



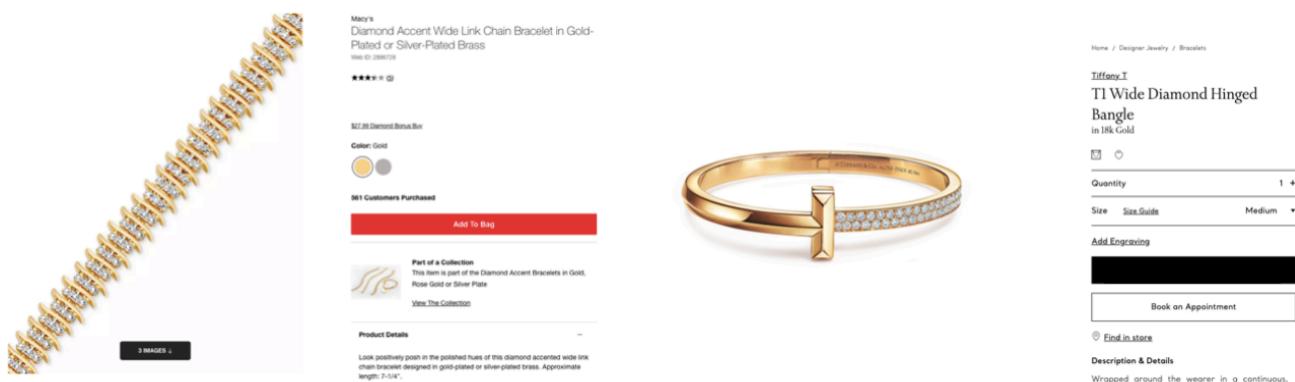
DRIVING E-COMMERCE REVENUE WITH

EXPERIENTIAL TECHNOLOGY FOR LUXURY BRANDS

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Persuading a customer to buy a branded, high-ticket item in-store is difficult enough, let alone trying to do so online. A brick-and-mortar store can create the ambiance with a magnificent store design, optimized store layout, alluring scent, well-trained salespeople, and perhaps even a little espresso and biscotti?

This is blatantly evident today, as the e-commerce stores of luxury brands are indistinguishable from ordinary brands. Their website design and imagery replicate the brand's upmarket aesthetics- however, the online shopping experience mirrors that of a traditional low-ticket e-commerce store. Case in point, one of the bracelets below is worth \$40 while the other is worth \$19,900, yet their shopping experience is practically identical.



The objective of this whitepaper is to explore how luxury brands can boost online store traffic, keep browsers engaged, better cross-sell/upsell, and exponentially increase sales- utilizing innovative, experiential solutions.

WHAT IS EXPERIENTIAL TECHNOLOGY?

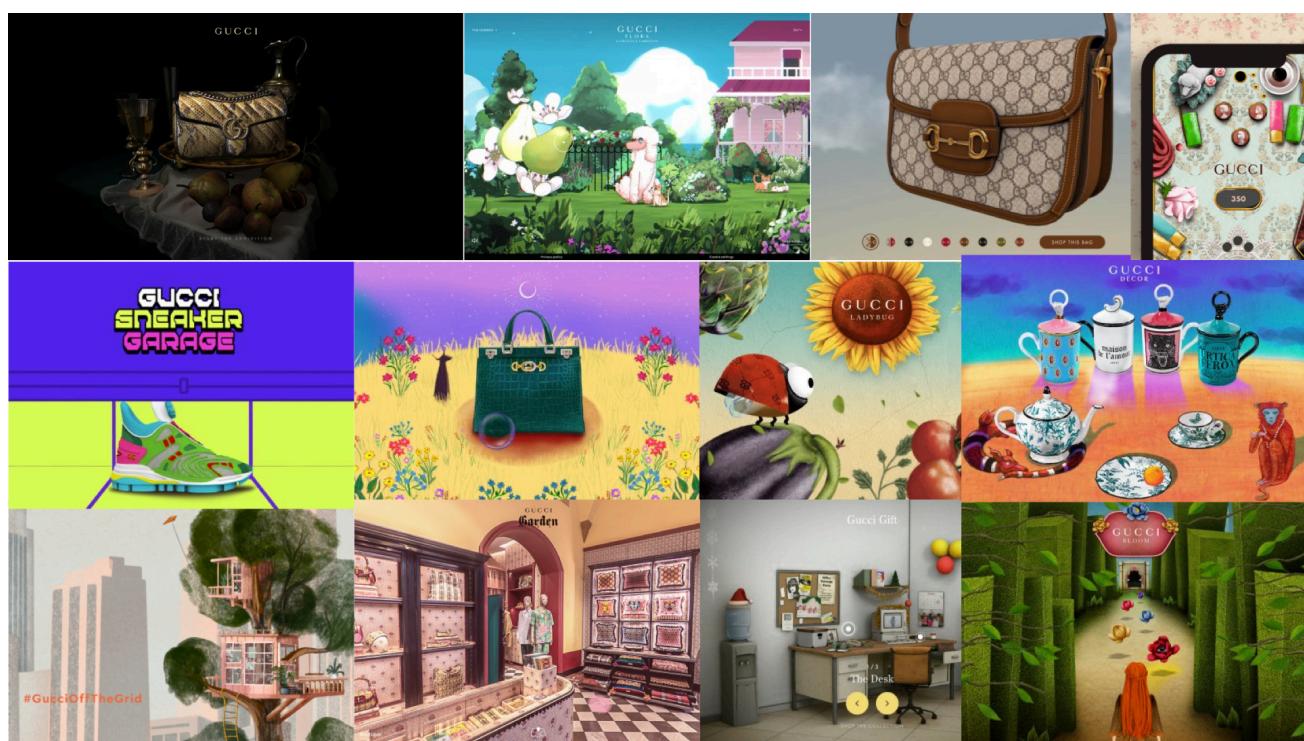
The term “Immersive technology” traditionally refers to virtual, mixed, or augmented reality. However, since these technologies are fairly new, their global usage is somewhat dismal- making it difficult to deliver significant revenue for retail brands. With that said, there are some 2D solutions with immersive properties that have the potential to drive exponential sales today.

