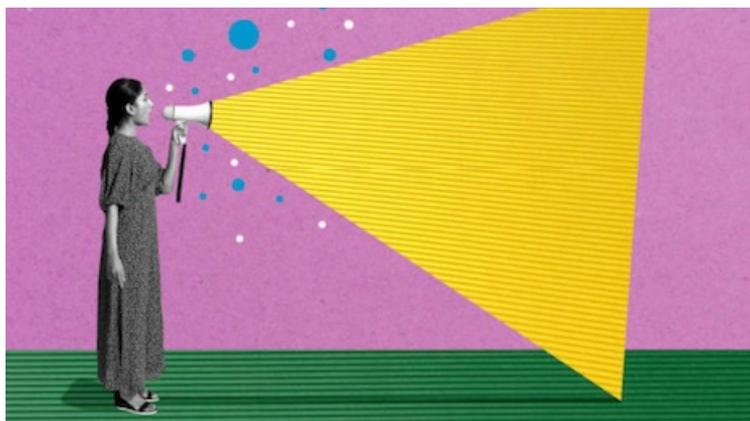


MARKETING

What luxury marketers need to know about Clubhouse

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Clubhouse allows for live, authentic conversations among industry leaders and consumers. Image credit: Getty

By NORA HOWE

During a year of social distancing and lack of physical human connection, social audio app Clubhouse has emerged as the exclusive new platform everyone is seeking to join.

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Clubhouse describes itself as a new type of social product based on voice where people can talk, tell stories, develop ideas, deepen friendships and meet people from around the world. The invite-only app is still in beta-testing for iPhone devices only, but has attracted the likes of Louis Vuitton creative director Virgil Abloh, actor Jared Leto and rapper Drake, among other high-profile figures.

"People have developed major scroll fatigue on platforms like Instagram and TikTok, and content creators are limited in their ability to generate unique visual content at the moment," said Lexy Wright, director of business development at [Pixlee](#), San Francisco. "Enter Clubhouse, an app where brilliant creators can rise to the occasion from the comfort of their couch in the same sweatpants they were wearing yesterday.

"The visual-first style that so many were used to, even with Zoom, is not a factor with Clubhouse," she said. "We are seeing a new type of creator emerge, communities form and content focused on collaboration and innovation."

Talk and listen

Founded in early 2020 by Paul Davison and Rohan Seth, Clubhouse was already valued at \$100 million by May with only 1,500 users. By the end of January 2021, the tech start up reportedly reached a valuation of \$1 billion with nearly two million weekly active users.

Unlike other apps that provide commenting and direct messaging functions, the only way to communicate on Clubhouse is by voice. Once someone has been invited to join the app by an existing user, they can navigate in and out of virtual conversation rooms and simply listen to people speak on a variety of topics or actively participate in conversations.

Users are describing the platform as an intimate meeting place for ideas, akin to sharing a meal around the dining room table.

"The platform itself is rooted in thought leadership, [as opposed to] personal commentary and pictures," said Vincent Krsulich, president of [Martini Media](#), Los Angeles.

As its primary focus right now is fostering authentic conversations between individuals, the app has not yet been saturated by brand presence. Rather, industry professionals and figures are engaging with consumers through personal conversations.



On the app, users can join any "room" and quietly listen or request to speak by utilizing the "raise hand" button. Image credit: Getty

Clubhouse is currently ad free, presenting new challenges for marketers to get involved. By the very nature of its content, however, Clubhouse is riddled with celebrity voices and highly targeted, active listeners, providing infinite opportunities for brands to implement influencer marketing strategies.

"Audio, in general, has been a challenge for luxury," Mr. Krsulich said. "What does Herms sound like? What is the voice of Dior?"

"That being said, Clubhouse provides an opportunity for brands to have a two-way dialogue with consumers through conversations, while allowing for discovery and building of brand loyalty," he said. "There is a true community feel within the rooms, and that one-to-one consumer engagement is hard to replicate at scale."

Similar to video sharing app TikTok, Clubhouse is driven by its creators and moderators. Last week, the startup launched its inaugural "[Creator First](#)" accelerator program which aims to help support and equip emerging creators with the resources they need to bring their ideas and creativity to life.

