

LUXURY MEMO SPECIAL REPORTS

State of mobile in luxury marketing: Luxury Memo special report

February 5, 2018



Digital experiences matter, image source: Swarovski

By BRIELLE JAEKEL

Transformation of luxury marketing and retail has largely been pushed forward by mobile technology, which now blurs the lines between in-store and online channels and marketing versus retail.

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Spray-and-pray is no longer an acceptable method of advertising for brands, and luxury marketers cannot rely on their heritage and exclusive statuses to carry them. Mobile and digital technology have now created a two-way conversation with brands that consumers have come to expect, completely turning the industry on its heels where chatbots, artificial intelligence, virtual reality, augmented reality, social media, voice assistants, applications and high-performing Web sites dominate.

"Mobile interactions almost doubled since last year, especially in luxury marketing," said Omer Artun, CEO of [AgilOne](#), San Francisco. "Consumers of luxury items use mobile devices more than desktop browsers and they are more mobile.

"This creates a unique opportunity for marketers to target customer on mobile. In Europe, SMS is a larger part of marketing messages than email in most countries and this is increasing in the U.S. as well," he said. "However, mobile SMS messaging is more integrated with customer experience than pure marketing.

"Customers use mobile messaging opt-in for making appointments, customer service, delivery notifications etc. Marketing messaging is still nascent for mobile and customers need reasons to opt-in for mobile messaging."

5 trends of mobile marketing and retail in luxury:

Artificial Intelligence: Behind-the-scenes, businesses are looking for ways to alleviate the heavy lifting for personnel and help get a better look at the consumer. AI through mobile platforms helps brands manage customer service much easier and helps run through data to develop more in tune strategies.

Voice assistants: Voice search will become a prolific force in retail, as consumers become more comfortable with tools such as Apple's Siri, Amazon's Alexa and Google Home. Brands and retailers need to adjust their strategies to better manifest in voice search results as well as interact with consumers through voice.

Loyalty: While luxury retailers and brands are known as less inclined to provide a rewards strategy, the mobile-focused world of today has shifted affluent consumers' concerns. Through these mobile devices, there are endless possibilities for shoppers to find discounts, which means luxury brands need to take it upon themselves to reward their most loyal customers.

Social media: The social influencer and Instagram are a few of the biggest tools in the luxury brand's arsenal today. Brands and consumers leverage each social platform in different ways, which is a key strategy to keep in mind moving forward.

AR/VR: Augmented reality is a significant force in the beauty industry, but it is growing to other sectors as it grows in sophistication. Both AR and VR allow at-home consumers get a closer look at products without having to enter a store, but brands can also use these tools to simply forge a deeper connection with immersive content.

Mobile momentum

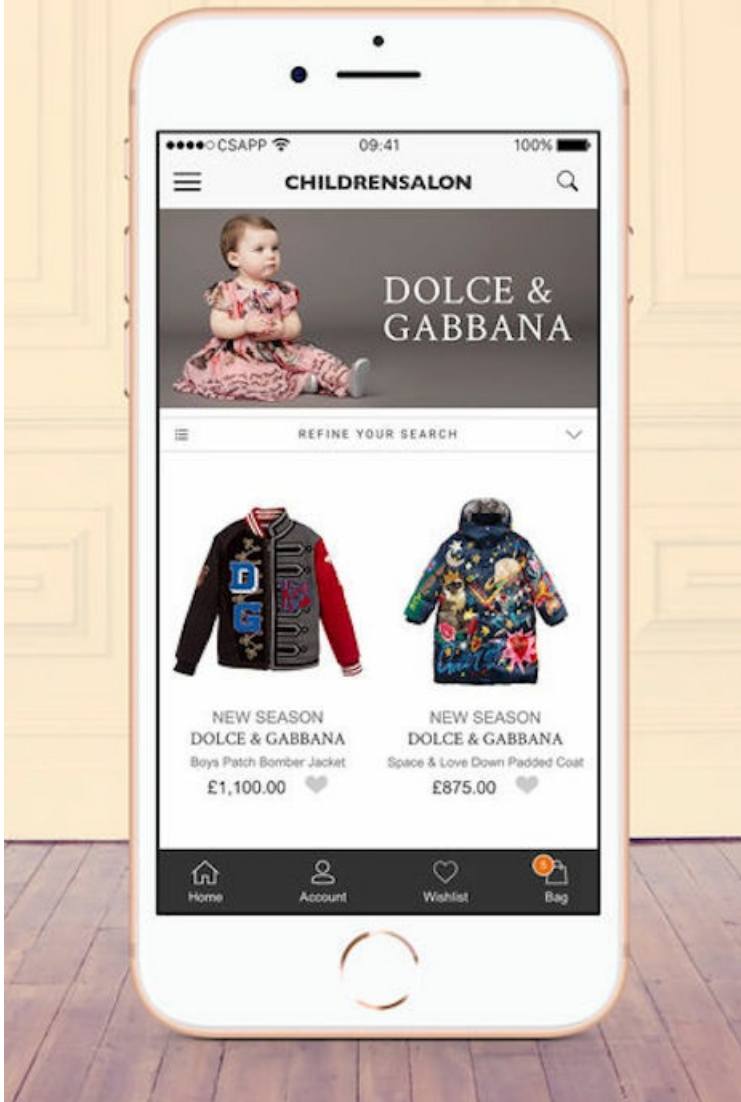
It is no secret that the luxury world was slow to take on digital pathways and ecommerce when they first arrived on scene.

Many experts even say that luxury brands put themselves behind by adapting to the new way of life too slowly. However, the pressure is now on for these marketers and retailers to establish a high-end experience in the digital realm to preserve their luxury images, as these solutions are completely integrated with consumers' lives.

While mobile use seems to be at an all-time high, numbers still continue to rise and luxury brands are learning how to create sophisticated initiatives through these devices. Mobile has now eliminated the standard customer journey, which has become more fluid and exists through multiple platforms.

Luxury retailers and brands are more focused on fostering this customer journey through third-party vendors, social media and mobile-optimized sites rather than building brand-specific applications themselves.

INSTANT ACCESS TO THE LATEST COLLECTIONS



Childrensalon latest app. Image credit: Childrensalon.

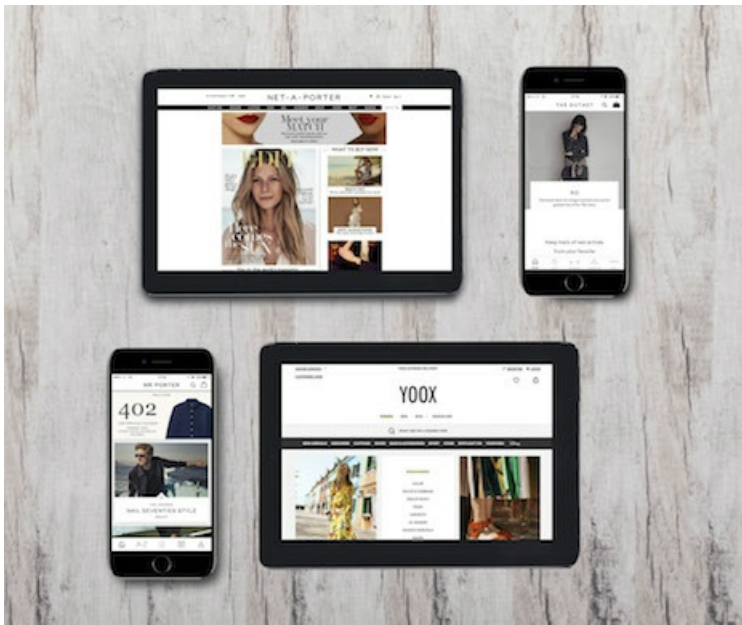
In the beginning, apps were much more sophisticated than mobile Web and the market was less saturated. Today, consumers spend more time on just a few apps and would rather interact with a highly optimized Web site than download a brand's app.

