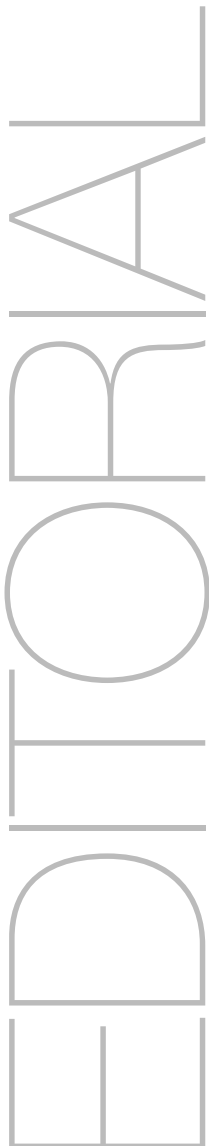


WHAT THE DRESS



# THE LUXURY CUSTOMER EXPERIENCE: NEW PATHWAYS AND EXPERT INSIGHTS

DECIPHERING THE TRENDS FOR A CUSTOMER  
RELATIONSHIP THAT MAKES ALL THE DIFFERENCE



The luxury sector is in the throes of a real paradigm shift. In the wake of the Covid crisis and the spate of shop closures around the world, smartphone screens have taken over from traditional window shopping while e-commerce has experienced explosive growth. The major changes sweeping society are shaking up the very foundations of the luxury goods market, and customer relations are undergoing an unprecedented metamorphosis.

What are the new pathways of luxury in today's world? Who are the new audiences? What new challenges will brands need to tackle when building brand preference and creating value in the online customer experience? These are the questions addressed by this white paper. Our dedicated experts have scrutinised the trends and provided their insights into how customer experience excellence can act as a real driving force for ramping up engagement.

When it comes to extending the luxury experience, fulfilling the brand promise, keeping emotions alive, perpetuating the brand's soul and aura, and transmitting the dream without any face-to-face interaction, real talent is required. This is exactly what we believe a customer service team's true purpose to be, i.e. embracing each brand's history to write unique, memorable stories and thereby elevate customer relations to an art form.

**Frank Legré, CEO of BlueLink**



# PREREFACE



1

A NEW  
GENERATION TO  
BE CONSIDERED



2

A (POST-) DIGITAL  
WORLD TO BE  
EXPLORED



3

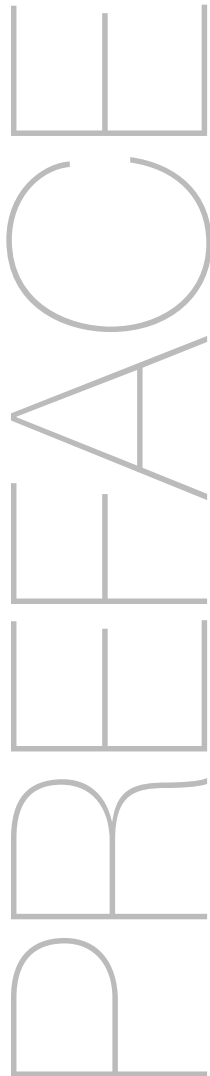
FUNDAMENTALS  
DESIGNED  
TO LAST

# AFTERWORD

## LUXURY - A HISTORY OF EXPERIENCE(S)

The concept of what luxury actually means has consistently evolved over time in close step with changes in society. Contrary to certain prejudices and despite the Western world's imaginary construct that associates luxury with the sparkle of all that shines, luxury has nothing to do with light. Its etymology (from the Latin «luxus») refers to the idea of separation. An item that has been separated is marked by its uniqueness and therefore its desirability. Luxury is «special in its own right». In today's world of globalised marketplaces, social media and experience-driven communities, luxury must be much more than a simple object or product, it must be an «experience in its own right». For a long time, luxury brands used the concept of experience as an exclusive monopoly and key differentiator, but digital technologies have brought that concept into the mainstream. The mobile Internet allows brands to be an active part of their customers' world anytime and

anywhere, thereby providing a wealth of opportunities that no other channel can compete with. But such presence must be wisely used. This is the key to a high-quality experience. Relevant content and timing are paramount, i.e. serving the right information, the right advice, the right solution and the right service at the right time. This way, customers no longer feel bombarded, but instead see each interaction with the brand as a value-added service. As such, the challenge facing luxury brands is not only harnessing digital communication channels to drive the experience, but also using those channels with the focus on differentiation and ultra-personalisation with the aim of continuing to assert their USP (Unique Selling Point) and offering a unique, memorable and individual experience. It is vitally important to understand the expectations and habits of the new luxury audiences, which are highly different to the previous generations.







1

A NEW GENERATION  
TO BE CONSIDERED



# EMERGING AUDIENCES

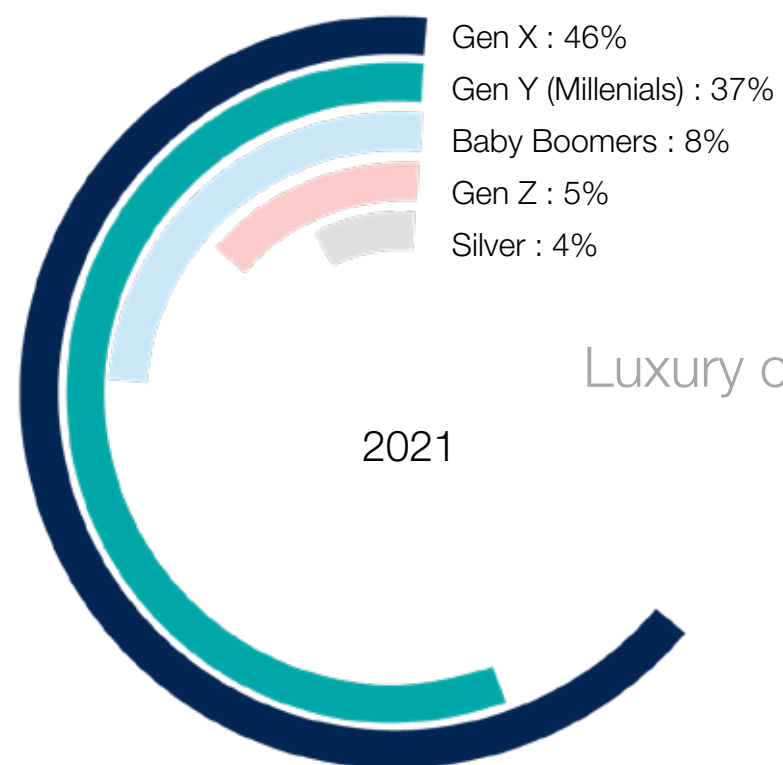
Status-driven in the 1950s, flashy in the 1980s, and more experience-oriented and responsible in today's era, luxury has always gone to great lengths to adapt to the challenges and expectations of its time. This perception tallies with the thinking of philosopher Gilles Lipovetsky, author of *Le Luxe éternel* (The Eternal Luxury), when he states that luxury is basically no more than «the perfect mirror of our civilisation».

Members of Generation Z (born between 1997 and 2010) have very different expectations to other generations. Taking over from the Millennials (or Generation Y, born between 1981 and 1996) and Generation X (born between 1965 and 1980), Gen Z has proven to be one of the most influential consumer groups in the short term.

