

COMMERCE

## Should luxury brands participate in Black Friday?

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*Image courtesy of Bloomingdale's*

By SARAH JONES

With Black Friday fever in the air, it can be tempting for luxury brands to try to capitalize on the rush of traffic to retail stores post-Thanksgiving.

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While enticing, becoming part of the race to the bottom is not a strategic choice for luxury brands, as it is apt to lower the perceived value of a brand's goods over time. Instead, to not lose out on the prime shopping weekend, brands should ensure that they remain a part of the holiday shopping conversation by communicating with consumers regardless of channel.

"The Black Friday madness is much over-rated," said Pam Danziger, president of **Unity Marketing**, Lancaster, PA. "It primarily targets the middle-income consumers with Champagne tastes, but beer budgets. The appeal for discount shopping at its most hectic is very low for the affluents who are the primary targets of luxury brands.

"Of course, some high-end marketers fall victim to it, but the list of those doing it this year Starwood, Swarovski, Royal Doulton are also brands with some deep fundamental troubles," she said. "Week-after-week of Black Fridays won't fix their problems."

### Mass approach

While most of the luxury industry does not appear to be planning any deep post-Thanksgiving discounts, a number of brands are pushing purchases through direct marketing. Emails from Ralph Lauren, Swarovski and Waterford have all made mentions of discounts surrounding the holiday, to varying degrees.

Swarovski's and Waterford Wedgwood Royal Doulton's email marketing proclaims "Black Friday sale" in the subject line, while Ralph Lauren keeps the discount details under wraps until the consumer opens the message, preferring to announce gift ideas.



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*Miranda Kerr holiday campaign for Swarovski; email campaign for Black Friday*

Starwood Hotels and Resorts is encouraging its patrons to enjoy a vacation like they "meme" it.

To get consumers in the mood, the chain is offering discounts ranging upwards of 25 percent off bookings made between now and Dec. 6. The offer will help hotels get involved in a busy shopping weekend that includes Black Friday Nov. 27 and Cyber Monday on Nov. 30 ([see story](#)).

As of press time, Starwood's promotion was being kept to its loyalty Starwood Preferred Guest channel, making it less likely to interfere with the individual branding of the St. Regis or the Luxury Collection.

Fairmont, on the other hand, is giving back to its social media fans with a gift with purchase on Nov. 27. From 1-4 p.m. EST, those who buy an electronic gift card from the hotel chain will receive an extra 20 percent gift card as a thank you.



**Fairmont Hotels & Resorts**

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The biggest shopping day of the year is almost here. As a special thank you to our social media fans, on Friday, November 27 (from 1 – 4pm EDT), purchase an electronic gift card and receive a bonus 20% e-gift card - free! It's the perfect gift for the travel lover this holiday season.  
<http://bit.ly/Fairmonte-giftcards>



*Facebook post from Fairmont*

Gifts with purchase offer added incentives for consumers without actually lowering a good's price, making them an ideal solution for luxury brands looking to drive sales.

For luxury brands, an attempt at recouping sales through deep holiday discounts is not likely to work.

Due to changes in consumer behavior, retailers can no longer wait for holiday shopping in the fourth quarter to turn a profit, according to a recent report by Unity Marketing.

In the past, retailers have relied on shopping holidays such as "Black Friday," the day after Thanksgiving, to convert annual losses into profits as consumers flock to stores for holiday gifting. With the fourth quarter no longer as profitable as it once was, and retail sales per quarter flattening, retailers must begin to extend gift giving opportunities throughout the year ([see story](#)).

"In Unity Marketing's 12 year Affluent Consumer Tracking Study, we have consistently found, counterintuitively, that affluents spend less on luxury and high-end purchases during the fourth quarter than throughout the year; usually the first quarter tracks with highest levels of luxe spending," Ms. Danziger said. "My take from this is that affluents tend to buy more affordable presents for most on their holiday shopping list and save their high-end luxury splurges for themselves and their immediate family.

