THE LUXURY REPORT

Meaning.Global

REDEFINING THE FUTURE MEANING OF LUXURY

How Embracing The New Meaning Of Luxury Can Help Brands Regain Cultural Relevance, Transform Value And Drive Growth

LUXURY BRANDS | STRATEGY
SHIFTING WORLD | CULTURE
LEADERSHIP | POLITICS
GLOBALISATION | MARKETS
CUSTOMERS | EROSION OF
TRUST | DIVERSIFICATION
NEW HORIZONS | EVOLVING
NEEDS | VALUES & BELIEFS
INDIVIDUALISATION | IDENTITY
AUTHENTICITY | LIFESTYLE
STATUS QUO | EMPOWERMENT
BRAND VALUE & EQUITY |
CULTURAL RELEVANCE
MEANING | SYMBOLISM
REWRITING THE STORY.

FOREWORD

Welcome to The Luxury Report 2019.

This report explores the five biggest cultural shifts happening in luxury today that are affecting the value of luxury brands worldwide. In this brave new world full of cultural complexity amplified by our 24/7 digital connectedness, our traditional understanding of culture and what luxury means is increasingly getting challenged. This makes brands find themselves at odds with Culture. In pursuit of creating new products and experiences for luxury consumers, brands are finding it difficult to effectively navigate culture and secure their own relevance and profitability.

The aim of this report is to offer the much-needed cultural interpretation of the current changes in luxury that is often missing from industry reports today. It will help you understand why these shifts are happening and what they mean for your brand. It shows examples of brands creating new relevance and provides actionable steps on how luxury brands can capitalise on Culture to become the masters of their future destiny. The report is meant to serve as a practical guide to help luxury brand managers better manage their brands in the context of culture and create new relevance in the luxury sector. Luxury is all about meaning. Even if the essence of luxury comes to life through the impeccable design, craftsmanship and the beauty of its aesthetic expression, it's the relevance and meaning of its core idea that serves as the catalyst for all its perceived value. Without meaning, it's impossible to create anything of lasting value, and it's twice as true in luxury.

I hope you will find this report useful, and I will welcome your feedback.

DR. MARTINA OLBERT
Founder and CEO, Meaning.Global

CONTENTS

Foreword 2

How Global Events Changed The Rules of Luxury 5

The Shifting Cultural Meaning Of Luxury 9

Rewriting The Story Of Luxury 17

5 Cultural Shifts Redefining The Luxury Game 18

5 Actions For Luxury Brands To Regain Relevance 62

About The Author 69

Contacts 70

“The world of luxury is undergoing a major transformation.

As the world changes in both its scale and pace, societies, cultures and industries are changing as well. This redefines the rules of the luxury game profoundly. Most traditional luxury brands are not prepared to face this change as they still resist to accept this global reality as the new normal.”

How Global Events Changed The Rules of Luxury.

The world of luxury is undergoing a major transformation. As the world changes in both its scale and pace, societies, cultures and industries are changing as well. This redefines the rules of the luxury game profoundly. Most traditional luxury brands are not prepared to face this change as they still resist to accept this global reality as the new normal. However, if they wish to remain relevant, competitive and profitable in this new world, luxury brands need to learn how to navigate this cultural complexity and create a different future that's aligned with the course of change.

To evolve our perception of luxury, we need to look at the luxury landscape as an ecosystem of cultural meaning to understand the dynamic nature of these changes in their real-world context.

In the world full of disruption, the cultural streams are now moving faster and are harder for brands to navigate to create lasting value. As the global cultural landscape changes, the traditional meaning of luxury becomes eroded. This eroding meaning of luxury means that brands now need to shift gears. They need to proactively seek new ways to create relevance and venture into new territories outside of the traditionally perceived boundaries of luxury.

Seeing luxury as a cultural ecosystem rather than a market sector, can help luxury brands regain perspective, increase brand valuation and stimulate meaningful growth.

In this report, we look at how the morphing cultural meaning of luxury affects luxury brands today and what the five cultural shifts are in driving change across the luxury landscape. We will also give you practical advice on how brands can actively rewrite the rules of the luxury game to restore value and become relevant in the context of people's everyday lives. These actionable steps will help you embrace the power of culture change, rather than to be passively affected by it and come out on the losing end.

Global Shifts Force Luxury Brands To Rethink Strategy

The changing geopolitical situation is affecting luxury brands to a great extent. Over the past few years, the global luxury market had been on a rollercoaster ride. There have been many political, financial, social and cultural factors accumulating since 2013: first, the slowdown of the Chinese economy, weakened Russian ruble, strong Euro, terrorist attacks in Europe – all together causing a decreased purchase power and slower tourism spent of the biggest buyers of luxury goods.

Count in the increasingly competitive landscape of the luxury market, the booming rates of newcomers to the luxury industry, digital disruption, the exponential rise of experiential luxury (accounts almost for 55% of global luxury spent, according to BCG), overall rise in Chinese confidence reflected in shifting demand for iconic European luxury goods (as a sign of decreasing aspiration to signal social status and affluence through the traditional Western codes of luxury), and finally the emergence of a new young Asian generation of affluent consumers, who are more brand-savvy, cosmopolitan, and sophisticated in their choices as they seek out highly personalised and experiential forms of luxury adapted to their own cultural tastes and symbolism.

Combine all these factors and you get a recipe for a radically different luxury landscape than just several years ago, ruled by new target audiences with a different set of needs and desires on the lookout for the new and diversified forms of luxury.

No wonder that the traditional luxury brands find it hard to navigate this new reality and resist change instead. Creating authentic value, cultural relevance and longevity amidst global market disruption seems like a daunting task, to say the least.

The situation might have worsened as companies were in denial about the reset of the luxury industry triggered by the collapse of demand in China from 2013 onwards. Last year, however, Bain & Company announced a strong rebound in China since 2018 and expected the global personal luxury goods market to grow by 6-8% to €276-281 billion, predicting the industry could reach €390 billion globally in sales by 2025, carried mainly by the renewed Chinese demand and the “millennial state of mind.” Millennials and Gen Z are indeed the fastest growing consumer segment, who will account for 40% of the luxury goods market by 2025. Experiential luxury drives the main growth of the global luxury market. BCG predicts that by 2024, the personal and experiential luxury alone is estimated to be a €1,1260 billion market—a significant increase from €845 billion in 2015.

Six Global Market Trends: The Fast-Changing Face Of New Luxury

According to Bain & Company, the biggest global market trends affecting the fast-changing face of luxury are:

1. Unparalleled appetite of Chinese consumers for luxury: Chinese buyers are the leading nationality driving the growth in the global luxury market. They remain one of the key buyers still willing to pay the full price for luxury. Chinese luxury buyers are increasingly young, brand savvy and looking for personalised value.

2. Fluidity of consumption and blurring of boundaries: The global luxury market witnesses the blurring of traditional boundaries. Unlike the Baby boomers, Millennial luxury buyers expect to interact with brands across the full range of channels and touchpoints, effectively blurring the boundary between online and offline. Luxury consumers increasingly shop online, where social media continue to influence purchase decisions, especially via Instagram.

3. Individualisation: Brands will also see the blurring of typical competitive boundaries. The standard model of growth will be challenged as brands will increasingly strive to address the individual consumers' unique needs by complementing their identities and personal lifestyles.

4. Newcomers drive the diversification of luxury: Luxury consumers are getting younger, more diverse and request more diversified expressions of luxury. The casual luxury segment remains a key lever to attract new customers as the rules of attire in society get more flexible. The luxury market is adapting to the preferences of younger consumers, evolving and innovating in terms of product offerings, communication and engagement strategies, and distribution channels.

5. Consolidation of luxury brands and diversifying offerings to retain competitiveness: Many luxury players are now consolidating and expanding into new markets and sectors to better cater to new buyers in the global luxury market. Michael Kors' Versace takeover, Richemont's move for Yoox Net-A-Porter Group control and LVMH's Belmond buy show how luxury brands diversify their holdings to enter new territories and satisfy their customers while retaining competitiveness and a prestigious brand image.

6. Cultural localisation and personalisation of luxury drive new relevance: Culture remains to drive consumption trends. Evolving cultures (religious, ethnic and subcultures) will gain increasing influence in the future. Luxury brands will need to acknowledge and address these groups and invest in cultural localisation.

“To culture-proof the new luxe strategies, brand managers must learn to see and manage luxury brands as the dynamic ecosystems of cultural meaning.

Heritage and legacy are important, but without understanding how culture works and how its context affects brands in real time, the legacy value of luxury brands will soon become obsolete.”

The Shifting Cultural Meaning Of Luxury.

The recent global market changes are not only rewriting the rules of the luxury game, but they are shifting the cultural meaning of luxury as well. Furthermore, they are redefining the role of luxury as a social currency. Crafting a meaningful point of difference in an overly complex climate becomes harder than ever before. This is why luxury brands need to explore new avenues for growth to secure future relevance, create authentic value and retain their luxurious status to further increase brand valuation and equity.

The one thing that luxury was always so remarkable at was its ability to capture and conserve value throughout the time. High luxury brands and their products retain and even increase value over time, which means they can often offer a better investment than the stock market.

Luxury has earned a highly prominent position in our culture as a powerful catalyst saturating complex personal and social needs. It plays an instrumental role in our lives and serves many social functions: it signals a heightened social status, increases our perception of self-worth and cultivates high value in our relationships, i.e. through the elaborate ritual of gift-giving.

The luxury category is particularly sensitive to meaning as its 'symbolic value' far surpasses the functional attributes of its products. **Luxury has an inflated sense of meaning** – there is the highest gap between the functional value and the symbolic value out of all the brands, market categories and industries compared.

Luxury costs more simply because it means more. We pay more for the extra signs and symbols that we get to consume to signal what luxury represents in our society as a cultural concept. That's why it's so enjoyable for people to aspire to and emulate as a vehicle of upward social mobility, or now increasingly as a vehicle of self-expression and authentic individuality.

People crave meaning to express their own sense of self, their own individuality, social status or current mood. **Meaning is what people consume in brands, not brands alone** – *it's what brands represent and signify about us and our lives that matters to us.* It's how luxury brands connect to our own cultural values, mindsets and behaviours, how they strengthen our own identities that is important to the new consumers.

