

INSIGHT TANK

LUXURY: THE TIME OF TRANSFORMATIONS?

HOW TO SURF BETWEEN CONSTANTS AND CHANGES.

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questions.

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- By targeting key-issues at the intersection of all sectors and all markets.
- By affirming the link between society and consumption, citizens and consumers, to connect marketing, public opinion, media, etc. with major societal phenomena and their impacts, and vice versa.
- By associating insights with academic knowledge outside Ipsos.

The Insight Tank, a “provocative thinking” approach in line with Ipsos’ “Game Changer” signature.





EDITORIAL

Luxury: the time of transformations?

Baroque is the art of inconstancy, mobility, and ephemeral trends. Conversely, Luxury embodies what is immutable, timeless, and incorruptible. It is naturally identified with gold, while Baroque was born from the silver of oddly shaped pearls. Luxury is an absolute that defies fashion, possessing an incomparable know-how faithful to tradition. This is the European vision, and especially the French one.

Meanwhile, under the impetus of a new generation of creators, Luxury has become synonymous with breakthroughs, innovations, and audacity: nothing testifies to this more than the world of fine watchmaking with pieces inspired by pocket watches or by the cylinders of an engine.

Other transformations have been born and are accelerating.

Luxury clients are changing and no longer have much to do with Clark Gable or Princess Grace of Monaco. Rappers, stars, football soccers, new 'Crypto aristocrats', break the norms, combining ostentatious streetwear and ostrich bags, scruffy looks and overpriced cars. This young and wealthy clientele likes to assert their power of domination, far from the sophisticated lifestyle of Luxury.

As a result of the pandemic, luxury brands have had to integrate e-commerce into their channels, changing how people buy luxury. With a risk that e-commerce trivialises the experience with a simple 'click' & deprives purchasers from the sensory experience & 'luxurious emotions' they usually find in the physical store.

The signs of Luxury are transforming with the Metaverse, which provides exclusive and virtual products, \$50,000 pixelated icons, like cryptopunks revisited by Tiffany. It is also transforming how and where to manifest wealth and uniqueness, with new benefits and new expressions, moving the emphasis from products to pure experiences.

« There is no such thing as a silent expert »

Jean-Marc Lech, Ipsos Co-Chairman from 1982 to 2014

The luxury sector is also extending, with collaborations between Maisons and mainstream sportswear brands such as Gucci with Adidas. Not to mention diversification into new businesses such as Louis Vuitton and its restaurant in Saint Tropez or Veuve Cliquot and its luxury resort in the brand's colors in Australia

The current issues of the world may also influence views on Luxury. Inflation is the top global concern today, yet Luxury brands may seem to live disconnected from reality, cultivating an abyss between the «super rich» and the others. Moreover, while the luxury sector wants to be exemplary in terms of CSR, the question of the Say / Do gap arises between the imperatives of sustainability which speak to the collective and the quest for the product coveted by the customer which speaks above all to his individual desire.

For the first time, Luxury players are at the crossroads of new cultural, commercial, social and ethical issues. Our experts are here to help them navigate these changes.

Yves Bardon

Alumnus of the Ecole Normale Supérieure, Insight Tank and Ipsos Flair Program Director – IKC.



LUXURY CLIENTS

Who are the wealthiest 20% of the world's population?



Valerie-Anne Paglia
Senior Luxury Officer, Ipsos en France

Each year, Ipsos conducts an international survey that helps define a segmentation of the relationship to Luxury of the highest incomes, a sample of more than 71,000 interviewees representative of the wealthiest 20% of the world's population: the «Affluents». In addition to behavioural, demographic and financial data, the survey examines their values and the motivations that define them, taking emotional factors into account.

THE SIX LUXURY PROFILES.

In the case of Luxury, the typology defines and describes six profiles based on the choices of the interviewees according to eighteen distinct criteria, as is the usual practice in psychological research, and their answers to questions about what Luxury represents for them.

1: THE FASHIONISTAS, for whom Luxury brands are synonymous with trends, showing-off, compulsive spending, and helping them to shine in social networks. Rather young, they represent the largest profile, making up 26% of Affluents, and are particularly numerous in Asia and the Middle East.