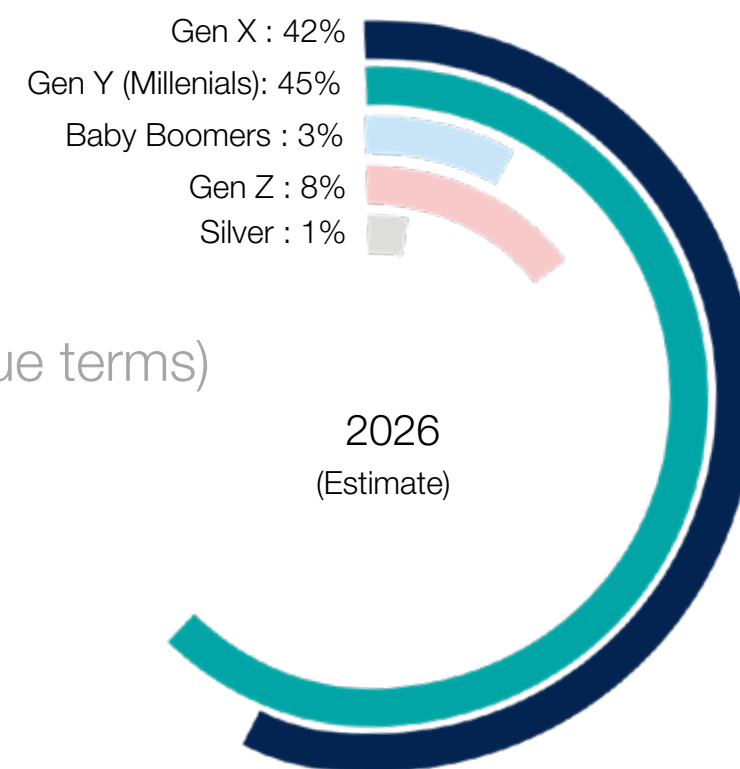
Gen Z now represents one fifth of the population, but is already laying down a new set of rules. In the short term, over half of the luxury market will feature highly active and digitally savvy audiences maintaining different customer-brand relations and harbouring different expectations to previous generations.



"Luxury is basically  
no more than the  
perfect mirror of  
our civilisation"



Luxury consumption by generation (in value terms)







# EXPECTATIONS AND CHALLENGES

Between proximity and exclusivity, immediacy and sustainability, a new lexical field influenced by the demands of a young public is emerging.

More authentic, more social, more protean and more instinctive. In the eyes of these new consumers, the product takes a back seat to the experience.

An overview of their new expectations and challenges is given below in a few keywords.



# RESPONSIBLE

New luxury audiences are willing to pay more for an ethical or cause-related marketing product. Unfortunately, 77% claim that brands do not provide enough information about how their products are made. Greenwashing is out and transparency is in. Using customer service to build engagement based on responsible causes by relying on customer advisors to promote the brand's values and beliefs can be an appropriate strategy.

# HORIZONTAL

From a generational perspective, Baby Boomers are waning and Gen X is shrinking, meaning that the sector's customer base is radically changing with the flood of new generations influenced by their own cultures, of which digital technologies are an integral part. They are changing the game with their habit of direct contact on social media. The digital environment is creating «horizontal» relationships, and this applies to the customer-brand relationship. Luxury brands have traditionally fostered a vertical or even top-down relationship with their customers, but now they need to engage their audiences in a horizontal conversation.

# KNOWLEDGE

There is not one but many luxury consumers driven by different motivations. The idea of nurturing a more horizontal form of relationship requires knowledge of the customers and their links with luxury, which is becoming even more important for brands wishing to offer an increasingly personalised and differentiating experience. Possessing ever greater knowledge about the brand's customers, a customer relations centre represents a real goldmine in terms of customer intimacy and allows the brand to effectively respond to and even anticipate what its audiences are expecting.



# HYBRID

Today's hybrid lifestyles that merge the virtual and real worlds require a new luxury experience. The metaverse trend will undoubtedly take the requirements for horizontality and customer intimacy even further. In addition, companies will need to safeguard and continue asserting a brand identity that stands the risk of being watered down over the various communication channels, whether social media, influencers, ambassadors or the metaverse. The challenge will involve controlling their message and image in an increasingly omnichannel environment and according to the different customer segments.

# 3.0

Maintaining a balance between legacy and innovation is sometimes a complex exercise for the contemporary luxury goods sector. But with the CRM models emerging in the aftermath of the pandemic, the new possibilities inherent in digital technologies offer ever more immersive experiences to continue engaging and winning over customers. The future of luxury brands will depend on their ability to embrace Web 3.0 and play by the rules of this new ecosystem, while incorporating their own history and identity. The aim is to maintain an authentic and unique market position and ensure a seamless and clearly innovative customer experience.

# SUSTAINABLE

With a generation that is more switched onto environmental challenges and following the era of planned obsolescence, we are entering a new paradigm of planned sustainability. «A luxury product is one that can be repaired»... in keeping with this visionary observation by Robert Dumas, one of the Hermès Group's founders, repairs represent a cornerstone of today's world. The sector is launching and spearheading upcycling initiatives with the focus on the circular economy. With these ambitions in mind, it is essential for brands to apply this strategy to their in-store and online customer relations. When this strategy is imbued with the brand's full prestige, it will attest to the brand's ability to deliver premium quality across the board and thereby foster long-term relationships with its customers.



According to eMarketer, luxury customers look at a product seven or eight times before buying it, so it is important for the online experience to be as seamless and transparent as the in-store experience. Customers are highly capable of switching from the website to YouTube, Facebook, a WhatsApp conversation with the brand or a visit to an actual store before going back to an online chat with a customer advisor - not necessarily in that order, but following an absolutely non-linear and protean path to purchase.



It is vitally important to deliver the best possible experience at every touchpoint. Appropriate systems for collecting the voice of the customer can be used to identify and quantify the impact of both customer irritants and enchantment with the aim of rolling out ad hoc and effective actions.

Market solutions and adapted in-house systems are capable of measuring satisfaction through such KPIs as global satisfaction, First Contact Resolution and Net Promoter Score.

When these KPIs are managed on a daily basis, they can provide 360° insights into the customer experience, with the possibility of winning back the most dissatisfied customers and retaining enchanted customers. Analysing the wealth of customer feedback can really come into its own and create value by identifying trends and prioritising which actions should be taken.

**Laure Sanchez, Voice of the Customer Manager**

EXPERT INSIGHT





In the luxury goods and services market, online customer care and after-sales services, regardless of the communication channel, need to meet a stringent set of quality criteria to stand out from traditional customer services. Basically, customers tend to use this service when they are not best pleased with a product in which they have invested a significant amount of money. Therefore, they must be able to send their complaints to someone who is attentive, capable of empathy and not likely to escalate the situation.

Waiting time is an irritant that cuts across every generation. Like their elders, Gen Z members insist that the seconds or even minutes spent waiting to be connected to an advisor should be reduced to an absolute minimum. Anything else is considered to be a lack of consideration. Advisors' communication skills need to be flawless. They must talk in a clear and concise manner, while using a formal language register.

Luxury customers who contact a brand's after-sales service want their call to be as quick and effective as possible. They want to be put through to competent employees quickly without having to sit through several minutes of waiting music.

**Christophe Lerat, Head of the Paris Site**



Above all, brands should not overlook the importance of the comments that have been posted about them, since they are publicly visible and can therefore have a direct impact on the brand's reputation!

