NEXT LUXURY?



Workshop Inspiraçao – NK/MCF 26/07/2021
with Stéphane Truchi



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LUXURY AT IFOP

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PARIS – NEW YORK – SHANGHAI – HONG KONG

OPINION LEADER - ALL SECTORS MARKETING

LUXURY GOODS I BEAUTY I WELLBEING

BRAND I INNOVATION I SERVICES I RETAIL

AFFLUENT TARGETS EXPERT I GEN Z FOCUS

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NEXT LUXURY?

Chapter 1: Luxury and global crises

Chapter 2 : A new context post Covid-19

Chapter 3 : Which future for luxury?

Chapter 4 : A new leadership for luxury brands

Chapter 5 : Focus on Z generation

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Chapter 1

Luxury and global crises

Luxury and global crises: timeline (1930 – 2003)



The thirties

End of the extravagant luxury of the "*années folles*" (roaring twenties)

➲ Return to tradition and classic values, discretion, more accessible luxury



1973 oil crisis

Emergence of environmental movements in the west

➲ Sobriety, "*Small is beautiful*", national products



9/11/2001 terrorist attacks

The US luxury market remains frozen for two months

➲ Spectacular rebound: luxury as compensation

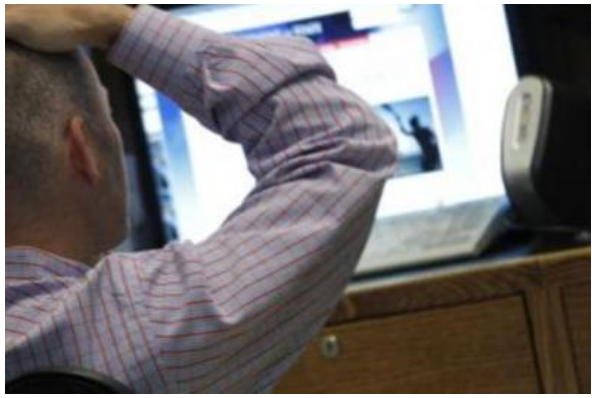


2002 / 2003 SARS epidemic

Short-term impact

➲ The market bounces back quickly. At that time, Asian clients were not as strategically important as they are today in the luxury sector

Luxury and global crises: timeline (2008 – 2021)



Financial crisis
2008 / 2009

Reduction in the opening of stores by luxury Maisons. Recruitment of “big names” is put on hold, emphasis on craftsmanship and iconic products.

➲ Return to basics



Fukushima
2011

Despite the shock, the Japanese show no sign of rejecting luxury brands. Greater attention paid to origins and composition of products. Key players on the luxury market display solidarity with the victims.

➲ Boom on the Asian market, luxury is comforting and reassuring



Terrorism in Europe
2015-2018

Spectacular adhesion to republican values in France. The rapport with values of open-mindedness and tolerance undergoes a shift.

➲ Clients turn their backs on stores, tourists stay away, new holiday and shopping destinations. Luxury goes digital



COVID 19
Global pandemic

Consumption becomes more fundamental, demanding, associated with a quest for self-fulfilment.

➲ Luxury as a fundamental pleasure associated with wellbeing. A conjunction of local, digital and sensorial.

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Luxury sector constants that remain unshaken by crises

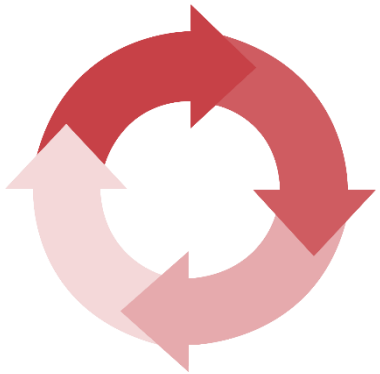
1 *
Society "aligned" with set standards
=> Dependence

2
Crisis
=>
Stupefaction

3
Chaos

=> Reactions
(**luxury sector constants**)

4
"New context"
=> Realignment



Luxury sector constants

- Quest for meaning, emphasis on know-how and excellence
- The cult of simplicity and refusal of ostentation
- Co-creation, conversation
- Return to roots, transmission
- Letting go, light-hearted/fun experience
- Local, "made in", authenticity

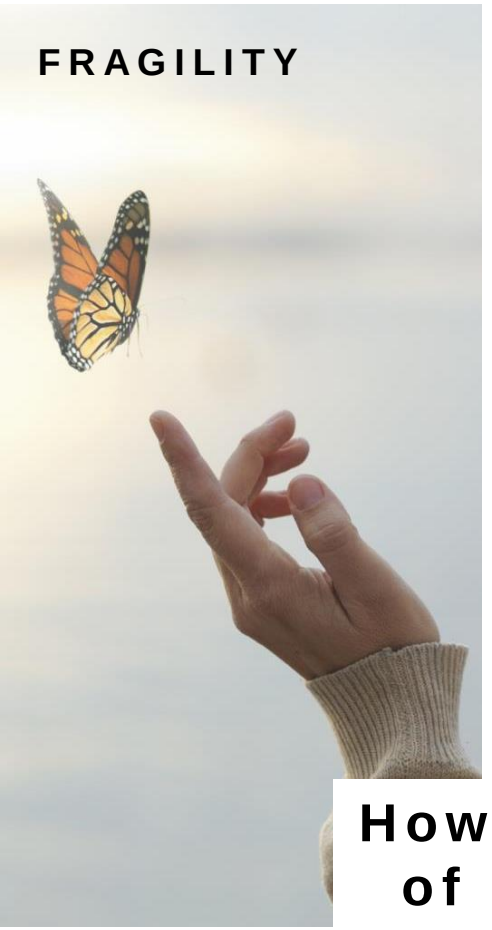
* Source : "Innovate Through Chaos" Conference, Trendhunter 2021

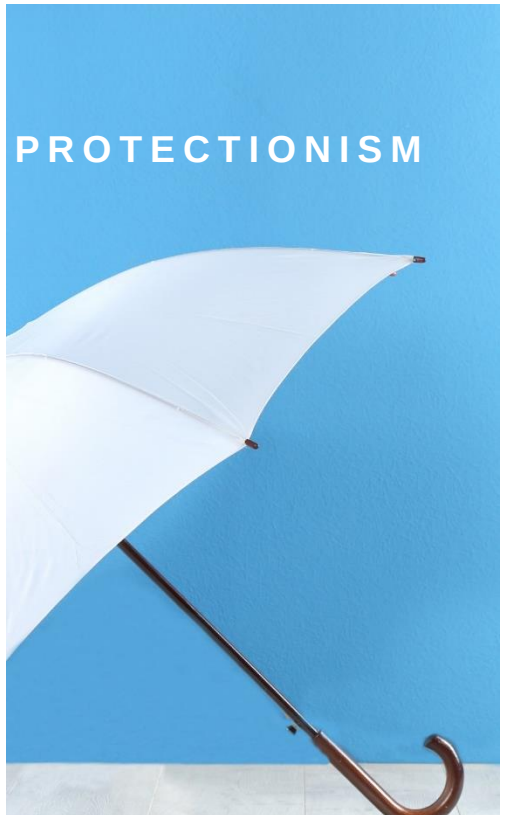
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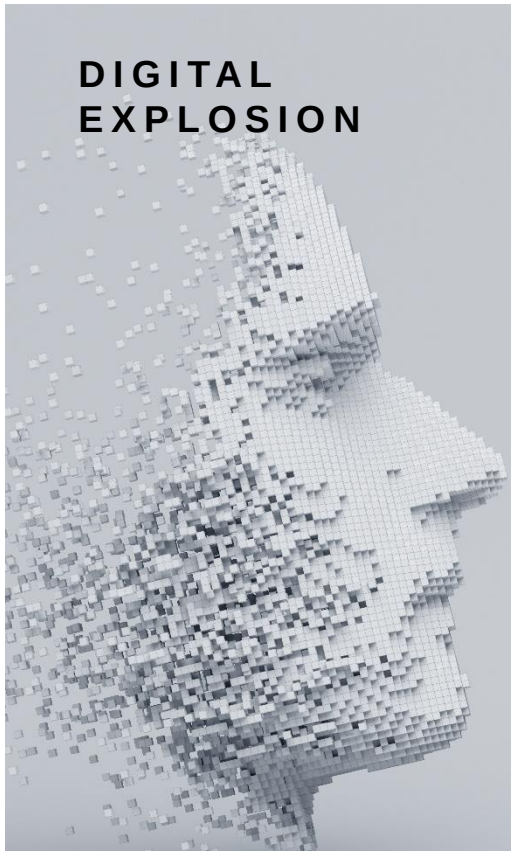
Chapter 2