"There is not enough functionality required to warrant a standalone app for the [luxury] brand," AgilOne's Mr. Artun said. "The amount of interaction between the customer is not as high as say, Starbucks, that will have functionality that a consumer will require.

"Second, the brands have limited resources in building and maintaining apps," he said. "The few examples I've seen have been apps that were not up to par with the brand identity and were not maintained to the satisfaction of the marketers and consumers."

Luxury brands need to focus on looking for easy-to-access mobile initiatives by leveraging third parties and social media.

Retailers such as Nordstrom, Net-A-Porter and Moda Operandi boast significant queries and numbers of users on their mobile platforms. It is important for luxury brands to partner with channels such as these to drive sales and stay visible to consumers.



YNAP's app performed well on 2017 Cyber Weekend. Image courtesy: Yoox

The weekend of Black Friday has been consistently gaining steam in regards to mobile purchases, as consumers become more comfortable with purchasing on handheld devices. But this year showed just how important these third-party retailers are on mobile.

Online retail group Yoox Net-A-Porter saw mobile orders surge to an all-time high during the 2017 Cyber Weekend.

Considered the start of the holiday season, Cyber Weekend, flanked by Black Friday and Cyber Monday, sees in-store traffic increase, but online players are seeing significant rises in purchasing as most consumers would rather forgo the chaos brought forth by the shopping holiday. For Yoox Net-A-Porter Group (YNAP), the online retailer saw purchases placed on mobile reach 66 percent on Sunday for an all-time high ([see story](#)).

Fashion fans are also leveraging rental services for luxury goods, which are dominating in the mobile and digital world. These services are innovating in mobile experiences as well as behind-the-scenes algorithms to better service users and many major brands, and retailers are backing them.

For instance, apparel and accessories rental service Armarium recently invested in new high-end digital initiatives to better connect with luxury consumers via tailored experiences and refined customer service.

A ARMIBOT



Before I connect you with a stylist and get you looking your absolute best, I have some questions for you.

I know what you're thinking...



Rest assured, this is a one-time thing and will only take a minute. Once a few questions are answered, a hand selected stylist will email your personalized lookbook within 24 hours, or book you an appointment in our showroom. Sound good?

YES

NO

Armarium's Armibot that helps usher in sales. Image credit: Armarium

Due to the challenges of today's retail landscape, luxury marketers have to reach consumers in a manner that is both unique and engaging, while also bringing a high-end experience to omnichannel platforms. Armarium, backed by Net-A-Porter, Kirna Zabete, Browns and Capitol, has added interactive and tailored experiences to its digital portal to bring a luxury experience to the online world ([see story](#)).

Retailers and brands other than rental platforms that do wish to master the art of the mobile app need to focus on loyalty.

"Even with all the attention that mobile receives, it's still in a state of flux," said Jeff Sopko, president of [Baesman Insights & Marketing](#), Columbus, OH. "Apps were in demand early on as brands wanted the control, flexibility and engagement that came with it.

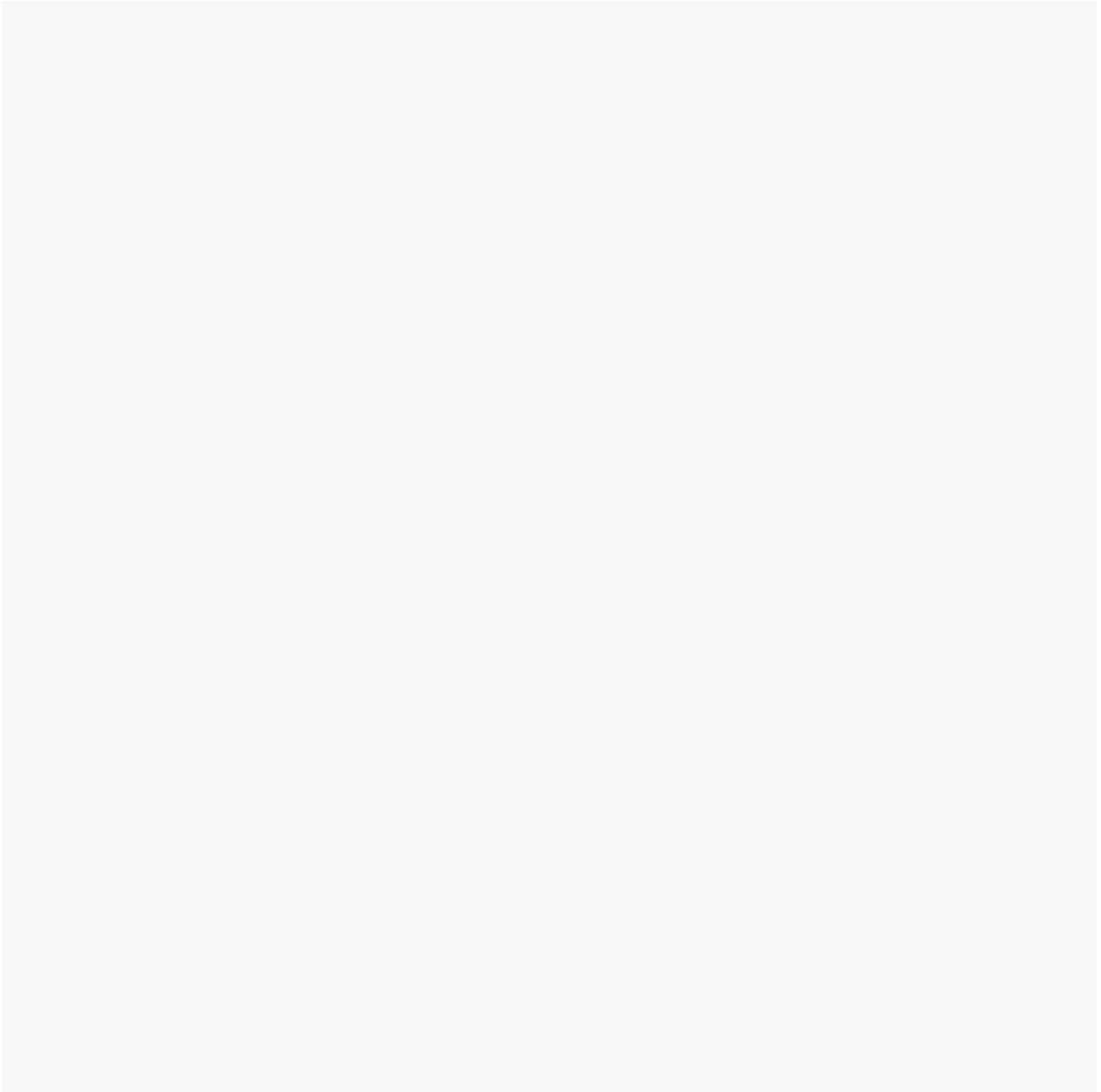
"But many of those apps have failed; there simply isn't enough differentiation from mobile Web to incentivize customers to download them," he said. "Add in Google's focus on hyper-fast mobile landing pages, and the strength of mobile Wb is outweighing apps right now.

