

MOBILE

Forrester exec: Mobile use exceeds luxury brands' expectations

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YOUR BEAUTY BAG JUST WENT DIGITAL.



By LAUREN JOHNSON

NEW YORK – A Forrester Research executive at the Luxury Retail Summit: Holiday Focus 2013 yesterday said that although luxury brands may be sluggish to innovate in mobile, marketers that test the medium often see consumers using mobile channels two to three times more than expected.

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The “Forrester Research: How Digital will Disrupt Luxury Marketing and Retail” session presented the opportunities and challenges that digital presents to luxury marketers in establishing a customer relationship. However, brands can also not treat digital mediums separately if they want to succeed.

“Most luxury clients that I’ve been working with have been absolutely terrified of mobile because it’s really hard for them to brand in that tiny real estate,” said James McQuivey, vice president and principal analyst at [Forrester Research](#), Cambridge, MA.

“That said, when they test the mobile waters, clients find that people use it two to three times as much as they initially expected, even though the experience itself isn’t necessarily all that they wanted it to be, and that suggests that there needs to be more investment,” he said.

“However, I want you to be clear about this one point: this is not about mobile. Mobile is a symptom of digital disruption.”

Luxury Daily organized the Luxury Retail Summit: Holiday Focus 2013.

Digital disruptors

According to Mr. McQuivey, mobile is one of the best mediums for luxury brands to gain expertise and build customer relationship. The medium is growing at an unprecedented pace, he added.

It took Apple two years to sell one million iPods, but the company sold 80 million iPads in the same amount of time.

If the measure of success is units sold, the iPad is 80 times more successful than the iPod. Given the iPod’s impact on the music industry, the iPad and tablets have a substantial chance at revolutionizing luxury retail in addition to other sectors such as healthcare and education.

However, mobile is only a part of how brands should be innovating with digital because forming a strong relationship with consumers is the foundation for digital innovation.

Once brands establish a solid relationship with consumers, they can bring technology to market much faster because the brand has vital information to improve the user experience.

Digital also opens up the number of consumers that can participate with a brand.

The cost of bringing an idea to market was higher in the past, which leaves a rare few number of companies able to disrupt the market place. This is completely changed with digital.

More is better

Luxury marketers in particular have a large opportunity with digital because consumers who buy these products always want more.

Take search, for example. Luxury consumers are constantly looking to own more, so playing up search within digital efforts is a smart way for marketers to constantly offer additional products.

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Mr. McQuivey presenting at the Luxury Retail Summit: Holiday Focus 2013 conference

Mr. McQuivey used Sephora as an example of a brand that is pushing the envelope with how the company combines digital and in-store.

Sephora has a feature called Beauty Bag that is available on its mobile and Web properties that lets consumers register and like products.

The feature also gives consumers access to every past purchase that a consumer has made that ultimately offers consumers more ways to shop.

When it comes to where brands should begin with digital, luxury brands should focus on building a relationship because of brands' deep-rooted history with customer service. Brands should start with a small digital initiative that the company can learn from instead of constructing a massive five-year plan that shakes up an entire organization.

“When companies internalize technology, that’s when they find completely new and completely disruptive things to do – things to do that they wouldn’t think of if they were trying to accomplish using their old business model in order to digitize,” Mr. McQuivey said.

Final Take

Lauren Johnson is associate reporter on Mobile Marketer, New York

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