

STRATEGY

Holiday marketing Luxury Memo special report

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Marketers should act now to ensure they are in gifters' consideration sets. Image credit: Chopard

By SARAH JONES

The height of the holiday shopping season may still be months away, but it is in marketers' best interests to get on consumers' radars now.

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As they look to inspire consumers to spend on gifting items or end-of-year treats for themselves, luxury brands are competing not only with their peers but with other categories for shoppers' wallet share, requiring creative campaigns that help them stand out from the crowd. Customers' research and planning begins well ahead of November or December, making an early start on strategy a worthwhile tactic to be top-of-mind heading into the season.

"Marketers must have started to strategize for the shopping and gifting season," said Courtney Albert, manager at **Parker Avery Group**, Marietta, GA. "Product assortments have been already been determined and marketers should know what will be available during the holiday season.

"Every year, consumers see that holiday promotions and displays start earlier and earlier," she said. "I believe that sometimes it can be too early to launch holiday campaigns because consumers can potentially suffer fatigue and become numb to the brand. Additionally, they may become frustrated when looking for school supplies or outdoor products only to see the designated display area replaced by Halloween, for example.

"From the retail store side, launching holiday campaigns too early is a gamble, since it takes away valuable floor space from basic or seasonal items that might experience a greater sale-though. This can cause a never ending cycle of markdowns."

Holiday rush

The fourth quarter is viewed as an important time for retailers for good reason. Some retailers see upwards of 30 percent of their total sales for the year accounted for in just two months: November and December.

While Black Friday often signals an official start to the holiday shopping season in the United States, for many consumers the gift-buying process begins far before Thanksgiving rolls around. According to the National Retail

Federation, even though the bulk of purchases are made in November and December, more than half of consumers are already researching their holiday buys in October, with many starting even earlier.

When it comes to finding the perfect gift, consumers use varied resources, requiring marketers to be present across channels and platforms.

Television was a source of inspiration for 43 percent of those studied by the NRF. For Gen X and millennial consumers, Facebook is the top social media channel, while those in Gen Z favor Instagram.

Online reviews also play a significant role in gifting decisions. Almost all consumers read other buyers' input on products, with 25 percent ranking them the most helpful source of information for their holiday shopping choices.

Despite the rise in digital research, physical stores are still a primary source of product discovery, with 47 percent of shoppers visiting a store to browse.



Shoppers head to the stores for holiday ideas. Image credit: Neiman Marcus

Along with finding their own ideas, consumers frequently consult wish lists from their loved ones. Of the 40 percent who used hints from recipients, about two-thirds would like to grow their use of digital wishlists in the future.

This makes it important to not only get on the gifter's radar, but also pique interest from the giftee. Tiffany & Co., for instance, allows consumers to "drop a hint" to a loved one from product pages, which will send an email about the piece they are coveting.

Even with the amount of thought and planning that can go into holiday purchases, almost half of consumers in a survey admit to making impulse purchases, with younger generations even more apt to make spontaneous buys.

While prone to impromptu purchases, consumers who have set budgets typically plan to stick to their own guidelines, per a report from TaxSlayer. This contrasts the idea that millennials will go charge happy for the holidays without worrying about debt ([see story](#)).

About half of consumers are also open to retailers' suggestions of products, leaving room for marketers to promote gift-appropriate items to undecided shoppers.

In addition to gifts bought for family and friends, more than 70 percent of consumers surveyed by NRF said they treated themselves during the holiday shopping season, calling for campaigns that speak not only to target gifters but to the intended user as well.

Once the perfect gift has been scouted, buyers tend to begin shopping between November and the first two weeks of December.

According to Bain, retail sales during the holiday season in 2016 grew 3.8 percent over the previous year.

Aside from a decline in spending in 2008 due to the recession, sales during the holiday season have been growing in the low single digits over the last few years, with the average growth over the last five years 3.9 percent.

Deloitte's projections for the 2017 holiday season have retail sales up 4 percent to 4.5 percent in the United States, driven by growing incomes and strong consumer confidence. However, factors such as the devastating hurricane season and the potential impact of a debt ceiling crisis on the labor market could mean a smaller increase.

Despite bricks-and-mortar's continued dominance in sales, accounting for about 80 percent of purchases in the 2016 holiday season, ecommerce is growing at a far faster rate.

MasterCard's Spending Pulse found that while general sales were up 4 percent last holiday, online shopping was up about 19 percent. Deloitte expects this year's holiday ecommerce to grow between 18 and 21 percent over 2016.

