



The digital opportunity for luxury retail

Six trends that define a digital-first luxury brand

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The digital opportunity for luxury retail

The luxury goods market continues to shine. The overall luxury market grew by 5 percent at constant exchange rates in 2018 to an estimated €1.2 trillion globally, with overall positive performance across all segments.¹ This trend is likely to continue—led by the continued rise of online channels, flourishing luxury demand from Chinese consumers, and increasing influence from younger generations of consumers.

At the same time, varying economic trends, new technology, and evolving consumer preferences are continuously changing the competitive landscape presenting newer opportunities and challenges. The digital revolution continues to disrupt “business as usual” in retail in general and luxury in particular.

Today, more than 80% of luxury sales are influenced by digital, whether consumers are looking online and buying in a physical store or directly online.² Word of mouth continues to be the first lever of influence for the luxury consumer and today occurs for two-thirds through digital platforms, and more than 70% of consumers connect to their favorite brands through social platforms.

This digital revolution not only allows luxury companies to amplify their vision and message but also builds intimate and personal consumer relationships. Today, the relationship with the brand must be increasingly transformed from a simple “transaction” to an appointment—a love affair that takes place in a fluid way between physical and digital channels.

Now that mainstream consumer brands across industries are also offering connected experiences, luxury brands need to elevate their digital experiences to greater levels matching their exclusive allure.

Iconic luxury houses have long set the fashion trends for every season; now Digital presents the opportunity to redefine Luxury in the new age.



Today more than 80% of luxury purchases are influenced by digital²



Sources

1. Bain—17th edition annual luxury study [Link](#)

2. McKinsey report—Luxury: The age of Digital Darwinism, January 2018 [Link](#)

Here are six ways digitalization can enable luxury brands to continue to grow and build deeper connections with customers



Launch data-driven marketing campaigns



Deliver personalized experiences



Secure brand promise



Evolve the business model



Weave magical stories



Address the new growth wave:
Chinese luxury market

The rest of this eBook dives deeper into these six goals and the digital advancements that will enable luxury brands to realize them.

NOTE: "Luxury goods" in this report focuses on luxury for personal use and is the aggregation of designer clothing and footwear (ready-to-wear), luxury bags and accessories (including eyewear), and luxury jewelry, watches, and premium cosmetics and fragrances.



Launch data-driven marketing campaigns

“Half the money I spend on advertising is wasted; the problem is I don’t know which half.”
–John Wanamaker, Pioneer of advertising

Research suggests, luxury brands lose half of their top customers every year. To combat these losses, it is imperative that luxury brands have the best possible understanding of their customers. Unfortunately, many luxury brands may not have a complete understanding of their customers:

“Luxury brands mistakenly believe their customers are typically female and, on average, 45-years old with

a net-worth over 1 million USD. However, 57.5% of luxury spenders are, in fact, male. They are likely to be of Asian and Middle Eastern descent with a net worth over 500,000 USD. Additionally, nearly 13.8% of shoppers with a net worth over 1 million USD invest mostly in modern, contemporary décor and gifts as opposed to high-ticket apparel items. ”



Understanding customer needs and behaviors is critical to delivering effective marketing. Brands need to take a data-driven, customer-first approach that ensures the right content is delivered to the right customers, at the right time, on the right channel to support their buying journey.



Luxury brands misidentify their typical customer as female, 45-years old with a net-worth over 1 million USD. However, 57.5% of luxury spenders are, in fact, male , Asian or middle eastern with a 500L USD net worth..¹

Source: 1. Epsilon Research: [Link](#)

So, how can brands leverage digital to transform their data into insights?

Develop an enriched consumer view

Using advanced digital tools to unify customer data from multiple sources enables luxury brands to develop a single, enriched view of each customer that's actionable. For example, machine learning-based predictive analytics can be applied to brand data to generate next best action recommendations and deepen the brand's understanding of customer buying propensity and preferences.