"The only incentive today for apps is a loyalty program it's a better way for customers to see their dashboards, understand what's available to them and see offers."

Social strategy

Social media is another third-party method that grants high-end brands extreme visibility to affluents and luxury consumers.

Instagram is the number one social venue for luxury brands, as the experience allows for significant visibility and revolves around high-end photos, which these brands are known for.



For the Chinese New Year capsule collection, pet dogs are featured as embroidered appliques along the #GucciAce sneaker. Inspired by an original drawing of @unskilledworker. Discover more through link in bio. #CNY2018
Photographer: @petrafcollins Creative Director: #AlessandroMichele Art director: @christophersimmonds

A post shared by Gucci (@gucci) on Jan 31, 2018 at 12:31pm PST

It is vital for brands to look at each social platform as a separate entity with different purposes. Marketers cannot look to Twitter, which is used more for customer service inquiries, the same as they do the visual-focused Instagram.

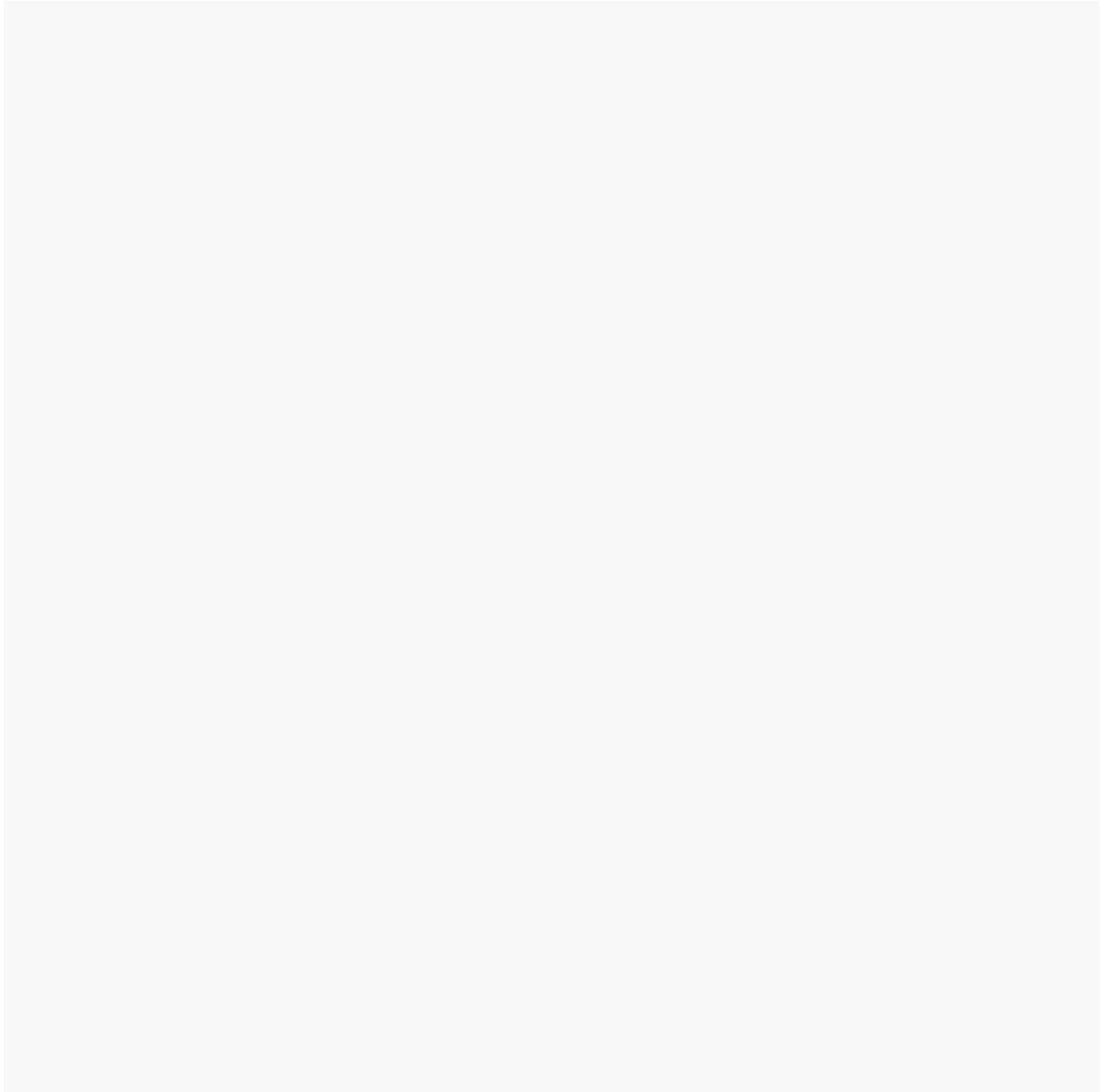
"Younger generations are as comfortable online as they are in real life if not more so," said Fawne Berkun, executive creative director at **Tag Creative**, New York. "Therefore, brands must clearly understand the platform on which they are providing messages and specifically tailor them to their audiences.

"Whether your mobile messaging lives on Instagram, Snapchat or Facebook, the demographic, overall strengths and purpose of each platform matters and will shine a light on the degree to which your brand communicates

authenticity."

Rankings from NetBase Retail Brands Industry Report assessed Gucci as the most-discussed luxury brand on social media, but Tiffany & Co. and Louis Vuitton elicit stronger feelings and Chanel sees greater passion.

Chanel boasts the most social followers more than 57 million globally and is the leading luxury brand on all platforms, except Facebook, where it is a close second to Louis Vuitton, both at around 20 million ([see story](#)).



Grand Finale. A first glimpse at #LVMenFW18 by @MrKimJones. After 7 years at #LouisVuitton Kim Jones will be stepping down from his current role as Men's Artistic Director. Kim has been a driving force behind some of the Maison's most successful projects and collaborations. See his final show for the Maison live on Instagram from #PFW. Video directed by @jackie_nickerson