"According to our Walker Sands' 2017 Future of Holiday Shopping Report, 30 percent of consumers who did the majority of their holiday shopping online last year reported spending more than \$500 online without seeing an item first," said Erin Jordan, account director and lead of the retail technology practice at [Walker Sands](#), Chicago. "While luxury has historically been slower to go online, consumers' growing comfort with big-ticket online purchases should move some luxury retailers to reconsider their digital experiences."

"As more consumers become comfortable making higher price purchases online, the supply chain and product transparency will play an important role in the success of luxury retail, in particular," she said. "Buyers don't want their expensive item to be mishandled and it's likely they will pay even more attention to brands and retailers that make sure they know exactly where their high-value item is at every point in the process."

Mobile is also poised to play a large role in holiday commerce.

Martin Barthel, Facebook's head of global retail and ecommerce strategy, expects this holiday season to see more mobile conversions than years past due to the general growth being seen in mobile shopping.



Mobile conversions will be at an all-time-high this holiday season. Image courtesy of Facebook

Per Facebook, about seven in 10 companies start preparing their holiday strategy in August ([see story](#)).

"When it comes to the holidays, one of the biggest mistakes retailers can make is to develop and execute CX [customer experience] strategies based on generalized customer insights," said Eric Hansen, founder and chief technology officer of [SiteSpect](#), Boston. "While these tactics can certainly help retail sales for holidays, it is simply not enough to drive big increases in holiday sales and customer loyalty/retention after the holidays."

"To truly capitalize on opportunities surrounding the holiday season, retailers need to be examining their own data to understand how each of their customers chooses to engage and shop," he said. "From this data, retailers can understand patterns in behavior, such as understanding what devices or channels consumers in rural areas prefer compared to those in urban areas."

"Does a customer in a small town prefer to access the mobile Web site rather than an app? Are shoppers on the East Coast more likely to start their shopping on the Web site and finish on a mobile app? This kind of information helps to better equip brands to provide a personalized experience to customers that reflect their own preferences for shopping."

As consumers are looking to spend, luxury brands are spending to gain their business. During the holiday season,

luxury brands and retailers spend an average of 26 percent of their annual marketing budgets, according to research from the Shullman Research Center and Kantar Media ([see story](#)).

Per the report, an average of 63 percent of ads ran after Thanksgiving, potentially missing some of the earlier birds.

With Christmas falling on a Sunday, consumers gain an extra Saturday to shop. A RetailMeNot survey of retailers found that about 40 percent were planning to use a quarter of their total holiday marketing budget on last-minute promotions.

Additionally, the report found that 85 percent of retailers were planning to invest more in holiday marketing than they did last year.

Retail ready

As retailers are poised to welcome a surge of shoppers both in-store and online, preparing for this additional volume can help them make a good impression.

Services such as personal shopping can make a difference in customer satisfaction. A number of retailers have looked to differentiate their sales associates from rivals' talent through creative initiatives.

Selfridges, for instance, rebrands its sales associates as "Elfridges" for the holiday season. The retailer further marketed these helpers through a mobile game that cast a cartoon sales associate as the hero of a quest ([see story](#)).

Bloomingdale's took a different approach, centering a social video series on a well meaning, but sometimes comically misguided perky store associate named Bow ([see story](#)).

Bow Knows Moms, Bloomingdale's

As retailers prepare to hire seasonal store staff to help serve the additional volume of customers, training is key to ensure these potentially temporary employees still deliver a brand experience.

"The most expensive thing you can do is not train your staff," said Bob Phibbs, CEO of retail consultancy [the Retail Doctor](#), New York. "The key is not assuming your employees who may like your brand can actually sell it. Many brands put hours and hours into training the specific features of their products but forget shoppers buy because of what those features allows them to do.

"On top of that, luxury shoppers in particular use your products to live a different life from their work," he said. "Your employees only know your products, few can afford that, so unless you train them to feel like equals, they often come across as subservient and meek, [which is] a big turnoff in luxury shopping."

Getting shoppers to the stores is also a chance for service and stress relief. For instance, Caruso Affiliated launched complimentary Uber Black rides to its upscale California malls, the Americana at Brand and The Grove, in the 2014 holiday season ([see story](#)).

With consumers increasingly expecting an omnichannel shopping experience, the holiday season makes seamless cross-channel shopping even more imperative for retailers' success.