But when luxury no longer resonates with the current state of cultural reality and is out of sync with the society, people's needs and what people value, its luxurious value gets derailed and its meaning gets deflated. Brands alone can't hold value on their own – they are the ***containers for cultural meaning*** – they gain significance in interaction with people in the context of the shifting cultural climate. It's the cultural context in which brands are embedded that makes brands valuable, luxury brands included.

No brand is an island; it doesn't exist in a vacuum. Every brand lives in a broader context of our world and is being influenced by global cultures, market trends, competitors, politics, media, dominant narratives of its own category, other market categories, the language discourse of brands, the globalised forms of expression and values the global culture promotes.

This is why brands – and in luxury especially – need to be managed ***as dynamic ecosystems of cultural meaning*** with tailored messages and strategies to relate to customers in diverse geographical locations and cultural environments and build their value across many local contexts.

Our increasing hunger for luxury is driven by our big appetite for abstraction. As human beings, we crave signs and symbols.

We are constantly looking out to the world to satiate our own symbolic needs with new meanings through brands, products and services. Meaning is the real value of brands and the inner essence of luxury. It's through meaning that brands gain and grow their value. This the reason why 'meaning' as an inner value is far more important for luxury brands to create and retain than for any other market sector – it conserves value and serves as a catalyst for social interaction. By default, the lack of meaning in luxury is wildly more visible than in other market categories. As such, it can cause much greater damage than in other sectors intended more for everyday use and utility, such as consumer goods, banking, tech or telco, **where the gap between the 'symbolic value' and 'functional value'** is proportionally much smaller.

Functional value ⟵ **THE GAP OF MEANING** ⟶ **Symbolic value**

PAST

PRESENT

FUTURE

The Past, Present And The Future Meaning of Luxury

When thinking about the evolving cultural meaning of luxury, we should ask ourselves a new set of questions to explore unseen possibilities:

How can luxury brands regain social currency amidst the shifting global cultural landscape dominated by new technologies and radically changed patterns of consumption? What important social and cultural roles should luxury fulfil to retain customer relevance? How can we redefine what luxury stands for so it can become more essential to people's everyday lives? What key codes signifying the essence of luxury should brands keep and what codes should they evolve?

The Past Meaning Of Luxury

The word luxury comes from the mid-14th-century-word ***luxuria***, a Latin term for lust, lasciviousness, excess or sinful indulgence. Similarly, the word ***luxus*** was used in connotations of extravagance or magnificence, which together has made luxury signify ***extravagant excess or opulence***. It manifested the darker sides of the human psyche, such as vanity, obsession and self-indulgence. It makes sense why the Ancient Greeks, Romans and Christians warned against luxury. They wanted to keep people's appetite for hedonism in check because the deepest human desires are insatiable, which went directly against the religious and philosophical realms of purity, modesty and chastity. Luxury posed a threat of destabilising society. As a word, it finally lost its pejorative taint in the 17th century.

From the original meaning of lechery, modern luxury has developed its meaning into something that is ***expensive and not necessary***. The symbolic tension between necessity and rarity, excess and essentialism has been embedded in the very concept of luxury for centuries. Whether luxury was repressed or embraced throughout history, it has always been associated with the dominant codes of ***extra-ordinary and out of the everyday.***

The Present Meaning Of Luxury

Today, luxury is defined predominantly as ***a state of great comfort or elegance*** involving a considerable expense, an inessential and desirable item, or a pleasure to be obtained only rarely on special occasions. But, as the world of consumer demand and consumer behaviour changes, so needs to evolve the meaning of luxury. It is increasingly difficult for luxury brands to remain relevant while operating solely under the old belief and paradigm of what constitutes luxury. The traditional codes of luxury such as excess and opulence are quickly fading away, while new codes of luxury are emerging.

Luxury, as a cultural concept and as an industry, needs to be fuelled with new meanings to diversify its own forms and create new value.

“Luxury brands need to lead with meaning. Meaning is far more important for luxury brands than for any other brands.

It’s because, in luxury, the gap between the functional value of a product and the symbolic value of a brand is the greatest in comparison to any other market category. Luxury, in essence, is all about meaning.”

The Key Elements Of Luxury

These are the key defining elements of luxury as we know them today:

1. **It is scarce, limited and out of the ordinary**: inessential, surprising, out of the everyday life
2. **Great symbolic richness:** much greater symbolic value than utility
3. **High aesthetic quality:** hand-crafted with enhanced sensory aspects, i.e. sight, smell, taste
4. **Expansion of the Self:** elevating feelings of self-worth, individuation and identity creation, soothing and self-indulgence that are linked to self-perception and the enhanced psychological experience of Self
5. **Connected to social prestige:** bestows a heightened sense of social status and cultural impact

The Future Meaning Of Luxury

The future of luxury needs to reflect the cultural shifts and macro trends influencing how people value things and what things they value.

When the tables turn and we move our focus ***away from luxury towards the state of feeling luxurious***, the meaning and expression of luxury value change as well.

Suddenly, luxury becomes more about the ***intrinsic values***, rather than the physical items and the external validation from the world:

1. **Feeling our authentic selves:** becoming more of who we are and expressing ourselves authentically
2. **Creating meaningful experiences and rich life:** both rich inner life and the life we share with others
3. **The democratisation of luxury:** being accessible to celebrate the miracle of life in the moment versus to be used only rarely on special occasions or in excess
4. **Being an essential item:** luxurious in design, comfort and fit but an item we can use every day to express who we are because ***the authentic self is integrated***; there are no longer any special occasions for luxury, life itself is a special occasion to be cherished
5. **Premium lasting value:** luxury is inherently sustainable and worth the investment as it offers longevity; investing in durable, high-quality pieces is a more effective cost strategy overtime than partaking in a waste culture driven by fast production models; understanding the difference is where the respect and social prestige now come from

The key codes of the new luxury go hand in hand with our increased need for ***authenticity and simplification***. As a society, we are looking for ***meaningful individuation*** and lasting values such as love, abundance, self-acceptance, gratitude, rediscovering of who we are, reconnecting with our own essence and the essence of humanity. People are now reprioritizing; they are searching for what's truly important and finding that ***the diversity in unity*** is the natural state of the world we live in.

This, of course, has vast implications for ***the many forms of luxury*** that are fundamentally saturating one singular need: to feel authentically ourselves while belonging to a larger whole. From the era of excess influenced by mass production and the Information Age, we are moving towards ***The New Age of Meaning***, where authenticity, sustainability, sense and shared experiences are becoming most valuable social currencies. It is a direct response to the excess and proliferation that had dominated the previous era. This creates a paradigmatic shift between the traditional meaning of luxury and the new meaning emerging today:

History up to the 21st century:
Modesty *(simplicity)* –> Excess *(complexity)* saturated by luxury

From the 21st century onwards:
Excess *(complexity)* –> Modesty *(simplicity)* saturated by luxury

We know that ***luxury is the opposite of ordinary.*** So, if the excess has now become ordinary, then luxury by definition needs to become the opposite of excess. In this sense, the ***luxury of the future is gaining the opposite meaning*** to what it held in the past. This is why the notions of individuation, experience and self-expression make perfect sense as the new codes of luxury. In this new era, luxury needs to become more essential and embedded in the context of people's lives and cultures to regain social relevance. The new ***luxury needs to focus more on what we need than what we want*** because we now have plenty of what we want, but not enough of what we need. To make the leap forward, we must first go back.

Coming Back To Self

Luxury today means reconnecting to our own lives, our own essence. We now aspire to much different things than we did before. So, to reclaim its own aspirational value, luxury has to become more essential. Luxury should help us fulfil the needs that have become scarce today: self-discovery, connection, expression, revelation and transcendence. We are starved for meaning, for an authentic human connection and the simple things of lasting value. We need to feel special, manifest our unique human potential and express our values and beliefs in a meaningful manner that makes a difference. We need platforms for self-expression that enable us to use our voice and empower us to share it. We want to make statements that can reshape the state of the world we live in. And here, luxury brands can find their new role in helping us – people – become more of ourselves and find our own place in society to leave a mark. This is how luxury brands will regain their own cultural relevance. To be relevant today, brands need to learn how to capitalise on the cultural momentum and empower people to use their own voice to express who they are.

It's because the Authenticity of Self is the highest form of luxury.

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“What luxury needs most today is to rewrite its own narrative to align with the needs of the 21st century.

In this brave new world, luxury brands need to rediscover their place in people’s everyday lives.

And for this to happen, we need to liberate what luxury means and allow it to mirror the new cultural realities of our time.”

Rewriting The Story of Luxury.

The luxury industry today needs a new master narrative that will align it with the needs of people living in the 21st century. For this to happen, we need to redefine what luxury is and what it does. Luxury brands cannot do all this symbolic work by themselves to overthrow the legacy meaning of luxury. Without redefining what luxury means to people today, brands will always hit the proverbial wall – the old story of luxury – which will send their future back to the past and hinder their possibilities by default. But if we open up the traditional limits of luxury and diversify its cultural expressions, luxury brands can start exploring new avenues for their customers.

There is no way to tell a story outside of the context of culture if the story is to be a meaningful one that deeply resonates with people.

Culture is omnipresent; so without reflecting it and holding onto the old cultural ideals of the past, it will be hard for luxury brands to truly move forward. With the lack of a new narrative, luxury will always tend to default back to the original meanings of excess and lechery, until its story gets finally rewritten. We need to fuel luxury with new fresh meanings, understand how the consumer needs, expectations and desires have since evolved, and define a new language and codes of luxury to create the new face of luxury for the 21st century.

Such a **'symbolic facelift'** will undoubtedly be one of the most important strategic exercises for brands to undergo in the future if they wish to increase their profitability and build new business value.

And now, let's look at the five key cultural shifts redefining our views of luxury and learn how luxury brands can use these shifts strategically to rewrite the rules of the luxury game.

By taking matters in their own hands and becoming more proactive, luxury brands can truly become the masters of their own destiny.

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5 *Key Cultural Shifts Redefining Luxury*

Shift #1

From Selling Luxury Goods To Empowering New Identities And Individual Lifestyles

Consumer habits are undergoing a rapid change today as the new generation of consumers focuses on expressing their own individuality rather than ownership. The consumption of luxury today is becoming less and less about the luxury brands themselves and more about enabling people to become more of who they are. This shift pushes luxury brands to become active agents in their customers' identity creation, which goes far beyond the traditional understanding of luxury branding. It reverses the industry dynamics away from aspiring to own brands towards empowering people and their own creative expression.