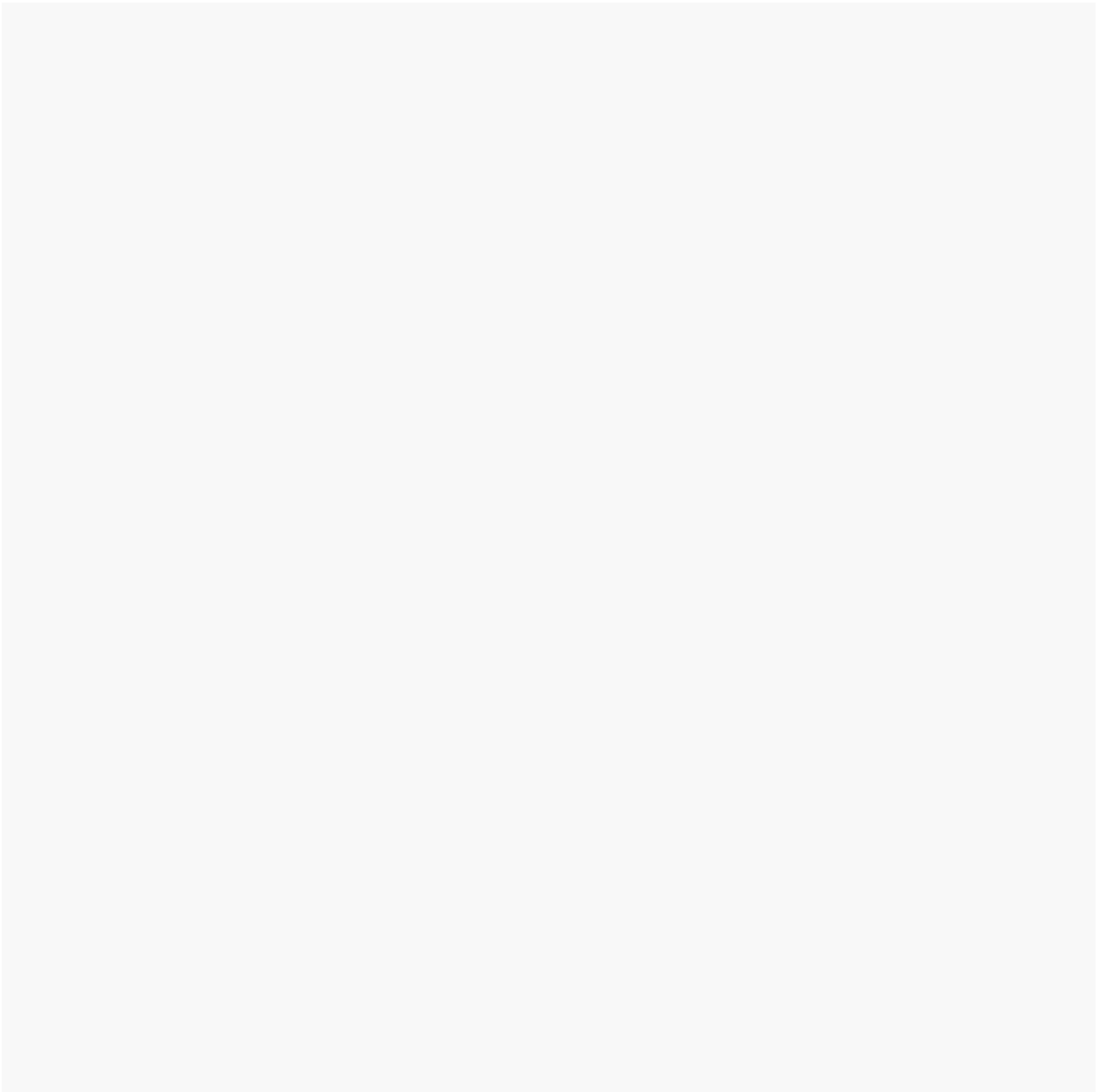
A post shared by Louis Vuitton Official (@louisvuitton) on Jan 17, 2018 at 1:30am PST

The French fashion house is able to build its significant following with robust strategies. For instance, Chanel recently boosted awareness for its beauty offerings by creating a dedicated Instagram account.

Chanel alerted its Instagram followers that it had launched @Chanel.Beauty in a post that included a short video

introduction, titled "Create Yourself," and the hashtags #CreateYourself, #ChanelBeauty and #ChanelMakeup.

This is another common practice on Instagram. Other fashion houses with popular cosmetics divisions such as YSL, Givenchy and Dior all operate separate accounts for beauty-specific marketing ([see more](#)).



FROM THE SHOW TO YOUR HOME Get the makeup look of the Spring-Summer 2018 #CHANELHauteCouture show. LES BEIGES TOUCHE DE TEINT BELLE MINE N 20 PALETTE ESSENTIELLE N 160 Beige Medium STYLO SOURCILS WATERPROOF N 810 Brun Profond LE GEL SOURCILS N 350 Transparent OMBRE PREMIRE N 12 Rose Synthtique CLAT NIGMATIQUE (QUADRA EYESHADOW), available from May DIMENSIONS DE CHANEL N 10 Noir JOUES CONTRASTE N 430 Foschia Rosa ROUGE ALLURE N 184 Incantevole ROUGE COCO GLOSS N 794 Poppea @vittoceretti --- #FromTheShowToYourHome #CreateYourself #ChanelMakeup #ChanelBeauty

A post shared by CHANEL BEAUTY (@chanel.beauty) on Jan 25, 2018 at 2:38am PST

Film and luxury

Marketers are often leveraging social platforms to share video content. When it comes to luxury brands, this video content is usually created in likeness of a motion picture or film to align themselves with the art world.

For instance, French fashion house Kenzo focused on the relationship between artist and muse in a project that brings together fashion, film and music.

Centered on its spring/summer 2018 collection, Kenzo's "Yo! My Saint" is an artistic collaboration that includes an original song by Karen O, best known as the lead singer of the Yeah Yeah Yeahs. While acting as a marketing effort for this season's designs, Kenzo's project puts entertainment ahead of overt product promotion on social outlets ([see more](#)).

Yo! My Saint by Kenzo for spring/summer 2018

BMW also recently built hype around the soon-to-launch BMW X2 with an elaborate launch film with a science-fictional twist through social.

The BMW X2 is the brand's latest addition to its popular X line of SUVs and will be launched early next year in March. To celebrate the approaching launch of the X2, BMW has created a launch film that presents the vehicle as a metaphorical escape from a dystopic sci-fi world ([see story](#)).

