

RETAIL

Pandemic has ushered in Great Awakening for luxury ecommerce

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Consumer reliance on Facebook and Instagram is growing its clout even in luxury shopping. Image credit: Luxury Society, Pexels

By SARAH RAMIREZ

NEW YORK Luxury brands who were hesitant to dive into ecommerce were caught off guard at the start of the coronavirus pandemic, which has accelerated online shopping to unprecedented levels.

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There is reason for optimism as luxury brands adapt to the circumstances, according to a Facebook executive who spoke at the Future of Luxury eConference. Social media helped luxury brands better communicate with consumers through storytelling and problem solving.

"Luxury brands have always been about innovation and reinvention," said Karin Tracy, U.S. head of industry for retail, luxury and fashion at Facebook. "It's part of the DNA."

Future of Luxury eConference was produced by Luxury Daily

Great Awakening

Traditionally, luxury brands have been cautious about entering ecommerce because it did not fit into what they thought consumers expected from high-end shopping experiences. Any reluctance has dissipated due to the pandemic.

"As more people bypass shopping in person for the convenience and relative safety right of buying things online, this was the time for luxury brands to accelerate sales through their online channels," Ms. Tracy said.

Even brands that have less sophisticated ecommerce presences have made record sales online during COVID, a trend Ms. Tracy expects will continue.

"I'm seeing written a lot of places that this is nicknamed the Great Quickening," said Ms. Tracy. "Because of this digital acceleration, it's years of behavioral change that was accelerated into under six months.

"I call this the Great Awakening," she said. "What this revealed was this inevitable shift that was happening year after year, as consumers were increasingly turning to digital.

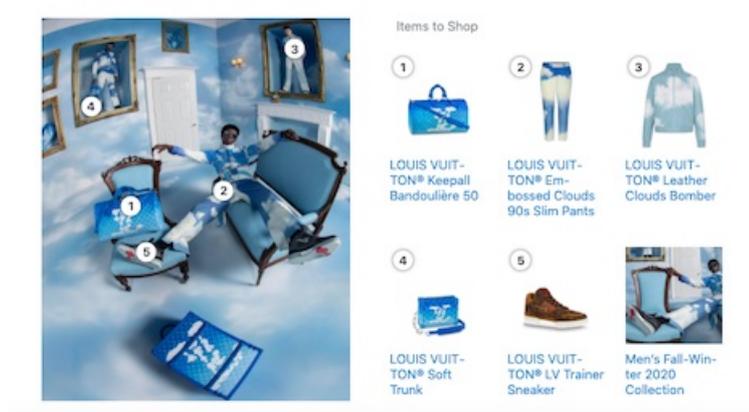
"I've been saying for years that mobile is your new storefront. And if anything, what we saw this year was a

contraction is in the time that it took them to discover."

Before transactions come into play, Facebook is an essential platform for shopping inspiration.

Facebook is actually the top digital channel to discover new brands, according to Criteo's 2019 "Why We Buy" survey. While almost half of shoppers found new brands through Facebook, only 27 percent of respondents said they discovered new brands through Instagram ([see story](#)).

Although consumers are more comfortable with both ecommerce and mcommerce, even making luxury purchases through Instagram, brands should still build on their heritage and craftsmanship through storytelling.



Louis Vuitton debuted a shoppable menswear social media campaign. Image credit: Louis Vuitton

For fall/winter 2020, French fashion label Louis Vuitton debuted a campaign that promoted social shoppable menswear in a surreal dream-like setting. Social shopping benefits brands as it allows them to cut out third-party retailers and curate the products they would like to sell.

Facebook found that 81 percent of consumers search for products they would like to buy on Instagram and Facebook, turning the channels into a hub for marketing ([see story](#)).

Social media is key for luxury brands to reach Generation Z and millennial consumers, who are looking to buy from brands they can be proud of. They also expect brands to present them with the best products at the best time with the help of artificial intelligence.

"[Younger consumers] want to hear what your brand stands for on social good: on sustainability, on diversity, how you're conducting your operations," Ms. Tracy said. "So it's about forging this relationship now."

Omnichannel bridge

Facebook and Instagram are only part of the puzzle for luxury brands, even during the pandemic era.

"I think the distinction is important that when we talk about digital, what we're really talking about is omnichannel," Ms. Tracy said. "I absolutely agree that there is a renewed appreciation for in-store shopping."

With most bricks-and-mortar stores closed, several luxury brands turned to Facebook to replicate the in-store customer service experience online.

Seeing a jump in at-home proposals during quarantine, Facebook worked with U.S. jeweler Tiffany & Co. to create chatbots to assist consumers with appointments for engagement rings.

IWC Schaffhausen and Facebook also joined hands to introduce a chatbot for the launch of the Swiss watch brand's latest Portugieser collection.

The collaboration between IWC, Facebook's Messenger team and Creative Shop is meant to copy the personal experience delivered in an IWC boutique. The virtual one-on-one Messenger chat with a virtual advisor is designed to improve IWC's customer communications ([see story](#)).



IWC chatbot using Facebook Messenger. Image courtesy of IWC Schaffhausen

Consumers are also relying on social media to rely information about reopened stores, which requires brands to have in-store and digital teams to break down corporate silos and better communicate among themselves.

"Luxury brands, to be successful today, have to be connecting the dots between what they're doing in the online and the offline space," Facebook's Ms. Tracy said. "Right now, it's about making people feel safe, making them feel informed, making them feel connected to what's happening in your physical stores.

"It's about enriching the entire experience."

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