Create tailored campaigns

Another advantage of leveraging data to enrich customer views is being able to further tailor marketing content and increase audience outreach by identifying look-alike customer profiles. Applying algorithms to data helps brands define microsegments and identify newly emerging consumer patterns and intents. These more accurate views of target audiences, built on data-driven decisions, help companies move beyond tentative experimentations to an always-on campaign model that increases brand loyalty and improves acquire, convert, and retain (ACR) metrics.



Deliver personalized engagement

A completely informed view of the customer empowers luxury brands to enact campaigns on hyper-personalized, hyper-localized channels and adjust them dynamically as customer preferences change—a critical capability as individual customer tastes and loyalties are continuously shifting. Applying a personalized engagement strategy, especially across social and online channels, enables brands to identify important lifetime events of potential luxury customers and generate relevant, timely offers. These informed engagements increase customer lifetime value and maximize return on advertising spend (ROAS), contributing to overall marketing efficiency.



NEXT STEP:

Identify and address the gaps in consumer data

Luxury brands can begin with assessing where in the maturity curve they presently lie when it comes to collecting and using data to know their customers better. Based on this gap analysis, a roadmap can be drawn out to identify and then prioritize data initiatives to progress further.

Deliver personalized experiences



“The traditional, linear customer journey has been blown to bits: today the average luxury shopper engages with brands via multiple touch points—up to 15 in the case of Chinese luxury consumers—along a fragmented, highly personalized journey ”

Luxury brands and retailers have long taken pride in turning in-store shopping for high-ticket items into an immersive experience. When customers step into a luxury store, they are in for a treat; stunning lighting, beautiful decor, immaculate displays, and, most importantly, attentive, personalized customer service. In fact, luxury retail is characterized just as much by top-quality, personalized customer experiences as it is by exclusive luxury merchandise.

To preserve their reputation for providing top-notch customer

experiences, luxury brands must recognize the ways digitalization is shaping the behavior and expectations of consumers. The lines between digital and physical are beginning to blur, and consumers now expect: an in-store experience that stands up to their online experiences; the convenience of personalized ecommerce; and a seamless experience—regardless of the platform or channel they’re using to engage.

Social platforms have become the new store window. As such, brands should expect

digitalization to heavily influence in re-inventing the role of the store and the customer experience. Driven by digital technologies, the online shopping experience generates near continuous excitement for consumers. These experiences are shaping the expectations of consumers, who now expect their in-store experiences to match the quality of their most recent exciting online experience.

As the in-store experience transforms through digitalization, the case for continued online personalization and experience will continue to grow as well. Consumers are increasingly demanding the convenience of e-commerce to access luxury when and where they want. Not only must luxury retailers keep up with these

demands—they must also ensure the premium in-store experiences and personalized services in which they pride themselves extend to these venues.

Regardless of the channel or platform they’re using to engage, consumers expect a seamless shopping experience. Ensuring a consistent, seamless shopping experience for customers—whether they are online or in-store—reduces friction in their buying journeys. This capability is especially important in the case of purchasing decisions that take more time and consideration such as an engagement ring, a Swiss-made watch, or a designer handbag.

Source:1. McKinsey—Luxury: The age of Digital Darwinism [Link](#)

Luxury brands can ensure a consistent brand experience online and in store by:

Leveraging assisted personalized shopping

Assisted personalized shopping leverages data that is constantly being gathered on customer trends, buying habits, and inventory patterns to tailor the shopping experience for customers. This provides sales associates with basic information from customers' profiles, their past purchases, and products they have browsed online—all information that makes it easier to make a sale. Machine learning and artificial intelligence-based algorithms surface recommendations that guide sales associates to propose products with the highest purchase, cross-sell, and upsell probability.

Infusing intelligence into store displays and inventory processes

Using technologies like AI and big data, macro and micro variables can be analyzed and correlated to achieve a more accurate demand forecasting process and reduce unhealthy inventory and stockouts. Since luxury retailers tend to keep smaller inventories in stock than mainstream outlets, these capabilities are critical in ensuring the right products are in-store when customers are ready to make a purchase. They also maximize the impact of store associates and operations teams by helping them decide which items to center in their displays and sales efforts.



