

MARKETING

Killing luxury's mystery, romance foremost danger in marketing today

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Faberg ruby engagement ring

By JEN KING

NEW YORK According to a Faberg executive at Luxury Interactive, it takes nine times as much effort to create a new consumer relationship than it does to maintain an existing one.

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The Russian heritage jeweler is an interesting case study in retention, as it has had to rebuild visibility and awareness for its jewelry business after shutting its doors for nearly a century in the wake of the Russian Revolution. While much has changed since Faberg was decorated at the 1903 World's Fair in Paris, selling to the ultra-high-net-worth consumer remains practically the same, and may even be made easier by through digital touchpoints.

"Customer retention today, as I'm sure you're all aware, is your gold mining project," said Jon Omer, vice president of United States wholesale at **Faberg**. "Someone once told me it takes about nine times as much as to make a new customer, as it does to retain an old customer.

"I do believe that your customer retention is key to growing your business, so much so that it's a key part of the information system that we use at Faberg," he said.

Retention goals

During the "Selling to the Ultra-High-Net-Worth Secrets and Misconceptions" fireside chat Oct. 17, Mr. Omer discussed best practices used to market to affluent individuals.

In the past, brands would place color advertisements in leading print titles and in-store sales associates would collect consumer details on note cards, filing them in card box. Periodically, sales associates would send out note cards or make a personal phone call to clients.

Today's world of email blasts, and increasingly personalized text messages, have changed branded communication, but one thing has remained very much the same: brands must keep CRM organized.



Faberg's #SayYesInColour campaign

Reaching out for consumer information is key to cultivating new relationships. At Faberg, there is a dedicated division within its offices that tracks consumer information to ensure it is up-to-date, accurate and relevant to assisting the individual.

Sales associates are also responsible for data entry to better serve consumers as they walk into a Faberg boutique or reach out via phone or email. Through the gleaned information, Faberg is able to push relevant email blasts and introduce new products.

Currently, there is a slowdown of luxury appetite, and relationships between brands and consumers are becoming more casual. While Mr. Omer does not feel that this is necessarily a negative, he did emphasize that sales associates understand this lifestyle update and to design branded messaging to reflect this.



Faberg's #SayYesInColour campaign

Although marketing tactics have evolved alongside digital touchpoints, human interaction within the retail model remains useful. Market researcher InMoment has found that consumers who have help from a sales associate double their spending compared to shopping online.

InMoment's survey says a balance of machine and human interaction appears to be the top choice, as the combination of visiting a brand's Web site and being assisted by a sales associate resulted in an average four times greater purchase amount ([see story](#)).

Overall, brands cannot overwhelm and bombard ultra-high-net-worth consumers. At Faberg, sales associates are urged to be selective and understanding of their clients, aiming to touch base a minimum of once a month and a maximum of twice, unless the consumer reaches out.

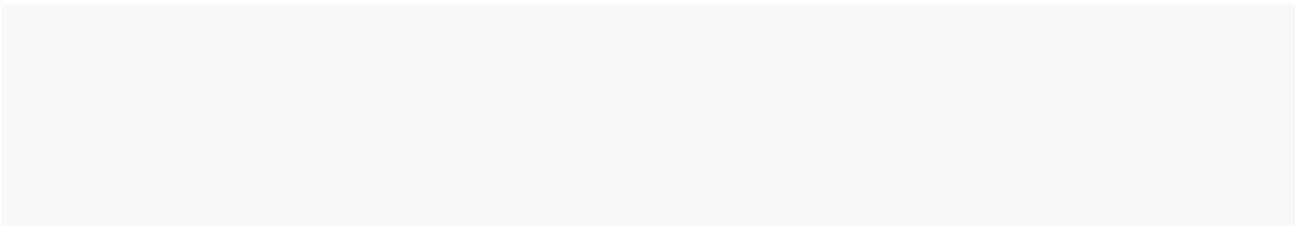
"There got to be somewhere, somehow, there's got to be, still, a little bit of mystery, a little bit of romance," Mr. Omer said.