Click-and-collect services have become more widely adopted by department stores, allowing retailers to deliver merchandise to time-strapped consumers who may be under a gifting deadline. Some have taken this to greater extent, with retailers such as Nordstrom offering curbside pickup so consumers do not even need to get out of their car.



Promotional image for Selfridges' click-and-collect service. Image credit: Selfridges

Similarly to an option to buy online and pick up in-store, sharing inventory across channels can enable customers to find a desired item in a bricks-and-mortar location, eliminating the frustration of heading to a store only to find a particular SKU is not in stock.

Within the bricks-and-mortar environment, retailers can also incorporate digital tactics to ease the shopping experience.

Similarly to click-and-collect's bridge from online to in-store, offering an online ordering option at physical stores can help retailers get consumers what they want. If, for instance, an item is not available in-store, having a system in place can save the sale through ecommerce.

Knowing that consumers are frequently using their own devices while in stores, retailers are presented with an additional opportunity to engage with clientele.

For instance, ahead of the 2014 holiday season, Neiman Marcus leveraged Apple's Passbook application to feed consumers who had opted in news about in-store events and offers via iBeacons ([see story](#)).

Simon similarly installed digital directories at nine of its upscale malls before the 2016 holiday rush. These interactive 65-inch LCD screens help shoppers navigate the malls, showing them the quickest route to take to get to a particular store and communicating with the user's mobile phone to provide on-the-go assistance ([see story](#)).



Digital directory at Simon's King of Prussia mall. Image courtesy of Simon

For consumers who plan to shop via a screen rather than in-store, service is equally important.

A number of brands have curated digital guides that help consumers discover products, replicating the in-store browsing experience online.

Brands can also make individualized help accessible to ecommerce shoppers at scale through initiatives such as live chat.

Last year, Nordstrom rolled out a chatbot that was specifically designed to uncover present ideas for stumped gifters ([see story](#)).

Solving any stress for an unsure shopper, a number of retailers, including Saks and Lancme, have added an e-gifting option, which enables shoppers to send a virtual item by email. The giver selects a product and checks out, sending it to the recipient electronically, removing the need to know a physical address.

Once they receive the gift, the consumer can make any necessary changes to size or color. They can also pick another product if the one chosen for them does not appeal.

While more personal than a gift card, e-gifting also ensures that the consumer gets what she wants the first time, reducing returns for retailers. It also lets gifting occur even after shipping cut-off times have ended, reaching last-minute shoppers ([see story](#)).

When buying via ecommerce, customers have grown accustomed to speedy delivery courtesy of pure-play retailers such as Amazon.

As a survey by Dotcom Distribution found, luxury clientele have higher expectations of the ecommerce delivery service, making fast shipping, packaging and communication key to winning repeat business. While 84 percent of luxury shoppers said they would shell out more for on-time delivery, only 67 percent of all consumers said the same ([see story](#)).

Unlike Amazon, retailers with a bricks-and-mortar presence can use their stores as fulfillment centers to help deliver orders faster.

Accenture's Kurt Salmon studied the order experiences of a number of brands last Cyber Monday, and found that luxury retailers were the leaders in speedy delivery. Also, retailers across the board improved their delivery times ([see story](#)).



Luxury brands lead at delivering orders quickly. Image credit: Nordstrom

While the fastest retailers studied got packages to customers in 3.5 days, delivery is expected to speed up further this season.

"There are several challenges facing retailers, from finding labor to fulfill orders, to properly positioning inventory to hit the increasing speed of delivery that customers expect, and managing the cost of fulfillment to maintain margins," said Frank Layo, managing director at Kurt Salmon, part of Accenture Strategy, Atlanta.

"Luxury brands have been more isolated from some of these challenges due to higher margins and typically lower unit volume than other segments," he said. "Overall, retailers need to ensure they are operationally robust to fulfill customer orders and deliveries around this hugely emotive time of year. Being nothing less than a well-oiled machine is simply not an option."

While speed is important to consumers, transparency is even more key, making communication throughout the delivery process imperative.

Aside from having a strong fulfillment function in place, retailers should also look at reinforcing their digital security.

With the increased digital traffic around the holidays also comes a raised threat from cybercrime.

A report from Skycure found that 90 percent of shoppers use their phones in-store, putting their financial security at risk. Retailers should therefore actively protect their customers, remaining on the lookout for suspicious fake applications or WiFi hackers ([see story](#)).

In 2013, Neiman Marcus was among a handful of retailers, including Target, who were victims of hackers during the holiday season ([see story](#)).

With highly publicized breaches, consumers are largely concerned about their credit card security, with 87 percent saying this was a worry in a recent Radial report ([see story](#)).