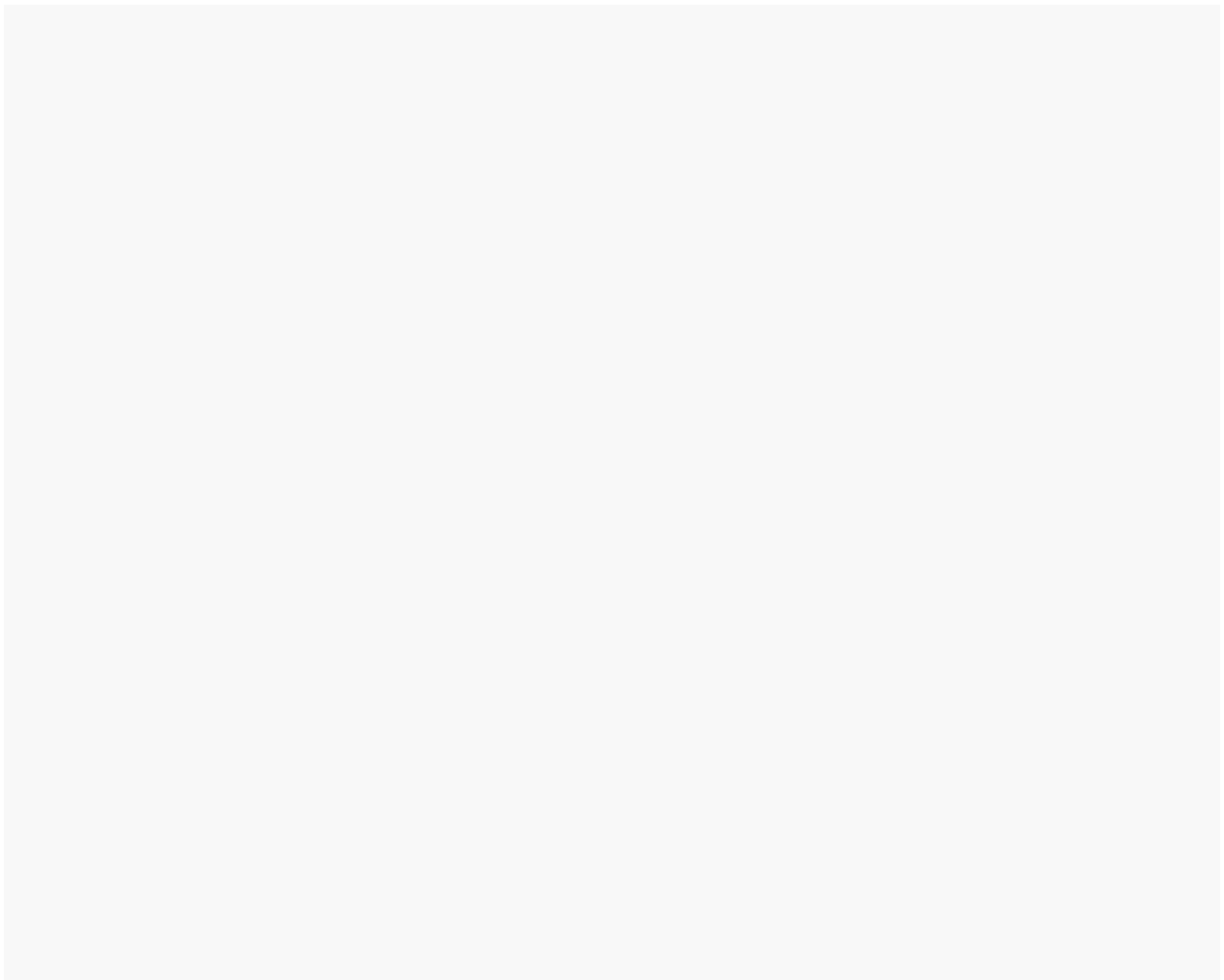
The first-ever BMW X2 | Official launch film

Influencing consumers

Along with art and film, luxury brands are also more prone to use a social influencer to show off their products. The social influencer is the modern version of a celebrity endorsement and campaign.

More than half of luxury and fashion brands expect their influencer marketing budgets to expand over the next year, legitimizing many predictions of the growing popularity of influencers.

Currently, 73 percent of luxury fashion and beauty brands have an active influencer marketing campaign going on and 65 percent agree that it is very effective, according to Fashion and Beauty Monitor's report on influencer marketing, "The New Face of Luxury" ([see story](#)).



Can't wait for tomorrow!!! Mr. Bags x Longchamp will launch in China via wechat and weibo! @longchamp

A post shared by @ mrbagss on Dec 21, 2017 at 8:11am PST

For example, French apparel and accessories maker Longchamp wielded a major Chinese force of influence on an international scale with a first-of-its-kind collaboration, celebrating the Year of the Dog in China.

Mr. Bags, one of the most-prolific influencers in China, worked with Longchamp for a milestone collaboration that will transform the brand's iconic foldable bag on a global scale ([see story](#)).

Brands are leveraging major influencers like this in increasingly unique ways.

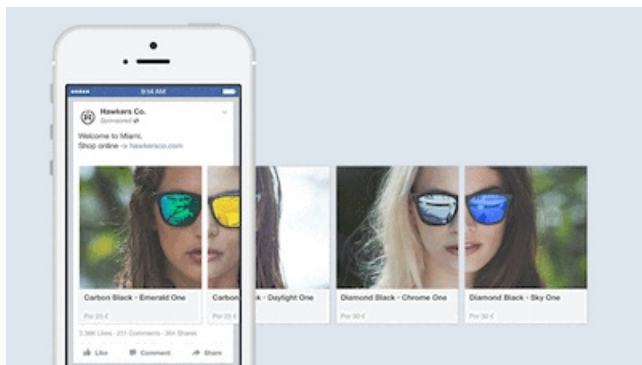
Looking to raise the social media attention for its runway show during Paris Haute Couture week, fashion label Ralph & Russo also looked to an influencer, but actually cast her in its model lineup.

Brazilian blogger Camila Coelho closed the spring/summer 2018 show on Jan. 22 in the brand's bridal gown. While many fashion labels have enlisted influencers for social media documentation of catwalks, this move by Ralph & Russo is indicative of the increasing roles these personalities are taking on via brand collaborations ([see story](#)).

Advertising effectively

While film and campaign content boast well on social, these brands can now use these mobile platforms for more than just visibility and consumer connections.

Ad products are becoming much more sophisticated on social, allowing users an easy path to purchase products they are interested in.



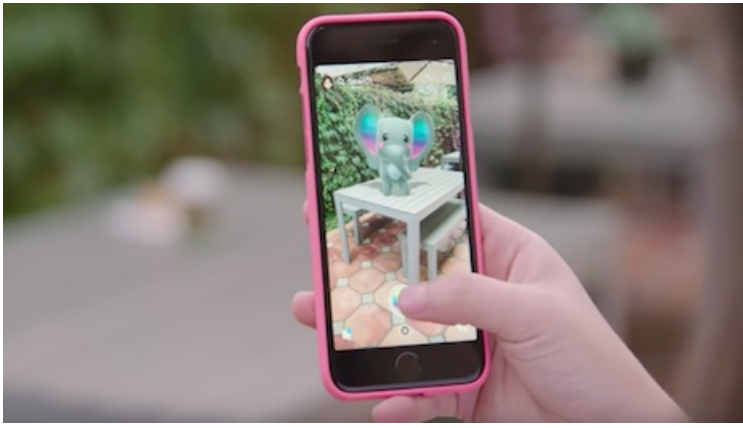
Facebook's carousel ads. Image credit: Facebook

Instagram and Facebook have been featuring advanced ad carousels that allow luxury brands to keep a high-end status due to the product's quality. The former has also launched product tags, which allow advertisers to tag each product featured in a photo.

The tags allow users to easily click to purchase without having to leave the platform.

This growth in social advertising has been heating up the battle of Instagram versus Snapchat, as each look to keep users on their platforms while simultaneously making advertisers happy. Instagram's sophistication in ad products is putting Snapchat in a tough position.

For one, Snapchat is testing unskippable advertisements, something that has never appeared on the platform before, as well as moving content so that it is not exclusive to the app. As luxury brands and influencers increasingly move to Instagram, Snapchat is left to figure out how to keep advertisers without alienating users ([see more](#)).

