THE DEEP DIVE

LUXURY'S BOUNCE BACK TO GROWTH

SUMMARY

LUXURY SOCIETY

BY DLG.

Hello and welcome to The Deep Dive, a new series from Luxury Society that takes an in-depth look at the big issues and topics affecting the luxury market, and how the industry has responded to them. Through a series of interviews, exclusive data, and market analysis, we hope to provide a comprehensive view of each topic explored, adding to the wider discussions with our own expertise and that of others in the industry.

For our first report, we wanted to explore the luxury market's rebound that started in the second half of 2020, continued to gather pace into 2021 and at the time of publication, has continued in early 2022. Will it last, we wondered? Are the fundamentals of luxury demand so strong that despite one of the biggest global crises in history, growth could still be found? This is what we wanted to delve into and discuss.

In the first part of our special report, we looked at why the luxury market is rebounding, who the winners are, the reasons behind their success and how brands can learn from their example drawing upon insights from our own executive team at our parent company DLG as well as leading industry experts.
In the second part, we speak to leading figures in key luxury categories about what they are seeing in the market: from luxury cars to travel and wellness, we wanted to give our readers a deeper understanding and insight into the trends happening in the market through their eyes.
And in the third part, we analysed and discussed our findings from our exclusive data, a community survey, and our interviews to try to predict what may lie ahead in the coming months.

We hope you enjoy reading it.

THE LUXURY SOCIETY TEAM.

Source: Courtesy of Louis Vuitton.

PART I

THE REBOUND
HOW LUXURY'S LEADING BRANDS WON OVER THE MARKET

Luxury brands are seeing a return to growth, a stark contrast from nearly two years ago when the impact of the global COVID-19 pandemic began to take its toll on the industry. But what goes up, must come down. We discussed why the market is booming and which brands outshone the rest in the bid to attract luxury consumers' attention.

It first began with LVMH. Then Kering. Then Prada, Hermès and also Lamborghini. One by one, nearly all the major luxury companies and brands began to report their earnings for the first half of 2021, and each noted the same thing: luxury was rebounding.

LVMH said it recorded revenue of €28.7 billion, up 56 percent compared to the same period in 2020. Kering posted a 54.1 percent rise in consolidated revenue of €8 billion, while Prada said it saw a 66 percent jump in total net revenues. Richemont's group sales rose by 129 percent to €4.4 billion. And last but not not least, Hermès' consolidated revenue rocketed to €4.2 billion, up 77 percent.

The return to growth came as a stark contrast from around two years ago, when the very same companies found themselves having to think on their feet and act quickly in response to the global COVID-19 pandemic, embracing new ways of working, digital technologies and adapting quickly to the challenges that arose from multiple lockdowns and store closures the world over.

Now, even with a new variant casting more uncertainty over the coming year and the ongoing conflict between Russia and Ukraine, it appears that luxury is on a rebound.

Certainly, the conditions for the rebound have been supportive. With governments all over the world propping up their economies with fiscal stimulus packages, what would have been viewed as an economic crisis has largely been avoided, and consumer sentiment remains positive thanks to factors like low interest rates, unemployment protections and of course, a buoyant stock market - all the major indexes have grown at double-digits rates since a year-to-date.

Add into the mix, an increased availability of wealth from luxury consumers unable to spend on travel, dining, and experiences, and voila, a perfectly captive audience ready to release their pent-up demand for luxury purchases across the board.

Who Are The Winners?

Source : Courtesy of Chanel

It comes as no surprise that the luxury behemoths, with their strong established brands and diverse categories and geographies, as well as deep pockets to draw resources from have emerged as the winners during the pandemic. It is a well-known saying that in times of crisis, consumers tend to favour more established brands, seeking out what they know rather than exploring what they don't.

For certain, Louis Vuitton, Chanel, Cartier and Hermès, to name but a few, have all seen a rise in brand desirability, according to data compiled by DLG, which found that Google searches for the brands have grown by 15 percent, 11 percent, 39 percent and 21 percent respectively, from January 2021 to June 2021, compared to a year earlier.

In addition, search interest for their iconic products like Louis Vuitton's Speedy Bag, Chanel's 2.55 bag, Cartier's Love bracelets or a Hermès Birkin bag rose by 60 percent, 38 percent, 38 percent and 18 percent, further demonstrating the importance of a brand's signature products during a crisis.

And what helped drive this interest, was the agility of these brands to respond to the crisis, by laying the groundwork for omnichannel capabilities, through e-commerce, logistics and supply chains, but also through the creative ways they thought of to engage their consumers.

“The speed at which some of the big brands were able to react was surprising,” said Alain Zimmermann, Managing Partner at DLG. “A large part of their success has been the digital initiatives they have put in place to compensate for the closure of their retail stores, and the way in which they have been able to maintain a dialogue with their customers. This has undoubtedly been a lasting advantage for brands that have demonstrated responsiveness, innovation and agility.”

On top of this, with luxury consumers unable to travel or spend their disposable income on hospitality, entertainment or experiences, this has created a huge appetite for "revenge spending," not just for purchases online but also on a local basis too.

Once stores were able to reopen in China, after the easing of restrictions and resumption of a more "normal" way of life, brands that had established their presence in China were able to take advantage of the market conditions, and gain a head start in their recovery, noting huge increases in sales from their affluent local customers.

"We've observed two things," said Pablo Mauron, DLG's Managing Director China and Partner at DLG. "The first thing is that brands that suffered the least from the pandemic were the ones that already had a major e-commerce ecosystem in place, which helped minimise the impact of the slowdown in traffic to retail stores."

“When it comes to the rebound itself, brands that had a strong Customer Relationship Management system in place and who were able to aggressively reactivate their audiences by – as soon as it was safe – inviting their customers to their stores though big and small scale events, installations and pop-ups, have been more warmly welcomed by the luxury consumer, who at the moment are kind of stuck due to limited travel.”

The United States has also been a bright spot for luxury brands. LVMH reported at the start of 2022 that "the United States and Asia are up sharply since the start of the year, while Europe is experiencing a gradual recovery."

Kering reported that its retail division, which includes e-commerce, second quarter comparable sales rose by 97.9 percent, driven by North America, which was up 263 percent. Europe, while further behind Asia and North American markets, is gradually recovering.

But we want to find out whether this rebound in the luxury market will last or not. While brands and companies benefited from the easing of restrictions in the summer, and the positive effect in consumer sentiment, the reality remains that effects of COVID are far from over and the luxury market will once again have to rethink how to adapt to the ever-changing landscape of this crisis.

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" Reality is never a straight line," said Mario Ortelli, Managing Partner of Ortelli&Co, a strategy and M&A advisory company specialised in the luxury goods industry, who believes the rebound in the market at present is an accelerated catch-up of spending condensed in a short period of time. "We are basically back at the level of 2019, and companies and brands will start to settle back to a more normalised growth rate. But there is still a big question mark about the evolution of the pandemic and therefore, get ready for continued volatility. "

"If we were to see an acceleration of contagion and then lockdowns, spending would go down," he added. "When you ease restrictions, then you'll have a catch-up. And this is simply the situation we have at present."

"I don't see the luxury market going down," Ortelli noted. "The average long term growth of the luxury sector has been and, in my opinion, will continue to be at a premium of about 50-60 percent to GDP growth. Clearly, we will see a lot of volatility going forward, but the fundamentals of growth of luxury demand in the long run are very solid."

But what can we learn from those who have successfully navigated the challenges brought on by the crisis?

For us, there are seven key points to consider: preparation, investment, creativity, agility, locality, data and mindset. Here, we identify the best practices demonstrated by luxury's leading brands and how they enabled companies to rebound so quickly back to growth.

Source: Courtesy of Louis Vuitton

How Brands Bounced Back To Growth

Source: Courtesy of Moncler

CRISIS AS OPPORTUNITY TO REDESIGN YOUR COMPANY'S FUTURE

Around two years ago, as the effects of the global COVID-19 pandemic began to hit luxury hard, established brands were able to accelerate their plans that were already set in motion to respond to the new challenges that lay ahead. By laying down the groundwork for omnichannel capabilities such as e-commerce, store refurbishments and logistics and being diversified across multiple geographies, categories and audiences, these brands were well placed to react to the crisis. Take Moncler, which recently showcased MONDOGENIUS, its latest brand experience of its Genius collections over the past four years. Presented as an immersive digital experience, the brand created a space where its global communities could connect. "Today is not only about products but is even more about our communities and the culture we want to shape together," said Moncler Chairman and CEO Remo Ruffini. "The world is changing, and people do not want the same things as before. They demand and expect more from brands. Today, we must find new ways to connect and engage, becoming pioneers of new messages. The greatest inspirations I had in my life came directly from people, and at Moncler, we know that the more we inspire people, the more they inspire us. I truly believe in the power of connecting communities around experiences and creative visions."

INVEST WHILE OTHERS DIVEST

In times of deep crisis, deep pockets can help immensely. While many brands had to focus on ensuring their survival, other brands were able to rely on the financial support behind them through investment, focusing on creativity, adapting their product offering and devising new ways of engaging their audiences. Loewe, with the backing of LVMH behind it, devised its "show in a box" concept, from its Spring/Summer 2021 Mens show, guiding its audience through how its creative director Jonathan Anderson imagined and created a fashion show for the COVID-era. The brands also complemented the concept with an hourly agenda of content, for a full 24 hours on social media, from musical performances and conversation to portraiture and DIY tutorials on weaving.

REFRESH YOUR SIGNATURE PRODUCTS TO INSPIRE NEW CUSTOMERS

Those who were able to focus on creativity, demonstrated a masterclass in how to innovate during these uncertain times. Luxury watchmakers showcased new novelties, jewellery brands reached out to their clients in new and different ways, fashion brands "hacked" each other to drive conversation and marketing buzz, all to help capture the attention of luxury consumers and trigger the purchase. It worked. At Cartier, which focused on returning back to its heritage but in a modern way, millennials now account for 65 percent of its customers. "The brand has been rejuvenated by selling the same thing," CEO Cyrille Vigneron told the FT. "You have to explain classics to a young generation in a modern way. The more we focus on designs that are timeless, the more we can talk to all generations, and we have attracted younger customers with both watches and jewellery. In Asia and in the Middle East, Gen Z is already 25 percent of our clients. Gen Z is made up of people less than 25 years old, so we are in fact a much younger brand than people think." Likewise with Tiffany, whose latest campaign "Not Your Mother's Tiffany", is a twist on its heritage to update its image with younger consumers.

ATTRACT NEW CLIENTS THROUGH NEW CHANNELS

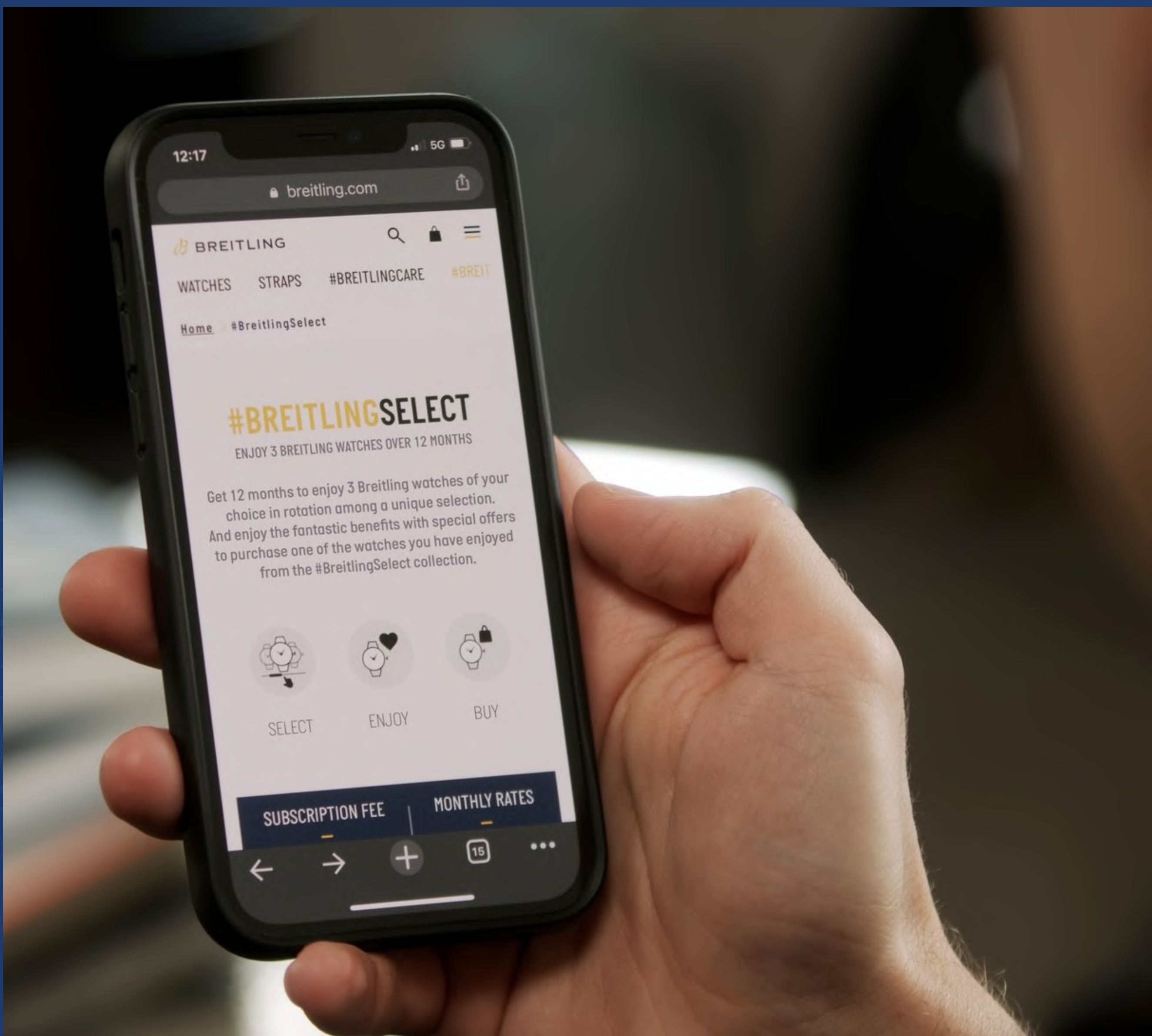
Brands that embraced agile ways of working were also able to react in more effective ways for their businesses. From adjusting sales of products to certain geographies, altering and tweaking their supply chains, and even embracing different operating models like direct-to-consumer, it was this kind of flexibility that ensured companies were able to meet the challenges that they faced. With restrictions in place in early 2020, Hermès reported its first half revenue dropped by 25 percent to €2.5 billion. But one surprising bright spot was the growth of its online channels, where sales continued to rise even as its stores reopened. The French luxury group reported that around 75 percent of their online customers were new, and its growth rates in e-commerce didn't go down once stores reopened. "These aren't sales that didn't take place in stores. It took place online instead," Hermès Executive Chairman Axel Dumas said in a conference call. "These are new customers, new customers who came to our online stores, so there wasn't any sort of cannibalisation." A year later, after experiencing unprecedented growth in its online channels, its chief financial officer Eric du Halgoüet told reporters that it planned to "gradually increase our offer of products online, except for the very iconic products such as Birkin. Online had now become the group's "biggest store", with revenues exceeding those of any of its flagship shops. Sales online grew by nearly 100 percent in all regions in the first nine months of the year.

