

MARKETING

## Brands need to create value for customers, not from them

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*Sephora is one brand taking advantage of the new connected consumer*

By DANNY PARISI

NEW YORK The increasingly connected nature of the modern consumer has transformed the marketing and retail worlds and has allowed for digital content interactions anywhere and everywhere, explained the managing partner at mCordis during a Connected Marketer Institute event.

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In the opening address of Connected Marketer's "Personal Information Economy" event April 26, mCordis' Michael Becker touched on the ways that brands can market and sell to the connected consumers. The thrust of the session discussion was that brands and marketers need to create value for customers instead of drawing creative value from them.

"We need to learn how to capture this data," said Mr. Becker at the event he hosted at New York's Fordham University. "Personal data is the new asset class, it fuels the economy."

In addition to San Francisco-based [mCordis](#), Mr. Becker is also cofounder of the [Connected Marketer Institute](#).

Connected consumers

Consumers are more connected than ever before, Mr. Becker said. The amount of connected devices the average consumer owns is set to increase from three to 10 by 2020.

This number will go even higher for households. Customers already own devices that they interact with directly, and there will soon be a rise in devices capable of interacting with others throughout the home.

A rise in devices gives an ever-greater opportunity for brands and marketers to connect with consumers. But the down-side is that customers can easily become overwhelmed or distrustful of the many competing softwares and services that are constantly badgering them for attention and intruding into their personal data.



### *Luxury retailers need to optimize data analytics*

"We've lost control of our personal data," Mr. Becker said. "Thirty-six percent of people are concerned about data privacy, 52 percent worry about data collection and that people are selling their data, 33 percent have canceled a transaction because they do not trust privacy."

Mr. Becker points to some of the examples of how brands have been taking advantage of this newly connected consumer, such as LVMH-owned beauty retailer Sephora, which worked with luxury brands to develop an in-store kiosk that generates personalized fragrance recommendations.

"Sephora lets you give your preferences and you press a button and it gives you the fragrance you want that you can smell right there from the kiosk," Mr. Becker said. "It's a sensorial experience."

### **Creating value**

But the path to effectively marketing to the connected consumer is not without pitfalls, which was the focus of 2016 report from Boxever.

According to respondents surveyed for "[Roadblocks to the Connected Consumer](#)," only 27 percent of consumers think the travel industry can use their data to improve customer experience, compared to the 49 percent that think retailers will and 72 percent that think Google knows their preferences and interests ([see story](#)).

Some luxury brands and platforms have already begun employing connected consumer tactics, such as the announcement from Net-A-Porter rolling deliveries and returns into one process.



### *Sephora lets users virtually test out makeup shades through mobile*

Beginning this coming September, the ecommerce site will offer its "Extremely Important People" the option to try on their newly purchased merchandise while the delivery person waits, streamlining the return process. The retailer is also introducing new personal styling experiences in the comfort of these clients' homes ([see story](#)).

While connected consumers may seem like an enticing revenue vein for marketers, it is important for them to treat these customers as people first and transactions second.

"Two fundamental tenets: marketers must create value for people and not from them, and marketers must respect the digital sovereignty as an individual, so that in turn they will offer informed access to their data," mCordis' Mr. Becker said.

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