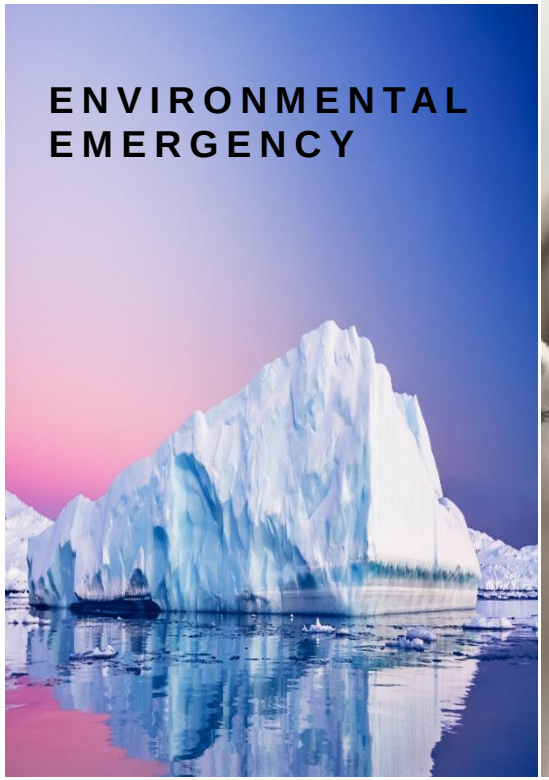
A new context post Covid-19

A new context post Covid-19





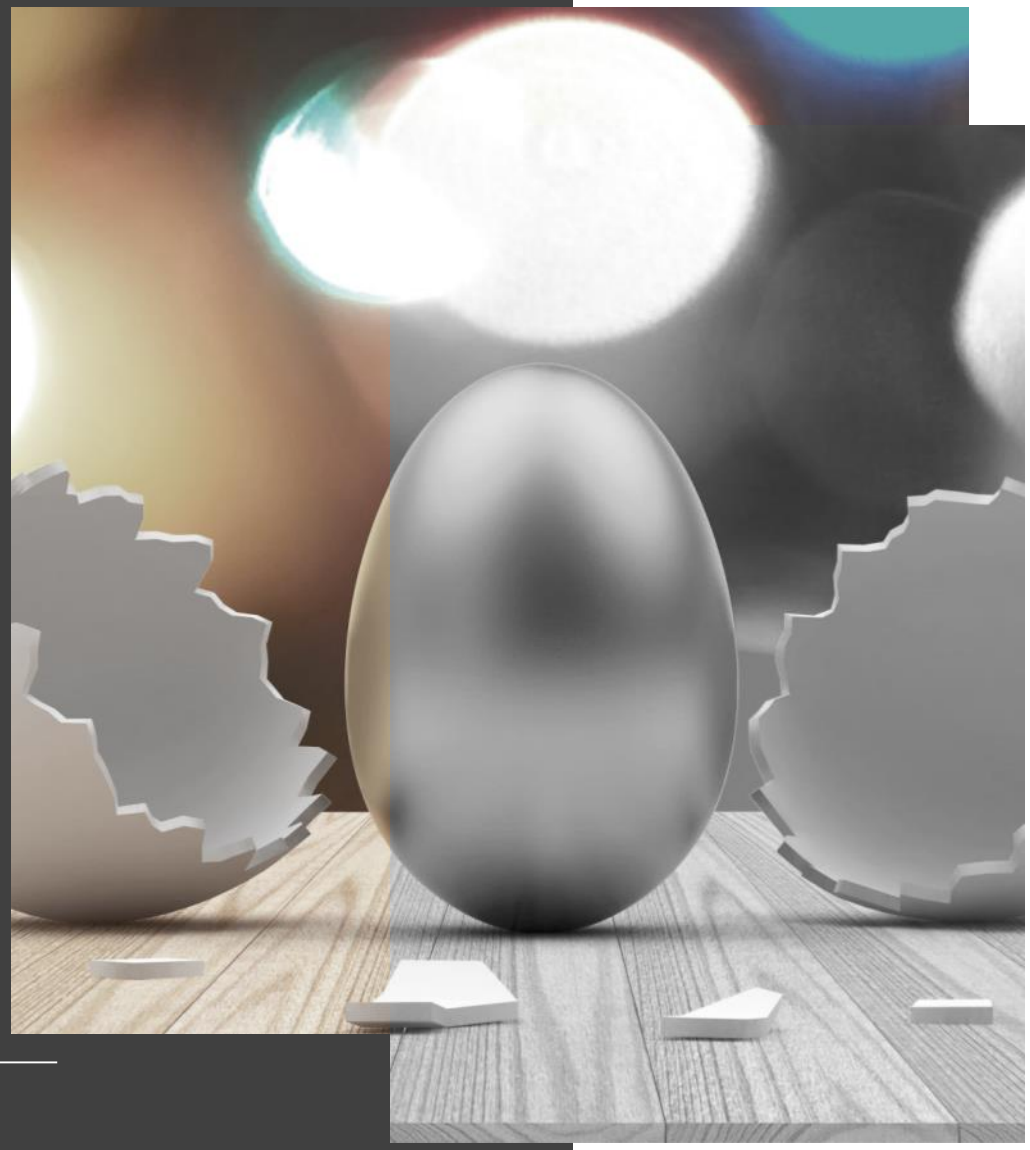






How to make this new context match the *raison d'être* of luxury which consists in creating aspiration and pleasure at the time of purchase and of the experience?