"For luxury brands, forget trying to juice holiday spend, rather keep up year-round brand building and marketing efforts to grow the business," she said.



### *Lancome gifting*

More than a third of luxury buyers plan to spend a higher amount on holiday gifts this year than in 2014, but brands are already too late, according to a recent report from Shullman Research Center.

Over half of such consumers plan to start their shopping before Thanksgiving or have started already, and nearly a quarter hope to be done before the calendar changes to November. Early holiday shopping means brands need to reach out to lure consumers into their stores and onto their Web sites before the opportunity vanishes ([see story](#)).

"Discounting is a race to the bottom and luxury brands lose big time when they slide down that slippery slope," Ms. Danziger said. "Luxury brands need to really understand the psychology and mindset of their affluent target customers.

"Following the lead of other marketers and doing what they do to temporarily drive sales through discounts, at the expense of profits, is always a bad idea for luxury brands," she said. "They need to focus on the long term, and keep a view on the horizon, which is where their future lies."

### Changing the conversation

Keeping quieter about sales may be in a brand's best interest. After studying consumers' social media interactions with department stores, Shareablee found the highest audience engagement was with brands that did not mention Black Friday, or kept their mentions to a minimum.

Nordstrom, which came in first, has not mentioned the shopping date at all, while all of the top 10 kept mentions off Instagram.



*Facebook post from Nordstrom*

Other luxury retailers that performed the best included Bergdorf Goodman and Barneys New York.

If anything, the study of the top retailers shows that mass brands are moving more toward luxury practices than vice versa.

"Luxury retailers are great at offering beautiful close-ups of products, as well as creating immersive experiences on social, and consumers can't get enough of it," said Tracy David, CMO at Shareable. "We're seeing mass retailers shift more in this direction across social media, especially around Black Friday/Cyber Monday where we've seen posts promoting deals decline by 32 percent on Facebook and 27 percent on Twitter.

"Instead, we're seeing mass retail brands adopting strategies from luxury brands by sticking to a consistent and on-brand posting strategy, connecting on a deeper emotional level with consumers and offering style and color inspirations for the holiday season," she said. "This year, we're also seeing mass retailers learn from luxury retailers by engaging more with consumers on Instagram driving an 86 percent increase in engagement on the platform, as well as post 42 percent more videos, which have generated 189 percent growth in engagement across Facebook, Twitter and Instagram."

Since many consumers will be out shopping anyway, remaining top-of-mind may prove effective, particularly for entry-level items.

In 2013, French fashion house Chlo sought the attention of holiday-driven consumers with an email blast sent on Black Friday promoting its latest fragrance, Chlo de Roses.

Consumers enrolled in Chlo's newsletter received the email on Nov. 27, as many consumers prepared to take part in the imminent sales events. Although experts agree that a luxury brand can diminish its allure by participating in Black Friday, a timely email blast can pique consumer interest on a day that they are likely to be out shopping ([see story](#)).

"Be consistent. We've seen luxury retailers shift to a more consistent always on' strategy and that's paying off," Ms. David said. "The average luxury retailer increased social posts by 14 percent this year, while mass retailers decreased posting by 3 percent. As a result, the average luxury retailer has grown social engagement by 87 percent year-to-date compared to last year, outpacing overall U.S. brands which has grown by 40 percent, while the average big box and department store has grown by only 42 percent.

"Know what content resonates with your audience," she said. "For example, incorporate shoppable products into style tips, home decorating inspirations and holiday recipes. This useful type of content is especially valuable for retailers and drives significant engagement. Including emojis in social content has also proven to increase engagement for retailers as it offers a deeper way to connect with consumers.

"Lastly, celebrate your consumer. Retail brands such as Lane Bryant and Urban Outfitters repost images and videos submitted by consumers and this content often scores among their top performing posts overall."

### **Final Take**

*Sarah Jones, staff reporter on Luxury Daily, New York*

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