PRIORITISING LOCAL CLIENTS

It can be tempting for many luxury brands to rely on high spending international clients who frequently travel to the international luxury hot spots like Paris, London, Milan and New York and purchase luxury goods in abundance. However, during the height of lockdowns and restrictions, those who had prioritised their relationships with their local clients throughout the years, maintaining their connections through superb customer service and management of their database, were the ones who were able to take advantage while travel restrictions remained in place. This earned them a head start when retail stores were able to reopen as local customers were able to come in and spend, whilst international customers remained in their local markets.

LEVERAGE YOUR DATA TO RETHINK YOUR BUSINESS MODEL

By understanding their data, brands were able to understand their audience in a faster way and use a digital toolbox, picking and choosing what worked best in an agile way, to build their future in terms of audience. When Breitling decided to shift 70 percent of its communication to digital, it did so for a reason. Online purchases are expected to account for 20 percent of sales, and e-commerce would help create a more complete experience for its customers. Building out a subscription model called BreitlingSelect, introducing more flexible financing options, have all helped to broaden the brand's appeal to make it more accessible and inclusive. Not only did these decisions help to expand its digital toolbox, but it also helped to communicate where Breitling stood in terms of its sustainability values.



Source: Courtesy of Breitling

GO ABOVE AND BEYOND TO REASSURE AND INSPIRE YOUR TEAM

Lastly, the most successful brands during the COVID-19 pandemic have been those who have endeavoured to build up the right team, for the right place, at the right time. It comes as no surprise that many brands and companies have hired, fired and shifted around executives and creative directors during one of the most challenging times in the luxury industry. Those who have ensured the leaders they have placed in charge have the right mindset for orchestrating change have reaped the rewards. Gucci, whose creative director Alessandro Michele and CEO Marco Bizzari, have been known as an iconic pairing in luxury fashion for quite some time. When Michele was first hired in 2015, the pair were tasked with the undertaking of reinventing the brand. Bizzari told WWD how he travelled and met 3,000 people to communicate what was then Gucci's new strategy when he first joined the company. "Surely virtual [assets] will always remain important, you cannot go back in time, but the interpersonal exchange is something else entirely." Six years later, Gucci remains one of the most successful and talked about brands in the fashion space. "We did not push events or our commercial communication, but focused on our values and our culture — it's easy to talk of values and people when everything goes well, but it's something else entirely when problems and outside conditions influence you. I'm pleased with what we did. Compared to our competitors, we were understated, but we put people at the centre. We walked the talk. Culture eats strategies for breakfast, as (Austrian management consultant and author Peter Drucker) said. We continue to believe in this and we think this is how our strategy can be successful."

In summary, it takes more than just a few moving parts to succeed in luxury, particularly during the challenging period that the world experienced during the first uncertain months of the COVID-19 pandemic. And only those who were able to leverage the opportunity as easily as some of the industry's bigger brands were able to emerge triumphant. What remains an even more significant question is what position the challenges of COVID-19 leaves upon the rest of luxury's ecosystem and how they're able to navigate through them without the support that many of the winners were fortunate enough to rely on.

Rachid Ait Addi

Source: Courtesy of Rachid Ait Addi.

> “Luxury Brands Are Getting Ready For A New Era Of Growth.”

The future for luxury looks bright, at least in digital media advertising, says Rachid Ait Addi, Head of Client Partnerships at Teads, who has seen demand for video advertising and creative services grow significantly since the start of the pandemic, a trend he expects will continue into the years to come.

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For Rachid Ait Addi, Vice President of Client Partnerships at the world’s leading video advertising marketplace Teads, the global COVID-19 pandemic was a key pivotal moment for luxury brands to realise that the digital revolution had finally arrived.

Conversations about a new innovation or a digital campaign that would have previously taken a year to sign off were suddenly being activated and launched within a few months of discussion. Interest from some of the world's leading brands to work with Teads' Creative Services team to develop new digital media concepts soared, and for Ait Addi, it represented a change in mindset from his clients that luxury was finally ready to embrace what digital media advertising could offer.

“It's really adapting their DNA for this new digital age,” said Ait Addi. “Because culture-wise, for a luxury brand, their image is super important, the quality of their products is super important, and their values are super important. This doesn't change with digital storytelling. And how you engage in an elegant way with your consumers doesn't change, the only thing that has is how you arrive at that point.”

Indeed, one key example for Ait Addi of the change that he had seen in the luxury market was with a client, who previously would take up to a year to consider new creative ideas and concepts pitched to them by his creative team, but following the pandemic really embraced the opportunity to explore what digital advertising could offer.

“Digital is really the first point of media for those brands now. We really see a change in the mindset,” said Ait Addi, noting the shift. “The creative team used to talk about 'luxury time', meaning that luxury brands really take their time to embrace innovation and even a new creative idea. Usually, we pitch an idea, and then a year later, they activate it during the space of six months. So, I was really surprised that in the first half of this year, we saw more creative innovation from them than in the last two years.”

Creative innovation and digital storytelling is a subject that Ait Addi knows extremely well, given he has spent the last 15 years of his career advising brands on how to make digital more of a priority in their advertising budgets, having previously worked at The Financial Times leading its digital strategy on products like How to Spend It. In his current role as Vice President of Client Partnerships for Luxury, Fashion, Beauty, Sportswear and Automotive, he leads a team of 24 industry specialists around the world to deliver media solutions to advertisers.

The main component of those media solutions is the Teads platform, which reaches nearly 2 billion people a month through most of the world's leading publications, from Bloomberg and The Economist to The Guardian and Le Monde. Teads enables publishers to sell video advertising space on their websites in a smooth and seamless way (videos appear between article paragraphs and can be dismissed by readers by simply scrolling down), and enables brands to advertise in different increments on premium publishers' platforms. During the 12 months ending in June, Teads saw its full-year revenue increase 36 percent to $645 million, and specifically within Beauty and Luxury, double-digit growth on top of its 2019 revenues.

What Ait Addi sees as even more promising is the demand for digital advertising and creative services, the move towards more meaningful interaction with innovative technologies, and companies focusing on not only capturing the attention of luxury consumers but also their aims of making more of an impact on their businesses. A trend highlighted during the global COVID-19 pandemic as audiences flocked online during the multiple lockdowns and restrictions the world over.

"People often think that the luxury industry is a bit behind in digital, but I don't think that necessarily true," noted Ait Addi.

> **"They have always been interested in innovation. They always want to be the first ones to try the next new shiny thing, but they have moved on from doing that to really experiment with the next digital innovation in a more meaningful way, which shows more maturity. They are showing more maturity for the medium of digital."**

"Digital used to be an afterthought," he added. "Now big luxury groups are going through pitches for new media agencies, which two years ago would have been impossible and five years ago would have seemed like a dream. For brands, they've realised that it's really building a culture, and embracing this new digital consumption habit from the target audience."

Looking forward, Ait Addi believes that there is further growth in the luxury market to come and that the rebound in luxury will continue for at least five years, thanks to younger, more digitally savvy consumers helping to drive growth in the market and markets that had previously been overlooked by luxury brands like the United States.

"Brands are talking to these audiences more and more, and these consumers are getting wealthier as they are getting older. So, I believe we're going into another era of growth, and that's not only driven by China, but also millennials in the United States and communities that were not necessarily targeted previously," he said.

He has already seen this positive sentiment about luxury's rebound following into his clients' media planning and buying for the fourth quarter of this year, which is typically a key time for spending from luxury consumers. "In this environment, as you can imagine, the big jewellers, the big fashion houses, the big fragrance companies are all planning really positive messages in their adverts for the fourth quarter," he added.

The future for luxury he believes, looks very bright indeed, particularly for brands who have been preparing for one where digital is their main focus. "Luxury companies are reaping the benefits of the investment that they have put into digital," he said. "They have set themselves up for the future, on all levels, not just a rebound."

Simone Gibertoni

Source : Courtesy of Clinique La Prairie.

“Hyper-Customisation In Health and Wellness Has Become The New Luxury.”

When companies speak of DNA, they're often referring to the marketing codes of a brand. But for Simone Gibertoni, Chief Executive Officer at Clinique La Prairie, the level of customisation that the award-winning medical spa provides actually involves looking at a client's DNA to provide the highest level of customer care and experience.

When global travel restrictions were put in place last year Clinique La Prairie, like many in its industry, suffered. Around three-quarters of its clients –who were predominantly visitors from outside of Europe – were not able to visit. Which meant shifting its focus to more local clients in Europe as well as highlighting its immunity and global health solutions as they become more relevant in the post-pandemic world. Clients, now more than ever, were seeking the long term benefits of a holistic health approach.

“COVID had a very negative effect on us,” said Gibertoni. “We had 97 percent of our clients coming from outside of Switzerland. And 70 percent of our clients were from outside of Europe. So, when COVID hit, we basically had three-quarters of our clients that could not reach us and this lasted for many months.”

So, Gibertoni decided to shift the clinic's focus to local customers in Switzerland and Europe, who were able to more easily access its services and whose awareness and interest in its holistic approach helped drive demand in the first half of 2021. It was a decision that paid off.

Through an extensive marketing push that involved using its own loyal customers to help promote the clinic to family and friends, leveraging its expert approach in helping people, developing new immunity and wellness programmes to reach new and existing clients, as well as targeted online and offline campaigns, Clinique La Prairie has seen its occupation grow again, and the company can once again tentatively resume its longer-term plans to offer clients its services in global locations around the world like Bangkok and Madrid.

Source : Courtesy of Clinique La Prairie.

However, while demand remains high at present, Gibertoni remains positively cautious for the coming year. "We are definitely very positive on the second half of the year and the first part of next year," he said. "But I think for us there is the question mark over the reopening of China, which I don't see coming in the next six months, and perhaps even in the next 12 months. And for a company like ours that relies on providing an experience, we cannot sell the experience locally to China."

While its global expansion plans remain in place, what has helped Clinique La Prairie bounce back from the effects of the pandemic, is in fact, the pandemic. Clients, now more than ever, are focused on health and wellness with a longer-term perspective.

“Clients are coming to us with very clear objectives about what they want to achieve, they're really searching for results. They're really not compromising on the experience that they want," said Gibertoni.”

"People are much more aware of the importance of their health and of check-ups," he added. "A lot of people were coming to us with the idea of a quick fix, where they would do a wellness-health programme for a week and continue as normal throughout the year. Now, people are beginning to understand the importance of a holistic programme, which is what we have with our Revitalisation programme. Now they are staying in contact with our team and looking for how they can benefit in the long term."

At a time when one's health might be the most luxurious thing that money can buy, the wealthy are certainly making use of the very best services that Clinique La Prairie can offer. Beyond its health-wellness programmes like Revitalisation, Master Detox, Better Sleep or Immunity Boost, and its rejuvenation procedures like Beauty Stem Cells, Clinique La Prairie has increased its focus on hyper-customisation for its clients, meaning that when a programme is recommended for a customer, it's individually personalised because it takes into account their DNA and now also takes into account epigenetic factors like how lifestyle and environment affect how genes express themselves.

"Customers are requesting even deeper customisations than before," said Gibertoni. "The final objective is to better customise the result that clients want to get from the experience. COVID has also clearly shown how different we are…and therefore how important is to customise the therapies based on genetic and epigenetic markers."

