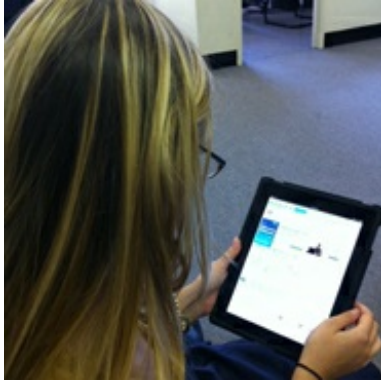


Q&A

Staying ahead of the consumer is key

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Affluent consumer with iPad

By NANCY BUCKLEY

Luxury marketers are starting to target the technology-first millennial consumer, a challenge that requires brands to be innovative to see positive results.

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A space where luxury brand executives can meet and discuss strategy is rare, but at the Luxury Marketing Council, C-suite executives are able to bounce ideas around to attempt to stay ahead of the consumer. Understanding the marketplace and competitors is key for success in luxury marketing.

"[Luxury's greatest challenges in 2015 will be] understanding, integrating and leverage the tidal wave of technological opportunities that impact knowledge, buying virtually and in-store, a myriad of apps that are radically changing the way people buy and what means advertising, public relations, marketing and how brands target their customers and prospective customers," said Greg Furman, founder and chairman of **Luxury Marketing Council**, New York.

In this Q&A, Mr. Furman discusses his own involvement in luxury and his thoughts on the year to come.



Greg Furman

Here is the dialogue:

How did you get involved in luxury marketing?

I have always been responsible in my corporate life - Suncor, NYSE, J. Walter Thompson and Bergdorf Goodman - for promoting, protecting and managing the reputation of the brands I've served.

At Bergdorf I had entree to the top luxury brands (vendors) and was responsible for PR, database management, strategy, employee communications, special events, corporate citizenship/contributions and the \$30 million catalog business and have always been fascinated by what makes the best of the best the best and enables brands to command a premium price.

Why did you choose to found Luxury Marketing Council?

I saw a void in the marketplace. In 1994/95 all segments of the luxury arena were 'stuck' in their vertical silos, even though they all shared 60 percent of the same top customers (the 4+ million in North America with investible assets of a million dollars and way more), just not the same 60 percent.

The opportunity to put the C-suite executives across all segments in the same room to grow revenue, win greater spend and loyalty of their best customers by inspiring them to collaborate and partner, share data bases, insights and get smarter was my breakthrough insight. No one was doing this.

So the Luxury Marketing Council has grown from 32 brands in New York alone to 1,000. 5,000 CEOs and CEO in 57 cities worldwide. Now in our 21st year, the "glue" is events that share best marketing practices — [we held] 49 last year in Manhattan alone — and inspiring members to work more closely together and profit.

What do you predict to be luxury's greatest challenges of 2015?

Understanding, integrating and leverage the tidal wave of technological opportunities that impact knowledge, buying virtually and in-store, a myriad of apps that are radically changing the way people buy and what means advertising, public relations, marketing and how brands target their customers and prospective customers.

Better serving, surprising and delighting, "educating" in a sophisticated, non-condescending way their best customers, inspiring them to buy more and understand the

inherent value of the brands' products/services.

Inspiring and galvanizing their people on the line to present the best, most intelligent face to the best customers.

More surgically segmenting, measuring (qualitatively and quantitatively) integrating "one voice" in their marketing initiatives. Thinking "global," acting "local."

The increasing disparity between "the haves" and "the have not," the disappearance of the middle class and aspirational buyer- and the implications for luxury brands.

Heightening the human touch and intimacy with best customers and employees.

Better "listening" - staying ahead of the curve in competitive intelligence and how the customer, the market and employees' attitudes are changing.

In the United States a vast surplus of retail space "over-storing" - see Robin Lewis's The New Rules of Retail for the most dramatic and, I believe, accurate assessment of this massive shift and implications for mass and luxury retailers.

Have we seen any of these challenges yet this year? If so, where?

All and everywhere - omnipresent - none can "escape."

What can marketers do to adapt to the year's challenges to best reach their consumers?

Design programs that address each of the challenges.

How will luxury adapt to the changing technologies? Especially with the upcoming release of Apple's watch?

Stay in touch, do a better job of tracking trends and impact of trends, ask the customer, ask one's agencies, talk to kindred-spirit brands, develop an issues management program - a disciplined way of sorting out what issues/trends are too late to act on, which are actionable and which are far enough out that the brand can "get ahead of the curve" and develop a plan for prioritizing the ones that are most critical and developing strategies and tactics to address them.

How will the aging millennials change the way in which luxury is marketed?

In every way imaginable. They work, play, live, love and buy in a radically different way than the boomers and are already eclipsing boomers in their buying of luxury products and services.

Top 5:

1. Their use of technology
2. Their views of work and play
3. The way they buy and are influenced to buy
4. Their attitudes toward corporate citizenship, environment, art and culture, corporate ambitions, health and well being, money and security
5. Their redefinition of family, friendship and community

What will be the future of luxury in emerging markets?

Increasingly more robust and profitable and, from a revenue perspective, growing.

There will be a massive shift in consumption of luxury products from the most sophisticated consuming countries - the U.S. Europe, Japan - to China, Russia, India, South America, Africa... that will require the traditional luxury brands (French, Italian, etc.) to jettison old ways and re-engineer their approach to product, service and marketing.

Final Take

Nancy Buckley, editorial assistant on Luxury Daily, New York

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