

MARKETING

Consumers don't buy a brand, they join it: Havas Luxe exec

May 4, 2017



Image source Moda Operandi

By SARAH JONES

NEW YORK When consumers choose to purchase from a particular luxury brand, they are buying into a sense of community, according to panelists speaking at Luxury Roundtable: Engaging Gens X, Y & Z.

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With consumers seeking an experience beyond product, brands need to establish a brand meaning and identity that goes beyond the material through their environments, marketing and activations. According to speakers on the "Experiences Over Acquisition, Memories Over Stuff" panel on May 3, with heightened expectations for transparency and inclusivity, authenticity is only going to become more important as this generation ages.

"You don't buy the brand, you join the brand," said Thomas Serrano, president of **Havas Luxe**. "I don't think it's experience over acquisition, because when you join, you join a community, and it's also for the experience."

Luxury Daily produced Luxury Roundtable: Engaging Gens X, Y & Z on May 3.

Millennial mindset

When asked whether the psychographic differences of millennials compared to older generations was driven more by life stage or mindset, panelists had mixed views.

Aaron Berger, vice president and co-lead of Ketchum's GenZennial Expertise Group, attributes the generation's point of view to where they are in life. Those who are currently on the border of millennial and Gen Z are graduating from school and becoming independent, outfitting their first apartment and starting their first job.

For brands, Mr. Berger suggests showing how they can provide value to these consumers at this point of burgeoning adulthood, which can give them loyal customers for life if they get it right.

Charline Santos, associate director of strategy at Walton Isaacson, pointed out that for a multicultural audience especially, external factors such as what is happening socially exert a force on life stages.



Walton Isaacson Human Rights Campaign effort for Lexus

Upending the frequently held belief that millennials are vastly different from their predecessors, Ueber-Brands' principal JP Kuechlwein said that the current younger generation actually closely resembles those who have come before them. If anything, he argued, they are actually more corporate than previous generations were at their age.

Havas Luxe's Mr. Serrano pointed to BCG research that shows consumers take on their parents' spending and shopping patterns after age 26.

While luxury buyers are primarily older, millennials will soon make up 40 percent of all luxury purchases, according to research from Bain & Company and online retailer Farfetch.

Additionally, older consumers are tending to adopt the shopping trends of younger consumers. This means that luxury brands will have to pay even more attention to the ways that millennials shop for luxury goods ([see story](#)).