© IFOP 2021



Megatrend 1 FRAGILITY

Economic Uncertainty& Vulnerability

Need for security

Need to cocoon

Conservative and purposeful spending

Inconspicuous / discrete consumption

Downscaling*

* Déconsommation

Megatrend 2 PROTECTIONISM

Return of the Self-Sufficient Nation



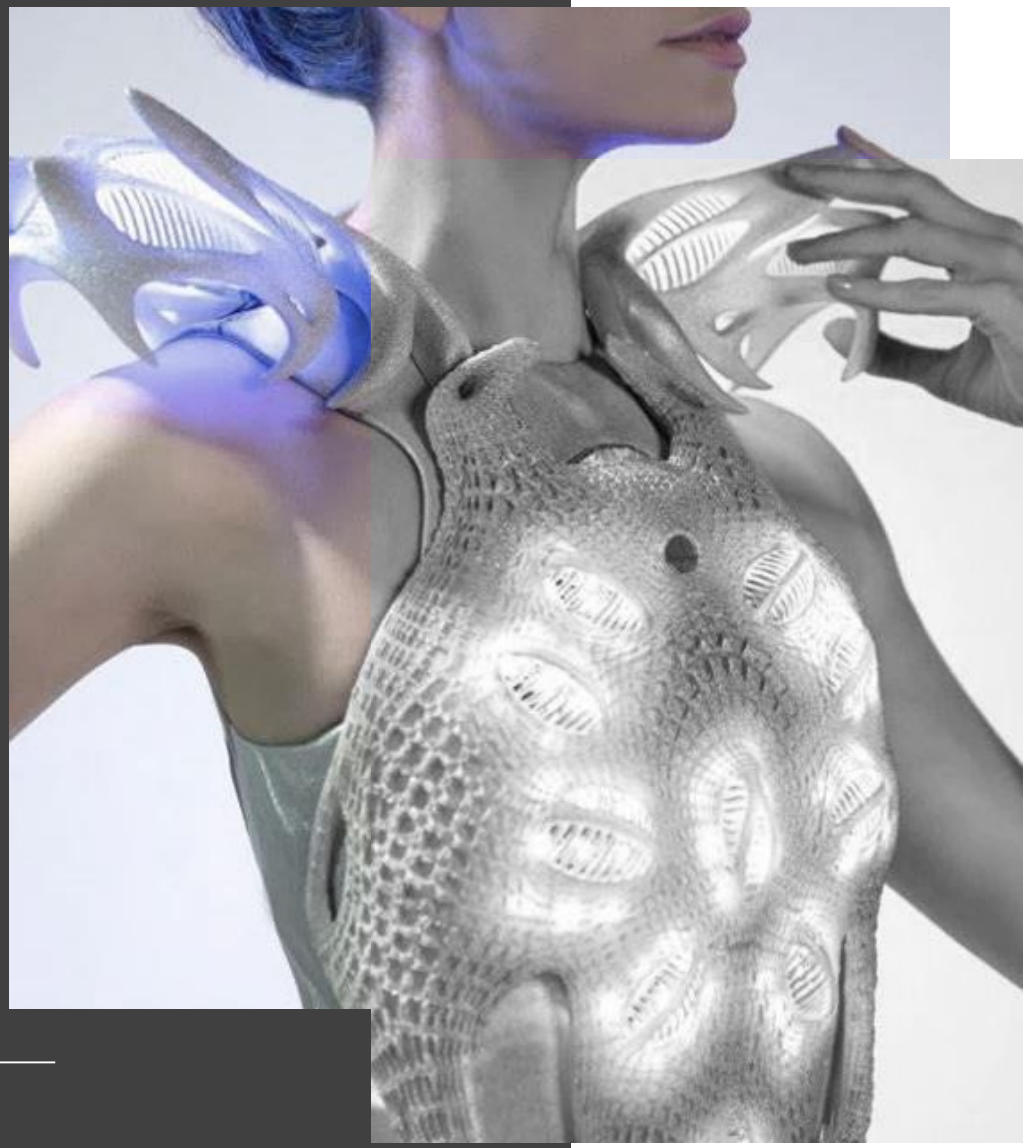
Supporting local production

Independence vs China

Promoting local heritage

Growing neo-nationalism

Rising survivalism



Megatrend 3 DIGITAL EXPLOSION

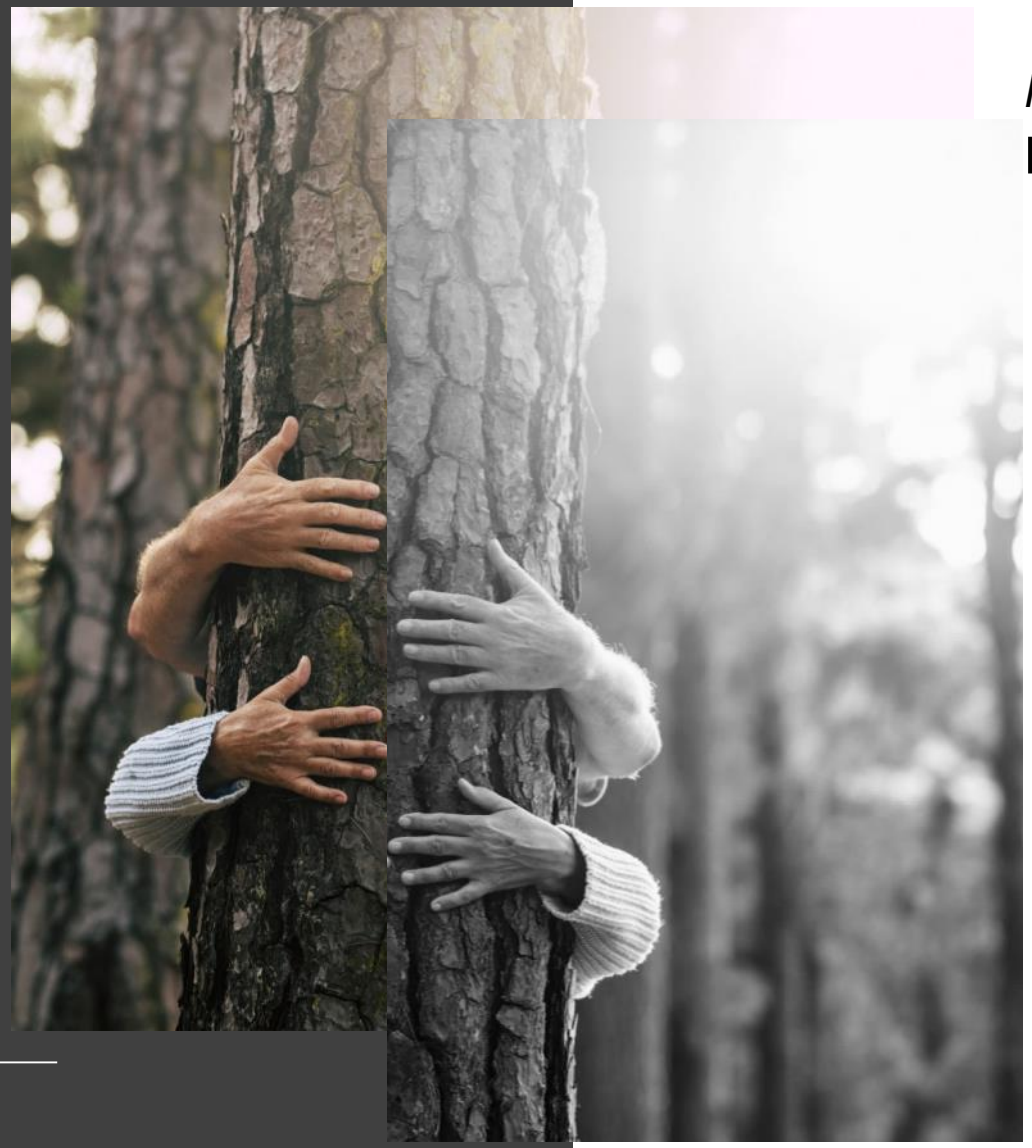
Boom of The Virtual Experience Economy

Accelerated Dematerialization

Digital Creativity

The Digital Collective

The AI Offensive



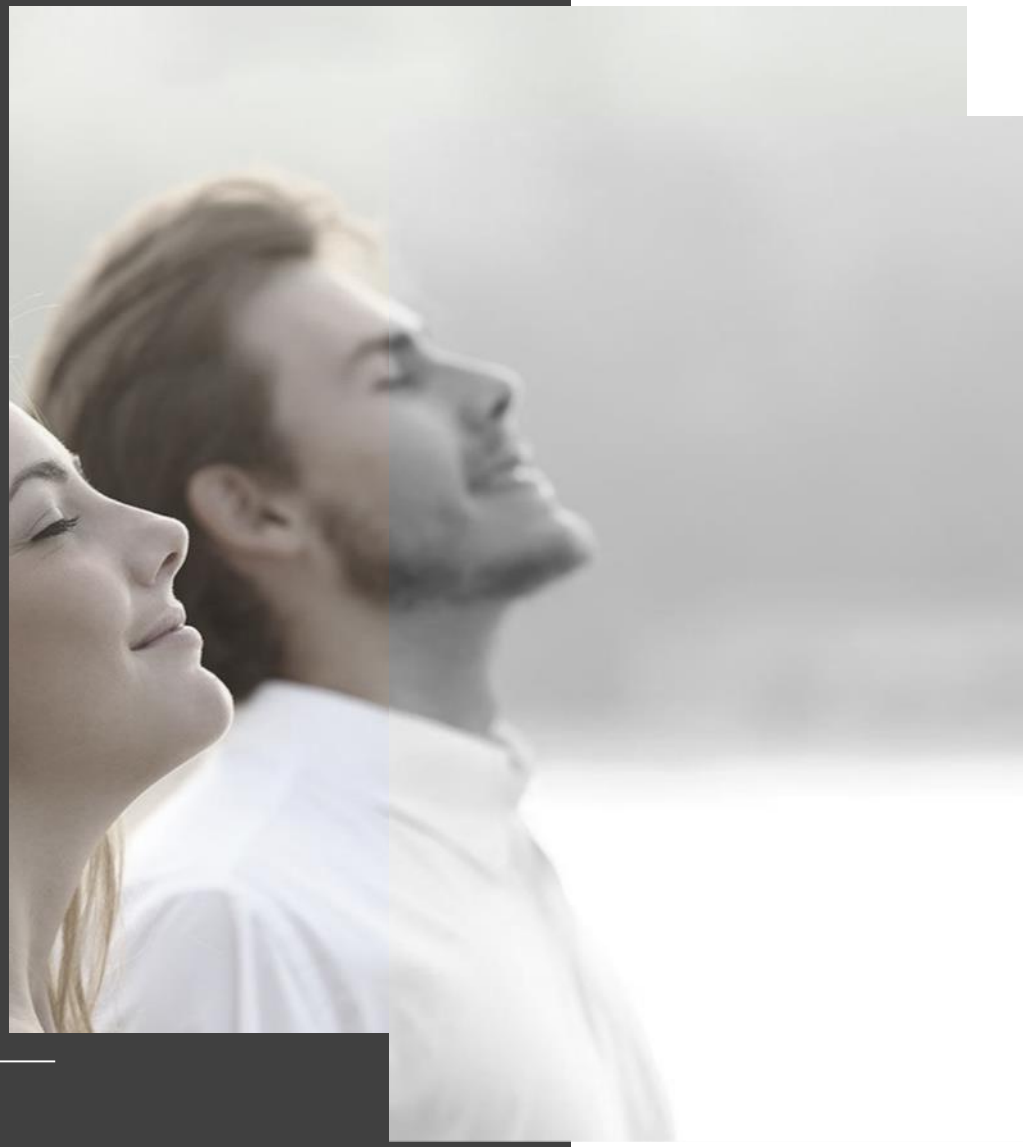
Megatrend 4 ENVIRONMENTAL EMERGENCY

Holistic Sustainability

Health Ecosystem: *healthy planet - healthy people*

360° Social responsibility

Supply chain control, *end to end*



Megatrend 5 DECELERATION

Slowdown economy

Simplify, streamline, destock

Seek out the essential

Downshift: slow time, slow made, slow life

Chapter 3

Which future for luxury?

Which future for luxury?





1. FUNDAMENTAL LUXURY
2. ECO-FRIENDLY LUXURY
3. RESPONSIBLE LUXURY
4. INCLUSIVE LUXURY
5. PARTICIPATIVE DIGITAL LUXURY
6. PROTECTIVE LUXURY
7. EXTREME PLEASURE LUXURY



1. FUNDAMENTAL LUXURY

Edo-Period Ozu Castle in Japan, Shikoku island.
Book a stay for full Shogun Experience to be treated like a lord, complete with welcome ceremony, bathing ritual, etc.