Using AI technology to evaluate customer interactions

Leveraging visual AI capabilities enables brands to record and analyze customer interactions, giving them additional tools to improve customer experiences and generate more sales. These capabilities can help brands understand how customer sentiment and salespersons' reactions impact buying propensity. They are also useful for informing employee training and coaching opportunities. All data collected during these processes is rendered anonymous or collected without attribution (pseudonymously) to respect privacy and be compliant of all data privacy regulations. Microsoft is one of the only companies embracing this form of privacy.²



NEXT STEP:

Take an intelligent approach to driving personalization at scale

It is important that luxury brands begin reexamining the rich consumer data they already possess and consider how applying digital technologies like artificial intelligence enables them to drive personalization at scale. By doing so, they will accelerate the process of developing deeper, more impactful connections with consumers.

Source:

2. Microsoft AI Principles [Link](#)

Other source:

3. Think Tank: The Luxury of Personalization [Link](#)

Secure brand promise

“The negative impacts of counterfeiting and piracy are projected to drain 4.2 trillion USD from the global economy and put 5.4 million legitimate jobs at risk by 2022. ”

Modern consumers are more conscious of where their luxury goods come from, and many are willing to pay a premium for a product that’s backed by an ethical, authentic narrative . For example, a blood diamond mined in a conflict zone has far less value than one that has been mined ethically. When it comes to securing brand promise, there are two things brands must consider: provenance and pedigree. It is becoming a mandatory business practice for luxury brands to prove that their sourcing practices are sustainable and that their items have not been cheaply copied on the black market.

Consumers are increasingly cognizant that opaque supply chains are devastating environments and

compromising the wellbeing of people, animals, and communities. As a result, the luxury goods industry’s sourcing practices are being brought into question. Consumers expect greater clarity around the provenance of products and ethical assurances from the brands they favor.

Another problem plaguing brands’ abilities to ensure brand promise is that of counterfeiting. The rapid rise of e-commerce over the past decade has led to record rates of counterfeiting and piracy. In 2017, the global market in counterfeit goods was said to be valued at over 460 billion USD³. And, in the European Union alone, the clothing, footwear, and accessories industry loses around 26.3 billion Euros (about 27.7 billion USD) of revenue annually due to

counterfeit goods. That’s equivalent to nearly 10 percent of total sales.

While luxury brands tend to value their products based off scarcity and quality, knockoffs are produced in mass quantity and made with the lowest quality materials. When consumers unknowingly purchase these counterfeit goods at full retail price, especially in second-hand or online marketplaces, they are likely to be dissatisfied with the quality, which is damaging to brand reputation.

Although ensuring the provenance and pedigree of luxury products is certainly a challenge, advancements in blockchain technology are making it easier for brands to develop permanent solutions.



In the EU alone, the clothing, footwear, and accessories industry loses around 26.3 billion Euros (about 27.7 billion USD) revenue annually due to counterfeiting

Sources:

1. Estimating the Global Economic and Social Impacts of Counterfeiting and Piracy-World Trademark Review,“ May 18, 2017. [Link](#)
2. According to the 2015 Nielsen Global Corporate Sustainability Report, approximately 66% of respondents indicated that they were willing to pay more for sustainable goods. Specifically, millennials. [Link](#)
3. Global trade in fake goods worth nearly half a trillion dollars a year-OECD & EUIPO [Link](#)
4. EU-IP Office Data-[Link](#)

Other Sources:

5. Blockchain: cracking the provenance challenge for luxury goods [Link](#)
6. Medium Report—4 Crucial Impacts Blockchain will have on the Luxury Industry [Link](#)
7. Forbes Research—Appraising The Luxury Goods Market With Blockchain Technology [Link](#)





Blockchain-based digital ledgers give brands the ability to:

Improve the traceability of supply sourcing

Blockchain technology enables brands to construct a platform of trust and traceability that will greatly benefit the industry and community in the long term. Having the ability to trace products from the material supplier, to the manufacturer, and finally, to the customer, helps brands increase transparency in their business practices and prove that their materials have been sourced ethically.

