

COLUMNS

What luxury consumers desire from bricks-and-mortar retail

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Martin Shanker is founder/president of Shanker Inc.

By **Martin Shanker**

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As luxury brands get bigger, they risk becoming impersonal. What today's luxury customers want and need more than ever is humanization and personalization.

The following is a summary of the themes I discussed Jan. 13 with *Luxury Daily* editor in chief Mickey Alam Khan and my fellow panelists at *Luxury Daily's* Luxury FirstLook 2022 conference.

Although the last several years produced many naysayers who predicted that online sales and the pandemic would bring about the death of bricks-and-mortar retail, they were mistaken at least at this moment.

Instead, even during a pandemic, many luxury customers are showing a deep desire to visit bricks-and-mortar stores, and they are doing it frequently, even if it means waiting in long lines and in bad weather.

Since traffic is not guaranteed to continue, how will luxury retailers keep up the demand for customers to visit bricks-and-mortar stores?

Below are first-hand insights gained from being on the selling floors and coaching sales advisors from the world's most renowned luxury brands.

Rare is where it is at

I consistently see, crossing both big luxury brands and niche labels, that there is a strong demand for one-of-a-kind, scarce and limited-edition products. Put simply, the demand for rarity appears to be insatiable.

Just tell a customer today that you can show her something that is not on the selling floor, not yet seen by others, and she will not leave your side. Some of the biggest growth is at the highest price points, with high jewelry and high watch creations selling in the tens and hundreds of thousands and even higher.

Clients are not just demanding rare products, they want rare experiences. The rarest experience is the truly personalized one. This is not just CRM and data analysis: it is the understanding that a sales advisor can create emotional connections and experiences in ways that the brand cannot, and then empowering them to do so.

Art and science of memorability

We know from the neurosciences that as humans we are hard-wired to connect. Yet, why do customers connect with some advisors and not with others?

One key element is knowing how to be memorable. Memorability is created when we have heightened feelings that strongly register in the body. It is why we are likely to remember our first kiss more than we remember the first senator for whom we voted.

What does memorability mean for luxury bricks-and-mortar?

We need to create experiences for customers that invoke strong positive feelings and not leave memorability to chance.

Physical senses such as touch and feel create an emotional connection. When advisors shift from pointing to a piece in a showcase to immediately handing it to the customer, magic ensues. The customer begins to dream and feel a sense of ownership.

Knowing how to successfully use key behavior like this creates a connection that is not easily forgotten. Although this behavior may appear to be common sense, it is not yet common practice.

Do not let storytelling damage relationships

Storytelling is easier to teach than relationships. It is a wonderful way to engage with clients, but it is not a substitute for doing the real work of connecting.

Luxury customers often know as much or more about the brand and its products than the advisor. Therefore, if the old model of storytelling is overused, it will unknowingly damage relationships and potentially derail the sale.

What is necessary is to facilitate the customer's dream versus lecturing them.

When advisors focus solely on the story, they want to tell the story versus the one that customers want to hear, then these clients will away from the advisors and the relationship.

Instead, what is required is a genuine curiosity to authentically discover the client. An advisor who truly cares and applies the best discovery practices brings the customer back to bricks-and-mortar again and again.

Luxury retail is theater

Luxury brands understand the importance of creating theater in their bricks-and-mortar stores and customers truly appreciate being transported into a world unlike their own.

Marketers create a brand universe unique to the codes and the DNA of the house. In spite of a pandemic, luxury retailers are continuing to aggressively invest globally in the theater of retail as can be seen on 57th Street in Manhattan, Rodeo Drive in Beverly Hills, Place Vendôme in Paris and Canton Road in Hong Kong, just to name a few.

If brands are going to this expense and effort to create theater, what is the responsibility of the sales advisor as an actor in that theater? The answer can be summed up in one phrase: make them dream.

When done well, advisors become facilitators of the customer's journey through select words, actions, rituals and by making curated recommendations.

These moments create connections that add to, and elevate, the customer experience, producing a net effect that transports the client to the brand universe via a human and personalized approach.

With so much responsibility on the advisor's shoulders, brands need to look ahead and prepare the digitally native workforce with interpersonal skills that go deeper than sound bites and 280 characters.

What is at risk?

While relationships have always been important, they are now the new currency for success with the current crop of luxury customers. The old model no longer works and telling stories is not enough.

What is at stake is not only sales it is relevancy. Only retailers who invest in developing their people in these new skills will succeed in making this transition.

UNTIL ROBOTS have a heart, the heart of bricks-and-mortar is human connections.

Humans can influence customers and create desire and relationships in ways that luxury brands cannot. This is often underestimated.

Luxury retail is a people business. Let us bring out the humanity of our employees and customers.

Martin Shanker is founder/president of [Shanker Inc.](#), a New York-based global consultancy deploying its Relationship FIRST Method for luxury retailers and brands to develop their sales teams. Clients include Burberry, Cartier, Chanel, Louis Vuitton, LVMH, Lane Crawford, Tod's and Van Cleef & Arpels. Reach him at martin.shanker@shankerinc.com.

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