2: THE EXCLUSIVES, who buy luxury brands to stand out, assert themselves, and demonstrate their social status. They make up 16% of the sample and put exception and rarity first. They are mostly found in Asia.

3: THE CLASSICS (15%), on average older than the Fashionistas, value the historical dimension of Luxury brands, their craftsmanship, and the quality of materials. They recognise that they do not have sufficient personal experience and therefore buy safe bets so as not to be mistaken. They are found in Europe.

4: THE INDULGENTS (13%) see luxury products as an antidote to routine, a comfort and a reward that they give themselves. Unlike the three previous profiles, the 'external gaze' plays a fairly minor role in their choice. Whether they are in the US or in Europe, above all they want to please themselves.

The last two profiles stand out because Luxury is not in line with their values or interests.

5: THE ESSENTIALS (15%) focus on the meaning and impact of their purchases, the responsibility and

commitment of brands in the age of CSR. They do not deny that Luxury connotes prestige and status and only buy occasionally to celebrate a particular event.

6: THE DISTANTS (16%) consider Luxury to be superficial and do not want to be deceived by the 'storytelling' of brands; they don't see the point of buying a lot of luxury items, even if they recognise the value and the craftsmanship of the Luxury brands but prefer to invest elsewhere.

What are the reasons to buy luxury brands?



Censydiam is the motivation grid created by Ipsos based on the works of Alfred Adler and Sigmund Freud; it positions on a prism the eight universal motivations, contrasting impulses, desire for domination or status with the need for connection with others, security, belonging.

Censydiam and the eight essential motivations.



Transposed to Luxury, the Censydiam motivations framework positions eight entries in Luxury: Compulsion or Control, Search for Meaning or Social Display, Experimentation or Comfort, Domination or Security.

The **Compulsion** is to convey the pleasure and the desire to spend, the feeling of living more intensely by buying "Luxury" without thinking. On the other hand, **Control** invites to focus on what resists time, the effects of fashion, and to focus on what is validated by the social norm.

The **Social Display** makes Luxury THE instrument to increase the power of influence on social networks, to stage oneself in the most rewarding way possible to exteriorise oneself, without asking too many questions about the meaning of anything. The **Quest for Meaning**, in another register, wants to reconcile Luxury and commitment, in other words, to bring the Maisons into the scope of companies aware of their environmental or social impact.

Experimentation attracts Luxury to other territories, made of disruptive innovations, transgressions, discoveries, of which the Metaverse is an integral part. Conversely, **Comfort** is the retreat towards the known, with the luxury of self-care and "treat yourself" culture.

Domination considers Luxury as THE social marker par excellence and the most direct way to affirm that purchasing power is first and foremost a sign of power. Much more cautious **Security** naturally steers towards iconic pieces from the big Fashion Houses, considered as investments, and towards second-hand, because the products have a history.

Explaining the segments by their motivations



We crossed the six attitudes towards Luxury with Censydiam and for the first time, it became possible to explain a segmentation by connecting it to the key motivation that inspires an attitude.

We logically find that:

Compulsion is the reason for living of Fashionistas: Luxury allows them to "show their success" (89% vs 48% worldwide) and that they "are in the trend" (87% vs. 44%). They cannot resist Luxury brands and spent €5,800 on jewellery in 2020 for instance, compared to €3,260 for the Classics profile.

The Social Display also counts, and we will not be surprised to see them using Instagram more than the average (68% vs 54%), social networks being a reputation and vitality booster. Fashionistas are open to Experimentation, 94% considering that Luxury is synonymous with «creativity» and «innovation» (vs 77% on average worldwide) and 74% claim to «often be the first to have the latest technological innovations» (vs 39%). That said, are Fashionistas so superficial?

Domination explains the Exclusives relationship to Luxury: 78% of them say that Luxury brands allow them to feel «unique» and 84% say that they give them «a feeling of exclusivity», compared to a global

average of 67% and 71% respectively. Because from their point of view, the world is a balance of power, Luxury is a weapon to make an impression and command respect.

Security justifies the view of the Classics: 97% associate Luxury with «level of quality», 94% «craftsmanship and know-how», and 84% «history of the brand or product» (vs 91%, 86%, and 61% worldwide). Luxury is an investment in the Maisons' references, with heritage brands embodying the essence of luxury.

