

COLUMNS

## 5 marketing requirements for luxury customer engagement in 2015

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By A LUXURY DAILY COLUMNIST

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In 2015, the biggest challenge for luxury marketers will be to gain a much better understanding of what customers expect in terms of significantly improved customer experiences.

In the 2015 Luxury Multichannel Engagement Index it was noted that “wealthy consumers have come to expect a lot from luxury retailers both online and in stores.... they must have top people, both online and offline, in place to deliver superior service and experiences.”

Here then, are the 5 key requirements for luxury brands in meeting the high expectations of these unique consumers.

### 1. Use human data to drive deep engagement

Findings from 12,000-plus hours of Voice of Customer Research conducted by us for clients including MassMutual, IBM, Norton AntiVirus, QVC, NBC, Microsoft and Songza indicates that consumers have little patience for searching for relevant offers and communications. This is especially true for the luxury segment.

Therefore keep these points in mind so you can engage your customers as individuals and capture their individual human preferences;

- Your customer is a human, not an account number.
- Each person defines “relevant” differently.
- Nurture and educate customers.
- Develop experiences to delight.
- Add competitively differentiating value to engage customers over time.

In keeping with its efforts to provide competitively differentiating shopping experiences for their customers, Nordstrom Inc. acquired Trunk Club a free online stylist service that builds one-on-one relationships between personal stylists and members to understand their individual lifestyles and styling preferences and uses this information to hand select items which are shipped to customers who keep what they like and return the rest for free.

Erik Nordstrom, president of Nordstrom Direct, said, “We want to evolve with customers ... This complimentary service is an important and successful volume driver for us that our customers appreciate ... What Trunk Club does adds to our service capabilities – we can learn from them about what they call ‘assisted commerce’ so we can continue to meet the evolving needs of customers.”

## 2. Achieve new levels of personalization

Empower consumers to achieve high levels of personalization based on their specific behavior and actions. Use this information to provide unique information, product selection and experiences that are created solely for them.

Mallzee, a new interactive and intelligent mobile application, allows users to create “style feeds” and set everything from color to brand preferences.

The app sifts through preferred retailers to find items that match their individual style.

Users can also set personal price drop notifications as well as notifications when retailers update their offerings. The app “learns” a user’s personal style as they swipe through products, so the next time they log on, offerings are presented per their preferences.

## 3. Be everywhere your customers are

Today, luxury consumers are multimedia/multichannel shoppers. Consumers are in store, on their phone or tablet doing research. They are watching television while chatting on social media and they are using apps to define their shopping and entertainment experiences.

To keep up with the demands of these multi-dimensional, multichannel buyers, marketers must develop options that blend individual media channels into one omni-available experience.

Burberry enables shoppers to explore and buy the latest products not only online, but online within the store via shopping assistants armed with iPads who provide suggestions, show new arrivals and check stock levels.

RF tags on in-store products can trigger video screens based on an item that a customer is carrying. And Burberry's Twitter provides its 3.36 million followers engaging product and shopping information.

#### 4. Empower customers to create their own products and solutions

Allowing consumers to actually create their own product to purchase enables them to literally become a part of the brand.

Enhanced levels of engagement encourage feelings of product ownership and product pride because they allow online buyers to take an active role in the product development process.

NikeiD offers customers the ability to customize their shoes. Buyers can pick the color, pattern, shoelace color, and even have an inspirational message put onto the tongue of the shoe.

Then the new creation can be shared online. According to Brand Channel, NikeiD has seen its online business triple since 2004.

#### 5. Be creative in solving customer needs

What is useful to one group of consumers may not be perceived as useful to another group.

Deep customer knowledge will enable marketers to develop services to solve problems of individual customer segments and therefore drive deeper and sustained loyalty and engagement.

Barneys New York will be launching a niche-based personalized program with stationer Connor that is geared towards its busy, upscale customers.

The Web site and app will enable customers to design cards to be sent digitally via email and social media.

The platform will have event management capabilities for guest lists and tracking of RSVPs.

Barneys chief operating officer Daniella Vitale notes, "This project fills a void and will allow our customer an opportunity to communicate quickly and elegantly."

Connor co-founder Justin Felber agreed: "This is really a social and sophisticated way to communicate."

IN SUMMARY, as you prepare for 2015, keep in mind the mandate to create luxury experiences and brand interactions that are deeply and intelligently personalized and based on more than transactional, overlay and inferential data. This will be a critical element for significantly increasing long-term engagement and brand loyalty.

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