Source : Courtesy of Clinique La Prairie.

Looking forward, Gibertoni believes the future of his industry lies on its ability to continue to innovate, either through technology or through health products, as well as a continued holistic approach to wellness that factors in elements like nutrition and epigenetics.

One of the clinic's latest innovations is what Gibertoni calls a "longevity supplement", something akin to dietary supplement but with ingredients that are aimed at promoting cellular longevity, rejuvenation, boosting immunity and managing stress and inflammation.

Another is working out which kind of digital technology will enable the clinic to stay connected with its clients, for example, wearables. "This is going to be a big challenge for us in the future because we have to have a tool which really works and that is really used by our clients."

Whatever the future of health and wellness may look like, what remains certain is that it will be driven by what the client demands. And what the client demands, Clinique La Prairie delivers. "At the end of the day, what our customers want are benefits to their wellbeing, not just during their time at the clinic but when they are back home," said Gibertoni.

"Our mission is to help people live a longer and better life," he added. "The best way to do it is to be really at the cutting edge of innovation and offer value for our customers. The idea is to deliver a value that our clients cannot find anywhere else."

Beat Imwinkelried

Source: Courtesy of B.I. Collection.

> “ Luxury Car Clients Have Demanded More Immediacy And Pre-Owned As A Result Of The Pandemic. ”

The luxury automotive industry began experiencing an increase in demand during the height of the global COVID-19 pandemic, as customers unable to travel, sought other areas to spend their money. What was even more noticeable was that customers were unwilling to wait for a new model, opting instead for pre-owned cars to satisfy their need for speed.

Our third interview of The Deep Dive features Beat Imwinkelried, Owner and Chief Executive of B.I. Collection, a luxury car dealership based in Zurich, who speaks about how increased demand for luxury cars is helping to increase the popularity of pre-owned models, why physical experiences will continue to drive the market forward and why he believes luxury will recover in 2022.

When the start of the global COVID-19 pandemic began and travel restrictions were put into place the world over, Beat Imwinkelried began receiving a lot of phone calls. The entrepreneur, whose dealerships in Zurich, Basel and Gstaad sell luxury car brands like Ferrari, Maserati, Bugatti, Porsche and Mercedes-Benz, heard the same thing from many of his clients: they wanted a luxury car, they wanted it now, and they were willing to buy pre-owned.

This made for a stark contrast to the trends and behaviours Imwinkelried had observed over his many years working in the luxury automotive space. Clients who would have previously signed a contract with a waiting time of 18 to 20 months for a Ferrari, often customised to their exact specifications, now wanted to take a pre-owned car that they could enjoy in the present, no matter the cost.

What makes this behaviour in the luxury automobile industry remarkable, is that typically, when clients buy their first luxury car like a Ferrari, they often buy a pre-owned model, explained Imwinkelried. But if a client were to purchase a second or a third, typically they would seek out a new model that they can configure to their own specifications, which in itself is part of the experience.

"This is part of the journey and part of the experience of buying a luxury car which is very important," he said. "For many people who buy Ferraris for instance, it has been very important to go to Maranello, to do your tailor-made specification, visit the factory, sit down for a nice Italian dinner, it was part of the package. And during the pandemic, this kind of experience was not possible anymore. Because of that, clients then chose not to wait, and instead chose to take a car that was already in the dealership."

"This was a significant shift in consumer behaviour," he said. "Consumers have continued to spend money but what has changed is that they wanted to have it immediately."

A large part of why demand has been so high is due to the travel restrictions and an increase in disposable income to spend elsewhere. "During the pandemic, travel has been extremely restricted. So, instead of travelling to the Maldives, or other exotic locations, clients have decided that if they had to stay in Switzerland or nearby, they wanted to have a nice car, a luxury car to enjoy for themselves while they weren't travelling to other places," he noted.

Now that many travel restrictions have eased, at least for the time being, Imwinkelried has noticed that the accelerating trend that he saw in the first quarter of the year, has eased, something he expects to continue in the coming months.

“At the moment, I would not say that it is accelerated,” he said. “As soon as people could go back to travelling and the restrictions for travel eased, then the interest shifted and I think this is still kind of going on. We still have people that we are inviting for events, like test drives but for now, there is a feeling that restrictions may come back and clients are travelling for as long as they can. So, this is the kind of behaviour we are seeing at present.”

For the year ahead, however, Imwinkelried remains optimistic and expects the rebound that luxury is experiencing to continue into the new year. “From a Swiss perspective, I believe there are good reasons to believe that this rebound in luxury will continue to last into 2022. Switzerland has been recovering, better than forecast 12 months ago. We have a lot of people who have part of their wealth, coming from either capital gains in financial investments or real estate, so I am quite optimistic that this rebound will continue into 2022.”

Looking forward, what remains a challenge for luxury cars is a mixture of things, said Imwinkelried. Firstly, how can businesses balance the mix of both digital and physical customer journeys, particularly in the automotive space where the physical experience forms such a big part of the sales and purchase.

“The challenge for us is how to cope with this mix of the two, he said. “How do we create and capture their interest on digital channels and how can we reach them? And then how can we put them behind the steering wheel of a car physically? This is something that I think is a big challenge for the industry. I see a lot of pilot projects and I see a lot of trial and error approaches by manufacturers.”

“I think you have to be very smart and very educated and very skilled,” he added. “If you want to really achieve an impact. You need to use digital ways to communicate and reach your target audience, but in a very stylish way which more or less corresponds to the positioning of your product.”

Another topic is sustainability, which is growing in importance for many clients. “There is an increasing awareness regarding certain social responsibility, certain environmental issues and it’s obvious that many luxury goods manufacturers have identified that and responded to that. And that’s increasingly important. Consumers are informed and are interested.”

“People are asking questions and are investigating certain impacts on the environment, like fuel consumption,” he added. “They are asking questions about what will be the value of this car in 10 years. Do you believe that I can still go into city centres in five years from now, these are questions that are increasingly being asked. Eventually, they still buy the car, but it shows us that they care about these topics.”

And lastly, the experience, where Imwinkelried believes his expertise lies. “With luxury cars, it’s all about emotional mobility,” he said. “Let’s be clear, nobody on the planet needs a Ferrari. It’s a pure emotion. Nobody can tell me that he needs one. And so, a Ferrari, a Bugatti, a Rolls Royce, are all part of what I call emotional mobility.”

“It’s not about getting from A to B, but about something that drives your emotion,” he said. “I truly believe in the future of emotional mobility and all the services around it. This is where you can not only deliver a product but you can also deliver a lot of services around the product.”

“ It’s where an all-inclusive trip to a racetrack in Spain can be organised for the speed junkie, right down to the hotel, transportation of your vehicle, the replacement tyres, the mechanic that travels with you and your friends to take care of everything,” he added. “Here are the services around the core product, and this is where I see the future. ”

Pablo Mauron

Source: Courtesy of DLG.

“ Luxury Brands Need To Develop A Whole Digital Ecosystem For China Alone. ”

The head start that luxury brands gained from their presence in the Chinese market has continued to provide a competitive advantage, but as China's digital ecosystem matures, so too must the strategies that companies employ to navigate luxury's fastest-growing market, says Pablo Mauron, Managing Partner China and Partner at Digital Luxury Group.

For many brands, luxury's rebound commenced at the start of this year when they began to report a significant uptick in sales figures, signalling an improvement from the sharp falls seen during the height of the global COVID-19 pandemic in 2020. But for Pablo Mauron, luxury's rebound began over a year and a half ago in China when the country eased its restrictions and brands could once more open their stores to customers.

Those that suffered the least from the pandemic in China, were brands that already had a major e-commerce ecosystem in place as well as strong Customer Relationship Management that allowed them to reactivate their audiences when stores were able to reopen, inviting them to elaborate in-store events, particularly as international travel remained off-limits and consumers began to shop domestically for luxury goods.

“The result has been a very intense 18 months,” says Mauron. “A lot of brands have been very aggressive in their marketing strategies, holding events such as brand installations and pop-ups and on a bigger and more experiential scale, and launching e-commerce offerings across various digital channels – from marketplaces to social platforms. And all of that has been even more warmly welcomed by consumers because it also became a way to entertain themselves at the moment where they were kind of stuck.”

Unsurprisingly, luxury consumption in mainland China is still driving the majority of growth in the market and is expected to for the foreseeable future. Analysts at Bain & Co say that much of the recovery over the past 18 months has been down to the “insatiable” demand from its consumers and by 2025, Chinese consumers' share of global luxury goods will make up the world's largest. Little surprise then that brands who were previously reluctant to launch onto platforms like Tmall, have now jumped in and are rapidly attempting to expand their presence on multiple platforms within China's digital ecosystem.

The fast adoption of platforms like Douyin (also known as TikTok to those in the West) and Xiaohongshu (RED) further highlighted how important new channels have become to luxury brands, who in the absence of a physical touchpoint, had to adapt to survive. But as China's ever-evolving digital ecosystem develops even further, brands also have to figure out what kind of solution they are looking for in luxury's fastest-growing market particularly if they want to gain more autonomy and independence and higher profit margins.

“The question for a lot of brands now is how do we continue to grow that online business while potentially reducing the dependency on a third-party platform?” said Mauron. “Brands need to think about how they can scale their e-commerce activities without overspending on media, as well as maximising profit margins – meaning developing direct-to-consumer channels and leveraging private traffic.”

What brands need to realise is that having an e-commerce presence isn't just about having one flagship store that consumers will flock to, but about having multiple channels and being present across platforms that make sense for them, that sit alongside supporting marketing strategies and content creation and that lead to two things: customer data and sales.

"Brands realise now that it's really hard to make your user shift from one app that they like to another," said Mauron. "The evolution is really going to be about developing full integration, content marketing and customer activation across the channels with all the specificities that they have in terms of content assets."

"They need to be designed in a way that each one of those can lead to a chain of data that can be built into a significant data pool," he explained. "Which would not only be limited to customer data but be a real data pool that contains leads, prospects and customer data that allows brands to have in-depth analysis when it comes to knowing and owning their customer profiles, their prospects and how to activate them."

"The funny thing is that we're not really talking about omnichannel anymore," he added. "The principles remain the same, but we're not any more on that customer mapping journey that says that you go from point A to point B, and onto point C. Customer journeys can now take place cross-channel, or all within a singular channel as well."

Looking forward, there are challenges that lie ahead in the Chinese market, despite the plethora of opportunities and rewards that it offers to luxury brands. While there are currently no specific policies stemming from the government's "common prosperity" drive that impact the luxury industry, it is difficult to ascertain its long-term effects on consumption and demand. And as international borders begin to tentatively reopen, Mauron believes brands should be preparing for a second wave in the rebound.

"We see the revenge spending, which we know cannot be a long-lasting thing," said Mauron. "You can eventually estimate that there will again be hundreds of thousands of Chinese travellers that will make, once again, trips to their favourite shopping destinations. So, brands that are significantly increasing their investment in the local Chinese market, must also be aware that there is another wave of rebound for other markets which is the day China reopens and will have to work really hard to convince their customers to continue to buy in China."

Another issue is the longer-term question that needs to be addressed by luxury brands like how to attract younger generations, who are already showing signs of turning away from previous generations' stereotypical ideas of success.

I don't necessarily see why the demand for luxury brands would decrease in China, but when it comes to the younger generation, there is a lot of discussion now about the trend of 'lying down'. Meaning they are deciding to not seek to attain the stereotypical idea of success that has been the same for many generations before them. said Mauron.

"You do see many people are walking away from big cities, who value more of a work/life balance, that are walking away from the 996 working culture," he added. "A lot of the assumptions that have been made by the luxury industry is this idea of the growing middle class. But the thing is that for the young generation, a lot of them realise that it's too much work to be a part of that growing middle class and so that does pose a lot of longer-term questions."

But most importantly, on top of considering all these issues, one concern remains at a primary focus for all luxury brands: how can they ensure that they're in a leading position in the Chinese market? The answer, as Mauron puts it, is quite simple. Brands must place the country first, in terms of all their decision making, particularly if they want to continue reaping the rewards from it.

"The concern from brands is always the same," said Mauron. "How can brands ensure they are in a leading position in the world's largest luxury market? But to be in a leading position in China requires them to place China at the centre of a lot of decisions they make, and that goes beyond digital and marketing."

Source: Pixabay

It goes as far as product, design, celebrity endorsement and all of that," he added. "And I think that the challenge for brands is that there is a requirement to succeed in their most important market. But this is also perceived as the potentially biggest threat on adding an impact on the global image and their global positioning.

Alexander Manz

Source: Courtesy of Ritz Carlton.

> “ If Your Product Is Not Well-Positioned For Your Specific Markets, You Will Struggle. ”

Brands must be aligned towards their clients’ expectations in order to succeed in luxury’s new normal, says Alexander Manz, Director of Business Development at ASMALLWORLD Hospitality, and position themselves in a clear and distinct way towards their specific niche audiences or risk falling behind the industry’s younger and more digitally savvy competitors.

Of all the different sectors within luxury that have been affected by the global COVID-19 pandemic, travel has most likely been the hardest hit. When international borders closed during the first half of 2020 and global travel restrictions were put in place - the hospitality industry ground to a halt. Occupancy rates fell dramatically and hopes of filling hotels with flocks of affluent international tourists grew dimmer as months of uncertainty passed by.