The words that best define Luxury:

63%	61%	56%	54%	46%
PRODUCT EXCELLENCE, KNOW-HOW	**RARITY**	**EXCELLENCE OF THE SERVICE**	**EXCLUSIVITY**	**STATUS, SOCIAL SUCCESS**

(source: IFOP/Paris Luxury Summit 2020 survey)

Reconnecting with Essentials

- **Slow value creation**: know-how / savoir-faire, craftsmanship, excellence, time, authenticity, timelessness and meaning
- **Innate sustainability**: durability, respect for natural resources
- **The art of *less is more***
- **Quiet luxury**: minimalist, simple, understated
- **« Seasonless » collections** (2 x / year & not necessarily complying to the fashion calendar)
- **Investment / heritage luxury**



2. ECO-FRIENDLY LUXURY

Preservation of natural resources

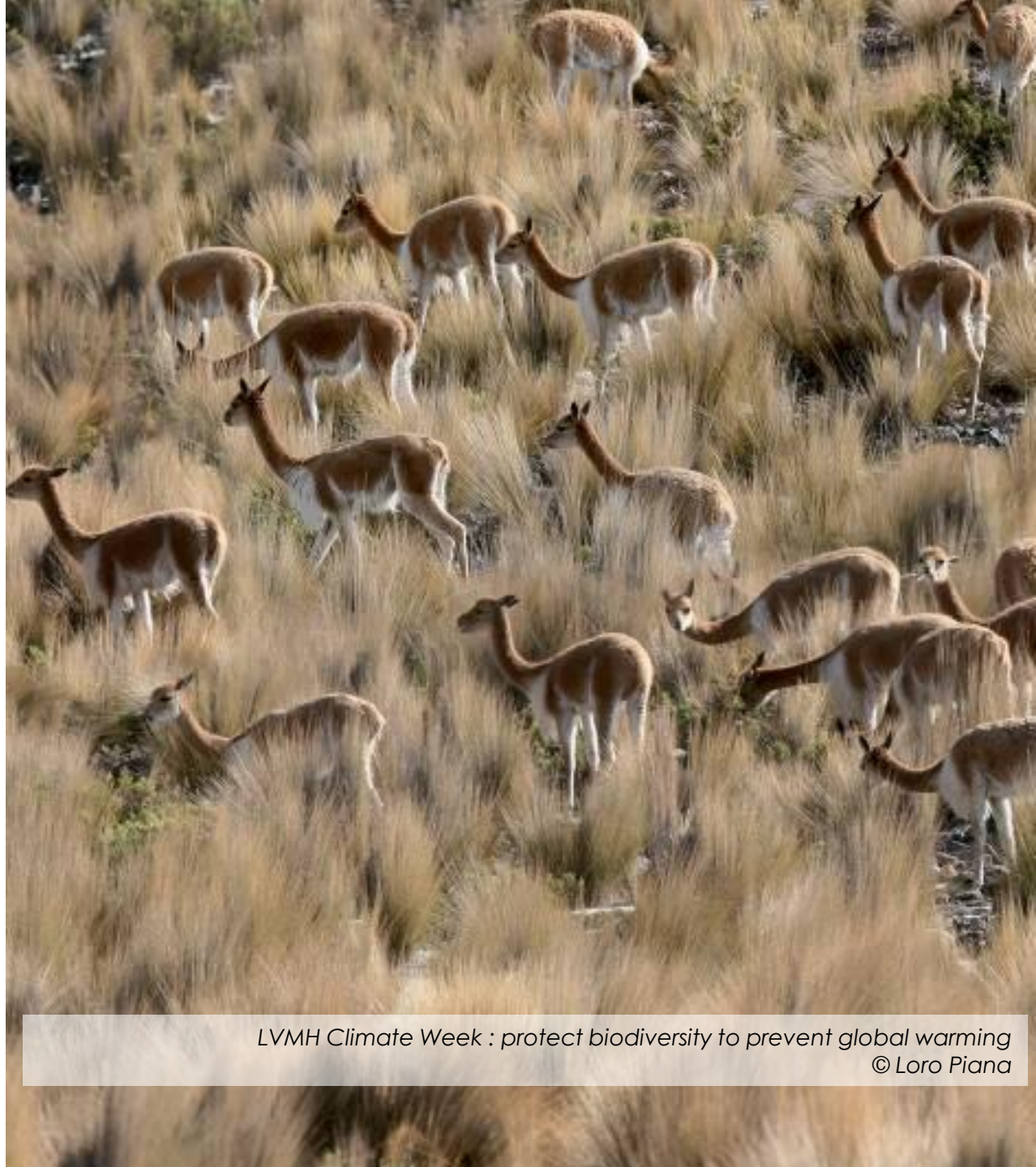
Cruelty free

Carbon neutrality

Environment

Biodiversity

Zero waste



LVMH Climate Week : protect biodiversity to prevent global warming
© Loro Piana



Bulgari donates Hand Sanitizer to Italian Medical Facilities during the pandemic

3. RESPONSIBLE LUXURY

Quest for meaning

Solidarity, common good

Social responsibility

Emphasis on sustainability

Upcycling / recycling

Second-hand

Discretion, low-key

Price awareness

4. INCLUSIVE LUXURY

Respect for minorities

Cultural diversity

End of imposed models

Body positivism

Exclusivity vs Exclusion

Accessibility



Paloma Elsesser, size 46, caused upheaval during the 2020 Milan Fashion Week by going down the catwalk for Fendi.