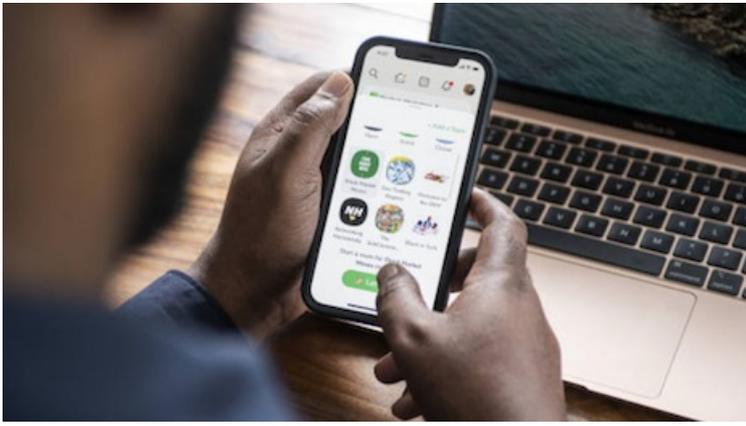
Through this program, Clubhouse wants to help creators elevate their shows by providing the necessary equipment, offering concept and creative development assistance and matching them with the right guests. Additionally, it plans to help hosts promote their conversation rooms on and off the Clubhouse app and provide monthly stipends to ensure financial security.

Although it is still early, Clubhouse seems to be solidifying a new wave of marketing engagement. Rather than promote products directly through on-the-nose messaging, brands must reevaluate how they want to communicate with their consumers and recognize that Clubhouse is a platform for conversation, not conversion.

Consumers will be able to engage with brands in live, unscripted conversations on the topics that matter to them, such as social and environmental efforts the ultimate test of authenticity and transparency.

"The format of Clubhouse allows brands to invite speakers, so brands need to be thoughtful in who they have representing their brand and know that nearly anything can be said in a Clubhouse room," Ms. Wright said. "It is real and raw, and carries some risk."

According to [Bloomberg](#), Beijing government officials banned Clubhouse in China after the app quickly gained traction due to an endorsement from Tesla creator Elon Musk.



While brands do not have a significant presence on the app, consumers will be able to have transparent conversations with brand leaders. Image credit: Getty

With the inability to legally access Clubhouse, Chinese tech firms have developed their own version of the popular Silicon Valley startup, Capital Coffee. Almost identical to Clubhouse, Capital Coffee is an invite-only audio platform where users can jump in and out of rooms to listen or actively participate in conversations.

"Clubhouse is still a new platform, and although it's blocked in China, there are many different platforms and channels that luxury brands could use to connect with their audiences there," Ms. Wright said. "For example, many brands are using local influencers successfully to connect with audiences in specific locations."

The power of audio

While an unedited, unrecorded audio app like Clubhouse is brand new territory for luxury brands across all sectors, some have already realized the power of conversation through podcasting.

In January, French fashion label Chanel enlisted friends of the brand and other creative talents, such as actors Keira Knightley and record producer Pharrell Williams, to discuss the future of culture in its latest podcast series.

Launched in 2017, Chanel's 3.55 podcast has explored different topics including the label's traveling Mademoiselle Priv exhibition, its iconic handbag collection and international art and film festivals. The new season, dubbed Chanel Connect, features people from the worlds of art, music and fashion reflecting on how cultural institutions will adapt to a post-COVID world ([see story](#)).

French fashion label Balmain joined the roster of brands experimenting with podcasts in December with the launch of a series hosted by creative director Olivier Rousteing.

"L'Atelier Balmain" explores the history and pillars of the fashion label, which was founded in Paris in 1945. The first episode "How You Gonna Keep Them Down On The Farm After They've Seen Paree?" studied the origins of founder Pierre Balmain and Mr. Rousteing both grew up in the French countryside before rising to prominence in fashion ([see story](#)).

Other social media companies are also experimenting with expanded audio features to engage both brands and consumers.

In an effort to compete with Clubhouse, social media giant Twitter is launching a new audio-based feature through its platform, Twitter Spaces. While still being piloted, Spaces will allow users to engage in live audio conversations on the platform.

Like Tweets, Spaces will be public, allowing anyone to join, however, Twitter is limiting the number of speakers in one space to 11 users.

"Outside of Clubhouse, consumers are demanding that brands connect with them and provide transparency and relatability," Pixlee's Ms. Wright said. "People care more than ever about the brands that they associate with, whether that's because of sustainability, inclusivity or the opportunity to feel like you are a part of a brand."