Monitor the product lifecycle

Eventually, every luxury good will be authenticated with blockchain. This technology gives brands the ability to monitor the entire lifecycle of a product with a decentralized, tamper-proof digital ledger while maintaining the privacy and security of the owner. Brands that implement blockchain technology will achieve a level of transparency that will make it virtually impossible for bad actors to pass counterfeit products off as legitimate.

Strengthen the brand-owner connection

Luxury brands go to great lengths to project their product narratives to consumers. Blockchain-based digital ledgers are a new communication channel for luxury brands to project those narratives to owners. Giving customers an easily accessible way to learn about the hand-assembled and specially-designed parts of the product they are interested in is yet another way to make the exquisiteness of the product evident.



NEXT STEP

Prove provenance and pedigree with supply chain transparency

Ensuring sustainability and social responsibility is—and will continue to be—of growing importance for luxury brands. Brands must therefore recognize supply chain traceability as a must-have and prioritize it as a business initiative. By improving their ability to protect assets and prove their authenticity, brands will be able to maintain their allure of being exclusive and difficult to imitate.

Evolve the business model

Digitalization has led to significant change in business models across many industries. For example, iTunes and Spotify redefined the music industry by creating subscription services to replace buying individual songs or albums. This trend is extending to luxury retail as well.

Savvy start-ups have already begun to capitalize on the sociobusiness dynamic of consumers valuing access over ownership and, meeting these demands via services and subscriptions¹. While such business models may have seemed odd just a few years ago, they are flourishing today. Rental companies like Rent the Runway and Girl Meets Dress have become successful by providing platforms for users to rent high-end clothes and accessories for a period of time, giving consumers on a budget the opportunity to wear luxury fashion.

This expansion of access to high-end products means they are no longer purely the domain of the very wealthy. However, even the well-heeled aspire to greater luxury, and shrewd entrepreneurs are curating experiences to meet those demands. Luxury subscription services are gaining traction for many reasons, including the fact that they make excellent gifts and provide convenient experiences for the busy luxury shopper .

The Hermes Tie Society is one example of these services. Curated by the French fashion house, the membership enables shoppers to have an Hermes tie delivered to their door every month, every two months, or every quarter for a monthly fee.

Another subscription service catering to high-end jewelry lovers,

Opulent Box, offers a curated collection of jewelry from designers like Tiffany & Co. and Van Cleef & Arpels in a subscription box. After taking a style assessment, members receive a box of luxury pieces quarterly along with a few additional pieces chosen by an Opulent Box concierge.

What makes the subscription business model so compelling to consumers at any income level? Convenience, curation, personalization—and the promise of exploring a new experience. On the flip side, brands reap the benefits of predictable revenue coupled with customer insights that drive refinements in pricing, packaging, and product offerings.

As the luxury-as-a-service model gains acceptance and attracts more consumers, brands might consider adapting to a “luxury as a service” business model.



What makes this business model so compelling to consumers at any income level? Convenience, curation, personalization—and the promise of exploring a new experience

Sources:

1. CB Insights report 2018—The Future of Luxury [Link](#)
2. Luxury portfolio International—Luxury subscription services [Link](#)

Other Sources:

3. Retail dive—Making a case for the subscription model in luxury [Link](#)
4. LS Retail—6 technology trends reshaping the luxury fashion industry. [Link](#)



Providing luxury as a service has the potential to benefit brands by:

Enhancing consumer behavior analytics

Launching a subscription service enables brands to gain access to additional customer data that can be used to further customize experiences and improve brand loyalty. Having access to consumer subscription data and behavior enables luxury brands adapt to trends more quickly than they would be able to achieve by relying solely on in-store employees for feedback. It also has the potential to help them become more efficient, enable innovation, and transform their business strategy.