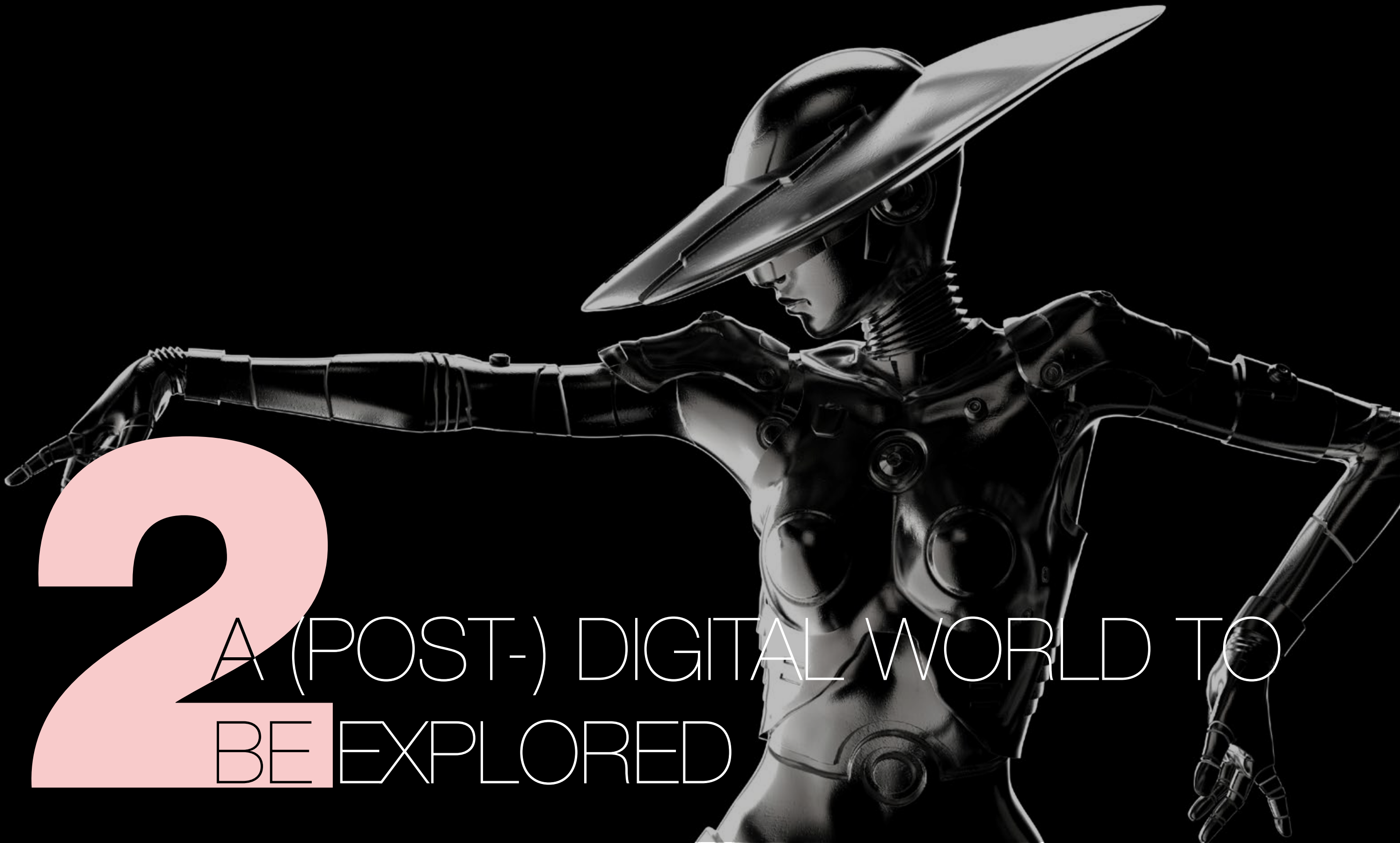
Faced with these new platforms for expression, luxury brands need to control their online image with carefully crafted CRM strategies. Luxury customers are a special group of customers

**Giada Martufi, Deputy Director of Communications & Brand Image**

Consumer practices are changing, and growing numbers of people are flocking to social media to air their complaints. For example, it is extremely common for customers to leave comments about a brand's product or service, even when they happen to be luxury customers.







2

A (POST-) DIGITAL WORLD TO  
BE EXPLORED



# OVERVIEW OF THE LATEST TECHNOLOGIES

5G is expected to greatly amplify the use of augmented and virtual reality. These technologies allow consumers to experience immersive interaction with the digital environment as if they were physically present.

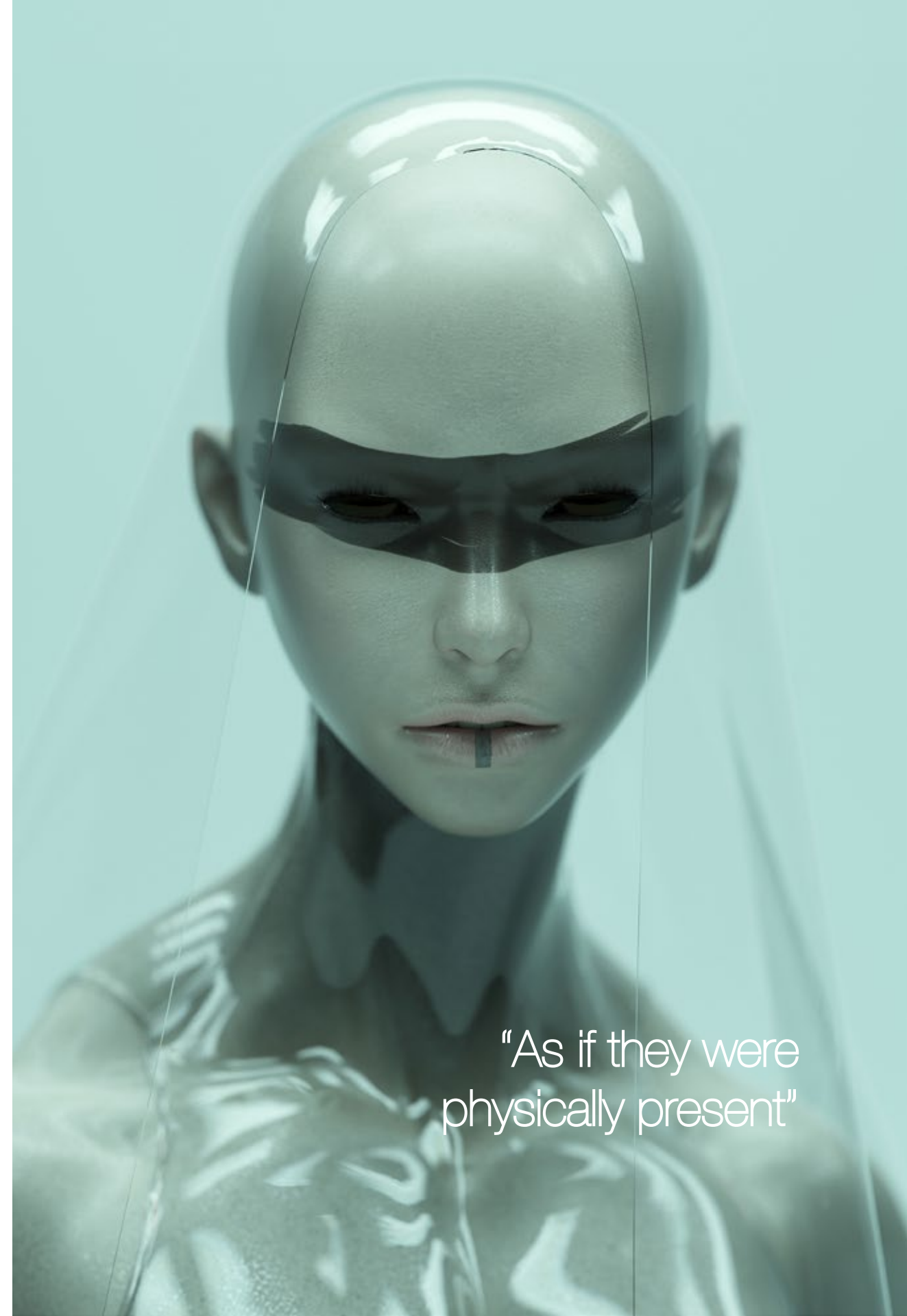
«Trying out a watch on your wrist using a simple QR code bracelet and viewing a product datasheet with 360° views are already standard practice.

