

Reality Marketing Uses Real People, Stories in Real Time

Name the luxury brand: Gucci, Mercedes, Chanel, Ritz. Every last one strives today to create a valuable personal link to its well-heeled consumers. But how? The answer to success is in learning to connect with customers in real time. People want what they want now, not tomorrow or next month. Heed this urgent ondemand environment or risk being left behind.

Let's Get Real

Movies, songs and MTV first made "get real" and "keeping it real" street buzzwords in the distant '90s. Now, the same notion of getting real perfectly describes what consumers want this decade. Impatient, short of time and technically savvy, today's affluent spenders are accustomed to getting **what** they want, **when** and **where** they want it.

"What" they want. Virtually anything can now be custom designed or built to any customer's requirement. The term "bespoke" is magic to these ears. And it's everywhere these days. As we reported in a previous newsletter, the consumer is king. Online, they now help create what they buy: Nike shoes, wallpaper, handbags, wedding dresses. The list is endless.

"When" they want it. Anticipation is out. Few companies, except possibly Apple, can get away with the traditional big buildup of excitement for their new products. Millennials, otherwise known as Generation Y, do not enjoy awaiting product releases. Fashion is one example setting this torrid pace. As Natalie Massenet of Net a Porter predicted last year, clothiers may soon debut spring collections in spring and fall clothes in fall.

Consumers want instant product information when they see something cool online or on TV. Touchscreen technology enables this. Debuting later this year, Imagine Fashion, an interactive digital publication, will allow users to view, share and buy what they see. Just tap clothes, accessories, jewelry or cosmetics and get links to sources, cost and 360° images.



"Where" to get it. Online buying goes on 24/7. Yet, most luxury brands and retailers still lack mobile sites (previous newsletter: "Luxe Mobile Commerce Still Lacks Some Savvy").

What about bringing more products and services to consumers? Convenience is huge. Luxury food trucks are already reaching new markets this way at a fraction of the cost of restaurants. I have long advocated merchants tapping the urban high-rise markets with their wares. Fresh fish? Gourmet foods? Wine? Why not? Fitness trainers, masseuses, botox sellers and beauty salons have long done home visits. Wouldn't it be fabulous if other service providers made regular building visits?

Hotel boutiques sell branded spa products, beds and linens, but they could easily sell more. What do people do on vacation? Shop. The captive markets in resorts are relatively unexploited. But London's Savoy Group

is one step ahead with menus of shopping experiences, exclusive products and luxury goods collections that change quarterly. Hotel guests now get shopping days with itineraries such as Vintage Fashion, Scent Safari and Shoe Fantasia. Bespoke London brings craftspeople directly to hotel guests.

Relatable People Are In

Is the celebrity age over? Do we know too much about stars these days?

The New York Times, describing reality TV, noticed the "death of mystery" as the definition of celebrity shifts. The next wave of pop culture will be "relatability," the paper predicted.

Signs of this movement are everywhere: Plus- sized models and "older" people now populate TV commercials. Amid the growing YouTube sensibility, how long before actors and models are seen as phony and irrelevant? Real people – people we can *relate* to – now have the most credibility as spokespeople for their own communities.



With consumers morphing into marketers, expect to see more people like you and me: "friends," "fans" and "followers" from Facebook and Twitter greatly influencing purchasing decisions. Consumers are turning to their "social networks" to discover, discuss and purchase new goods and services.

Communities, tools and smart phone apps are being embraced *en masse* by consumers, allowing them to discover what their friends are consuming. E-commerce sites such as Kaboodle, Fancy and Nuji help users find new products, from apparel to art, all curated by fellow consumers. Last fall, Gifts.com and Hunch combined to create a <u>GiftFinder</u> app. Ingeniously, this taps the ever more ubiquitous Facebook to suggest gifts for friends based on profile page data. Sales were said to be 60% higher than when users

were simply shown recommendations. Soon to go live, Motilo.com will use videoconferencing to let users shop with friends and create complete fashion outfits from different online stores. In travel, there's Gogobot, a new social networking-centric travel booking site, where travel plans are based on the opinions and reviews of social networking friends instead of "unknowns."