One other issue facing retailers during the holidays is the tendency to discount, particularly after the official shopping season ends. A particularly popular tactic among luxury multi-brand retailers, discounts in January can climb as high as 80 percent as department stores seek to clear out sales floor space for new merchandise ([see story](#)).

Marketing for these sales often speaks primarily to the self-gifter.

LVMH-owned Sephora, for one, leveraged personalized in-application messaging to serve loyal customers end-of-year deals such as extra 20 percent-off discounts, prompting users to pamper themselves with gifts they did not receive for the holidays ([see story](#)).



Harrods' post-holiday sale kicks off with an outdoor event. Image credit: Harrods

Harrods, meanwhile, turns its Winter Sale into a main event, typically hosting performances and treats for customers waiting in line before the doors open on Boxing Day ([see story](#)).

This pricing trend will put pressure on a number of brands and retailers that have been reducing their promotions in an effort to capture more full-price sales.

Even though brands may not want to participate in the promotional activity surrounding Black Friday or Cyber Monday, the weekend remains a popular shopping time. Brands can, therefore, market to consumers as they head to the stores or as they look for gifts online, inspiring purchases while shoppers are looking to buy.

Season in-store

The bricks-and-mortar environment is a key branding tool during the holidays, as retailers use their physical real estate to tell festive stories and engage consumers.

One of the hallmarks of the holiday retail strategy is the window display. These often-elaborate installations aim to catch the attention of passersby with creative themes or spectacle.

For instance, Saks' holiday windows are typically accompanied by a nightly light show on its faade, creating a large-scale tableau.



Saks Fifth Avenue's holiday 2016 light show. Image credit: Saks Fifth Avenue

While Nordstrom has traditionally eschewed decorating for Christmas until after Thanksgiving, some retailers have lengthened the timeline of their own displays.

Last year, Selfridges' holiday windows were up from Oct. 20, with the department store claiming it was the first to ring in the holiday season in-store. The retailer's concept starred a disco-style Santa in a retro-themed campaign that included a theatrical performance ([see story](#)).

Thinking outside the box, some displays have allowed for showcases that depart from the static.

In 2015, Barneys New York created a frozen locker within its windows, which housed an ice installation and live demonstrations of ice carving ([see story](#)).

Similarly, Bloomingdale's Jeff Leatham-designed windows the same year engaged consumers' five senses with interactive touchpoints ([see story](#)).

The holidays are also a time when many retailers seek out partners, collaborating with brands, personalities, entertainment companies or artists.

This year, Saks Fifth Avenue is marking the 80th anniversary of Disney's "Snow White and the Seven Dwarfs" with windows and events, including character breakfasts ([see story](#)).

Printemps, on the other hand, typically uses its windows to showcase some of its brands in theatrical style. In 2014, the retailer worked with Burberry to tell the story of a boy who travels with his teddy bear from London to Paris ([see story](#)).

Besides delighting, windows and in-store displays have sometimes been used to shed light on causes.

Galleries Lafayette wove the story of a family of polar bears who had to escape the North Pole as ice caps melted, eventually finding respite in the retailer's Parisian flagship. Completing the narrative in-store, Galleries Lafayette launched an augmented reality experience, which consumers could use to see the bears come to life in front of them ([see story](#)).



Galleries Lafayette's AR experience. Image credit: Galleries Lafayette

"Even though online retail is huge, people still like the spectacle of the Christmas period and street store shopping is still very much part of the experience," said Jason Traves, chief creative officer and co-founder at [Lucky Fox](#), Hove, England. "Street stores become very theatrical in the holiday season and along with the sights, smells and sounds,

the light, color and movement that we often see in holiday store window displays appeals to humans on a very basic level.

"It's this magical picture of Christmas which draws in customers, and more vitally, sales," he said. "This is particularly important for a time of year when our cities are filled with tourists and families.

"Most brands understand that a brand message and consumer experience is key to building up an image in the eyes of the consumer. It's an experience that lingers in the mind of the consumer when they buy from the same brand when online shopping."

Beyond the consumers who can experience the windows in person, digital initiatives are helping these displays gain a global viewership.

Louis Vuitton and Cartier were among the 18 New York storefronts that got a digital audience last holiday season with help from Google.

Google's "Window Wonderland" recreated the feeling of strolling outside iconic retailers on a consumers' desktop computer, mobile phone or tablet. While about 5 million tourists descend on New York this time of year, many located in other cities, states or countries would not be able to get to see these in person, making this Google experience the next best thing ([see story](#)).

