



Book Luxury Online

Styles, Systems, Strategies

Uché Okonkwo
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Recommendation

How do you market luxury items, which by definition are exclusive, on the internet, which by definition is accessible to the masses? This is the conundrum facing the luxury products industry, explains high-end marketing strategist Uché Okonkwo, and most deluxe brands have failed to find a solution – so far. Prada didn’t even have a website until 2007. Today, countless blogs, forums and websites are dedicated to exchanging information that once belonged exclusively to the elite. For instance, in 2009, online “fashionistas” saw Madonna’s Louis Vuitton ad campaign months before the images appeared in *Vogue*. Thousands of savvy observers congregated on the web, talked about the ads, pronounced judgment and moved on to the next big thing. Okonkwo explores how the web has revolutionized the way people perceive, view and purchase luxury goods. She explains why the industry must do a better job of responding to and participating in the digital world. Her exposition is thorough, solid and relevant, with abundant helpful pictures, though wordiness and repetition somewhat impede smooth sailing. Still, *BooksInShort* believes it is a landmark resource for the luxury sector and of interest to anyone in e-commerce.

Take-Aways

- The luxury industry’s e-business activities lag behind other sectors and need to catch up.
- Deluxe-goods marketers initially viewed the internet as a mass-market, discount communication vehicle, but now their wealthy clientele is online.
- High-end brands can no longer haughtily keep their customers at arm’s length.
- Monitor and participate in the social media to gauge how clients feel about your products.
- Your web activities should feature “transparency, independence, passion, accessibility, informality” and “interactivity.”
- Wealthy shoppers are active bloggers, so you can harness blogs to target affluent clients.
- Your web activities must incorporate and stay true to your brand image. Extend the opulence and lavishness you pour into your product to your website.
- Create an “ambience” or “webmosphere” that arouses all five senses to convey a brand’s personality and message.
- In the face of technology’s advances, the luxury industry must be true to its core essence.
- Educate younger generations about true luxury and fulfill clients’ shifting expectations.

Summary

The Challenge

The luxury industry lags far behind other segments in online business. Most deluxe-goods marketers initially viewed the internet suspiciously as a mass-market, discount communication vehicle. Though the web has been in popular use for years, luxury marketers long believed that it wasn’t worth their attention. As one luxury brand

employee retorted, “Our CEO doesn’t like the internet and he doesn’t use a computer. We don’t need the internet. The internet is not luxury.” Why would luxury goods sellers be so blatantly, stubbornly disinterested in the many opportunities that burgeoning new technologies offer? The luxury sector is a distinctive industry. It exquisitely crafts fine items for the pleasure of a few select, rich buyers. Those who sell high-end timepieces, handbags, furniture, fragrances or jewelry rely on loyal, wealthy clients who are committed to perfection and able to afford such indulgences. The web’s accessibility breaks these customary social and financial stratifications.

“Luxury has been built on the foundation of certain principles that can neither be ignored nor compromised.”

The “digital revolution” has affected every aspect of society. E-commerce has changed how people buy and sell goods. Luxury-loving clients, now online in great numbers, are not immune to such change. The advent of the social web, featuring “citizen journalist” bloggers and popular social networks, has placed tremendous commercial power in consumers’ hands. Brand marketers can no longer disseminate messages from the “top down” to retain market control. The consumer has assumed that control and replaced top-down communication with “word of mouse” as people congregate online and exchange opinions totally independently of corporate influence.

“Online luxury consumers are writing their own rules of the game and in the process driving the brands to the point of ‘freaking out’.”

Clearly, the luxury industry must develop e-business strategies and engage in them fully – including “online communications, client relationship management, consumer monitoring, internet marketing, experiential marketing, branding, retail, logistics, and the related merchandizing and after-sales support.” Yet “luxury on the internet has not come of age.” The challenges and opportunities that luxury marketing faces as it strives to catch up include:

- Developing its existing business practices to work well across various web platforms.
- Instead of treating online business as a mere add-on, creating internal e-commerce departments that participate in corporate budgeting and decision making.
- Establishing interactive advertising. Brands cannot advertise online the same way that they advertise in print or on television. The internet is a two-way channel.
- Carefully considering how to present luxury products’ traditional core “identity, personality and image” online.
- Using every facet of cyberspace communication, from websites to the social media.
- Studying targeted data about internet users based on quantitative and qualitative research to determine what to sell and what tactics to use to sell it.
- Developing and implementing social media strategies.

