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How should luxury brands and retailers continue to stoke demand in a blizzard-blighted New York market?

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UNICEFs no wflake suspended over Fifth Avenue

By SARAH JONES

As New York braces against what could amount to the largest winter storm in its history, luxury brands and retailers have an opportunity to make a difference.



With the potential for power outages and reduced transportation, the brands and retailers in the luxury capital of the world may see reduced foot traffic and sales. However, as consumers brave the nor'easter, and in the days following, brands have the opportunity to step in with assistance, making a memorable impression on those they help which will be remembered when the weather clears.

"Luxury is about the relationship between the brand and the customer," said Gustavo Gomez, director of research and methodology at Envirosell, New York. "Providing a high level of service will reinforce the relationship, which translates to brand loyalty in the future.

"Customers will remember how the brand helped them out despite the blizzard," he said.

"On the other side, those that fail to provide the high service expected of the brand will risk

losing the customer. Customers might equate the experience to bad service overall and not consider the circumstances surrounding the experience."

Snowy service

A blizzard in 2010 left many consumers housebound, and reduced store traffic by 11.2 percent, according to a CNN article. This storm will likely have some economic impact, but retailers can minimize the negative effect by reminding consumers that they are open all the time online.

Before the storm picked up on Jan. 26, some brands sent well-wishes to the Northeast. This both allowed them to commiserate with their audiences and show they care about their consumers' well-being.

Moët & Chandon took a humorous approach to the traditional supermarket rush, sharing a post on Facebook with a photo of a bottle of its Champagne in the snow that read, "To stocking up before the storm!"



Facebook post from Moët

Marc Jacobs also showed a lighter side, sharing the advice, "Don't panic," via a knit hat, including a snow emoji in its tweet.





Tweet from Marc Jacobs

Barneys New York took to Twitter, sharing its essential shopping list of wine and shoes, linking to an ecommerce page.



Tweet from Barneys

This approach urges consumers to stay safe, while simultaneously driving sales, as consumers find themselves with time to browse ecommerce sites.

"Customer safely is a top priority for retailers during extreme weather conditions," said Walter Deacon, principal at Boston Retail Partners, Boston. "During dangerous weather situations, retailers may want to proactively communicate with their customers, expressing concern for safety while identifying ways for them to shop virtually.

"Understanding that weather will negatively impact shoppers ability to get to their stores, retailers can minimize the impact with creative promotions and customized services," he said. "Retailers might offer blizzard promotions with discounts or special shopping suggestions, such as ordering online with pick-up at the store – after the storm subsides – or delivery to their home."



PHOTO



@ 8h





- 291 likes
- fsnewyork Only light snow for now...stay warm and safe Northeast! #winterstormjuno #fourseasons

Instagram post by Four Seasons New York

Hospitality brands may have consumers stranded for a longer stay, or may be welcoming more guests as flights are cancelled. Having the necessary supplies and a staff ready to be of service is therefore necessary.

"Hotels have to make sure they stock up on all necessities and popular non necessities," Envirosell's Mr. Gomez said. "Guests will be spending longer in the hotel than usual and they don't want to go without because of the storm.

"Staffing is key for hotels," he said. "They need to plan in advance. That includes everything from housekeeping to kitchen, spa staff and concierge.

"At the end of the day the key is to be patient with your customers and try to make a temporary situation as comfortable as possible. It is possible that plans are ruined and travel delayed. How a hotel handles stranded guests can make a difference between a life time loyal customer or one that never books again."







- 172 likes
- thecarlylehotel Getting ready for the storm! #Snow #CentralPark #EmpireSuite

Instagram post from the Carlyle Hotel

Helping hand

Natural disasters bring communities together, including brands that are part of the local establishment. Immediately following Tropical Storm Sandy, retailers and brands looked to help their neighbors.

5h

New Jersey-based Mercedes-Benz USA and Toyota Corp.'s Lexus each donated \$1 million to the American Red Cross to aid in Tropical Storm Sandy relief, while New York-based retailers supported the city via digital efforts.

Luxury marketers such as Mercedes, Lexus, Bergdorf Goodman and Saks Fifth Avenue took part in supporting the East Coast by encouraging donations and sharing news and advice. Luxury retailers were not expected to suffer much in terms of sales, but these efforts will likely keep brands top of mind to consumers in affected areas as the state of retail begins to return to normal.

When Bergdorf Goodman reopened after the storm, the retailer posted to Twitter, "Don't forget: if you're looking for the perfect spot to regroup, BG Restaurant has delicious coffee & gorgeous views."

Bergdorf continued to encourage consumers to stop by to recharge electronics and use its wireless Internet via Twitter and Facebook (see story).

With this storm, in a few days, consumers will be out and about again, and those brands that kept up communication with them will likely remain top-of-mind. Retailers can help them return to normality.

"After the storm clears, retailers might benefit by offering distinctive services that appeal to its customers that hunkered-down during the storm," Boston Retail Partners' Mr. Deacon said. "Perhaps spa treatments, decadent chocolates or dinner gift certificates might be welcomed by luxury consumers looking for a little pampering after the storm to get back in the swing of things."

Final Take

Sarah Jones, staff reporter on Luxury Daily, New York

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