

MARKETING

Luxury brands' unique audiences come with special challenges

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Luxury buyers have high expectations and take longer to make purchases. Image credit: Acronym

By DANNY PARISI

NEW YORK Luxury brands have a unique relationship with their customers based on high expectations of quality, bringing with it their own singular challenges and solutions.

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This was the theme of a presentation given by two representatives of digital marketing agency Acronym, which works with Adobe to provide smart marketing tools to luxury brands. Consumers of high-end goods tend to go through a longer, more complex purchase journey, offering multiple points for luxury brands to reach them.

"One of the things that is really important to track is what we usually call micro-conversions," said David Sprinkle, chief analytics officer at **Acronym**, New York. "We think of these as smaller indicators that someone is likely to buy.

"Perhaps someone is engaging with a product image or something," he said. "If someone is really engaged, that's a good indicator that they might be likely to buy.

"We don't know if they're going to go into the store or not, but it's still an important thing to track."

Unique concerns

In the presentation on July 26, Mr. Sprinkler broke down the three main things that set luxury brands apart from regular brands in terms of how they deal with their customers.

Firstly, there is a much longer consideration cycle. Because luxury items tend to be so expensive, consumers generally take longer to decide and are less likely to make impulse purchases than they are with mass brands.



David Sprinkle. Image credit: Acronym

Secondly, customers typically go through multiple channels to examine a product before they buy. Given the aforementioned longer consideration cycle, customers may discover a product on social media and check out the details on a retail Web site before finding it in-store to examine it up close and purchase it.

"We have multiple points of sale for luxury," Mr. Sprinkle said. "They will buy things on your app, on TripAdvisor, on Amazon or at brick-and-mortar locations.

"How do we tie that together? There's a strategy to encourage self-identification," he said. "What can we do to get people to sign in?"

Finally, luxury customers have high expectations. They expect the highest levels of quality and service and can be easily scared off if they receive anything subpar.

Data protection

One other trend that the presentation covered was how best to use customer data.

Datasets are incredibly important for any brand, but for luxury in particular where knowing what your customer wants and giving it to them is key, data can be essential.

However, brands have to be careful about how they use that data. Not using enough can lead to lackluster service, while too much can leave customers feeling as though their privacy is being infringed upon.

This is true for customers everywhere, not just in the E.U. since the GDPR was enacted. In June, California signed into law one of the toughest data privacy laws in the United States.



The new law will go into effect in 2020. Image credit: Fung Global

The law, which was signed on June 28, is on par with the European Union's General Data Protection Regulation in terms of the restrictions it places on the collection and use of customer data. While it is only a single state solution now, California law is often used as a test for laws that will go into effect in the rest of the country ([see story](#)).

"With GDPR, customers are suddenly aware of everything that we know about them," said Janelle Olmer, director of analytics at Acronym. "How do we use it without creeping them out?"

"We have to know who they are and respect their privacy and data," she said.

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