Chatbots and voice bots are also becoming increasingly widespread, especially when it comes to handling recurring and high-volume requests.

Videoconferencing continues to gain traction following its upsurge during the lockdowns. Whether for one-to-many live shopping sessions or one-to-one sessions with a personal shopper, these two complementary arrangements simplify the path to purchase and give a human face to the e-commerce experience.

Despite belonging to the realm of science fiction less than a year ago, fully immersive experiences are now on their way to becoming a reality.

“As if they were  
physically present”





# THE METAVERSE WAVE



According to a study by consulting firm Gartner, 25% of Internet users (i.e. one in four) are expected to spend at least one hour a day in the metaverse for work, shopping, entertainment and education by 2026. The concept originated in sci-fi circles during the 1990s and refers to the intersection between the real and virtual worlds. Many observers ostensibly see the metaverse as the future of the Internet or a persistent virtual universe.

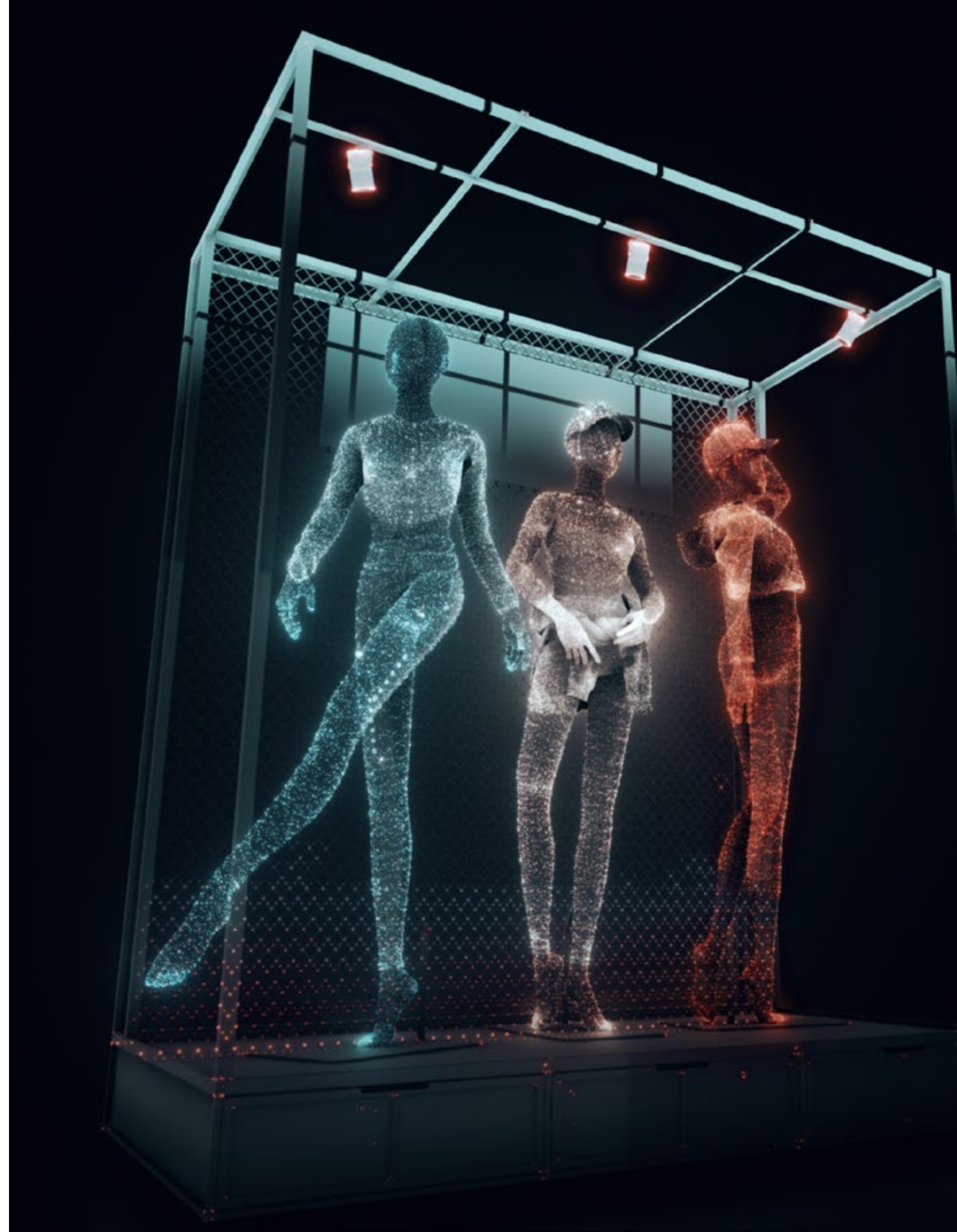


What benefits can the metaverse bring to a brand's customer relations?

- Strengthen loyalty through personalised events
- Improve customer intimacy through data collection (tracking purchases and conversations, etc.)
- Accelerate e-commerce (change in the customer journey and upswing in immersive shopping)
- Stand out from the competition and foster innovation
- Simplify virtual events and team-building session
- Forge stronger ties with the brand community and create value in terms of customer relations


Brands can also break into the metaverse to:

- Test products with their engaged community
- Combine product promotion activities with immersive experiences
- Provide a virtual use for their products or services





# THE INSTAGRAM AND TIKTOK BIG BANG



"Instagram should be more than just a showcase for the brand. It must be seen as a key tool for delivering support to customers and avoiding an overly cold approach and attitude"

Luxury brands are focusing their strategies on the experience and storytelling, meaning that the «traditional» Instagram and TikTok have become essential platforms for certain prestigious brands.

In the luxury sector and many other industries, it often takes more than a simple Instagram post or story to incite customers to purchase a high-value item. Therefore, the idea is to guide subscribers to the brand's website, where they can find out more intel about the brand and the product, read reviews and even sign up for a mailing list, which can potentially help encourage customers to go ahead with the purchase. Instagram