01. EMPOWERING NEW IDENTITIES

KEY CONCEPTS:

- **Individuation and rise of the authentic self**
- **Seeking new ways of being as opposed to owning things**
- **Empowering new identities and individual lifestyles**
- **Facilitating self-discovery and enhancing the new sense of self**
- **Nurturing individuality, self-actualisation and self-expression**
- **Personalisation of luxury based on the emerging sets of needs**

The first shift is that of coming back to ourselves and redefining our own individual identities and lifestyles. We are shifting from the idea of owning to that of being. This is changing the whole dynamic of our relationships with luxury brands: from the highly coveted objects of social praise to the powerful catalysts of personal identity creation, self-expression and self-actualisation.

Today, we have a growing desire to experience the state of feeling luxurious, rather than owning luxury items. As we are on our ways to declutter and detox our super-sized lifestyles to achieve clarity, tranquillity and the much-needed peace of mind, the realisation that the stuff we own ends up owning us and clogging our mental and emotional spaces becomes more prominent. In the new era of mindfulness and expansion of human consciousness, luxury isn't as much about collecting high prized items and possessions anymore. It's more about us and our innate capacity to value pieces that enhance and complement our own unique persona. We are the ones who give them meaning and see them as meaningful to us if they share and embody the same values that we do or aspire to. Luxury brands are becoming extensions of our individual identities, rather than costly products we simply own.

As Millennials are diverting from the conventional thinking of ***what I have*** to embrace the discovery of ***who I am,*** and using and remixing brands as creative outlets to express their sense of self, they are effectively rewriting the rules of luxury for everyone else. This new and more conscious mode of consumption underpins our interaction with luxury brands today at every touchpoint of the customer journey.

People no longer consume brands purely for the projection of their own aspiration or for escapism as they did in the past.

Latest studies show a significant increase in people's desire to consume goods in order to create, creatively mix and enhance their own personal identities. The key drivers are the need for simplification, meaning and authenticity, self-love and self-acceptance helping us rediscover what's truly important, constant and of lasting value in the world that has become increasingly fluid, and where boundaries are blurring and differences disappearing.

The psychological drivers of consumers are changing: they are less driven by aspirational value, status quo and becoming more in the eyes of others, and more by our craving for self-expression. This is why effortlessness, fluidity, simplicity and understatement are quickly becoming the new codes of luxury. It's not about purchasing goods and trends as ultimate tokens of status, but about connecting to our inner essence and re-creating our public persona to convey who we are.

We crave meaning and personal significance as anchors in our increasingly destabilised lives because they help us solidify our position in the world, express who we are and connect with others.

Personal luxury in the age of an empowered consumer is less about the consumer serving as an extension of the brand and more about the brand finding a relevant place in the person's life to amplify their own unique sense of self.

Luxury brands are mighty vehicles of personal transformation – they can empower our own identity creation and reinforce our unique sense of self. In this sense, luxury brands are becoming less driven by status and more by the positive feelings and associations that luxury brands generate in our minds. This is why luxury brands need to embrace their inner essence and meaning, as the symbolic value is the primary value people consume in luxury.

Luxury brands need to tap into the essence of their products to empower the individual features of their luxury owners. They can offer us the much-needed outlets to self-actualise, self-soothe and awaken on our paths to self-discovery. Luxury, inevitably, is about living the best life possible and becoming the most authentic versions of ourselves we can be.

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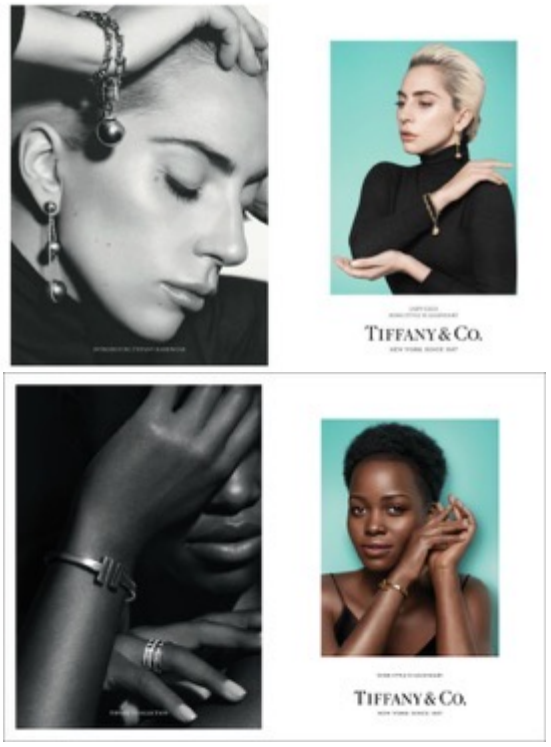
THE OPPORTUNITY.

Luxury brands can help their customers express their unique self and become who they are by leveraging the brand's inner essence, values and personality.

Luxury brands in the 21st century should strive to empower their customers to become the truest and most authentic versions of themselves, express their individual identities and lifestyles and develop a unique sense of style that's suited for their personal needs and desires. Finding ways to help people maximise their own human potential to become the best versions of themselves is the next big objective for luxury.

Tiffany & Co.

Legendary Icon Meets Modern Sophistication



Images courtesy Tiffany

In 2016, Tiffany hired the legendary former Vogue creative director Grace Coddington as Creative Partner to help the iconic American jewellery brand venture into the 21st century. Tiffany underwent a major facelift under her direction. With the message 'Some style is legendary' in mind, Coddington called upon the help of four female celebrities known for their unique style and grace, to appear in the new campaign: Lupita Nyong'o, Elle Fanning, Christy Turlington Burns and Natalie Westling. The new edition starred Lady Gaga or Zoë Kravitz. They each wore a piece of the iconic Tiffany jewellery, like the Keys pendant, T bracelet or Victoria diamond cluster necklace. The difference of this campaign was its shift in perspective.

The shoot by British photographer David Sims was more focused on the experience of wearing Tiffany jewellery and the essence of women who represent the same values as the brand than on the aspiration of owning luxury products. The women embodied the grace and elegance of Tiffany without becoming an extension of the product. The diverse faces and different types of femininity (bold and strong, timid and innocent, deep and sensual, extroverted and introverted) gave the brand a much more authentic look and feel and helped Tiffany regain its fading sense of relevance among the contemporary female audience. A clearly visible turn towards empowering women's own beauty in today's time.

Images courtesy Tiffany and Grace Coddington

Spring 2018: *Believe In Dreams* was starring Elle Fanning in a campaign aimed to bring Tiffany closer to the new and younger generation of luxury consumers.

Piaget

Heritage Meets Technological Innovation

Images courtesy Piaget

The famous Swiss watchmaker and jeweller Piaget is also evolving its image as it has its sights on appealing to the new generation of millennials. The brand marries a rich history and successful milestones over the last 140 years with extensive know-how and craftsmanship in both watch and jewellery making. Regardless of market differences, one thing remains the same: Piaget customers have a love for beautiful things and look for substance across different generations. Many of them come because their grandparents, mother, and father had a Piaget. They are the individuals, who share the same values as Piaget – they embrace life and their creative spirit; with a freedom to express themselves. While the historic collections remain the core, the brand is now looking into appealing to a new generation of game changers who are younger. This is why for a new campaign, Piaget chose Olivia Palermo, a model, creative director, philanthropist and entrepreneur. She is a dynamic force in the world of fashion who puts her own distinctive spin on everything she does. For this reason, she is the perfect woman to embody the Possession collection. Olivia styled her own Piaget shoots and created a perfectly effortless look for each of them. She demonstrates that the Possession collection is the ultimate staple for the stylish woman's wardrobe.

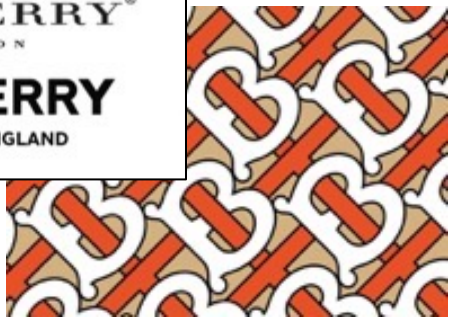
Burberry

Revisiting Brand Roots To Power Forward

Images courtesy Burberry

BURBERRY®
LONDON

BURBERRY
LONDON ENGLAND



Adwoa Aboah heads to her native Ghana for Burberry autumn/winter 2018 showing how roots, authenticity and our personal stories of where we came from are important not only to the Burberry brand but also to its customers. Burberry unveils a new logo and new pattern in 2018 for the first time in 20 years under the creative direction of Riccardo Tisci. The rebranding marks a monumental change for the British heritage brand and sets a new era for the iconic British luxury. The new visual language and distinctive iconography can help Burberry cement its leading position of an accessible and functional luxury brand that's highly relevant to the individualised style of the 21st century. The Christmas campaign 2018 starring Kristin Scott Thomas and Naomi Campbell shows a clear shift towards diversity and individuation of the new empowered female luxury consumer.

Discreet Luxury

How Simplification Enhances The Individualised Taste

Images courtesy Bottega Veneta

Authenticity and Sans Logo Strategy

Bottega Veneta is a nice example of a luxury brand with a discreet style and labelling. This Italian luxury brand was founded in 1966 as a 'Venetian workshop'. Since the brand has fully embraced its 'sans logo' strategy and became a symbol of elegance and understated luxury giving it the status of ultimate sophistication. True luxury connoisseurs seek out this iconic brand for its signature woven leather technique called *intrecciato* that was created in the 1960s. Bottega Veneta signals exclusivity through its codes of timelessness, craftsmanship and simplicity.

The Age Of An Empowered Consumer

With Burberry rebranding in 2018, we can see a clear shift in iconography and visual language of the traditional luxury fashion houses. Using the new codes of simplicity, freshness and universal accessibility they are now democratising and diversifying their product offerings to give their customers a more lifestyle feel. With the new lighter, cleaner and more effortless casual look, they can become natural extensions of people's own identities, empowering their individual lifestyles, rather than stressing their own heritage and legacy. The ongoing simplification and democratization of luxury make perfect sense as a strategy for the traditional luxury brands to embrace on their journey to become more relevant in people's everyday lives.

