

Monday, January 28, 2013

Club eLuxe Seminar On Sensory Digital Technology: A Round Up



It's often said that politics make strange bedfellows. Apparently, so does technology. Sensory digital technology, one that enables a user to experience the sense of touch or smell remotely via a desktop or other device, is progressing rapidly and the luxury industry has the adult entertainment industry to thank for it. While there is still a ways to go before marketeers can deliver a convincing remote sensory experience to end users, significant progress is being made.

Spying mannequins equipped with facial recognition software that collects data from customers as they browse in your store, full-scale holographic projections used to deliver a life-like experience at a distance and the use of auditory, olfactive and touch technology to enhance remote customer experiences were all on the table at the recent [Club eLuxe Breakfast Seminar](#) last January 8 in Paris. It was a thoroughly stimulating (pun intended) morning. Here is a round up of my impressions.

Burberry, Burberry, Burberry

Of course, the brand on everyone's mind and lips during the event was *Burberry* thanks to the brand's enthusiastic embrace of all things digital over the past few years. The event featured a presentation by Gernot Pflüger of CPP Studios Events, the German company behind *Burberry's* lifelike holographic runway transmission in China a few seasons ago. It's clear that Burberry currently stands as the industry leader in terms of their integration and use of digital technology and a brief glance at their track record is enough to explain why. Alas, I'm not entirely certain luxury brands should be so quick to replicate their approach.

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Fixation on Social Media Numbers

A quick glance at Burberry's social media numbers is enough to grab anyone's attention. Dior also stands out on this front. Not to take anything away from these brands' achievements but in the field of luxury where there is a constant tension between rarity and ubiquity, I'm not convinced that numbers deserve the importance we currently assign to them. I'm therefore always a bit leery of marketers or brands who talk about social media exclusively in terms of numbers of Twitter followers and Facebook 'Likes'. Social media is (or should be) about community building online yet the term "community" is frequently omitted from these presentations. In an age where you can purchase *Facebook* likes and *Twitter* followers by tranches of a thousand or more for mere pittance, reliance on numbers alone can be highly misleading.

Fixation on Fashion

Luxury as an industry is vast and varied. It encompasses not only fashion and accessories but hospitality, gastronomy, transportation, travel, fine jewelry, wine & spirits, etc. Yet, too many times I sit through presentations where marketers and consultants (especially digital marketing agencies) rely almost exclusively on data gathered from fashion brands to illustrate their points. I find the amalgamation of fashion (which runs the gamut from luxury to premium to high street) and luxury without distinction, problematic. I'm not at all certain the lessons derived from fashion brands will translate to other sectors within the industry. I'm also wary when marketers are unable (or unwilling) to differentiate between premium and luxury brands. Lessons derived from the digital strategies of mass or premium brands don't necessarily translate well in the luxury sphere nor do they provide a proper benchmark for comparison.

Digital Privacy

Advances in technology frequently go hand in hand with incursions into our privacy. Allow me therefore to offer an unsolicited piece of advice to developers: If you're looking to downplay potential privacy issues relating to your technology, say a spying mannequin for instance, don't use the movie *Minority Report* to illustrate its capabilities and don't boast that it relies on the same facial recognition software as law enforcement officials. Either reference is likely to raise flags with audience members. Also, rolling a clip from a well known US morning show where the host repeatedly refers to your technology as "creepy" may not be the most effective way of introducing your product to an audience of luxury executives.

Even putting aside the issues of the legality of data collection practices or the potential abuse of data legally collected, exploiting information about consumers collected without their knowledge or consent is far from optimal from a customer relations standpoint. Hiding behind the excuse that the data collected is not personally identifiable (for the time being) and can be collected by other means doesn't change this.

While all industries rely to some extent on technology and data collection to grow their business, it stands to reason that an industry that caters to high-net worth and ultra high net worth individuals (as distinct from the merely affluent) need to think about the privacy implications more closely than those who cater to mainstream consumers. Technology purveyors who hope to serve these brands need to be attuned to this reality. So far, I see little evidence of this. There are however signs that business leaders are starting to awaken to these issues as evidenced by the most recent *World Economic Forum* which concluded this past weekend. For the first time, the issue of privacy was front and center before attendees in Davos this year, a sign suggesting that attitudes are starting to shift. My advice to luxury brands where their technology investments are concerned: Learn the issues and know what questions to ask of your technology partners. In other words, *caveat emptor*.

Club eLuxe was founded to bridge the digital divide between the staid world of luxury and the fast paced world of technology. The biannual events organized by Uché Okonkwo and her team deliver on this promise. There is no substitute for experiencing the presentations yourselves and taking part in the discussions. The next event is scheduled for June 2013. Don't miss it.

Sincerely,

The Luxe Chronicles