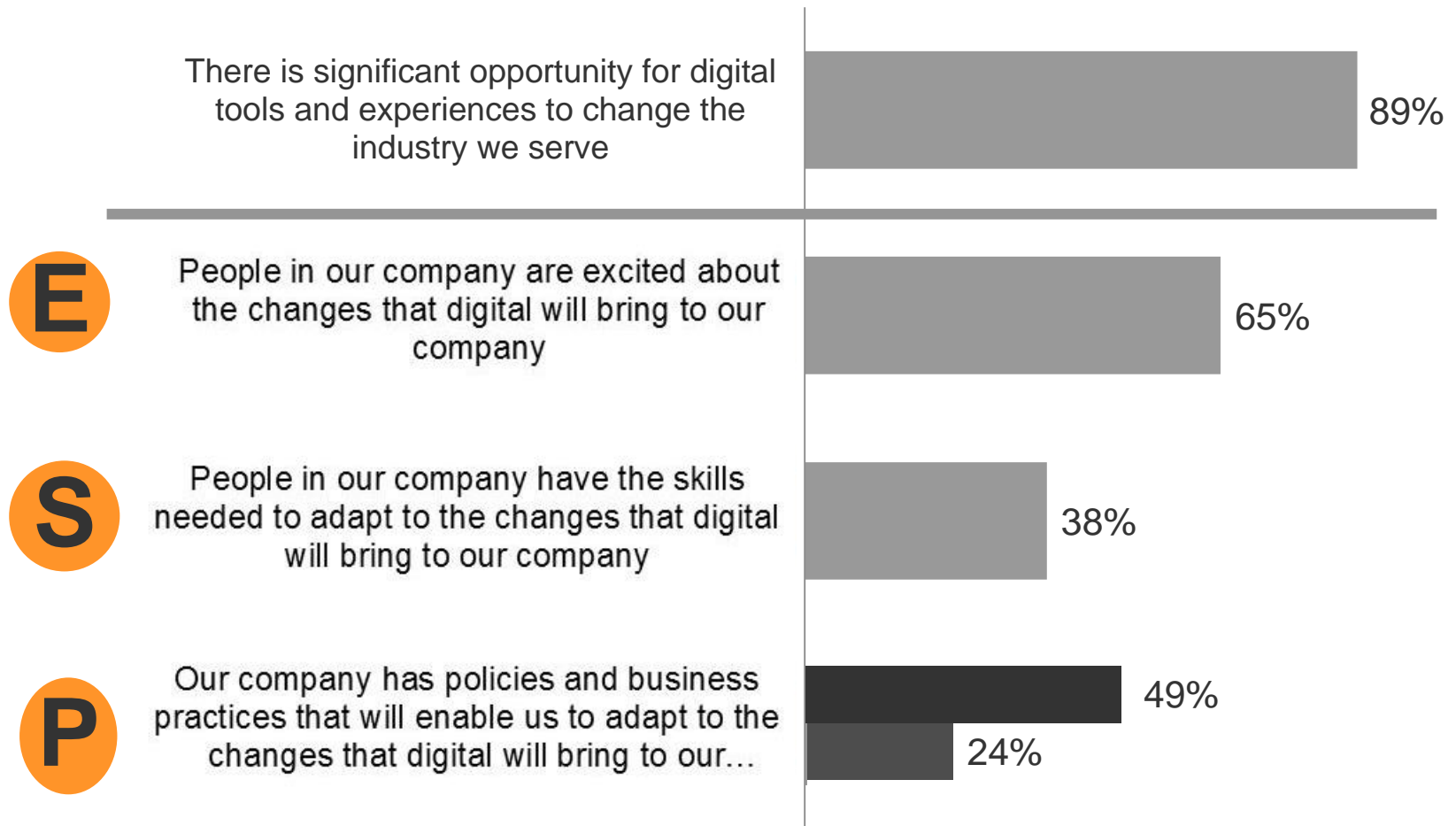
**Skills**

**Policies**

We conducted a global survey of executives to see if they are ready.

# People see it coming but aren't ready for it

PERCENT THAT AGREE WITH EACH STATEMENT (TOP-2 BOX)



Source: June 2012 Digital Readiness Assessment

Detailed analysis in new report, [Assess Your Digital Disruption Readiness Now](#), March 2013

FREE STANDARD SHIPPING ON ORDERS \$150+

MY ACCOUNT

SHOPPING BAG (0)

SEARCH

# COACH

NEW ARRIVALS WOMEN MEN HANDBAGS SHOES ACCESSORIES TRAVEL GIFTS FEATURES



## LEGACY COURTENAY HOBO IN LEATHER

STYLE NO. 22381

\$298

### DESCRIPTION

A modern, structured hobo with tailored lines and a sumptuous slouch, this versatile new design is crafted in rich, glove-tanned leather with iconic turnlock hardware. Two straps allow it to be worn over the shoulder or as a crossbody; both are adjustable for a custom fit.

[View details](#)

DETAILS

+

REVIEWS (65) ★★★★★

+

# Use digital disruption to give your customer more

- ▶ More of your products
- ▶ More joy in the experience of searching for them
- ▶ More satisfaction in the ownership of them

**Unleash the disruptor within**

# Thank you

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To learn more about digital disruption and assess your digital readiness, visit

[forrester.com/disruption](https://forrester.com/disruption)  
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