

Omni-Channel in the Luxury World

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“Thank you Google for delivering great guests, thought provoking questions & an enlightening afternoon at Luxury@Google.”

Ruby Victor, Digital Director, Modus Publicity”



“Very Interesting seminar on Luxury at Google, thank you!”

Bernadette Koltai, Vice President, Luxury Hotels Group.





While the traditional path to purchase for luxury goods once was straightforward – awareness to evaluation to purchase to loyalty – these days the process is far from linear. Shopping behaviours have become more complicated, with constant motion from offline to online and from one device to another. Channels have proliferated rapidly as well; while print publishing remains powerful in the world of luxury, social media, video, micro-publishing and mobile have all become vital components of every brand's marketing mix.

In understanding the luxury path to purchase, it's critical to take a customer-centric view. For brands to thrive in today's omni-channel environment they need to recognise all customer touchpoints, online, offline and in-store, then present relevant content and branded experiences at these decisioning points.

The good news is that consumers are leaving lots of digital footprints. For example, consumers today use smartphones constantly throughout the purchasing path, to locate a store, to make a purchase and even

to buy online during a shopping visit to a physical store. They opt to use click-and-collect in huge numbers (according to Drapers, 49% of UK shoppers use this service). And they rely on online videos for shopping inspiration (AOL reports that YouTube is the best social platform to introduce new products and close a sale). Use valuable digital opportunities such as these to develop insight about the activities, interests and intent of your audience.

What must brands do to create a smooth, delightful omni-channel path to purchase for their consumers? First, understand the luxury customer's new expectations and behaviour, especially around mobility. Second, use digital to engage with customers anytime, anywhere – beyond the physical point of sale. We're seeing many

leading brands borrow the best of their existing bricks-and-mortar service to enhance their online offer, as well as taking digital tools to enhance the experience in-store.

And last but not least, seize the opportunity to provide a customised experience based on previous interactions. In the luxury arena, there's a valuable opportunity to use data to recognise fans and customers online, then provide them with fantastic service that's personalised, relevant and unique.

Happy reading,

Eileen Naughton

Managing Director, Google UK and Ireland

Omni-Channel in a Luxury World: Fact or Fiction

As CEO of Forward3D, Martin McNulty guides fashion and luxury brands such as Gucci, Net-A-Porter and Ralph Lauren in creating winning campaigns in search and display marketing. Here he introduces his ideas about the three things luxury brands can do to achieve marketing success in today's complex omni-channel world.

What is omni-channel marketing? If you want to reduce it down to just three words, you might say it's 'joined up marketing.' You could even reduce it to one word - 'frictionless.'

The problem now though is that we have more channels than ever. Take a luxury fashion brand for example. In the past the team had to plan a fashion show, editorial, an ad campaign and the product.

In other words, consumers might have received marketing messages from a live event, a magazine, the store and maybe TV. Now into this mix we need to include celebrity, streams, the web, mobile, social, micro-publishing and more. If you want all these channels working together really seamlessly and being complementary, forget it - it's not going to happen.

"In omni-channel marketing, it's not about everything looking the same, it's about things working together."

The other issue is that luxury is not rational - it just isn't. When people develop products in luxury, it's not like in a new product development department where there's consumer testing and all of that. It's about love; it's about

perfection; it's about complete madness sometimes. Take the Louis Vuitton skateboard for instance - it's nuts! No one's ever going to get the data to prove that is the product that somebody wants to have. All luxury is about a vision that totally transcends data.

Luxury is fantastic at creating experiences beyond just the product and making people feel good about that. What luxury can do is reinvent that in the digital context. So there is hope. There are three things that you can start doing, two immediately and one that's a bit future facing.

First, open your eyes and recognise that the number one omni-channel resource is the shop assistant. Why are they omni-channel? They recognise you, they remember your size, know what you like, will call another store to get what you want, ring you when new product arrives and write to you to make sure you know about absolutely everything. This is a really simple

metaphor – become the ultimate digital shop assistant. Look at audience signals; there's a lot that you can do to recognise a customer using search, display and social.

Second, ignore the noise and understand what really works. There's been a lot of advancement in the field of attribution. You've got all these touchpoints that have some level of exposure in advance of a sale. You can take log file data and append every digital interaction in advance of someone getting to your site. Instead of thinking, 'I must join absolutely every channel together,' just think, 'What is the stuff that's really driving sales for me?' If you just get those things right then it's probably going to have more impact on the consumer.

