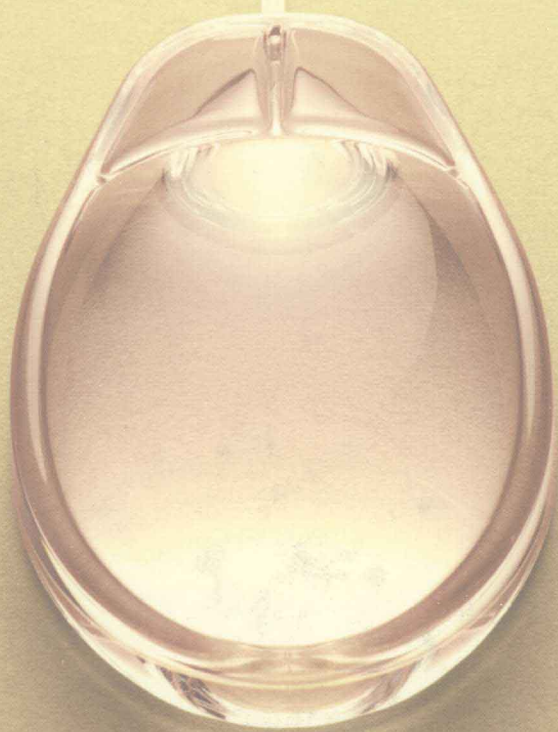


Luxury Online

Styles,
Systems,
Strategies



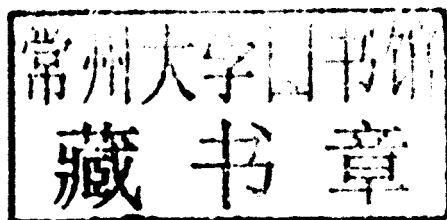
Uché Okonkwo



luxury online

styles, systems,
strategies

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*This book is dedicated to the memory of my grandfather John
Okonkwo, who left great impressions on me, even as a child*

The reticence of the established groups also helped create the opportunity for the new arrivals, of which Fabergé is one. The price of a piece of prime real estate on any prestigious luxury street or shopping mall around the world has become prohibitive to all but the wealthiest brands, even before factoring in the cost of building a retail temple grand enough to catch the attention of the passing customer. However, the cost of creating a presence to rival the same companies online is less intimidating. At the same time, the opportunity to offer a user experience and level of service superior to these established rivals has been very real.

These trailblazers have demonstrated, by wholeheartedly embracing the power of today's technology and combining it with traditional retailing skills, that it is possible to provide an online experience that offers a compelling alternative to the traditional location-bound and time-restricted alternative.

It was this opportunity that captivated my team when we set out to plan how to restore Fabergé to its rightful position at the pinnacle of luxury. We also saw the foot dragging of many established rivals as an opportunity. We identified the changes in consumer attitudes, accelerated by the early twenty-first-century economic crisis, and understood how these were enhancing the appeal of the Internet as the preferred primary point of interaction between the consumer and brand or retailer, irrespective of the category and price-point. We confirmed from research and practitioners that these trends were even more apparent among high net-worth audiences for whom discretion and convenience were becoming increasingly important considerations. We were excited by the opportunity that developments in software and imaging technology were providing to transform the online user experience into one that replicates the exclusive and intimate world of the high-jewellery salon. We were impressed by the scalability of an online flagship store open to the world 24 hours a day seven days a week from day one. We were attracted by the power of modern CRM software to nurture an enduring and personal relationship with our customers around the world and provide them with a level of service difficult to match with a black book and a telephone alone.



This significant and groundbreaking book explores all these elements and much more, for the first time. It provides invaluable insights to help all those looking to unlock the massive potential of the Internet and new technologies as an invaluable means of enhancing the luxury experience for the customer and the profit potential of its delivery for the provider. I intend to keep *Luxury Online* close to me for a long time, and I counsel you to do the same.

