



3 Ways to Create **Timeless Digital Experiences** for Luxury Retail Shoppers

“Elegance is not standing out, but being remembered.”

— Giorgio Armani

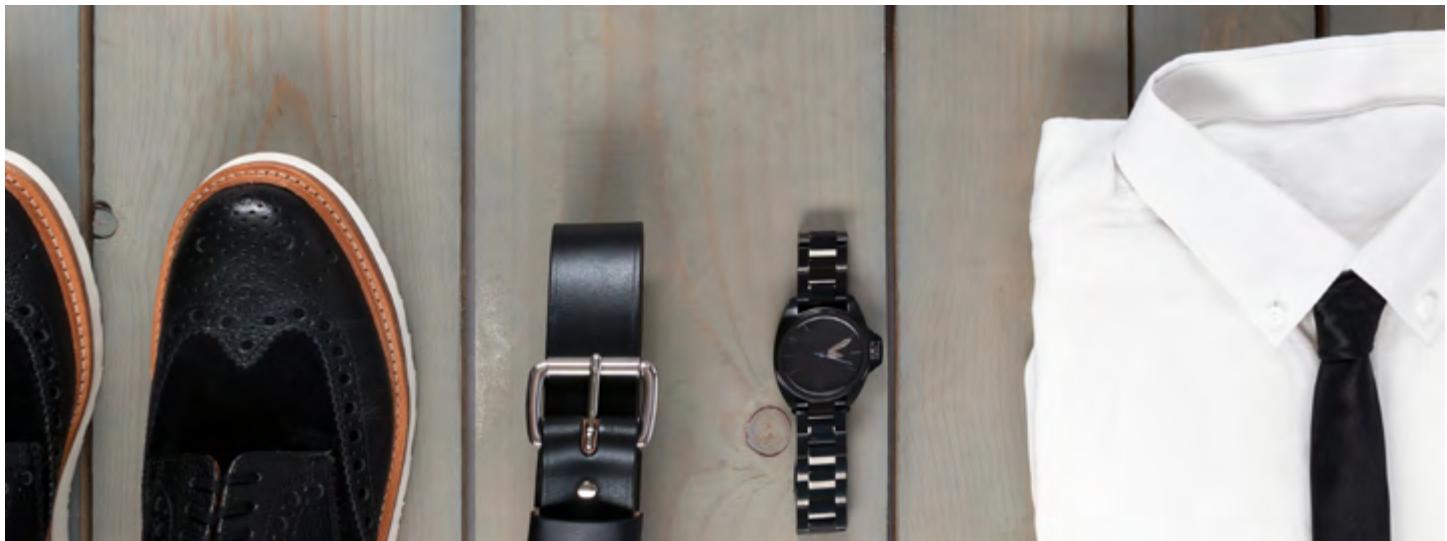
By 2025, online will be the leading channel for luxury purchasing.

(Bain & Company)

Luxury retail is all about creating memorable, exclusive experiences. Like sipping champagne while browsing designer fashions with your personal shopper. Or dining with a brand's top designers at a VIP event. These experiences encompass the aura of a brand, the exclusivity and the timelessness that make luxury products so appealing. Price promotions are never part of the equation.

Until now, luxury brands provided these experiences mainly through retail or flagship stores and other physical locations, where customers could experience products fully by touching, smelling, hearing, seeing and sometimes tasting. But with store closures, lighter foot traffic, and less travel due to the global pandemic, the luxury market has seen its biggest decline since 2009, with personal luxury goods falling 23%, according to [Bain & Company](#).

At the same time, online sales for luxury goods have skyrocketed, going from 12% in 2019 to 23% in 2020, notes the analyst firm. This increase has been fueled by innovative, digital native, direct-to-consumer luxury retailers in travel, home, fashion, footwear and jewelry.



In a market typically reluctant to sell online, brands are already speeding up their shift to digital through eCommerce, online fashion shows, digital appointments and augmented reality (AR). In addition, global luxury retail platforms like Farfetch are attracting brands that want to expand their online reach through a direct-to-consumer strategy, but need more digital support to do so.

Although the wheels of luxury eCommerce were already in motion before the pandemic, brands have been forced to re-evaluate their business models, delivery options and customer experiences. And while they can choose to establish a digital presence by selling on marketplaces like Amazon's Luxury Stores or Alibaba's Tmall Luxury Pavilion, it means giving up control of the very experiences that are key to their competitive edge.

"Luxury brands must go digital now, and they need to have tighter control over the global product experience and brand message," said Uwe Fricke, VP Cloud Solutions Retail – Fashion – Beauty – Luxury at CoreMedia. "All while delivering personalized online experiences, accommodating regional variety, and building deeper long-term customer relationships."

