

Omnichannel in the Luxury Space: Skilled Talent Is Key



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Introduction

Imagine buying a luxury handbag on an online retail portal. You select your merchandise, hit checkout and pay from your digital shopping cart, and a few days later you receive your purchases. Convenient? Sure. But you can get the same buying experience purchasing a box of sandwich bags or a new toothbrush. In the world of online mass retailer shopping, there's nothing about the buying experience that separates one product as being more exclusive than another. And while that might be just fine for everyday products, when it comes to luxury goods, the buyer experience is a big part of the "draw."

When buyers are considering a luxury product, they want an experience that reflects the brand - an experience which, in essence, provides them with the same exclusive feeling and benefits they derive from the product itself. They want this experience no matter where they encounter your brand - on your website, at a brick-and-mortar store, and even on the social media they visit. For a company who wants to retain its current audience and attract new customers, the order is a tall one - but with the right staff, it's one your brand can definitely achieve.



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“Omnichannel”: What it means for luxury brands

The prefix “omni” means “all things”, and when it comes to attracting - and retaining - a strong consumer audience in today’s highly competitive marketplace, “omnichannel” succinctly sums up the need for providing consumers with the highest-quality experience, regardless of platform. To stay competitive, brands must have robust and evolving presences on mobile platforms and social networks, in addition to traditional websites.

For luxury brands, the need is especially critical; after all, consumers who buy luxury brand goods and services are accustomed to a higher level of personal service. Brands that fail to offer a customized, luxe experience can find themselves quickly falling out of favor with even their most ardent customers.

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Delivering a high-quality and consistent customer experience across multiple channels is no easy task; it requires a well-developed skill set and a deep understanding of the evolving needs of a very specialized market. Building a successful omnichannel marketing strategy begins with branding expertise that focuses on two primary goals:

- 1. Establishing the company’s brand and its message, and**
- 2. Providing a customer experience that aligns with its brand message**

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Specifically, luxury brand clients demand - and expect - their online experiences to mirror the experiences they find in a high-end brick-and-mortar retailer, with the same level of personalization and attention to detail that speaks to their unique needs and expectations. The omnichannel experience - that is, deriving the same, high-end service and attention, no matter where a consumer shops - plays an essential role in ensuring brand growth and loyalty among current and prospective customers. The unique and continually evolving demands of high-end branding requires strong marketing, brand, digital, and eCommerce leaders who can deliver on those goals.

Delivering an online luxury brand

There's no doubt that brick-and-mortar shops have a unique advantage over online shops: A physical store location has the benefit of presence, which means it's much easier to create environments that immerse the shopper in the brand experience. Lighting, decor, music - even scents - all combine to create a uniquely luxury experience which is difficult to replicate in an online channel.

The goal of omnichannel marketing is to build

the bridge between the brand message and the consumer experience. Your teams must deliver the framework, the guidelines, and the actions needed in your digital, ecommerce and technology ecosystems, including an adaptive and responsive web presence.

In short, the challenge is to build a customer experience that makes navigating your offering simple, regardless of the technology or the channel your customers use.

Embracing the change

Retail stores are under growing performance pressure around the globe. In the U.S., more than 8,000 retail storefronts were expected to close in 2017. Macy's alone announced its plans to shutter about 70 stores, including prime urban locations and mall anchor stores that once served as the chain's primary channel. The trend is expected to continue in other countries. Average retail lease costs continue to climb while consumer traffic is flattening or even declining in many locations, yet consumer expectations regarding their shopping experience continue to mount.

At the same time, pressure within the online retail space is increasing. Market leader Amazon

aggressively strives for market share gains and traffic, which is forcing brands and retailers to take more action in growing their online presence to retain their customer bases.

There's no doubt shopping online is more convenient, especially as consumers' day-to-day work, personal and family responsibilities mount and the pressure to find more hours in any given day takes its toll. The shift toward online shopping is a reality for customers of all income levels; in fact, a recent survey from comScore found more than half of all consumers shop online on a regular basis, and those who shop online demand the same - or better - service than when they shop in stores.

“Technology continues to drive change in the retail industry, but the physical store is still very important. Pure play online retailers are expanding with physical stores and multichannel retailers are using their local storefronts as e-commerce fulfillment centers,” the comScore report notes. “Online shoppers are indicating they want technology that enables rewarding, personalized experiences both online and in store.”

As with just about any new technology, building a top-quality leadership team to implement and grow your brand’s online strategy is critical. You need the experience and stability of a seasoned veteran, coupled with the innovative foresight and technological intuition most commonly associated with more recent (and greener) graduates.

To be effective, your team must incorporate and embrace not only new technology and new consumer tastes and trends, but also a new idea of leadership and cultural identity. At the same time, team members strive toward supporting greater transparency for investors and other stakeholders to achieve the buy-in that’s necessary for continued brand growth in the luxury market verticals.

