

INTERNET

Data-driven personalization is today's handwritten note: Tamara Mellon exec

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Tamara Mellon LA Woman campaign

By SARAH JONES

NEW YORK Today's luxury marketers need to use both their left and right brains, developing strategies that are simultaneously creative and informed by data, according to a panel at Luxury Interactive 2015 on Oct. 15.

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Creative efforts provide a testing ground that can yield actionable data, while data can simultaneously be used as a starting point for creative strategy to offer up campaigns that resonate with consumers. Luxury brands frequently collect data to better personalize the service they provide to consumers, but this comes with a responsibility to do something meaningful with clients' information.

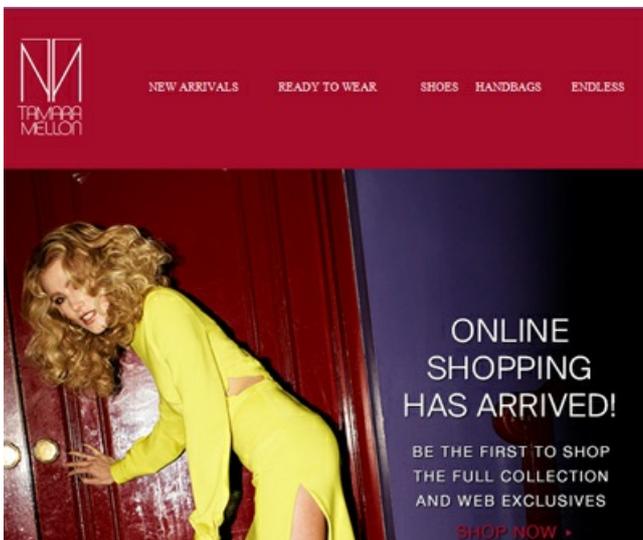
"I think that now especially with the luxury consumer, and so many offline areas like luxury hotels, predicting what you want is the core of the business, and being there for them and sort of being a concierge is very important," said Stacy Huggins, vice president of digital marketing at **Tamara Mellon**. "And that I think people in the luxury industry have a hard time translating that experience online.

"As far as creepy versus cool, I think...most of the luxury consumers have very high standards when it comes to their digital experience," she said. "So what I'm seeing is that a lot of these luxury brands are experiencing what I call 'technical debt,' where they're not investing enough in their technology in order to really service the luxury consumer in the way that they've come to expect."

Respond and deliver

Ms. Huggins explained that in luxury ecommerce the appearance of a site is still very important, since purchases are often spurred by inspiration. However, this "pretty" has to be backed by data.

From the welcome email, Tamara Mellon gives varied options for the consumer to learn who they are. For instance, they may tease sales or a celebrity wearing the label's fashion to see which piques her interest, and then use that data to deliver personalized communications that speak to her individual needs, such as shoe size. These targeted emails achieve better results.



Email from Tamara Mellon

In order to uncover best practices, brands can A/B test specific details of the purchase path.

For instance, Viceroy Hotel Group, much like many other upscale hospitality brands, does not offer pricing information on its Web site until further down the purchase path. It tested more transparent rates up front on parts of its site, and saw a 15 to 20 percent lift, moving the brand to push the feature to its entire site.

For NetJets, the purchase path is still very much traditional, with dedicated concierges that work with its tight network of clients to plan their trips. By collecting extensive data on their owners, NetJets is able to deliver a customized travel experience and build personal relationships.



NetJets ad

Bringing technology into the mix, NetJets now has a mobile application that serves information, such as their tail number or ground transportation arrangements, to clients' phones before they know they need it, acting as a form of concierge on flight days.

Through testing and data, consumers can actually drive creative practices from brands.

NetJets varies content by channel, using its newer channels, such as social media, to experiment.

Tamara Mellon is taking the data it has on item sales and sell-through to actually inform product development, disrupting the typical stream of fashion, in which the designer is feeding ideas down. The label's eponymous designer is a fan of sky-high heels, but when marketing came to her with numbers about the popularity of lower pumps, she took it and ran with it.



Panelists, from left, Agilone's Omer Artun, NetJets' Kelly Macaulay, Viceroy's Mary Bennett and Tamara Mellon's Stacy Huggins

As much information as can be gleaned from data, the traditional methods of communication still have a place. **Viceroy's** vice president of ecommerce Mary Bennett said that she encourages her team to get on the phone for sales calls, since it is during these conversations that they can hear what is not working about the online booking process.

Getting to know you

Omer Artun, CEO and founder of **Agilone**, warned that brands need to give power back to the consumer, enabling them to select whether their data is collected or providing an option to delete browsing history. For a smaller brand, offering this option may be reliant upon a CRM software provider.

Consumers have varying comfort levels with data collection, with younger generations typically more at ease.

With all of the consumer data available to brands, the opportunities for personalization have grown, but marketers need to be careful that they are not stepping over a line, according to a panel at iProspect's Client Summit in 2014.

Consumers have come to expect a certain level of customization both on and offline. For luxury brands specifically, using data to personalize requires subtlety because consumers can become offended if a boundary of privacy is crossed ([see story](#)).

"It's a challenge; I don't think any of us have the answer," Viceroy's Ms. Bennett said. "You just have to kind of see what feels right."

Brands should ensure that they are using the data being given to them by consumers in a meaningful way.

"We collect an extraordinary amount of personal data on each and every one of our owners," said Kelly Macaulay, vice president of global direct and digital marketing at **NetJets**. "So we know what they like for breakfast, we know what family member they don't want to sit next to on the plane, there are things we know about them that their own family members do not.

"There's very much an expectation that we're going to adjust every experience to their needs," she said. "And we often say anecdotally we know our customers at a very intimate level, but from a system perspective we really could know them much better.

"So for us it's trying to in many cases match the marketing messages and sort of the more traditional ways to do that with the personal connections that they have with the company. Because when you have those relationships, but then you receive a message that maybe doesn't feel as personal, there's a disconnect happens."

Final Take

Sarah Jones, staff reporter on Luxury Daily, New York

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