Feeding the Wealthy Client’s New Social Media Habit

Luxury fashion blogs – personal online journals – draw multitudes of readers who offer positive and negative comments in voluminous forums about posh brands. Yacht enthusiasts chat online with their sailing peers. Thousands of women regularly check Rose Beauty, Lancôme’s “online community” – a “top reference in online beauty portals in China” – for makeup tips. These internet users symbolize how online culture is changing. Luxury clients’ behavior has shifted to follow technology’s advancement. The wealthy are online and they enjoy the control it gives them over their transactions. They turn routinely to the web to share ideas, information, stories, product evaluations and leads to great buys. So as a marketer, you must ask how your customer has “taken the lead in online brand perceptions and relationships.” How will this “economic revolution...redefine luxury management practices?” “What are the real challenges and opportunities” in this setting for your luxury products? How will the web affect future consumers’ perceptions about upscale products? What strategies will work to sell your high-end goods?

Weaving the Social Web

The social web is a combination of interactive media where users with common interests gather in online collaborative communities to communicate and share; they also influence each other. Its platforms include “blogs, peer-to-peer networking, podcasts, online social networks, wikis, discussion platforms, messaging platforms, and various user-to-user communities and virtual worlds.” The social web gives luxury brand promoters an unparalleled vehicle for obtaining insight into the minds of their customers. Marketers who monitor the social media can read their shoppers’ reactions to their goods and to their competitors’ products. Using social networks, brand marketers can identify leaders and influencers, monitor customer preferences, gain a clearer view of their clients’ psychographics, and predict reactions and trends. The social web is a superb channel for building targeted brand awareness and communication. Its common traits include:

- **“Transparency”** – Participants know who runs their social networks, in contrast to corporate blogs such as *Gucci Space* and *Prada Handbags*.
- **“Independence”** – These sites’ leaders work on their own, not within corporations.
- **“Passion”** – People eagerly gather online to discuss their common interests.
- **“Accessibility”** – Anyone with a computer and an internet connection can join.
- **“Informality”** – Ordinary enthusiasts with no formal training bring dedication and excitement to their blogs and networks.
- **“Interactivity”** – People want to connect with others who share their interests.

Luxury Bloggers

The World Wide Web hosts more than 180 million websites and more than 184 million blogs, with more than 26 million blogs in the U.S. alone. More than 346 million people read blogs; that’s 77% of internet users. People write blogs to present their frank thoughts and opinions, while encouraging participation, debate and reader exchanges. Bloggers are often amateur journalists who have become proficient in fostering conversation and using technology. Popular luxury blogs include *Café Mode*, *Luxist* and *Le Blog Luxe*. Dedicated fans follow their favorite brands’ blogs, such as *Louis Vuitton Addict*. Blogs such as *Travel Horizons* or *A Luxury Travel Blog* cover luxury services.

“Having a web presence, whether through the brand’s own website or in the social web, is now a given.”

Luxury marketers are trying to find a profitable, consistent strategy for harnessing the power of blogs, and some have made mistakes along the way. Vichy, a French skincare company, started a blog under the guise of a character named Claire, who gushed online about the marvels of its new anti-wrinkle cream. When it came to light that Vichy’s marketing department generated the blog, readers and other bloggers were outraged, and the company suffered a public relations nightmare. Blogs, even corporate ones, are supposed to be transparent. To use a wide variety of blogs and social media effectively, luxury marketers should consider these seven

strategies:

1. Find blogs that are appropriate forums for their brands or products.
2. Look for social media outlets and blogs that match their demographic targets.
3. Get to know individual blogs by seeing how their readers communicate with them, and how the blog's authors – and other readers – participate.
4. Match your brand, or facets of its personality, to specific blogs or social media sites.
5. Reward staff members for tracking relevant blogs and for jumping into the conversation “as brand ambassadors.”
6. Place your ads on blogs that relate to your target audience, your goods or your brand.
7. Build your “online buzz through word-of-mouth and word-of-mouse.” To draw attention in the virtual world, consider giving “privileged information” to chosen bloggers.