Shift #2

From Personal Luxury To Designing Personalised Luxury Experiences

Today, globalisation and mass production mean that more people can afford to own more things than ever before. But the more we *can buy*, the less it *means to us*. This is why the new generation is in the active search for meaning. These savvy consumers came to adulthood in the 'sharing economy' world of Uber and Airbnb, where direct access to utility overtakes the idea of aspirational ownership. At the same time, the unaffordability of the traditional big milestones of adult life (such as home ownership) shifts focus towards experiencing the most in the here and now. We are moving away from the tangible aspects of personal luxury to the intangibles — the unique and personalised experiences that have the potential to better and transform our lives.

02. PERSONALISED EXPERIENCES

KEY CONCEPTS:

- **Designing new platforms for exploration and self-discovery**
- **Creating meaningful experiences and unique memories**
- **Transformative potential to experience & grow new sides of self**
- **Special moments to connect with others and deepen our relationships**
- **Curating bespoke, immersive and transformative luxury experiences**
- **Creating new possibilities and platforms where to feel luxurious**

The second shift towards experience is a direct answer to the first shift of coming back to self and redefining our own individual identities and lifestyles to best serve who we are.

The rise of experiential luxury has a lot to do with the rapidly changing nature of people's needs in today's society. With the over-production of material goods and excess of information, we are in a dire need for lasting things of personal significance that would be meaningful to us.

There is an increasing need for simplicity, spirituality and serenity in our lives as we seek things that could catalyze such a transformative state for us. Experiences are therefore seen as a highly desirable, personal and meaningful form of luxury.

We see a move from desiring objects of personal luxury to craving highly personal experiences that make us feel luxurious. Experiences are so attractive to us because they are richer, easier to share with others than physical objects and transcend our perception of space and time, which makes our souls come to life.

The 'true luxury' is in regaining our personal power and freedom to experience the world on our own terms as conscious human beings living life in the present moment.

Unlike material luxury, experiences are unique to each individual and are irreplaceable and unrepeatable as they're bound to a specific moment in time. This makes our experiences extremely valuable and timeless.

According to BCG, the rise of experiential luxury, including high-end food and wine, luxury hotels, and exclusive vacations, can account for nearly two-thirds of the total luxury market by 2022. The majority of Millennials already say they're buying fewer products and more experiences which mirrors the underlying shift from 'owning' to 'being'. This moves our focus from material goods to the intangibles like freedom, time, travelling, creativity, self-actualisation, well-being, sharing and making lasting memories.

Even though the experiential trend was originally stronger in Western markets – which tend to have a more individualistic cultural foundation – there is an increasing demand for experiential luxury now coming from China and Asian markets as well.

As the new generation of Asian consumers is becoming more cosmopolitan, sophisticated and brand savvy, their demand for the personalised, individual and highly experiential forms of luxury grows. The trend of zero consumption, originally strong in Asia, is now spreading across the world and continues to shift our attention towards the new non-materialistic forms of luxury, including experiential dining, exotic retreats, self-care, world exploration and self-discovery to achieve inner alignment and the peace of body and mind.

Immersing ourselves in new transforming experiences is perhaps the best way to regain perspective and understand the true constants of a rich, wealthy and abundant life: peace and mindfulness, strong relationships with others, freedom and independence, rich inner life, imagination, joy and happiness.

This clear shift from *the tangibles* (products and services) to *the intangibles* (experiences and memories) will mark the biggest shift in our understanding of luxury in the 21st century.

Luxury needs to offer meaningful experiences and moments of connection we can share with others to help us create new memories and provide platforms to enrich our lives and the lives of those we care about.

The best experiences are those that make us feel alive, cherish life in the moment and connect us back to ourselves and to others.

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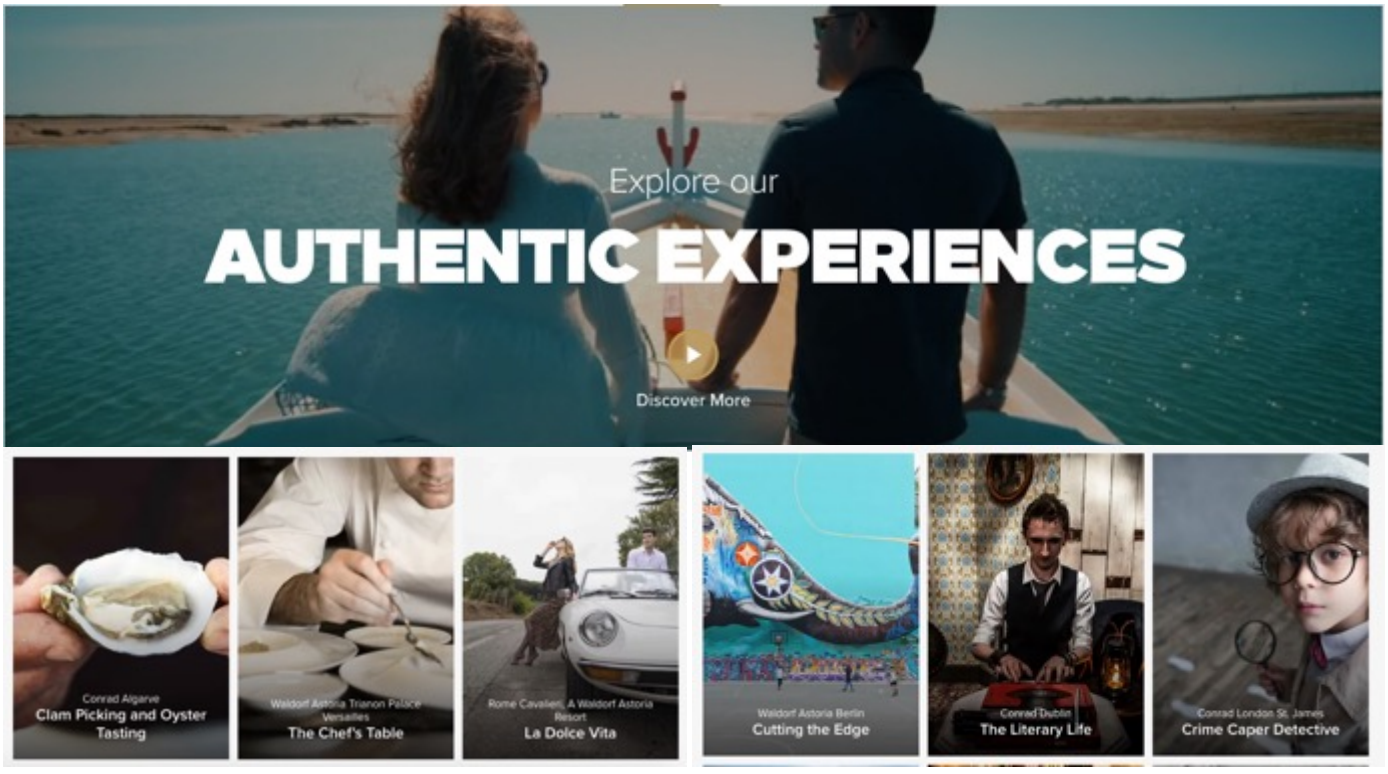
THE OPPORTUNITY.

Luxury brands need to tap into their essence, *the meaning behind the product*, to maximise the experiential and transformative potential for their customers.

Luxury experiences should feel effortless, intuitive and act as natural extensions of the brand and product portfolio. They should have the transformative potential to touch our souls and make us come to life in the moment. They should help us connect to our own essence and through the strength of this connection create a positive and meaningful connection with the brand. The mission for luxury brands should be to help people get the most out of their lives, make lasting relationships and cherish the unique memories they make with others.

Hilton Explore

Curated Selection Of Authentic Experiences



Images courtesy Hilton Explore website

Hilton Explore now offers a collection of highly curated experiences based on the personal taste that naturally complements the locations of Hilton hotels. It shows a clear shift towards creating new, more authentic and sensory forms of luxury that are personalised to the tastes of individual customers. Hilton allows clients to make everlasting memories, in destinations around the world.

Hilton took its brand and used it as an explorative platform to help people interact with different experiences based on the things their customers already cared about. Tapping into the best that local cultures and locations have to offer to extend the core product experience and act as a facilitator for us to make our own stories and memories in the process is the most authentic form of experience that a luxury brand can create.