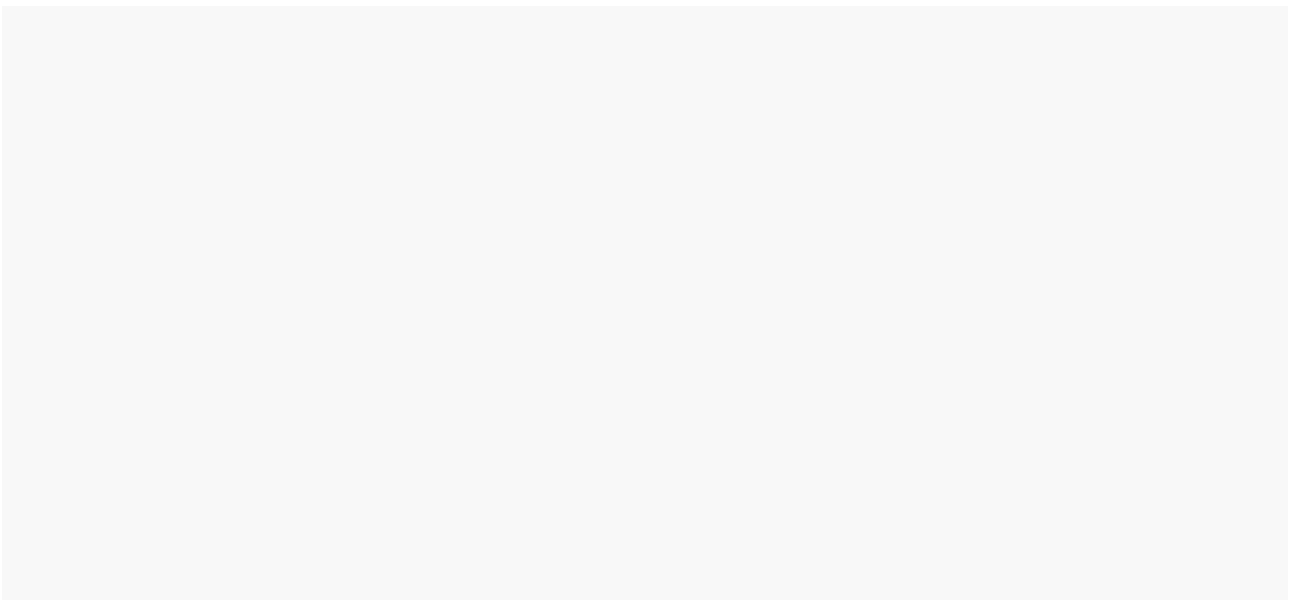
Consumer tribes

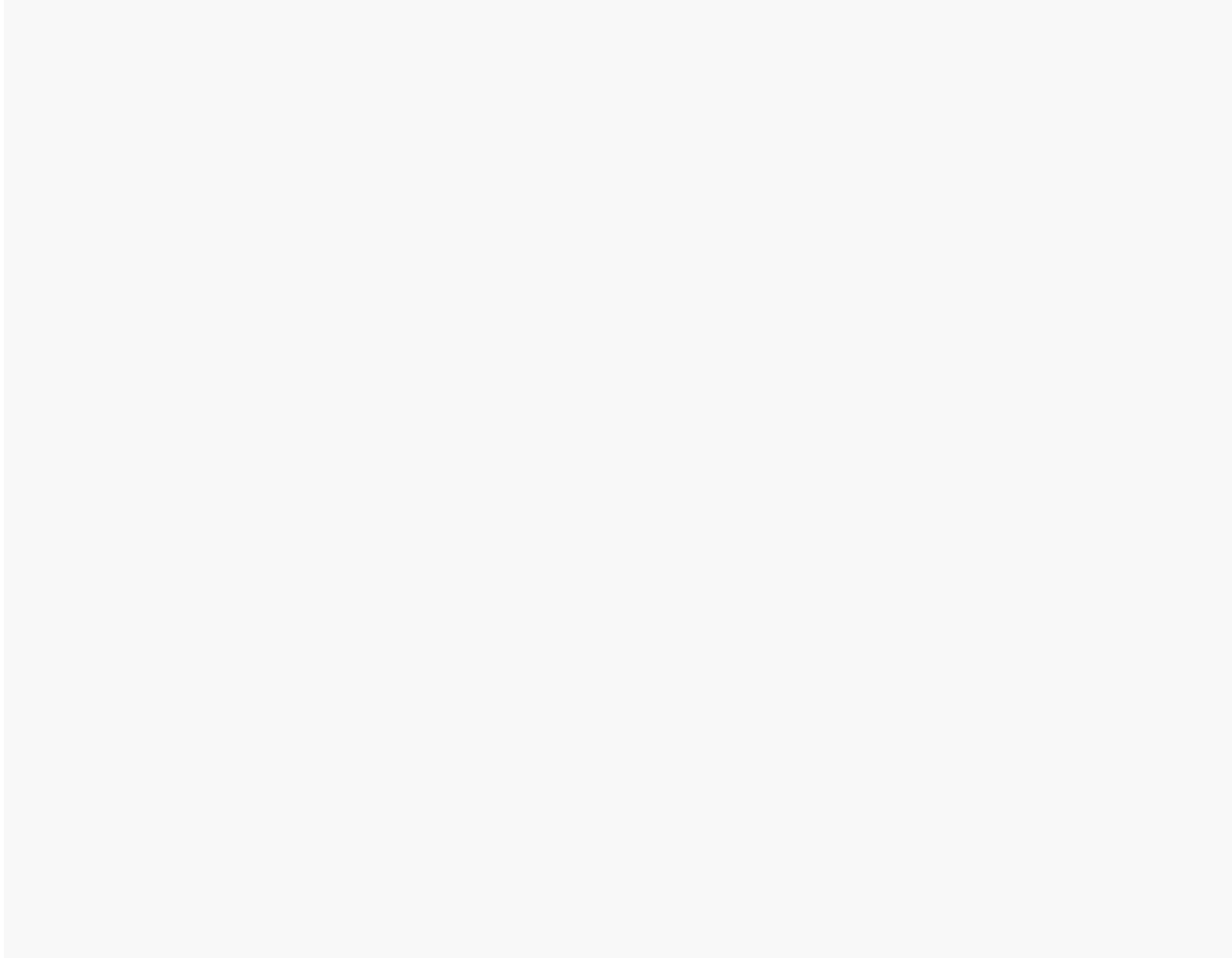
Referencing research conducted by Havas Luxe, Mr. Serrano noted that consumers would not miss 75 percent of brands if they disappeared.

Knowing this hurdle, the executive suggested that brands focus on what they can uniquely deliver, whether it is heritage or a story.

Part of building this sense of branding is through the people who are hired. George Fleck, vice president for global brand management for Le Meridien, Westin and Renaissance, said that the corporate culture has to back up the consumer culture.

Within hospitality, employees are often millennials themselves, which calls for a revamped employment strategy as well. For instance, the RunWestin Concierges are not dedicated employees, but people who show a strong interest in running, who take on the added responsibility of taking guests out for runs or making social media updates.





Join us for a run throughout Downtown Phoenix! Meet our Run Concierge in Lobby every Tuesday and Thursday at 6:30am.

A post shared by The Westin Phoenix Downtown (@westinphoenix) on May 1, 2017 at 2:04pm PDT

Another aspect of building a brand that consumers want to become part of is storytelling.

Mr. Kuechlwein said that brands should focus on maintaining their prestige over catering to consumers' wishes, which includes marketers' choices of which social media channels to use. Further, he noted that brands need to go beyond storytelling into myth building, especially as consumers become more aware and annoyed by overt marketing.

Part of a brand's story told online is created by consumers themselves. Mr. Berger said that brands should focus on creating experiences that spur social posts.

Luxury brands can work relentlessly to develop a quality product, but without creating a controlled experience and consistent message around their merchandise and identity, there may be a disconnect between reality and public perception.

During the "Going Beyond the Product: Creating Physical Experiences for Luxury Consumers" session at Luxury FirstLook: Strategy 2016 Jan. 20, panelists agreed that finding one consistent brand personality and ideology and communicating that across all touch points, whether online or in-store, is the key for effective brand positioning. From there, letting consumers engage with a brand through product, entertainment or creative experiences can further help to build a community ([see story](#)).

"I believe the experience is the social currency," [Ketchum's](#) Mr. Berger said. "When you have a phone and you have these channels, it doesn't cost anything to post on these channels.

"But what you can have that's different from all of your followers is that experience," he said. "And to go into a place where a brand is selling something that you want and you want to showcase that, that brand has to provide the

experience that you're then going to want to post across all of your social platforms and show that to your friends."

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