

COLUMNS

Luxury is meaningless. Or why millennials want more than just a brand

May 19, 2016



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Marketing to millennials is not like marketing to their parents or grandparents. Millennials are digital natives at heart. Their idea of status is not shaped by luxurious and exclusive possessions, but by a commitment to freedom of expression, new experiences and technology that matches their busy lifestyles. Luxury alone just will not cut it.

With many alternatives to choose from, millennials demand better value for their money and greater real-time curation from their luxury brands. They will not accept a brand's status at face value, preferring to unearth information for themselves. This means that brands must cater to this digital outlook to have any hope of attracting millennial interest.

Seamless digital experience

Millennials are not passive consumers. They are curators and creators, appreciating personalization and the ability to share their voice. A seamless digital experience must recognize and incorporate these desires to reach this active audience.

The numbers overwhelmingly back up this understanding.

User-generated content is 35 percent more memorable and 50 percent more trusted than other types of media, especially among millennials.

Likewise, 92 percent of consumers prefer recommendations from people to branded content, even if they have never met the recommender.

At the same time, digital experiences are paramount to the millennial purchasing funnel, and luxury brands that neglect these avenues do so at their own peril.

Take Tiffany & Co., for example. It may be a leading brand in luxury retail, but its online experience is not nearly as well designed as its products. The navigation is awkward, its copy formatting is inconsistent and hard to read, and the calls to action are difficult to find.

Purchasing and discovering products are now both digital and social experiences.

More platforms offer purchase buttons, and many brands release their own mobile applications. These are both tools valued by millennial consumers, and those businesses that neglect the effect of a poor user experience are setting themselves up for failure.

Embracing the millennial demographic

So how can brands ensure that they avoid these problems and offer delight at every touch point? Here are three simple strategies:

1. Refresh the brand image

Affluent consumers do not take brand messages for granted, so heritage brands must take their stories out of the usual luxury ad format and refresh their image. The best way to do this is to embrace and leverage the millennial drive for creation.

Mercedes-Benz's "Take the Wheel" campaign offers a great example of this approach.

Five Instagram photographers were given the latest luxury vehicle to test-drive for five days. Each photographer posted pictures on his or her account, and the photographer with the most likes was gifted the car.

The campaign delivered 87 million organic impressions on Instagram alone, as well as more than a half-million mentions on Facebook and Twitter.

Without deviating from their values, companies can perform a brand audit among millennials, analyze the results and find new angles of the brand story to empower and engage millennial consumers. By losing the "old luxury" tag, they can find and embrace a new one.

2. Create targeted experiences for the right audiences

Not everybody can afford to buy luxury products, so luxury brands need to speak directly to the subset actively seeking them out.

Burberry adopted this approach with its 2014 London Fashion Week and 2016 Chinese New Year WeChat campaigns.

The company identified Chinese fashionistas as a key demographic for growth, and it sought the best possible platform to engage with them.

With 93 percent of the population of China's largest cities on WeChat, there could only ever be one winner here.

Brands cannot adopt an "if you build it, they will come" mentality.

Experiences must be targeted at key demographics to have the greatest impact, and they need to use that demographic's preferred platform.

3. Acknowledge fans on social media

Luxury brands often enjoy the admiration of aspirational fans, but that does not always translate into sales.

To get the most from a social media relationship, luxury brands need to go beyond that one-way admiration and start acknowledging the fans.

Partnering with users to create content is a great way to do this, and Burberry's "Art of the Trench" platform is a great example.

Instead of simply overwhelming users with airbrushed photos of celebrities and models, Burberry gave its customers the chance to showcase their own style by uploading pictures of themselves in their Burberry trench coats.

Brands can also benefit from reposting and tagging user handles on social platforms.

All of these options give consumers a feeling of ownership over the brand story, ensuring luxury brands are aspirational and accessible.

LUXURY BRANDS should not be afraid to challenge the industry status quo.

By creating new approaches and cutting-edge social experiences, they can appeal to savvy millennials, offering a real substantive experience to back up the luxury name.

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