Selfridges

Selfridges Fragrance Lab

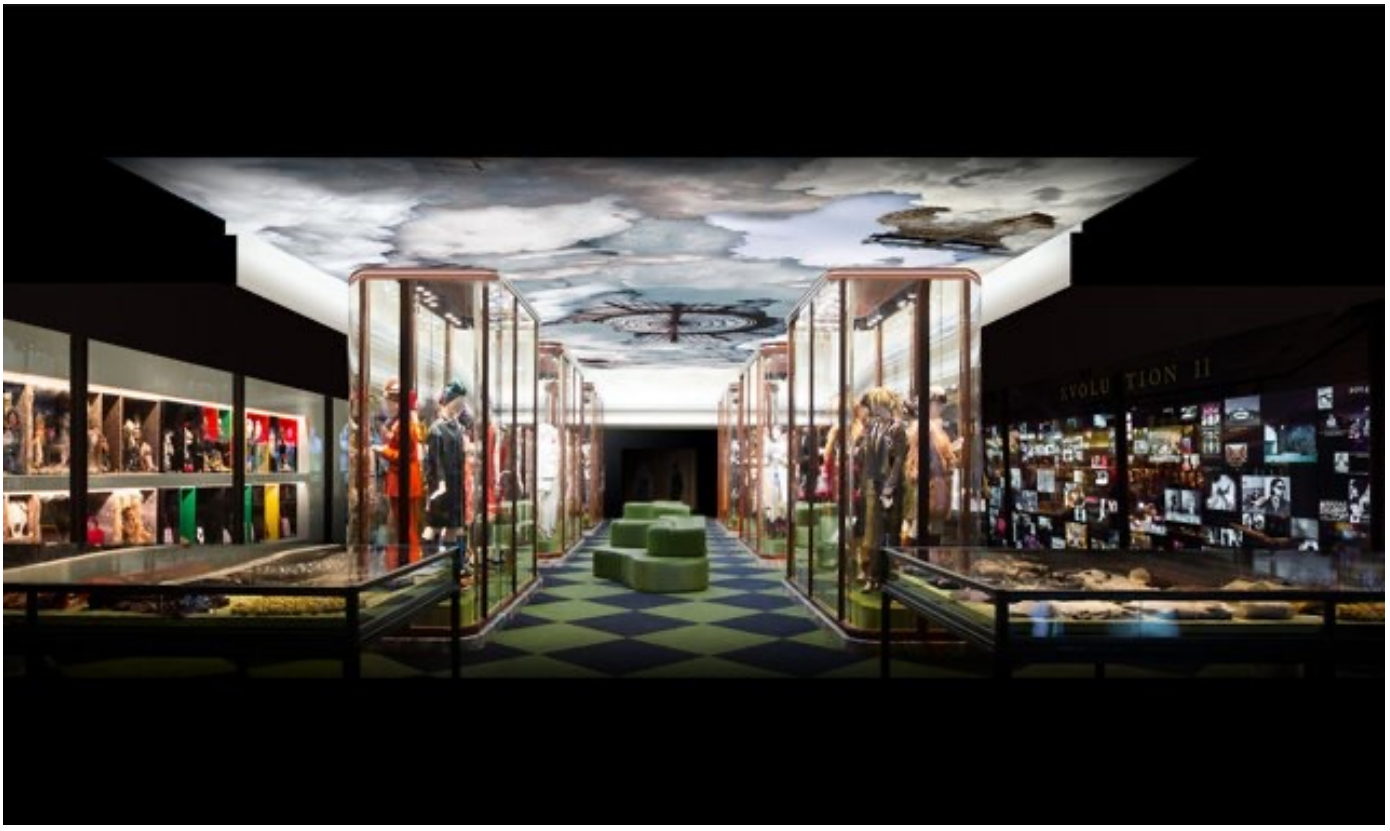
Image courtesy Selfridges

Selfridges Fragrance Lab is an excellent example of innovation that doesn't rely on its heritage to convey brand identity, but it's core message 'It's a shopping experience that promises to surprise, amaze and amuse its customer by delivering extraordinary customer experiences'. The collaboration between The Future Lab and Design Studio to create the Fragrance Lab engaged customers with the brand and the process of creating a product unique to them.

The temporary installation located in the Concept Store in Selfridges took customers on a journey through sensory chambers, asked them questions to determine their tastes and habits and then presented them with a 50ml bottle of their signature scent. Even 108 years after opening, with new technology and an ever-evolving audience, this installation still answers true to that original core thought, showing how a strong brand identity creates its own legendary status.

Pradasphere

Creating Immersive Experiences

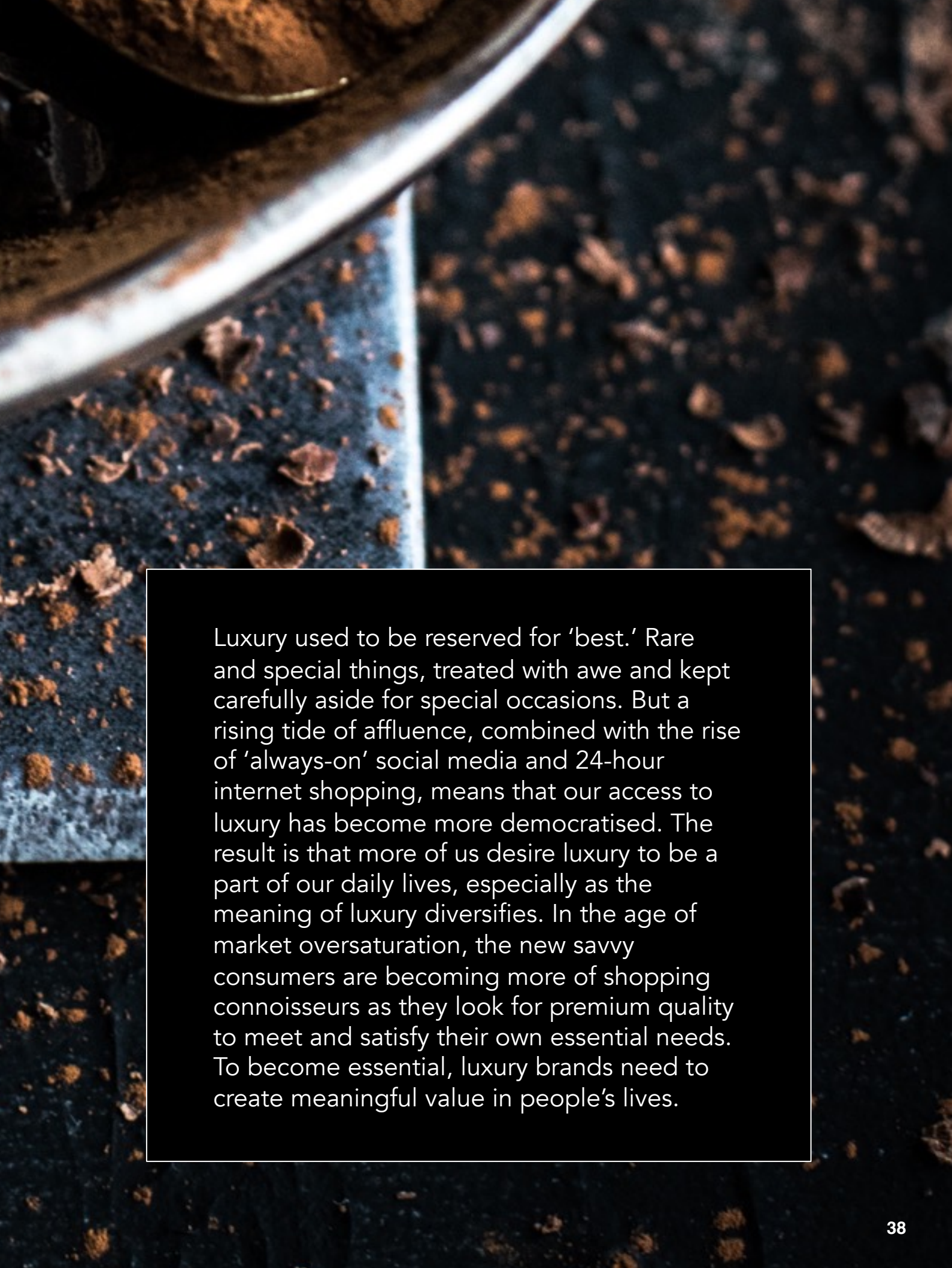


Images courtesy Prada & Harrods

The special exhibition Pradasphere at Harrods that launched in the summer of 2014 was a more dramatic example of the personalised retail space. It wasn't to sell products but to share the inspiration of fashion, art, film and culture. The only items on show were the pieces which influenced Miuccia Prada to design the pieces that Prada created at her luxury empire. Illustrating her personal journey to fashion, Pradasphere presented a universe of contradictions and endless elaborations, where idealism meets vanity, intelligence meets passion and fashion meets fiction. The project drove positive buzz and produced an unforgettable experience in the increasingly blurring market where it's hard to impress.

Shift #3

From Excess, Rarity And Opulence To New Essentialism And Everyday Luxury



Luxury used to be reserved for 'best.' Rare and special things, treated with awe and kept carefully aside for special occasions. But a rising tide of affluence, combined with the rise of 'always-on' social media and 24-hour internet shopping, means that our access to luxury has become more democratised. The result is that more of us desire luxury to be a part of our daily lives, especially as the meaning of luxury diversifies. In the age of market oversaturation, the new savvy consumers are becoming more of shopping connoisseurs as they look for premium quality to meet and satisfy their own essential needs. To become essential, luxury brands need to create meaningful value in people's lives.

03. THE LUXURY ESSENTIALISM

KEY CONCEPTS:

- **Diversification and democratised access to luxury**
- **Luxury is becoming more everyday through little moments of joy**
- **Detour from aspiration towards satisfying more essential needs**
- **Rise of the new appreciation: Self-love, enjoyment and gratitude**
- **Making the ordinary extraordinary: High quality made accessible**
- **Connaissance vs Disposability: The art of knowing the difference**

The third shift is about luxury gaining a strong presence in everyday life as our access to luxury has become more democratised than it used to be, especially thanks to social media. Luxury today is no longer seen as something out of the ordinary, only consumed on special occasions. It is increasingly meant to be enjoyed in the context of everyday life. As the themes of self-esteem, self-love, self-care, abundance and gratitude become more prominent in our culture today, the desire to make luxury a vital part of our lives is on the rise.

We crave luxury because deep down we want to feel worthy of the best life has to offer and live the best lives possible. Turning objects of everyday value into state of the art is a good way to make the ordinary feel more luxurious, the same way as taking the luxury items to make them accessible to a broader audience.

The rise of democratised access to luxury enabled brands to diversify their offerings across a whole new spectrum of needs, some of them even essential. Discovering new ways to become essential in people's lives, e.g. via everyday luxuries or bringing our attention to what's truly important in life is a good way to strengthen the role, place and relevance of luxury brands in the context of our real lives.

Historically, the luxury which stood for excess, lavishness and opulence was all about the ostentatious displays to signal social exclusivity and high class. But nowadays, as luxury becomes more affordable, the same ***strategy of exclusion*** is losing to that of ***personal relevance***. Exclusivity solely doesn't resonate anymore. The aspirational race that led consumers to use luxury as a vehicle of social mobility to gain peer approval has only led us to conformity and luxury fatigue.

With the decline in demand for ostentatious symbols, the luxury industry is now experiencing a revival in helping customers regain joy in life by making everyday moments feel more special.

Diversification of Luxury

In today's world, the concept of luxury is becoming more diverse as we're moving from the single definition of luxury to the many 'luxuries'. The diversification and individuation of luxury mean that what we perceive as 'luxury' is also changing. **There is a loss of the absolute value of luxury** and rise of individual interpretations of what luxury means to us personally.

The key code driving the aspirational value of luxury has always been ***scarcity*. Without scarcity, there would be no luxury.** The fact that luxury is now broadly available and attainable to everyone, and therefore less *scarce*, is precisely the reason why we need to rethink what luxury means to people today. Scarcity was always what made luxury so valuable, it drove its codes of attractiveness, value and aspiration.

But different things are scarce now, **and it's precisely those that were of abundance in the past:** time, space, clarity, abundance, self-expression, spirituality, mindfulness, silence, light, clean air, tranquillity, wellbeing, life balance, inner peace, human touch, companionship and the sense of a profound, meaningful and true connection to ourselves, to other people and to the larger whole.

These are the new forms of the ultimate luxury in the 21st century: essentials of people living before us. This is especially true for the average person living the lonesome, alienated and meaningless urban life today.

We are more disconnected from ourselves, from our surroundings, from nature and from other people than we ever were before.