The link between Comfort and the Indulgents goes without saying, 92% of them agree with the idea that Luxury is "a guilty pleasure, a reward" (vs an average of 81% among Affluents); Luxury promises soft and cosy experiences, cosy materials, cosy sensations, and includes self-pampering and more personal uses.

The relationship between Quest for Meaning and the Essentials

is perfectly consistent and can represent as much a difficulty as a cultural revolution for Luxury players with new opportunities in the area of CSR.

Similarly, Control animates the Distant, who are not very sensitive to «trends» and other artifices, and who select with precision the pieces and the Maisons in which they will agree to invest because they have an added heritage value.

LUXURY & CRISIS

Luxury after Covid-19

These attitudes and motivations are essential to universally understanding what Luxury represents in itself. But some of them have emerged strengthened at the end of the global pandemic and will continue to be so as long as the factors of stability are not found.

Comfort worked as an antidote against the Covid-19 crisis, the restrictions and the oppressive psychological climate that set in at the beginning of 2020. This motivation calls out to the growing need for a «Luxury Teddy Bear», with an added value of well-being, beyond appearance. Shoes with fourteen-centimetre heels or plush mules?

This «Luxe Teddy Bear» also extends to the world of the home with the strong growth of decoration and Homewear in 2021, in addition to spa treatments and pampering of all

kinds. At a time when the pandemic had skyrocketed consumer interest in products and services related to well-being, the Palace Hôtel de Crillon (Paris) even launched a holistic offer dedicated to the theme of sleep.

Luxury as a safe haven is also clearly reinforced by the crisis, which has highlighted a need for timelessness in response to uncertainty, explaining the sharp increase in purchases of investments in beautiful pieces, either as an investment or as a resale opportunity on the second-hand market.

This motivation consecrates the heritage value of Luxury and its ability to be long-lasting, hence the attraction for cult bags and signature jewellery pieces that nourish the feeling of holding something of the absolute of the great Maisons, while promising a safe investment.

Another point deserves to be underlined: inflation, which is becoming a particularly sensitive subject. Three-quarters of

consumers worldwide fear that price increases in 2022 will exceed that of their income.

The rise in the price of Luxury products will no longer be a strategy of selective positioning or hyper-premiumisation, but the simple consequence of the increase in the cost of raw materials, production and transport.

Will Affluents still be able to follow, while their arbitrable purchasing power will also be affected by the increasingly heavy weight of constrained and unavoidable expenses (food, energy, etc.)?

Yves Bardon

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LUXURY & CSR

Reconciling the 'I' and the 'We': Squaring the circle?

The 1st class passengers of the Orient-Express, which has been running from Paris to Constantinople since 1883, spend their time between their sleeping car and the dining car, enjoying their cigars in the library-smoking room while sipping an Armagnac and are rich enough to travel in "the train of kings and the king of trains". Do they think for a second of the driver in his leather apron, pouring coal into the steam engine as the train heads towards Budapest?

Obviously not.

Luxury addresses personal desires and pleasures, epicurean cravings and whims -, it releases the Narcissus that lies dormant in each of us.

Corporate Social Responsibility (CSR) plays collectively with values of commitment, exemplarity, equity, fair remuneration for producers, respect for resources, etc., popularised for years by labels such as Max Havelaar in mass consumption.

Even if the sector invests massively in CSR, let's not forget that luxury speaks to individual desire when CSR speaks to the collective

How to connect these two universes?

More and more, Luxury is considered as the sector which must set an example in terms of sustainability. It has legitimacy by nature because it favours excellence and quality over quantity, rarity over mass production, the timeless and the enduring over the ephemeral.

But Luxury is also superfluous, permanently renewing with the seasons, with collections that follow one another ad infinitum, price levels that seem disconnected from reality and exceptional and exclusive materials (exotic skins, diamonds, etc.).

If some Luxury brands have taken up the subject to put it in their DNA (like Stella McCartney with its vegetable leathers or Patou relaunched as an eco-responsible brand by the LVMH group), the sector as a whole may not seem so advanced to the eyes of the general public when compared with the automobile or food industry, one passing from thermal energy to electricity, the other from plastic to cardboard, to affirm their environmental responsibility.