Aside from windows, the retail store also functions as an event space for brands. For example, as part of a larger effort at Harrods, Mulberry invited personalities to perform readings ([see story](#)).

The holidays have also proven a time for brands to experiment with pop-up shops. Last year, The RealReal opened its first bricks-and-mortar location, while Baccarat boosted its presence in New York with a temporary downtown location ([see story](#)).



Rendering of Baccarat's pop-up. Image courtesy of Baccarat

Floris London similarly looked outside its store with a golden shopping trolley of gifting ideas, which traveled around to different neighborhoods in the city ([see story](#)).

Deck the hotels

Like their retail counterparts, hospitality brands also set the scene at their properties through seasonal makeovers.

London's Claridge's has invited collaborators including Dolce & Gabbana, Burberry and the duo of Apple's Sir Jony Ive and designer Marc Newson to decorate the tree in its lobby ([see story](#)).

Trump International Hotel & Tower Chicago has the tradition of transforming an elevator into a "Gingerbread Express," decking the lift with gingerbread and candy canes.



Gingerbread Express. Image credit: Trump Chicago

The Ritz-Carlton Hotels similarly built gingerbread houses at properties across the United States in 2015 to envelop patrons in the Christmas spirit ([see story](#)).

Sometimes establishing a festive spirit leans on a character.

Peninsula's SnowPage, an invented figure who is a classic snowman donning the official hat of the Peninsula pages, has been the star of the hotel chain's holiday efforts for a few years. This past holiday season, the SnowPage embarked on a global hot air balloon tour ([see story](#)).

While some center campaigns on branded characters, others will play host to traditional figures of the season.

Fairmont The Palm in Dubai has turned its search for Santa into an open call on social media. Interested Saint Nicks from around the globe can apply by sharing a video of themselves for a chance at the holiday gig ([see story](#)).

Special events, including dining experiences, allow hotels to engage with consumers of all ages.

Four Seasons Boston has been hosting a Teddy Bear Tea for more than 20 years. Geared toward the youngest travelers and locals, the event also teaches children to help the less fortunate, asking them to bring a stuffed bear for charity ([see story](#)).

The holidays are a prime time for family travel, calling for services that cater to a multi-generational crowd.

Affluent parents are increasingly bringing their children with them as they travel first class and stay at luxury properties, creating a growing need for kid-friendly amenities.

A report from Top Flight Family found that when traveling with the family, parents are more apt to stay in a hotel than any other form of lodging. Consumers are also more likely to upgrade to a larger room or suite when they are traveling with kids ([see story](#)).

Special holiday packages and activities offer opportunities to see festive shows, take part in holiday dinners and teas and partake in seasonal traditions. Bringing these touches to a property can help guests feel at home even when they are away during the holidays.

Hotels also popularly partner with retailers on special offers.

Last year, Bergdorf Goodman built on its existing relationship with boutique hotel The Quin by offering an experience that included a personal shopping appointment ([see story](#)).

During the 2015 Christmas season, Mandarin Oriental Hyde Park, London had placement in Harrods' window display, while the hotel served a taste of Harrods with a themed afternoon tea. Holidays are often a time of camaraderie between luxury establishments, giving them more of an opportunity to make a magical and memorable experience for consumers ([see story](#)).



Holiday shoppers in New York, image courtesy of Langham Place, Fifth Avenue

Not wanting to be left out of the gifting consideration, hotels often market special packages and offers as ideal presents.

Getting a jump on the holiday season, Rosewood Hotels & Resorts launched its "12 Days of Rosewood" collection of one-of-a-kind gifts at various properties, such as private performances or a sleepover for a child and five friends ([see story](#)).

For those who want to give the gift of travel, hospitality brands also frequently promote gift cards as a present option.

In a YouGov survey, 48 percent of the affluent respondents said that they would rather give "experiences" over a material item as a holiday gift ([see story](#)).

Beyond their own properties, brands have also made their presence known through activations.

For instance, Rosewood took to the streets of London in a specially outfitted Mini Cooper complete with Father Christmas, spreading cheer ([see story](#)).

"The trends we are seeing for holiday travel are a continuation of trends that we have seen generally in the luxury market," said Gail Grimmett, president of Travel Leaders Elite, the luxury travel-focused arm of Travel Leaders Group, New York. "Affluent travelers want unique, truly special life experienceskiing in remote destinations, touring the inner workings of their favorite fashion house or enjoying a private dinner by a celebrity chef.

