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Free-gift-with-purchase promotions incentivize brand loyalty

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By TRICIA CARR



Neiman Marcus' gift-with-purchase Brera watch

Luxury retailers using gift-with-purchase promotions may not directly influence a consumer's purchase, but they can offer an extended shopping experience that can result in brand loyalty and give luxury brands an edge without offering direct discounts.

Saks Fifth Avenue, Neiman Marcus and Bloomingdale's are promoting existing product lines by offering a gift with purchase, often after a minimum pre-tax total is met. Most brands are marketing these in-store and online offers with email blasts and social media.

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“At the price points for many luxury goods, you come to expect a little something extra and that just makes the shopper feel special and cared for,” said Pam Danziger, president of **Unity Marketing**, Stephens, PA.

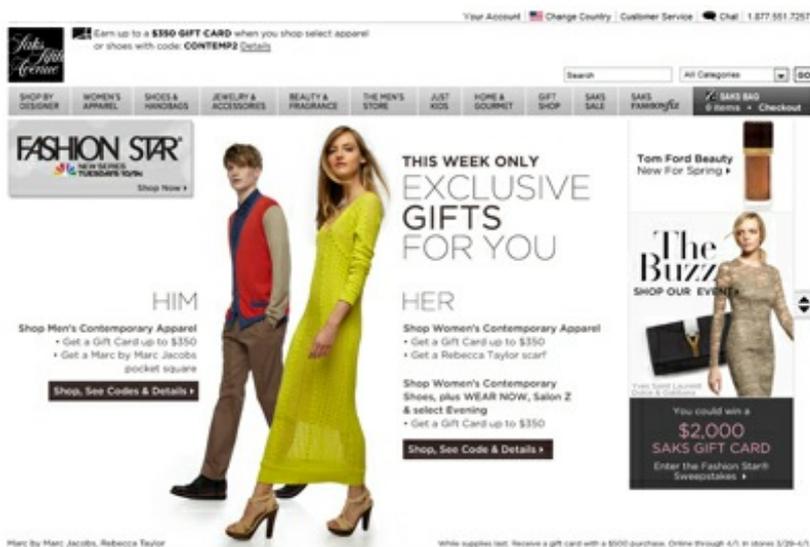
“Unlike cosmetics, the luxury shopper isn’t likely to hinge their buying decision on whether or not they get a gift, but the gift pays back with emotional rewards, which are what luxury branding is all about,” she said.

Retailers reign

High-end department stores Saks Fifth Avenue, Neiman Marcus and Bloomingdale’s are aligning certain retail offerings with complimentary gifts with purchase.

For example, Saks Fifth Avenue is offering gender-specific gifts with a minimum online purchase of \$250 from specific site sections this week.

This promotion is the subject of the **site’s main page** and was featured in an email blast March 27.

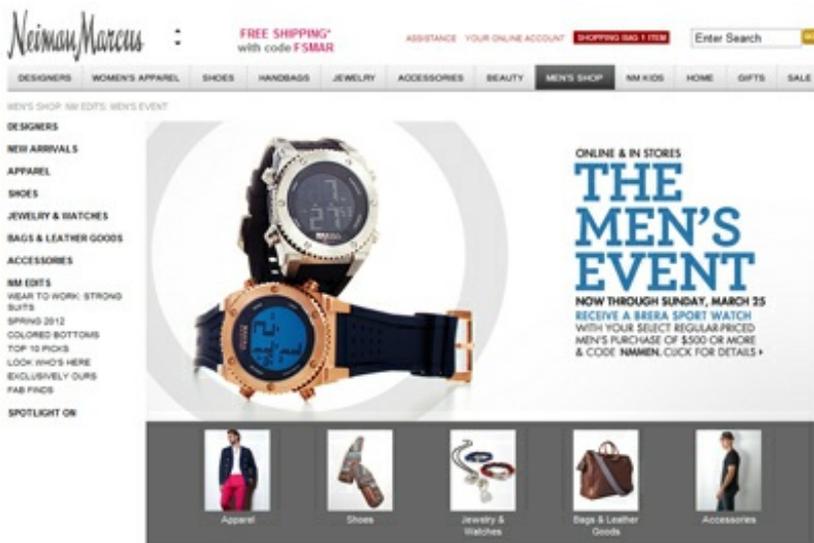


Saks Fifth Avenue main site

Female shoppers can make the minimum purchase from women’s contemporary apparel and use a promotional code to receive a tan-and-green Rebecca Taylor scarf.



Saks Fifth Avenue's women's gift-with-purchase site section



Neiman Marcus' main Web site page last week

The Brera watch as a gift with purchase was explained on the retailer's [main site](#) and promoted twice via [Twitter](#) March 22.

Neiman Marcus also used a female-centric gift-with-purchase promotion as the subject of an email blast March 22 that began a series of monthly designer sketches offered with an item by the respective designer. Consumers will receive a print of the sketch of a featured dress by Kay Unger until April 1.



Neiman Marcus email

“Luxury brands that gift additional items with purchases should deflect from the deal aspect of the promotion and underscore its contextual aesthetic and utility,” said Paul Farkas, founder and CEO of [Social.TV](#), New York.

“Product selection should reflect whether the goal is rewarding loyalists or tapping new

demographics,” he said. “It’s a chance to relate an additional story to reinforce heritage and express a fresh persona.”

Proceed with caution

Luxury retailers are showcasing brands via gift-with-purchase promotions and, due to the large number of online and in-store gifts, it seems to be a worthwhile marketing tool to reach luxury consumers.

Meanwhile, luxury brands can take cues from larger retailers when offering a gift-with-purchase.

Experts agreed that a gift with purchase is a great way to steer away from offering discounts that may deflect from sales goals.

“In the case of a luxury retailer, a gift with purchase is much better than offering discounts,” said Darren Floyd, cofounder of luxury marketing consultancy [Fondue Mix](#), New York.

“You could layer on promotions by targeting loyalty members and the email database and then on Facebook, but you don’t want to attract deal-hunters,” he said. “Brands have to be cautious.

“They have to decide if mass marketing works.”

Email, Web site and social media promotion of gift-with-purchase programs could induce shopping on the ecommerce site or encourage luxury consumers to visit a retail location during a set time frame, and is a great way to increase brand loyalty.

“A gift-with-purchase is an unexpected surprise,” Mr. Floyd said. “Sometimes it’s an advertisement that is intended to spur an immediate sale.

“For instance, you might see something like buy a dress, get a complimentary belt,” he said. “The best offers are something that enhances or reinforces the purchase that a consumer made.”

Final Take

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