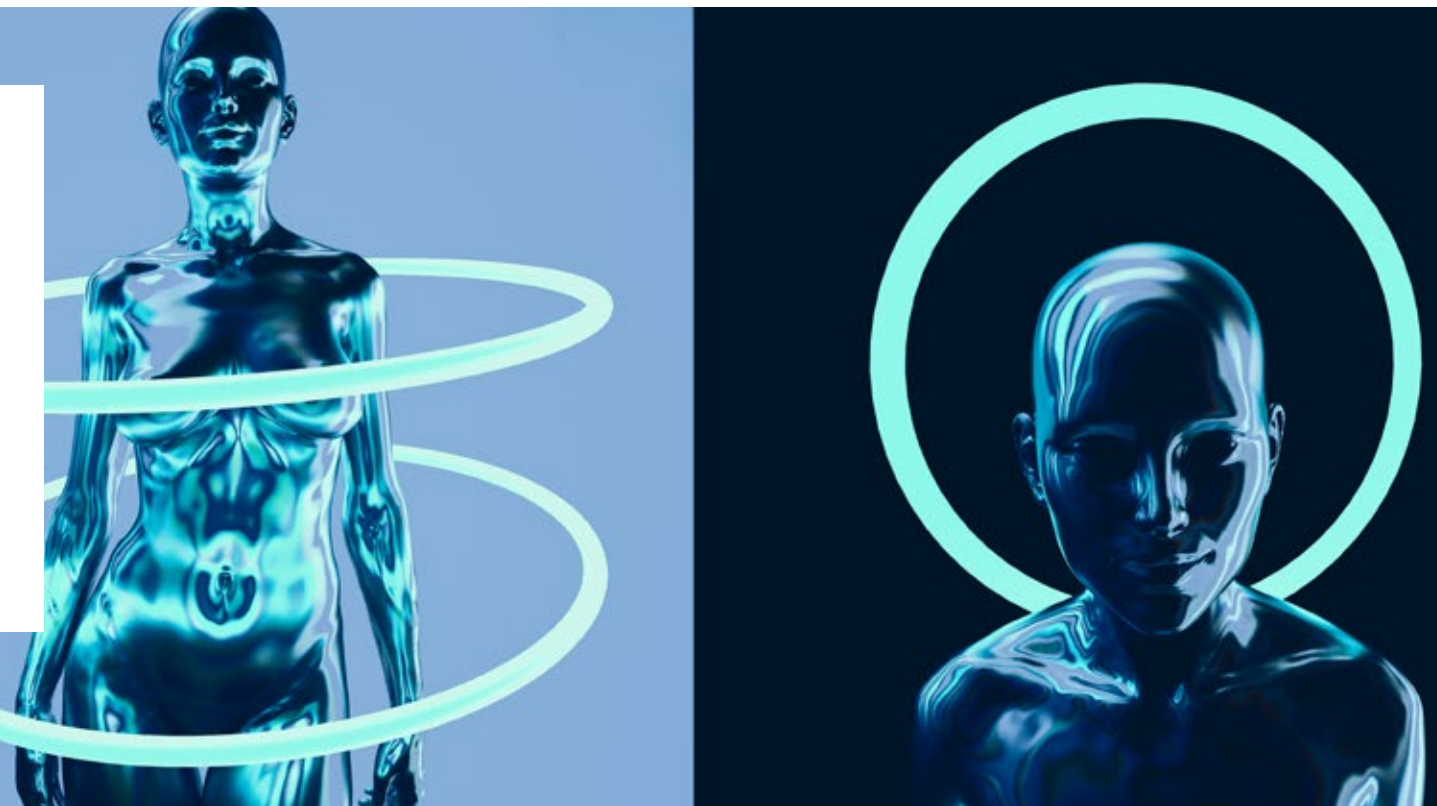
also has the potential to increase sales by harnessing the power of influencers. Finally, and most importantly, Instagram should be more than just a showcase for the brand. It must be seen as a key tool for delivering support to customers and avoiding an overly cold approach and attitude. A study by Deloitte shows that 20% of millennials discover luxury products on their social media, compared to 15% on a brand's website. It also represents an excellent opportunity to start interacting with the brand's audiences.



It is mission critical for luxury brands to act on long-term omnichannel strategies instead of looking at social media as just another channel. Social media sites play a decisive role: 60% of Western shoppers check out reviews and recommendations on Facebook and Instagram before purchasing a luxury product, and 47% of millennials have become socially-conscious consumers who share their purchases and post their reviews of luxury brands over social media. Customer relations must be present throughout the journey to purchase to turn both happy and dissatisfied customers into loyal brand ambassadors.

**Marc Breiner, Customer Engagement Director**

Another growing trend (currently in China) is «private traffic». This marketing tool funnels interactions with customers into private chatrooms on platforms managed by the actual brands. This trend's roots can be traced back to social commerce on WeChat, where individuals sell to communities of friends as well as friends of friends. A brand can easily create a community of 500 people in a WeChat group and connect with those people as often as required. It is an empowering and upward form of communication that can be carried out in a controlled manner and which works especially well for the new generations who grew up with digital technologies.



# 1<sup>st</sup>

Social media and influencers are the main source of influence for people buying luxury goods, all generations included (57% in 2021 compared to 41% in 2018)

# 60%

In addition to browsing social media, 60% of luxury buyers check out reviews and recommendations on Instagram and Facebook before purchasing

# 95%

95% of Gen Z consumers use social media to interact with luxury brands, bloggers and peers about luxury products (compared to 92% of Gen Y members and 81% for all generations)

# 93%

Over 93% of luxury goods consumers use social media

# 47%

47% of millennials share their luxury purchases over social media, which is higher than the global average of 29%







# 3 FUNDAMENTALS DESIGNED TO LAST



# EXCELLENCE, EXCLUSIVITY AND EMOTION

Major demographic changes and an increasingly digitised environment are bringing the luxury market face-to-face with a new set of challenges. Despite such upheaval, three fundamental values continue to form the backbone of the luxury market, namely excellence, exclusivity and emotion. These intangible characteristics must be fine-tuned with care and precision in all circumstances.

As for the customer experience, every interaction needs to nurture the feeling that the customer is special, expected and valued. Interactions between brands and customers are no more critical than in the luxury goods sector!

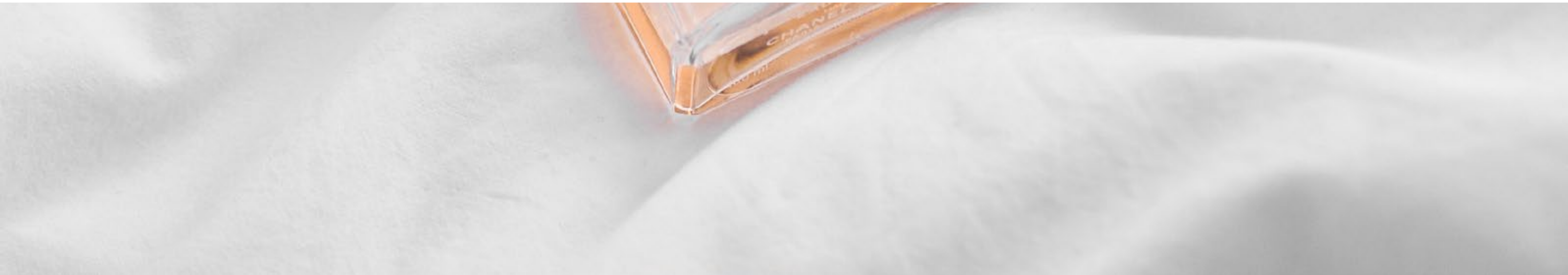






# EXCELLENCE

Gen Z members and millennials are less brand-loyal than previous generations. A study by McKinsey reveals that 52% of the post-1990 generation (compared to 30% of the post-1980 generation) will buy luxury goods outside their preferred brands. Therefore, building relevance in this young target market is key: investing beyond the brand involves customising products, innovating and reaching out to consumers on their home ground. In this respect, customer service is proving to be a key asset for brands wishing to offer a high-end online customer experience that achieves real differentiation, while developing their longer-term strategies.



A premium customer service needs to live up to the expectations of an extremely demanding public. This is a major challenge for brands! Excellence in Service is based on three key dimensions, i.e. the operational dimension by managing quality, the relational dimension by managing the customer relationship, and lastly the managerial dimension by managing the service culture. Continually improving the customer experience requires an alignment. In other words, brands need to make the customer experience dependent on the employee experience. A sense of meaning, awareness, empowerment, responsibility... the quality of the relationship between advisors and their customers is equal to the quality of the relationship between employees and their managers. The process is the same for engaging and transforming customers (just like advisors) into real brand ambassadors who are driven by and for excellence.