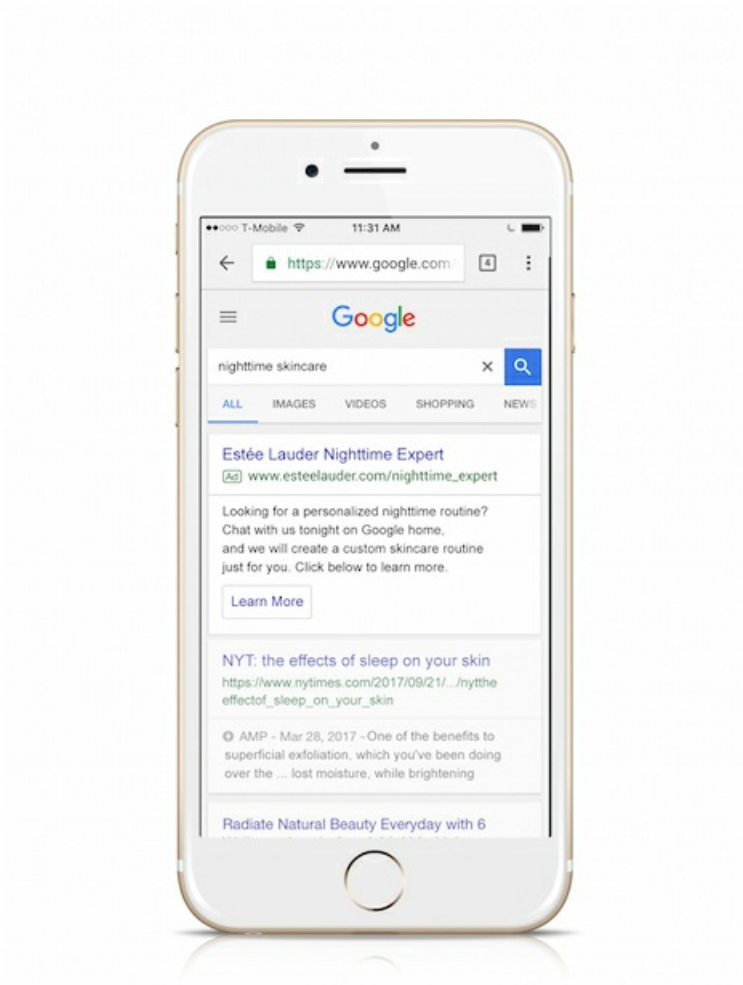


Snapchat's Lens Studio lets publishers create augmented reality content easily. Image credit: Snap

Social might be a huge portion of mobile advertising, but paid search is also becoming increasingly more important. Over the next five years, mobile will contribute 69 percent of the projected \$19 billion in revenue that comes from paid search advertising.

While the overall share of advertising revenue from search will decrease, it will remain the biggest driver of digital advertising, according to Forrester's "Search Marketing Forecast, 2017 to 2022" report. This presents an opportunity for luxury brands to capitalize on mobile advertising and the unique capabilities afforded by the channel ([see story](#)).

However, luxury brands are less inclined to advertise through ad channels like these, with few brands exhibiting examples of paid search.



Consumers are searching on mobile more than ever. Image credit: Google

Paid search through platforms such as Google is just the start of brands' opportunities with search.

With the growth of digital assistants such as Amazon's Alexa and Google Home expecting to reach more than 1.8 billion consumers by 2021, search capabilities are expanding.

The luxury landscape is open for a multitude of capabilities by integrating with this technology, illustrated in a report from iProspect and Bing.

High-end automakers as well as numerous other luxury brands have been continuing to integrate with digital assistants as the experience exudes opulence, catering to affluent consumers. According to Digital Assistants: Reordering Consumer Lives & Redefining Digital Marketing, currently more than 500 million individuals use some version of a digital assistant, which makes it imperative for luxury brands to stay ahead of the curve now that it has become universal for consumers across the board, and not just the affluent ([see story](#)).

"While there has been a lot of chatter and hype about voice-assistants, most of the capabilities for brands seeking to capitalize on voice searches stop at SEO," said Monika Doyle, digital media director for [Chacka Marketing](#), Tampa, FL. "Until Google or Amazon offer the technology for paid media buys, luxury brands should focus on appearing in search results from conducting 'near me' or 'find' searches.

"I suspect that 'Purchases on Google,' a page hosted by Google on which customers can buy products from select brands, will eventually be the technology to bridge voice-assisted searches with ads, but there has been no official statement from Google yet confirming this functionality," she said.



Jenn-Air's ovens now talk to Alexa. Image credit: Jenn-Air

Estée Lauder embraced this new trend by collaborating with Google on a personalized voice-activated tool for Google Home, called the Estée Lauder Nighttime Expert app. Customers can get personalized beauty tips and recommendations, curated by the brand, delivered to them just by asking their Google Home device ([see story](#)).

Mot Hennessy USA also developed a "Bottles and Bubbles" skill for Amazon's virtual assistant Alexa to educate consumers about Champagne at home ([see story](#)).

Similarly, German automaker Mercedes-Benz brought artificial intelligence-powered chatbots to the automotive world to allow drivers to ask questions at any time through a voice-activated chatbot solution accessed through an app on mobile devices or in their cars. "Ask Mercedes" will interact with consumers to answer their queries and help build a series of customer support prototypes ([see story](#)).



Mercedes-Benz has previously partnered with Google Home. Image credit: Mercedes

There are still kinks to work out with voice control and AI assistants, but once brands are able to harness it and the experience becomes more sophisticated as well as mobile it is likely to be a major shift in marketing. Some experts believe it will make an impact as big as social media has.

Artificial intelligence

Voice assistants are controlled through artificial intelligence, and as AI becomes more intelligent, so will they.

But brands are leveraging AI on mobile in more than just flashy futuristic ways. Many luxury brands and retailers are using AI to do the heavy lifting for their business practices, sorting through consumer data to determine the best forward-moving strategies.

Product recommendations are mostly powered through AI today and many brands are even using it to steer creative content and marketing campaigns.

"Brands are using AI to developing dynamic creative the speaks directly to the consumer through their products and where they are in the journey," said Shane Ragiel, digital media director at [Chacka Marketing](#), Tampa, FL. "Brands are also using AI from a conversion standpoint to ingest the data to measure multi-touch conversions whereas in the past it was typically last-touch.

"They are able to model complicated algorithms to understand what digitally influenced their purchase," he said.

For instance, cosmetics and personal care group Shiseido Americas invested in its sector's future use of artificial intelligence through a technology firm acquisition.

Shiseido Americas, a subsidiary of the Tokyo-based Shiseido Company, acquired Giaran, who develops artificial intelligence platforms to heighten consumer experience and personalize beauty purchasing. The terms of Shiseido's Giaran purchase were not disclosed but reflect the beauty sector's embrace of digital technologies as selling tools ([see story](#)).

Also, auction house Sotheby's is continuing its move toward a more digital and data-friendly business model with the acquisition of Thread Genius, a startup focused on image recognition and recommendations.



Thread Genius founders Andrew Shum, Richard Vibert and Ahmad Qamar. Image credit: Sotheby's

The acquisition sees Thread Genius' founders joining Sotheby's analytics team and the company's resources put to use making Sotheby's online platform more intelligent and data-driven. The auction house, as well as the auction world in general, has been making big digital moves recently, including a larger focus on online and mobile auctioning ([see story](#)).