"As far as the upcoming holiday season, it is a shorter season making availability at some destination tighter than usual," she said. "We are encouraging our travelers to think outside the beach' this holiday and consider soft adventure experiences like Patagonia or city sightseeing in London, Paris, Rome or Florence.

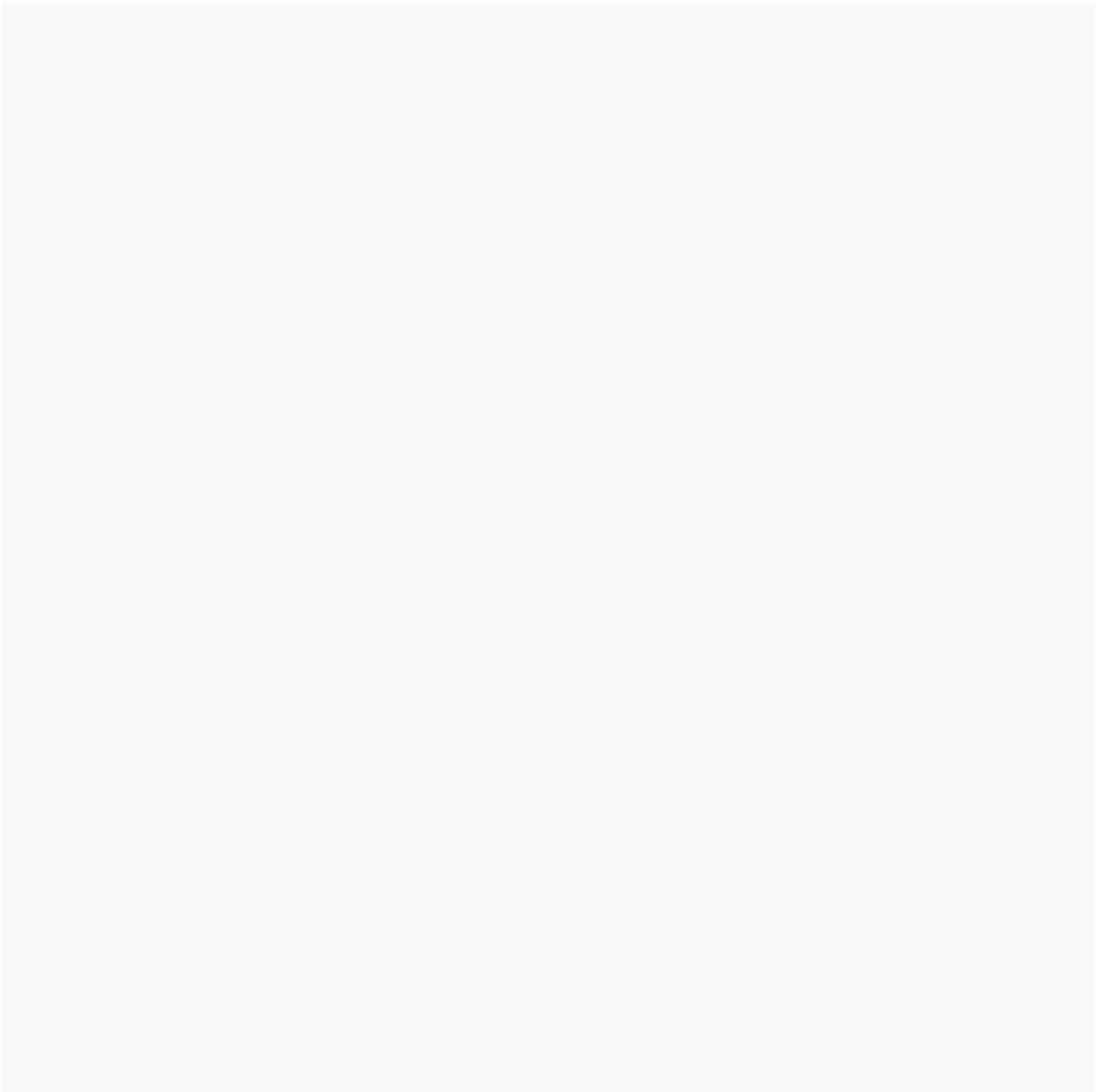
"Malta and Morocco are undiscovered destinations with great weather and exquisite hotel properties. The Western U.S. and South American destinations such as Argentina and Chile also offer exceptional choices for holiday stays."

