

## COMMERCE

# Luxury brands should enhance ecommerce presence to succeed in 2011

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By RACHEL LAMB

Web sites are expected to play a significant role in driving luxury sales in 2011 since this year's online revenue has been astronomical compared to last year, according to comScore.

The comscore study indicates that sales have skyrocketed as more consumers are willing to spend more online throughout the holiday shopping season. Luxury brands should expect a good portion of their 2011 revenue to come from ecommerce sites.



“Luxury ecommerce is clearly on the rise and as a sector, will be important to watch in 2011,” said Lauren Freedman, president of the e-tailing group, Chicago. “Brands aiming to go direct or elevate their online presence [should place a greater] investment in technology and tools that facilitate selling luxury goods including rich media and more experiential efforts.”

Ecommerce spike this year

More than \$17.5 billion has been spent online through the first 35 days of November and December shopping this holiday season, according to comScore.

That figure marks a 12 percent increase from last year.

Online shoppers accounted for more than \$648 million in U.S. sales on Black Friday, up nine percent year-over-year, according to comScore.

Furthermore, this year's Cyber Monday was the most lucrative day of ecommerce in history, as consumers spent \$1.028 billion online.

The week following included four individual days with sales of more than \$800 million in spending.

Finally, more than 100 million shoppers went online on Cyber Monday, a 10-point year-over-year bump, according to the National Retail Foundation ([see story](#)).

These kinds of results serve as strong indicators of the importance of ecommerce and yet more signs that luxury brands should strive to make the sales channel an important part of their strategy.

Why luxury brands will benefit

Ecommerce shopping is so favored by luxury consumers because they offer convenience.

"Most affluent consumers are strapped for time and enjoy being able to shop whenever they can get a moment," said Ron Kurtz, president of the American Affluence Research Center, Atlanta. "Ecommerce also offers the opportunity for researching.

"[Buyers] will compare brands, prices and value against one another and being online is the perfect place to do that," he said.

Ecommerce sites are a great way for brands to show their character to a consumer, especially if that vibe is positive.

Personalization between the brand and the consumer are frequently employed in luxury retail stores, and what sets apart luxury brands from all others.

Customer service, quality of product and trust are the most important things for a luxury brand to maintain when shifting some weight from store to ecommerce.

Without that connection, the customer will not feel special and will be less likely to buy a luxury item.

That is why it is important for a luxury brand to cater to the customer and still make them feel important, he said.

Why ecommerce?

Mr. Kurtz said that brands that are not already offering ecommerce sites are being left behind because brands competing against one another have already got a hand of it, and reaping the benefits.

"It's not enough to just be online, you have to do a good job," he said.

“If the Web site is not easy to navigate or you do not pay attention to customer service, a bad online experience can lose customers.”

Final take

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