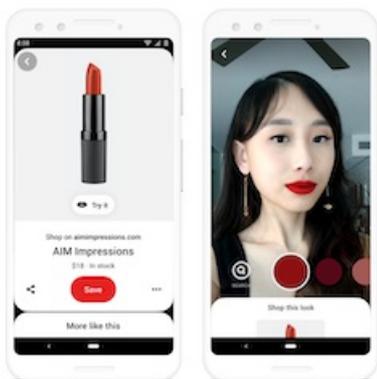


RETAIL

## Which luxury sectors can easily transition online in response to the coronavirus?

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*Pinterest's Make-up try-on AR app. Image credit: Pinterest*

By DIANNA DILWORTH

As coronavirus lockdowns continue for the foreseeable future, many brands are pivoting their strategy by looking for new and better ways to connect to consumers online.

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Historically, luxury brands have been late to the party on digital, leaning instead on the exclusivity and mystique of in-person showrooms, stores and experiences. But over the years, even the staunchest holdouts have come online looking to connect with millennials who spend their time on social networks and purchasing from ecommerce sites and apps.

"Many luxury brands rely on in-store and whole-sale to drive their business with owned ecommerce sales as a nice bonus," said Livia Stefanini, head of **Luxhub** at Havas International, London. "That balance will need to shift with ecommerce becoming the dependable lifeline and source of continuity.

"Most sectors can transition to online," she said. "The challenge lies in partnering with the right platform and technology."

By category

Fashion and accessories brands, as well as cosmetics and personal care goods, have an advantage when it comes to digital as they are easy to buy online.

Consumers have been buying apparel online for more than a decade. Generous return policies make it easy for people to turn their homes into a dressing room and doing exchanges in the mail to get the right size.



*Threads social commerce app. Image credit: Threads*

Ordering bath gel and perfume is as simple as adding to a cart, particularly among loyal customers who are ordering a classic fragrance. Everyone knows what Chanel No. 5 smells like, so an in-store visit is not required.

Advances in augmented reality (AR) have made consumers willing to order makeup online.

LVMH-owned Sephora, for instance, has been experimenting with artificial intelligence (AI) and AR for years. Sephora's Virtual Artist lets consumers try on colors and see how they look using a mobile phone.

Pinterest recently debuted a shoppable virtual make-up try on tool featuring cosmetics brands Este Lauder, Sephora, bareMinerals, YSL Beaut and Lancme.

Additionally, leather goods such as handbags and belts are easy to shop for online thanks to rich imagery and 360-degree videos.

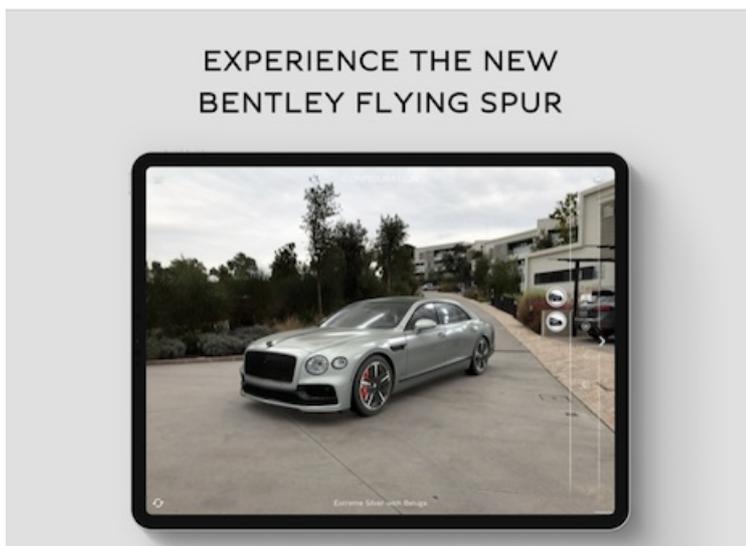
"Not everything needs to be pushed to owned ecommerce sites," Ms. Livia said.

