

RESEARCH

Luxury brands buck wasteful email marketing trend: Kognitio

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Luxury brands are less susceptible to prevalent email marketing miscues such as failure to adequately target and space out messages, according to an executive at analytics company Kognitio.

Kognitio recently completed a study which found that companies waste \$3.8 billion every year on irrelevant email marketing. However, upscale brands are lesser perpetrators of such marketing blunders.

“In my experience, luxury brands don’t overpower their customers too much, because they know [their customers] are high power sales, and they don’t want to email these people too much,” said Sean Jackson, vicepresident of marketing at Kognitio, Bracknell, Britain.

“The lower the price, the greater the temptation [to abuse email marketing],” he said. “The higher the price, the more there is to do with relationship-setting.

“Good luxury email marketers know how to do this properly.”

Market research firm **TNS**, which conducted the study on **Kognitio’s** behalf, surveyed 2,013 British consumers between the ages of 16 and 64.

Embarrassment of riches

British firms spend nearly \$7.6 billion a year on email marketing campaigns, according to the study.



However, consumers do not tend to differentiate between legitimate email marketing and spam, and find that those lines are blurring.

Fifty-two percent of respondents said that they see no different between legitimate marketing via email and spam, and ignore all such messages as a result.

Likewise, 63 percent of consumers would rather perform menial chores such as cleaning the kitchen floor rather than deal with their email inboxes.

Therefore, Kognitio estimates that half of email marketing expenditures are wasted.

The analytics firm says that the confusion between email marketing and spam is alienating consumers and wasting the potential of the channel to drive revenue for brands.

Email marketers should make sure not to inundate their email lists with a barrage of unnecessary messages.

The company also recommended that email marketers clarify and simplify their terms and conditions so that consumers would better understand what to expect when signing up for a newsletter.

The luxury of doing less

While email marketing at large is plagued with poor messaging tactics, luxury brands are more strategic in cultivating relationships via the channel.

“If email marketing is going to work as its designed to, brands have to realize that every interaction you have with a potential customer is a valued interaction, and treat it as such,” said Steve Friedberg, spokesman for Kognitio. “Luxury brands, because of their cachet and profit margins, have that ability, the more innate ability to do that.

“If I’m selling a Chevrolet, I want to hit everyone I can,” he said. “If I’m selling a Ferrari, my universe is smaller, but I take the time to know the customers better.”

Luxury brands inherently spend more time thinking about long-term relationships as opposed to one-time sales.

Many luxury brands have lost some of their consumer service focus ([see story](#)), but the industry still remains keyed in to the importance of customer relationship marketing.

However, these brands still need to be cognizant of the dangers of email marketing abuse.

“If I think of the high-end products I might be interested in – I have a passion for watches, for example – and they were sending me emails every five minutes, I would be upset,” Mr. Jackson said.

“If I’ve invested in a time piece, I would assume they would know what I like and what I don’t like,” he said. “I don’t want to hear about ladies watches or lower-cost watches from these guys.

Email is an important tool for luxury brands to reach consumers.

However, it should only be one component of luxury brands’ marketing mixes, and take a back seat to more personal tactics.

High-end product and service providers should not rely too heavily on email marketing.

“The majority of [luxury brands] have the game sorted, though perhaps a few need to learn a bit more,” Mr. Jackson said. “I think the higher the value, the less they should use such a reliance on email, because it’s not totally personal.

“The good brands have that sorted out, and they target consumers on a much more personal level, whether it be something like an invitation event they put on where they’re displaying the latest range of goods,” he said.

“Perhaps not relying too much on email for high-end brands is a good thing.”

Final Take

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