Emotional appeal

Around the holidays, marketing campaigns look to tap into consumer sentiment through storytelling, whether eliciting joy, nostalgia or feelings of love.

Burberry's festive campaign last year, "The Tale of Thomas Burberry," was a three-minute trailer for an imagined full-length film. Rather than aligning with traditional holiday themes, Burberry's film instead looked to create an emotional appeal for its gifting collection with themes of love, adventure, dreams and tradition ([see story](#)).

Looking to generate laughs during what can be an overly stressful time, Mulberry humorously retold the nativity story, replacing baby Jesus with one of its handbags ([see story](#)). Harvey Nichols similarly went for a lighter tone, offering an antidote to a made-up affliction it dubbed "gift face" ([see story](#)).



A video posted by Harvey Nichols (@harveynichols) on Dec 2, 2015 at 5:00am PST

While luxury brands are not necessarily known for being cutesy, the holiday season is also a time where they can be more playful.

Cartier's holiday films tend to showcase its panther mascot. Playing into the childlike feelings surrounding the season, the jeweler has featured cubs instead of its usual grown cat.

Some brands take a more inspiration approach, such as Crme de La Mer's homage to its founder Max Huber, which spoke of the magic of perseverance ([see story](#)).

Brands also adds magical backstories to how their gifts are created or delivered through storytelling.

Versace filmed a group of men personally packaging up its fashions for one female gifter, turning gift giving into an ultra-glamorous, sexy occasion ([see story](#)). As a departure from the typically human focus of luxury products, Dior imagined its gifts being produced in a whimsical factory ([see story](#)).

#VersaceHolidays 2016, Versace Gift Factory

While consumers are receptive to gift ideas, presenting possible presents in an engaging way allows brands to make

more of an impact.

Louis Vuitton turned its gift guide into a game starring an animated goose ([see story](#)). Similarly, Georg Jensen looked to boost interactivity with its holiday effort through a two-screen navigation ([see story](#)).

Along with gift guides, a tactic frequently deployed by brands are countdowns. As Christmas approaches, brands celebrate the anticipation with consumers, while also reminding them of the limited time left to shop.

For a social media audience, these allow brands to engage daily with followers. For instance, Lancme shared a daily vignette that followed the undertakings of a Parisian heroine as she preps for the holidays, whether it meant getting a Christmas tree or building a snowman ([see story](#)).

Like retail, marketing around the holiday should be multichannel. Using a mix of digital and traditional media, brands can reach consumers across generations.

While Lexus' December to Remember campaign centers on television, the placement has also branched out into print, broadcast, radio and digital. Last year's effort, which set out to prove Santa has no age limit, included billboards in New York's Times Square and Los Angeles' Staples Center ([see story](#)).

Taking holiday marketing out of home, both Baccarat and Chlo Parfums have sponsored outdoor light displays to create a festive atmosphere in Paris and Milan, respectively.

A number of brands, including Valentino, have also outfitted Christmas trees in public spaces, with Swarovski gaining attention as the creator of the tree topper for the Rockefeller Center tree in New York.



The Rockefeller Christmas tree in 2015. Image credit: Swarovski

Making a direct appeal to consumers can be an effective tactic to win them during the holiday season. Email campaigns can leverage data to personalize recommendations, while print mail provides a tactile guide to gifting.

Neiman Marcus' Christmas Book is an annual publication that features ideas including a range of fantasy gifts designed for those who already have it all, each of which includes a donation to the Heart of Neiman Marcus Foundation. In the past, these extravagant gifts have included a \$475,000 trip to Paris complete with a custom scent by the House of Creed and a \$150,000 bespoke falconry set.

This year, the Christmas Book will feature photos submitted by consumers, allowing the retailer to shine a spotlight on some of its clientele.

"Direct marketing doesn't get a lot of love these days, and that's great for brands still utilizing direct campaigns. It reduces competition for attention which is a huge advantage during holiday," said Evan Magliocca, brand marketing manager at [Baesman Insights & Marketing](#), Columbus, OH.

"Direct is still one of the most effective channels for prospecting, which is beneficial in the lead-up to holiday to acquire customers and increase the consideration set," he said. "The issue isn't direct versus digital. What marketers need to understand isn't the channel, it's their customer.

"Holiday success comes down to targeting and segmentation. The brands that have an in-depth understanding of their customer and segments know where to target and what to offer. For some customers, that will be through digital channels, but for others it will be through direct. Marketers need to stay agnostic to channel and follow the data."

While luxury brands often weave philanthropy into their efforts, the holidays are a prime time for giving to the less fortunate.