“The social web enables consumers to shop better, look better, learn better, complain better and generally feel better.”

Luxury brands can no longer maintain a haughty distance between themselves and their clients. Instead, their marketers must develop a social media strategy with clearly defined goals, including contact with micro online societies and relevant interest groups.

The allure of luxury is the opportunity to have a special, unique experience. Just think how it feels to drive a Porsche, wear an Hermès tie or sip a 20-year-old Scotch. Every luxury brand faces the challenge of conveying or even duplicating this experience online, and, to date, most have fallen short. Luxury brand websites tend to be heavy-handed with flashy graphics, 3-D images and black backgrounds. They often sacrifice the aesthetics of their brand's core identity. Instead, luxury marketers must create an online “ambience,” or “webmosphere,” that provides a virtual environment replicating the brand's offline sensibilities.

“Creating a luxury website is like embarking on a journey in much the same way that visiting a luxury website should be a journey of pleasurable discovery.”

This online universe must appeal to all senses to reinforce a brand's message. It should feature strong visuals with zoom features and 360o views, along with music, sounds and movement that fit the brand's personality. Close-ups “enhance the tactile sensory response.” For example, La Maison Calavas, a French cosmetic company, uses tight shots to “reproduce the sense of touch on its website.” Page flipping also duplicates a hands-on experience. The “My Virtual Model” program enables “online shoppers to create personal avatars with their exact human proportions” to try on clothing. To help shoppers sense the flavor of your candy or cakes, stimulate their taste buds with imaginative visuals, warm testimonials and evocative descriptions. Fragrance brand sites also try to awaken the customer's sense of smell by using emotive language and memory recall techniques. A digital software package called “iSmell,” a USB plug-in with a cartridge holding “more than 100 primary odors” actually allows online users to sniff a product's aroma.

“The unique and long-standing relationship between luxury and avant-gardism means that luxury brands are expected...to be leaders in innovation.”

In designing a luxury brand's website, keep the seven “Cs” in mind:

1. **“Concept”** – A website's graphics and attractiveness.
2. **“Competence”** – Its ease of use.
3. **“Content”** – Genuine, intriguing, pertinent data.
4. **“Commerce”** – Access for purchasing products conveniently and easily.
5. **“Customization”** – “Personalization” of all kinds of web content.
6. **“Community”** – Participation by brand ambassadors on relevant blogs and forums.
7. **“Computing”** – “The technology, programs, systems, applications, software and other tools that make up the back office of a website.”

Online Communications

Luxury brand sellers, so far, prefer to communicate with the public through the traditional media, but these channels are no longer effective. “Today's challenge is to create intimate, two-way conversations with the customer while protecting the luxury brand's identity.” Luxury product promoters must understand that communicating online differs from placing ordinary media ads. Many luxury marketers no longer emphasize posting one-way messages like magazine ads. Today's promoters should focus on generating interactive communications that build trust and provide information that customers want. Marketers must be aware that online clients have the option of rejecting their brand message and spreading their own interpretation on the web.

“Anyone who believes that today's luxury client is the same as the one of the last decade is in for a surprise.”

The two-way concept also applies to how luxury clients make purchases. Modern online shoppers are “smart, savvy, informed and knowledgeable.” This international clientele also tends to be “demanding, culturally aware and convenience-driven.” Marketers in the luxury industry are learning that people are likely to seek opinions from their social communities before purchasing big-ticket items. These shoppers want to collaborate as they shop. When they buy luxury items online, they tend to follow these steps: gain “website access, watch [products and prices], blog and post, browse, select and purchase,” and “share.” This luxury client is still evolving. Given digital technology's rapid advances, the luxury industry must remain true to its core essence, educate younger generations about true luxury and fulfill clients' quickly changing expectations.

About the Author

Uché Okonkwo is a luxury-sector strategist who works with brands such as Louis Vuitton, Tiffany and Co., Gucci, Cartier and Burberry. She is the founder of the Luxe Corp consultancy, editor of Luxe-Mag.com and author of *Luxury Fashion Branding*.
