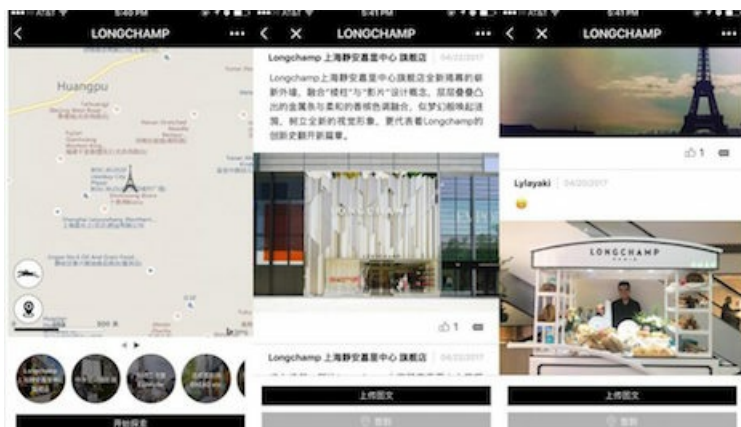


MARKETING

## It is the end of advertising as we know it: Forrester

January 18, 2018



*WeChat becomes vital in connecting to consumers across the globe as conversation commerce grows. Image credit: Longchamp*

By BRIELLE JAEKEL

NEW YORK As emotional decision-making continues to uproot the retail industry, conversational commerce will become a major tool in retailers' arsenal this year.

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It may be the end of advertising as marketers know it, but that does not mean advertising will die, explained a Forrester analyst during the "Digital Disruption" session at Luxury FirstLook 2018: Exclusivity Redefined on Jan. 17. Consumers are nearly fed up with digital ads and marketers are frustrated as they struggle to connect.

"This is not just about forcing Google and Facebook to be better partners," said James McQuivey, vice president and principal analyst at **Forrester Research**. "It is not just about turning to alternative technologies like VR to reach consumers instead.

"It is not about the death of advertising," he said. "It's a call to make advertising and the brand experience more relevant to customers."

*Luxury FirstLook 2018: Exclusivity Redefined was produced by Luxury Daily*

### Convenience and emotions

Technology has disrupted luxury's stronghold on intelligent and thoughtful service, which is now available to everyone. Products such as Amazon's Alexa capitalize on consumers' emotional decision-making, which is now a dominating force.

Alexa establishes a continual emotional connection to consumers, which other retailers and brands can harness.

Marketers need to use these emotions through better targeting methods.

Mr. McQuivey believes that because of this emotional connection, Alexa will turn into a full service butler, available to almost every consumer through a \$35 speaker. This is a huge change in the game for marketers and retailers.

Eventually, Alexa will become so pervasive it will be what consumers think of first in regards to the Amazon brand.

Mot Hennessy USA has even developed a "Bottles and Bubbles" skill for Amazon's virtual assistant Alexa to educate consumers about Champagne at home.



*Mot Hennessy Champagnes stand with Amazon Alexa. Image credit: Mot Hennessy*

A number of brands and retailers have created skills for Amazon Alexa as a way to tap into the artificial intelligence trend by curating digital-enabled experiences. Mot Hennessy, the spirits division of luxury goods group LVMH, has been boosting its digital touchpoints recently as discovery and purchases are now more apt to happen via an electronic device ([see more](#)).

Tesla is a prime example of how a luxury brand is able to create emotional connections to consumers, but it is also continual. While the Tesla is a product, its software is so digital that the automaker always has a direct line to drivers and their data.

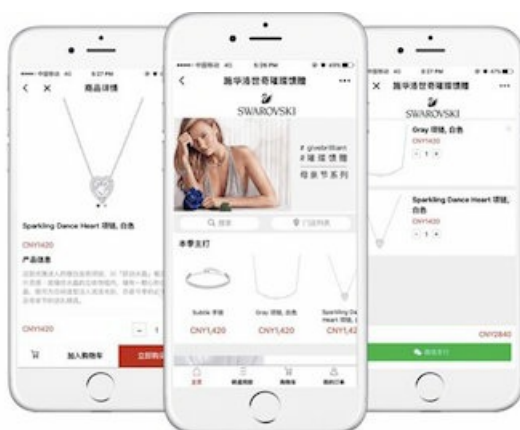
The software will also allow consumers to be continually wowed, as one software update can transform your vehicle into what seems like a new car overnight.

#### Commerce and emotion

Conversational commerce is another manner in which brands can establish a strong connection to consumers while driving sales. Chinese messaging application WeChat is already a demanding force in retail across the globe, and this trend will only continue into major markets within 2018.

Similar to the Amazon experience, conversational commerce builds a relationship rather than just a transaction which will encourage customers to keep coming back based on their emotions.

For instance, exclusive to San Francisco International Airport, LVMH-owned travel retailer DFS Group has launched a mini-purchasing program powered by WeChat.



*WeChat Pay will soon be usable with a variety of luxury brands in North America. Image credit: WeChat*

DFS' mini purchasing program launched on WeChat Sept. 1, ahead of the busy Labor Day holiday weekend, targeting travelers who prefer to shop via mobile, rather than stop into a duty-free shop. WeChat introduced the mini program last January to create rich experiences for its users who turn to the app for commerce and communication ([see more](#)).

"Seize the luxury marketing opportunity using digital disruption," Forrester's Mr. McQuivey said. "Your products and services got you this far but it is the experiences you craft to extend those products and services and the relationships you build to increase frequency, deepen emotional connection and create convenient access."

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