MARK DUNHILL
CEO, Fabergé

Acknowledgments

I may have offended some people by my refusal to discuss the contents of this book while I was writing it and so I will begin with a small explanation and apology hoping that they will understand (and still buy it!).

My main reason for being reluctant to discuss *Luxury Online* was because of the intention to present an extensive view of luxury e-business through a set of sound and objective strategies that are independent of any luxury company's direct influence. Although I interviewed several professionals and experts in the field, including academics, if I had allowed unsolicited opinions, unstructured viewpoints, invalid business models, not to mention incessant debates on the place of the Internet in the luxury world, my intentions would have been undermined. I also didn't want to appear to be in favor of any particular luxury brand or product and service category for that matter. As you can imagine this was tricky to manage, particularly when I had to crawl back to the same luxury companies that I refused to discuss the book with to double-check facts and figures (which was often) and to request for permission to use the images! I thank them for their support and for ensuring that our business relations and mutual respect have been sustained.

I also hope that the many people who wrote to ask for a peek into the book before its publication (including the American guy who was ready to fly to Paris for a surveilled reading of the manuscript for a few hours) understand that I was not in a position to oblige them, although my publisher put me in a corner by putting up the book's information online before I even completed the manuscript! This is however the beauty of the Internet – to create awareness and generate news!

I will begin by thanking the brilliant team at Palgrave Macmillan for all the work they have channeled towards putting this book together and getting it to the public – Stephen Rutt (for believing and being ever so patient), Alex Dawe (for being a super-woman who understands how to manage me), Paul Cooper (your enthusiasm is infectious!), Eleanor Davey Corrigan (for getting it), Adrian Scott (for your dedication to my work), Dylan Moulton (for being ever responsive), Regina Chan (for always thinking forward), Clare Hodder (for your creativity and flexibility) and my painstakingly meticulous editors Linda McGrory and Keith Povey and all at Palgrave Macmillan.

I'd like to thank especially Mark Dunhill not only for being so kind as to write the Foreword of the book, but also for being one of those who believe

in my non-stop preaching of the power of digital media and technology. His support means a lot to me.

I'd like to give a big kiss and hug to Yaffa Assouline, my "Queen Mother" of luxury, for being my constant source of inspiration and support and for sharing my vision. And to André Kolasinski, the "coolest Internet guy in town". Avec mes sincères remerciements!

The luxury brands that form the membership body of Club e-Luxe – the luxury e-business executive club that we created several years ago – have acted as my sounding board in all manners and forms for every aspect of luxury e-business strategy and execution. I owe all the professionals, brands and companies that have been involved in the club a note of gratitude for sharing the passion and dedication towards luxury online advancement – Louis Vuitton, Gucci, Cartier, Coty Prestige, Hermès, Christian Dior Couture, Boucheron, Piaget, Fabergé, Sonia Rykiel, L'Oréal, Parfums Christian Dior, Daniele de Winter, Gottesman Paris, A Small World, Skywire, Gilt Groupe, Luxe.TV, Luxury Culture and so many others too numerous to mention. Thank you.

I also owe a big thanks to all the luxury brands and companies that kindly provided permission for me to reproduce their content, images and screen shots in this book – Louis Vuitton, Gucci, Cartier, Boucheron, Chloé, Adler, Fendi, Lancôme, Rolex, Christian Dior, Coach, Valentino, Raymond Weil, Maison Calavas, Jaubalet, Van Cleef & Arpels, Chaumet, Guerlain, Viktor & Rolf, Oscar de la Renta, Giorgio Armani, Karl Lagerfeld, Rémy Martin, Hôtel Le Bristol, Ritz-Carlton, Fauchon, and many others. I appreciate your confidence and belief in this book.