5. PARTICIPATIVE DIGITAL LUXURY



Social Selling

Challenges

Interaction

Influence

Instantaneity

Spontaneity

User Generated Content

1.1 Billion active TikTok users worldwide

(source: influencer marketing hub)



6 – PROTECTIVE LUXURY



Mental wellbeing:
getting away, refuge, de-stress, mental detox, cocooning



Physical wellbeing:
balance, harmony, protection, health



Social wellbeing:
safe socialisation, reconnection, safe retail, private space

MENTAL WELLBEING

"Healthystic"

Self-care

Pampering

Mental health

Balance IN/OUT

Detox

Deceleration



British premium stationery brand, Papier, is supporting Mental Health Awareness Month by highlighting the benefits journaling has on mental health with their daily wellness journal (noting intentions, reflecting on thoughts and feelings).



Premium cruelty-free beauty brand Hourglass Cosmetics has hired influencers and their pets to feature in its new Eye to Eye campaign. The brand is a long-standing advocate for cruelty-free beauty and has pledged to go completely vegan in 2021.

PHYSICAL WELLBEING

Non toxic

Transparent

“Free from”… harmful ingredients

Respect for skin biology

Cruelty free



China's upcoming Personal Information Protection Law will restrict brands' ability to use data to market to Chinese consumers. Here's why brands need to step up preparations for a new digital marketing environment.

SOCIAL WELLBEING

Private sphere

Safe zone

Secure online / offline retail

(GDPR in Europe,

PIPL, Personal Information Protection Law, in China)



Le Bon Marché (May 2021) provides a «"Lucky Shop" experience in store and on its e-commerce website 24s. Creators invited for pop-up stores, exclusive customisable products with charms, games and surprise pouches offered by dozens of brands.

7. EXTREME PLEASURE LUXURY

Phygital experience

Retailtainment

Emotions

Sensoriality

Creativity

Ephemeral, FOMO

Rarity

Gaming, mood booster

Chapter 4

A new leadership for luxury brands

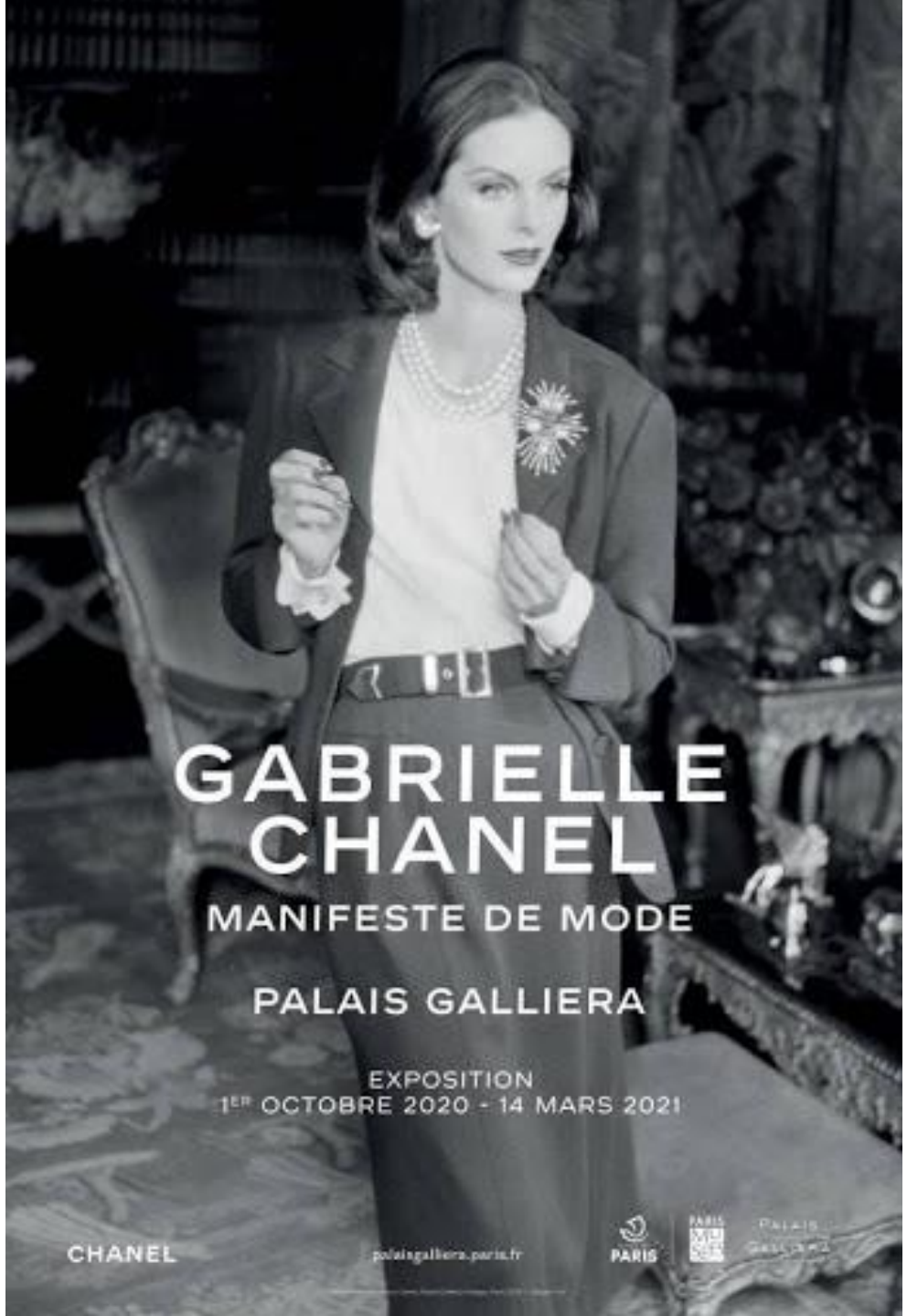
LEADERSHIP OF VOICE

Incarnation of leadership

Certification of the brand discourse

Control over the messages

Intimate vs familiar relationship



LEADERSHIP OVER INFLUENCE



Gucci has provided a template and soundtrack for a challenge on TikTok. 12 + million vues were observed via hashtag #guccimodelchallenge

@gucci

@itsflonatho will be part of Gucci's upcoming project for **@tiktok** with users who participated in the **#GucciModelChallange**. Voice by **@morganpresleyxo**

original sound - Gucci

Selection and monitoring of ambassadors / influencers / tribes

Choice of collabs

Definition and tone of voice of the content

MULTI-LOCAL LEADERSHIP

Cultural proximity

Local touchpoints, spokespeople / collabs

Local commitments

Recentring around local clients



Mercedes Benz adapts its communication for the seasons in Russia. “Winter is not”. The new E-class 4matic model adapts to local winters.

LEADERSHIP VIA PRODUCT

Creation / Unique style / Innovation

Ethical top of the range

Limited series / capsules

Digital certification

Accessible segments



Hermès introduces a hand bag, partially made of leather alternative, developed with Fine Mycelium technology by MycoWorks, made from the biodegradable mushroom and mycelium material.

LEADERSHIP VIA SERVICE

Circularity

Sustainability

Personalised after-sales

“Digital care” / CRM / AI



“Positive Luxury” label is awarded to luxury brands that demonstrate a positive social and environmental impact. *«Millennials are attentive to durable luxury goods»*.