It is by small touches that Luxury can convey its commitment. The health crisis was an opportunity to demonstrate the social role of Luxury companies when they produced e.g. hydroalcoholic gel. Other opportunities arise with cosmetics or perfumes that preserve resources, less imposing boxes, vegan innovations...

Are Luxury customers motivated by the CSR actions of their brands?

Even today, the excitement of being one of an exclusive set of people who will buy a bag or a watch that costs thousands of euros seems take precedence over the notions carbon footprint or resource conservation. All the more so when the model is rare, coveted for months, and is the subject of a real 'quest', even a hunt, to finally obtain it.

But it is clear that Gen Z are developing what it means to be a Luxury customer.

Our latest syndicated study on Affluents demonstrates this: the 'Fashionistas' (younger and more connected) are also those who, at 78%, are ready to pay more for a luxury item if it is eco-responsible.*

More and more companies are taking action. Bérangère Ruchat (Chief Sustainability Officer – Richemont Group) recently stated in the Special Edition of the Journal du Luxe dedicated to Sustainability: "We have little time before us to reverse the impacts of climate change and contribute to greater inclusion in our societies**", while Chloé is the first luxury house in the Group - and in the industry - to have obtained B-Corp certification. For Hélène Valade (Environment Development Director of the LVMH group), "Regenerative Luxury has taken full measure of planetary limits**", hence programs such as LIFE 360 and the gradual elimination of virgin plastics of fossil origin.

The final word goes to Stanislas de Quercize (SAVIH, Cartier, Van Cleef & Arpels) to describe the challenges of this alliance, even this reconciliation, between Luxury and CSR: «Moving from a consumer society to a society of transmission, from an ego-system to an eco-system**».

78% of the 'Fashionistas' are ready to pay more for a luxury item if it is eco-responsible



Valerie-Anne Paglia
Senior Luxury Officer, Ipsos en France

*Ipsos Affluents survey: carried out in 2021 on a sample of 72,000 people in 49 countries
**SPECIAL EDITION OF THE LUXURY SERIES JOURNAL - # 2 - JULY 2022

LUXURY & METAVERSE

Luxury & metaverse, a story of transferability

Valerie-Anne Paglia
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How to transpose the pillars of Luxury, which start from a concrete experience embodying the four principles of Rarity, Exception, Exclusivity, and Personalization, to a dematerialized universe, the Metaverse, the world of pure experience?

This is the challenge that a certain number of luxury brands are already taking up:

- Provide access to a unique and fluid experience, moving from virtual to real – and vice versa.
- Create a community of Insiders who are part of the brand's club.
- Access VIP benefits.
- Extend the events and experiences of the Metaverse into concrete life.

In China, for example, in January 2022, Moncler became the first luxury brand to partner with POP MART, the No. 1 artist-made toy brand in terms of market share.



Their collaboration included the 1000% SPACE MOLLY × MONCLER MEGA COLLECTION and was limited to 2000 figures, with maximum buzz among Chinese art toy lovers.

The brands must prove that they continue to effectively correspond to the criteria and expectations of Luxury customers, which leads them

to be more transparent in Web3 on a notion such as rarity; that of a It Bag is quite relative, since no distribution figures are given, whereas in the world of the Metaverse, we know that the offer is limited to 20,000 copies, a rarity which remains relative too, but which should increase in power in the next drops.

In the same way, to embody the other principles, they must value the status and exclusivity to which they give access.



The first project of the Nike x RTFKT association, the Dunk Genesis immediately aroused the interest of crypto-collectors, with the possibility of obtaining skins for these virtual sneakers so as not to have the same as everyone else.

The price is part of the positioning, 6000 euros, as being an NFT project, intentionally intended for insiders who can only buy a Nike Dunk Genesis RTFKT if they already own another NFT, MNLTH.

This strategy makes it possible to target a new clientele, male (according to HSBC, approximately 70% of NFT buyers are men, compared to 30% for traditional Luxury), younger, and hyperconnected.

“NFTs are becoming popular but not yet democratizing”

It is interesting to situate Metaverse and NFT in the broader context of French consumers' perception. This is what we did in a specific survey for EBG run in June 2022 which shows that if NFTs' awareness improved significantly over the past six months, they're still mysterious for most people.