The final thing you can do is harder if I'm honest. You can start making connections, joining your online and offline data. Collect data, centralise and then meld it. There are many exciting developments coming down the track in connecting online marketing to offline experiences, which I think will be the big shift for luxury.





Merging Online and Offline in Luxury

We asked industry experts to discuss the ways that online and offline are merging to transform the luxury experience. Our panel included Ron Peterson, general manager of the agency AKQA, Harvey Nichols' creative and marketing director Shadi Halliwell and make-up artist and YouTuber Lisa Eldridge, who joined the conversation via Hangout.

Ron, how can data help drive a seamless consumer experience?

When you view data as an enabler to providing better service, then I think a lot of brands – including luxury brands – are going that way. How can we use more data to understand more about you?

Because the more we understand you then the better we're able to service you.

Can digital pave the way for luxury?

It's funny how sometimes the most non-luxury brands are starting

to provide the most luxurious experiences. It feels like there could be an opportunity there. If you call a cab from Hailo or Uber and it's really simple, but then you go into another brand's experience that's really dated, the whole experience that you've received – whether luxury or not – gets compared. Our notion of luxury is shifting; it's no longer necessarily just about exclusivity. Digital is now a way to drive a more luxurious, premium experience. If Uber and Hailo can do it as brands that aren't luxury brands, then we're going to be expecting the best of the best luxury brands to be able to go above and beyond to beat those experiences.

"Digital technology is such an enabler, but a lot of brands aren't leveraging it enough."

- Ron Peterson

Shadi, how do luxury businesses need to think about providing a great customer experience?

Technology businesses are really good at presenting products that customers never actually knew they needed. The luxury business and traditional retailers at the moment are having to keep up with customers; from a technology point of view, we're behind the times. Customers are driving us to change and deliver new propositions that are more aligned with what they're already using every day. And we're finding that quite tough. Look at Harvey Nichols, which has a traditional bricks-and-mortar luxury experience; it was only a couple of years ago that we launched an online store. We're just catching up!

How are you attacking these issues?

There are two things we want to think about. First is how do we embrace the service element online and make it as luxurious as in the bricks-and-mortar

experience. That's about advising customers about what might suit them. Clothing is an extension of our personalities, a conversation before a conversation. What online has done very well is allowing you to turn your bedroom into a dressing room, transact and return things very easily. What I think online needs to do more rigorously is to say, "For your shape, figure, style and preferences, these are the things we'd suggest out of our edit."

"Data is a conversation; the more data you have on someone, the more conversation you can have."
- Shadi Halliwell

The other dilemma is bricks-and-mortar hasn't really changed. How do we bring technology in-store to make it an even more beautiful experience? Most of you will have been in a fitting room recently,

and we still have to twist around because we can't see our bums! You want to see what the back of you looks like as well as the front. There's technology out there that will allow you, through camerawork and mirrors, to see how a product looks from all angles.

