

COLUMNS

Winning back the luxury consumer

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COVID-19 has dramatically changed consumers' lives, causing new behaviors, anxieties and habits to form. This is especially true in retail, where all of the shopping occasions and associated emotions that people used to experience have coalesced into one: an anxiety-filled mission.

Consumers are worried about getting close to strangers, navigating new procedures, and seeing potential conflicts arise with other already-tense shoppers, so they are limiting their trips and getting in and out as quickly as possible.

At first glance, the picture is especially grim for luxury retailers.

Better off than most

More than half of customers actively try to touch as few items as possible when shopping and try to avoid interacting with employees whenever possible a troubling trend for the luxury sector, where touch and feel are everything and personal relationships are critical.

The financial picture is worrying as well, as 25 percent of the general population and 19 percent of higher income households \$150,000-plus say their budgets will get stricter over the next few months.

So how can luxury brands continue to help consumers fulfill the emotional fantasy that used to come from finding the perfect handbag or investing in a one-of-a-kind piece in this anxiety-filled, need-based environment?

While it might seem bleak at first, luxury retailers are actually well equipped to handle these challenges and have an opportunity to not only reassure consumers that it is safe to shop, but find innovative ways to bring them back into stores and encourage purchases.

Luxury stores are in a better position than most

By design, luxury retailers have always had lower foot traffic than other stores.

So while grocery stores and big box retailers are painting arrows on the floor and hiring security guards to control crowds in cramped aisles, luxury brands have more space to work with, and more freedom to rearrange inventory and change protocols.

The traditional luxury shopping experience can adapt well to social distancing.

Luxury retailers have mastered tactics such as appointment shopping and doorbells that naturally limit the number of shoppers in store at a time and can keep people feeling safe and distanced.

It is also not unusual for luxury consumers to work with personal shoppers who either set aside items you may want or ship them directly to your home.

Luxury brands should remind their customers of these benefits and communicate changes they are making to ensure everyone's safety.

Still right time to build new, unique experiences

In the last decade, luxury consumers have shifted from being all about exclusive items to placing value on unique experiences.

To adapt to this, luxury retailers started on a journey to build amazing experiences that draw shoppers in and inspire greater brand love.

We have seen this in Alexander McQueen's museum-like experience in its London flagship, in the Gucci Garden in Florence that houses an exhibition space and restaurant, and beyond.

In today's world, consumers are especially starved for excitement, fun and "me time" after months spent largely at home, and they are also more forgiving, as they recognize that all businesses are navigating a totally new world.

Now is a great time to innovate and design unique in-store experiences that follow necessary safety guidelines, to provide something exciting to bring customers back into luxury stores.

This does not mean brands need to completely reimagine their stores in the next two weeks, but rather, consider the small steps you can take to make every visit feel like a special, worthwhile experience.

Distancing should bring new ecommerce innovations

The luxury sector has always struggled with the role of ecommerce amidst concerns that luxury would not translate to this channel. Now is the time for brands to sort it out and focus on innovating the online experience for customers who may not be comfortable in any retail setting for some time.

To more closely replicate the experience of seeing a product in person, luxury brands can consider building video chat functionality so potential buyers can quickly reach a sales associate to showcase products, while they remain in the comfort of their home.

Brands can also include a short video of each product being used or worn by a model as a standard part of the product page.

Many luxury brands also have room to enhance the browsing experience, for example, by letting shoppers easily mark and revisit products they are interested in without the effort and pressure of building carts.

There is an opportunity as well to bring some of the treasured in-store experiences, such as viewing a brand's archives, to the brand's site.

Tactics such as this will not only help luxury brands better serve customers during the pandemic, but will also prepare these brands to better serve tomorrow's customers - younger millennials and members of Gen Z, who have high expectations for ecommerce.

WHILE NO ONE knows exactly what the future holds, there is no denying that the pandemic has forced brands and consumers to rethink their interactions.

In luxury, these changes create an opportunity to build on brands' deep relationships with consumers by providing an experience that eases in-person shopping anxieties and feels special and unique, while also improving ecommerce for shoppers who are not quite ready to return yet.

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