

MARKETING

What can luxury brands learn from DTC disruptors?

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DTC ecommerce is helping watch brands bounce back from low period. Image credit: Omega

By SARAH RAMIREZ

NEW YORK As direct-to-consumer brands find success through honesty and consumer empowerment, more established companies can leverage similar strategies as they work to reach a new generation of affluents.

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Leaders from DTC brands discussed common brand identity traits during the "The New Essence Of Brand" panel at the Forrester Consumer Marketing Forum on April 3. Consumers are responding to DTC brands that project accessibility and transparency, qualities not often associated with luxury brands.

"Conditions that allowed DTC to develop are not going away," said Craig Elbert, cofounder and CEO of [Care/of](#), New York.

DTC hallmarks

Many DTC brands have emotive qualities in common. Panel moderator Dipanjan Chatterjee, vice president and principal analyst at Forrester, singled out intelligence, honesty and fairness.

These brands embrace honesty and transparency in marketing campaigns, while keeping an empathetic tone.



Direct-to-consumer personal care brand Keeps projects honesty. Image credit: Keeps

For instance, men's hair company Keeps is upfront that its clients cannot regrow all of their hair, explained Steven Gutentag, cofounder of Keep's parent company, [Thirty Madison](#). Instead, the brand encourages men to confront hair loss as early as possible.

Similarly, personal care brand Billie does not shy away from featuring women's body hair in its razor ads. This is a stark deviation from major brands that sell women's razors.

Diversity within DTC workplaces in terms of gender, race, geography and more also better enable these brands to reach more consumers.

"Marketing cannot just relate to residents of Brooklyn," Mr. Elbert joked. "People in the middle of the country like cool stuff too."

Forrester's Mr. Chatterjee also pointed to Fenty Beauty as a successful beauty brand that is more inclusive than other, more established cosmetic companies.

Music artist Rihanna's Fenty Beauty, produced by LVMH-owned Kendo, flew off shelves at its launch as women gravitated toward the brand's inclusive message and merchandising ([see story](#)).



Rihanna's Fenty Beauty was developed by LVMH's Kendo. Image credit: Kendo

More luxury brands are working to reach underserved populations, particularly in the beauty and personal care sector.

While men have always been able to purchase cosmetics and skincare products, most luxury brands dedicate their personal care resources to female consumers. With the introduction of the Boy de Chanel makeup collection, the French label can reach a new market and present a forward-thinking identity ([see story](#)).

Luxury lessons

Although DTC brands are still figuring out their futures, the lessons they have already learned can be applied by luxury brands.

"Legacy brands need to get as close to their customers as possible," said Josh Wolff, vice president of customer at ThirdLove.

Customer segmentation, if done effectively, takes into consideration customer demographics, behavior patterns and preferences. If narrowed down, it can produce exceptionally good results for luxury brands, promotional events and product launches.

The growth of the luxury market is being powered by a generational shift that will usher in the millennial and Generation Z crowd with a different mindset. By tailoring products and services to the consumer, brands can create a timeless relationship with them ([see story](#)).

Some luxury brands are also reinventing themselves to stay relevant to today's consumers.

The rise of technology and digital savvy shoppers is also forcing brands to "self disrupt," with about eight in 10 executives naming the need for reevaluation as a top-five trend, according to a report from McKinsey and *Business of Fashion*. In luxury, this internal disruption has led to rebrands such as Burberry and Celine's makeovers this past year, as well as embracing the influence of streetwear ([see story](#)).

"Consumers have already put legacy brands in a box," Care/of's Mr. Elbert said. "To change that perception in a good way, you have to do something daring and consistently to change that perception.

"The challenge is not alienating other customers," he said.

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