Centralizing management of complex supply chains

Introducing a servitization-based revenue stream provides luxury retailers an additional avenue for gaining end-to-end visibility of their inventory across channels. Brands not only need to track inventory from manufacturing facilities to warehouses and stores but must also monitor individual shipments to their customers. Brands that manage this complexity with centralized inventory management systems gain the visibility they need to maintain the trust and loyalty of their customers.

Centralized systems also enable retailers to provide omnichannel services such as click-and-collect, buy online and pick up in-store, order in-store and deliver to home, return online orders in-store, and perform cross-channel inventory checks. All these services are now expected by end customers, making them important to provide.

NEXT STEP Capitalize on the renting economy

Luxury Brands stand to benefit from this growing servitization trend, especially among younger generations who are more acclimated to rent economy. Brands that act now will be ahead of the curve in their abilities to collect and draw on product usage and consumer behavior data to further innovate their offerings and product design.



Weave magical stories

“The main growth engine of the luxury market is a generational shift, with 85% of luxury growth in 2017 fueled by Generations Y and Z”—Luxury Goods Worldwide Market Study Fall–Winter 2017, Bain & Company, Inc.

Behaviors across luxury consumer demographics are being influenced by digitalization. But, the bulk of current growth in luxury sales is being driven by millennials and Generation Z. These younger shoppers have different expectations and seek personalized shopping experiences that are seamless across both online and offline platforms. This shift is contributing to the demand for experiential technologies such as virtual reality (VR) and augmented reality (AR) as part of the shopping experience. Implementing these technologies strengthens the ability of luxury brands to reach a wider audience, deliver more personalized experiences, and build stronger customer relationships.

The difference between these types of “extended realities” is the experience they offer the consumer. VR creates a whole new world for consumers to explore via headsets, which enables luxury brands to show a side that has never been seen before. For example, luxury watchmaker IWC Schaffhausen created a VR experience that takes viewers on a motorbike ride to the Mojave Desert in California (with actor Bradley Cooper, no less).

AR, on the other hand, enhances reality with further details and gives shoppers the chance to familiarize themselves with a brand’s new product or services. It is closer to the real world, and simply adds graphics,



sounds, and smells to the natural world as it exists to enhance the world around the consumer.

For consumers who are short on time but not on cash, AR offers the opportunity to try on luxury items wherever and whenever they like without worrying about the brand’s retail locations or operating hours. By enhancing the online shopping experience, AR plays an important role in increasing desire and facilitating choice; perhaps to such a degree that it prompts the consumer to visit the store in-person and make a purchase.

Sources:

1. Luxury Goods Worldwide Market Study Fall , Winter 2017, Bain & Company, Inc. [Link](#)

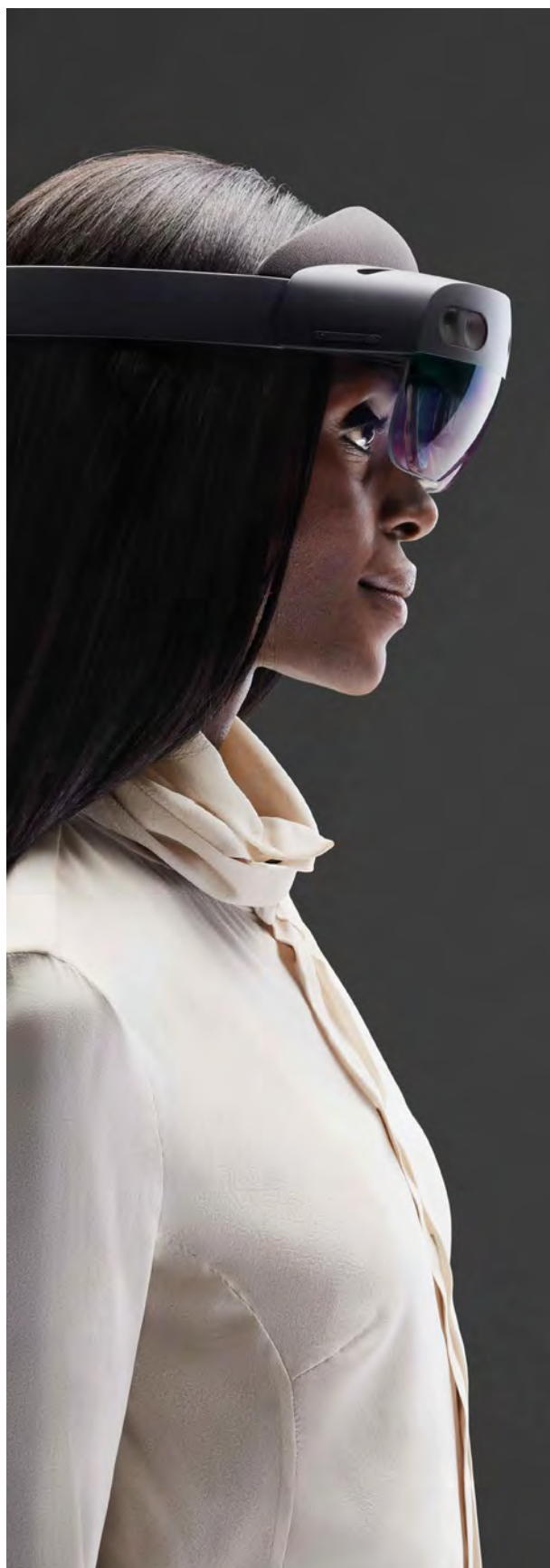
2. IWC Schaffhausen marketing campaign [Link](#)

Other Sources:

3. Deloitte—Global Powers of Luxury Goods 2018 [Link](#)

4. Luxury Facts—How Luxury Brands are Combining Aesthetics with Technology [Link](#)

5. AR-VR journey Great cases of luxury brands that use AR (augmented reality), MR (mixed reality) and VR (virtual reality) [Link](#)



Luxury brands are already using extended reality to strengthen their brand and consumer experience by:

Leveraging smart mirrors

AR displays integrated into mirrors provide additional vectors for personalization. These design elements bring added elements of glamour to the store and distinguish more technologically advanced, luxe retailers from conventional ones. The displays make educated guesses based on analytics and data gathered from in-store smartphone apps designed to assist in the shopping experience. They give customers the option to view product details, variants of the product they're already viewing, or add-on products. They also integrate with camera and cognitive capabilities, which extend the value of the mirror by helping identify consumer characteristics such as gender, age, and sentiment to further personalize content.

Implementing AI-based style stations

Increasingly, consumers want an individual, customized look that suits their personality and sense of style. Integrating visual AI capabilities, machine learning offerings, AR, and VR

into a "style station" gives customers the tools to establish a unique, personality-based style whether working directly with a sales associate or not. These stations have the ability to analyze customers' looks with facial and body scans, and surface everything from cosmetic product recommendations, to the right clothing style, cut, material, and color for a complete AI makeover.

Providing a personalized inventory display

Luxury stores generally keep limited inventory, which makes showcasing all products and combinations difficult for employees. Applying mixed reality enables a more effective shopping experience that circumvents this challenge. For example, AR can be used to display products that are not physically present in the store to an interested customer in detail. These capabilities are especially useful in the case of upselling matching accessories that accompany larger purchases or customizing items.

Enhancing consumer engagement

AR and VR technologies also help luxury brands enhance consumer engagement by extending the magical in-store experience to other areas of consumers' lives. For example, in-app features can be implemented to enable users to virtually redecorate their environments with luxury brand-inspired paintings, décor, or artifacts. Giving users the option to share photos of their newly-created environment

with friends and other brand fans via social media enhances opportunities for brand engagement even further.

Streamlining store operations

Leveraging AR in stores and warehouses is a useful approach for providing staff with practical information without weighing them down with more hand-held devices. AR can be used with smart glasses to enable a, "hands free" approach that eliminates the need for employees to hold a tablet or device and eases the process of completing tasks such as packing, loading, or recording inventory.