Keep reading for three ways luxury brands can create exquisite, engaging digital experiences to capture the hearts, minds and loyalty of affluent shoppers.

Online sales for personal luxury goods are currently **€20 billion** or 8% of the **€254 billion** global luxury market.

By 2025, this will more than triple to **€74 billion**, meaning nearly one-fifth of all sales will take place online.

(McKinsey)



01 | Take Control of the Customer Experience

“In order to be irreplaceable one must always be different.”

— Coco Chanel

Take Control of the Customer Experience

High-end customer experiences are what set luxury brands apart. And customers expect this exclusivity no matter how they interact with your brand. But when it comes to selling online, many brands feel pressured to surrender control over those experiences to third parties. As you evaluate different online channels, think about how your choice affects the customer experience.

While in some cases it makes sense to partner for scale, you should always keep your competitive edge—and your unique brand identity—well protected. From online marketplaces to luxury platforms to pureplay eCommerce, each option provides luxury brands with a different level of control over their brand story and customer interactions.

» Online Marketplaces

While Amazon and Alibaba have the potential to increase a brand's online reach, luxury brands have typically shied away from these marketplaces due to the risk of products being viewed as commodities and devaluing the brand.

In addition, because brands don't have influence over the way their products are presented, they're unable to integrate the rich content, brand stories and unified luxury experiences that customers crave. With the introduction of luxury storefront options from Amazon and Alibaba, there's more flexibility for product layouts and fulfillment, but the customer data and relationships still belong to a third party.

» Luxury Platforms

Luxury brands that want a direct-to-consumer model but prefer the support and reach of a luxury-focused platform have turned to online retailers like Farfetch, YOOX-NET-A-PORTER GROUP (YNAP) and Mytheresa.

- **Farfetch** provides an eCommerce marketplace platform for brick-and mortar luxury boutique stores. Back-end technology and logistics support include the ability to sync online stores with in-store and warehouse inventory.
- **YOOX-NET-A-PORTER GROUP (YNAP)**, belonging to Swiss luxury company Richemont (which also has a stake in Farfetch), provides eCommerce technology and operations support, and consists of four multi-brand online stores. Each store provides a perfectly curated selection from the world's leading luxury brands. YNAP also offers its experience and fulfillment know-how as a managed service to numerous luxury brands for their online flagship stores.
- **Mytheresa** is the newest luxury retailer on this list. The platform curates only about 250 brands for men, women and kids, keeping their selection quite exclusive. They deliver to more than 133 countries around the world and recently went public.

Platforms like these hold more appeal than Amazon and Alibaba because brands see more prestige, better overall browsing experience and therefore less risk of diminishing exclusivity or damage due to counterfeit products.

>> Pureplay Ecommerce

Luxury brands wanting to take control of the customer experience from start to finish are adopting a direct-to-consumer model that allows them to build deeper relationships with customers and provide the same caliber of experiences that luxury buyers expect and enjoy in-store.

They're establishing their own online stores and experiences with the help of technologies like agile content management systems (CMS) and digital experience platforms (DXP) that help their teams better manage content, assets and customer insights, as well as create personalized product and editorial content to tell their brand story across touchpoints. By removing third parties from the equation, direct-to-consumer brands have more control over company and customer data, a clear line of communication with their customers and can keep experiences true to their brand.

Today more than 80% of luxury purchases are influenced by digital.

(McKinsey)

“The world’s most distinguished brands know consistency is the key to creating life-long relationships with their customers,” said Gretchen Nemechek, Chief Marketing Officer for CoreMedia. “In the age of digital, this means not only looking after every detail of the products or services they offer, but also ensuring each and every touchpoint along the way (whether it be a physical or digital experience) exceeds their customers expectations of their brand.”

Recommendations

- > Partnerships can increase reach and efficiency but customer experience comes first. Own the customer data to reduce dependency on retail partners and build long-term relationships.
- > Luxury buyers want immersive experiences, top-tier services and hyper personalization, but they also want timeless value. Use technology to deliver innovative experiences without the hype.
- > Consumer behaviors and expectations are always changing. Be ready to adapt quickly by putting in place an agile, responsive and scalable digital foundation.

02 | Keep Touchpoints Consistent - Online and Off

"Luxury Is In Each Detail"

— Hubert de Givenchy



"Luxury customers live on their smartphones, so you have to create a luxury experience that makes the most of mobility."

