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6 luxury marketing trends to watch

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For luxury marketers, 2014 is predicted to be the year that tips the scales, with more than half of affluent shoppers discovering, actively browsing and shopping for luxury items via digital channels. This evolution is spurred by shoppers who are online to save time, yet remain likely to finish the purchase in-store.

According to an April 2013 Luxury Institute study on the multichannel purchasing habits of United States Internet users with incomes of at least \$150,000, 48 percent of respondents sourced information about luxury fashion online via a computer. Yet only about a quarter actually completed the purchase online.

Also, eMarketer found that a whopping 74 percent of purchases researched on mobile devices are completed in-store.

Which brings me to the first trend to watch:

Mobile

We tend to think of mobile consumers as similar to desktop consumers, but on different devices. This is just not true.

Most mobile time, is, well, mobile. Digital marketers have always struggled to predictably

drive offline traffic to retail, but data suggests this is changing.

With more than 70 percent of daily Facebook and Twitter users on a mobile device, digital marketers must think mobile-first.

For luxury marketers this is particularly challenging as device constraints and consumer expectations limit the richness of the experience.

But with skill and creativity, many luxury marketers are embracing the constraints without compromising brand promise.

Understanding the purchase intent journey

We have been trying to figure out what makes people buy as long as we have been selling, but it is a fragmented challenge and capturing the data at every step has been impossible.

We have made a lot of progress thanks to companies such as Datalogix and others and, as a result, luxury marketers are on the verge of the next evolution, having almost completely wired the journey.

The key, like most things in our modern world, is the smartphone.

In this next phase of digital marketing, understanding how and why consumers buy will be essential to attracting the next generation of affluent shoppers.

Omnichannel continues to gain momentum

Luxury marketers' ability to reach any given consumer across devices will emerge and quickly mature. This will enable marketers to better understand the customer journey and the patterns likely to drive discovery, exploration and consideration.

With more than half of U.S. affluent consumers soon discovering new luxury products online, it is imperative that luxury marketers understand how these trends converge.

Making connections between channels will be essential as well. Can I schedule a consultation from my phone? Can I easily share what I have liked on the Web site with an associate?

Social + mobile + storefront = Magic

Mobile applications are the key bridge from digital to the store. Look for major innovation in a few categories that will extend this magic, specifically apps that enable shoppers to feel connected to the luxury experience, such as Tourneau's virtual watch tray that allows online research with pick-up in-store or social shopping apps that enable consumers to "like" and manage products through Pinterest, Wanelo, Polyvore and ShopKick.

Luxury marketers should also watch and learn from mass-market retailers' innovation and use of digital wallets such as Apple's Passbook and Google Wallet that can store gift cards as well as brand-specific apps that enable shoppers to manage and receive in-store redeemable mobile offers from anywhere.

The last mile

Vicinity-based mobile notifications that pull information from the app categories above

are closing the last mile between the retailer and the consumer.

This year, Apple's iBeacon (Bluetooth SMART), NFC and other location-based technology will finally begin to take hold.

Leading luxury marketers know that getting someone into the store is 90 percent of the challenge.

Once there, it is a matter of experience, discovery and driving toward high-value products.

With Apple's deployment of iBeacons, marketers can now communicate with consumers and track everything from how many got close to the store, entered the store, and which products they browsed and bought.

For digital marketers, the long awaited online to offline closed loop reporting will finally be a reality.

Be everywhere

While luxury marketers are notoriously skilled at creating rich experiences from fashion shows to print ads, they have been slow to go deep on digital.

Content is currently the fuel that drives digital marketing. As Burberry has so deftly shown, reaching new affluent consumers requires broad content creation and distribution strategies.

From Instagram and Vine videos to maintaining a Tumblr, luxury marketers must find key audiences and engage in their worlds, adhering to their rules.

While luxury marketers should never be seen as jumping on the bandwagon, being early adopters of new social mobile technology can give them credibility – watch, learn and be ready to jump-in.

But content strategies are hard to form overnight, so luxury marketers must work now to see how they can apply their essence and promise across emerging platforms. They should do it now so they can be more nimble in the future.

SOCIAL MOBILE convergence and luxury's traditional focus on building experiences that drive loyalty is great for marketers ready to take advantage of the ability to tell a cohesive brand story across channels.

Brands that are able to personalize the experience throughout the customer journey, up to and including the last mile, will see that the dividends drive serious business value, which will only accelerate as millennials grow in their purchasing power and share of affluent luxury consumers.

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