

MULTICHANNEL

## Luxury at dynamic starting point due to technologies' advancements

April 7, 2016



*Kendall Jenner and Irene Kim for The Este Edit by Este Lauder*

By JEN KING

VERSAILLES, France What distinguishes luxury from mass-market brands is experience, and technology will keep brands connected to the edge, said panelists at The New York Times International Luxury Conference on April 6.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246** ▶

The "Connecting to the Edge" panel discussed how product development, manufacturing and consumer participation is being propelled by modern technology, giving brands in the luxury space new opportunities. The point of sale model has been the most affected by technology as awareness factors and brand output and strategy has evolved.

"When we look at events, there are three things that our customers focus on: The moment of interest, the moment of purchase and the moment of experience," said Liam Casey, founder/CEO of PCH.

"If you look at the last two weeks, you had Apple launch its [iPhone SE], and it will sell in the stores this week," he said. "Last week was moment of interest, Friday is the moment of purchase and immediately after that is the moment of experience.

"When we work with companies, we shorten the three events to bring them together to create this experience."

Technological show and tell

The luxury industry has been slow to embrace technology, but the pace is on track to change as more brands embrace what tech companies can offer their businesses.

Wearables have been a debated topic in the luxury space, but as the verticals become more comfortable with one another there will be opportunities for mutual growth. The fashion industry will likely benefit the most from wearable technology, but the issue is not with integration but rather what comes after product development.

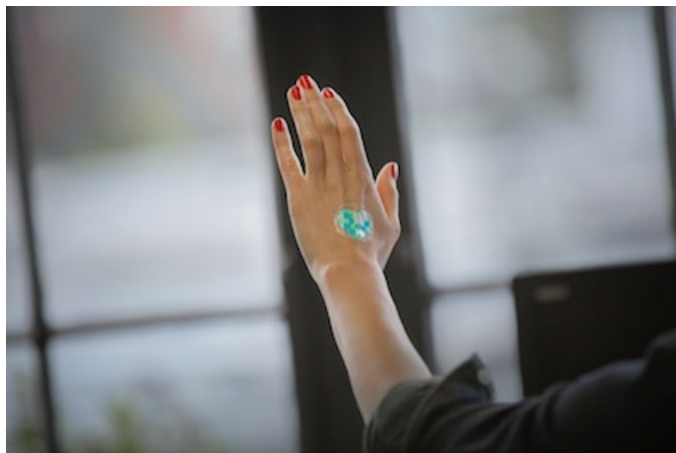
For example, if a garment is made with tech-integrated fabric how will a consumer launder the item without damaging it? With the limited life span of gadgets, there is also the issue of whether consumers should have a wearable repaired if broken, or just replaced. Both present an opportunity for potential market growth.

Partnerships that are well aligned will also quicken product development. For example, Mr. Casey shared a PCH project with L'Oreal that seamlessly merged technology with the skincare category.

Launched at the 2016 Consumer Electronics Show in Las Vegas, L'Oreal continued its mission to create beauty

innovations through mobile with a skincare product enabling users to test themselves for when to add sunscreen through a patch that pairs with an application.

The beauty company's skincare brand La Roche-Posay will be launching the patch, which stretches and adheres to users' skin, sending images of the area to a mobile app to be monitored. The My UV Patch allows users to track the appropriate time to add sunscreen, permeating an a new area of skincare and filling a need for a wide range of consumers ([see story](#)).



### *L'Oreal skincare patch*

For L'Oreal the integration of technology for the skincare patch was streamlined with PCH providing the technology, and its brand offering personal care solutions. Given L'Oreal's deep understanding of its category, its R&D team was much more comfortable had the partnership been between two sectors that did not have a deep understanding of the project's objective.

For athletic apparel and accessories maker Lululemon, the brand sees potential of wearable technology, but feels that the world does not need another electronic step counter. As the wearable category advances, possibly to be embedded in consumers' skin in a decade or so, the call to action from the data mined will be much more essential to a business than the product offering itself.