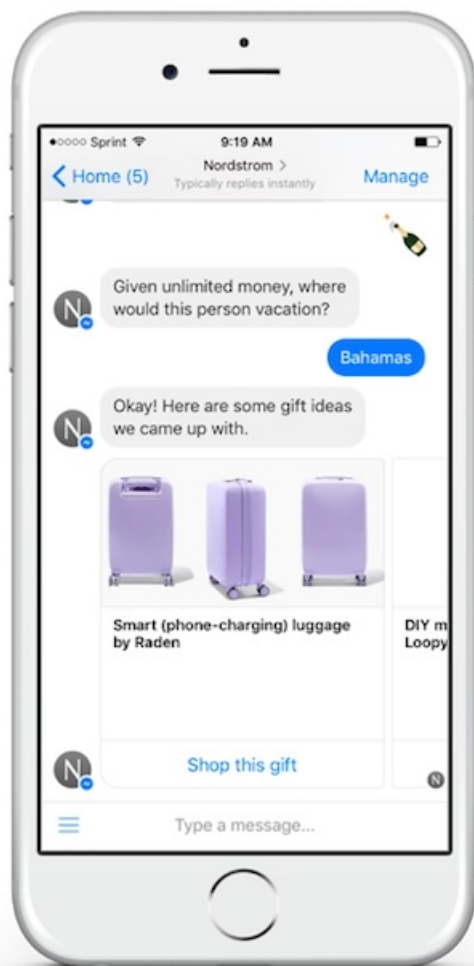
Chatting with bots

AI is also the force behind chatbots, which many luxury brands are making use of on mobile for a myriad of purposes including customer service, product recommendations and even storytelling.

"Luxury online shoppers are connected and influential," said Dalia Strum, educator at [The Fashion Institute of Technology](#), New York. "Companies are starting to realize how important it is to experiment with technology and digital trends.

"I'm sure we'll see more creative uses of chatbots, content discovery and mobile shopping," she said. "The customer journey is going to be important to learn more about and how some of these strategies could provide value."

Nordstrom enlisted its first chatbot for the holiday shopping season, programming a series of questions designed to build a profile of the recipient and relevant product recommendations for the gifter. With the pressure of shopping for others, which can lead some to draw a blank on what to get, the bot offered a natural path toward purchase ([see story](#)).



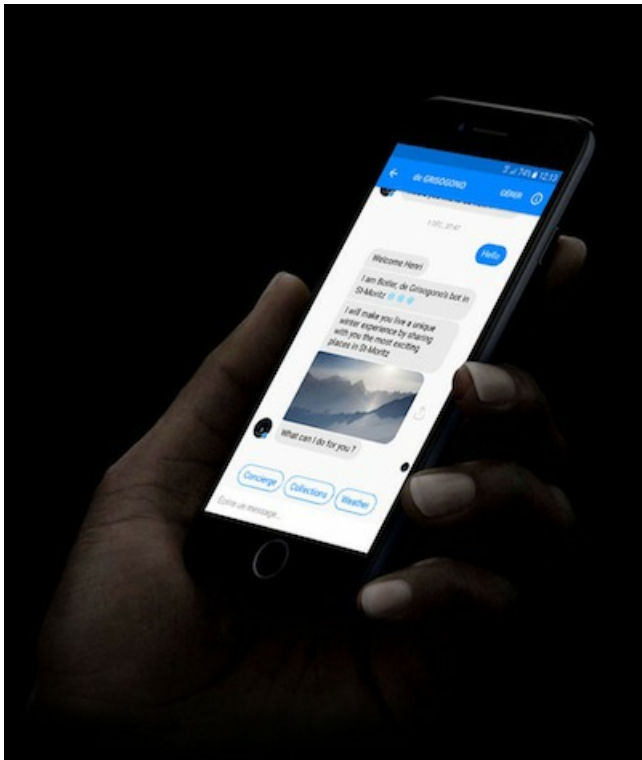
Nordstrom's holiday chatbot. Image credit: Nordstrom

Magazine tile British Vogue launched a Messenger bot to personalize fashion news for fans, where users can interact with the bot to receive up-to-date information regarding fashion ([see story](#)).

Also, British fashion retailer Matchesfashion.com unveiled an interactive and curated guide called The Style Daily, which combines elements of chatbots, editorial content and online shopping into a unique stream of recommended products. Uniquely, the content provided by The Style Daily is available only through the retailer's mobile app, emphasizing the primacy of mobile in the modern digital landscape ([see story](#)).

Swiss jeweler de Grisogono put together an interactive guide to St. Moritz for the ultimate alpine get-together experience.

Each winter season, de Grisogono celebrates its Swiss heritage by heading to the Alps during prime ski conditions. At the center of its Swiss Alps-themed venture is de Grisogono's Black Book, a print travel guide dedicated to a location particularly popular for winter activities such as apres ski ([see story](#)).



De Grisogono chatbot. Image courtesy of de Grisogono

The luxury travel industry is heavily integrated with chatbots, as the industry has moved towards more online travel agents.

While travel brands are often leveraging chatbots to help usher in sales through ways that consumers interact with quickly, OTAs are also becoming more popular with hands-on human agents to recreate a personalized experience.

Instead of eliminating the role of the travel agent, technology has actually increased consumers' desire for a human interaction, according to a marketing strategist from high-end hospitality network Virtuoso.

During the digital revolution about 20 years ago, many cried that the death of the travel agent was looming, as online travel agencies appeared, giving consumers the ability to book trips themselves. In a presentation during the 2016 Luxury Interactive conference, the speaker explained how contrary to this prediction, most travel agencies are looking to hire as affluent travelers in particular call upon their service ([see story](#)).



Affluent travelers look to online travel agents to make their trips easier. Image credit: Printemps

But the travel industry is not the only sector to manage messaging for booking and commerce.

Many brands are leveraging conversational commerce on mobile through apps such as WeChat to make all things retail related easy on the consumer.

French atelier Christian Dior tried its hand at social selling by offering its followers on WeChat the opportunity to purchase a limited-edition handbag directly through a post. While not alone in its WeChat efforts, Dior became the first luxury house to sell a high-end handbag through the app, showing its potential for direct-to-consumer sales ([see story](#)).



Lady Dior promotion on WeChat. Image credit: Dior

Swiss watchmaker Roger Dubuis and Italian tire manufacturer and motorsport sponsor Pirelli also launched a campaign through WeChat allowing customers the chance to purchase the new Excalibur Spider Pirelli watch from Roger Dubuis prior to the timepiece's full release.

In keeping with Pirelli's motorsport theme, customers will have a limited time to activate the purchase and only the three fastest WeChat users were able to purchase a watch before it becomes widely available ([see story](#)).