If luxury brands can offer us thoughtful ways to connect with these missing parts of our lives and saturate our own essential needs in ways that feel luxurious, either through experiences, transformative moments or products and services, they will create a new form of meaningful luxury that is also deeply soothing to us as human beings.

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Images courtesy Unsplash

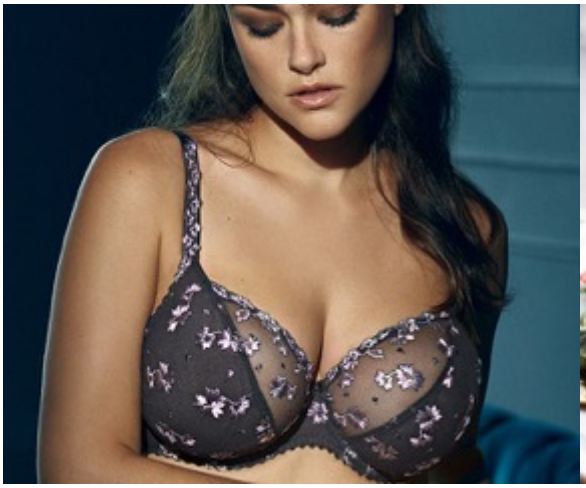
THE OPPORTUNITY.

Luxury brands need to diversify the essence of luxury, connect to our essential needs and find new ways to create relevance and value in people's everyday lives.

Luxury needs to become essential to create new relevance. It should inspire us to seek out transformative moments where we can reconnect and recharge, stop for a minute to enjoy ourselves to regain perspective on what's truly important in life. Self-care and self-love will undoubtedly play a leading part in the essential luxury. Luxury in the 21st century is about brands finding new social currencies based on the shifting needs and ongoing evolution of human consciousness. To retain relevance, luxury in our quickly changing world needs to saturate a much broader spectrum of needs other than the aspiration, as it did in the past. Rethinking luxury as essential will help luxury brands find a meaningful and lasting place in people's real lives, not just aspirational.

Essential Luxury

Everyday Luxury and Little Ways To Splurge



Images courtesy PrimaDonna, Magnum Tub, Godiva, Coop, Tesco

Luxury as the new normal: High quality, practical comfort and affordability

Examples of essential luxury can be as diverse as our everyday needs. It can be a basic item of ordinary value created to a high-quality standard at an affordable price, such as Truly Irresistible by Coop or Tesco Finest. PrimaDonna, a lingerie brand with 150 years of heritage, offers high support of German technology with the luxury aesthetics of Brussels lace. Essential luxury can equally mean the opposite: little moments of joy we seek out to treat ourselves and others.

Sensual luxury enhances our perceptions and makes us feel cosy and luxurious. Splurging on a Magnum Tub makes us feel rewarded. Giving a high-quality chocolate box, like Godiva, to someone special is another wonderful example of a small luxury that has gained an essential value in people's lives. All these examples show ways to treat ourselves every day while retaining comfort, practicality and usefulness. Luxury essentialism marries practicality and a premium value.

Chanel Shopping Centre

Juxtaposing The Ordinary With The Extraordinary

Image courtesy Chanel Shopping Centre, 2015

Chanel has been experimenting and pushing the boundaries of ordinary versus extraordinary and luxury value versus use value for years.

Luxification of ordinary everyday products

At the AW14 Paris fashion week, Chanel installed the Chanel Shopping Centre. A tongue-in-cheek nod to the irony of consumerism and aspiration, that resulted in an in-joke blurring the lines between luxury and mass market. They designed throwaway products in Chanel packaging that allowed their customers to laugh along with the brand at the irony of conspicuous consumption. As a result, sharing this in-joke created a stronger bond between the brand and its customers, new and old.

Capturing the ordinary and fleeting versus creating lasting memories

"Luxury is a necessity that begins where necessity ends." ~ Coco Chanel

Embracing the heritage in a new and unexpected way is also an example of a Chanel book set published by Assouline – the luxury book publisher. The book project featured a genuine Chanel quilted leather slipcase with a metal brand monogram. This enhanced an otherwise ordinary product into a new desirable collectable object.

Burberry

Mapping The Everyday Moments of Luxury

Image courtesy Burberry

The successful campaign Burberry Art of the Trench was a mix of curated and crowdsourced content. It was started by a blogger Scott Schuman of The Sartorialist. People wearing Burberry trench coats, followed by other photographers and trench coat wearers were submitting their photos from all around the world to create an authentic glocal campaign enabling Burberry to create a cultural momentum.

Shift #4

From Cultural Heritage And Legacy To Seeking New Forms Of Relevance

Around the world, people are less and less willing to respect established brands and institutions just because they have a long-standing legacy. The past is no longer here. The key to the heart of a new luxury consumer is personal relevance. In today's world, no brand has an eternal right to claim its luxury status, which is why no brand can afford to rest on its laurels. To be relevant today, every luxury brand, however distinguished, must constantly look for new and refreshing ways to contextualise the old within the new. Luxury brands need to bring the story of their heritage, craft and legacy in the cultural context of today to appeal to the new generation of customers.

04. NEW FORMS OF RELEVANCE

KEY CONCEPTS:

- **Power of Recontextualisation: The old meets the new**
- **Radical collaborations: Seeking inspiration everywhere**
- **Technological innovation amplifies craftsmanship**
- **Global connectivity: Connected communities and digital platforms**
- **Cultural symbolism: Localisation and adaptation of luxury brands**
- **New Luxury Tribalism: Connoisseurs, collectors and creative heroes**

The fourth shift is leading luxury brands to move away from heritage and legacy to seeking new impulses for relevance. With the boom of digital technology and the scope of global cultural disruption, customer expectations are rising. Brands need to go way beyond the story of origin, product quality and craftsmanship to spark new interest and sustain their market momentum.

As luxury brands need to attract new audiences and create relevance across different markets worldwide, luxury production is becoming more culturally diversified as a result. The symbolic essence of luxury means that luxury product offerings and brand campaigns need to be adapted to match the cultural tastes of different markets. Therefore, luxury brands need to continually invest in creating new products and experiences, customised for the likes of different market audiences, to resonate with their own values and beliefs in the context of a particular cultural climate. But as the traditional boundaries of space and time are getting blurred and borders between markets are disappearing thanks to globalisation and omnipresence of digital media, luxury consumers are also equally turning into savvy global citizens.

Social media and digital platforms empower the rise of connected communities worldwide. While the idea of luxury ***connoisseurs*** linked to heritage luxury brands still remains important for luxury buyers, the notion of personal expression and cultural validation through luxury is rising fast.

Technology has radically changed our views of luxury. Modern technologies are now able to create more high-end value than the traditional handcrafted techniques, but digital has also been instrumental in keeping luxury still relevant today. Technology, however, is only an enabler and catalyst when it comes to luxury value production.

Luxury itself will always be primarily about its symbolic value: ***the signs, codes and meanings*** the brand creates and reinforces in the minds of consumers. This is why juxtaposing the old within the new in surprising and imaginative ways is essential for luxury brands, especially heritage luxury brands, to gain more traction, appeal to the new generation of consumers while also staying true to their own essence. Creating highly personalised products or experiences, limited editions, radical collaborations, collector items or tapping into the richness of cultural symbolism are all good ways to create a new form of relevance and bring the brand's heritage back to life.

Luxury brands need to become more proactive and facilitate new connections, create global consumer communities and engage customers around their products in culturally relevant ways to retain their luxury status and market resonance. They should strive for ***meaningful growth*** in different parts of the world while retaining their core expertise, craftsmanship and heritage as primary layers of value creation.

Luxury brands need to assess their core strengths and re-evaluate how they create relevance for the savvy global consumers of the 21st century.

Brand narratives driven solely by the past are no longer considered relevant by the new generation today. The past legacy, heritage and craft are not enough to generate interest from the new generation of luxury consumers. Creating personal relevance is the key to their heart. Failing to come up with new, authentic and culturally sound strategies that link your brand on ***the past–present–future continuum*** in a way that sparks interest and is meaningful and true to your brand can cost you.

Luxury brands today need to tell new stories. Making the mental and emotional bridge between the past, present and future can be a powerful strategy for traditional luxury brands in redefining their own trajectories, becoming active storytellers and creators of their own destiny.

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THE OPPORTUNITY.

Luxury brands need to become more proactive, open, flexible and inclusive of the world they live in to create new relevance, cultural connections, products and stories.

Luxury brands should be more perceptive to the world around them and better mirror our cultural realities, rather than staying encapsulated in their own worlds. By paying more attention to global cultural tides and to their own surroundings, luxury brands can become better aligned with culture, and therefore more valuable and meaningful to their new and existing customers.

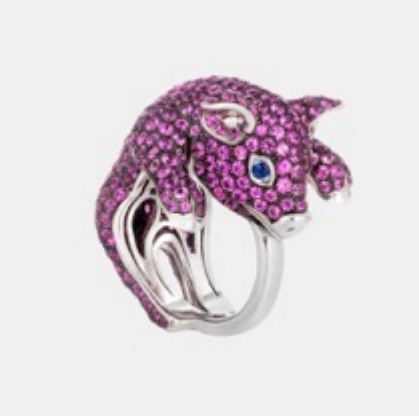
2019: The Year Of The Pig

Mining Cultural Symbolism To Localise Brand Meaning

Image courtesy Gucci, The Year Of The Pig campaign

Many luxury brands are celebrating the Lunar New Year 2019, The Year Of The Pig in big style. Even though the cultural significance of Chinese zodiac is not widespread and celebrated in Western cultures, catering to Asian audience of the Chinese luxury buyers remains one of the key pillars of retaining relevance and attractiveness. Respecting and honouring the cultural heritage of key target audiences remains a powerful strategy to create momentum and consumer bond.

Vacheron Constantin Métiers d'Art The Legend of the Chinese Zodiac



Roberto Coin Animalier Piglet Ring

Louis Vuitton Superstition Square Scarf,

Louis Vuitton x Yayoi Kusama

The Power Of Radical Collaborations: Redefining Context

Images courtesy Louis Vuitton

A very good example of the new kind of relevance can be radical collaborations, such as Louis Vuitton's 2012 collaboration with the Japanese feminist artist Yayoi Kusama for a special limited collection. Her different sense of style and surrealist aesthetics immersed Louis Vuitton products, concept store and brand experience into her signature polka dots. Such a designer brand 'abduction' moved the famous LV monogram to a completely new conceptual and visual territory. Only exceptionally strong brands can afford to have their signature iconic elements hijacked by other designers. In the case of Louis Vuitton, the bold move towards a new design helped reinforce Louis Vuitton's dominance in the luxury fashion category.

