

MARKETING

Key issue to consider: Brand DNA versus customer DNA

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David Friedman. Photo: Michael Falco

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It is pre-COVID-19 and I am sitting with the CEOs of one of the most well-known luxury jewelry brands in the world. He had just taken over the helm. He was informing me about his approach in taking the CEO role and some of the initiatives he had activated.

In particular, he told me how they had just undergone a deep assessment and analysis to help crystallize the company's core brand narrative and define the key elements of its "Brand DNA."

The CEO's assessment and findings were fascinating and illuminating. At the end of the discussion, I was surprised that from all the analysis and discussion around data, there was one key factor that was missing from his framework and vocabulary: the customer's DNA.

Material difference

Having spent much time with executives across all luxury sectors, and especially in fashion and luxury retail, I have come to recognize a major blind spot when it comes to luxury brands: there is a myopic focus on articulating the brand's DNA.

The hope with this type of strategy is that if they broadcast the unique aspects of their brand and their curated historical narrative, their "customer" will emerge from the masses to find them.

While many luxury brands do acknowledge that, at the core, they are about selling dreams, a specific manifestation of their myopic pathology is the continued focus on their brand DNA at the expense of understanding their customer DNA.

Many reading this from the luxury world will respond that this is not true, that they have more data and archetypes of their customers than ever before.

But the hallmark of letting your own brand DNA dominate your engagement is the presence of "hope marketing" events and masquerading as a lifestyle brand by sending Frankenstein content about Scotches, watches and travel

to all their customers.

What would taking their customers DNA seriously look like you might ask? Very simply, to start, it would be not sending everyone piece of content about their brand or other luxury content or event invitations to their members. It would involve mapping specific content and experiences to only specific members.

In a sense, this is the beautiful mutation of brand DNA with customer DNA.

As an example, I had a client that was one of the top well-known Italian men's fashion brand. Its top sales professional in Manhattan told me the story about his engagement with one of his biggest clients from the private equity world. It also had a top government official as a client from Italy and that individual was in town. Thinking that his private equity client would enjoy meeting this official, he reached out to invite and broker an introduction.

In an unfortunate but perfect micro example of this trend we are discussing, his top client in the private equity industry informed him, "I love your brand and suits, but don't ever invite me to something like that again."

Now it turns out that this private equity client at the time was trying to engage and deepen the relationship with a certain Middle Eastern dictator. Had that been the invitation and introduction, I am quite positive it would have been well received.

But this also highlights further the point that much of the customer's DNA, if it is known, is trapped inside the mind of the top sales professionals.

Mind over matter?

Against that backdrop, in particular, if we were to crawl around inside the high-net-worth and ultra-affluent luxury consumers' head to better understand their DNA, what would we find today during and post-pandemic?

In some senses, even this question is a trap because it makes an assumption that we can generalize about customers. It might be that actually understanding your customer's DNA is challenging and therefore has helped contribute to the over-amplification of a brand's DNA eclipsing its clients.

The other challenge is that most of the information about the customer's DNA is stored in the top sales professional's head since he or she is really the engagement layer for key high-net-worth clients.

In many ways, the process of focusing on the customer's DNA has been democratized across the retail sales floor because it has always been done that way and getting sales professionals to harvest and report client information in the CRM is always a challenge since it unfolds against the age-old question of whether the client is their client or client of the brand?

Most of the luxury brands that I have been having discussions with have reported that their existing pipeline has experienced higher and more rapid conversation rates. But they all acknowledge that this is a fleeting market response and especially in the wake of potential resurgence of COVID-19, building pipeline will be extremely difficult.

But just like DNA is a cosmic metaphor for the fact that it builds on the same common elements but is uniquely different from individual to individual, every luxury brand can start to remove the scales from their myopic brand focus by simple asking the questions, "What is our customer DNA and how does it relate or interact with our brand DNA?"

Asking this question will at least stimulate the imagination.

FOR THOSE BRANDS that desire to more deeply engage their key client, they must learn to navigate between a strong narrative voice that emanates from their brand DNA and their customer's DNA.

Being totally bespoke can reduce your brand DNA to the lowest common denominator.

Think about Italian fashion brands for men that can make a bespoke suit. In the end, what is the real differentiator assuming the material comes from one of the top mills in Italy? Assuming the material and fit are comparable, it is the service and relationship that the person has with the client and understanding the small areas that really matter to that individual.

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