I'd also like to thank the several online magazines, e-retailers, bloggers, bloggers, social networks, forums, TV channels and all the websites in the social web movement that granted me the rights to reproduce their text and images in this book – Luxury Briefing, Luxury Culture, Browns, Vivre, A Small World, Gilt Groupe, Sac de Luxe, Vente Privée, Taaz, Portero, My Wardrobe, Sonodea, My Virtual Model, Mila & Eddie, Luxe.TV, Luxury Channel, Avelle, Portero, The Watch Avenue, Koodos, My Fab, 20 Ltd, Billionaire 500, Iconic Chic, Mrs O, 43 Things, Luxist, Style Bubble, Shoewawa, Interactive Luxury, Greek Tragedy, C Koi Ton Rêve and many more. These trailblazing websites have all contributed to the advancement of luxury online and I'm honored to have featured them in this book.

My thanks also go to the indomitable Luxe Corp team and my long suffering Assistant and Webmaster for constantly averting potential disasters and for always maintaining a smile and for keeping me in check in spite of the constant pressure. Thank you to Jessica Reyfish for diligently tracking all the copyrights, to Taka Okazaki-Leblanc for understanding and working around my pressure cycles especially related to the deadlines linked to this book. You all contributed to making *Luxury Online* possible.

This book would not have been written without the support of my family to whom I owe my everlasting gratitude for keeping me solidly grounded – my mother whose well of love is endless, my sister Uju who understands “everything” and all my sisters and brothers as well as my father who are always there whenever, however and whatever. I may not say this enough but I’m really grateful to God for making me a part of the “Okonkwo” clan. I love you all and I thank you for believing in me.

Finally I would like to thank God for giving me the opportunity, resources and strength to write this book because, frankly speaking, I don’t know how I did it.

UCHÉ OKONKWO

Author's Note

Luxury is online but is not yet in line. Did you notice? As an industry that is known for creativity and avant-gardism, it remains a surprise that luxury is playing catch-up to the rest of the world in embracing the e-culture and adopting digital technology. It is a well-known fact that luxury brands have been locked in a love-hate relationship with technology since it became apparent that the Internet is here to stay. But two decades after the arrival of the Internet, this scenario ought to have changed. The question of 'why' luxury should be online is no longer relevant but the current issue is 'how' luxury should present itself online, particularly as consumers take charge of their online experiences. The likes of Louis Vuitton, Gucci, Cartier and the Ritz-Carlton are paving the way and leading luxury brands to repent their anti-Internet stance but the journey remains a long and challenge-ridden one.

As the most powerful marketing tool that will drive luxury businesses forward in the next century, the Internet has become indispensable for luxury to reinforce brand presence, break into new territories, engage clients on a higher level and demonstrate overall value. This reality is both worrying and exciting. It is worrying because placing luxury, which is based on rarity and refinement, on a medium such as the Internet, which thrives on mass access and mass appeal, is logically paradoxical; and its excitement comes from applying the right mix of the relevant strategies, tools and techniques that will result in a powerful online presence for luxury brands and an enhanced experience for the clients.

The luxury consumer has been reborn after twenty years of interacting with the Internet. The shifts in their value systems and mind-sets have been heightened further by the global economic slowdown leading to a different luxury market climate. A new world order is in the process of emerging and the luxury market will never be the same again.

What does luxury require to excel in this new world? Luxury has to get its act together by embracing technology through an infused e-culture and adopting advanced strategies for e-communications, e-marketing, e-branding, e-commerce, client management, channel integration, social web marketing, website design, mobile marketing and applied technology in product development, merchandizing, retail, mobile and sustainable development. All of these have been addressed in this book.

Luxury Online is not about exalting or crucifying luxury brands, neither is it about providing magic formulas for \$millions in sales without strategic

vision. This is also not a technical book but one that addresses bottom-line business issues that luxury brands face in the context of the Internet, digital media and new technologies. It is an eye-opener that strives to reveal the approaches to overcoming the challenges of luxury online while meeting the requirements of business in the twenty-first century digital context. Its recommendations will lead to long-term client affiliation, business growth and sustainable brand value, even as luxury online strives to come of age.

UCHÉ OKONKWO

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