But for Manz, whose hospitality business forms a part of the ultra-exclusive lifestyle and luxury travel social network ASMALLWORLD, and who provides consulting services for the development and management of luxury hotels and resorts globally, the pandemic gave the travel and hospitality sector the opportunity to stop and reassess what changes needed to be addressed so that when travel restrictions did ease, it would be ready to move forward and operate in what is now, the new normal.

“What the pandemic did, and probably what any crisis or big disruption does is just accelerate existing patterns in the world,” said Manz. “It shifted us towards new values, trends and behavioural patterns which were already there pre-COVID, but are now growing in popularity. One of the values that is becoming more important is well-being, for instance, another is the trend of shifting demographics; who is driving the market, making the decisions and has the money to spend.”

Indeed, those who are driving the market are the same ones forcing it to change, shifting it towards more digital-based concepts like hyper-segmentation of audiences, meaning that brands must embrace the capabilities that a digital toolbox allows them to have and position themselves towards their specific niche audiences that are interested in their offering.

More simply put, it’s about knowing who your specific customer is, their likes and dislikes, what kind of holiday or accommodations they like to stay in, what kind of facilities and activities they want on offer, and channelling your marketing efforts towards reaching those exact customers.

“It’s becoming easier and easier to read the data,” said Manz. “I’m seeing a huge growth in demand for personalisation, that will at the same time play a significant role in the future. Fifty years ago, a luxury hotel could position itself as a very nice four-star property, with a good price. But today, there are 100 different ways you can position yourself. There are so many new niche markets and in each niche market, you have your customer groups that are in demand.”

“Nowadays, to be a brand means you need to have a very clear concept positioning towards the client, in which everything is aligned,” he added. “If you don’t have this, you will have issues. So, you have a lot of possibilities in this market, but you need to be aligned in every field. If you do it correctly and position your offering towards the right kinds of audiences, you will see a huge demand.”

It’s a method that clearly works. In August and September, one of the hotel properties within Manz’s family portfolio - the Ritz Carlton Hôtel de la Paix in Geneva - returned to 90 to 95 per cent occupancy levels, similar to those previously seen in 2019 before the start of the pandemic.

But demand is something that remains a delicate balance in luxury travel as many countries still have restrictions in place. The United States only opened its borders to fully vaccinated travellers on November 8, after nearly 20 months of closure. Most European countries are open for vaccinated visitors and for those with a negative PCR test, but EU member countries are free to impose their own restrictions. And some countries in Asia, like India, Thailand and Cambodia are allowing vaccinated travellers to enter without having to quarantine. China still remains off-limits for inbound and outbound tourism. The emergence of the Omicron variant announced in late November, is a stark reminder of just how delicate that balance is.

Without the demand from international travellers, who previously were willing to travel far and wide to far-flung destinations, the outlook for the industry still remains uncertain, at least in the short term.

“ Hospitality is an international business, so we need flight capacities and we need people to travel again,” said Manz. “There is intrinsically a strong demand for travel, especially for leisure and family vacations. ”

Looking forward, Manz remains optimistic about the luxury market and the rebound that it is experiencing particularly in the higher end where he operates. “In general terms, I’m very optimistic about luxury, especially, I would say ultra-luxury , because we have a world where central banks are printing money to create inflation and support global economies, making the wealthy, even wealthier.”

More wealth means more disposable income to spend on leisurely activities and Manz believes this will help push demand for trends like the rise of ultra-exclusivity within travel and hospitality, something he believes the industry will see more of in the future.

“We are seeing a rise in the diversification of flight choice, for example,” he said. “Companies are now providing aeroplanes as private planes for families to travel more safely during the pandemic, and this demand is helping to drive the pricing down. This is the next big step in luxury and there will be a huge demand for these kinds of services in the next 15 years. The lower costs are already happening, and I see transatlantic flights becoming very cheap as a result.”

> "Exclusive products will be on the rise, and the average product will die," he added. "People don't want average products. Exclusive doesn't have to be a luxury product, it can be something like an exclusive milk in the supermarket but as long as enough people want an exclusive product, the demand will be there for it."

Source: Asad Photos at Pexels.

Mario Ortelli

Courtesy of Moncler

“ There Has Never Been A More Competitive Time For Luxury Than Now. ”

The growing demands from luxury’s ever-evolving consumers means there has never been a more competitive time for brands to remain relevant, says Mario Ortelli, Luxury Society Columnist and Managing Partner at Ortelli&Co, who believes the long-term fundamentals of the market remain a compelling opportunity for investors.

There was once a time when Mario Ortelli could recall comments about whether a brand like Louis Vuitton could exceed revenues of $2 billion. That figure rose to $5 billion, and then $10 billion. And today, the value of what is arguably the world’s largest luxury brand is above $15 billion.

Back then, it was almost impossible to believe that a luxury brand could reach such scale and not risk over-exposing itself, said Ortelli. But today, Louis Vuitton is point and proof of how a compelling brand story can be built-up, its products segmented to appeal to a number of different audiences and yet still remains true to its customers as it did 167 years ago when it was founded.

So, when doubts are cast over the long-term fundamentals of the luxury market, Ortelli points to LVMH, the world's leading luxury products group, which in October posted a 46 percent rise in revenue of €44.2 billion in the first nine months of 2021 and which noted the performance of its Louis Vuitton brand as performing "remarkably well" and maintains his positive stance: that the growth prospects of luxury remain a compelling investment in the long-term.

"I'm positive on the long term fundamentals of the luxury sector," said Ortelli, who has worked as a luxury advisor for more than 23 years and who now leads a strategic and M&A advisory boutique for luxury goods, high-end retail and premium branded consumer goods sectors, after working for companies like Bernstein, Boston Consulting Group and Accenture.

> **"Clearly there may be certain moments, like we have seen in 2020 with the pandemic that was an enormous negative discontinuity. But luxury was able to quickly rebound after the biggest crisis in recent history back to levels seen in 2019."**

"It basically shows that there is very strong underlying demand," he added. "And also, from a cultural point of view, luxury keeps its connotation of a positive value to the consumer."

Indeed, it seems that pandemic or not, luxury consumers have barely taken a pause to stop buying, despite the initial impact seen in the first half of 2020, and the result is what Ortelli describes as the most competitive environment for luxury there has ever been.

"Consumers are becoming more and more sophisticated and more discerning," he said. "And so, for the luxury companies, that means that the competition is getting more and more intense.

"To be relevant as a luxury brand, you have to have a global footprint," added Ortelli. "Meaning it requires a kind of scale and investment that many luxury brands have never thought of before. On one hand, it's easier than ever to communicate with consumers in this digital era with social media and digital advertising, and that can help brands stand out for a certain while," he noted.

Brands must consider how to address the multiple trends that are reshaping the market and demand for luxury goods, including embracing digital and devising creative and compelling content for consumers, said Ortelli.

They must also keep up with the trends that are steadily gaining traction with younger consumers like how to implement sustainable practices into their business, adapt their product offerings to suit the more casual styles preferred by Millennials and Gen-Z, and explore the world of the metaverse. The brands who do not successfully engage with their customers in a dialogue around these topics, risk losing out to their competitors.

"But on the other hand, you need to also have a compelling value proposition to appeal to customers and without investment and scale, it can be hard to stand out through all the digital noise out there."

It goes without saying that remaining relevant with consumers has become key in today's luxury market, particularly as the adoption of online channels continues to accelerate. Online channels grew by 27 percent from 2020 to 2021 and is estimated to reach €62 billion in market value this year, nearly doubling in the past two years, according to its update on the luxury market by Bain&Co. and Altagamma published in November.

"What we have seen so far is the divide forming between high and low performers," said Ortelli. "This gap will continue to increase as each customer goes to their top of mind brands in each specific product category and the other brands will simply lose relevance over time."

Looking forward, Ortelli sees more opportunity for investment within the luxury market, particularly as the pandemic has forced companies to dramatically rethink their businesses and plan for the future.

"These eye-opening events have pushed companies to be more efficient, agile and faster to adapt," said Ortelli. "It has been a very good lesson for brands to change things up and the result has been that they are now stronger for it. Do I think that this is a sector that is able to attract investors? Yes."

"Let's put it this way," he added. "Brands that are able to remain top of mind for the luxury consumers just increase their value massively over time. A few years ago, there were rumours that a potential buyer might pull out of the possibility of acquiring Moncler at $2 billion as it was considered expensive. But then they came back to look at it and they were not able to acquire it at $10-12 billion and nowadays, Moncler is an almost $20 billion market capitalisation company."

> **"It goes back to my original point about luxury's long-term prospects," he continued. "If you build up a compelling brand story, if you're able to hyper-segment your offer and so be at the 'top of mind' and relevant for different consumer clusters that look to your brand for a specific purpose, and you're able to do this without diluting the other parts of your brand, the sky's the limit."**

Source: Courtesy of Dior

PART 3

DATA & ANALYSIS
HOW SEARCHES FOR LUXURY'S ICONIC PRODUCTS GREW DURING THE PANDEMIC

A Chanel handbag, a Hermès scarf, a Rolex watch. What do all these products have in common? They are iconic products that during times of crisis, luxury consumers have sought out. The past two years have seen an increase in Google search demand for icons such as these, according to exclusive data from DLG, and the trend looks set to continue in the coming year.

When most people think of Hermès, their first association is to think of one of its most famous bags, The Birkin. The tote is one of their most iconic products and one that is synonymous with the brand's qualities of timelessness and craftsmanship. It is also so highly sought after, that the brand no longer has waiting lists for it. The demand is just too great. Which makes The Birkin, the ultimate iconic product.

Each brand has its own. Hermès in fact has multiple iconic products. As does Cartier, Chanel, Dior, or Louis Vuitton. It's something that can take years to establish, but once done, can be the very thing that puts your brand on the map for years to come. Particularly during times of crisis.

The past two years have shown us that interest in iconic products is at an all-time high, with Google searches for "Cartier Love Bracelet" up by 27 percent (3,404,000 searches in 2021) or by 20 percent for "Louis Vuitton Neverfull" iconic bag (1,655,000 searches for this query in 2021).

We wanted to delve deeper into this consumer behaviour and look at the interest in iconic luxury products and how they developed and responded to the dramatic changes that we have seen and experienced over the past two years.

Looking at 13 leading luxury fashion, leather goods, watches, and jewellery brands, we collected and analysed the volume of Google searches (in English) for their respective icons over the past two years to see what data could tell us about consumer demand for luxury goods and what we can learn from it.

We chose these brands based on how established they were, their history of savoir-faire, and how well known they were globally. Their iconic products are emblematic pieces of their star collections, which is why we chose to look at them and extracted search volume for those on Google.

MORE THAN			FOCUS ON
13 000	12	27	8
DIFFERENT UNIQUE QUERIES	BRANDS	ICONIC PRODUCTS	MARKETS

COMPARED PERIODS: BETWEEN JAN. AND OCT. OF 2019, 2020 AND 2021

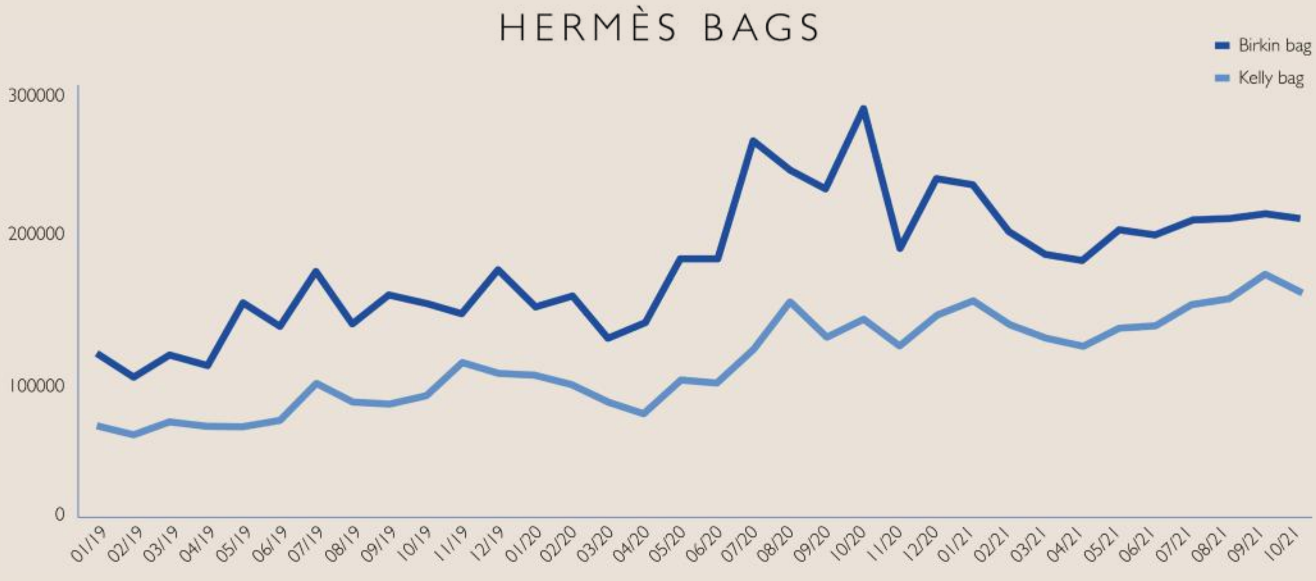
The first thing to note is search demand for iconic products grew in all markets. For example, search demand for the Fendi Peekaboo bag, which was launched in 2009, recorded a 50 percent growth increase in the number of search queries worldwide to 989,500 in 2021 and compared to the past two years. Prada leveraged its Galleria bag with an increase of 76 percent in 2021 compared to 2019, for a total of 220,830 queries related to the iconic bag which launched more recently in 2017.