More Signs of This Trend:

- Juicy Couture's product purchase conversion rate increased 160% after installing social sharing features (Source: CreateTheGroup, February 2011).
- Incipio Technologies, a gadget accessory retailer, saw Facebook referrals had a conversion rate double the average (Source: Business Insider, March 2011).
- Groupon used referrals from friends and colleagues to drive sales of more than 40 million deals since its launch in November 2008.

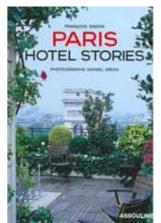
We are social creatures. We are curious about what our friends and contacts think, do, eat, read, drive, listen to, travel to and buy. Often, we want exactly the same. Some indicators:

- Product recommendations from family (63%) and friends (31%) are the most trusted. But 81% of US consumers do extra online research, with 55% combing user reviews, and 10% asking social network advice. Among the 25-34 age group, this rises to 23%. (Source: Cone Inc, June 2010)
- 90% trust Facebook friend recommendations. (Source: ExactTarget, August 2010)
- 31% of Twitter users ask followers for opinions about products and services. (Source: Edison Research & Arbitron Internet, April 2010)

Telling Real Stories with Real Marketing

Every luxury brand craves knowing its customers, but to do so requires connecting in real time. Real-time marketing is all about event-driven marketing and social storytelling, but timing messages to be in-sync with consumers' current interests. Sometimes, brands will try to ignite social media chatter around big events like the Super Bowl or the Academy Awards. Other times, they may create a live streamed event, such as

Toyota's Prius attempting to break as many world records as possible next month or Burberry live streaming its London runway shows.



This *storytelling approach* often drives the most frenzied reactions in social media. That's where media, consumers and influencers connect, interact and share content *the* most. You can open doors for people to engage with your company on deeper levels than ever before. Just make *your story* the core of your product, instead of a message, celebrity or fancy logo. Consumers want an excuse to spend. This type of storytelling creates a heightened affinity and helps consumers feel more educated about your product.

It's telling how Adweek, a trade journal for advertising and marketing, views its upcoming relaunch. After swallowing Mediaweek and Brandweek, the magazine announced its new approach will "be more Tolstoy than trade reporter," said editor Michael Wolff. Also unconventional was the choice of Wolff himself, veteran story-telling Vanity Fair writer and author of the critical Rupert Murdoch biography, "The Man Who Owns the News."

Hotels are among the most unlimited, yet unmined, veins for stories. But now social media offers the perfect platforms - and audiences - for sharing. Examples of good storytelling?

- The fantastical Faena Hotel + Universe in Buenos Aires presents itself in storybook format, taking this to a new level.
- Story Hotel in Stockholm lets guests do the storytelling by posting their scanned, handwritten notes on its website.

One of the best strategies is to gently coax consumers into sharing their luxury brand experiences. Coach provided a textbook example recently with its "Heartfelt" campaign. Mothers and daughters were invited to share their brand experiences for a "Mother's Day Stories" campaign.

A Global Story Platform

Among its many attributes, social media is global. Luxe car builder Porsche USA is taking advantage of this in its new "Engineered for Magic. Everyday" campaign. Here, American misperceptions of German sports cars are challenged by everyday owner stories of running mundane errands in their Porsches. This expands Porsche's value proposition through words and images of owners themselves. "It's not only about the weekend joyride," the copy explains. "It's the only car in the world that combines true sports car exhilaration and the drivability for daily use."



Luxury goods makers are no strangers to using their cultural heritage to tell stories. But now more than ever, luxury consumers show a mounting interest in the provenance of their purchases. Where was the product was sourced? How was it made? What materials were used in its construction?

Italy's Officina Profumo Farmaceutica di Santa Maria Novella, one of oldest pharmacies and perfumeries in the world, uses provenance to its advantage. Its Florence store dates to 1612, while all its fragrance and body products are still handmade in Florence. They use 13th century recipes made by Dominican friars from herbs plucked in monastery gardens. Buy one of these products and you get a scroll: one side with the firm's glorious history, the other with a product menu. Even your sales receipt comes inside an envelope with a mini history lesson.

Remember to use stories to tell your story. Your consumers will begin to chatter and your online carts will really start to fill up!