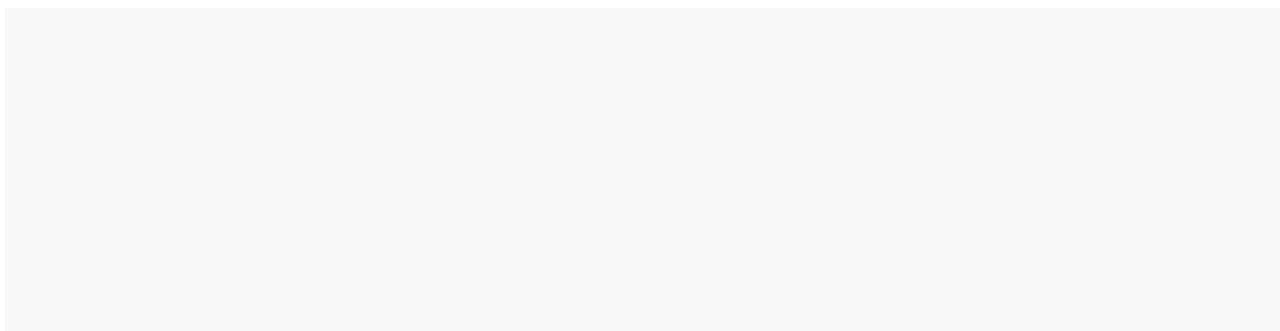
This data will assist Lululemon in creating a balanced connection of body, mind and heart for its consumers who place an emphasis on a lifestyle of optimal health and wellness.

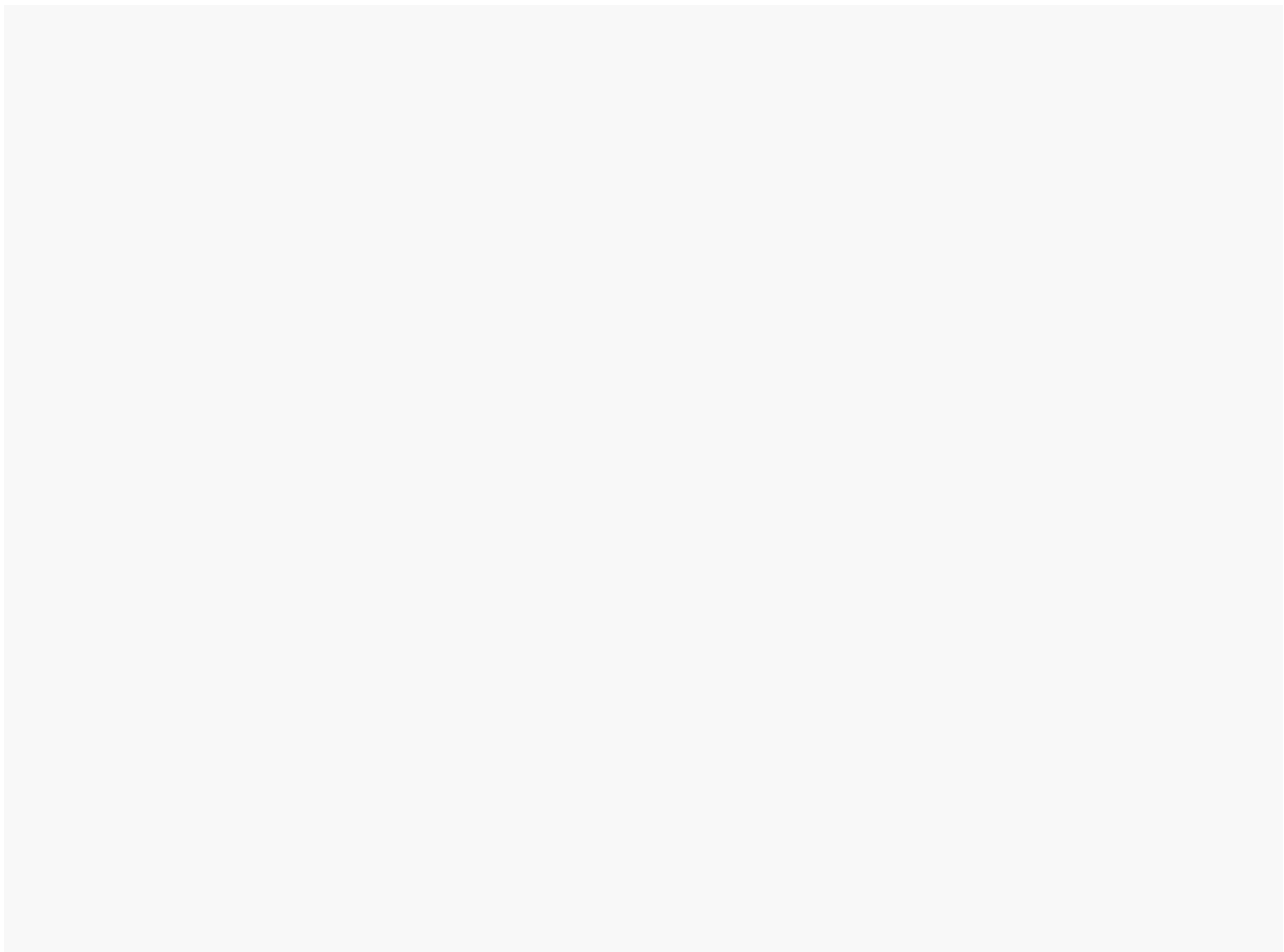
"One of our big goals is, that in 10 years, a percentage of our net profits will be generated from products or experiences that do not exist today," said Laurent Potdevin, CEO of [Lululemon Athletica](#).

