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Targeting millennials? Experiential marketing is the way

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Millennials have grown up with technology. They not only want, but expect, the seamless transition between retail and online shopping experiences.

Accenture estimates that millennials spend \$600 billion a year on shopping, with the majority of these purchases happening in the digital space. In fact, 73 percent of millennials report that they make purchases directly on their smartphones.

Make the connection?

The rise of social media has created a perplexing dichotomy for luxury brands.

Traditionally, luxury brands have thrived on their exclusivity and high price point. There was a certain status attributed to those who could afford to purchase the latest Hermès handbag or be selected for an invitation-only offering on a limited-edition Patek Philippe watch.

However, in today's world, there is a high demand for affordable luxury, as well as a tendency for shoppers to spend beyond their means to validate social status.

With social media, it is easy to quickly post an image in the new Tesla Model S or wear the latest shades by Yves Saint Laurent to a beachside party.

Social influencers are determining which brands are sought after and which are considered to be too elitist, and luxury brands need to take note or risk being left behind.

Millennials crave shared experiences and an emotional connection, placing importance on brand messaging over sales. That is why mission-based brands with moderate-high price points such as Warby Parker and Honest Company have excelled in reaching this demographic.

For luxury brands to stay in fashion, they too need to appeal to the millennial demographic. The simplest way to do this is to create an exclusive experience that secures the brand's identity in the minds of millennial shoppers.

Here are four tips for reaching millennials:

Create an experience. Experiential marketing is really what it sounds like: it enables brands to create an interactive experience and, in turn, creates meaningful and more authentic relationships with potential customers.

Embrace the power of emotional connections. In a world where millennials have become powerful in capturing and sharing brand experiences on many social platforms, branded events that elicit an emotional response can lead to increased awareness, customer memories and organic word-of-mouth marketing.

Rather than a sales strategy, experiential marketing allows brands to form authentic relationships with potential customers, and places the importance on brand message over price point. When someone becomes invested in your brand, the price point often becomes secondary.

Luxury brands are often distinguished by identity. Having the most expensive product is not enough to become successful in today's market. The best luxury marketing strategy is to focus on an experience that brings the brand's identity to life without feeling inauthentic.

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