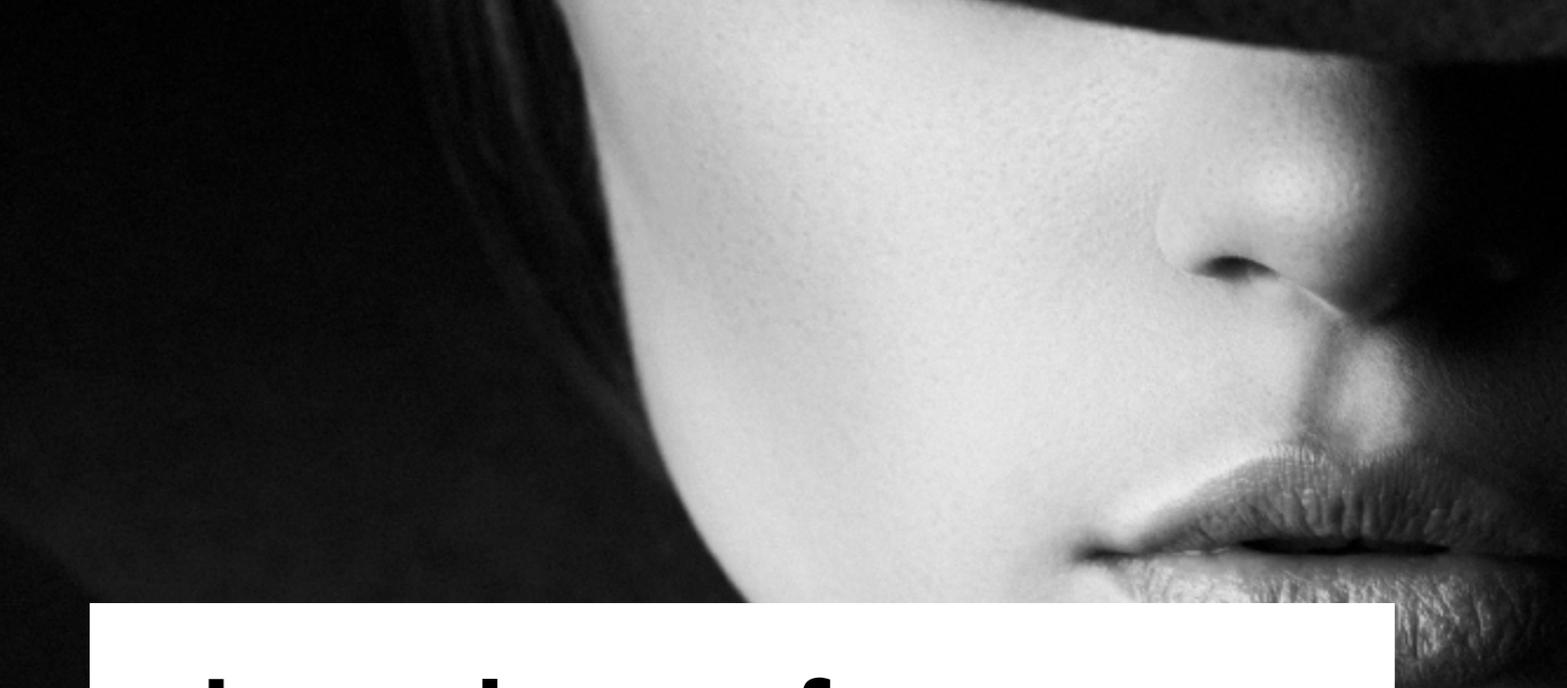
Lisa, what was your journey to YouTube, where you have over a million followers?

Just over four years ago I just had a regular website, a portfolio really. I did a TV show and suddenly started getting hundreds of thousands of hits on the site and receiving lots and lots of questions. I thought, "Well, I've got no chance of replying to all these people but maybe I could make my site more of a destination where they can get answers." Around that time YouTube was really taking off, but beauty people on there tended to be girls in their bedrooms, more consumers than experts. So I thought maybe there's room for me.

"What's been so wonderful for me is the level of engagement - it's insane!"
- Lisa Eldridge

How does the audience inform your content?

In the beginning I just made videos that I thought would be interesting, but it didn't take long for the fans to take over. They'll say in the comments, "Well this is the thing I'm struggling with." Then online I can really go into a lot of detail, which is what women want - there isn't one size to fit all. That's where online is so fantastic. Not only can I make content which is totally driven by viewers, but I can also really adapt it to suit all of them.



The Culture of Luxury

The Google Cultural Institute helps people discover exhibits, collections, museums and archives around the world and explore cultural treasures – from hidden gems to masterpieces – in extraordinary detail. Programme manager James Davis leads a tour of this unusual resource and reveals the opportunities it represents for luxury brands.

We are a non-profit digital platform for museums, cultural organisations and archives to showcase their amazing content and to make it more accessible. We use innovative technology to engage audiences. The website is a key part of this. There are three main channels – Art Project, Historic Moments and World Wonders. The idea is to

take new, innovative technology into the museum sector and use it to drive interesting engagements with audiences.

We work in 70 different countries around the world and with over 600 museums and cultural institutions, up from 17 when we began three years ago. We take Streetview

inside these organisations and incredible buildings to make fantastic spaces very accessible. We also combine Streetview with ultra-high-resolution photography, so as you move towards a painting you can zoom into it and see what is actually impossible to see when you are stood in the space – making masterpieces ultra-accessible.

“A quick scan provides a really enormous variety of cultural information, from museums to archives to archaeological sites.”