NEXT STEP Elevate consumer experience

The competition for consumer attention on digital channels is intense. To ensure they stand out, luxury brands need to identify scenarios where virtual experiences might elevate brand experience and create stronger brand connections. AR provides countless possibilities for transforming the customer interaction in-store and provides a unique and exciting experience that will incite imagination and help close sales.

Address the new growth wave: Chinese luxury market

“China delivered more than half the global growth in luxury spending between 2012–18, and is expected to deliver 65 percent of the world’s additional spending heading into 2025”—McKinsey China Luxury Report 2019

The Chinese market: Growing volumes, gaining importance.

In 2018, Chinese consumers spent 770 billion RMB (\$115 billion) on luxury items—equivalent to a third of the global spend—with each consuming household spending an average of 80,000 RMB (\$12,000) per year. In 2016, 7.6 million Chinese households purchased luxury goods, with each household spending an average of 10,000 USD for the year. This is twice the average spending for French or Italian households and signals a shift in the market from a consumer base that is primarily European, to one that is based in China.



China delivered more than half the global growth in luxury spending between 2012–18, and is expected to deliver 65 percent of the world’s additional spending heading into 2025”—McKinsey China Luxury Report 2019

Sources:

1. China Luxury Report 2019—McKinsey research [Link](#)
2. McKinsey report—Chinese luxury consumers: The 1 trillion renminbi opportunity [Link](#)

The young Chinese consumer: Powering the global luxury market.

Chinese millennial consumers (born between the 80s and 2000) are the growth engine of the Chinese luxury market. Consisting of 10.2 million luxury consumers, they accounted for more than 70 percent of the total spending on luxury by Chinese consumers in 2018 amounting to 86 Billion USD . Enticed by luxury streetwear and other product lines targeted squarely at their demographic, these consumers spend 25,000 RMB a year on luxury goods

Research shows China's young consumers are new to luxury- (Half of the post 90th younger generation, made the 1st luxury purchase last year), and thus have a less nuanced understanding of the heritage upon which the market traditionally trades. Instead of legacy reputations established over centuries in Europe, these new luxury consumers are influenced more by current trends, creating an opportunity for brands with the right strategy to shape their tastes.

Marketing to the young Chinese consumer— Omnipresent social, pervasive media.

Young Chinese consumers seek various forms of content as they strive to improve their awareness of

the market. Research shows that the Chinese luxury consumer accesses up to 16 information sources on luxury goods, spending up to 3 to 5 hours on this information per week . At every touchpoint, from e-commerce to in-store, and through social media, consumers are picking up information about the latest luxury products, the celebrities ambassadors, and the lifestyles they embody. Messaging platform *WeChat* remains the foremost medium for branded media while other platforms like *Baidu*, *Douyin* and *Alipay* are now establishing their own mini programs as well.

However, despite their affinity for digital discovery, 90% of young Chinese luxury consumers prefer an actual physical “in store experience” to make the purchase decision. It's here that sales staff play a critical role in providing purchase advice and suggestions, including in the form of WeChat messages. The younger generation expect a more personal service, including staff who can help pick out accessories based on an intimate knowledge of the customer's personality, as well as their previous purchases or preferences.

Interestingly young consumers are loyal not to brands per se, but to iconic brand-product combinations. Online commentators often bestow nicknames on these products, helping circumvent problems less sophisticated consumers

might have with pronouncing English and French names, and making it easier to share and discuss a product on social media, or to talk about in person with sales staff.

While these marketplace changes are important to keep in mind, there are certain attributes of the Chinese luxury consumer that remain consistent. Chinese consumers are extremely cautious and want to be reassured that their purchases are high-quality and authentic. This need means wealthy Chinese luxury consumers tend to shop either at official channels, such as department stores or brand stores .