Looking more closely at the data in the eight selected markets in our analysis, Dior recorded the highest evolution of search demand for its iconic products followed by Hermès, Tiffany's, and Cartier.

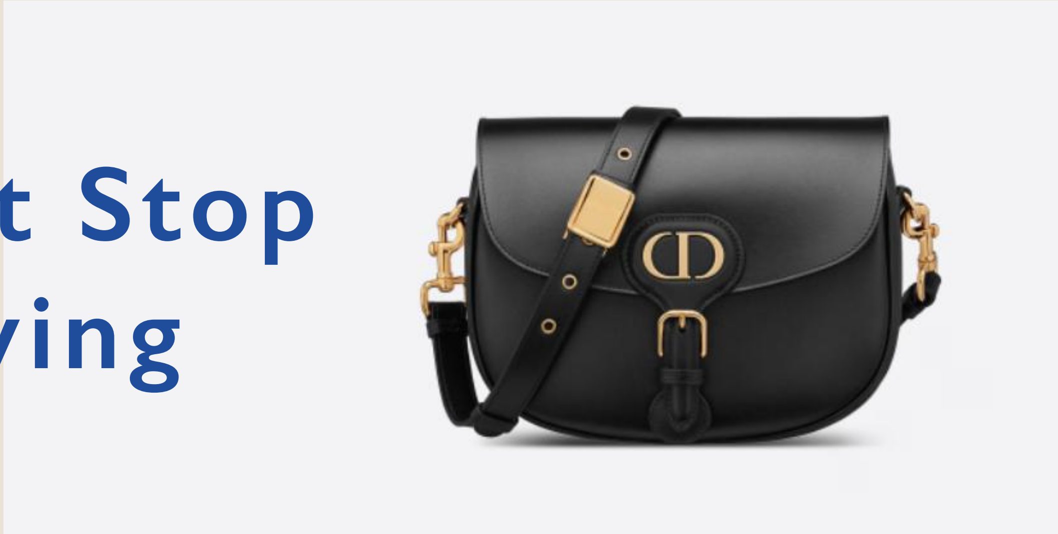
In our data range (between January and October 2021 for the following analysis), Google search demand related to the Dior iconic bags, the Saddle bag, the Book Tote and the Lady Dior bag increased in all markets analysed. The most successful market for the Saddle bag was the USA with a 184 percent growth (1,154,940 queries related to the product). For the Book Tote, it was the United Arab Emirates with an increase of 319 percent on Google (89,140 queries) and the Lady Dior recorded the highest evolution of search demand in Japan (226 percent with 59,210).

Both Birkin and Kelly bags have been very successful in terms of the evolution of their search demand.

Search demand for the Birkin bag grew by 106 percent in France (143,370 queries between January and October 2021), while the fastest growth market for the Kelly bag was Italy with a 131 percent growth.



Don’t Stop Evolving



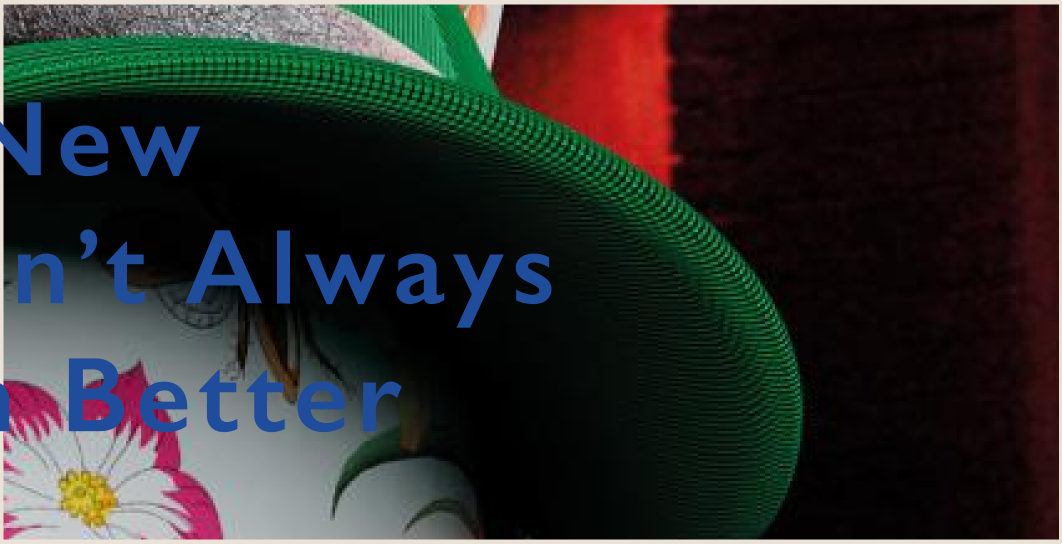
Source: Courtesy of Dior

And those that continued to evolve their product offering, and establish new iconic products to complement their existing offering have benefited greatly, as seen with Dior. The French fashion house recently launched two new bags, the Dior Bobby and the Dior Caro, both of which have seen an increase in Google search demand, demonstrating that there is still room for the creation of new iconic products on top of a brand’s existing offering.

The number of search queries for ‘Dior Bobby’, ‘Dior Bobby bag’ on Google increased by 10 percent in the last six months, raising this total to around 8’800 queries in October 2021.

The same number for ‘Dior Caro’ and ‘Dior Caro bag’ rose to 5’800 with a 20 percent growth. Both bags have been available since 2020 and are part of the recent Dior Collections, the Caro bag for Dior’s Cruise 2021 season, and the Bobby bag for the launch of the Fall 2020 collection. Meanwhile, its more established iconic products like ‘Lady Dior’ and ‘Lady Dior Bag’ were searched around 73’600 times on Google in October and recorded a 36 percent growth in the last six months.

But New Doesn’t Always Mean Better



Source : Courtesy of Gucci.

Gucci struggled a little bit since it recorded an overall decrease in icon demand between 2019 and 2020 but, fortunately, went up this year thanks to its unique loafers. Searches on Google (in English) related to Gucci loafers went from 26’000 to 42’000 between January and October 2021. Those iconic shoes also recorded the best increase this year on Google in Russia and the United Arab Emirates.

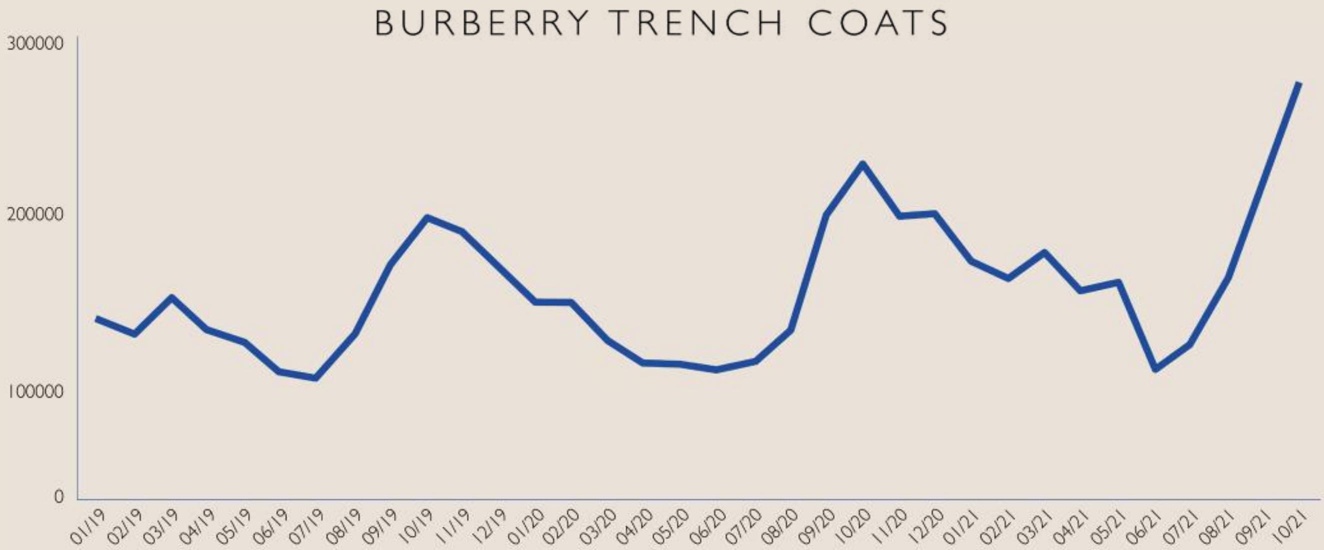
In addition to that, Gucci may also seize the opportunity to follow this icon trend with the recent reintroduction of the Jackie bag for Fall Winter 2020, renamed and reimagined, originally released in the late ‘70s with the code G1244. The Italian brand recorded a 22 per cent growth for “Gucci jackie bag” compared to the last period, bringing the number of worldwide searches for this query only to 238,500 between January and October 2021.

Seasonality Still Matters, For Some

Source : Courtesy of Burberry

Whilst the fashion world has been moving towards more seasonless collections, for some brands, seasonality still matters, particularly when it comes to their icons like Burberry.

Unsurprisingly, interest (searches on Google) for Burberry's trench coats increased during autumn and winter and decreased after. The English brand grew at home by 56 percent compared to the same period in 2019 (421,580 queries between Jan. and Oct. 2021), followed by France with a volume of 142,120 queries in 2021 for an increase of 48 percent.



The same trend can be observed for Burberry's scarves as well as for Hermès ones, recording both the highest demands between November and January, December showing the height of demand.

Demand For Hard Luxury Has Risen

Source : Courtesy of Tiffany's.

Interestingly, jewellery brands and their iconic products have outperformed during the past two years in terms of hard luxury goods, with demand across the board for items like necklaces and bracelets, with the United Arab Emirates noted as one of the top three countries that recorded a higher performance for brands like IWC, Rolex and Cartier.

For Tiffany & Co., the United States is the best performer in terms of search volume increase on Google with the Tiffany Heart Tag Collection.

Around 9'820 queries for 'Tiffany heart tag necklace' were recorded between January and October 2019, however, in 2021 for the same period, 26'900 searches have been made on the search engine, which is a 138 percent growth.

Likewise with Cartier, the top three queries that were most searched on Google in English are for The Love Collection, both in Germany with a 121 per cent growth between January and October 2021 compared to 2019, and a 141 per cent in the United Arab Emirates for the searches 'Cartier love bracelet.

But Watches Interest Has Fallen Slightly

Source: Courtesy of Rolex.

Icons interest for Rolex and IWC is increasing but less than the average median among markets selected and brands part of our analysis. Search demand related to the Big Pilot Watch and the Portugieser from IWC has increased by 43 percent in the United Arab Emirates, their top market in terms of growth with a total of 23,780 queries related to both iconic watches during our date range.

As for Rolex, again, the United Arab Emirates recorded the best increase in searches for the Daytona compared to the last two years with 41 percent growth.

As for the Submariner watch, search demand increased in the UAE by 80 percent, reaching a total of 165,000 searches associated with this product between January and October 2021. However, the Swiss brand recorded a drop in interest for the Daytona as well as the Submariner in Germany, respectively by -10 percent and -17 percent.

Watches don't seem to be the first product to be bought in terms of crisis, even if the value retention remained.

Search For Pre-Owned Is Growing Rapidly

Source: Lifestyle Asia.

Through our research, we also found that interest for a pre-owned condition, such as ‘Dior saddle bag second hand’ or ‘Cartier love bracelet used’, is growing rapidly. An iconic and therefore timeless piece seems to be a good investment for the future.

The fastest increase in terms of search demand for iconic pre-owned products is 60 percent in the UK over the past two years and 35 percent compared to last year. Ranking in second place, Germany closely followed the evolution with a 57 percent growth over the past two years.

The search demand for secondhand products had a higher increase the first year of the pandemic than this year compared to the previous period. The closing of the stores seemed to increase the purchase of goods between individuals.

Overall, all markets selected for this analysis have a positive increase for pre-owned icons within the brands involved.

Brands should never neglect their iconic pieces, although it is necessary to renew. It’s all about finding the right balance. Moreover, developing a strong story-telling for these products is essential to develop an aura, a whole part of the brand, and thus develop its desirability.

In addition to that, some brands have already invested in the development of the pre-owned market by creating a website dedicated to used pieces and managed directly by the brand.

Gucci even mixed its archives with innovation by recently inaugurating Gucci Vault, an immersive digital concept store that is offering exclusive vintage pieces from the Italian brand and featuring some pieces from emerging designers.

From our findings, we believe that there are still huge opportunities for brands to launch, create and develop iconic products. While it is true that customers tend to favour what they know and trust, storytelling, digital activations, timeless design, and 360° synergies are key to an iconic product's development.

Looking forward, how brands embrace and embed omnichannel and immersive experiences into the customer journey is essential to establishing the relationship with their consumers and how they perceive their products.

Being innovative in terms of digitalisation or sustainability are actual major elements and part of the quick wins, that along with celebrating a brand's past with iconic products that allow brands to perpetuate their history and know-how, and increase its desirability are part and parcel of being a luxury brand today. This is true for new buyers and post-'90s demographic as well as for their parents and older generations who have grown up with the release of these products.

