

COLUMNS

Technology can enhance a luxury brand's luster

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Over the past 20 years, as commerce has moved to digital, mass-market brands have shifted their focus to operational excellence and ease of purchase often at the expense of customer intimacy.

Luxury brands were slow to embrace digital commerce because of concerns that it might cheapen the brand, eliminating the sense of exclusivity and intimacy high-end shoppers seek.

However, as technology pervades our lives, consumer expectations are changing, even at the high-end.

Consumers expect to interact with luxury brands in new ways. They want to research goods online before going to a store, find out about the materials used, where they were made and how they might look.

Leading luxury brands are leapfrogging standard online product showcases and investing in technologies that create exceptional experiences. But they are using technology in combination with high-touch in-boutique services and merchandizing that stretches the customer experience beyond the brand to nurture intimacy.

Sense of belonging

Take luxury diamond miner, brand and retailer De Beers. The brand continually innovates to connect with customers.

The company's Web site allows shoppers to tailor their jewelry using a guided decision-making process for choosing the setting and the stone. As a ring or necklace is built, the system displays original drawings and the inspirations behind each design.

De Beers understands that customers need a starting point to develop a sense of belonging and attachment.

Being involved in creation is an intimate experience because it demands self-exploration for self-expression. The end designs are so striking that it would be difficult not to feel excited at the prospect of their ownership.

While people can purchase directly from the Web site, many prefer to finalize their choice in-person. They can book an in-store appointment to further discuss their design and to explore options under the guidance of a

knowledgeable brand ambassador.

In this case, the digital experience draws customers by creating a sense of belonging and excitement. Then the in-store experience reinforces their choice.

Make dressing well effortless

The blended online and in-person customer journey is not restricted to diamonds.

Italian menswear legend, Larusmiani, followed a similar approach and added to it.

Since 1922, clients have relied on Larusmiani's good taste and handmade quality. Now, it has created an exclusive e-boutique that transforms shopping into a luxury experience.

Patrons can explore collections on the Larusmiani Web site using a combination of video and look books. Tags inside videos allow people to view specific items and purchase them online.

However, many customers still choose to visit the boutique. They can reserve an appointment to try on tagged items and select additional services, such as limousine pick-up and tailoring.

Before a client arrives at the shop, the customer service team knows exactly which products they are interested in, has a record of their purchase history and preferences, and can select complementary items.

In-store, combining augmented reality, personal assistance and image recognition Larusmiani has created a fully digitized showroom that allows patrons to browse through different looks without ever getting into a change room. This not only saves time for shoppers, who are often busy globetrotters, but also reduces friction to try it on.

While there has been some pushback in the industry against clunky augmented reality implementations, the Larusmiani showroom is state-of-the-art and always optional for those who prefer traditional methods.

Integrated with order management, the catalog running the room can showcase the entire collection while simultaneously taking orders to eliminate checkout at the end of the process. The whole experience, from browsing on the Web site to final purchase, is designed to make each client's life easier effortlessly dressing well.

Both De Beers and Larusmiani highlight how companies can use technology to create services that do not cheapen brand values. Rather technology is making it easier for people to connect more deeply with them.

Technology alone cannot achieve customer intimacy. It takes a combination of creative thinking about the customer journey and applying the right technology to assist.

Rethinking the luxury shopping destination

If technology can help unique businesses such as De Beers and Larusmiani, imagine if a group of luxury brands got together to explore the interplay between customers and technology in an entire shopping district.

That is what world-renowned Milanese fashion district Via Montenapoleone did.

With more than 150 luxury brands, "the Via" has earned the nickname "Europe's Most Expensive Street," beating other fashion capitals such as Paris and New York to hold the record of highest average sales receipt.

Unfortunately, Via Montenapoleone's reputation as a high-end destination was not reflected in the actual experience.

Visitors expecting parties and special events were met with a boring, non-pedestrian-friendly street. Globetrotters craved moments that money could not buy: a sense of exclusivity, discovery and adventure, as well as personalized interactions that made them real VIPs.

The Montenapoleone Association decided to rethink the Via using a combination of special events and complementary products and services, as well as technology.

Now, the Via experience starts even before shoppers board a plane. People can take a virtual tour through the OneLuxuryDestination.com Web site, which provides store and hotel locators and exclusive complementary services, as well as fashion news and trends to stimulate interest.

Vacationers can browse complementary services and events to round out their stay. Want to drive a Ferrari around Lake Como? What a good idea. Maybe take a tour of Leonardo's "Last Supper?" See the Teatro Scalla? Book it now.

On the ground in Milan, the entire district is wired with beacons.

As consumers explore boutiques, the M-Luxury phone application sends exclusive offers and event notifications based on their location. Shoppers can access private dressing rooms and a 24-hour, personalized concierge in the Montnapoleone VIP Lounge.

The M-Luxury app also alerts people to nearby cultural events, sales and augmented in-store and outdoor activities. Customers can reserve dinner at a five-star restaurant, book tickets for the museum or opera, or claim exclusive passes to VIP-only events.

TO A LARGE EXTENT, it is now impossible to ignore technology to communicate with, and further serve, customers.

From diamonds to bespoke menswear and shopping districts, luxury brands are experimenting with technology and succeeding without degrading brand values.

Great brands build their identity through vision, quality and exceptional experiences.

Luxury brands must aim high to draw customers closer by designing meaningful encounters, because the deeper the intimacy, the more mutually beneficial the relationship.

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