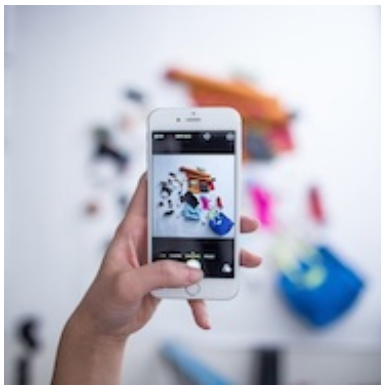


RESEARCH

As consumer trust increases, so will marketers' mobile spend

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Instagram post from Bloomingdale's

By JEN KING

Despite increasing investment, only 58 percent of luxury brands are satisfied with their mobile initiatives, according to a new report by RadiumOne and WBR Digital.

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Luxury Daily

Now that consumers are more open to receiving branded communications through their smartphones and tablets, 63 percent of marketers are looking to combine in-store tactics with mobile strategies. With the 2014 holiday season behind marketers, RadiumOne and WBR Digital's "Luxury Retail's Digital Moment" report suggest that in-store efforts for Valentine's Day may be coupled with an increase in mobile outreach to better the consumer experience, notably in the luxury retail space.

"When mobile is done right and done with the right partner who can help integrate your strategy across channels starting with brand awareness campaigns and all the way down to in-store experiences working in real time, then mobile becomes much more than a tool," said Eric Bader, CMO of [RadiumOne](#), San Francisco.

"[Mobile] can become your most effective strategy," he said. "We expect mobile technologies to continuously contribute significantly to multichannel initiatives."

The **Luxury Retail's Digital Moment** survey was conducted in-person and online via an event-based mobile application during the 2014 Luxury Interactive conference in New York.

More than 200 executives from luxury brands attended the conference to discuss online and digital opportunities for the industry. Respondents for the Luxury Retail's Digital Moment survey represented Saks Fifth Avenue, David Yurman and The Viceroy hotel, among others, at the 2014 Luxury Interactive conference in October 2014.

Moving to mobile

Mobile has become a necessary component to a luxury brand's marketing strategy as consumers increasingly wish to interact via their devices while on-the-go. Luxury brands have been notoriously slow at adapting to mobile trends, but many have seen the strategic importance of communicating with consumers and increasing in-store productivity through the use of mobile.

Eighty-two percent of luxury brands have built mobile-optimized Web sites, but many are struggling to place mobile touchpoints within physical storefronts.

RadiumOne and WBR Digital found that of the brands surveyed, 63 percent are still working in the planning phases of introducing mobile to their stores. In comparison, 31 percent of brands surveyed are working with third-party vendors to enhance their multichannel initiatives.

Brands that have introduced mobile to the stores include arming sales associates with tablets to aid in inventory searches, remembering consumer information and easy purchase and returns.

For example, department store chain Bloomingdale's opened its first fully mobile store in Palo Alto, CA, Oct. 10 to appeal to the "digitally sophisticated" tech community in Silicon Valley.

Featuring smart dressing rooms, mobile checkout, consumer-facing tablets and sales associates armed with mobile devices, the store in the Stanford Shopping Center heightens the omnichannel experience for shoppers ([see story](#)).



Bloomingdale's Stanford, CA store

Others have used mobile, such as the faltering Google Glass, to enhance the in-store experience by creating bespoke moments.

For instance, French atelier Saint Laurent Paris' beauty brand YSL Beauté is enhancing product demonstrations at its cosmetic counters with the introduction of Google Glass tutorials.

The beauty brand has rolled out Google Glass tutorials at retailers such as Bloomingdale's and Selfridges to personalize the in-store experience through technology. Brands and consumers alike have struggled to incorporate Google Glass into everyday life, but the functionality of the technology in an in-store setting is hard to dispute ([see story](#)).



YSL Beauté Google Glass beauty tutorial

"Today's luxury marketer knows that affluent consumers turn to the internet to investigate brands before making a purchase and spend many hours per week typically using their mobile device for personal interests including shopping-related activities," Mr. Bader said.

"As more and more consumers turn to mobile for getting information and connecting to the world around them, companies have evolved their tactics to enable marketers to maximize the scale and relevance of their mobile advertising and targeting reaching luxury customers more efficiently and effectively," he said. "This helps luxury brands reach the consumers they want, when they want and with more relevant messaging – opportunities include priority access and exclusivity for best prospects, a pre-release viewing of new items to select customers or an introductory luxury offer to potential customers.

"This demonstrates a huge potential for marketers to improve their business. But where luxury brands need to focus is on an integrated mobile strategy that includes their in-store experience along with other strategies."

What's to come

For 2015, brands surveyed say they will continue to invest in their marketing spends. Almost all respondents, 92 percent, answered that in 2014 their marketing budgets were increased, which signals the importance placed on digital and shows that spends will only continue to increase as brands better incorporate technology into their strategies.

Interestingly, the survey found that brand awareness is seen as a more “critical” marketing goal compared to conversions.

Of those surveyed, 77 percent replied that brand awareness through digital efforts is a main goal. Sixty percent of respondents said that driving trackable conversions was a primary goal.

For example, Italian cashmere brand Loro Piana expanded its mobile commerce beyond its iOS application with a mobile-optimized Web site.

Loro Piana’s mobile site focuses on easy access to its apparel and accessories, placing content primarily on product pages rather than featuring it on the homepage. As consumers become more comfortable making purchases via a mobile device, allowing shoppers to easily access ecommerce on a wider range of devices will help Loro Piana provide a service to a broader audience ([see story](#)).

*Menu*

Loro Piana mobile app

RadiumOne and WBR Digital suggest that retailers in particular build upon current, or established, ecommerce platforms that emphasize and understand the consumer journey. A seamless shopping experience must also translate into a high level of customer service after the point of sale.

Also, brands need to take advantage of the opportunities presented by mobile. With unprecedented access to consumers luxury brands should be sure to create a mobile-optimized Web site, bring mobile touchpoints within bricks-and-mortar storefronts and deliver targeted, contextual messages through mobile platforms.

Lastly, the survey suggests that brands continue to tell their narrative through curated content and digital campaigns. By doing so, brands can communicate with consumers at strategic times such as when they enter a store or during a holiday or

significant event, thus increasing conversion rates.

"For luxury brands, every opportunity to increase their visibility and brand awareness is valuable," Mr. Bader said.

"This is important because it makes them more familiar to customers and potential customers while keeping the brand attributes and desirability at a high level," he said.

"Luxury marketers realize that not every interaction with their brand will result in a conversion but offers the ability to simultaneously connect with customers and potential customers alike."

Final Take

Jen King, lead reporter on Luxury Daily, New York

Embedded Video: [//www.youtube.com/embed/ts9qVG23-N8](https://www.youtube.com/embed/ts9qVG23-N8)

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