With 57%, the proportion of French people who have heard of the Metaverse increased by 32 points from November 2021 to June 2022, while it rose from 13% to 44% (+31 pts) with regard to NFTs in the same period. Many fictions help to familiarize with the Metaverse (Dr Strange, Ready Player One, Marvel), like certain companies (Meta, in priority);

Conversely, only 20% of French people say they «see well what NFTs are», a much more abstract term with an acronym whose semantics

is opaque and covers many possible contents, while 28% «do not understand what it brings”.

The French who say they «know the NFTs and know what it is» are 74% men, 45% among 18-24 year olds, Ultra-Urbans (Paris and RP are twice as represented as the provinces) and 30% are in CSP+, in line with new targets for Luxury brands.

Clearly, NFTs are the prerogative of a young, male target, who has the codes of this world with numerous acronyms but understandable only to Initiates. An NFT synonymous with 'Not For Them' as I saw on the sign of an art gallery in New York recently or 'New Fabulous Treasure', as Stanislas de Quercize recently noted for Le Journal du Luxe. In any case, a pedagogy is necessary to involve women more in this universe.

In detail, Metaverse and NFT work as a couple, NFT being above all a channel for enrichment and speculation, but 18-24 year olds are very open to uses that meet the experiences associated with Luxury: having access to the advantages of holders in a Metaverse club and, via their NFT, to real-life privileges, or customize their avatar.

Explicitly associate Luxury and NFT makes it possible to go further in the challenges to address :

- Link NFT and exclusive IRL events, Gucci standing out as the most visible brand in the triptych Rarity, Exclusivity, Personalization, while showing a fun and underground spirit.
- Do not distort the hyper qualitative image of Luxury with graphically poor avatars or pixelated pictograms.
- Warming up and sensualizing this cold universe often worn by 'eyeless' humanoids or often masked by blackout glasses (NFT effigies often have glasses because the gaze is technically difficult to render...).
- Make the transition from virtual to real fluid, bring the brand's DNA to life in the two worlds, such as Guerlain with its NFT Cryptobeets which restore the wild to damaged lands and thus capitalize on the emblematic brand attribute of the Abeille Royale.

- Develop strategies for women, the missing link in the NFT universe, while they are the No. 1 luxury customers.
- Resolving the paradox between exclusivity and community, such as that of RTFKT which is organized on Discord and already has 163,000 members.

The potential of the link between Luxury and NFT is all the more interesting since the motivations and mechanics of joining NFTs have similarities with those of Luxury: social marker, happy few, codes known only to 'insiders, personalization... while providing the guarantee of 'ownership'. As David Klingbeil, Global Insight Manager of Google, says in the special NFT issue of the luxury journal, « Web 3.0 refers to the idea of digital luxury, because it introduces the fact of being able to certify the possession of a digital good and its authenticity ».

NFTs: a game changer for luxury



OPPORTUNITIES

Matches with the pillars of luxury: rarity, exclusivity, personalization

Allows Luxury to recruit a more masculine, young, CSP+ clientele

Allows brands to engage in different, horizontal relationships with customers



CHALLENGES

Futility / how to value the immaterial?

Loss of relationship to the physical pleasure of the product

Not easy to access: expensive, technical, crypto...

Aesthetics: unreal, low tech, pixel art...

Energy-consuming

Distorts the image of luxury



ANTIDOTES

Create virtual/real gateways

Digital fashion / physical double

Access to IRL privileges

Bring brand DNA to life in the virtual and the real

NFT & CSR - work on a less energy consuming « Meta-Vert » (as Mark Zuckerberg said)

WHY BE PRESENT IN THE METAVERSE?

1. Build your space before saturation.
2. Bring its brand DNA to life by transferring its brand values & engagements in the virtual world (cf. Reaverse).
3. Be at the appointment of the practices of the most favorite population & *early adopters*.
4. Connecting to creation, to streetwear artists, to the most advanced sensitivities.

FOCUS

FOCUS

China, number one in Luxury purchases by 2025?

