

IN-STORE

Selling and service as terminology is dead: Luxury Institute CEO

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Photo of VivaLuxury courtesy of Bergdorf Goodman

By STAFF REPORTS

NEW YORK While luxury brands typically know the best practices in client building, most are not practicing these strategies for their own customers, according to the CEO of the Luxury Institute at Luxury Interactive 2015 Oct. 14.

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The traditional training program for sales associates is out of date, as the focus should be on education that can be applied in a creative way rather than a rote set of rules and checklists that take the human element out of interactions. Additionally, these important members of a brand's team should be rewarded more for their actions than their results, putting the emphasis on client retention and engagement, which will lead to sales over time.

Consumer behavior

In a survey of wealthy consumers, 68 percent of men and 64 percent of women say that their spending on luxury or premium products revolves around bricks-and-mortar. The frequent conception today is that consumers have conducted such detailed research prior to their store visit that they cannot be swayed or influenced by an associate, but Luxury Institute found 45 percent of women and 30 percent of men do not do any searching before they head to the store.



Milton Pedraza

With 37 percent of men and 49 percent of women noting that they find browsing without the help of a salesperson to be most effective for finding new merchandise, brands may want to rethink their store strategies. Displays with product information or signage that assists with navigation or points out new items can help aid this independent exploration.

This eschewing of a sales associate's assistance is even more prevalent online, where only 8 percent of men and 3 percent of women say they find new products best with the help of an associate via live chat or other online communication.

The sales associate does still have a place, but ensuring that the interaction is relevant and effective now comes down to technology. Retailers should be ensuring they are giving their salespeople the best tools since associates may think of taking their talents elsewhere if technology proves a deal-breaker.



Interior of Burberry on Rodeo Drive

According to a new study by Yes Lifecycle Marketing, many retailers are still unwilling or unequipped to tailor customer service to the individual.

The study looks at retailers in a variety of different sectors and finds that many have not sufficiently tracked clientele and are thus unable to provide sales associates with the personalized data that will help initiate and close a transaction. With consumers navigating freely between mobile, Web and in-store shopping, and brands therefore able to gather more information than ever before about frequent shoppers, properly cataloguing clientele has emerged as a way to provide the best possible customer service and showcase a great branded experience ([see story](#)).

Other trends shaping the luxury industry are the spending power of women, who will control the majority of assets. Seventy percent of women who inherit from their spouses change their financial advisor within a year, wanting to move on from someone who has mistreated them.

The only sectors that are successfully marketing to women are beauty and skincare.

"Beyond leaning in, you have to jump into the deep end of the pool," said Milton Pedraza, CEO of Luxury Institute.

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