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Why luxury retailers should look at retail media networks

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Luxury retailers are continually seeking innovative ways to engage with their affluent customer base, while still maintaining their brand's exclusivity and elegance.

One channel they need to consider is retail media networks (RMNs).

Retail media networks are digital advertising platforms owned and operated by retailers that allow brands to reach their target audience directly on the retailer's website, app and other digital properties.

This year, the spend on retail media ads is expected to increase by more than 25 percent to \$51 billion. By 2024, it is expected to comprise nearly 20 percent of total digital ad investments, according to a report by marketing firm LiveIntent.

These platforms, which allow brands to promote products directly within a retail environment both online and offline, offer unique advantages.

Still, many people only think of big players such as Amazon and Walmart when they think about retail media networks.

Here is why RMNs can be a game-changer for the luxury sector.

Why RMNs?

RMNs are well-positioned to offer luxury brands an edge in understanding and tapping into consumer behavior.

As these networks capture real-time data about a shopper's journey, luxury retailers can finetune their messaging to align with specific customer interests and preferences.

This precision optimizes ad spend and fosters a more personalized and memorable shopping experience for the discerning luxury consumer.

The unobtrusiveness of RMNs is another advantage for luxury brands.

RMNs seamlessly weave promotional content into the shopping experience, ensuring advertisements are not

perceived as intrusive. Instead, they feel like a natural, integrated part of the luxury consumer's shopping journey.

In a world where consumers are inundated with advertisements, by integrating promotions seamlessly, these networks reduce the risk of "ad fatigue" among potential buyers.

For luxury consumers who value discretion and have come to expect curated selections, this method of promotion will better resonate, reinforcing a brand's efforts to offer a distinguished and tailored experience.

Personalization for better connection

In an era where personalization is an expectation, the depth and granularity of data from RMNs gives luxury brands more ability to target and forecast.

By harnessing this data-driven intelligence, they can discern not just what their customers want, but also predict future trends and preferences.

Given that RMNs operate within the retail ecosystem, they provide luxury brands with enriched consumer data that helps to craft more personalized and effective marketing strategies.

Luxury brands often spend a significant amount on advertisements to uphold their prestigious image, but still must carefully control where their ads appear to maintain their exclusivity.

RMNs offer a precision tool: they target discerning consumers already on the cusp of a purchase decision, ensuring that the brand's outreach feels tailored and exclusive.

Luxury brands can achieve a more focused, high-impact engagement, ensuring that every dollar spent delivers optimal returns while enhancing the brand's cachet.

Choosing the right RMN partners

Luxury brands must approach their choice of placements discerningly to maximize the value they get from RMNs:

- **Brand alignment:** Luxury brands should partner with RMNs that share their values and target demographics. This ensures that promotional efforts are directed towards consumers who genuinely resonate with the brand
- **Quality over quantity:** Luxury brands should focus on creating deep, authentic interactions with their customers. This means fewer, but more impactful, touchpoints
- **Customization:** Luxury consumers want an experience that is tailored to their individual needs. Brands should prioritize RMNs that offer a high degree of customization in their campaigns

AS LUXURY RETAIL shifts to the digital age, RMNs emerge as a compelling avenue for engagement.

Luxury brands can elevate their marketing strategies by harnessing the potential of RMNs, ensuring that their voice is uniquely and effectively heard amid the digital clamor.

To be effective, the essence of successful execution of campaigns on these channels depends on their execution with the grace, poise, and precision befitting luxury.

Brands that are mindful of this should be well positioned to succeed on this channel.

Susan Jeffers is founder/CEO of [XY Retail](#), New York.

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