

MARKETING

A luxury brand's weakness? Getting the human connection right

March 27, 2023



The key to success for luxury brands is to recognize that human connection is the foundation of their business. Image credit: Emirates

By Daniel Langer



Recently, I was having dinner in one my favorite restaurants. The food was delicious as always, but the service was off. Nothing felt right. The staff was friendly, but there was a lack of true human connection.

As I wrote many times in this column, friendliness is simply the minimum expected state in a luxury context. It is not creating value per se.

In this case, I was missing the personalized experiences that I had expected and that were in line with the restaurant's brand story.

When I complained, the answer was that, unfortunately, the place had lost one of their critical staff members and those remaining were overwhelmed.

A day later, I flew first class overseas for a meeting. The seat, a private suite that I could close off, was wonderful. The service was good, but nothing magical. In fact, it could have been any other airline.

Again, friendly staff, but no genuine human connection. Nothing felt "special" besides the cabin design and amenities.

Obviously, when an experience feels like it could come from any airline, there is no desirability that is created.

A third example happened in a store of one of the top five luxury fashion brands. I went there for an exchange and the staff was not overly motivated to help. The service took forever, and the salespeople were more concerned about chatting with each other than providing an exceptional experience.

The list could go on and on.

My recent observations above are not just exceptions they are systemic.

Most managers of luxury brands are well aware of the reasons for this, including difficulties in revenue management, operational constraints, staff shortages and lack of training.

The excuse I hear most often: our competition is not much better and there is little we can do.

The result? Luxury and premium brands are facing a challenge that is both simple and complex: the human connection.

In a time when technology reigns supreme and when brands spend enormous amounts of money on real estate, design, interiors and amenities, it is easy to overlook the importance of the human touch in building brand loyalty and creating lasting relationships with consumers.

However, this is precisely what luxury brands must focus on if they hope to succeed in the long term.

Luxury is about creating extreme value for clients. This creates the desirability for brands and explains the enormous premiums that clients are willing to pay.

In luxury, those premiums are not paid for the product or the service itself, but rather for the personal value that a brand creates for the client.

In extensive research over the last decade, I could show that the "hidden drivers" of luxury value are completely different from that on which most brands focus. Design, material and craftsmanship are priced in or, in other words, simply expected. What creates extreme value is the human connection. And here brands must not compromise, ever.

Many luxury brands have become too focused on the product itself, forgetting that the real value lies in the experience and emotional connection that it creates for the consumer. The challenge for these brands is to find ways to create meaningful, personal connections with their customers that is genuine and authentic.

It all starts with knowing your brand story.

While this sounds obvious, it is the most difficult task that only a handful of brands have truly mastered.

In fact, we often find that among the top leadership teams, there are often a few who use the same description for the brand and these are mostly related to the material or quality of the products.

Almost never is there an alignment on the brand's target emotion, on translating the brand vision into a tangible, authentic and meaningful story that resonates with the audience and differentiates the brand from its competitors.

Here is an example: During a recent conference with luxury beauty brands, I spoke with about 10 CEOs about their brand. Everyone told me a very similar story. That they founded their company because they wanted to make a difference creating clean beauty products that perform and have a high degree of active ingredients.

While this sounds beautiful in isolation, there is no differentiation when everyone basically has the same story. And just selling clean performance skincare is not a meaningful, differentiating or emotionally-engaging brand story.

When there is no differentiation through the story, then there is no script on which the staff can provide a unique and magical experience. Hence, the human connection depends on the story. No story, no connection.

It is critical to invest in highly-trained sales and service staff who understand the brand story and can bring it to life. They need to be able to deliver a personalized experience for each customer and provide the human connection. These sales associates need to identify the needs and desires of each customer, and then create an experience that goes beyond the product itself. For premium and luxury brands, this is the non-negotiable part.

Another approach is to leverage technology to enhance the human connection, rather than replace it.

For example, luxury brands need to use data analytics to better understand their customers and to personalize their experiences.

While many brands have already invested in these technologies, they often lack the day-to-day practicability. I hear again and again that headquarters say, "the staff has all the tools, but they don't use it."

Ultimately, the key to success for luxury brands is to recognize that human connection is the foundation of their business.

From the brand story, to highly trained sales associates, t0 technology-enabled personalization, luxury brands must find ways to create meaningful and genuine human connections with their customers if they want to thrive in the long term. This requires a commitment to authenticity, transparency and a deep understanding of what their customers truly value.

This is an op-ed article that reflects the views of the author and does not necessarily represent the views of Jing Daily or this publication.

Named one of the "Global Top Five Luxury Key Opinion Leaders to Watch," Daniel Langer is CEO of luxury, lifestyle and consumer brand strategy firm quit, and executive professor of luxury strategy and pricing at Pepperdine University in Malibu, California. He consults many of the leading luxury brands in the world, is the author of several best-selling luxury management books, a global keynote speaker, and holds luxury master classes on the future of luxury, disruption, and the luxury metaverse in Europe, United States and Asia. Follow @drlanger

Published with permission from Jing Daily. Adapted for clarity and style.

© 2023 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your feedback is welcome.