The watch is made from Pirelli tires. Image credit: Roger Dubuis

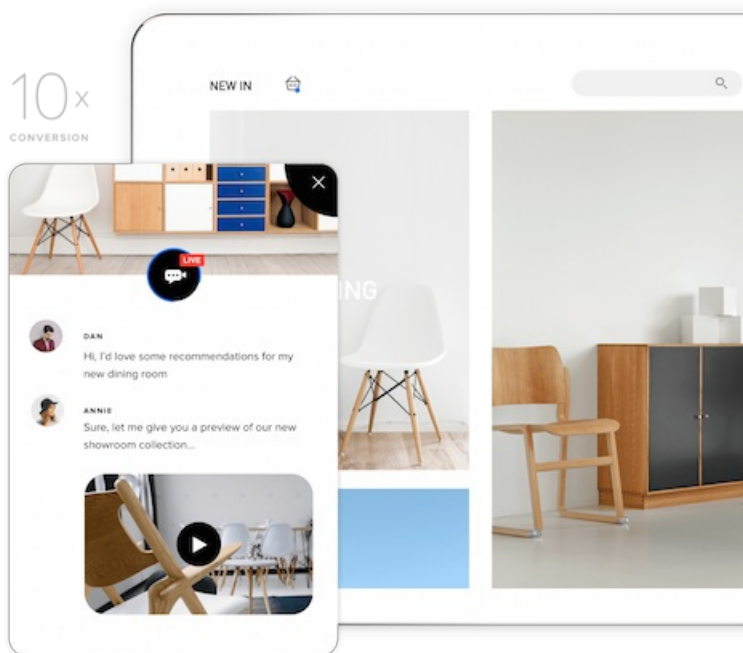
WeChat and mobile messaging apps are allowing brands to usher in mobile into the in-store experience, which is vital to the future of physical retail.

"Today consumers of all generations are shopping online for luxury goods, so it increasingly important to target messaging to particular demographics," Tag Creatives' Ms. Berkun said. "That being said, women of all ages are sharing the same beauty platforms, and even interacting with one another on those channels.

"Personalizing the experience is essential. Given the crowded online marketplace, it's increasingly important to maintain an optimal customer service experience online as you would in-store," she said. "When luxury brands are able to capitalize on the trove of online data captured through mobile and in-app interactions, and then translate that to a customized in-store experience, that will be truly exciting."

For instance, jeweler John Hardy created a seamless shopping experience for consumers by leveraging the innovative toolkit found in today's retail landscape.

John Hardy entered a partnership with ecommerce mobile app Hero, which allows online shoppers to connect with sales associates who are physically at the store with a combination of messaging, augmented reality and video. John Hardy rolled out integration with the app to a number of its stores around the United States ([see story](#)).



The app puts consumers in touch with in-store sales associates. Image credit: John Hardy

These integrations may be less popularized in today's retail environment, but as sophistication grows so will consumer adoption. Technologies such as beacons and geofencing will help retailers know when loyal customers enter a store and notify store associates.

Initiatives like these will be what saves bricks-and-mortar retail.

"Mobile payments will continue to grow, it's still a small percentage in the U.S.," Melissa Gonzalez, CEO of [Chief Pop-Up Architect](#), New York. "More brands will also continue to invest in AR as well as loyal program integration, triggering sales people to know when VIP customers enter a store by tracking mobile devices."

Many retailers are also integrating mobile payments such as Apple Pay, but WeChat is still a major bridge for the offline-online gap.

For instance, LVMH-owned travel retailer DFS similarly teamed with beauty marketer Estée Lauder to transform fans into influencers with an omnichannel initiative.

The #BeautyAllNight campaign brought together in-store activations with digital touchpoints via WeChat. Beauty marketers have embraced technology-enabled efforts to enhance traditional counter trials and experiences with great success ([see story](#)).



Campaign creative for DFS x Estée Lauder's #BeautyAllNight

This is just one example of how the beauty industry is innovating with mobile technologies.

Beauty brands have been the driving force behind augmented reality, which has now grown to become a high quality experience for consumers. AR experiences are becoming more and more realistic, allowing for brands to leverage it for effective product try-ons.

A study on the app YouCam Makeup from Perfect Corp. says that its users are 1.6 times more likely to buy beauty products than non users, and that this population spends 2.7 times more on beauty than non users ([see story](#)).

Sephora helps consumers achieve their desired beauty look with its color-matching feature on the Sephora Virtual Artist bot for Facebook Messenger that has been extended to Sephora's mobile applications for iOS and Android. The app allows consumers to find and try on product shades that correspond to hues in images.



Sephora's Virtual Artist. Image credit: Sephora

The retailer's updates also included the expansion of its try-on feature to cheek color cosmetics for the first time ([see story](#)).

However, it is not just beauty brands leveraging AR. Precision-cut crystal maker Swarovski allows consumers to give themselves an instant makeover through a collaboration with Perfect Corp.'s YouCam as well.

With YouCam Makeup and YouCam Fun, the brand launched a holiday augmented reality experience that allowed consumers to try on makeup looks embellished with crystals and Swarovski creations ([see story](#)).

"Augmented reality has huge potential to change the way customers shop," Baesman Insights & Marketing's Mr. Sopko said. "Brands are experimenting and learning from it.

"Showrooming is a natural behavior for customers while they're in a store; AR can really take advantage of that and keep customers focused on one brand's products, instead of browsing other brands to find something similar," he said. "Even so, it needs to be executed in a way that doesn't create a strong barrier to the customer.

"Having to download an app is a difficult ask if there's no other reason to have it on your phone besides AR. If it's fluid and easy, AR can produce a lot of success for retailers."

Luxury marketers are also leveraging virtual reality in similar ways.

Gucci used a technology-driven approach to raise awareness for its 2017 gifting catalog through placement on New York Times' digital edition. The initiative leveraged virtual reality video to explore its creative partnership with Spanish artist Ignasi Monreal ([see story](#)).

Many brands are using VR for experiences such as hospitality provider Crystal. The brand helped prospective travelers imagine themselves on one of its cruises.



Promotional image for Crystal Preview. Image credit: Crystal Preview

Crystal Preview allows travelers to view Crystal's Serenity and Mozart ships and select shore destinations in 360 degrees, transporting consumers to the Arctic or locations along the Danube River. Most travelers consult digital channels before booking, making virtual reality another way to help them make decisions about their itineraries ([see story](#)).

Best practices for brands considering experiential food and beverage initiatives:

- **Melissa Gonzalez, CEO of Chief Pop-Up Architect CEO:**
 - "Listen, iterate, make it personal. The power of data is listening and analyzing Whats collected and using that it constantly improve merchandising and marketing strategies. The more brands track, the more customers expect to be catered to in a very personalized way."
- **Javier Frank, director of technology and Commerce at Isobar:**
 - "Luxury brands should use the unique strengths of mobile to engage with their clients in a personable and personalized way. High touch clienteling is the natural use case for technologies like geofencing, voice recognition and messaging. These allow to create hyper relevant brand moments of surprise and delight."
- **Monika Doyle, digital media director for Chacka Marketing:**
 - "The mobile experience is all about customization and ease-of-use, which really emphasizes the need for luxury brands to have a mobile-optimized site. It is imperative to segment audiences and tailor messages to them appropriately based on the action luxury brands want them to take. For instance, a jewelry company could re-target a female who has already purchased a necklace to promote earrings or other items that complement the necklace they purchased to finish the look."
- **Omer Artun, CEO of AgilOne:**
 - "Most important is a mobile-friendly website. Even though this is a no brainer, many luxury brands are still challenged with this. This would be the number one reason for site abandonment in mobile."
 - "The second best practice would be to use mobile as a messaging platform for all communications with the customer as they experience the brand. Most luxury buyers prefer mobile as a communication device than on the desktop."