

MARKETING

Women Who Lead: Kathleen Ruiz on the power of partnerships

April 24, 2019



KRW Consulting's Kathleen Ruiz. Image courtesy of KRW Consulting

By SARAH JONES

Responding to the need for partnership matchmaking and management in luxury retail, a former Neiman Marcus and Saks Fifth Avenue executive launched a consultancy focused on building effective brand relationships.

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With 25 years of experience in the fashion business, including roles such as interim chief marketing officer of Saks and senior vice president of business development and media for Hudson's Bay Company, Kathleen Ruiz founded KRW Consulting two years ago to help retailers bring more buzz and excitement to their bricks-and-mortar shopping environments. According to research from BCG and Altagamma, partnerships are driving interest in luxury brands ([see story](#)), but Ms. Ruiz notes retailers often do not have personnel in place dedicated to making these connections.

"Today's consumer is constantly bombarded with marketing messages and brand noise due to the advent of digital marketing and the power of social media," said Kathleen Ruiz, founder of **KRW Consulting**, New York. "As a result, the consumer has so many options when choosing what brands to purchase.

"The key to capturing this new consumer is standing out in a way that is authentic and interesting. If a consumer sees or feels something that resonates with them, they will take the time to look at a brand and if they like what they see, they will stick around for more," she said. "Our goal is always to create the stick. Any brand can do a one-hit-wonder activation, but what counts is brands that can create compelling experiential moments over time to keep consumers coming back for more.

"Partnerships create buzz and conversation. When executed properly, they are collaborative, inclusive and interesting. They often force a consumer to look at a brand in a new light and create unique and memorable experiences. Partnerships continue to be a part of the marketing conversation because, when done properly, they work."

In this Q&A, Ms. Ruiz explains the importance of partnerships and the ways in which luxury retail and marketing are evolving. Here is the dialogue:

Why did you decide to found this partnership-focused agency?

As a long-time retail executive and customer, I became tired of in-store shopping trips and lackluster retail experiences even those with my preferred brands because I was always left desiring more.

I felt that brands were missing out on the opportunity to capitalize on an experiential element, causing a customer disconnect. I built my agency around this idea of creating a curated collection of moments, including both physical and digital, that matter.

This, combined with the fact that many companies don't have internal dedicated partnership teams, prompted me to start an agency.

How is your experience at Saks Fifth Avenue and Hudson's Bay Company feeding into your work as a consultant?

My work experience at these heritage brands was instrumental in giving me the platform to start my own agency. I had the opportunity to work with some of the most talented people in the industry and forge strong relationships.

In what ways has marketing changed in recent years?

The marketer's toolbox has grown significantly. We have so many communication tools at our disposal that it can create marketing fatigue.

Choosing the right marketing mix is increasingly becoming the most difficult and also the most important job of marketers today. The key is understanding your customers and what tactics will garner the most response and engagement.

What is the importance of experience in luxury retail?

Experience is not a new concept in luxury retail, and truthfully it never was. Somewhere along the way, brands got comfortable and forgot how to create excitement. The digital age and the onset of social media created competition and forced brands to rethink how they engaged with their customers.

Luxury consumers have so many choices about what to buy, how to buy and where to buy from, be it online, or in-store. And with competitive threats from Amazon and other new emerging brands pulling market share away from the luxury market, likeability and customer clienteling only go so far. Brands must create memorable experiences for their clients to build brand loyalty and compete in today's landscape.

[However, experience isn't the only thing that matters]. Consumers still expect luxury brands to deliver on the basics: high quality products and superior customer service. But, we are seeing an increase in customer retention and engagement with experiences as compared to other brand offerings.

Research in fact shows that more than 80 percent of shoppers who attended a retailer event in the last year say they are interested in similar events in the future. Experiences connect consumers with brands, and connection builds loyalty.

What partnership strategies work best?

This one is not easy to answer as there is no set formula. It really depends on the brand's overall strategy and goals. A lot of brands use partnerships to get in front of large captive audiences and give them eye candy. This works well if done correctly.

Some brands want partnerships that give them a platform to reach consumers in a more personal and meaningful way. At KRW Consulting, we work with each client to understand what their needs are and find out what strategy will work best.

What do a lot of luxury brands and retailers get wrong when it comes to partnerships?

Authenticity this is key in partnerships. It has to feel natural, not forced. Consumers are smart, they know if something is not authentic.

But, that doesn't mean it can't be disruptive or unexpected. In fact, we find those to be the most impactful partnerships. When two brands come together in an unexpected way they have the ability to create something magical.

How do you work with brands to help forge partnerships that are mutually beneficial?

This is one of the most important components of what we do. Each brand has to provide value, otherwise the partnership does not work.

This could include a number of things customer acquisition, brand positioning, new channel distribution, etc. The key is working with our clients to find out exactly what they need and finding partners that not only align in an authentic way but check all the right boxes.

From your perspective, how is the luxury retail business evolving?

The very definition of luxury has evolved. Luxury used to mean expensive and it was reserved for a very specific category of brands for a very specific set of consumers.

Today, luxury is not just about a price point. Luxury is about how a brand makes you feel. It's about exclusivity, individuality and experience. Luxury brands must evolve to fit with this new consumer perspective.

What are your short-term and long-term goals for KRW Consulting?

It's always my goal to continue to grow and work with unique and interesting brands. We are a boutique agency by design.

I have a small, internal core team with decades of experience plus an army of industry experts in the wings that I work with depending on the project and client. This allows KRW to stay nimble while competing with major agencies with hundreds on staff.

Long-term, I plan to continue to build my external network of experts to create a powerful collective and deliver meaningful results to my clients.

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