

MARKETING

Why digital mastery is the only option for today's luxury brands

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Luxury brands must focus on digital mastery to day to create extreme value for customers because the world will move on with or without them. Image credit: Didu, Shutterstock

By [Daniel Langer](#)

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Consumers do not just follow brands anymore. They want to immerse themselves in a brand's content, stories and inspirations.

When [Christian Dior](#) and [Nike](#) announced the drop of their [Dior x Air Jordans](#), more than 5 million people wanted to buy the sneakers at a price point of more than \$1,000. Only a few thousand pairs were made, and many were offered to Dior's best customers around the world first.

Yet all the shoe's hype was digital, almost entirely lacking the benefit of offline foot traffic, which was mostly impossible due to lockdowns.

[Shanghai Fashion Week](#), which was livestreamed on Tmall in late March during the lockdown, was not just a fashion show it had become an opportunity to turn inspiration into purchases by allowing consumers to sit front-row and immediately buy what they saw.

Fans suddenly were getting instant gratification and digital immersion from a fashion show instead of having to consume magazine pictures of it days or weeks later.

Now, digital has forever changed the way luxury fashion brands will think about fashion shows.

In its digital form, the show amplified the luxury experience. Instead of restricting a show to a select few, luxury can now be an unforgettable and scalable experience for an unlimited amount.

By this, I mean that a runway show has moved from a one-time event to a data-producing and connected platform, going from a local, single point in time to a global, multidimensional experience that allows for retargeting and infinite follow-up. That is what we mean when we say brands need to turn a transaction to a relationship.

Now, fashion can create extreme value for millions of people who can virtually attend front-row from the convenience of their living rooms.

Like runway shows, I predict car shows will never be the same.

The Geneva car show for 2021 has already been canceled. But if the organizers are smart, they will use this opportunity to redefine their event for the digital age.

Similarly, I expect auctions, art shows and many other luxury events to change as well.

Livestreaming already increased significantly during the lockdown period, and consumers spend more time than on digital devices than ever.

Key opinion leaders (KOL) continue to influence consumers, particularly those in China, where many trust people more than brands. This trend will only grow.

But people are not just consuming online they have also become avid and regular content creators. Our lives have never been as public as they are now, especially for Gen Zers and young **millennials**.

The pressure to produce content about our experiences on platforms such as Instagram, **WeChat** and TikTok continues to increase.

When I do Gen Z trend sessions, one recurring theme is the perceived "pain of always having to stay ahead of what's going on."

Gen Zers are masters of processing information, and the sheer magnitude of online content means that brands have to create snackable, engaging content if they want to stay relevant. Brands must ask themselves how good they truly are at this.

Everything starts with the brand.

After auditing several leading luxury brands in the beauty, fashion, hospitality, jewelry and car categories, I saw one crystal-clear issue: most brands did not even bother to create any brand storytelling. They simply showed pretty pictures and hoped that customers would prefer them to their competitors. That is a dangerous bet now that consumers are looking for deep connections with brands that provide them with meaning.

Without **brand storytelling**, brands erode their equity fast and quickly become irrelevant. Translating the brand's story and making it irrefutable to **young millennials and Gen Zers** is an immediate need for many luxury brands.

Young luxury consumers live a completely different lifestyle today. It is a curated life where what an image conveys on social media drives a lot of decisions, including where to vacation to capture the perfect posts and stories.

This trend is here to stay, and the impact of self-image creation on social media will only grow over the next decade as **Gen Zers** mature into the world's most influential luxury consumer group.

As a result, luxury brands will need to think differently by deemphasizing their current focus on products and services, and instead focus on how their entire brand can fit into consumers' lives.

Luxury brands need to play to win instead of just participating in digital, thinking beyond the simple advantages of ecommerce. It is no longer just about going through a digital transformation that was years ago. Today, the focus must be on digital mastery.

I tell brands to curate their entire digital journeys and fully integrate a customer's online decision-making process with their physical experiences. This maneuver will dramatically alter brands' product categories.

Car brands, for example, need to provide solutions that mitigate how quickly automobile technology changes today.

At a certain point, consumers will not be willing anymore to spend several hundreds of thousands of dollars for a luxury sports car if its electronics are far less advanced than what exists in a thousand-dollar smartphone.

The game has changed, and now the customer journey needs to be planned and optimized to be future-proof.

Tech sustainability needs to be addressed in future luxury value creation models.

Modular thinking will become important so that certain parts that become obsolete can easily be exchanged and upgraded.

Yet luxury car brands have been relatively complacent in user interface development. Going forward, they will need to step up their ability to innovate to stay competitive.

Luxury jewelry and watch brands will need to rethink their distribution models completely.

Total dependency on physical experiences is fatal when stores have to close. But that model can no longer work, even without a deadly virus.

If a consumer is in the mood to buy a watch and the brands do not offer a digital opportunity, then the sale is most likely lost forever.

Many brands are not prepared for the digital future because digital preparedness is not an option anymore.

To create extreme value, luxury brands will have to lead in digital luxury. These digital capabilities are no longer a nice thing to have they are now a matter of survival.

With budgets being tight, a lot of brands will wait a couple of months to make these changes until the situation gets better. But they are miscalculating how the world will move on with or without them.

To create extreme value for customers, brands must have digital mastery. That means they must have a consistent digital connection to their customers before a purchase, during the purchase experience, and after the purchase with follow-ups until the next purchase.

Only a handful of brands excel here while it is a tremendous liability for most luxury players.

Consider this a stark warning: Do not let better-prepared brands destroy your legacy.

Now is the time for brands to start securing their futures by creating extreme value digitally.

Starting tomorrow is too late.

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