— **Federico Marchetti**
Chairman of YOOX
NET-A-PORTER GROUP



Keep Touchpoints Consistent—Online And Off

Luxury consumers want more than high-quality goods. They want every interaction to be elegant, memorable and uniquely crafted for them. Luxury customers look to brands as a trusted source of style advice, inspiration and product selection. That's why these buyers expect more from digital experiences than mainstream customers. According to [Forrester](#)¹, luxury customers are more willing to experiment with and use technology—especially a smartphone, which is their preferred device.

In fact, 61% of US luxury consumers use their mobile devices while in-store, as do 69% of Chinese and 49% of European consumers, found [Forrester](#)¹. These consumers also like to interact and buy on social media and are more cautious about sharing personal information online.

As digitally savvy as they are, luxury customers still value the in-store experience, including the ability to touch and feel products before they buy. Furthermore, in luxury the human touch will always be vital. So brands need to ensure that their offline and online experiences are equally delightful.

This means breaking down silos between eCommerce and brick-and-mortar so you can provide seamless experiences across every channel and every device. Luxury brands from Acqua di Parma to Zegna have already begun laying the groundwork for these channel-agnostic experiences by upgrading systems and processes to connect online and in-store operations and touchpoints.

"In luxury retail, there should be no difference between online and offline," said Fricke. "Inventory, sales, data insights and experiences should be united across eCommerce and in-store, with the customer clearly at the center."

¹ The full report is available to Forrester subscribers or for purchase.

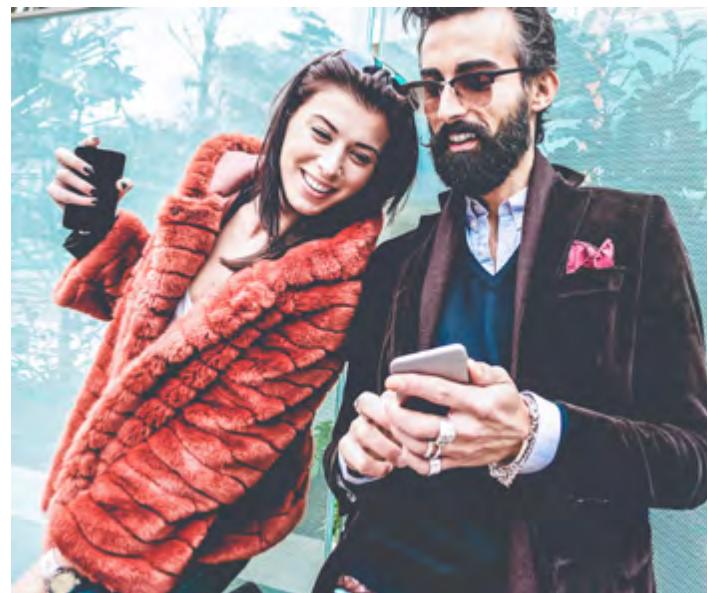
To keep interactions and messaging engaging and consistent, luxury brands are using technologies like virtual and augmented reality (AR) for immersive digital runway shows, display windows, show floors and to help shoppers experience and try on products virtually before they buy.

- > **Dior** has developed AR filters for Facebook and Snapchat over the years that allow people to try on accessories like hats and sunglasses, while Gucci's iOS app uses AR to give customers a chance to see how they look in the brand's latest footwear collection.
- > **Burberry** incorporated its AR shopping tool into Google searches. When people search for a Burberry handbag using their smartphone, for example, they can click a button to superimpose the product image next to their outfit or anywhere else in their home for a more authentic experience.
- > Brands like luxury watchmaker **Hublot** are bringing premium experiences directly to the homes of consumers. Customers at Hublot's digital boutique meet virtually with experts who provide a private product showing using a touchscreen with vivid imagery and video to help buyers explore watch features from every angle and guide them through the purchase process.
- > **Luxottica** is using digital screens in-store loaded with their Smart Shopper app to give customers the ability to virtually try on custom Ray-Ban and Oakley sunglasses. The screens also give customers access to more information about the products and provide a seamless experience between in-store and online.

Whether incorporating digital displays and tools into flagship stores, or bringing physical experiences to life online, brands that provide consistent premium experiences are the brands buyers will remember.

Recommendations

- > Deliver consistent shopping experiences across all channels by merging brand and shopping sites, and integrating with social platforms for seamless eCommerce experiences everywhere.
- > Publish across languages and multi-brand sites, apps and in-store experiences by automating content changes from one master site while still having the ability to create regional differences.
- > Pull together customer data and insights to provide relevant digital experiences and guide shoppers to the products and services that meet their needs.



