

COLUMNS

Fostering authentic consumer relationships: 3 E's every luxury brand should know

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By [John Elkaim](#)

Picture this: A consumer who is in the market for a new purse walks into her local retailer and is faced with two choices a \$500 Coach bag and a \$50 unbranded purse. While quality or design may very well be the deciding factor, most people will agree that it would be easier for her to choose the \$50 bag. Chances are that if she opts for the name brand item, it is because she identifies with what the Coach brand represents: luxury, style and sophistication.

With the rise of social media, establishing personal connections with brands has become a core consumer value, with 87 percent of consumers agreeing that there is more to making purchase decisions than "identifying a need, exploring options and purchasing" (source: About.com and Latitude).

To spend 20x more on a brand name product means that a consumer is not only financially investing in that brand, but emotionally investing in it as well. Here are three "E's" that every luxury brand should follow to foster authentic consumer relationships.

Evolve with the connected consumer

A defining quality of most luxury brands is that they have stood the test of time. However, the emergence of digital technology has changed the way that consumers interact.

Shoppers between the ages of 18 and 29 years old are the fastest-growing luxury consumer segment (source: American Express), and luxury brands must develop new strategies to succeed in the age of these connected consumers.

Incorporating mobile, social and digital channels into your marketing mix is key in creating the kinds of relevant consumer experiences that translate to genuine relationships.

One luxury brand that is updating its customer experience by merging the physical and digital realms is Burberry.

Starting with its flagship store, Burberry has installed full-length screens that display audio/visual content and live stream fashion shows.

RFID chips have also been added to select articles of clothing to showcase information about these items when consumers pass by particular screens.

Engage consumers on an aspirational level

Luxury brands often attract consumers who merely aspire to own their products because they represent who they want to be, not necessarily who they are.

These aspirational buyers make up the largest consumer segment (source: GlobeScan), and not only is their admiration key in upholding the status of luxury brands, but fostering relationships with them can still result in

admiration key in upholding the status of luxury brands, but fostering relationships with them can still result in increased revenue.

Luxury brands must effectively leverage customer data to make the distinction between consumers' actual and aspirational identities, and adjust their marketing efforts accordingly.

Sharing more targeted, aspirational messaging or offering personalized product showcases at lower price points is likely to convert these consumers.

The "My Happy Sport" mobile application by Swiss jeweler Chopard provides relevant experiences for both aspirational and actual buyers by allowing users to design custom watches in a variety of price ranges.

Users can then simply share their creations across social media, or locate a store for actual purchase.

Emphasize identity across channels

Because luxury brands represent such bold and defined characteristics, consumers expect to feel these qualities across all brand touch points.

Furthermore, because consumers invest in luxury brands to help construct particular identities, they expect these experiences to be personalized and exclusive.

Luxury brands must pay particular attention to identity, creating seamlessly branded and customized experiences for clients across channels.

WHILE FOSTERING authentic consumer relationships is the key to success no matter your marketing goals, luxury brands that evolve with connected consumers, engage them on an aspirational level, and emphasize their unique identities are sure to influence consumers to make the leap from \$50 to \$500.

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