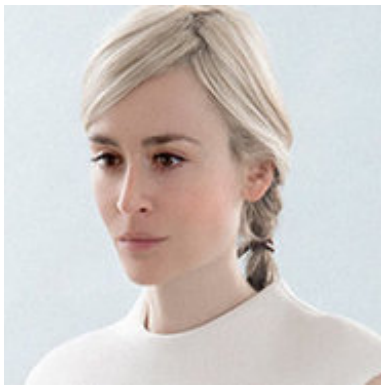


COLUMNS

4 ways luxury brands can win by focusing on consumer behavior

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Luxury Daily

Luxury brands, faced with the historic disruption thanks to the collision of media and technology, must shift from playing defense to taking the offense, even if that means discarding formerly successful approaches.

To win in the new luxury landscape where Apple is as much a force as Chanel, established luxury brands need to think like disrupters by placing human behavior firmly at the center of their strategies.

Dom's day

Instead of trying to predict the future, disrupters must focus on “jobs to be done” in the present. This framework, coined by Clay Christiansen, focuses on consumers’ social, emotional or functional problem, and turns business into its solution.

Mr. Christiansen’s framework does not narrow innovation to the latest technology or the hottest new gadget. Instead, it roots it firmly in human behavior.

“Will we use iPhones in 20 years?” asked LVMH scion Antoine Arnault at the recent Condé Nast International Luxury Conference. “Who knows. But in 20 years, people will still drink

Dom Perignon.”

Consumer behavior is the best starting point in thinking about the future. It offers a roadmap for survival for the established luxury companies. They need to look at how the next generation of their customers behave and zoom in on the points of friction in their brand experience. Then, they need to become a solution to this friction.

Car rental company Uber removed friction from the car renting experience. Online luxury fashion marketplace Farfetch removed friction from discovery of the next authentic designer. Personalized sampling service Birchbox removed friction from exploration of the new beauty products.

There are four ways that established luxury brands can win by staying true to their customers:

Win #1: Create a seamless path from inspiration to purchase

Smart luxury retailers such as Net-A-Porter merge content and commerce and digital and physical touch points to create an innovative purchase path that firmly integrates points-of-sale with marketing.

Net-A-Porter understood that the contemporary consumer demands a strong omnichannel approach where service, experience and products interact.

Win #2: Make your brand narrative attainable, intuitive and immersive

Modern luxury is about conveying a lifestyle. It is about creating an overall experience of which products are a part.

A strong brand narrative combined with technology – now the signature of the Burberry brand – gives consumers attainable, no-purchase-necessary entry points into brand experience at every touch point and price point.

Win #3: Evoke in your customers the feeling of belonging and being special

New luxury consumers gravitate toward brands that have a strong point of view, convincing beliefs and compelling values that they express with passion.

Communities gather around an idea or cause, be it culture, arts, nature or a social good. Louis Vuitton puts artists at the forefront of the brand. So do Celine and Saint Laurent.

Win #4: Serve and reward

Wealth of consumer data allows smart luxury brands to surprise and delight their customers via personalized offers based on their individual browsing and buying history.

Increasingly sophisticated consumers demand excellence in all parts of their non-linear purchase funnel through increased seamlessness and convenience.

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