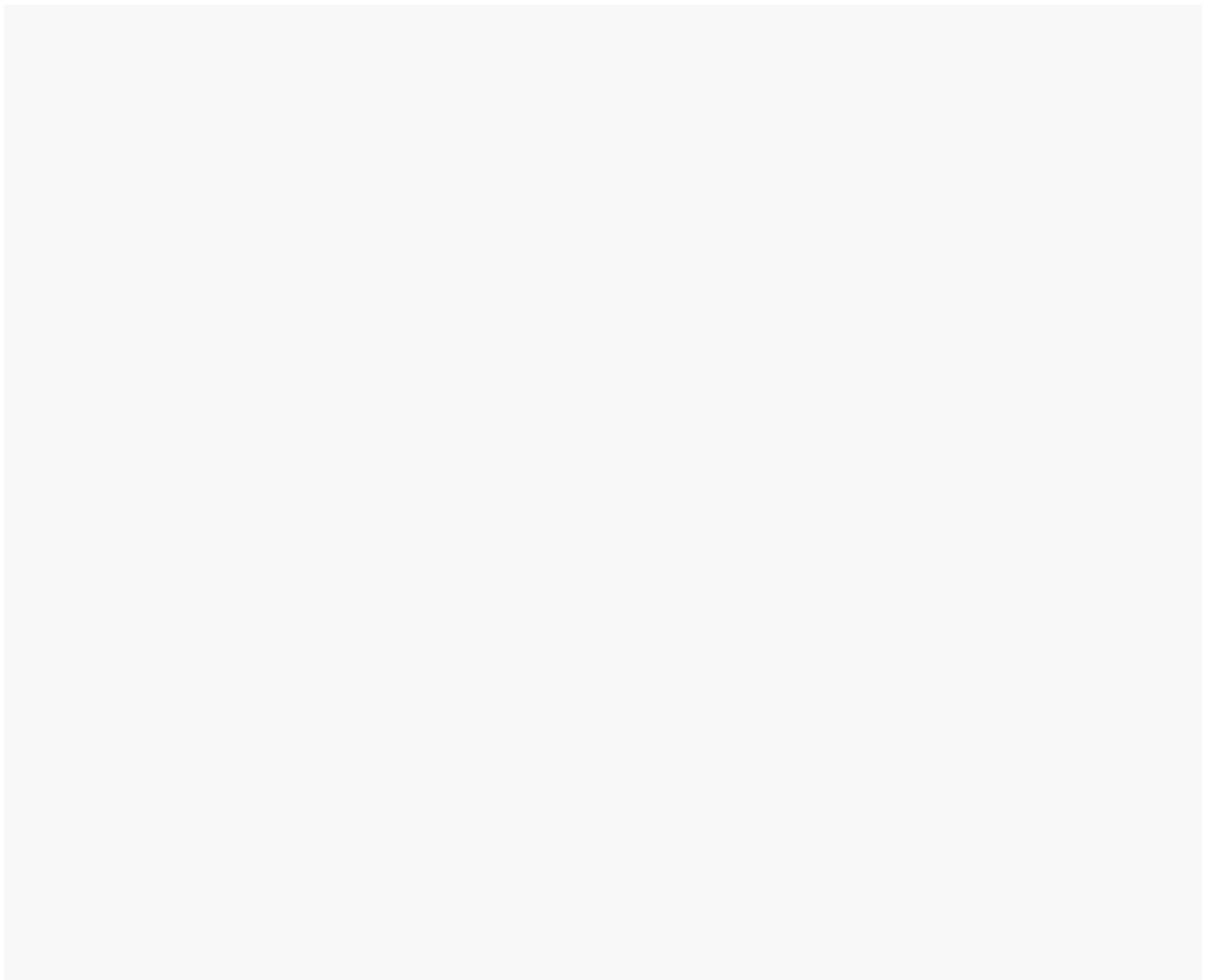
"I think the biggest danger with media today is we have a tendency to kill that off," he said. "Too much can definitely be too much."

Images speak volumes

In addition to the importance of data mining to retain consumers, Mr. Omer explained that Instagram has been instrumental in Faberg's comeback story. Since launching its Instagram account, the jeweler has seen a tremendous return.

Faberg's business has increased 33 percent year-over-year, but the jeweler did not do anything different, rather the jeweler boosted its awareness tactics on social media, Instagram particularly.





100k exquisite followers on Instagram! What better way to celebrate than to collaborate with @gemfields & depict '100' in exquisite flat cabochon, oval & round fiery #rubies! #Faberg #love #jewelry #century

A photo posted by Faberg (@officialfaberge) on Oct 7, 2016 at 9:52am PDT

A 2015 report by L2 found that Instagram is a platform for more frequent posting and organic reach, supplemented by shares rather than ad spend. Unlike Facebook, Instagram still puts every post into a follower's newsfeed, meaning saturating the feed has obvious rewards with regards to visibility.

Furthermore, posting more frequently has not curtailed engagement; consumers' activity suggests they are not fatigued but rather delighted to see brands they follow posting more often ([see story](#)).

"What I think the biggest challenge today is, how do you cut through all this and have consumers know you're there?" Mr. Omer said. "This is a challenge we're facing."

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