

COLUMNS

The digital dilemma for luxury

June 29, 2018



Sheetal Jain is founder/CEO of Luxe Analytics

By **Sheetal Jain**

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246** ▶

Luxury brands that have relied on multi-sensory experiences for ages are now facing a digital challenge. Luxury is about uniqueness, rarity and scarcity, whereas digitalization is all about breaking boundaries and reaching the masses. The very nature of the two contradicts each other, making luxury marketers reluctant to embrace digital technologies for years.

However, as the digital platform has become part and parcel of our lives today, luxury marketers just cannot do without a strong presence digitally via online marketing, ecommerce and mobile marketing and commerce.

Buying it

New-age technology has revolutionized the luxury domain by providing endless opportunities to luxury retailers.

Artificial intelligence, augmented reality and voice-controlled shopping are set to reshape the luxury retail landscape to make it more customer-oriented. Opulence-loving consumers are expecting effortless and immediate luxury experiences.

Voice-controlled ecommerce is enabling luxury brands to provide exceptionally fast service at a minimum cost.

Augmented reality such as smart mirrors is allowing luxury consumers to interact and gain appropriate information such as price, materials used or options available more conveniently. It is facilitating consumers to try new offerings at home before buying online.

For example, Sephora's Virtual Artist application helps users test makeup products before making a virtual purchase.

According to research by McKinsey, almost one-fifth of personal luxury sales will take place online by 2025.

While only a small proportion of luxury sales happen online, it definitely adds to the offline buying experience.

Making it to the screens

Most buyers now explore the product online before actually buying, either online or offline.

Many luxury brands including, Burberry, Gucci and Louis Vuitton, to name a few, are using digital platforms to establish deeper connect with millennials and providing them with seamless, bespoke experience across all

channels. They are making huge investments in search visibility, social media marketing, mobile commerce and ecommerce platforms.

Many brands are extensively using Instagram as sure-fire way of promoting their labels and generating maximum exposure among the youngsters.

Instagram has truly been able to engage people through sharing minute details about fabrics, stitching style and designing as well as the inspiration behind the collection.

Let us take a look at the digital initiatives taken by the top luxury brands in the recent past.

Burberry launched the first see-now, buy-now campaign that was indeed a great surprise for its patrons who were more than happy to buy their dream immediately after the runway presentation.

Many others such as Tom Ford and Ralph Lauren followed the suit.

Another Burberry effort was the interactive 3D campaign that let customers design their own Burberry scarves on their mobile handsets and post it on London's Piccadilly Circus "Curve" screen.

Similarly, Chanel has been successful in evoking passion and enthusiasm among consumers through its engaging YouTube videos.

Gucci, too, has been able to grow its online sales many times over through its easy-to-navigate, interactive, engaging and fully functional ecommerce store.

WHILE THESE CAMPAIGNS have gained tremendous success the big question is, will luxury brands known for their rarity and exclusivity lose their sheen by being omnipresent? Will fashion immediacy dilute the image of luxury brands in the long run? Will instant gratification result in moving the luxury brands away from their dream to create desire?

Many luxury houses are making smart moves to deal with such problems.

Some brands are launching exclusive collections of their designer pieces available only online, while others are showcasing limited-edition items online to select clients. They are trying hard to retain extravagant feel of their brands while going online.

Again, the question that comes to mind: Will these efforts help the online luxury market gain traction?

The future of the luxury industry rests upon the answers to these questions.

Dr. Sheetal Jain is founder/CEO of [Luxe Analytics](#), Delhi, India. Reach her at bardiaconsulting@gmail.com.