LEADERSHIP VIA RETAIL

Web to store / Store to web

Livestreaming Personal Shopper

Chat bot / Voice assistant

Second hand market / rental

Market places (for certain categories)



Personnal Shopper livestreaming (China)

LEADERSHIP VIA THE EXPERIENCE

Broadcaster / media-brand

Story living

Art and culture

Surprise / pop-up stores

Related offers and services



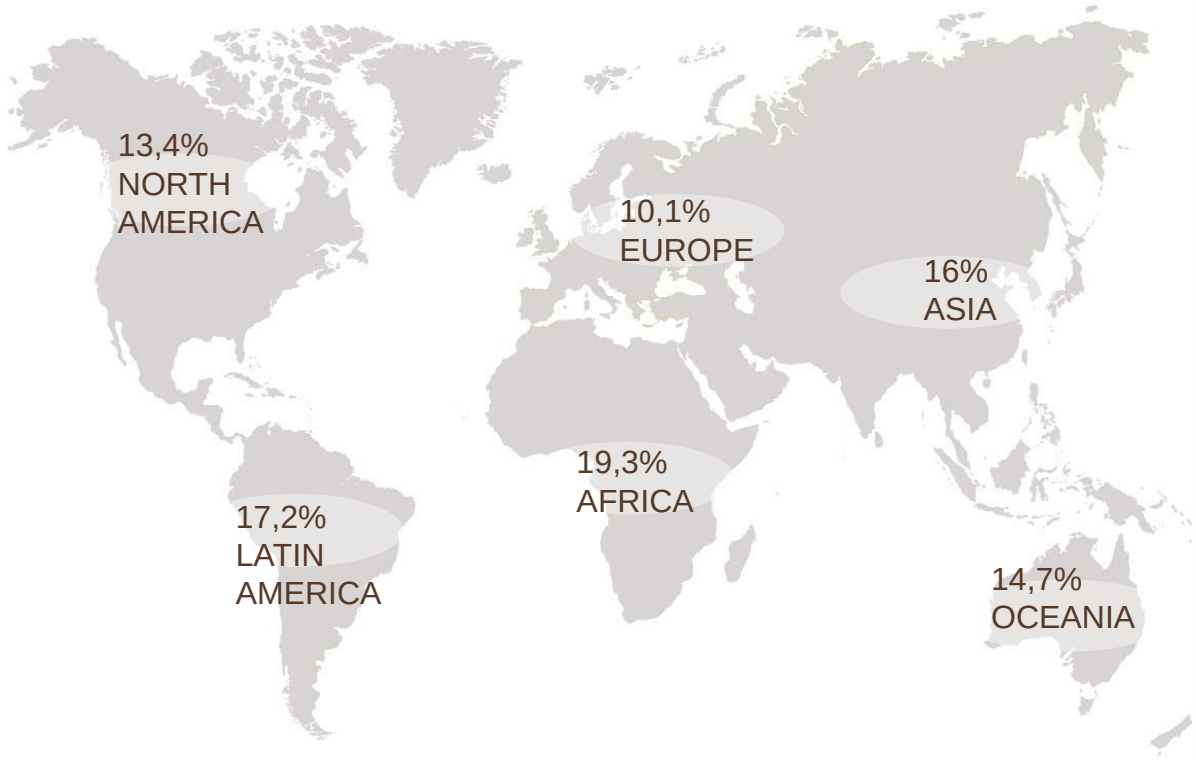
Four Seasons is spotlighting tangible transformation through travel in their podcast series and conversations with global adventurers.

Chapter 5

Focus on Z generation

DEMOGRAPHY - Z GENERATION

Today they present 16% of global population.





Source: populationpyramid

CONFIDENCE…AND STRESS

73%
are SATISFIED
with their life

&

51%
feel a HIGH
level of stress

72%
are CONFIDENT
about the future

&

64%
are ANXIOUS
about success in
their studies



Source: Étude ZGeneration, 2018, Ifop & DarkPlanning

RECONCILIATION WITH SUCCESS
A SUCCESSFUL LIFE IS…

1. Having a good financial situation
2. Having a well-balanced life
3. Enjoying my job
4. Getting married
5. Having good mental health





Source: Étude ZGeneration, 2018, Ifop & DarkPlanning

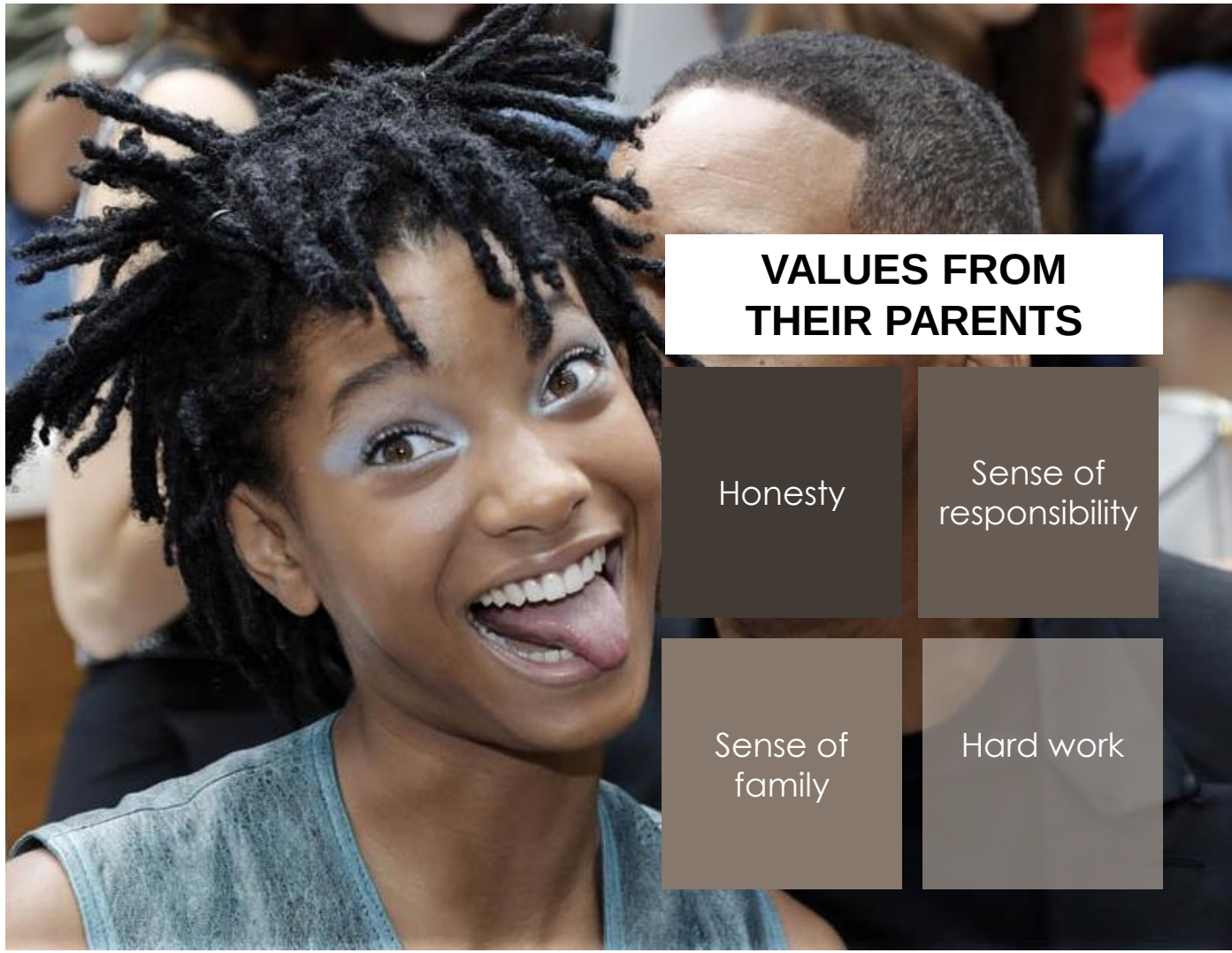
RECONCILIATION WITH ORIGIN / ROOTS
BACK TO TRADITION AND TRANSGENERATION

81%

Spending time with my family is important

(1st preferred activity)