Therefore, think of experiential solutions as the precursor to immersive technology. It's a loose term, encapsulating all solutions that provide a digital experience to better engage customers and drive online sales through landing pages, web, or native apps.

Some experiential solutions that are delivering significant results today include:

1. Immersive Landing Pages;
2. Mobile Augmented Reality (AR);
3. 3D Avatar Feature Integration;

IMMERSIVE LANDING PAGES



Most e-commerce websites tend to be a little monotonous, static, and simply flat. This is somewhat acceptable if you're selling a \$175 pair of swim shorts. However, brands that leverage their name to tag on a significant markup, need something a little more captivating.

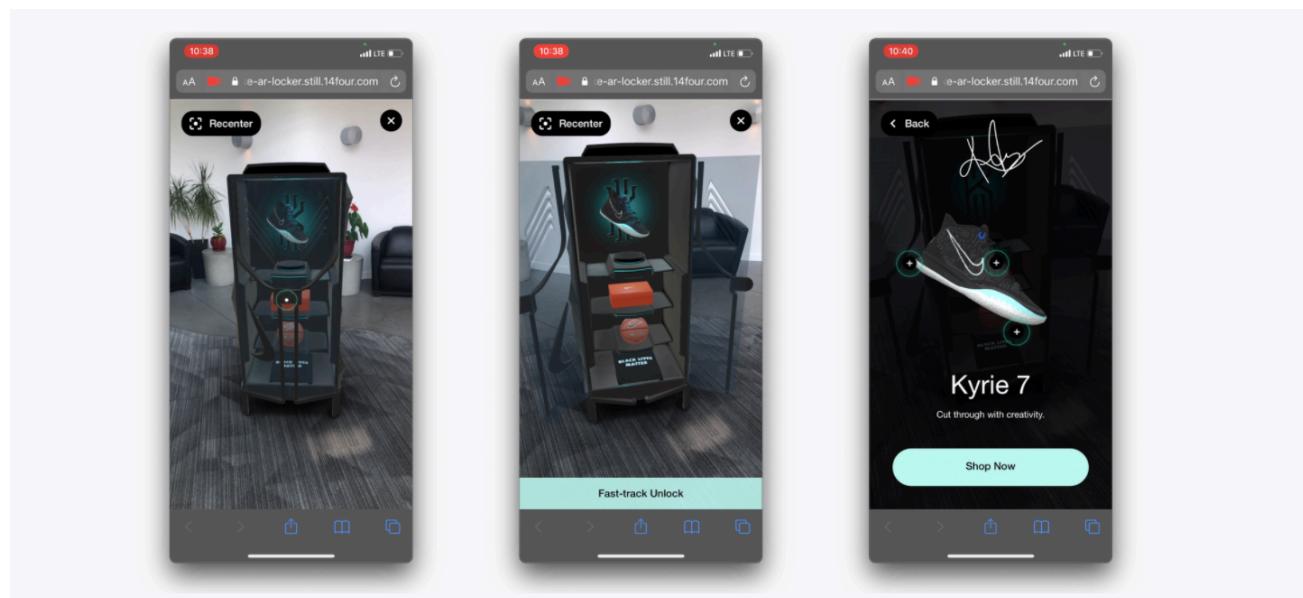
Gucci is the perfect case study, creating mesmerizing interactive landing pages for the launch of new products and campaigns. Their landing pages mimic the campaign's objective and are built with the sub-target market in mind. Some of their landing appeal to a younger audience through the use of gamification and/or hyper-casual mobile games while others to a slightly more mature audience with interactive 3D stores and gallery-type experiences. Although the ideas might differ, they all have commonalities that keep the users engaged and evoke a whimsical feeling.

