

MARKETING

Why luxury marketing does not need to be data-driven

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Scents and sensibility: The new Twilly d'Herms perfume. Image credit: Herms Instagram

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The digital revolution of the past decade or so has transformed the retail industry. Fashion brands especially have had to step up to the plate, or make way for those who can.

In an increasingly crowded and competitive landscape where customers are inundated with choices spanning the spectrum of price points, data-driven marketing decisions have become the rule.

Luxury labels, however, have long been an exception to this rule.

French and Italian brands such as Chanel, Herms and Louis Vuitton the gatekeepers of the "true luxury" label notoriously resisted the digital transformation. And for this they have faced criticism: countless experts have begged the question, why are luxury brands so terrible with data?

In fact, I would argue that the world of luxury branding is one of multiple paradoxes. It is a place where tradition and creativity collide, where ancient founders, recent artistic directors, savvy managers and youthful models meet to make a kind of magic that often defies explanation.

What might appear as necessary for survival in the non-luxury retail world in this case, data-driven marketing might destroy what makes luxury so special.

Let us take a closer look at those contradictions that make data-driven marketing so problematic in the luxury industry:

Tradition in the digital age

True luxury houses were built over decades, if not centuries, and are steeped in history and tradition.

Luxury brand communication often centers on a steadfast brand DNA.

For these reasons alone, it stands to reason that the luxury world would clash with the fast-moving, somewhat ephemeral instantaneous short-lived digital sphere.

Luxury brands frequently face this tension between the past and the future, between tradition and modernity. This is the tension, the contrast that allows luxury products to continue to innovate.

However, their luxury image demands that they stay true to their roots. In fact, this tension is absolutely necessary: the day one breaks the tension because the roots are not there, one breaks the aspiration for the brand.

Presenting Connected Journeys by Louis Vuitton - Tambour Horizon Connected Watch

Exclusivity versus democratization

While history and tradition are essential to luxury brands, exclusivity is equally important.

Without the dream aspiring to the elite social classes there is no desire. Luxury purchases are driven by the thirst to belong to an exclusive club.

The digital universe is quite the opposite. It is a place where consumers have unprecedented access to events and information that would have traditionally been the domain of the wealthy: a back-stage peek in the atelier, a front-row at fashion week. And social media gives consumers the freedom to express their feelings on any product or service.

It stands to reason that the democratizing effect of a badly managed digital strategy can wreak long-term damage on a once-exclusive luxury brand.

The Fragrance Gabrielle Chanel: The Film

Mindshare over market share

The bottom line is that some luxury brands will never sell in great volume. But that is not really the name of the luxury game. Here, desire for the brand and its image is of the utmost importance.

In other words, luxury marketing is not about market share. It is about mindshare.

Where the key is building the dream, what makes you dream is the connection between the brand and the consumer.

Consumers are ready to pay the premium because they love the brand and the experience. And when people love the brand, this logic creates the magic.

If one does try to do it quickly, one destroys the dream as there is no fast track to make people dream.

Thus the paradox: Building a brand takes time, resources and patience.

Shareholders are impatient. They want results every quarter, focusing both on growth and profitability.

Twilly d'Herms - The scent of the Herms girls

OF COURSE, consumers in today's world leave a trail of data wherever they go and it is tempting to believe that there is a data-driven solution to everything.

But it is important to remember that the luxury must be treated like a world apart.



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