The world of archives is quite different to the world of art. While some say art might speak for itself, archive material tends to require more in the way of curation and storytelling by an expert, scholar or researcher. We developed an online exhibition format to address that challenge. These narrative forms take you on an expert

journey put together by these organisations; so we provide the tools and they tell the stories.

The work that we do with museums, cultural archives and institutions acknowledges that physical visitors are essential, but there is a whole new digital audience. They can engage with your brand, site, location, content and culture, and then have a meaningful experience. For luxury brands with heritage – or for those embedded in popular culture who will have a heritage in 10, 20 or 30 years – it may be worth thinking of using digital technology to engage with customers. And instead of thinking of them as customers, start thinking of them as audiences. They may not be directly on a journey to buy a product, but these people can support, understand and experience your brand, heritage and culture.

Luxury Brand Partnerships

In presenting case studies of recent brand partnerships, Google's Natalia Cano Marren revealed unique initiatives made possible by Google platforms. Her examples came not only from luxury brands (Burberry and Selfridges), but also from companies using innovative functionality to provide premium services (Topman) and to create great value for customers (Toyota).

For the launch of its new Corolla, Toyota devised a way to make sophisticated car shopping more social. The Toyota Collaborator is an app that uses Hangout technology to let consumers work remotely with friends to specify all the features on their dream car. Beyond the unique social aspect and real-time customisation, the

app also offers 360-degree views, input from Toyota experts and virtual test drives. On average, users spent six minutes in the app, added over 60 features and took test drives lasting two minutes. Now Toyota is launching the app for all models in its range.

Selfridges launched The Beauty Project as a way of engaging

consumers around social concepts of beauty. An in-store photo booth captured consumers' selfies, and Auto-Awesomes technology turned these into animated GIFs that were featured in the store's Oxford Street windows. A series of Hangouts included real-time tutorials and live interactive panel debates. The six-week campaign produced over 2,000 selfies, over 38,000 social media comments and over 1 million YouTube views with a view-through rate of 13%.

To bring its fashion show to life, Burberry used Info Cards (a technology similar to YouTube annotations that's still in beta) to introduce an interactive layer to videos. These videos explored different components of the fashion show, including the catwalk, the red carpet, behind-the-scenes inspiration, the music that went along with the show and beauty looks created for the collection. Meanwhile, three leading YouTube content creators generated videos around Burberry's beauty products. Burberry's videos

generated a view-through rate of over 20%, while an accompanying TrueView ad campaign produced a view-through rate of over 30%

"In marketing we're always really excited to partner with luxury brands. We think there's a lot to do in this space."

To complement its new personal shopping space in the Oxford Circus flagship store, Topman recently unveiled an online service offering personalised fashion advice by appointment powered by Google+ Hangouts. Following the personal shopping experience, products are delivered to consumers within 24 hours. So far 80% of the Hangout appointments have resulted in a purchase. As Topman puts the finishing touches on its new Fifth Avenue store in New York, the plan is to roll out this online service in the US as well.



Luxury Omni-Channel in Action

Luxury companies tend to be decades – if not centuries – old. Often the heritage is deeply entwined with a physical location. While shopping in a store will remain key, Google's director of retail Martijn Bertisen says digital offers even the most established companies new ways to connect to their consumers.

There are plenty of things we love about shops – the personal service, the ability to touch and feel products, the fun of the experience and the instant gratification. And we seem to love shopping online too; after all, it's easy, convenient and eliminates the need to queue or lug heavy bags around.

Technology can help us take the best of both worlds to create a more

seamless, friendly and pleasurable experience. For example, how would you find and navigate a physical store for the first time? You might use Google Voice Search on your smartphone to connect to Google Maps, then use Streetview inside the shop to understand the layout. Jimmy Choo's virtual showroom brings the shop to life, enabling users to click hotspots,

zoom into any product on display, get information and purchase.

Other solutions exist to help simplify the purchase experience using both online and offline means. Yearning for a Cartier watch? The smart luxury consumer can beat the crowd by shopping online at Selfridges.com and then using click-and-collect.

"The store is a phenomenal vehicle for theatre and inspiration. How do we bring some of that online? I think technology and digital experiences can really help."