Yayoi Kusama and her polka dot design for the Louis Vuitton 2012 collection.

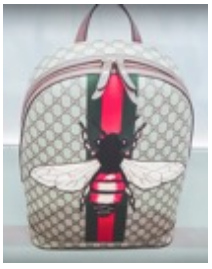
Louis Vuitton x Supreme

The Supreme x Louis Vuitton collaboration in 2017 caused an international hysteria when the two iconic brands merged in a special collection offering the best of streetwear and luxury.

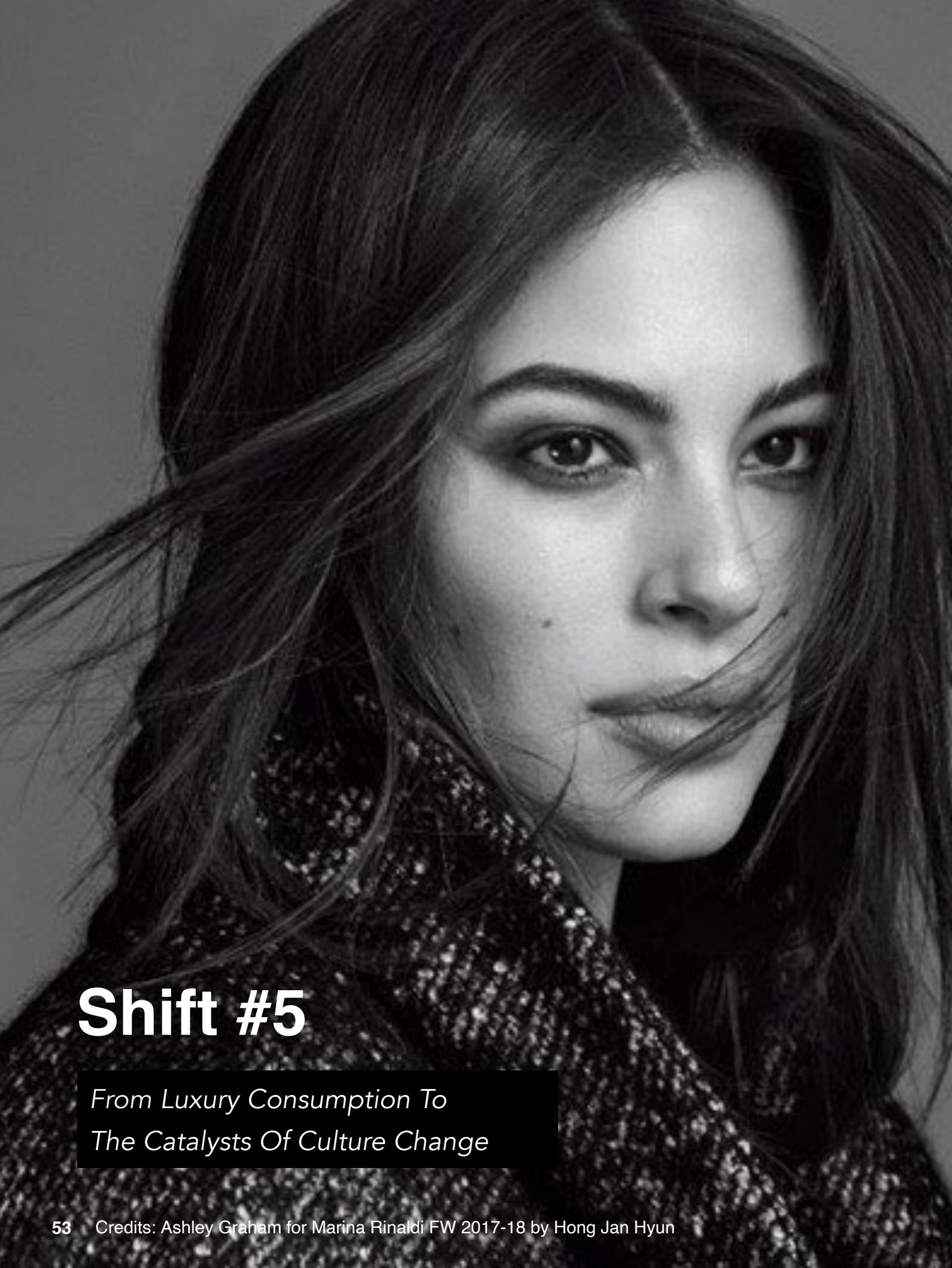
Images courtesy Supreme x Louis Vuitton

The Renewed Obsession with Gucci

Swinging to the opposite side of aesthetics after the cultural tide of minimalism, teens and millennials today are obsessed with Gucci and their bold, flashy designs full of logo patterns and styled in bright colours. The brand is benefiting from the 1990's revival as everything '90s is coming back to style today, just in time when generation Z is reaching adulthood. Gucci's success comes under the creative direction of Alessandro Michele, who has led the brand since 2015 and who favours eclectic patterns that are engaging, eye-catching and look good on Instagram.



Images courtesy Gucci



Shift #5

From Luxury Consumption To
The Catalysts Of Culture Change

Credits: Ashley Graham for Marina Rinaldi FW 2017-18 by Hong Jan Hyun

Today, we are at the pinnacle of culture change. As the inner dynamic of the luxury game shifts from the iconic brands towards the empowered consumers, the need for luxury brands to be vocal on social or political issues is on the rise. We live in a world where we create who we are. We use our choice of brands as the markers and signifiers of identities we create for ourselves. Successful luxury brands are realising that by advocating for social and cultural values their customers care about, they can grow their business organically while also remaining authentic to their inner essence. Meanwhile, some of the biggest recent luxury disasters have arisen because brands have misjudged their cultural expressions, which is why it takes a trained cultural perspective to translate such strategies into a meaningful brand and business value.

05. CATALYSTS OF CULTURE CHANGE

KEY CONCEPTS:

- **Becoming cultural icons: Making social statements**
- **Agents of culture change empowering people to be themselves**
- **Challenging cultural values and ideals to evolve the status quo**
- **Manifesting personal values and beliefs through our choice of luxury**
- **Ethical Production: Making good choices for the planet**
- **Sustainability: Inspiring new conscious patterns of consumption**

The fifth and final shift driving change in the luxury industry is perhaps the biggest one of all: the very role of luxury brands in our society is shifting from the producers of luxury goods to the champions of culture and active co-creators of social change.

As the consumers are becoming increasingly global, individualised and diversified in their own values, choices and outlooks on the world, keeping pace with the rapid developments of our complex cultural landscape has become paramount for luxury brands to remain relevant and keep the status of a highly desired social currency. Luxury brands need to become active agents of culture and align their expressions with the beliefs and cultural values of their customers in markets worldwide.

Luxury brands are increasingly becoming the commentators of cultural and social issues reacting to important concepts of our time, such as ***body diversity and industry beauty standards***, ***femininity and promoting equal rights, self-acceptance*** and making active political gestures about the state of the world we live in.

When brands speak out on the values and beliefs their customers share with them – especially those important to amplify in the world today – they help challenge the outdated social ideals and stereotypes, evolve the status quo and create a new more inclusive platform for people. Voicing people's social and ethical concerns gives them a valid position in society. This way, brands can become active change-makers of culture and society.

Heritage meets new beliefs, cultural values and ethical standards

The manifestation of personal values and beliefs goes both ways. Consumers are also increasingly choosing to show their personal affiliation, values and beliefs through their consumption choices. Here, luxury brands can become the role models for raising the ethical standards and sustainability of consumption as they start to inspire people about the new more conscious patterns of consumption and making good choices for the planet.

As the luxury brands turn their views away from the past and look more towards the future, their ecological trace and ethical choices will become more prominent as decisive factors. According to the latest study, 83% of affluent buyers do care about the environment and name sustainability as an important brand factor that motivates them to purchase from it.

Luxury is increasingly becoming eco, organic and green. It's not about buying into a rare lifestyle, seeking society's approval or fitting in anymore, but manifesting personal values and beliefs through our informed choices of luxury.

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"Understanding diversity and reflecting it back to consumers as the natural state of our shared cultural reality will be an important task for luxury brands to master.

The ability to tap into culture and make social statements will be important for luxury brands seeking to cultivate cultural momentum and serve as platforms of personal empowerment."

THE OPPORTUNITY.

Luxury brands need to learn to embrace the power of culture, not just to increase profit but to cultivate authentic connections and catalyse a positive social change.

Luxury is about the real values that last: both in the matter and as ideas. That's why the role of luxury brands in culture is increasingly to educate customers on the ethical principles of production, longevity, high quality and sustainability as the antidotes to disposable nature of fast fashion and conspicuous consumption. Luxury brands should use their cultural platforms proactively to bring people's attention to important social issues of our time. This way, they can advocate new values and beliefs to challenge and evolve the status quo.

Marina Rinaldi

Beauty Is Diverse: Awareness And Empowerment

Images courtesy Marina Rinaldi

For the FW 2017-2018 campaign, Ashley Graham became the new face of Marina Rinaldi. Graham, who has become a social activist as much as a model, is posing atop a New York city rooftop along with messages encouraging women to accept themselves as they are. Marina Rinaldi has cultivated her brand by celebrating curvy and plus-size female bodies. Ashley Graham embodies these values herself. She represents the universe of all self-confident women who own their physicality. Graham was photographed by Emma Tempest in this boundary-breaking campaign celebrating beauty and self-acceptance.

Patricia Arquette, an Oscar-winning actress, was the face of Marina Rinaldi fall line in 2015 shot by Bruce Weber. The brand, promoting the message 'Women are back' selected Arquette, who doesn't fit the regular fashion standards of age and size as the embodiment of the brand's values. The large family styled shot included her real-life partner to give the campaign a more authentic everyday look and feel. Women shouldn't be denied luxury to boost their confidence if they don't fit the industry standards. It's up to brands to catch up to people's own reality of life.

Pirelli

Challenging The Status Quo

Images courtesy Pirelli calendar 2014. From the left: Serena Williams, Yao Chen and Amy Schumer.

