

MARKETING

Personalization within advertising is vital: BCG

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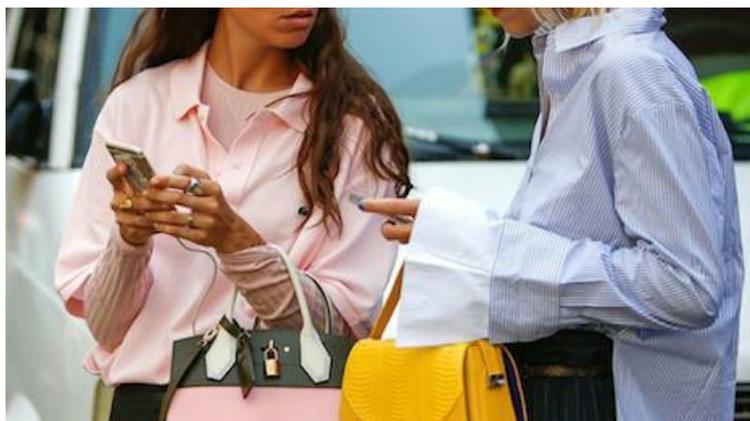


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By BRIELLE JAEKEL

While marketing spend on digital advertising is quickly overtaking television spend, a new report from Boston Consulting Group and Facebook is showing that those that tap data are more successful.

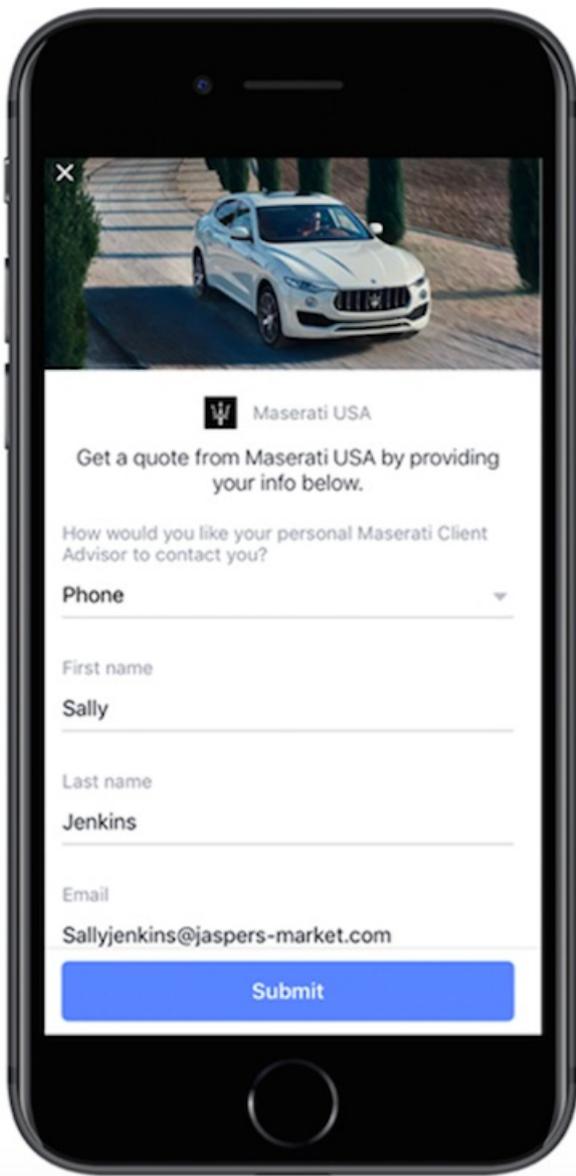
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Marketers that invest in long-term interactive relationships with consumers, which seamlessly span multiple platforms, are seeing better results than those using the "spray-and-pray" method. Brands need to tap real-time feedback from consumers and invest in varying concepts.

"Most traditional marketing techniques that marketers were trained to use, like broad segmentation of customers and marketing funnels, have no place in digital marketing," said Marc Schuurin, partner and coauthor of the report at **BCG**, Amsterdam. "These methods may have served marketers well 10 or more years ago, but today's marketers need to be much more data driven."

Marketing with personalization

Per BCG and Facebook's "**The Digital Marketing Revolution Has Only Just Begun**" report, personalization is a major tool that marketers need in connecting with today's consumer. The advancement of technology and business tools have led consumers to come to expect a much higher level of personalization.

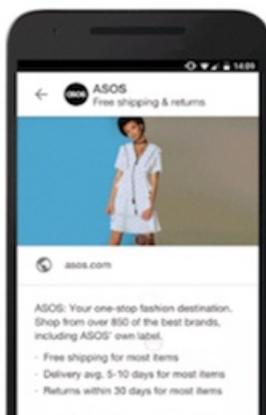


Targeted Maserati ad on Facebook

Those that do not integrate a practice such as this will be left behind. This is especially important now that ad blocking is growing.

Technology within advertising is helping marketers use more personalization tactics. In three to five years, personalized advertising is likely to make up 80 percent of digital marketing budgets.

Video insertion within digital ads is increasingly replacing display ads.



Mobile ads for ASOS on Google

Leveraging tools such as ad targeting is important for brands to increase personalization in advertising, instead of display ads marketed to a large group with no specifications.

Data and advertising

As data collection technologies progress, retailers are finding more reason to expand their analytics abilities, something in which luxury retailers can benefit.

According to another report from Boston Retail Partners, 44 percent of retailers think that analytics is a major priority in the future. Additionally, more than 82 percent identified the need to improve their planning systems to act on data analytics as something that they need to focus on in the future ([see more](#)).

When it comes to ecommerce, luxury brands would be best served by spending their resources finding out who their most valuable customers are and doing whatever they can to retain them.

Speaking at Luxury Roundtable: Engaging Gens X, Y & Z May 3, three panelists during the "Ecommerce and Mobile: Symbol of the New Path to Purchase" session spoke about the ways that luxury brands can tackle ecommerce. The consensus among the group was that building a flexible, strong ecommerce model is important and that consumers should use data analytics to analyze who their best customers are and adjust their models to target those consumers ([see more](#)).

"For the initial pilots we conducted, companies reported a variety of positive results, including a 30 percent increase in marketing ROI, a dramatic reduction in acquisition costs and quantifiable gains in app usage and customer engagement," said Diederik Vismans, a principal and coauthor of the report at BCG, Amsterdam. "When done right, digital marketing can be a game-changer in powering business growth."

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