03 | Engage and Retain with Brand Storytelling

**"I don't design clothes.
I design dreams."**

— Ralph Lauren

Engage and Retain with Brand Storytelling

No one needs that \$1,000 bag or \$500 pair of heels, but luxury customers spend more for the experience, not just the product. That means brands need to appeal to shoppers' emotions through vivid storytelling and captivating images that convey the heritage, tradition and quality that characterize the luxury market.

Chanel gives customers a glimpse into the brand's history through its [Inside Chanel](#) website. Presented as a book, each chapter is a video snippet of the Chanel story, with titles like Marilyn and No5, The Jacket, Coco and The Lion. The site also provides a multimedia timeline that takes visitors on a journey of the brand through the years.

Due to the pandemic, and in a nod to address calls for more sustainable practices, Gucci announced that it would no longer present its collections in traditional Fashion Week format, but rather virtually through its fashion film festival, [GucciFest](#). The Italian brand released a 7-part miniseries—"Overture Of Something That Never Ended"—featuring its new collection, with one episode per day streamed on YouTube, Weibo and the brand's site. It also posted the series on Instagram to interact with its more than 42 million followers.

To create hand-picked, authentic experiences like these, you have to know who your customers are and what they want. That's why you need to gather data like online and offline buying behavior, customer preferences and loyalty program data so you can work from a complete customer profile. It also means speaking to your audience in their language, taking into account regional and cultural differences.

"The focus of luxury marketing may be less on selling items and more on creating a value added customer experience based on brand storytelling to strengthen customer loyalty and reinforce brand identity."

— [Deloitte](#)

With 33% of luxury spending coming from Chinese shoppers, brands will need content and commerce experiences to support this and other global regions, advises [Bain & Company](#). [Federico Marchetti](#), Chairman of YOOX NET-A-PORTER GROUP, believes that luxury brands need to provide experiences that align with the culture and traditions of the audience. This is particularly challenging for luxury brands that sell a few exclusive products in many countries, as it requires a massive amount of personalized content. With automated translation and localization capabilities, content teams can save hours of valuable production time.

"Rather than hiring an army of copywriters, a small team should be able to create an amazing experience and push it out to the world overnight in all languages," said Fricke.

Recommendations

- > Luxury shoppers want history, exclusivity and quality. Deliver it all by merging rich media with stunning photography and smart editorial content all from one platform.
- > Provide personalized brand and shopping experiences every time by combining contextually relevant content with shoppable images and videos.
- > Find ways to replicate posh in-person experiences online by inviting shoppers to real-time exclusive events like fashion shows and celebrity showcases.



Blending Content and Commerce for Luxury Retail Experiences

CoreMedia is the digital experience technology of choice for many of the leading players in the world of online luxury fashion. One such fashion technology platform wanted to expand their global reach and provide more innovative experiences to online visitors by better managing content across regions and languages.

They also needed a solution that could easily integrate with their existing commerce platform, and would allow them to quickly publish new campaigns in response to the latest trends. With the help of CoreMedia's Content Cloud digital experience platform, the luxury retailer can now manage content in real-time across 140 websites in more than 200 countries and 12 languages.

And because they're able to manage more than 30,000 content objects on one platform, the online retailer can provide rich commerce and content experiences that are true to brand and connect perfectly to the luxury consumer.



CONCLUSION

"The great thing about fashion
is it always looks forward."

— Oscar de la Renta



Make the Move to Digital Luxury

The most iconic names in luxury have built up trusted customer relationships over the years by delivering authentic, personalized experiences that reflect their brand values and heritage. These brands understand that the key to keeping relationships strong is to control your brand story, communicate directly with customers and fuel every step of the journey with enchanting, unforgettable moments.

Want to Learn More?

Contact **CoreMedia** today to learn more about how we're helping luxury brands make deeper connections with customers through unique, memorable digital experiences.

» coremedia.com



Why CoreMedia?

CoreMedia is the digital experience and content management engine behind today's most iconic online brands. CoreMedia Content Cloud is a flexible, composable Digital Experience Platform (DXP) built on an agile CMS and advanced DAM that enables leaders in all industries to orchestrate personalized experiences, then deliver them to any channel – reliably, efficiently, and at enterprise scale. Marketers, merchandisers, and developers can work collaboratively and efficiently on omnichannel experiences that drive engagement, increase loyalty, improve brand visibility, and boost revenue. Leading global B2C companies (including Deckers Brands, Under Armour, Luxottica, PVH Corp, Finnair, and T-Mobile) as well as major B2B firms (Claas, Emerson, DMG-Mori) create world-class digital experiences powered by CoreMedia. We are a company of visionaries, trusted advisors, and passionate experts.

