

RETAIL

## Luxury brands seek modernization via customer service: L2

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*Image courtesy of L2*

By BRIELLE JAEKEL

Social media is now the main avenue luxury fashion brands are using to communicate with consumers for customer service, with 58 percent leveraging Facebook Messenger, according to a recent report from L2.

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Traditional customer service communication platforms are tired and outdated, and consumers now expect a more modern method for reaching out to brands and retailers. Many brands are taking note and launching communication methods on mobile messaging platforms such as Facebook Messenger, with 71 percent of watch and jewelry brands following suit.

"Two thirds of Luxury Watches & Jewelry brands are currently investing in assisted purchasing services vs. only 13 percent of Luxury Fashion brands, driving consumers to a physical environment to complete a purchase," said Lauren Kaufman Witten, vice president of Retail and Luxury at L2. "Nearly all Luxury Watches & Jewelry brands that have the option to book an appointment in-store via desktop (representing 24 percent of Index brands) have syndicated this feature to mobile.

"Brands are leveraging Facebook Messenger as a way to better communicate with consumers: 71 percent of Luxury Watches & Jewelry brands and 58 percent of Luxury Fashion brands have employed this tactic, she said. "Typically Watches & Jewelry brands are more digitally feeble than Fashion brands, however, when it comes to Luxury customer service, they are surpassing their Fashion peers in sophistication.

"Fashion brands have limited investment around key features like booking an in-store appointment, Live Chat etc., which are two areas where Watches & Jewelry and Beauty brands excel, respectively."

Customer service technology

The "**Luxury: Customer Service Insight Report**" from L2 detailed that 67 percent of luxury watch and jewelry brands are offering digital solutions that act as purchasing assistants to drive customers in stores. With mobile drawing the bridge between digital and bricks-and-mortar, assisted purchasing is becoming more prevalent.

With so much information right at the shoppers' fingertips, brands and retailers must jump on board and help

provide easier access to this information or risk losing out.

A survey by Influence Central showed that word-of-mouth recommendations from trusted sources have more sway over consumers' buying choices than any form of marketing.



*Image courtesy of Bloomingdale's*

Consumers are increasingly relying on reviews and social media to inform their purchase decisions, with 74 percent of shoppers saying they are more likely to ask their social network for opinions before buying than they were three years ago.

With more information readily at their fingertips than before thanks to the Internet and smartphones, consumers are digging deeper than traditional media or the brand's own channels ([see more](#)).

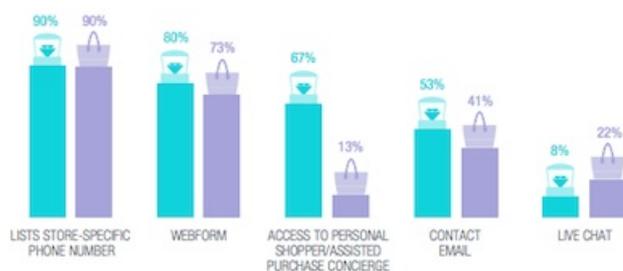
#### Local store availability

Mobile is a significant driver to book appointments, which is reflected in brands' strategies as most have included a feature to schedule services through mobile devices. However, only 24 percent include a booking feature on their desktop Web sites.

Affluent consumers take customer service extremely seriously, which can make it or break it for luxury brands. These high-priced retailers can miss out if customers feel that the shopping experience is not up to the highest standards, no matter the quality of the product.

L2's report explains that 60 percent of United States consumers are willing to spend more just for better customer service, but another 60 percent claimed to not complete a purchase if their experience was not up to par. This means customer service is as vital as ever.

Retailers and brands are still listing store-specific numbers, which allows shoppers more direct information regarding inventory and hours. About 90 percent of watches and jewelry brands list local store phone numbers and 90 percent of luxury fashion brands do the same.



Source: L2 Insight Report: Luxury Customer Service, October 2016.

#### *L2's graph on brands and customer service*

Another report from L2 shows that Amazon continues to threaten department stores, and so luxury retailers are fighting back by intertwining purchasing options with editorial content.

While Amazon's discounts help it appeal to the masses, it lacks in areas such as editorial content and an aesthetically pleasing shopping experience. Luxury department stores shine in this area and must effectively balance editorial content with purchasing capabilities to compete with the online giant ([see more](#)).

"Personal consulting services through features like live chat: position live chat as a consultative sell with personal recommendations and prompts based on browsing behavior," Ms. said. "Ensure a mobile first approach: Traffic continues to increase to mobile and it is not enough to think only through the lens of desktop.

"Reaching the mobile customer is essential, and can be done through mobile optimized customer service features, ranging from the basics such as click to call functionality, to mobile optimized in-store appointment booking," he said. "Data (according to Bain) states that approximately seven percent of luxury sales occur online, however 89 percent of consumers visit a brand site before making a purchase.

"It is essential for luxury retailers to capitalize on the initial interest consumers are expressing in the research process and use customer service tactics to push them to a physical environment to consummate the purchase."

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