"What we're really passionate about is how do you use the information, and what's the call to action with the data you're gathering," he said.

Este Lauder Cos.' M.A.C has seen the potential of social media, communicating with its consumer base in a huge way. Due to its counter culture roots the brand has leveraged pop culture icons from RuPaul and Caitlyn Jenner to Lady Gaga and Miley Cyrus to front collaborations and campaigns for its brand.

Recently, M.A.C partnered with singer Arianna Grande for generation Z marketing push. The brand promoted the collaboration on its platforms as well as Ms. Grande's accounts, and that was essentially all that was needed to create buzz for the effort.





Our @#VIVAGLAM star @ArianaGrande talks about the impact that one lipstick can have on lives all around the world.

A video posted by MAC Cosmetics (@maccosmetics) on Jan 21, 2016 at 7:52am PST

Similarly, M.A.C's parent company Este Lauder is appealing to the next generation of consumers with a collection designed specifically for a social media-savvy clientele.

The Este Edit is retailing exclusively through Sephora in the United States and Canada on March 15, with a coinciding launch campaign featuring influencers and models Kendall Jenner and Irene Kim. When developing the line, Este Lauder envisioned what its eponymous founder would do to disrupt the beauty market today, keeping heritage at the heart of this new brand extension ([see story](#)).

"Celebrities, the counter culture heroes, the girl with the flip camera who lives in the Valley, who is a makeup artist at a Nordstrom counter, all of a sudden has 2 million followers, and does how-to videos," said John Demsey, executive group president of [Este Lauder Cos.](#)

"In our business which is very visual and very experiential, it has created a new dynamic," he said. "The thing that defines luxury, and concerns us, is the commoditization of all this chatter and all this content, on all these platforms."

Cosmetic changes

Alongside technological updates, the fashion calendar's slump is beginning to uproot traditional business practices. While many have concentrated on how the revised fashion calendar affects apparel and retail business, the beauty industry has also been impacted by the changes.

Continuing its departure from runway tradition, U.S. fashion label Tom Ford hosted a small showcase for New York Fashion Week. Held on Feb. 18, 2016, Tom Ford hosted a "small, intimate" preview of its fall/winter 2016 collection instead of a theatrical runway presentation that has become the norm during international fashion weeks ([see story](#)).

Este Lauder Cos. has been directly effected by this change, as it is the licensee of Tom Ford cosmetics.

In the past, cosmetic looks were done in season and not in advance for the runway presentation. The emergence of real-time presentations, and the see now, buy now model, has cause the beauty industry to create trend looks ahead of schedule before the press and consumer reaction can be gauged.

//

New Patent Finish Lip Color. Discover now: [tmfrd.co/PatentFinishLipColor](https://tmfrd.co/PatentFinishLipColor) #TOMFORD  
#TFWSS16 #TFBEAUTY #TFRUNWAYCOLOR

Posted by **TOM FORD** on **Thursday, January 28, 2016**

The old system was set up, originally, partly to create the anticipation and the desire for the product," Mr. Demsey said. "Also, at a practical side, actually placing orders for products that actually matched what people were going to buy.

"Based on the dynamics of today, we're going to be living in a hybrid of having to do real-time fashion and long-term planning parameters as well," he said. "You'll have to make the trends yourself."

---

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.