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Building brand affinity via personalized, cross-channel strategies

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Kelly DeRosa is director of retail strategy at IgnitionOne

By **Kelly DeRosa**

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Over the past two decades, the luxury goods business has faced a number of shakeups and hurdles as emerging digital media channels continue to challenge retailers to innovate traditional marketing strategies.

Marketing for luxury brands, in particular, requires a unique approach, since conventional, massmarket brand promotion methods are less applicable. After all, luxury retailers traditionally exude the belief that the brand's prestige and desirability should speak for itself.

Line on digital

A **report** from Deloitte shows that the world's 100 largest luxury goods companies generated sales of \$217 billion in financial year 2016.

Given the rapid digital transformation of commerce and evolving customer preferences, these numbers show there is a lot to be gained but also a lot to be lost if luxury brands fail to innovate their marketing efforts to engage new customers as the global market continues to thrive.

To remain on top, brands must continue to invest in their digital footprint and develop an effective omnichannel strategy to facilitate a seamless customer experience.

For example, by using customer data to anticipate and fulfill a customer's expectations at every step of the shopping journey, marketers can go a long way toward strengthening those relationships and building brand loyalty.

Brands that are slow to take full advantage of emerging marketing channels to evolve their digital strategy will risk getting left behind.

Luxury brands have long distinguished themselves from more commercial retailers by prioritizing a truly exceptional in-store experience, providing personalized interactions with knowledgeable salespeople, all in an elegant and sophisticated atmosphere.

As the retail industry continues to evolve toward more digital platforms, luxury brands need to be able to extend the

success of their physical stores into a strong digital marketing strategy.

To do this effectively, marketers need to implement a cross-channel strategy that engages customers in a way that feels just as personalized online as what historically has happened inside the store.

Modeling

Consider a mall chain for luxury retailers, such as Westfield.

The chain's goals are universal: grow brand awareness and drive visits. A national campaign would not necessarily be effective, since customers can only visit if they live near a Westfield mall. Instead, the campaign should target individuals with a mall in their vicinity by restricting ad buy to specific geographic regions. Geolocation data can then be used to create personalized messages about a local mall, fine-tuned based on additional lifestyle or behavioral data.

For example, retailers can identify customers who have previously visited store locations and then use this data for omnichannel targeting. In this way, retailers can continue to engage with customers who have already interacted with their brand and aid them through the purchase cycle.

Adapted across channels, this kind of campaign can be especially powerful when targeting customers actively on shopping trips and looking for their next destination on their mobile devices.

Succeeding here requires a combination of tactics—primarily the use of lookalike audiences and dynamic messaging.

Activating lookalike audiences requires the brand to share demographic data on its best customers. Marketers can then use that data to identify customers with similar attributes, activate that audience, and pursue them across devices.

Dynamic messaging engages these customers based on location and inferred behavior. This type of messaging can be adapted to different product categories or spending thresholds to ensure that it appeals to specific audiences, and then draws them toward purchase or into the store.

LUXURY RETAILERS have different needs when it comes to marketing, but it does not mean that their goals are out of reach.

Tactics that focus on the individual customer, amplified across devices, will engage the audiences that these brands are after.

As the customer journey has changed to include new channels and touchpoints, the ability to deploy an effective omnichannel marketing strategy is essential for luxury brands.

Kelly DeRosa is director of retail strategy at [IgnitionOne](#), New York. Reach her at kelly.derosa@ignitionone.com.