Creating an it-bag or must-have accessory is not so difficult, the ultimate objective is how to make it last.

Community Survey: Luxury Holds A Positive Outlook For Long Term

Source: Monde des grandes écoles

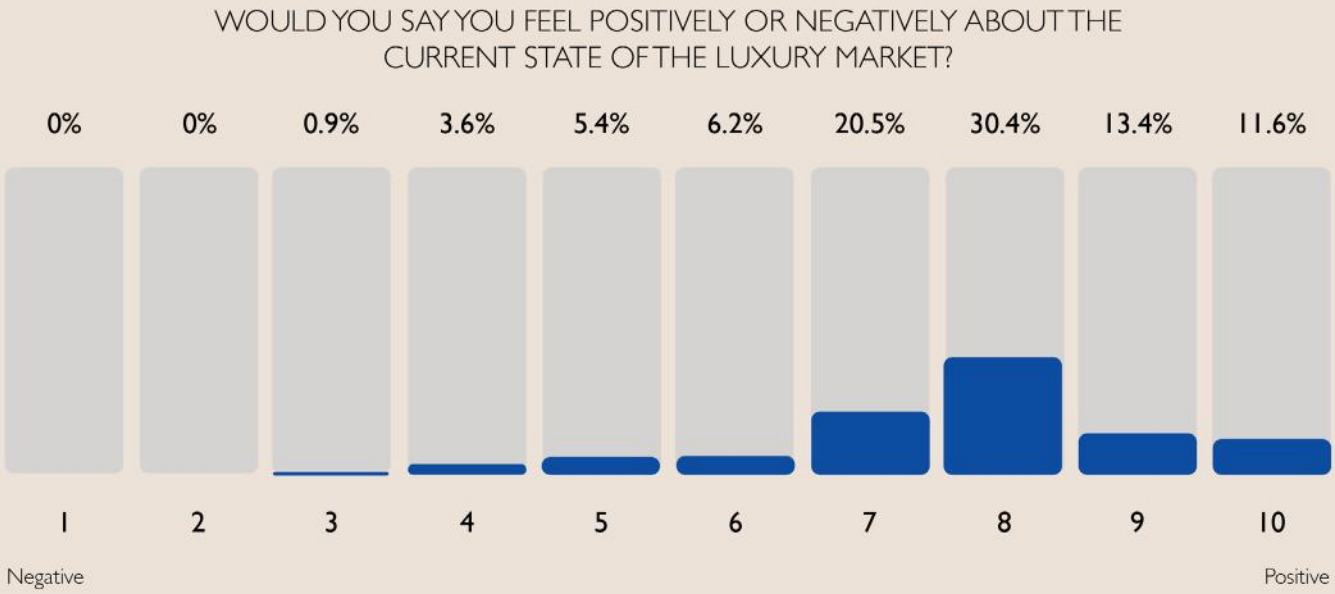
More than 85 percent of respondents to our community survey answered that they felt optimistic about the long-term prospects of the luxury market, signalling hope from those within the industry that the rebound in growth seen in 2021 will continue to trend upwards.

With 2021 ending on an uncertain note, due to the ongoing challenges thrown up yet again by another variant of COVID-19, many of our respondents who took part in the survey at the end of December and early January helped portray a positive picture for the outlook of the luxury industry.

The most recent set of company earnings from luxury groups earlier this month, also showed that demand from consumers is on the rise. In an unscheduled trading update on January 18, Prada said its group sales in 2021 grew by 41 percent at constant exchange rates to €3.4 billion, 8 percent above the levels seen in 2019.

Likewise, Brunello Cucinelli reported a 31 percent sales increase in 2021. And Richemont said strong demand for its jewellery and watch brands helped its quarterly sales rise by nearly a third. Sales jumped by 32 percent, at constant exchange rates, to 5.6 billion euros in the third quarter ended December.

The results amplify the sentiment of our respondents, where more than 85 percent answered that they felt either optimistic or cautiously optimistic about the long-term prospects of the luxury market, with 49.5 percent answering they were optimistic about the long-term growth of luxury, and 36 percent of respondents who answered that they were cautiously optimistic.

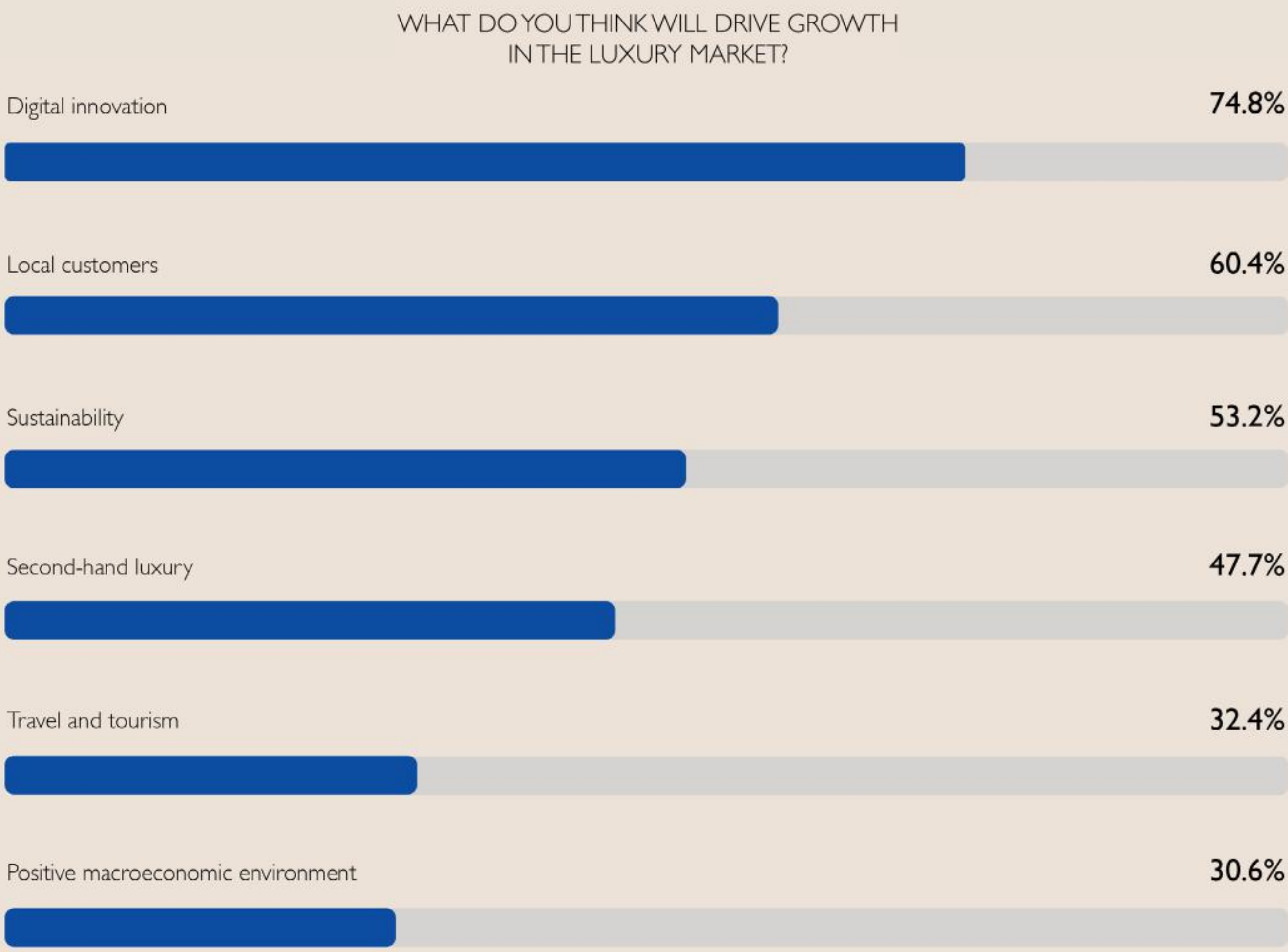


On a scale of 1 to 10, 38 percent of those surveyed said that they felt positively about 2022, slightly above the average rating of 7.7, with an additional 17.1 percent and 10.8 percent answering higher on the scale.

Digital Ranked Top Growth Driver

Source: Courtesy of Hermès.

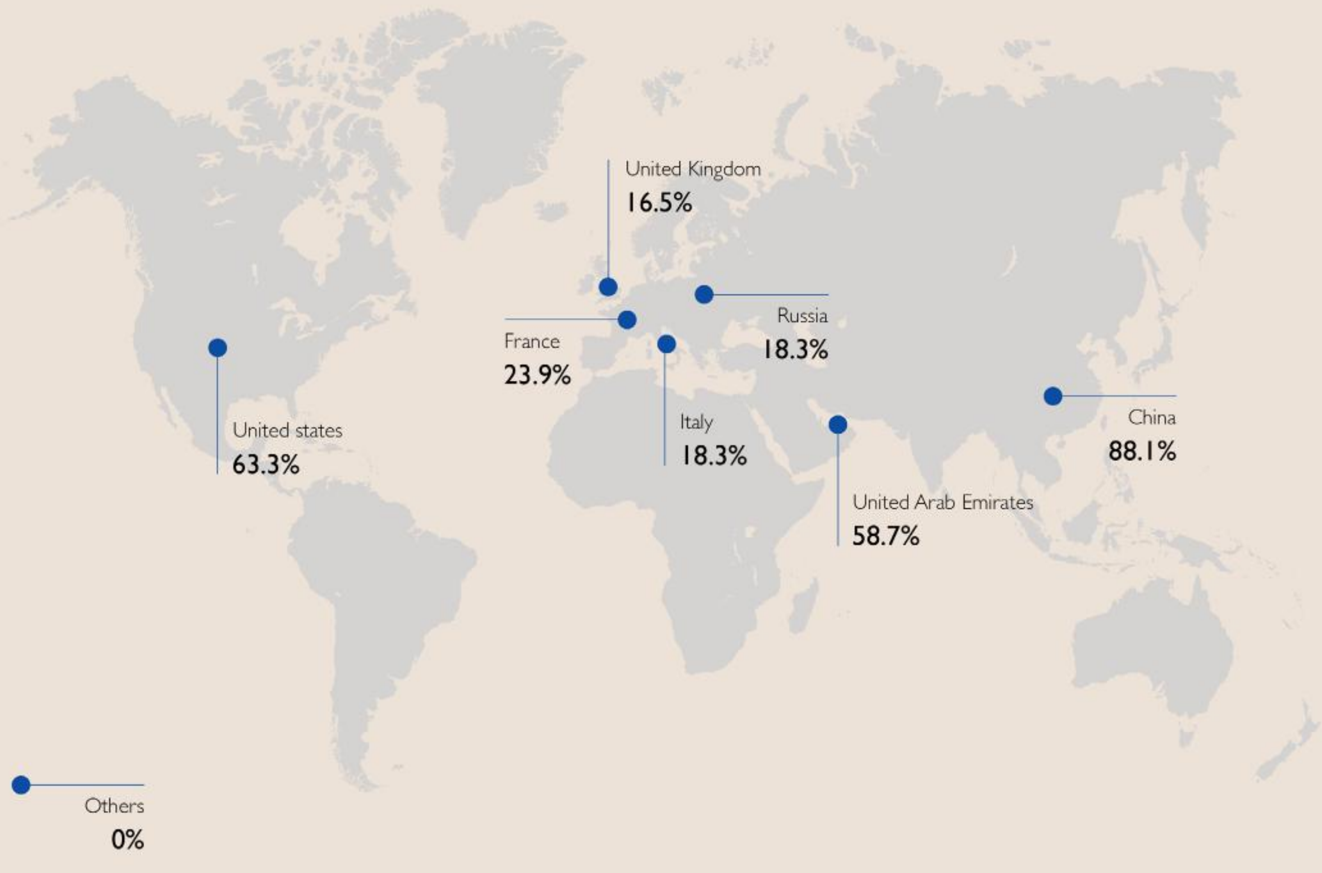
When it comes to the growth drivers of the luxury market in the long-term, 74.5 percent of those who answered ranked digital innovation as the most important, followed by local customers as the second with 60 percent, sustainability came third with 52.7 percent, second-hand luxury fourth with 47.3 percent, travel and tourism came fifth with 32.7 percent and the positive macroeconomic environment in last place with 30.9 percent.



As one of our respondents succinctly wrote: "Luxury brands will always find a way to adapt to the ever-changing market fluctuations as long as they continue to listen to their customers' needs. They have the means to use different, innovative tools to reach and inspire their fans, be it digital or in-store, communicational or interactive… as long as they are fast to adapt."

It is important however to note that on the other side of the coin, as another respondent wrote, that "the rebound we have seen from 2021 has been very strong, which may make it difficult to add further growth to what we have seen posted so far in the financial results."

WHICH COUNTRIES WOULD YOU SAY ARE THE KEY DRIVERS FOR GROWTH?



Looking at geographies, many of the respondents believe China will remain the key driver for the luxury market, with 88 percent ranking the nation as the top country for growth, followed by the United States at 63 percent, United Arab Emirates at 58.3 percent, France at 24.1 percent, Italy at 18.5 percent, Russia at 18.5 percent and the United Kingdom 16.7 percent.
"The focus on the domestic consumer makes for healthy brands, with strong customer understanding and relationships," wrote a respondent. "When tourism does return in the next 1-2 years, this will be the icing on the cake to push the recovery further."

