

COLUMNS

## Urgency for luxury brands to adopt mobile clienteling

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*Happy with the subtext*

By [Kevin Nix](#)

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Luxury brands all know that maintaining a high level of personalized service for their discriminating and well-heeled clients is an imperative.

Often referred to as "clienteling," high-end retailers rely on data about customer preferences, behavior and purchases to establish long-term relationships with their top customers.

But, according to Bain & Company (2016), there is declining growth in the United States luxury market and slower overall global growth. So, luxury retailers are under pressure to up their game and take every measure to meet the high expectations of its top customers.

**Making a point**

If you are a Gucci, Chanel, Louis Vuitton or Rolex, to name a few, your customers want and expect a VIP buying experience. And no wonder if someone is spending thousands of dollars, even tens of thousands, on designer watches, haute handbags and bespoke suits, they want to be treated accordingly.

Purchase frequency varies as well, so how can luxury brands engage with their high valued customers to keep brand loyalty and increase their share of wallet?

It is not through traditional methods of discount coupons and loyalty points.

In fact, Michael Kors and Coach both announced in August that they will be limiting distribution of their products and not participating in department store couponing or friends/family discounts a practice they believe could be eroding their brand's cachet.

During the company's quarterly earnings call in August, Michael Kors CEO John D. Idol explained the brand's decision, saying "We think that this is critical for us to protect our brand image."

Enter clienteling, a masterful way for luxury brands to demonstrate their brand image with a first-class customer experience.

Hold a mobile tablet with that white glove

Capturing and leveraging knowledge about your top customers and their preferences is key to providing the kind of white-glove experience that luxury consumers expect.

To deliver meaningful 1:1 personalized service, high-end salespeople need to know not only birthdays and anniversaries, but color and style preference, size, past purchases, wish lists and maybe even the names of their customers' children or pets.

Some customers want Champagne served as they browse, while others do not care to imbibe.

Successful salespeople recognize opportunities to recommend purchases for key events a husband's birthday, perhaps and also highlight the new handbag in a color/style that fits their client's preferences.

Traditionally, this kind of information was kept in the salesperson's "little black book" or customer log.

Fast forward to today and that little black book can be digitized on desktops and even more accessibly on mobile devices with easy access to a wealth of information to complement and supplement every customer profile.

Of course, it is not just luxury retail brands who should be getting in the mobile clienteling game.

Luxury hotel chains strive to master this 1:1 VIP experience by maintaining key facts about their top customers so that they can anticipate needs and recreate preferred experiences.

If they like classical music playing in their room on arrival, and a current copy of The Wall Street Journal or the Financial Times with their breakfast, that is what they will get.

Capturing all these guest preferences, attributes and interests and sharing it across all hotel properties, and ensuring that employees have this information at their fingertips at the right time this is where mobile clienteling can make the VIP experience a reality.

In 2013, the Luxury Institute reported that with clienteling, "data collection rates can triple and retention double, especially for the top 20 percent of customers who drive 70 percent of sales."

And Exane BNP Paribas reports that interactions based on mobile clienteling "are expected to equate to about 40 percent of the luxury market's growth by 2020."

Yet where are luxury retailers today really and truly on mobile clienteling?

The truth is, not nearly far enough.

There is much greater adoption that needs to happen to reach the tipping point where effective clienteling reaches mass scale.

Evaluate your own mobile clienteling readiness

Surprising and delighting your customer is nowhere more critical than in the luxury sector.

What are the key factors for evaluating your mobile clienteling readiness?

Do you have the *right underlying technology platform* to deliver the right customer information at the right time to the right sales people?

Good clienteling is only as good as the data that fuels it. So, the ability to gather the right data quickly, access it and make it actionable at the point of customer is paramount.

Are you *empowering your salespeople* to take action that will surprise and delight, such as an on-the-spot upgrade, custom perk or VIP treatment delivered right to the customer's mobile device?

Are you *tying clienteling to loyalty*? Think about strategies to empower your sales associates with the ability to recognize and reward your customers in a unique manner.

For example, set up a program with important metrics such as customer spend per year and referrals and track them internally as an "invisible points" system.

Then when a client reaches a milestone that only the sales associate is aware of, he or she is empowered at that moment to offer the customer an experiential reward, such as VIP access to an event.

How is your *clienteling strategy related to the customer's own mobile experience*?

Whether you are considering a native application or responsive Web on the smartphone, a good clienteling strategy should work hand-in-hand with the mobile experience in your customer's hand.

Whether it is to socially promote a particular purchase or research a product, these experiences should be integrated into your clienteling approach.

Why not have the customer's mobile phone both greet the customer as well as notify the clienteling app when your valued client enters the store?

THERE HAS NEVER been greater urgency than now for luxury brands to adopt mobile clienteling as a way to demonstrate brand value, maintain their reputation and image, and increase customer loyalty.

Doug Stephens, aka "The Retail Prophet," recently predicted that "a new breed of experiential retailers will use their physical stores to perfect the consumer experience across categories of products. They will define the ideal experiential journey, employ expert product ambassadors' and technology to deliver something truly unique, remarkable and memorable."

If luxury retailers do not get on board, they will soon be eclipsed by mainstream retailers and that is not good for appearances or the bottom line.

Luxury purchases are driven in equal parts by both the quality of the product and customer emotion about the entire buying experience.

Clienteling significantly enhances that experience. The time for mobile clienteling is right now.



*Kevin Nix is cofounder/CEO of Stellar Loyalty*

*Kevin Nix is cofounder/CEO of **Stellar Loyalty**, Foster, City, CA. Reach him at [kevin.nix@stellarloyalty.com](mailto:kevin.nix@stellarloyalty.com).*

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