A good example of a brand who has embraced the power of cultural expressions is Pirelli. Known for publishing famous calendars celebrating female beauty since 1963, in 2016 Pirelli came with a radically different view when the brand made a strong statement on real beauty and diversity.
The famous photographer Annie Leibovitz created beautiful portraits of twelve strong women with a unique voice, who challenge the status quo in their own right and are known for their talent and work, rather than an impeccable body fulfilling traditional expectations of beauty. Out of the twelve women featured, only two were shown in their underwear: Serena Williams and Amy Schumer.

Chanel and Dior

Fashion statements for gender equality

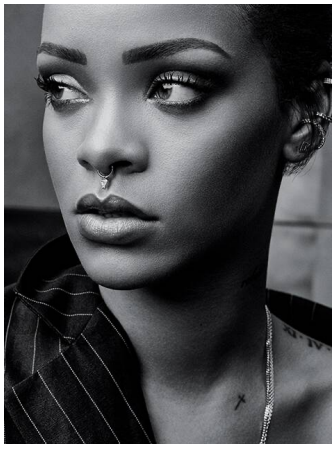
Images courtesy Chanel protest fashion show at PFW 2014 and Jennifer Lawrence for Dior

In 2014, Chanel organised a protest at the Paris Fashion Week, where models carried placards with feminist messages and demonstrated for equality while shouting on the stage. Joining the conversation as a part of a broader female movement was an unexpected way for Chanel to spark a new sense of relevance around the brand better known for its rich heritage and timeless elegance embodied by the immortal persona of Coco Chanel.
In 2017, Dior introduced the 'We Should All Be Feminists' T-shirt in a similar vein to grab the attention of celebrities and other designers on the subject of social and gender equality.

LVMH x FENTY

Female Empowerment Through Own Luxury Brand Creation

Images courtesy FENTY



The ultimate cultural empowerment is giving the new generation an opportunity to represent their own values authentically.
In pursuit of diversifying luxury, LVMH showed an impeccable judgment by giving Rihanna, a style icon and a voice of the new generation, the platform and support of a big luxury house to create her own brand, FENTY. The brand was conceived in 2019 and was inspired by a worldwide community beyond traditional boundaries, embracing the universal codes of fluidity, versatility and fundamental freedom: a freedom from convention and rules. Robyn Rihanna Fenty serves as a founder, CEO and artistic director effortlessly combining her business talent with her futuristic artistic vision and a rich cultural capital.

"Women are forces of this earth. We are multifaceted, complex, vulnerable yet bulletproof, and FENTY speaks to all of our intricacies. Some days I want to be submissive, many days I'm completely in charge and most days I feel like being both….so it was imperative that we created a line versatile enough to embrace and celebrate us in that way." Robyn Rihanna Fenty

5 Actions To Regain Cultural Relevance

Action 1:
Embrace Your Identity.

First things first. Understand who you are as a brand, what your values and beliefs are, how you want to express them, where you stand in this new world and how all this could complement and empower your customers' own identities and personal lifestyles.

Embrace your brand's essence and immerse your customers in a compelling story to create a meaningful connection.

Remember, people buy brands for their meaning — what they signify about their own persona to the world around them, not for things. The physical object is of secondary value when it comes to luxury. The symbolic value comes first as it far surpasses utility in the case of luxury brands.

Meaning is the core value of a luxury brand and as such should be your primary focus when building a strong brand of lasting value in the luxury market. Your product has become a cultural symbol. And this symbol is now your new product. So, tap into this symbolic power and fully embrace the meanings you want your brand to create in the minds of your customers.

Questions To Answer:

- What is your essence? Who are you as a brand?
- What are your core values and beliefs? Why these?
- What are the core assets of your luxury brand that make it distinctive and memorable?
- What is the story of your brand that you can tap into?
- What are the current and legacy meanings of your brand? How do you express who you are as a brand?
- How does your brand currently compliment your customers' lifestyles?

Action 2: Enhance Your Customers' Identities and Lifestyles.

Being in sync with your customers' identities and lifestyles is a transcendental act for any brand. Here, the task isn't about who you are as a brand, but who you are to your customers and who you want your customers to become when they purchase your brand. It is about empowering their own identity through the strength of yours.

Luxury experiences should feel effortless and intuitive and act as natural extensions of the product and brand portfolio.

As objects of social praise, luxury brands have the natural tendency to become obsessed with their own brand persona sometimes. Become obsessed with your customers' personas instead. Leverage the strength of your own values and brand persona to create a new platform offering bespoke, individual and highly personal experiences that have the potential to transform people's lives and expand their horizons. New experiences and inspirations will make your customers create richer, more authentic and joyful lifestyles and inspire them to enjoy life in the present moment.

Questions To Answer:

- What does your brand mean to your customers' identities and lifestyles? What could it mean?
- Who do you want your customers to become when they purchase your brand and why?
- How can you use your brand to help the customers express or reinforce their personal identity?
- What kind of lifestyles, experiences and memories are you creating for your customers?
- How well are these aligned with their own needs and values?

Action 3: Become Essential.

Being essential to your customers is about discovering new ways to create meaningful value in people's lives. You need to know what your place is in the everyday context and the role you play in your customers' lives, given the values and beliefs you stand for and the meanings you create through your brand.

Best examples of luxury brands are those that are timeless and iconic and adding a clear value in the now, serving as vehicles to fulfil our ever-changing ways of self-actualisation.

Essential luxury is less about creating escapist fairy-tale-like worlds and triggering codes of aspiration through the luxury product and more about creating a renewed sense of value and usefulness in the here and now.

Be present to create real lasting value in people's lives. Understand their needs, values and cultures to help maximise their own potential.

The everyday role of luxury brands is inevitably to inspire people and lead by example on their life's journey to become more of themselves and lead happier and more fulfilled lives.

Questions To Answer:

- What does your luxury brand mean in the context of your customers' daily lives?
- What role does your brand play in everyday life?
- How do you currently add value to your customers' lives?
- Now think about the future. What role could your brand play if it were to tap into what people need today and see as relevant and valuable to them?
- How could you venture into new territories to meet your customers' unmet needs?
- How can the type of luxury you offer become more essential?

Action 4:
Mind Your Context.

Pay attention to what's happening in the culture around you and actively seek out moments of surprise that can bring a new sense of relevance to your brand. Mind your context and draw relevance from what surrounds you to evolve your own meaning and inspire people.

Being relevant today means mirroring culture and using its own elements creatively to recreate it. Use your cultural knowledge to actively remix meanings localised for the likes and aspirations of particular markets worldwide.

As meaning and symbols are important intrinsic elements of every luxury brand, understanding how to navigate culture properly and draw inspiration from cultural symbolism and local markets remains the key part of creating new relevance.

You need to become a vital part of the mainstream cultural conversation, not create your own brand voice in detachment from the real world and its happenings. Brand vacuum would ultimately only limit your impact. You can retain your status of exclusivity while being connected. It's the cultural context, after all, that gives your brand its meaning, and therefore value.
So, connect and reboot.

Questions To Answer:

- Is your brand currently in tune with the context of culture? Or are you heavily relying on your past = heritage and legacy?
- How are you becoming culturally relevant? What does relevance mean to you?
- What new cultural expressions are you tapping into to make sure your brand is in tune with what's happening in the world?
- How do you navigate the cultural complexity in our world to understand what's new, what's outdated and what's potentially risky or interesting to continually boost equity?
- How do you draw inspiration from cultural symbolism worldwide in a way that's meaningful to the brand?

Action 5:
Tap Into Cultural Zeitgeist.

Finally, once you're tuned into the culture and what the emerging cultural streams are telling you, capitalise on where society is going by creating your own platform that helps you reinforce your brand values and beliefs to become an active agent of culture change.

Tapping into the power of cultural zeitgeist can help your brand elevate its own social currency.

The act of becoming a catalyst of culture change doesn't automatically make your brand take a political stand, rather it's about connecting the dots to realise how your own values and beliefs can empower to the authentic voice of your customers.

Whether it's embracing the many expressions of female beauty found in human diversity or about standing up for important social causes that your customers care about dearly, the call is to make these shifts your own to express who you are, to be seen in all your glory. Understanding how culture moves and how you're stronger when you move along with it, rather than against it, will help you make the leap from a reactive mode into actively capitalising on the course of change.

Questions To Answer:

- What cultural conversations are aligned with your own brand beliefs and values that could help you take a social and political standpoint?
- What values and beliefs do you want to promote? What customer audiences are you looking to speak to and why?
- How do you want to connect with your customers? What causes do they care about?
- How can you empower the voices of your customers through a shared cause?
- How can you use your own brand platform to facilitate a positive social change and help evolve the status quo?

THE CYCLE OF BRAND MEANING

Together, all these actions lead to a meaningful brand strategy.

Making these conscious actions will help your brand regain cultural relevance and rewrite the story of luxury, one step at the time.

ABOUT THE AUTHOR

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Martina Olbert is a leading expert on creating meaning and cultural relevance in business. She is recognized by Forbes as the 'global authority on brand meaning'. As a writer, speaker, and advisor, she educates brand and business leaders on how to be culturally savvy and capitalise on cultural change rather than being affected by it – to create new meaning, value, and relevance for their customers in the fast-changing global marketplace.

In her work, she focuses on three core pillars of value creation: Meaningful Brands, Meaningful Business, and Meaningful Luxury. She gives expert advice on meaning, relevance, value creation and growth, future-proofing, human foresight, macrotrends, cultural shifts, brand strategy, innovation, and the rapidly changing consumer behavior to some of the world's top consumer, corporate, lifestyle, and luxury brands.

Her past clients include fashion and luxury houses, private equity, investment fund, leisure and hospitality sector, medical travel, marketing services, education, social impact start-up, NGOs, consumer goods, technology, and more. Her insights, foresights, and commentaries are regularly featured in leading global media publications like Forbes, BBC, Newsweek, El País, Vogue Business, Luxury Daily, Jing Daily, Luxury Society, The Robin Report, WARC, ELUXE and others.

She taught Cultural Branding, Luxury, and Consumer Behaviour at several universities in Europe, and spoke at conferences across North America, Europe, Africa, the Middle East, and Asia. Her education includes Georgetown University and Yale in the US, and University of Glamorgan in the UK. She holds a doctorate in Media Studies from Charles University in Prague. She is based in Europe and available for speaking, workshops, and consulting worldwide.

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Let us know how we can help you overcome your challenges with creating meaning and relevance in the luxury sector.

We look forward to hearing from you.

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