Creativity Key To Sucess

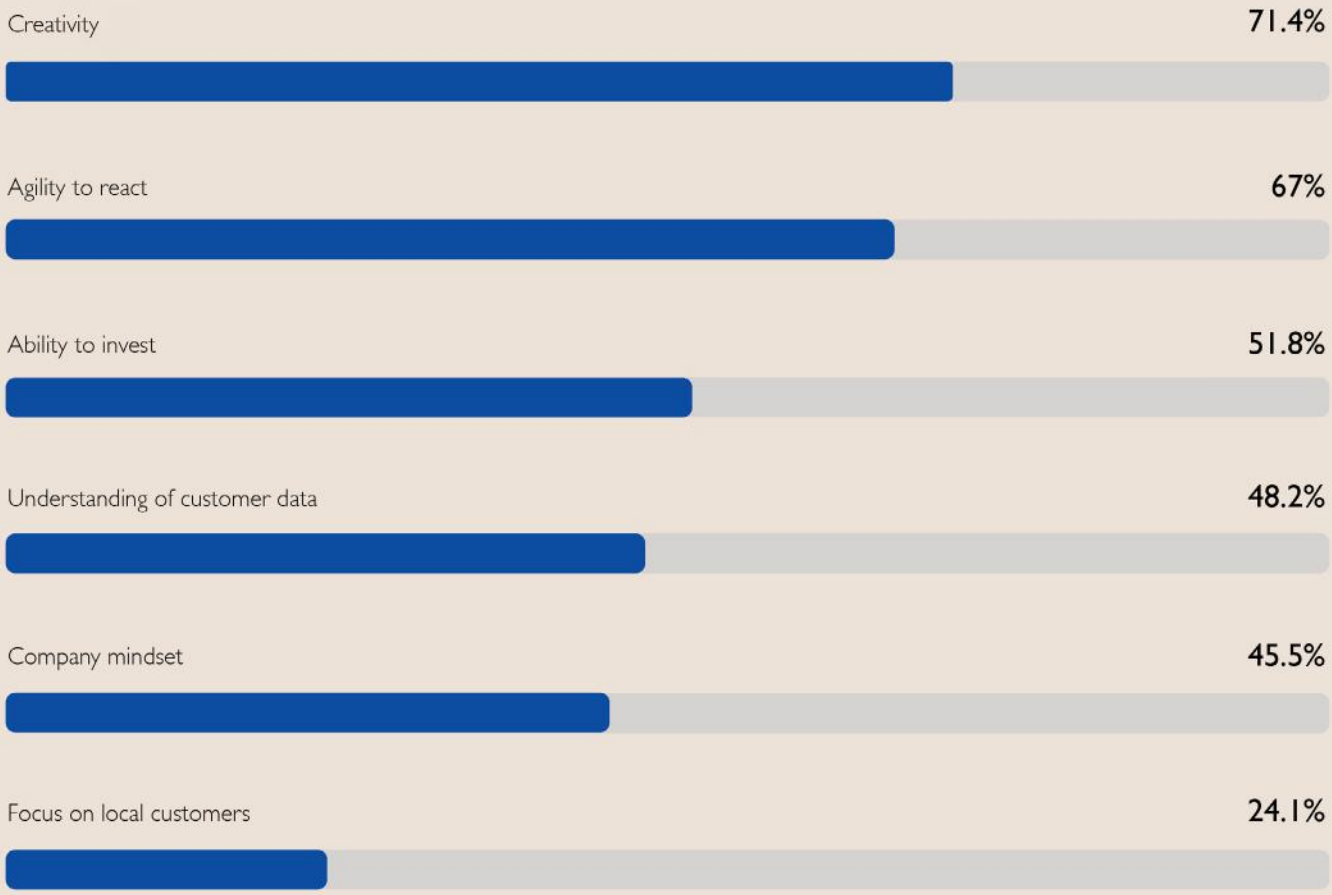
Source: Courtesy of Dior.

On a brand level, Louis Vuitton was ranked the highest out of 18 brands listed on the survey, followed by Chanel, Hermès, Gucci, Balenciaga, Cartier, Christian Dior, Bottega Veneta, Burberry and Rolex.

1. Louis-Vuitton
2. Hermès
3. Chanel
4. Gucci
5. Balenciaga
6. Cartier
7. Christian Dior
8. Bottega Veneta
9. Burberry
10. Rolex
11. Tiffany & Co.
12. Celine
13. Prada
14. Moncler
15. Giorgio Armani
16. IWC
17. Valentino
18. Versave

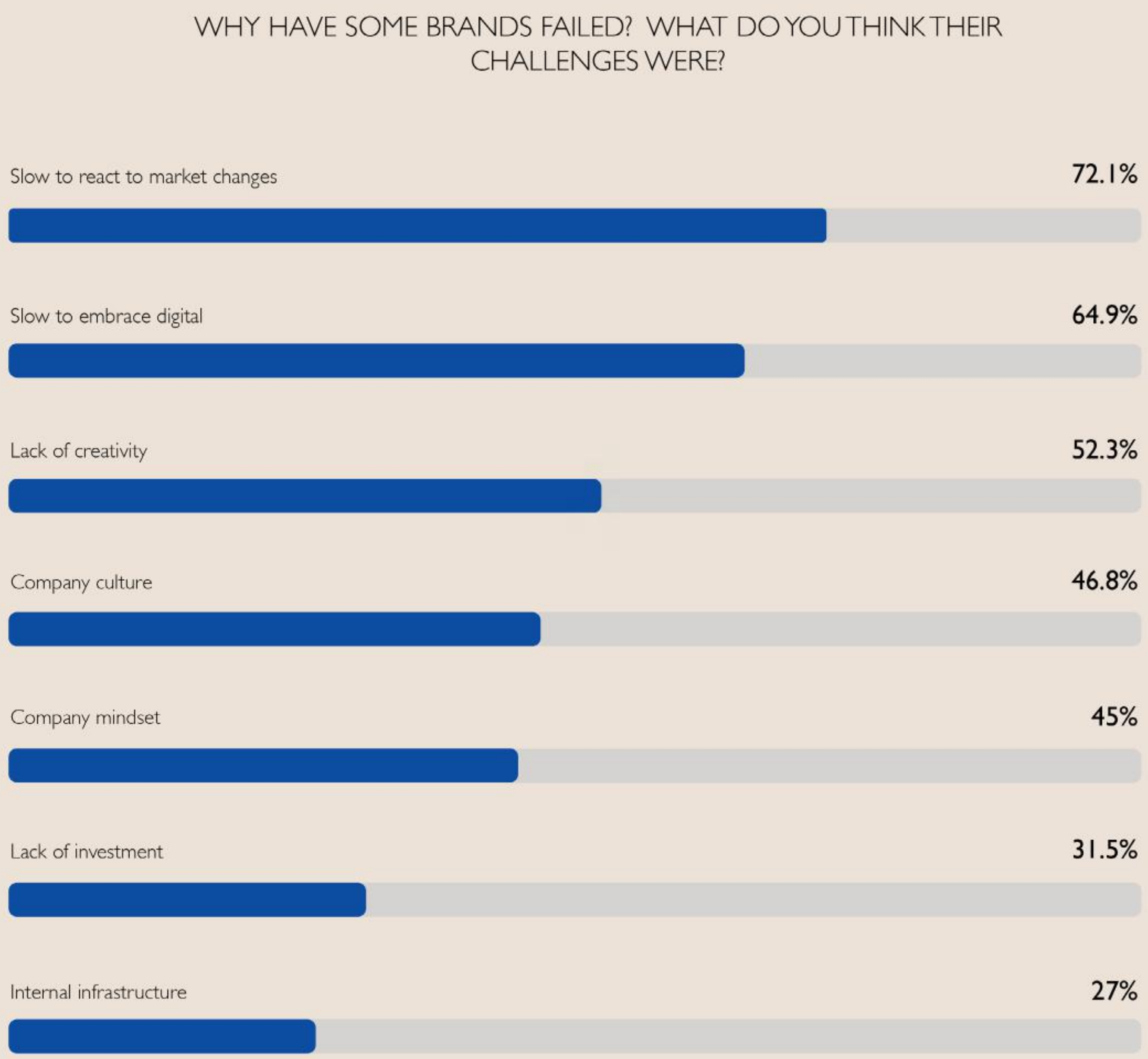
The majority of those surveyed said they believed that creativity was key to their success, with 71.2 percent citing it as the key reason behind the success of these leading brands. Agility to react was voted second most important to success with 67.6 percent, followed by ability to invest at 51.4 percent, understanding of customer data at 48.6 percent, company mindset at 45.9 percent and a focus on local customers at 23.4 percent.

WHAT DO YOU THINK ARE THE KEY REASONS BEHIND THEIR SUCCESS?



The past year has seen consumers turn to leading luxury brands as listed in our survey, and their iconic products. Exclusive data from DLG conducted for The Deep Dive found that interest in iconic products is at an all-time high, with Google searches for "Cartier Love Bracelet" up by 27 percent (3,404,000 searches in 2021) or by 20 percent for "Louis Vuitton Neverfull" iconic bag (1,655,000 searches for this query in 2021).

Of the challenges that some luxury brands face, 71.8 percent of respondents answered that being slow to react to market changes was one of the main challenges faced by brands in the industry, followed by being slow to embrace digital (64.5 percent), a lack of creativity (5.1.8 percent), company culture (47.3 percent), company mindset (44.5 percent), lack of investment (31.8 percent), and internal infrastructure (26.4 percent).



In spite of the uncertainty that 2022 may bring, our respondents believe that demand for luxury will remain constant, citing younger consumers, a rise in disposable income due to limited travel, and a thirst to connect and engage with brands in new and different ways.

Our survey helped us to discover how optimistic many of you, our readers, are about the future of luxury, where you believe growth will be driven from, and what lies ahead in the coming year.

The majority of respondents answered that brands that have responded to the crisis with creativity and agility have clearly benefited from the digital revolution that accelerated further during the beginning of the global COVID-19 pandemic.

And for those that have continued to invest in different areas where they believe growth will come from: be that on local customers, or internal infrastructure or for the more daring: the metaverse, the opportunities remain abundant.

CONCLUSION : Luxury's Resurrection Has Been Phenomenal. But Uncertainties Remain.

Source: Courtesy of Jacquemus.

Lead: Luxury's bounce back to growth over the past two years has been a phenomenal journey from recovery to resurrection. But this year's performance is dependent on multiple factors that remain uncertain like Russia's war with Ukraine and the ongoing impact of COVID-related lockdowns in China, and the picture that emerges for the future of luxury is one where many solutions may be needed to meet the modern demands of the consumer.

It has been more than two years since the start of the global COVID-19 pandemic, which brought the world to a standstill and reshaped our reality into one where remote-working, social distancing and mask-wearing became the new normal. And yet, in spite of these changes, the luxury market has managed to flourish against all odds, demonstrating a masterclass in how to attract and engage consumers at a time when selling luxury during times of crisis was thought to be a challenge.

In the financial results released early in the year from the luxury companies, the outlook for the industry looked positive. LVMH reported a 44 percent rise in full-year revenue of 64.2 billion euros compared to 2020, confirming that it had seen a return to strong growth following the severe disruption to the first half of 2020. Richemont said its third-quarter sales ended December rose by 32 percent to 5.66 billion euros helped by strong demand for its jewellery and watches, and companies like Kering, Prada, Capri Holdings, and Ralph Lauren are all painting a similar picture.

The latest results from the first quarter show the trend continuing. LVMH said it saw a "good start to the year despite the challenging environment marked by the situation in Ukraine and the ongoing effects of the health crisis," recording a 23 percent rise in organic growth compared to the same period a year earlier. Hermès posted a 27.1 percent in revenues to 2.76 billion euros, beating analyst expectations.

In short, luxury's bounce back from recovery to resurrection has been phenomenal. But will the growth that we have currently seen from 2021 last?

The answer isn't simple. As the FT pointed out, many economists were expected 2022 to be a period of strong economic rebound. But with the double-shock of COVID-19 and the Russian invasion of Ukraine, inflation rates in many countries have shot up to the highest levels seen in decades, pressure on supply chains has soared, and the result is many central banks are still adapting their monetary policies and fiscal stimulus packages to support global economic growth.

And while companies' results so far are positive, the reality is that the results for the first three months of the year do not fully reflect the impact of the challenges that we are seeing arise now and the longer-term impact they may have on growth.

Russia's war with Ukraine has seen luxury companies like LVMH, Chanel, Prada, Hermès, and Richemont temporarily closed their stores and paused their operations in Russia. Luxury carmakers like Porsche have stopped production and are no longer shipping vehicles to Russia. And the European Union also announced a ban on exports to Russia of EU luxury goods, delivering a blow to its wealthy elite who have been spending on items like watches and jewellery in the midst of the turmoil.

Likewise, the hard line taken by China to control its biggest COVID-19 outbreak has cast further uncertainty over luxury companies' ability to maintain the growth they experienced since the initial shock of the pandemic. In April, Kering said in a call with analysts that Chinese store closures in March and April slowed its main brand Gucci's ability to draw in new and younger customers, affecting its lower price points. Its shares fell by 7 percent on the day.

