

IN-STORE

Is US hiatus for Fashion's Night Out a setback for luxury marketers?

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By TRICIA CARR

Meant to spark interest in shopping after the United States' economic downturn, Fashion's Night Out ultimately took the exclusivity out of the luxury shopping experience.

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FNO was established to get consumers excited about going shopping at the tail-end of the recession, but experts agree that it is no longer a necessity for luxury marketers. Retailers should view the FNO hiatus in New York and other major U.S. markets as an opportunity to focus on in-store events that draw their core consumer group.

"I don't think FNO was a natural fit for luxury brands to begin with," said Yuli Ziv, founder/CEO of [Style Coalition](#), New York. "In fact, the masses participating in it created less than a luxurious experience a typical sophisticated customer would expect.

"The only positive effect of the event was introducing the aspirational luxury brands to new customers via entertainment and special treats," she said. "However, most luxury stores already treat their paying customers to Champagne and special experiences, so there wasn't any added value in the FNO itself."

One night only

The announcement that FNO in U.S. cities would go on hiatus in 2013 was made Feb. 27

by the event's sponsors: Vogue, the Council of Fashion Designers of America and NYC & Co.

The sponsors put FNO on hold so that “retailers and designers can focus their budgets on projects that are more in line with their specific objectives, rather than a big event on one night in September,” according to [a report by WWD](#).

The report also cited Steven Kolb, CEO of the CFDA, who said, “You look at the event from many different angles, and we would always return to what was our original mission and purpose and that was to reinvigorate the shopping experience and the consumers’ engagement in stores.

“After this last one, we felt we had really created this renewed presence at retail that really brought added value and a fun experience back to shopping,” he said.

Last year’s New York FNO efforts from luxury marketers looked to drive affluent and aspirational consumers alike to their retail stores.

Michael Kors attracted consumers by hosting a karaoke contest at its new Madison Avenue store.

The contest was held before Mr. Kors himself and a panel of celebrity judges. The winner received \$5,000 towards the brand ([see story](#)).

Also, Swarovski tapped consumers’ competitive spirit in its FNO campaign by hosting a street-style contest via the Instagram mobile application to be judged the night of the event.

The brand chose mobile to host the “The Style Elite of FNO” national campaign that centered on a user-made look book created via an exclusive partnership with 52Grams, a mobile platform where brands can curate shoppable look books from Instagram images.

To drive foot traffic in its New York boutiques, Swarovski hosted in-store contest entry parties at its 625 Madison Avenue and 696 Fifth Avenue locations ([see story](#)).

The real experience

FNO helped fashion marketers by creating an annual day of excitement for the industry, but it had its drawbacks for luxury marketers, per Molly Leis, principal of [MRL Communications](#), New York.

Cross-promotions that linked luxury brands’ physical and digital channels created unprecedented traffic for both venues.

On the other hand, the event drew so many consumers that the likelihood that store visitors were members of the core consumer group of luxury brands diminished and marketers were losing their grip on those able to buy into the brand that evening.

“FNO has proven successful in celebrating and driving awareness for fashion,” Ms. Leis said. “It provided retailers with the opportunity to reach new potential customers.

“However, year after year, for those that participated, the execution became an increasing

expense and a disappointment in ROI,” she said. “Especially for luxury brands, large purchases are not historically made at large events.”

FNO also ended up shedding light on the gap between the elite group that is the fashion industry and the masses who these brands were trying to convince to spend their money, per Style Coalition’s Ms. Ziv.

The immense competition that materialized between luxury brands on FNO also put retailers in a rough position – either stand up to the competition or risk wasting time on a mediocre event.

“While the industry believed it would be easy to make people open their wallets simply by providing free entertainment and beverages, in reality all people really cared about was special discounts, which obviously never came,” Ms. Ziv said.

“It was a somewhat desperate attempt of the industry to justify the high price of fashion and unfortunately it failed,” she said. “It only proved the fact that, at the end of the day, people care about a great product at a great price, and it doesn't matter if they are buying it while drinking Champagne and listening to the latest pop sensation or online at the comfort of their couch while sipping a cup of tea.”

As many luxury retailers experienced, the event become a free-for-all since all types of brands competed on the grounds of who would throw the best spectacle in their store, per Stephen Niedzwiecki, founder and chief creative officer of [Yard](#), New York.

Retailers attracted enthusiasts – a bonus of which was an increase in fans and followers on social media – but the attempt should have been more authentic.

The standstill on FNO in 2013 is a sign that luxury marketers no longer need to eye the masses, but can raise the levels of exclusivity in future in-store efforts for their core audience.

"I feel that luxury brands reached their goal of reigniting excitement at retail by branding a fashion experience that brought the excitement of Fashion Week to a larger portion of the population in a one- night event," Mr. Niedzwiecki said. "Most people don't have access to the Fashion Week experience and this was more accessible."

Lesson learned

Without FNO looming, luxury marketers should now work to develop exclusive experiences that are offered year-round for their target audience.

The decision to put FNO on hiatus signals that fashion marketers have better tactics to bring target customers into their retail stores, per Yard’s Mr. Niedzwiecki.

"I think it implies that the luxury fashion industry is finding creative ways to stimulate interest in their retail outlets and ignite newness in the way consumers engage with their brands," Mr. Niedzwiecki said.

In theory, FNO works for luxury marketers, but the mass popularity of the event decreased

its value.

Affluent shoppers can go visit a luxury department store or boutique in any U.S. city and receive service and an exclusive experience, per Style Coalition's Ms. Ziv.

Often times, luxury marketers put so many resources into FNO that could have left other areas of the retail environment neglected.

Indeed, FNO was a push for retailers to create experiences that are unique to the brand.

"They shouldn't try to lure any customers into their stores with the promise of a free beverage," Ms. Ziv said. "Instead, they should spend resources on attracting the right customers and personalizing their experience.

"They should be also investing in retail technology tools that will help them optimize the shopping experience – virtual fitting rooms, interactive shelves and high-tech hangers, digital shopping assistants and personalized recommendations," she said. "These seem a much smarter investment for the luxury brands than a giant street party."

Fortunately, luxury marketers that captured data from attendees of the previous years' events can use that information in a more targeted manner going forward, per MRL Communications' Ms. Leis.

"Each brand has the opportunity to take the magic and moment of FNO and recreate the best practices from their experience in their own retail store when it best meets their marketing and sales needs," Ms. Leis said.

Final Take

Tricia Carr, editorial assistant on Luxury Daily, New York