However, despite their affinity for digital discovery, 90% of young Chinese luxury consumers prefer an actual physical “in store experience” to make the purchase decision

Sources:
3. Bain & Co—2017 China Luxury Market Study [Link](#)



What does all this mean for luxury brands?

The “always on” approach

Brands need to adopt an approach centered around a rapid cycle of new and refreshed product launches that intimately intertwine with ready-to-go viral media, including “sticky” nicknames and innovative campaigns.

Social capital: deliver aspiration not heritage

China’s young luxury consumers are more interested in aspiration than heritage, making it imperative for brands to modernize their stories and deliver them through digital channels. Savvy brands should design an integrated marketing strategy that satisfies young Chinese consumers’ appetite for consuming media at every available touchpoint, whether they are online or offline, and whether they are travelling or staying in China.

Re-imagined instore experience

Since the majority of luxury purchases are made offline, brands should also reimagine the in-store experience. Catering to young consumers’ desire for personalization—to feel different and valued—is key, as is doubling down on the concept of the store as its own media channel. Brands would also be wise to invest in highly trained staff capable of maintaining one-to-one relationships with customers in and beyond store, in effect becoming their personal stylists, backed by customized narratives and personalized product recommendations powered by AI.

As young consumers blur the line between digital and physical worlds, luxury brands need to transform their approach to capture this growing yet ever dynamic market opportunity.





How Microsoft Services can help

Luxury brands who differentiate themselves target the mentioned six objectives. Microsoft is committed to delivering a true omni-channel solution that brings together disconnected data silos with an integrated platform. Microsoft provides a global solution built to scale that incorporates the power and flexibility of the Microsoft Cloud, enabling luxury brands to adapt quickly to their changing business needs.

At Microsoft Services, we have partnered with leading retail brands around the globe as they have embarked on their own digital transformation journeys. We've helped them create new revenue streams through new products, services, and business models by building solutions enabled with disruptive and emerging technologies, infused with AI to accelerate their digital transformation.

Contact your Microsoft representative to understand more about how Microsoft Services can help you envision and realize the potential of your digital transformation.

Case Studies:

LVMH

LVMH uses Office 365 as a key pillar in a global collaboration initiative supporting their 6,000 sales associates working in 460 Louis Vuitton stores in 65 countries to stay informed on products and deliver superior customer experiences.

Pandora Jewelry

Pandora Jewelry uses the power of Microsoft Dynamics 365 for Retail to better connect with retailers, wholesalers, and customers worldwide, to streamline operations, and to gain business insights.

Watchfinder

Watchfinder leverages Microsoft Azure to expand rapidly and free up those resources in the company previously used to manage internal servers. Watchfinder also implemented the entire Office 365 suite in 2013 as they power forward with their expansion plans.

Read the full case studies here: [LVMH](#) , [Pandora](#) and [Watchfinder](#)

What's next

No matter where you are on your digital transformation journey, Microsoft Services can help. Microsoft Services empowers organizations to accelerate the value realized from their digital experiences

EMPOWER EMPLOYEES

Empower a high-quality, committed digital workforce to work as a team anywhere, on any device, with seamless data access—helping you innovate, meet compliance requirements, and deliver exceptional customer experiences.

OPTIMIZE OPERATIONS

Gain breakthrough insights into risk and operational models with advanced analytics solutions and act on real-time intelligence to optimize risk management and meet regulatory requirements.

ENGAGE CUSTOMERS

Reimagine the customer experience for a digital world and deliver more value through insights and relevant offers by engaging customers in natural, highly personal, and innovative ways throughout the customer journey—driving increased relevance, loyalty, and profitability.

TRANSFORM PRODUCTS

Drive agility with open, connected systems and automated digital processes to support new product development and optimize distribution channel strategies, while meeting the security, privacy, and transparency expectations of customers, regulators, and shareholders.

microsoft.com/services

Credits

Many subject-matter experts from various groups at Microsoft contributed to the conceptualization and articulation of the story contained in this document.



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Microsoft Services empowers organizations to accelerate the value realized from their digital experiences.

<http://microsoft.com/services>

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