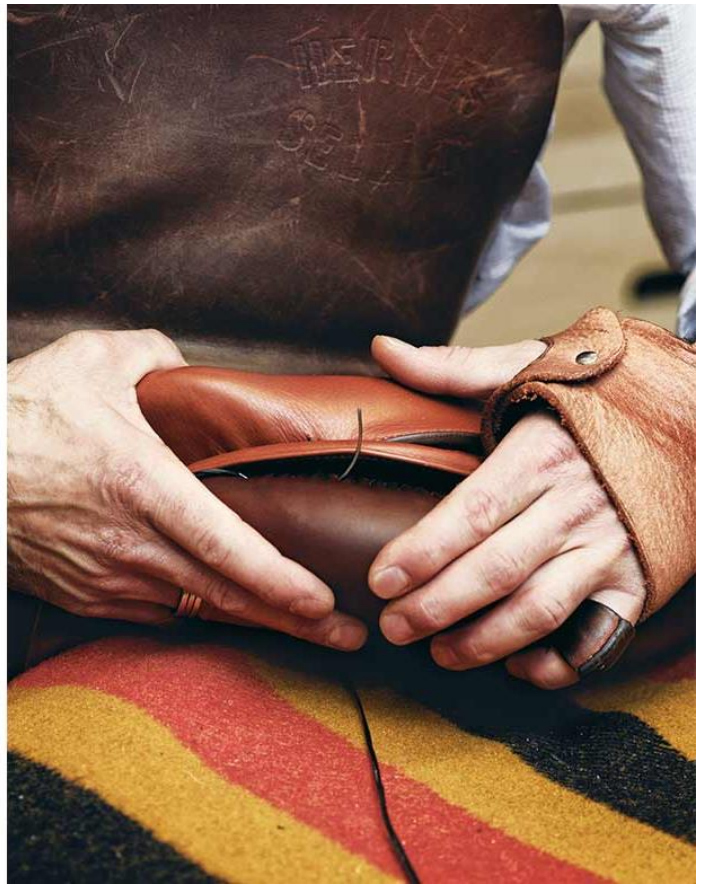




Source: Étude ZGeneration, 2018, Ifop & DarkPlanning

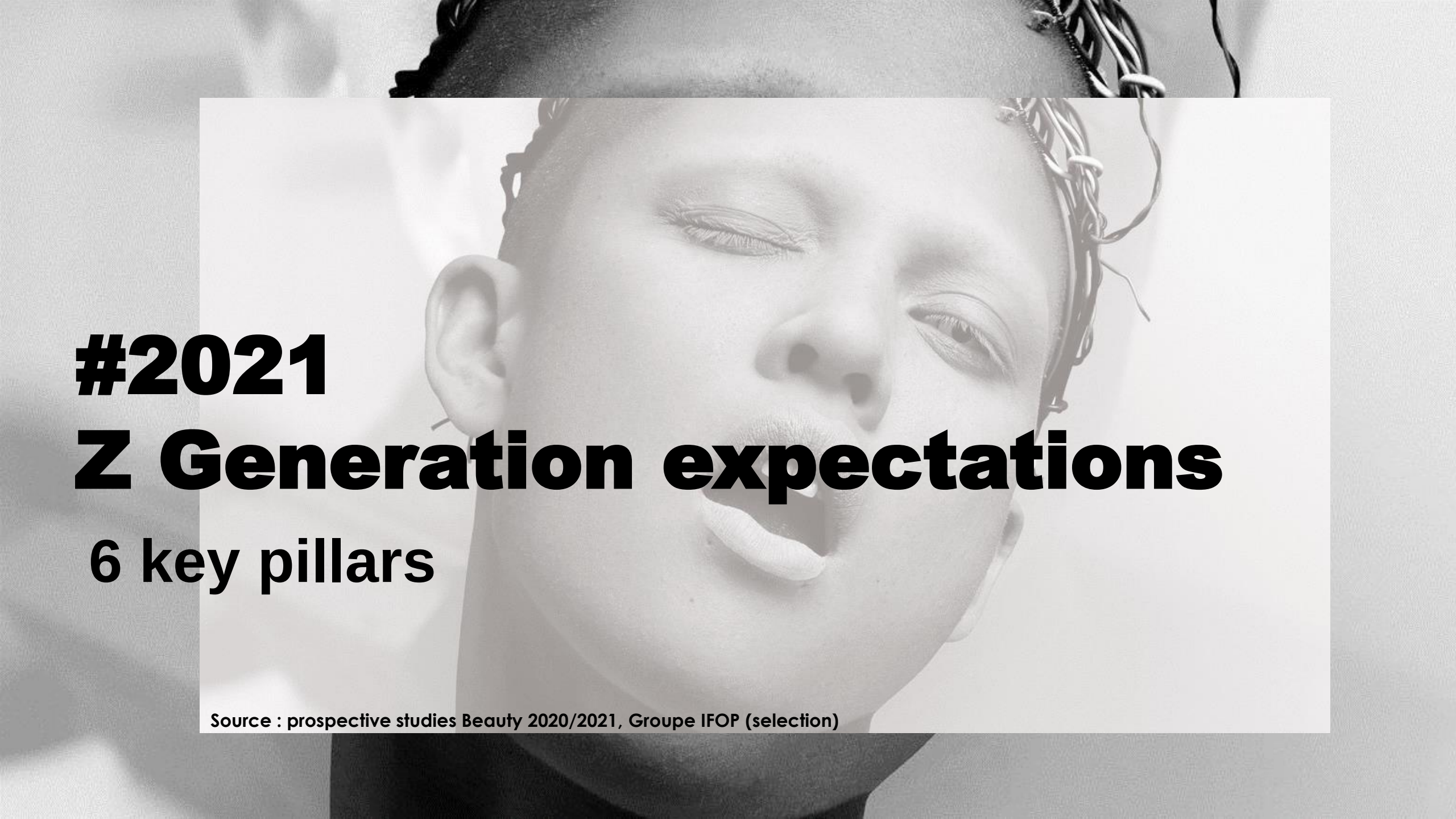
RECONCILIATION WITH LUXURY FUNDAMENTALS

A CLEAR DEFINITION OF LUXURY



1. EXCELLENCE IN QUALITY
2. A REWARD THAT YOU ALLOW YOURSELF
3. “MADE IN”
4. LIVE WITH BEAUTIFUL PRODUCTS
5. A SIGN OF SOCIAL SUCCESS
6. EXCLUSIVE EXPERIENCE

Source: Étude ZGeneration, 2018, Ifop & DarkPlanning



#2021
Z Generation expectations

6 key pillars

Source : prospective studies Beauty 2020/2021, Groupe IFOP (selection)

