We work with business and technology leaders to develop customer-obsessed strategies that drive growth.
How to Win, Serve and Retain Digitally Savvy Luxury Consumers

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There is no such thing as an online, offline, or channel-specific consumer.

Disruptive brands build business models for customers living in a digitized, connected, omnichannel world.
Luxury consumers are far more digitally mature than many luxury brands.
Forrester’s Empowered Customer Segmentation

Progressive Pioneers
Savvy Seekers
Convenience Conformers
Settled Survivors
Reserved Resisters

Most empowered
Least empowered

Source: The State Of Empowered Customers And Technology Benchmark 2017 Global
### Luxury Consumers

<table>
<thead>
<tr>
<th>Region</th>
<th>Luxury Consumers</th>
<th>All Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>82%</td>
<td>72%</td>
</tr>
<tr>
<td>US</td>
<td>42%</td>
<td>25%</td>
</tr>
<tr>
<td>EU-5</td>
<td>45%</td>
<td>27%</td>
</tr>
</tbody>
</table>

### Notes
- Percentages do not total 100 because of rounding.
- The EU-5 is France, Germany, Italy, Spain, and UK.
- China is metropolitan China.

Source: Forrester Analytics Global Consumer Technographics Online Benchmark Survey (part 1), 2018
The global online luxury opportunity is growing; APAC continues to dominate

Global Online Luxury Retail Forecast 2018 to 2023 [€ Billion]

<table>
<thead>
<tr>
<th>Year</th>
<th>Spend (€ Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$35</td>
</tr>
<tr>
<td>2023</td>
<td>$78</td>
</tr>
</tbody>
</table>

Luxury goods online consumer spend distribution by region

<table>
<thead>
<tr>
<th>Region</th>
<th>2018(F)</th>
<th>2023(F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia/Asia Pacific/Oceania</td>
<td>50%</td>
<td>56%</td>
</tr>
<tr>
<td>North America</td>
<td>30%</td>
<td>25%</td>
</tr>
<tr>
<td>Europe</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>Latin America/Caribbean</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Middle East/Africa</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Forrester Analytics Luxury Retail Forecast 2018 to 2023 (Global) Note By Europe we mean UK, France, Germany, Netherlands, Spain, Italy and Sweden. See Luxury Retail 2018: What A Difference A Year Makes Forrester report
60% to 70% of global luxury sales are digitally influenced.

72% of the highest-spending luxury buyers use social media to interact with their favorite luxury brands.

Source: Forrester Data: Luxury Retail Forecast, 2017 To 2022 (US) Forrester report
Luxury brands are playing catch up to popular and profitable multi-brand pure players

Source: See Forrester Report Luxury Brands Must Chase Digitally Savvy Global Luxury Shoppers
Expanding the horizon for luxury sales and engagement experiences
Enhancing and evolving the in-store experience
Extending digital capabilities with partnerships and acquisition
It isn’t just about technology.

It is what we DO with technology that matters.
Luxury brand organisations must become channel agnostic digital cultures

Single, enterprise wide view of stock and orders
The days of online flagship stores are over

Michael Kors lets US customers buy online from select stores and collect orders within 3 hours
Digitally extend a store's ability to serve luxury customers
Luxury brand organisations must become channel agnostic digital cultures

Single, enterprise wide view of stock and orders

Unified and customer-centric organization
Performance and success metrics must promote customer centric, not channel centric behaviours
Shiseido's digital academy ensures ongoing training and investment in digital skills

Let’s be digitally fit
Luxury brand organisations must become channel agnostic digital cultures

- Single, enterprisewide view of stock and orders
- Unified and customer-centric organization
- Holistic view of the customer
45% of firms are expanding, upgrading, or making new investments in devices specifically designed to help store associates better deliver personalized, contextual experiences to customers in stores.

Base: 44-45 digital business professionals
(Percentages may not total 100 because of rounding)
Source: Forrester’s Q2 2017 Global Business Commerce Technology Investment Panel Online Survey
BUT … that only focuses on a small proportion of the customer base and one touchpoint

What have been the top challenges to maturing personalization initiatives at your organization? (Please select up to five challenges.)

- Insufficient access to customer data: 52%
- Lack contextual data for real-time targeting: 39%
- Regulation/compliance barriers: 37%

Base: 109 digital executives
Source: Q1 2018 Digital Business And Experience Panel Survey
Retail business model must evolve to operate in new ways, to support new customer outcomes.
All aspects of the business are affected, the business transformation requires strong leadership

CHECKLIST

- Culture ✔
- Organization ✔
- Technology ☐
- Metrics ☐
Build platforms and partnerships to accelerate and scale
Thank you