

MARKETING

Invest in customers, not technology: ABC Carpet & Home exec

October 16, 2018



Customers and retailers need to be on the same page with technology. Image credit: Stuart Weitzman

By SARAH RAMIREZ

NEW YORK When introducing consumers to new technology, luxury retailers need to ensure these initiatives are both meaningful to brand identity and intuitive to affluent shoppers.

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During a panel discussion at Luxury Interactive on Oct. 15, executives agreed that technology must elevate consumers' experiences for more personalized shopping journeys. However, all luxury brands have their own identity and therefore different customer experiences.

"Invest in the customer, not necessarily the technology," said Angela Gruszka, marketing and creative vice president at **ABC Carpet & Home**. "Put the customer first and look at the data to see what can improve customer experience."

Tried-and-true tech

Bringing together the best of physical and digital experiences drives customer acquisition. Shopping for clothes is different than purchasing shoes or home furnishings, and online strategies need to be reflective of those diverse situations.

For instance, ABC Carpet & Home piloted new artificial intelligence application but found that the technology gained little traction among its test group over the course of three months.

"Our customer wasn't ready for it and needed to be educated more," Ms. Gruszka said. "It was not intuitive for the older, luxury customer."



Image credit: ABC Carpet & Home

According to a report from Klarna, retailers continue to invest in shopping technology that has little attraction to the consumers they are trying to woo.

Shoppers instead want retailers to offer technology that better informs their purchasing decisions ([see story](#)).



Coach, Inc. transitioned to Tapestry in 2017. Image credit: Coach

Srinivasan Rajamanickam, senior director at [Tapestry](#), also encouraged marketers to prepare for failure when testing new technology.

For a more personal approach, it is also worthwhile for brands to create different material to better serve different sales funnels and understand the customer journey.

Consumer data

As mass-market brands begin to adopt consumer identity technology more so now than ever, it will become imperative for luxury brands to jump ahead on the trend.

More than half of marketers and retailers are interested in integrating identity solutions in their business, which would allow them to recognize specific customers. However, many lack the tools and resources to do so, according to a survey by the Association of National Advertisers.

Consumer identity is a highly advanced form of customer service, which means luxury brands will need to invest heavily in this field to stay on top of mass brands in creating above and beyond service.

However, the high number of brands who are interested in integrating this technology might not be able to do so within the near future ([see story](#)).

Retailers are too focused on overall sales and figures rather than harnessing the potential of returning customers, who are proven to have lower costs for conversion and have a higher average order value.

A new study from Boston Retail Partners shows that only 40 percent of retailers measure customer retention to their detriment, especially for luxury brands who rely on loyal consumers. There are a variety of steps that retailers can take after a customer makes a purchase to build a strong connection of trust.

Listening to customer insight and feedback is also a vital aspect of making sure the digital shopping experience is up to speed ([see story](#)).

"What is the business problem you are trying to solve?" said Tapestry's Mr. Rajamanickam. "Use that to write your data strategy."

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