

MARKETING

How luxury brands will leverage digital to deepen the VIP experience

March 8, 2021



Prior to the COVID-19 pandemic, Members of Farfetch's private client program, for example, enjoyed exclusive seats at runway shows, curated vacations and in-person interactions with designers. Seen: Actor Laura Harrier, who partnered with Farfetch for International Women's Day to discuss female inclusivity. Image credit: Farfetch

By [Alex Levin](#)

Throughout the COVID-19 crisis, VIP customers most often individuals who wield outsized influence, purchasing power, or both have been incredibly important to the luxury sector.

Even as [McKinsey](#) estimated spending on personal luxury goods could shrink by nearly 40 percent in 2020 compared to the year before, many online luxury retailers said spending among their top clients was relatively steady.

And while [Bain & Co](#) expects the personal luxury goods market to gain 15 percent in 2021, we still face an ongoing pandemic and an uncertain future.

The stakes for attracting and retaining VIP customers have never been higher.

Deep, sophisticated personalization

Pre-pandemic, luxury brands courted VIPs with high-touch personalized service and exclusive access to products and experiences that went well beyond the perks offered by loyalty programs from offering gifts on birthdays and anniversaries to private showings, drinks and dinners with celebrities, and even lavish trips.

But since the onset of the pandemic, international travel has become exceedingly difficult and in-store shopping has seen a sharp decline.

The most forward-thinking luxury brands have leveraged digital technology to innovate and adapt.

As we return to normal, these same brands have an opportunity to carry these innovations forward in a way that increases their ability to attract and retain VIP customers.

Technology has given luxury brands access to unprecedented data about their customers their purchase history, their interactions with the company's digital properties, their interactions on social media, and their trackable movements online.

For VIPs, that access comes with expectations.

A [survey of 1,000](#) luxury consumers found that 84 percent of respondents believe that luxury brands should focus on providing personalized experiences.

A [survey](#) of affluent consumers showed that 24 percent expect brands "to provide truly personalized experiences based on personal data they have collected."

Luxury brands set themselves apart by the sophisticated way in which they analyze customer data and apply its insights to elevate both their digital and human interactions with their clients, stoking the emotional connections that are essential for building brand loyalty.

A [recent article](#) stated that to deliver truly personalized service, salespeople "need to know not only birthdays and anniversaries, but color and style preference, size, past purchases, and wish lists."

Last year, [Browns](#) launched an app that analyzes customer data and puts insights and product recommendations directly into their salespeople's hands.

Expanded service

VIPs also typically enjoy expanded access to service. In this sense, luxury brands were already well-positioned for the pandemic.

In the fashion industry, for example, [an article](#) pointed out that "transitioning to digital-only interactions wasn't such a leap" since most VIPs "were used to texting with their stylist" via third-party technologies such as WhatsApp.

But, as I previously wrote, the use of social media and third-party apps to communicate with luxury customers strips the interaction of specialness.

In 2019, Burberry launched a private, invite-only chat function inside its app. This not only gives VIPs direct 24/7 access to store associates, but it does so in a tightly controlled, branded environment, which enables Burberry to keep the interactions elevated.

Exclusive access

Luxury brands have historically excelled at creating physical experiences that resonate with their customers. And, in the past, luxury brands treated VIPs to exclusive access.

Members of [Farfetch's](#) private client program, for example, enjoyed exclusive seats at runway shows, curated vacations and in-person interactions with designers.

As the pandemic forced these interactions online, it gave luxury brands an opportunity to offer intimate access to a broader range of individuals.

VIP status should unlock a world of exclusive digital content from artworks to interactions with designers and beyond.

But in a world where Zoom fatigue exists, and many of us spend our entire lives in video conferences, luxury brands will have to get creative to elevate virtual interactions.

Whether through printed or handwritten invitations that add both intimacy and legitimacy to virtual events or more elaborate bridging of the physical and digital worlds, like the bespoke packages of "cheese, almonds, crostini and tomatoes, along with negroni cocktails and a bottle of wine" delivered to attendees' homes before a [Zoom cocktail hour](#) with a designer.

Discretion

Although many associate luxury with opulence, [Boston Consulting Group](#) recently pointed out that "the next decade will be one of uneasy affluence, with shoppers in many parts of the world reverting to less conspicuous forms of luxury."

Expanding their use of digital interactions will allow luxury brands to continue to offer their VIPs the personalized service, exclusive access, and emotional connections that build brand loyalty with the discretion that they will desire.





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