Building your team

Without a detailed hiring strategy in place, building an effective team can be challenging at best. Fail to bring on talent with just the right mix of experience, achievement, drive and tech savvy, and a brand's best efforts may be thwarted early on. Early in the process, the HR team and key personnel in other departments need to identify gaps within the company and establish the ideal skill sets for new talent with an eye toward future evolution in both the brand message and the ways in which that message is delivered to customers.

In general, companies must analyze what kind of talent better fits their culture and their situation. Pure omnichannel experts with a proven track record are in demand. There is a global war for top talent. Therefore, companies must consider alternatives and weigh all their options to create a team that's "custom built" for their needs and goals. For most companies, candidates fall into one of two broad categories: IT professionals who have the skills and expertise to build and support a robust online presence, and veteran retail gurus who know and understand both the brand and the customer from the "inside out."

Broadly speaking, digital natives have sound web-building and online know-how and are technology driven. They tend to be quick learners with an innate ability to adapt to new

and changing situations, and they're innovative in digital solutions with a strong knowledge of the online customer experience. Typically, these digital native candidates are best suited for commerce sites without physical brick-and-mortar establishments - sites like Amazon or Alibaba.

On the other hand, dedicated luxury retail veterans may be too entrenched in brick-and-mortar business models, with very little true understanding of the online experience - its differences as well as its potential and its advantages over the physical store. These limitations can prove a significant drawback in establishing an omnichannel approach for any brand, but especially a luxury brand, where customer experience is key.

The integration of these two disparate skill sets is challenging, and finding candidates who successfully embody both the digital and brick-and-mortar spaces is like finding the proverbial needle in a haystack. For some companies, senior management may provide a good solution, offering strong offline business experience as well as well-developed interpersonal skills and management expertise that can be very useful in aligning both the IT and retail camps in one shared mission.

Omnichannel transformation: key takeaways

In addition to building strong IT and marketing teams - and encouraging ongoing interaction among members of both teams - it's also critically important to establish the right culture in order for your omnichannel branding efforts to flourish, especially as the marketplace evolves over time. To achieve these goals, you need to implement best practices and aim for specific goals:

- First, for any fundamental change including implementation of an omnichannel marketing strategy, C-level executive support and buy-in must be achieved as early as possible. Without the support (and understanding) of top executives, both marketing and IT teams may find their best efforts stifled even before any meaningful and measurable chance can be effected.
- Second, make sure roles are well defined. Identifying and defining clear roles as well as a clear chain of command among departments, including IT, operations, marketing and CRM, is critical for driving change, ownership and accountability.
- Establish a roadmap. Creating a company roadmap is an important tool for clearly communicating the brand's direction

and goals, and it can also help in measuring and communicating your KPIs and setting future goals as well.

- Be aware of differences. Different regions and channels may have different appetites/readiness for change. Resisting the urge to adapt or delay not only risks successful execution, but can create a divergent and uncooperative attitude that can hamper change and hobble your success.
- Measure your progress. Creating a business case on improvements is important for measuring and demonstrating ROI to stakeholders at every level.

Despite the widespread and growing popularity of online shopping among luxury brand adherents, establishing an effective omnichannel presence remains a major challenge for even seasoned brands. With an established network of top talent from around the globe, Stanton Chase is uniquely positioned to help luxury brands build IT and marketing teams that can help them capture new audiences and retain loyal ambassadors. Partner with us to develop the ideal profiles for your own candidates based on your company's culture, commitment, heritage and legacy.

About the Author



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Lucas is Managing Partner at Stanton Chase International (Schweiz) AG, which he founded in 2006. Lucas leads the Global Sector Alternative Investment and Private Equity Specialization and is a Member of Consumer Products and Services, with a specialization in luxury products. In addition to this, he headed the global Technology practice group prior to leading the Supply Chain, Logistics and Transportation practice group until the end of 2012.

Lucas started his career in executive search in 1990 with the founding partners of Heidrick & Struggles International Schweiz. In 1992, he became general manager of Inplace, a subsidiary focusing on the technologies and IT sectors which he had acquired from the senior partners and subsequently developed. In 2000, Inplace also began supporting highly scalable start-ups with consulting and fundraising under the name Venturix a Private Equity / Venture Capital firm. Since 2002, Lucas has again focused exclusively on executive search.

Lucas completed a technical training and a higher education in business management in Zurich. He speaks fluent German and English, and reasonable Italian.

Lucas lives in Zollikon, Zurich. He is a board member of a service provider and is very passionate about intercultural management competence. He was formerly an ice hockey goalkeeper and continues to be enthusiastic about this sport.

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