Luxury brands need to leverage relationships with consumers

Due to the very nature of their business, luxury brands that are not leveraging customer relationship techniques are placing their companies at risk, according to a CRM expert.

Luxury customers demand and expect that their favorite brands understand their history and customize and create a personal experience for them. This niche customer base has a higher expectation and luxury brands need to capture key information and use it at every point of interaction.

According to Chris Crayner, senior executive president and general manager of travel media, entertainment and consumer packaged goods at Merkle, Columbia, MD, CRM is a prerequisite for luxury brands.

Luxury Daily’s Kaitlyn Bonneville interviewed Mr. Crayner. Here is what he said.

**What are some best practices for luxury brands specifically in terms of CRM?**

As a strategy, the best practices are to be able to develop at any customer touch point. It is gathering data about a customer’s likes and dislikes and history and pulling that data together and using it at each interaction point.

They have the ability to customize each interaction. One of the rules around CRM is do not capture data unless you are going to use the data.

Capture a specific piece of information, like asking ‘when do you plan on traveling next to this location?’

If you have a luxury hotel and you can gather information from that customer directly that they are making a trip, you can use that data, you can time a message to them.

You can develop triggered programs and emails to them and capture that piece of data directly to them.

You should also use historical interactive data to predict when they would be ready for the next piece of interaction. You need to design programs so you can learn what is on their mind, what are they doing?
What are some best practices for luxury brands in terms of marketing automation?
If you are going to capture a piece of data, make sure you use it in a marketing interaction, whether you are going to put together business rules or social media or triggered email.

Do not ever underestimate the timing of a good message. Understand those customer interactions that indicate that they are willing and ready to have another interaction or that they are sending indications that they are triting from the brand.

It is in understanding how timing plays in. Understand how long you have to intervene with them.

A best practice is in thinking about using data in customization and enhancement and when a customer is at the point of increasing a relationship with a brand or leaving a brand.

Immediately understand what is going on and react to that.

Why should CRM be top of mind for all luxury brands?
By virtue of the fact that they deal with the top of the market. They expect the best in class and they are willing to pay for it and have the means to pay for it.

What are some common pitfalls that luxury brands should avoid in their CRM initiatives?
I think some of the pitfalls are that they simply do not have the integrated marketing programs or internal systems to leverage an ever-growing customer profile at all the touch points.

An example is that every time someone is making a booking at a luxury hotel chain resort, is that they feel they have to continue to provide their information at every location.

They feel that the brand does not know them. When you cross the bridge and find the brand that understands them that experience is so resounding within consumers.

Luxury brands that do not do that have a tremendous issue to overcome. Too often we find that really great experiences are part solutions, which creates for disconnected experiences.

If you are going to be a luxury brand, you have to be strategic and discerning about leveraging those interactions over time.

How can integrating CRM and marketing automation activities lead to more effective targeting?
I think the targeting in this is that everyone is going that have a thought around who their target audience is.

Regardless of channel, the real goal here is to leverage technical and data to be as individualized as possible.

This is not really a pipe dream anymore. If you are going to define your brand as a luxury brand, you are going to have sub segments within your brand that will have different expectations.

Final Take
Kaitlyn Bonneville, editorial assistant at Luxury Daily, New York