As a result, Gucci has seen significant increases in average session times, shareability, add-to-cart rates, and online purchases.

Key Takeaways

- Interactive, whimsical landing pages lead to a significant increase in relevant website metrics, ultimately leading to an increase in online sales;
- Tip: create seasonal landing pages as opposed to permanent website fixtures in order to keep shoppers engaged with a fresh sense of awe while reducing the risk of a bad response and damaging SEO results (with heavy page content).

MOBILE AUGMENTED REALITY (AR)



Augmented Reality isn't anything new, enabling shoppers to virtually try on clothes, jewelry, or accessories as well as visualize furniture in their homes. With that said, selling high-ticket items requires more than simply digitally overlaying items into the world, which has already lost its novelty. If luxury brands want to drive exponential online sales with AR campaigns, they need theatics!

Nike effortlessly demonstrates how to put on a show with the launch of their [Nike Drop Vault campaign](#), allowing NBA fans to place an interactive locker in their living room with exclusive LeBron James and Kyrie Irving shoppable products in addition to some novel hidden digital items.

The results of the campaign saw a staggering two-fold outcome. [Within one day of the launch, Nike's Blazer and Kyrie7 sold out and STATUS member signup increased 6%.](#) [8th Wall].

Key Takeaways

- Mobile augmented reality is quickly losing its novelty, forcing luxury brands to develop AR experiences with more depth, that engages shoppers for longer;
- Multi-faceted AR campaigns with multiple interactive shoppable items lead to significantly higher purchase rates

3D AVATAR INTEGRATION



The Metaverse hype has come and is slowly fading out. With that said, the craze had companies frantically looking for the slightest glimpse into the future and the opportunities it will present.

One such opportunity is avatars, or in simpler terms: digital representations of ourselves in the immersive web (web 3.0). Only mass adoption of VR will bring about the avatar revolution, accompanied by: digital skins, avatar-based characters, and clothing/accessories for our digital “selves”.

With that said, realistic avatars can help luxury brands drive sales today through the use of digital visualization. One of the companies leading the way with realistic avatars is Ready Player Me, developing their avatar platform to work across multiple 2D and VR social networks, apps, games, experiences, and other virtual worlds.

Several luxury brands have already embraced avatars and the gaming world, including Belanciaga x Fortnite, Nike x Roblox and Valentino x Animal Crossing in their D2A (direct-to-avatar) campaigns.

Key Takeaways

- Although avatars are still far from mainstream, they can play a crucial role today by enabling shoppers to visualize outfits and pieces;
- Utilizing a premade avatar platform like Ready Player Me can save brands the cost of developing new platforms while leveraging a cross-platform approach for upselling and cross-selling

BONUS SOLUTION: “TANGIBLE” NFTS



2021 saw an explosive year for NFTs, especially towards the end of the year with Opensea alone surging 800% in August, in comparison to the previous month. However, unlike speculative hype for certain apes and punks, NFTs have the potential to unlock real value for luxury brands.

NFTs can act as standalone products, generating additional revenue through a new category of products, *digital goods*. Burberry was one of the first luxury brands to jump on this train with the launch of their NFT toy (Sharky B) in the Blankos Block Party game which sold out in 30 seconds and [generated a 5% increase in 2021 Q3 sales for Burberry](#).

Alternatively, if luxury brands wish to boost online sales they can tie NFTs to physical products. In doing so, customers have the potential to expand their physical and digital wardrobe concurrently, allowing them to show off their limited edition sneakers in any of the social, virtual worlds (“Metaverse”) alongside their friends IRL.

NFTs also prove ownership, which is much needed in the luxury goods market, an industry that is rife with counterfeit goods and indistinguishable knockoffs.

Key Takeaways

- NFTs don't only exist in the subjective world of art, they can boost sales by leveraging the brand's name to create a sense of digital rarity and value;
- NFTs can also form an additional revenue stream, acting as a gateway to digital items and avatar "wearables" for the "Metaverse"

WHAT LIES AHEAD

In spite of the above solutions, selling high-ticket items online still poses a serious challenge for luxury brands. However, as immersive tech develops, we'll be able to "feel" (haptic gloves/suits) the quality and weight of the products, smell the brand fragrance or leather (smell technology) and realistically try them on before committing to a purchase.

Once the Metaverse comes to fruition, we'll most likely transcend physical luxuries- as we'll express ourselves and show off our limited edition NFT pieces on our avatars (think Ready Player One). The reality of a totally virtual world will force luxury brands to jump on trends early and think out of the box in order to capitalize on Gen Z's consumerism demands. In 2035 when we work, play, and socialize in a limitless immersive realm, will people still want to purchase flashy timepieces for their avatar's "wrist"?

CONCLUSION

Consumer behavior and tech trends have shifted exponentially decade-on-decade over the last 80 years. Therefore it's no surprise that the brands that are bullish on innovation and R&D departments always seem to come out on top and capture the next generation of refined and wealthy consumers.