Personalisation is another way that digital can enhance shopping. Examples include My Burberry perfume (which lets the buyer include initials on the bottle), L'Oreal (whose website guides

users to the correct foundation through an interactive assessment) and Chopard (where you can specify all the features of your own watch online).

Meanwhile, more and more brands are bringing technology into their shops in order to provide the kind of exceptional service their customers demand. For instance, Victoria Beckham's clientele never needs to wait at the till – all transactions are executed by assistants on the shop floor using iPads.

"If we want to remain relevant to our customers and relevant within our space, and if we want to win over our competitors, the fact is we have to innovate, we have to take risks, we have to fail, but fail fast," Martijn explains. "It's important to test and engage with new formats. I really urge you to find ways to adopt digital technologies within your company. Every brand can find a way to innovate and do something unique."

The Magazine is Dead; Long Live the Magazine

What happened when we asked experts in fashion publishing whether digital spells the end of print? Imran Amed (founder and editor of The Business of Fashion), Caroline Issa (CEO and fashion director of Tank Magazine) and Malcolm Attwells (programmatic sales director at Condé Nast) agreed that print's not dead – but it is changing.

Caroline, could you talk about how TANK has adapted to changes brought about by digital?

When I joined TANK, coffee table magazines were very much in the perspective. About five years

ago after launching an online-only magazine, we really asked ourselves the question, “How do we future-proof print? How can we ensure print will continue to be a force to be reckoned with?” About three years ago we launched

a visual recognition app called Fashion Scan, which allows you to scan a page and all of a sudden have digital content. In the last three years we've really been working on all of our print magazines to very seamlessly integrate the print and digital world.

What's been the outcome of that work?

The most interesting insight is that mobile for us has made print incredibly engaging and adds value to it. Actually, we believe mobile is the saviour of print, because you can deliver an incredible experience digitally on mobile and tablet that complements the print content. For example, brands obviously are all investing in video, so this is a channel where branded or editorially led video content can exist. And because we can actually track when people are interacting with the print magazine through the app, we found that up to six weeks later people are still interacting with the print magazine. Mobile all of a sudden makes print incredibly

useful and very, very effective.

Imran, how has digital transformed publishing from your perspective?

Caroline's journey has been the reverse of my own journey. We started as a digital publication – a blog effectively – and as we expanded our content, we started thinking about different ways that we could interact with readers. We're operating in an omni-media world, which means that print is by no means dead. Print is just another platform, so we take our content and we adapt it into specific assets and channels.

“From an editorial perspective, we're able to layer storytelling. We're curating and providing a very specific point of view, which I think will continue to be incredibly important.”

- Caroline Issa

That begs the question, “Why would a publication that’s digitally native ever consider doing print?” About 18 months ago we were thinking about how to capture the interest and attention of this global community that comes to us every day. It dawned upon us that our industry still really loves print. There’s something really resonant about print and a role that it can play in this omni-media age that we live in.

“It’s important that we can track engagement; it drives decisions about what we can do digitally.”

- Malcolm Attwells

What was the reaction when you initially launched the print publication?

It was such a hit with our community. It really showed us that we need to understand that there are different moments for things. We need to

create content and deliver it on multiple platforms. That also works commercially, by the way. Sponsors and advertisers like the fact that we sit across digital, print, video and social media.

Malcolm, all of these different moments on different platforms generate tons of audience signals. How is the use of data changing the landscape?

If you look at a brand like Vogue, you have a readership by sales of 200,000 on a monthly basis. You have 2 million unique users on the website. You’ve still got the loyal Vogue fashionista who buys the magazine, and there are loyal users that engage with the brand digitally. We’ve built all of our sites to be responsive so whether you’re looking at them on desktop, on tablet or on mobile it’s the same, just in different formats.

In the digital space we can see what is driving spikes in readership. We can see what stories or types of content users are engaging with. From that we can determine moving

forward how to keep users on the site and how we can push users from the website back to the magazine to create a full 360-degree environment for the user within a particular brand and across all of our brands.

“We use print as a vehicle for building interest and attention, and as a way of taking really high quality content and putting it into something people can hold.”

- Imran Amed

What platforms are key in enabling this 360-degree view?

Over the past two or three years mobile activity has tripled and quadrupled. With our sites, half of all activity now is on a mobile device. Video is very important from a user experience, but also from a luxury advertiser experience. It’s about how you give that type of content the best platform in these spaces.



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