**Sylvie Bourgeron, Customer Experience Manager**



An extremely high-quality customer relationship is a must in the luxury customer experience. Even in an online environment, customers must be able to see the defining features that exemplify the luxury sector, i.e. a seamless customer journey, refined language, a specific tone, a sophisticated demeanour and an attentive attitude during each interaction, irrespective of the channel. Brands must be on point when it comes to delivering excellence.



All advisors must act as ambassadors for the brand. They must embody the brand's values in every single attitude, word and action. To work in a luxury or high-end environment, you need to be intimately familiar with the subtleties and codes of the luxury sector, and you also need to be fully aware of your individual responsibility in the customer experience.

Sourcing future advisors is fundamentally important. Listening skills, a service-oriented mindset, elegance, discretion and excellent diction are prerequisites. Immersion in the brand's world can help those advisors understand and take ownership of its tangible and intangible assets. Lastly, ongoing training on CRM excellence emphasises the development of soft skills (relational intelligence, communication skills, interpersonal skills, etc.)

**Fadila Mirghani, Talent Detection & Recruitment Manager**

EXPERT INSIGHT



# EXCLUSIVITY

Personalisation is high on the priority list for luxury consumers, especially among the younger generation: over 51% of Gen Z members (the fastest growing profile) prefer brands that customise products and offer bespoke services. Consequently, customer service teams must do more than just offer greater convenience and fast online interactions by fully engaging customers and actively listening to their needs and desires.





“Promote the  
human aspect  
of the interaction”



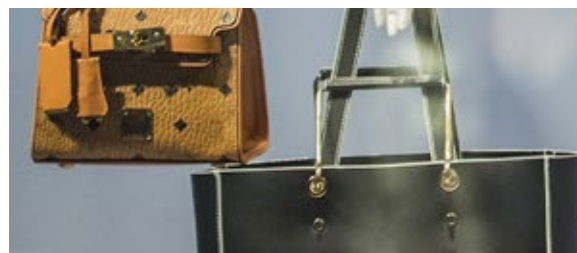
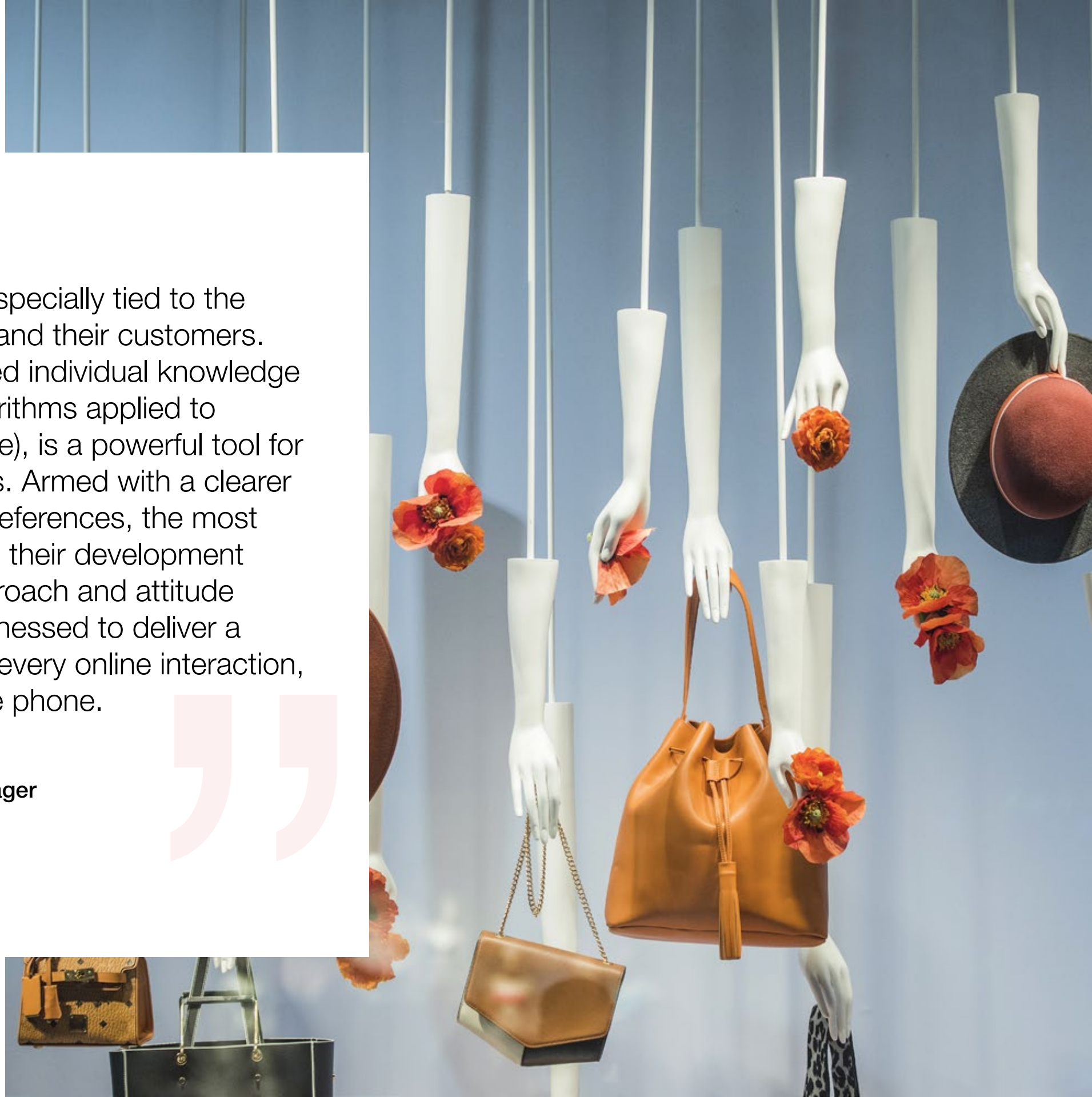
A rigorous and centralised CRM system is needed to collect the outcome of every interaction with every customer (including the feelings generated by each interaction), whether online, over the phone or in-store. Although some tools can help customer advisors provide a fast and efficient service, those tools must also be used to promote the human aspect of the interaction.

For luxury brands, the pathway to differentiation lies in the moments of truth with their customers. Especially in this sector, personalisation and exclusivity are not open for negotiation. Satisfying the customer on each level means controlling every single detail.

A customer-centric and omnichannel approach must be the driving force behind the strategy. This strategy allows the brand to identify and understand the needs of luxury customers by analysing relevant data and subsequently creating a holistic end-to-end experience before, during and after the purchase. At first glance, combining big data and luxury is not an obvious move, but it can actually be highly promising.

The attachment to a luxury brand is especially tied to the relationship forged between advisors and their customers. That is exactly why providing enhanced individual knowledge about their customers, based on algorithms applied to observed behaviours (in-store or online), is a powerful tool for helping them build closer relationships. Armed with a clearer picture of each customer's product preferences, the most appropriate contact opportunities and their development potential, advisors can tailor their approach and attitude more effectively. Data can also be harnessed to deliver a personalised customer experience at every online interaction, whether using a digital interface or the phone.

