

RESEARCH

How tribe marketing engages consumers as online becomes more important to brands

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Forrester and SheerID explore identity marketing in new report. Image courtesy of SheerID

By DIANNA DILWORTH

The COVID-19 coronavirus pandemic has forced more luxury brands to ramp up their efforts online, but as companies go digital they must establish trust and deliver personalized encounters for these efforts to be effective.

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Yet a majority of consumers are concerned that their online behavior is being tracked and only 21 percent feel safe sharing their personal information online, according to a new report from Forrester and SheerID. To overcome this obstacle, brands must earn consumer trust.

"One clear way that brands can build trust with a consumer is by giving consumers the ability to opt-in to sharing information with the brand and being transparent with how the data will be used," said Bill Schneider, vice president of product marketing at SheerID, Portland, OR.

"Innovative brands are now discovering that consumers are willing to provide information on who they are and what they are interested in if there is a clear reason to do so," he said.



Which areas of personalization brands are investing in. Image courtesy of SheerID

Building trust

Establishing trust with a consumer is a foundation for a strong customer relationship.

Eighty percent of consumers said trusting a brand to do what is right is a deciding factor in a purchase decision.

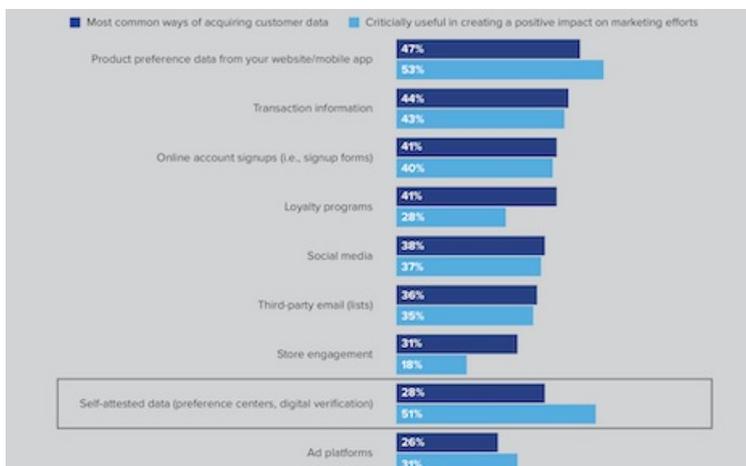
Eighty-two percent said they will continue to buy a brand they trust, even if another brand suddenly becomes hot and trendy.

Yet, only 31 percent say they trust a brand.

Consumer trust has been on the decline in recent years as companies such as Facebook, Marriott and Capital One have suffered massive data breaches and exposed customer data.

"Luxury brands are creating new relationships with tens of thousands of consumers who share their affiliation, occupation and life-stage in exchange for a personalized offer for their specific consumer group," Mr. Schneider said.

"Through this approach, consumers have control over the personalized marketing experience and data," he said. "In addition to building trust with the consumer, it also gives the marketer high-quality data they can trust for future communication."



Most common ways of acquiring customer data. Image courtesy of SheerID

Deep demographics: exploring tribes

The report suggests that rather than market to demographic segments, companies would be better to define consumer "tribes" and market to these distinctive audiences.

Tribe-based marketing can help boost word-of-mouth marketing among peers. Consumers actively share offers with others within the tribe, which enhances the reach of the offer.

Ninety percent of consumers said they would share an offer with others they knew were eligible for it, according to the report.

For example, a well-known and coveted market segment is males ages 18-24.

"A tribe that includes many of the people in this segment is students," Mr. Schneider said.

"Here's the thing: no one identifies with being an 18-24-year-old male," he said. "But students do identify with being a student. Moreover, students appreciate it when brands recognize them for being a student, particularly when doing so comes with a financial benefit.

"The same psychology holds true for other consumer tribes such as the military, teachers, doctors and nurses: when brands in effect say, 'we want to reward you for the particular work you do,' it resonates powerfully with members of the tribe."

Luxury tribes

Luxury brands should begin this process by looking at their core demographic and mapping the attributes of a typical buyer and see which consumer tribes share some of the same characteristics.

For example, if the demographic is high-income earners, creating a campaign for doctors and other health workers

is well aligned.

If the customer base is young, upwardly mobile professionals, the company can create a corporate discount program for specific tech companies.

"There are countless opportunities to tap into consumer tribes by starting with core attributes of the buyers you are trying to reach and then working with a provider like us to help you find the consumer tribe to build relationships with," Mr. Schneider said.

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