

MARKETING

## Gen Z desires authenticity, unique experiences from luxury brands

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*Brands must balance between offering authenticity and variety while maintaining a strong DNA. Image credit: Equinox*

By DANNY PARISI

VENICE, Italy Young consumers today are of a different breed than what many brands are used to, which makes targeting them both challenging and rewarding.

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At the Financial Times Business of Luxury Summit on May 21, a panel of executives from across the luxury world discussed the changes in millennial and Gen Z consumers' shopping habits, particularly the shift away from products and towards experiences. The main thrust of their discussion rested on the ways younger generations of consumers differ from their older counterparts.

"We are always looking at what people are giving up and what are they getting," said Tina Edmundson, global brand officer and luxury portfolio leader at [Marriott International](#). "They are giving up goods and getting experiences.

"Travel is at the top of the list," she said. "Millennials and Gen Z are fully connected, they are on social media, and it's made them very worldly with their travel wants.

"Travel has become a necessity, it's not a luxury anymore."

### Younger generations

While millennials are already incredibly tech savvy, the rising Generation Z consumers are a level of digital native that has not been seen before.

This has made marketing to them much more difficult. Chiefly, these young consumers are far less loyal than previous generations, frequently and easily flitting from brand to brand, guided by the certainty of their tastes.

At the same time, young consumers are willing to engage deeply with brands that offer a seamless connection between online and offline.

"They want experience, but they want the highest quality," Ms. Edmundson said. "The more high-tech the world becomes, the more people are looking for high-touch.

"In luxury especially you never really get away from that and you don't really want to," she said. "You want technology to remove the functional aspects of the experience so you can focus on the emotional."



*Brands and retailers such as Chanel try to cater to Gen Z. Image credit: Chanel*

Additionally, young consumers are hungry for brands that they view as authentic. This measurement can be nebulous, and determining exactly how to create authentic experiences without alienating consumers is difficult.

One surefire way, according to Harvey Spevak, executive chairman and managing partner at Equinox Holdings, is to create communities where customers can interact with each other in a brand context.

"It's a greater challenge than ever before but it makes you sharper at what you do," said Mr. Spevak. "You got to keep putting it out there."

"Speed is important but what we find is when we create a community space, people hang out for a long time," he said. "They want to be around like-minded people."

#### Authenticity

While Generation Z may be the most digitally native group of consumers, their shopping habits do not necessarily rely on ecommerce.

According to a study by the National Retail Federation and IBM, 67 percent of Gen Z consumers do most of their shopping in stores as opposed to online. However, mobile devices are an integral part of the shopping experience for these consumers ([see story](#)).



*Young consumers are less loyal than older generations. Image credit: Equinox*

Brands need to work to make sure that their online experiences and offline experiences are as integrated as possible. This is particularly difficult as brands with multiple physical locations try to add variety and make each location unique.

There is a balancing act between creating variety and having each bricks-and-mortar location be a unique experience and the so called Starbucks Method, in which every location of a store provides an identical experience wherever it may be.

"Ideally you do both," said Nick Brown, co-founder and managing partner of [Imaginary Ventures](#). "You walk into an Equinox downtown and you know it's Equinox, but the dimensions change a lot in different locations.

"We want all our brand locations to be unique but simultaneously tell a similar narrative."

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