"Apparel and leather goods have already transitioned although now might be the time for the most digitally inaccessible brands to work with technology-enabled concierge and delivery systems, maintaining exclusivity but also overcoming store closures, such as Threads," she said.

London-based **Threads** is a luxury goods boutique that exists only in messaging apps.

Categories such as home furnishings are actually getting a boost from the coronavirus as consumers look to spruce up their homes during lockdown and turning online more than in the past to do so.

"Homeware is also having a moment, no surprise, presenting an opportunity for brands to leverage shoppable social to quickly get to business," Ms. Livia said.



*Bentley's Flying Spur app. Image credit: Bentley*

Automakers have been trying to get into digital, but it is a more challenging arena since consumers cannot add a car

to a shopping cart.

Still, digital test drives and AR and VR experiences could be the wave of the future. Rolls Royce, Bentley and Ferrari are among luxury automotive brands already offering these services.

"Automotive is facing larger long-term challenges than coronavirus, but AR and VR could help bring the test drive experience to life while lockdowns and social distancing continue," Ms. Livia said.

Travel is another sector that is tough to replicate online.

While consumers can get inspired on Instagram, book travel online and through apps, if airlines are not flying and properties are not open business will struggle. It is difficult to deliver the hospitality experience through digital.

Still, hotels are trying. Bulgari Hotels & Resorts, for instance, recently launched a digital video series starring its global workforce who gave cooking and yoga classes. The effort aims to translate some of the luxury experience to people at home that likely have pent-up demand for a vacation ([see story](#)).

"Some luxury experiences just can't be substituted with digital," Ms. Livia said. "Travel and hospitality, in particular. So now is the time to tell brand and heritage stories to maintain audience intrigue."



*Luxury home for sale in Naples, Florida. Image credit: Luxury Portfolio*

## Real estate

Luxury real estate has proven the old adage that necessity is the mother of invention.

The category has seen surprising success story throughout this pandemic as the industry has been quick to transition online more easily than could have been predicted.

"Historically, a lot of the parties involved have been resistant to such change," said Stephanie Anton, president of Luxury Portfolio, Chicago.

"The credit goes to the real estate agents for opening themselves up to change, to the brokerages, for making it, as well to the ancillary businesses involved in the transaction such as attorneys, etc., which are doing all that is necessary to ensure that the process is seamless," she said.

Agents have been successfully taking prospective clients on virtual tours and offering buyers in-depth looks at what it would be like to actually walk through the property by leveraging Facebook Live and Zoom.

While the number of viewed listings has dropped, the quantity of virtual viewings has gone up, and sight-unseen purchases have gone up, as well.

"We also suspect people are spending more time browsing online because home has become so central in people's lives right now, and many are re-thinking their next property purchase – now wanting to include a home office or a larger, private outdoor space," Ms. Anton said.

Real estate will never go 100 percent online but the current pandemic is opening up the industry to new possibilities, which may be adopted permanently.

"What we do believe, however, is that this moment in time will make the industry all the more efficient in terms of communication, technology and how transactions are completed," Ms. Anton said. "Real estate will be forever

changed for the better."



*Federico Zolofra, pizza chef at Bulgari Resort Dubai, stars in a cooking class during the shutdown. Image courtesy of Bulgari*

## Going digital

When brands do make the switch to going digital, they should consider reaching their target audience and communicate with them via the digital channels they use.

As classic marketers know, brands should meet customers where they are.

"Where is your high quality audience congregating? On what channels? Don't make them come to you, go to them," Ms. Livia said.

Digital marketing will be required to reach consumers and tone is everything during the turbulent times.

"Passion, humor, creativity and empathy are essential," Ms. Livia said. "Brands should showcase their unique spirit with a tempered and relatable tone."

Things will probably not go back to normal after the coronavirus pandemic subsides, and the digital luxury experience will likely continue to grow.

"In-store could become more of a tool for awareness," Ms. Livia said.

"I can imagine a continuation of the showroom trend, with a focus on brand immersion while stock and supply chains are focused on digital demand," she said.