**Mélanie Noireaut, Innovation Lab Project Manager**

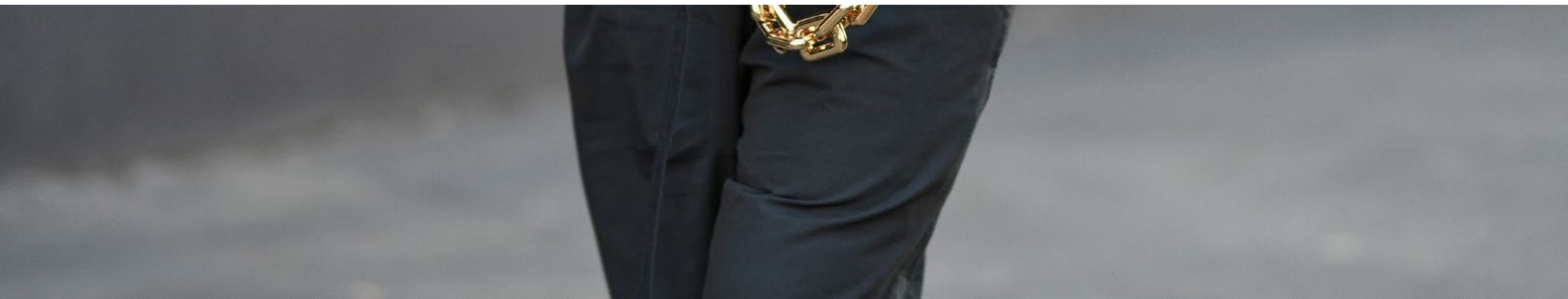






# EMOTION

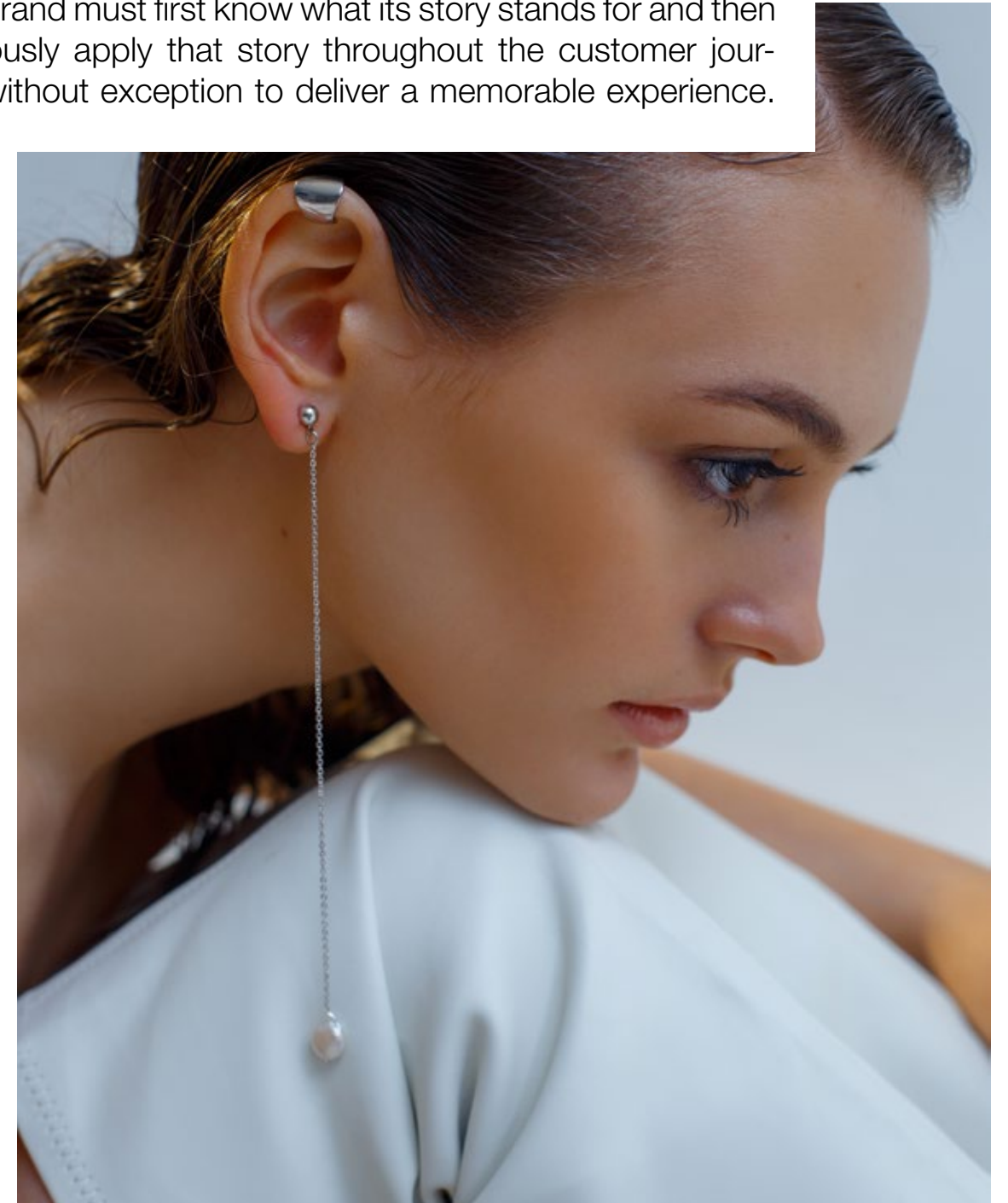
Young consumers are constantly adopting new criteria for assessing luxury brands, including «sustainability», «innovation» or «commitment to society and the environmental». These topics are causes close to their hearts and elicit strong emotions. They want to hear the brand's voice and they want to know what it stands for and what it believes in. Authenticity and transparency are essential for these consumers. They believe that many long-standing brands appear to be distant, out of touch and/or lacking authenticity.



The sense of belonging that luxury consumers aspire to when joining the brand's clientele must be nurtured and maintained by the customer advisor. By starting with the brand's soul and then staging and telling its story, where the main characters are its products, they can inspire the dream and generate emotions. Every interaction should be a unique, exclusive and emotionally charged experience. The excellent soft skills demonstrated by a high-end customer service can provide brands with endless possibilities for forging ever stronger and more engaging ties with their audiences.

**Linda Ganassali, Head of the BlueLink Academy**

Customer relations are a real asset for creating the necessary emotional bond with luxury customers. Throughout the customer journey, the brand must convey its legacy, identity, history and values. The brand's narrative must be holistic. The brand must first know what its story stands for and then rigorously apply that story throughout the customer journey without exception to deliver a memorable experience.





## LUXURY - A FUTURE CAST IN LIGHT AND SHADOW?

*A history of paradoxes*

### LUXURY & DIGITAL

In a world where digital technology reigns supreme, how can brands combine digital principles, i.e. «I want it all, I want it now, I want it for free» with the principles of the luxury sector, namely «exclusivity, long times, and (often) high prices»?

At the opposite end of the scale from massification, intrusion and quantitative thinking, the challenge for luxury companies lies in their search for the formula that will strengthen their brand through digital technologies instead of diluting it. Since the very premise for luxury's existence is that emotions are a more powerful driving force than reason, the challenge is all about continuing to create an emotional connection with the brand, even online. There is no such thing as a beautiful object without a befitting showcase. The whole process of discovering and purchasing the object is an integral part of a ceremonial procedure designed to breathe life into the brand's past, legacy, expertise, culture and values. Therefore, delivering an online experience to match the in-store experience will continue to be essential for promoting the brand, ensuring its long-term prospects and offering a seamless and memorable experience.

