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Kering digital strategy shift signifies change in luxury

November 27, 2018



Ecommerce is ecommerce is the fastest-growing channel for all of Kering. Image credit: Bottega Veneta

By SARAH RAMIREZ

Luxury group Kering is strengthening its focus on omnichannel tools including 360 client views, as the group pivots towards digital in an effort to keep up with luxury consumer demand.

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Pilot projects are working towards delivering personalized messages and experiences to customers, based on their profile and purchasing history. Other digital priorities include forming a China-based digital team and creating mobile applications that will enhance in-store experiences.

"Kering's use of digital tools allows the luxury brand to deepen its relationship with customers beyond in-store visits," said Jim Gentleman, chief strategy officer of **SKG**, Las Vegas. "The company's latest digital efforts are focused on learning more about the preferences, buying behavior and shopping habits of its customers to provide more relevant and targeted communications.

"Ultimately, this is all about building loyalty among shoppers and driving more sales."

Mr. Gentleman is not affiliated with **Kering**, but agreed to comment as an industry expert.

Digital developments

Since joining Kering in December 2017 ([see story](#)), chief client and digital officer Gregory Boutt has been transforming the group's ecommerce, CRM and data science strategies.

According to Kering, ecommerce is the fastest-growing channel for all of its luxury houses and represents 6 percent of the group's total retail sales for the first half of 2018.



Kering's Gucci has seen significant growth in recent quarters. Image credit: Gucci

Chinese consumers are a special focus for the luxury group. Chinese ecommerce sales have surpassed \$1 trillion for the first time, with no signs of sales or growth slowing down for the world's largest digital retail market ([see story](#)).

A China-based client and digital team will be responsible for adapting digital strategies to the Chinese market, as well as introducing innovations from China to other markets. Every Kering brand will have their own WeChat mini program to enhance their relationships with Chinese shoppers.



Saint Laurent has a dedicated customer service team. Image credit: YSL

In addition to having centralized client service teams, Kering aims to provide representatives with a 360 view of each client in order to deliver a fully personalized experience.

Together with tech giant Apple, Kering is developing apps that allow retail associates to check inventory in real-time and help offer customized styling suggestions. The first app is already used by 6,500 Kering sales associates.

A report from NewStore found that only 51 percent of brands empower their associates with smartphones or other mobile devices to help customers. Engaging with customers on the shop floor is one of the best ways of improving that experience and mobile technology can help sales associates accomplish that goal more effectively ([see story](#)).

Kering growth

The luxury conglomerate has recently experienced significant growth.

Kering saw growth across regions in the third quarter of 2018, with North America seeing the sharpest increase.

Kering's revenues for the quarter ended Sept. 30 totaled 3.4 billion euros, or about \$3.9 billion, up 27.6 percent from the same period of 2017. While Kering's houses on the whole have been achieving rapid growth, Gucci, Alexander McQueen and Balenciaga are among the brands boosting the group's performance ([see story](#)).

Kering brands are already among the most digitally-competent and implement new ecommerce and social strategies quickly and without setbacks.

Italian fashion label Gucci recently brought its customization program online for the first time, expanding what was previously only a bricks-and-mortar experience to a wider audience. Gucci's new DIY tool blends product photography and 3D computer modeling to create a more lifelike representation of what final combinations will look like ([see story](#)).

"Luxury brands don't have a choice when it comes to investing in digital," Mr. Gentleman said. "Consumers worldwide are increasingly turning to their smartphones, smartwatches and the like for all types of transactions luxury or otherwise.

"If brands like Kering don't actively play and innovate in that space, consumers will look to other brands who do," he said. "They demand the convenience, personalization and control that digital tools provide."

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