1 # NON TOXIC

Non toxic for me,

my planet and environment

51% perceive toxicity as #1 risk for luxury beauty*

Committed

Transparent

Cruelty free

#1 preoccupation in the US, #2 in France*

Respect skin biology



Hourglass Cosmetics, cruelty free luxury, Eye to Eye campaign

** Source : Ifop-Nelly Rodi, 2021*

2 # INCLUSIVE

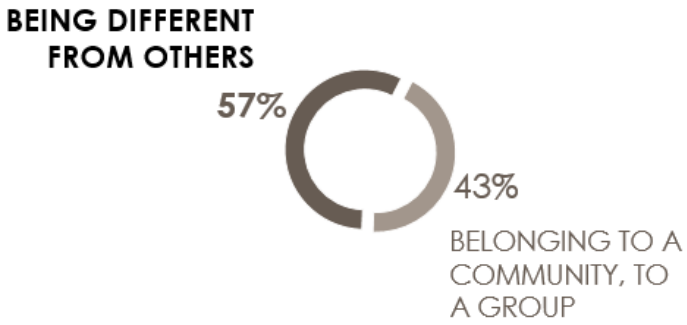
Respect for minorities

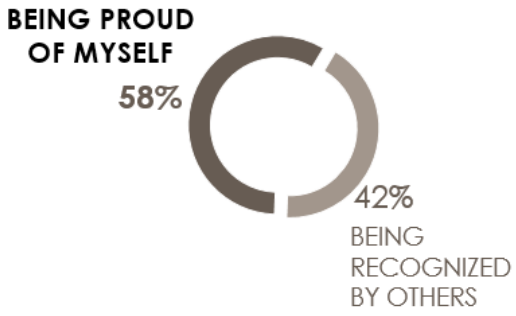
Gender fluidity

Cultural diversity

Exclusivity vs Exclusion

Community







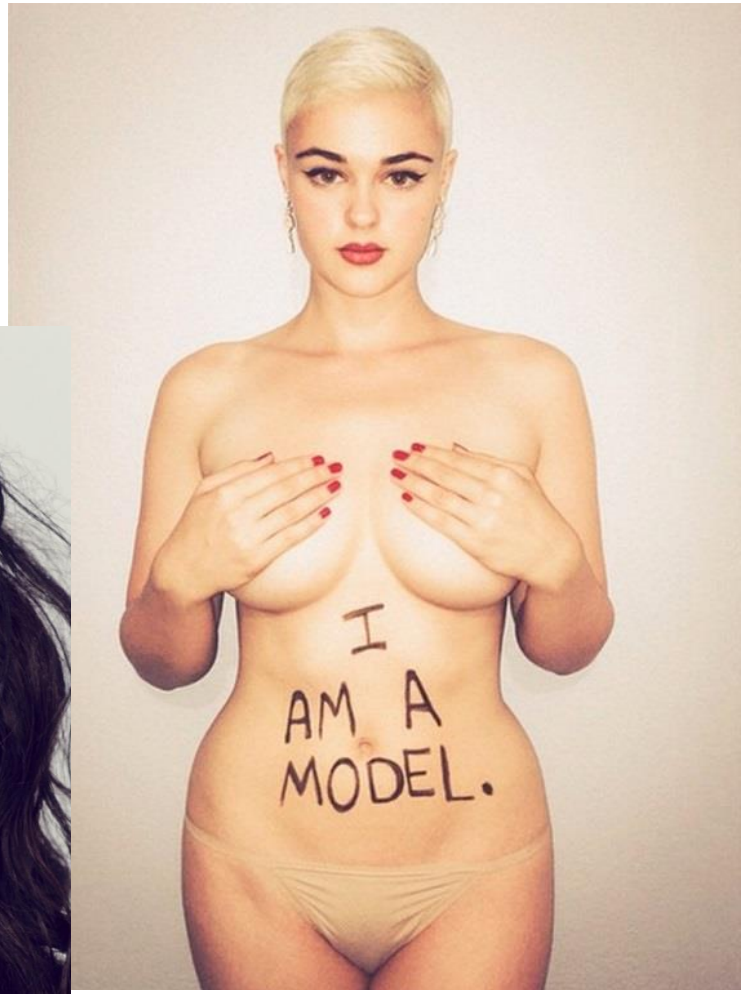
"What i've seen is raw beauty happens when an individual is aware of who they are, who they aspire to be and their potential to be just that."
Ari Fitz, androgyne model

3 # BODY POSITIVE

59%
« I feel good with my body »



"I'm proud of my skin."
Chantelle Winnie, model
with vitiligo



"Beauty is about exploring and embracing yourself and everything that makes you unique, physically and mentally."
Stefania Ferrario, model

End of imposed models

No taboo

Express yourself

Acne positive

4 # HEALTHISTIC

Self care

Pampering

Mental health

Nude makeup

+ Skincare, - makeup

Balance IN/OUT

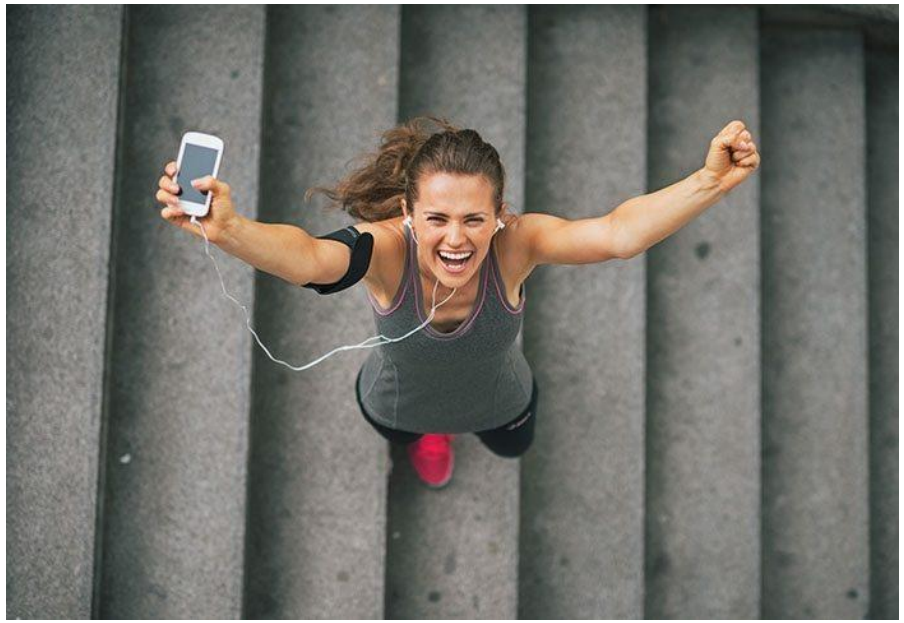


72%

Inner beauty more important than external beauty.

83%

Beauty is a balance between inner vs outer beauty.

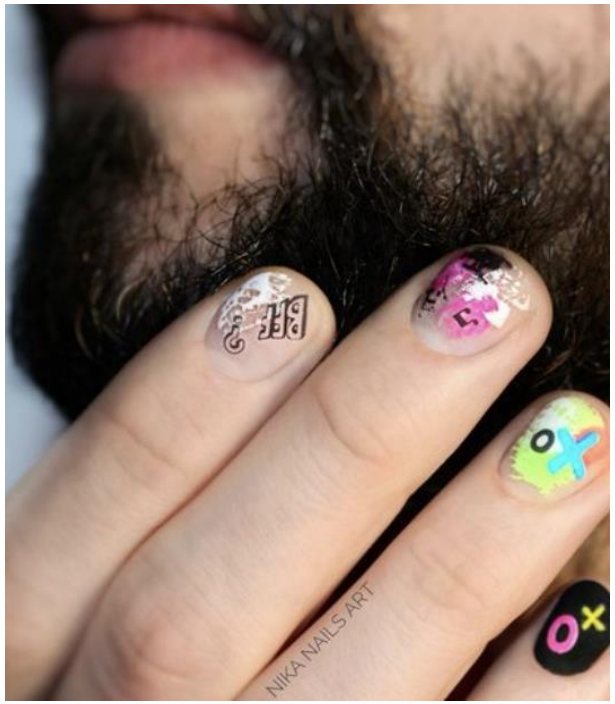


66%

“For me beauty means look health.”

5 # MOOD PLAY





Face & Body as messengers

Reveal mood

State of mind

Non-Binary identity

Pop culture makeup

Visual art

TikTok challenges

6 # ASSERTIVE / FULL HD



59%
I am very concerned with my appearance.

50%
I post more selfies with make-up than without.

Full HD exposure

All the time

Digital life

Zoom Ready

Filter addicts

Plastic surgery addiction



#2021 Z Generation expectations

6 key pillars

1#NON TOXIC

2#INCLUSIVE

3# BODY POSITIVE

4# HEALTHISTIC

5# MOOD PLAY

6# ASSERTIVE / FULL HD

Thank you!

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