

MARKETING

Amazon dominates buying, brands and retailers must capture shopping

December 7, 2017



Shopping has now become experiential

By BRIELLE JAEKEL

During a Luxury Daily webinar on Dec. 6, the CEO of Luxury Institute explained that there is a significant difference between shopping and buying.

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The webinar, "Luxury Outlook 2018: Up, Down or Flat?," revealed that the retail landscape has changed drastically, and the outlook for 2018 shows that customers and even affluents are looking for something different and are leaning toward a more experiential shopping experience. Retailers with a robust digital strategy, leverage of social influencers and unique shopping experiences will win out in the upcoming year.

"All the technology in the world cannot overcome a commodity product," said Milton Pedraza, CEO of the [Luxury Institute](#). "There's a difference between shopping and buying.

"Amazon dominates buying, so you need to dominate shopping," he said. "Work on differentiating your product, otherwise you'll just be selling on Amazon.

"There is a lack of skill of what is a critical technology and what is a hobby. I think that executing the fundamentals but making sure they're absolutely useful is vital in creating the omnichannel experience for the consumer."

The year ahead

Luxury department stores are struggling likely due to the affluent consumer's fondness for experiential shopping, which they have failed to provide.

Since the Amazons of the world have made purchasing mundane household items easier than ever, affluent consumers are looking for something different in their shopping experience.

David Arnold, managing director of Robb Report magazine, explained during the webinar that the specialty store experience was unique and each store brought something different to the shopping experience. But today, it is all the same experience and affluent consumers do not want that.

Luxury shoppers want to get out of the house and experience the encounter of discovering and buying their items.

Stores need to leverage this by embracing the customer experience and innovating in all aspects of the customer journey.

High-end brands cannot discount a digital and social strategy as well.

Tam Alesi, managing partner for integrated strategic planning and executive client lead for retail at [MediaCom USA](#), noted Tiffany and Cartier as winners of an evolved digital strategy. This is due to their ability to cater to what consumers want while also innovating to allow their brands to feel more attainable.

These strategies have positively impacted sales for both brands.

One aspect of a strong digital presence is the use of social influencer campaigns, which will continue to grow and dominate as a key component of advertising.

However, Milton Springut, partner at law firm Springut Law, explained that the legalities of these campaigns are crucial to pay attention to. The FTC is paying close attention to brands and influencers who do not clearly mark that their content is sponsored.

Importance of search

MediaCom's Ms. Alesi partner also explained that SEO is another vital tool for marketers' arsenal in connecting with consumers. Search is extremely influential in product discovery, but SEO can also help with social visibility.

During at Luxury Interactive 2017 on Oct. 18, a Tiffany & Co. senior director revealed that she believes the future of online commerce will rely on search engines, as Google and others become more robust with offering shopping and booking experiences.

While on the panel "More Instant, More Integrated, More Disruptive for Business Strategies," a group of executives detailed what technology the future holds for their sectors. Google, AI, AR and VR are among the drivers in retail and marketing that are shaping the industry in unique ways ([see more](#)).

Hoping to combat problems caused by digital retail giant Amazon, department stores are now looking to paid search to increase visibility, according to L2.

Per a new report from L2, department stores see positive results from organic search visibility but are lagging behind major beauty leaders and cosmetic brands. Cosmetic brands are leaning more towards specialty retailers instead of department stores, which is why the search visibility is a problem ([see more](#)).

"SEO is an extremely important strategy and absolutely worth the investment," Ms. Alesi said. "It not only feeds your search strategy but it also feeds your social strategy.

"It ensures that brands aren't wasting money down the line by creating a lack of content that is right for the moment," she said.