### LUXURY & INCLUSIVITY

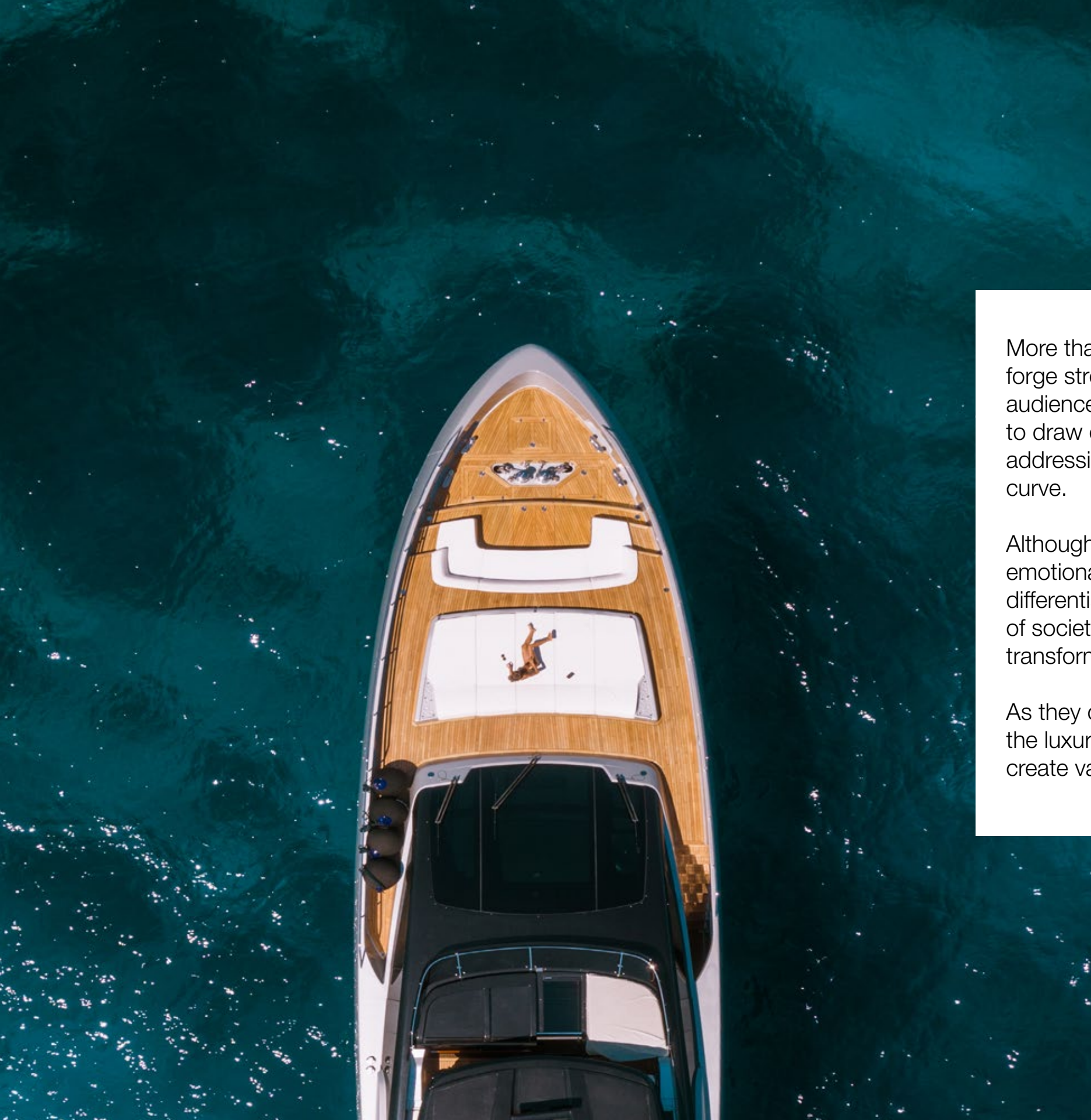
Respecting differences, outreach and ethics... inclusivity is the new paradigm valued by the new luxury consumers.

In response to pressure from a rising generation that expects brands to engage with socially responsible issues and represent humanity in all its diversity, the luxury sector will need to rewrite parts of its rule book if it wants to remain socially and culturally relevant. In full awareness of their power to influence, luxury brands are best advised to send out strong messages that will be heard far and wide. Demonstrating an exemplary track record in terms of responsibility and inclusion will undoubtedly create value. Meanwhile, the customer experience is delivered and conveyed through attentive, open and unbiased personal advisors.

### LUXURY & SOBRIETY

A class is currently emerging that Elizabeth Currid-Halkett describes as aspirational in her book entitled *The Sum of Small Things, a Theory of the Aspirational Class*.

Empowered by a system of values, beliefs and convictions, this new «aspirational» class is keen to give its life a sense of meaning by adopting more efficient, responsible and ethical consumption practices, and, in turn, will probably be massively imitated... Incorporating this prospect into their strategic thinking processes is key for brands to accurately target future development projects.



More than ever, a luxury brand's survival will depend on its ability to forge strong relationships based on a set of values shared with its audiences, not only in its human aspects, but also in its capacity to draw on its cultural capital (history, legacy and expertise), while addressing the paradigm shift by staying ahead of the innovation curve.

Although the experience trumps the product in today's world, the emotional relationship is key to building engagement, achieving differentiation, embracing new narratives and embodying a vision of society, since a vision will typically be needed to lead the transformations of today's and tomorrow's worlds.

As they continue to tread a path between tradition and innovation, the luxury brands choosing to invest in their customer relations will create value by staying true to their purpose, i.e. inspiring dreams.



# ABOUT BLUELINK

BlueLink is an international group with expertise in customer relations. As a strategic partner, it offers brands tailor-made contact-centre solutions and supports them in their customer experience and digital transformation strategy. Thanks to its team of consultants and trainers, the group strives to develop the talents and expertise of customer relations teams by cultivating know-how and interpersonal skills.

BlueLink was created 30 years ago by Air France to manage its loyalty programme. In an entrepreneurial spirit while staying true to its DNA of excellence, the group has extended its expertise to all areas of customer relations, serving other prestigious brands, such as Printemps.com, Clarins, Devialet, American Express and the Louis Vuitton Foundation.

Active in every continent, BlueLink relies on its 2,000 enthusiastic and talented employees around the world to fulfil its mission statement of going beyond distances to create links between cultures.

## METHODOLOGY

This white paper is based on documentary research carried out in November and December 2021 on a number of English, Italian, French and Spanish sources, together with insights and analyses from BlueLink's experts.

Sources include luxury brand websites, mainstream and specialist media, blogs and analytical reports, LinkedIn publications, luxury magazines and academic publications.

## BLUELINK EXPERTS

### **Laure Sanchez**

Voice of the Customer Manager  
lsanchez@bluelinkservices.com

### **Sylvie Bourgeron**

Customer Experience Manager  
sbourgeron@bluelinkservices.com

### **Linda Ganassali**

Head of the BlueLink Academy  
lganassali@bluelinkservices.com

### **Fadila Mirghani**

Talent Detection & Recruitment  
Manager  
fmirghani@bluelinkservices.com

### **Christophe Lerat**

Head of the Paris Site  
clerat@bluelinkservices.com

### **Giada Martufi**

Deputy Director of Communications  
& Brand Image  
gmartufi@bluelinkservices.com

### **Marc Breiner**

Customer Engagement Director  
mbreiner@bluelinkservices.com

### **Mélanie Noireaut**

Innovation Lab Project Manager  
mnoireaut@bluelinkservices.com



Author: Mathilde Rodrigues

Production: Jade Roussel & Elise Marconi

Editorial coordination: Giada Martufi

Photo credits: Shutterstock

**BLUeLink**

[www.bluelinkservices.com](http://www.bluelinkservices.com)