Analysts at Nomura estimated in mid-April that 45 cities in China, which represents around 40 percent of its GDP, were under full or partial lockdowns, putting China's economy of growing risk of a recession.

Taking into account these two major factors, luxury's rebound is unlikely to continue at the same pace that we have seen over the past year, however the long-term fundamentals of the industry were and still are very attractive and despite the challenge of a crisis, consumers are more engaged and interested in the luxury market than ever before, particularly as brands now have more tools than ever in which to engage them.

The findings from our study into luxury demand found that interest in iconic products is at an all-time high, and the trend looks set to continue in the coming year. Consumer demand (measured through Google searches) for products like Cartier's Love Bracelet and Louis Vuitton's Neverfull are up 27 percent and 20 percent respectively.

Likewise, our community survey found that more than 85 percent of 112 respondents answered that they felt optimistic about the long-term prospects of the luxury market, demonstrating the positive sentiment felt from those within the industry that the rebound in growth seen over the past two years will continue to trend upwards.

But many of challenges and the questions that arise from them remain unanswered.

What will be the long term effects of the war between Russia and Ukraine on the global markets? When will China ease its lockdown restrictions? Will travel resume to levels seen before the pandemic? Will luxury consumers want to return to buying in stores after embracing the digital experience? And how will brands manage the balance between meeting the needs of their local customer and the return of the luxury traveller?

The picture that emerges for the future of luxury isn't clear cut. Trends that began well before the pandemic are still ongoing or have accelerated. Multiple solutions may be needed to meet the demands of the consumer. And knowing exactly which consumer is attracted to your brand is what companies will need to focus on in order to deliver the exact service that customers expect.

To return to our earlier points at the beginning of this report, we believe in order for brands to succeed in this environment, they must consider the best practices demonstrated by luxury's leading brands when faced with challenges ahead: preparation, investment, creativity, agility, locality, data and mindset. As those who are able to successfully navigate the challenges that may lie ahead, will be the winners.

Source: Courtesy of Loewe.

GO ABOVE AND BEYOND TO REASSURE AND INSPIRE YOUR TEAM

The first challenge that many companies are trying to prepare for is the return of the luxury traveller. When will a sense of normalcy resume and when can travel resume to the levels seen pre-pandemic so that brands can anticipate what to provide when demand resumes?

In 2021, international tourism was estimated to have risen by 4 percent, according to the United Nations World Tourism Organization, recording 15 million tourist arrivals compared to 2020. However, this was far below the levels seen in 2019, before the start of the global COVID-19 pandemic, where almost 1 billion more tourists travelled in 2019, representing a 72 percent drop.

Pre-pandemic, the economic contribution of tourism (measured in tourism direct gross domestic product) in 2019 was valued at $3.5 trillion, and while 2021 is estimated to be $1.9 trillion, it still trails behind 2019 levels.

There are early signs that 2022 may see an uptick in travel. Luxury travel companies like Abercrombie & Kent are reporting a "new sense of urgency" to travel due to clients feeling like they have lost out on the past two years and according to a survey of 12,000 travellers in 12 countries conducted by Expedia, 65 percent of respondents are planning to "go big" by planning exciting or extravagant trips for the coming year.

What this may mean is that travel in some form or another will resume, and with that, the desire to spend and spend big – be that on experiences, or dining out, purchasing goods or planning trips to destinations further afield, is high, which as a result may shift where luxury demand is attributed to.

However, it may not return in as big a way as hoped given that both Russian and Chinese consumers are being impacted by the ongoing uncertainties in both their countries. UNWTO estimates that Russia and Ukraine represent a combined 3 percent of global spending on international tourism as of 2020 and that a prolonged conflict could represent a loss of $14 billion in tourism receipts globally in 2022.

In China, where the country is currently experiencing numerous weeks of lockdown, international tourism is a significantly higher portion of the pie.

However, according to recent surveys conducted by McKinsey to understand Chinese travellers' sentiments, desire for travel has spiked and dipped as COVID-19 outbreaks continue. The report found that "Chinese travellers express a desire to travel, both domestically and abroad, but while the majority of respondents still perceived international travel as unsafe and are not planning international travel in the near term, they also show strong interest in international destinations."

"We expected to see a massive rise in revenge spending across several categories beyond travel," said David Sadigh, Founder and CEO of DLG."

"Lots of people have been frustrated and are eager to spend money and enjoy life again. But this is now intimately tied to the evolution of the geopolitical and macro-economic situation.

As a result, business agility has become mandatory. Forget the usual long-term brand planning with advertising campaigns that are designed several months in advance. Brands must now be able to design and implement new initiatives within a matter of days or weeks."

The second challenge is how brands manage the balance between meeting the needs of their local customer - as they have done since restrictions were lifted - and who have been the driving force of the recovery seen in China and the United States and the immediate needs of the luxury traveller, whose pent-up desires to spend on luxury goods whilst travelling might outweigh the outcome of the local customer.

Will local customers, who have benefitted from luxury brands lavishing attention on them by flocking to open stores nearer to them or adapted services like private showroom appointments, video shopping consultations, and communicating through messaging apps, want to go back to being less important in the eyes of a salesperson who will have to balance the personalised service that they now offer to customers against a travelling customer who is in the mood to spend big and may take less time to convince on a purchase?

"The personal aspect of shopping and service is extremely important today," said Robert Burke, CEO and Chairman of Robert Burke Associates, noting the success of The Webster, a multi-brand boutique with seven stores in the U.S. and an e-commerce site.

"During the height of the pandemic, they had their sales people in contact with their customers on Instagram and on WhatsApp. And they were going into the stores even when they were closed and pulling merchandise specifically for those customers and sending that over to them. Offering the level of service and personal shopping that previously had only been available to the very, very big spenders."

"It was an extremely good lesson, it has stayed with people and it's paid off for the brands," he added. I think that's kind of what people expect now, is that personalised service. That's changed enormously from pre-pandemic," he added.

"It will be interesting to see how luxury brands deal with the local clientele they often overlooked before the pandemic and then suddenly had to seduce in a way they never did before," noted Zimmermann. "Because it's not the same business. Sometimes, it's not even the same merchandising. The customer journey is completely different."

> **" The mistake would be just to go back to how it was in 2019," said Zimmermann. "Brands need to consider how they address their local clientele because we now know how quickly things can change, and how important this group is to growth as well. "**

Source: Courtesy of The Webster.

PHYSICAL VERSUS DIGITAL

The third challenge is the balance between the in-store experience and digital. Will luxury customers want to return to buying in stores after embracing the digital experience during the pandemic?

As we have seen over the past two years, the pace of digital acceleration within the luxury space has changed the way in which online services are used forever. Companies pushed forward their plans and reported that online sales were booming. Since the start of the pandemic, Hermès reported that it attracted new shoppers online, and even when its stores reopened and customers returned to purchase in physical locations, its online sales also kept growing.

As noted earlier in our interview with Rachid Ait Addi, Vice President of Client Partnerships at Teads, the world's leading video advertising marketplace, conversations about a new innovation or digital campaign that previously would have taken a year to sign off (pre-pandemic) were suddenly being activated and launched within a few months of discussion.

Interest from some of the world's leading brands to work with Teads' Creative Services team to develop new digital media concepts soared, and for Ait Addi, it represented a change in mindset from his clients that luxury was finally ready to embrace what digital media advertising could offer.

> **"It's really adapting their DNA for this new digital age. – Rachid Ait Addi"**

One key example for Ait Addi was with a client, who previously would take up to a year to consider new creative ideas and concepts pitched to them by his creative team, but following the pandemic really embraced the opportunity to explore what digital advertising could offer.

"Digital is really the first point of media for those brands now. We really see a change in the mindset," Ait Addi, said of the shift. "The creative team used to talk about 'luxury time', meaning that luxury brands really take their time to embrace innovation and even a new creative idea. Usually, we pitch an idea, and then a year later, they activate it during the space of six months. So, I was really surprised that in the first half of this year, we saw more creative innovation from them than in the last two years."

"The boundaries between digital and offline are not as obvious as before and the boom of the Web3 and hopes related to the Metaverse are further accelerating this trend," added Sadigh. "We expect brands to create more physical products that also offer a unique digital experience and vice versa. The NFT revolution is real and just at its infancy."

An ongoing issue from the past two years is supply and production. While some companies have benefited during the pandemic, others have suffered due to issues like supply chain. In the automotive sector for instance, many carmakers are reducing the number of cars they plan to make because of a shortage of chips and are prioritising putting those chips into more expensive models, pushing demand and new vehicles prices up.

It's something that was confirmed in our interview by Beat Imwinkelried, the owner and chief executive of B.I. Collection, a luxury car dealership based in Zurich. Clients were demanding luxury cars immediately and they were willing to buy pre-owned. With supply chain issues occurring in virtually every industry globally, how do companies and brands plan for the future?

The price of raw materials, shipping and production are just some of the costs that are expected to rise in the coming months within all global industries, and companies are under pressure to produce goods, even at a time when it may cost them infinitely more, resulting in the cost being passed onto their customers. Luxury brands like Louis Vuitton and Chanel have increased their product prices since the start of the pandemic and the trend looks set to continue.

"It can take weeks or months to adapt," noted Zimmermann. It's one of the most challenging parts as a business. Do you plan for demand at the level of 2020, or 2021? Do you create scarcity and drive demand up, or ramp up your plans to meet what you anticipate demand may be? Where do you put the cursor?"

Source : Courtesy of Chanel.

Where to put the cursor brings us to one of the biggest trends over the past few years. Sustainability. Demand for second-hand or pre-owned luxury is at an all-time high. A recent study by consulting firm McKinsey and Co. expects the resale luxury market, which was estimated at $25-30 billion in 2020, to grow at an annual rate of 10-15 percent over the next decade, thanks in part to online resale trading platforms like Vestiaire Collective and The Real Real.

Many brands are responding to these changes. In 2022, we have already seen announcements like Moncler declaring that it will phase out the use of fur in its collections by 2023, Burberry signing its sustainability-linked loan and Richemont appointing its first chief sustainability officer.

But are these changes enough to address the concerns that consumers have about issues like provenance, circularity and the reduction of waste from an industry built on selling people the dream of something they probably don't actually need?

"Change is about entire systems, not siloed policies," noted Positive Luxury Chief Executive Diana Verde Nieto. "While luxury brands are taking steps to address Environmental, Social, and Governance, they should adopt a more systems positive approach to their businesses and look to embed it within their culture," she wrote in a column for Luxury Society.

Source: Courtesy of Diana Verde Nieto.

> **This means business transformation at a global scale, with a genuine change of culture, from the way business is conducted, to the way business is operated. – Diana Verde Nieto**

"Recruitment, retention, and evaluation of performance, the way products are produced, the procurement process of raw materials, the choices of suppliers, the supply chain management, and the re-education of boards and shareholders on how to rethink success as not just double-digit growth year-on-year but also share value."

And lastly, one of the parting thoughts to consider about the future of luxury is whether people will consume it in the same way, and whether consumers will have different criteria when it comes to the brands they pick.

Major brands as we know well are investing a lot in engaging consumers in all different areas, from sustainability to the metaverse and beyond. And it is clear that those who can win the attention of multiple niche groups will be winners as discussed earlier in this report. But what is also clear is that brands with a niche approach, those focused on a particular product or service, offering a limited selection of a la carte or bespoke experiences will also attract a new clientele looking for something different that perhaps the bigger brands are unable to provide.

> **Data is obviously critical, but the ability to translate the data into actions at scale and globally is where the biggest challenge lies**
> **– David Sadigh**

"Data is obviously critical, but the ability to translate the data into actions at scale and globally is where the biggest challenge lies," said Sadigh. "How can I, as a brand, build automated experiences that will help to elevate my brand perception? That will further foster desirability for my products? That will motivate my customers to come back to my stores?"

The question remains on how to engage that specific person who is attracted to your brand, when it comes to content, or tone of voice, products and messaging. Data remains key to knowing your audience so that companies can learn about their audience and apply their knowledge in the most direct and appealing way to their consumers.

All of these metrics that brands use to measure and assess who their audiences are, are digital tools that brands use to understand their customers, their expectations, their desires and how to craft an experience in the modern age for them, and those who fail to do so, may be left behind in this decade of change.

We want to take the time to thank you, our loyal readers, for your thoughts, insights and participation in The Deep Dive. It has been a pleasure to explore this topic over the past few months and share our findings with you. For the full downloadable report, please click here. We look forward to delving into another topic with you soon.

Source: Courtesy of Fendi.

PART 4

ACKNOWLEDGEMENTS

We wanted to take the opportunity to thank all those who participated in this first edition of The Deep Dive, from our interviewees: Rachid Ait Addi, Simone Gibertoni, Pablo Mauron, Beat Imwinkelried, Alexander Manz and Mario Ortelli, to our team here at Luxury Society, whose insights, skills and expertise have helped bring this project to life.

Without their contribution, we would not have been able to accomplish so much. To our team members at DLG: Alain, David, Pablo, Louise-Anne, Joanna, Anthony, Loris, Romain, Margaux, and Juliette thank you so much for sharing your knowledge, time and enthusiasm.

We also want to take the time to thank you, our loyal readers, for your thoughts, insights and participation in The Deep Dive. It has been a pleasure to explore this topic over the past few months and share our findings with you. We look forward to delving into another topic with you soon.

THE LUXURY SOCIETY TEAM.