LVMH-owned luxury travel retailer DFS Group, for example, teamed with Make-A-Wish International to grant children's wishes the 2015 holiday season ([see story](#)). The same year, Marc Jacobs retailed T-shirts to support The Sato Project, which works to rescue abused and abandoned dogs from Puerto Rico ([see story](#)).

Beyond charity initiatives, the idea of spreading good will is seen in brand campaigns. Montblanc encouraged consumers to pay it forward with acts of kindness that cannot be wrapped ([see story](#)).

"One of the biggest trends in the luxury market right now is social responsibility, and there is no better season than the holidays to adopt or amplify a program that embodies and reflects the higher ethical values of social justice and sustainability," said Daymon Bruck, CCO and partner at [The O Group](#), Seattle.

"Consumers in 2017, especially millennials, want to support business that practice giving back as part of a brand's DNA," he said. "Many of the largest luxury brands have been moving towards this new cultural norm and are aligning themselves with a cause that is embodied in their brand ethos and their customer's values."

"Holiday campaigns that communicate how a brand is engaged in the betterment of society and making a positive impact in the world through sustainability or ethical production or sourcing practices ultimately provides a powerful platform for customers to participate and connect with a brand in a different and meaningful way."

"Whatever strategy luxury brands adopt this holiday season, consumers are expecting and valuing a brand experience more than an exchange of money and goods. What better time than the holidays to deliver some much needed joy and magic that could align your brand with the best intentions of the season?"

Best practices for holiday 2017:

- Courtney Albert, Parker Avery:
 - "Luxury brands tended to shy away from promotions and sales, in fear that it would degrade the brand. However, the holiday season is an appropriate time to have special promotions that are only available this time of year. One way to embrace this is to have a special holiday assortment and packaging."
- Bob Phibbs, the Retail Doctor:
 - "Train your employees exactly how to greet shoppers and when finished, instead of asking, 'Anything else?' ask, 'Who else is on your list?' I teach that to everyone as you'll see the shopper actually look up and to the left at an imaginary list. It may not result in a sale but at least you got them to think about it."
- Evan Magliocca, Baesman:
 - "Know your objective. So many marketers get ahead of themselves, developing sophisticated tactics and strategies that are great on paper, but they haven't defined what they're trying to accomplish or how they're going to measure it. The defining feature of marketing in today's data-driven environment is that marketing is only as good as what you can prove. If you can't measure it or define what success looks like, it's already likely to fail."
- Erin Johnson, Walker Sands:
 - "Just 47 percent of consumers are happy with the current options for transparency in delivery they get from retailers. Luxury retailers should make sure to provide updates on packages at every chance to keep consumers in the loop. As the value of goods ordered online increases, so will demands for transparency."
- Daymon Bruck, The O Group:
 - "A useful luxury trend that would be ideal for a holiday program would be to mobilize and create a pop-up experience in an unexpected or creative environment. Decentralizing consumer interaction has the benefit of opening up original ways to tell the brand story. Fendi did a great job last year with a traveling North American pop-up which showed up in non-traditional locations like the beach and showcased limited edition merchandise not available in stores."
- Richard Engle, luxury travel agent, Protravel International
 - "If you're in a high traffic area or property, make sure you have enough well-trained staff to handle a full house. Concierge desks should have some unusual options up their sleeves or in their back pockets in case the typical requests are not fulfillable due to the sold out syndrome."

- Eric Hansen, SiteSpect
 - "Take the time to understand how mobile impacts that shopping experience. There's no question more consumers are turning to their phones to complete their holiday shopping, but it's critical that retailers also understand how consumers are choosing to shop. Forcing all customers to download an app or having poorly placed advertisements on a mobile Web site can be the difference between a sale and an abandoned cart. Retailers should take the time to review existing data regarding how their customer are already using mobile channels to ensure the right tools are in place to support, not overwhelm the shopping experience."
- Jason Traves, Lucky Fox
 - "Firstly, keep evolving but don't be afraid to reference your brand history and DNA. Secondly, remain relevant, exciting and never rest on your laurels. Imagination, originality, a clear message or concept, great mannequins, lighting and good housekeeping are all essential criteria that we consider when devising an effective visual display."

Luxury retailers:

Barneys New York

Bergdorf Goodman

Bloomingdale's

Fortnum & Mason

Galleries Lafayette

Harrods

Lane Crawford

Neiman Marcus

Net-A-Porter

Nordstrom

Printemps

Saks Fifth Avenue

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