

RETAIL

## Luxury severely absent from chatbots and Snapchat, says L2

February 6, 2017



*De Grigono chatbot*

By BRIELLE JAEKEL

While the luxury sector is rooted heavily in concierge services, only 46 percent of luxury brands have promoted in-store services online, which causes a disconnect in customer service.

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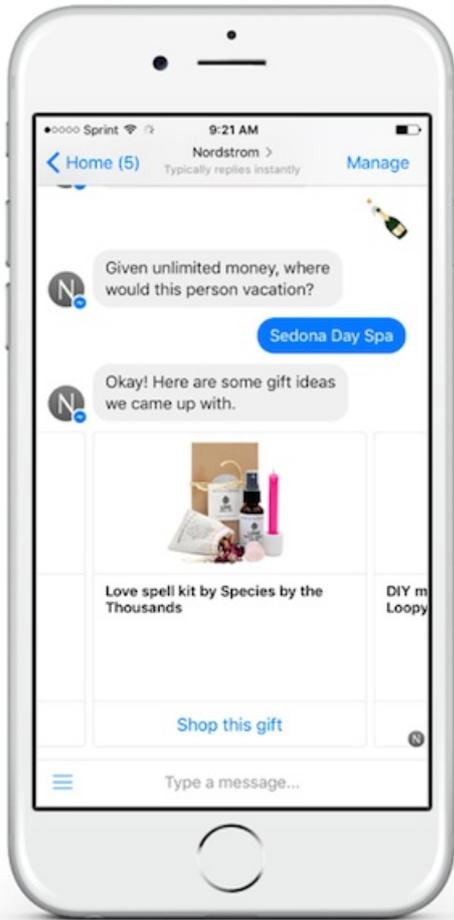
According to L2's "[Omnichannel report on luxury shopping](#)," most luxury brands are lacking the ability to translate concierge services into the digital age. Many are also missing a huge opportunity to connect to an active audience as only 47 percent of brands posted in Snapchat last October.

"Most luxury brands have not capitalized on social platforms for omnichannel initiatives only 47 percent of luxury brands posted on Snapchat in October 2016 and mainly used the app to showcase products rather than encourage in-store visits, and only three luxury brands have implemented chat bots on Facebook Messenger," said Evan Neufeld, sector lead at [L2](#).

### Performance on and offline

With so many customers researching products online before coming into stores, L2's report explains that real-time inventory needs to be integrated into these digital platforms. This means consumers can come into stores with accurate information and not be disappointed.

Only three luxury brands have launched chatbots for Facebook Messenger, which is now becoming so prevalent in mainstream retail that the luxury sector is already behind. Chatbots can drive direct in-store traffic.



### *Nordstrom's chatbot*

Even though digital has taken over, driving in-store traffic is still extremely important. For instance, 54 percent of consumers claim they would rather shop in stores than online compared to 49 percent two years ago.

The majority of luxury brands have fallen behind in omnichannel performance, with most lagging behind but many mass-market brands cornering the strategy.

Consumers should be able to engage with a brand from any device, start to finish, without any misconnections or issues.

### Omnichannel

There are few omnichannel leaders and many followers among the nearly 100 U.S. and U.K. retailers surveyed by L2 for its fourth annual "Intelligence Report: Omnichannel Retail 2016."

The rise of digital has sparked opportunity for retailers by creating "always-on interactions," but internal infrastructure and technologies as well as consumer behavior and devices have progressed slowly. Although retailers are improving omnichannel offerings, L2 found that only six retailers analyzed can be seen as strategy leaders ([see more](#)).

Department store chain Nordstrom is getting a leg up on other luxury retailers and brands by getting a better grip on omnichannel and created a new executive position to lead the brand into the future.



### *Nordstrom's mobile app*

Nordstrom appointed Geevy Thomas, a long-time leader in the company, as the first chief innovation officer, who will focus on strategizing the store of the future. Retail is moving toward omnichannel, and with declining sales, retailers have been pressured to rapidly adapt through experiential and digital touchpoints or become obsolete ([see more](#)).

"Concierge services are the hallmark of the luxury shopping experience, but most luxury brands we tracked in this study have really struggled to translate this bespoke experience to their digital efforts, failing to deploy digital assets in a sophisticated fashion to help direct and serve their customers," Mr. Neufeld said.

"For example, while 62 percent of luxury brands provide directions from their store locator, most luxury store locators lack further sophistication only 31 percent of luxury brands allow users to send direction results to email, and only 15 percent of luxury brands allow users to send direction results to mobile devices via SMS," he said.

"Net-net, there is an abundance of low-hanging fruit here, simple implementations brands can leverage from streamlined store locators to transparency around in-store services to encourage consumers to visit physical retail locations that luxury brands are not taking advantage of."

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