Xiaomeng Gui
Advisory Consultant
Strategy3



A complicated moment for Luxury in China

When it comes to Luxury purchases in China, the figures have long been amazing: in 2021, the turnover of the Luxury goods market in mainland China represented \$74.3 billion, double that of 2019, not to mention travel and duty-free purchases. Purchases focused primarily on leather goods (+60% compared to 2020), then on fashion and accessories (+40%), jewellery and high-end watches (+30% on average) and finally the luxury beauty sector (+20%)*.

We therefore expected to see this dynamic accelerate with the hope of a full and rapid return to normal life, but the lockdown measures linked to the zero-Covid policy have reversed this trend since the beginning of April 2022. As shown by the study carried out by the Morgan Stanley bank, sales in the Luxury sector were halved (-47% compared to April 2021), in particular for Swiss watches (-50%), in the crosshairs of the authorities in the name of the fight against corruption.

This fall is part of a destabilising context, as analysts lower their growth forecasts, such as UBS which lowers them from 4.2% to 3% or JP Morgan, from 4.3% to 3.7%. It is clear that the target set by Beijing of 5.5%, cannot be achieved.

Compulsion and frustration

This complicated situation for Luxury players may be temporary & followed by a rebound as highlighted in September 2022 Luxurysight, a firm specializing in China. It does not preclude understanding the motivations and practices of Chinese customers transformed by this Stop & Go period.

If we take the segmentation of Affluents, the Chinese luxury buyer clientele is more akin to Fashionistas: building a personal image on social networks, creating their own style inspired by Influencers, externalising tastes, differentiating oneself from others. This life, motivated by the gaze of others, is characteristic of Chinese luxury clients, especially the youngsters.

Buying luxury brands is a way to reward yourself, to stand out, to show your success to colleagues, friends, family, in other words luxury as a social marker. Luxury helps to build self-confidence and to demonstrate the confidence that younger generations have in their future.

Projecting the image of someone who lives a life of Luxury is also a way of transforming reality. We saw residents hanging bags of Luxury brands in front of their doors for their food during the latest lockdown in Shanghai, an unexpected "show-off" attitude but very popular on social networks.

Luxury, a machine for transforming reality, does it have limits?

We don't see that with the pop-ups event of Prada in Chinese supermarkets and the success of its branded packaging.

The Covid-19 crisis had failed to destabilise the younger generations, but the latest restrictions have had a direct impact, with companies laying them off or no longer recruiting them, an unemployment rate up by 6.1% in April 2022 - which particularly affects urban people - and not forgetting the many new Chinese graduates, who returned to China following the anti-Covid measures of the countries where they were finishing their studies. It should be noted that young women are primarily affected by these problems, because while they are more likely to be qualified, inequalities in work, careers and pay persist, with companies reluctant to recruit them, afraid that they are pregnant (as a result of policies encouraging the birth rate).

It is more difficult for the younger generations since they had never experienced difficult times, unlike their parents and grandparents who experienced, among other things, supply problems. Not being able to eat because stores are closed or empty and feeding themselves with food aid from the authorities was unthinkable for Millennials or Gen Z who had

become accustomed to living in good times. The younger generations therefore do not emerge intact from this situation and do not hesitate to say in social networks that these weeks of lockdown, in Shanghai in particular, have changed their perception of life and consumption, that they want to leave big cities and return to their hometown.

How to live a Premium life?

The priorities of younger generations are changing (a bigger fridge or a new flat screen? Go camping or go to an expensive hotel?) and Luxury can suffer if it becomes a “non-essential” purchase. However, no one wants to give up the social spectacle of a life that inspires, and several strategies are possible to achieve this.

• Preferring brands that offer flattering but accessible experiences for their customers:

Starbucks was one of the first to position itself in this territory by creating the conditions for its customers to feel privileged. Today, this Light Luxury is the most appropriate response to a crisis context, such as Pop-Up Stores, Sky Bars, etc., which are not necessarily expensive but whose atmosphere is high-end and exclusive.

Influencers have also played a role in this evolution: many of them present Luxury brands in an accessible way, integrating them into daily life, promoting the culture of Luxury, and reducing the gap between the public and foreign luxury brands, especially among young people from less developed cities who represent a large potential target audience for luxury brands.

• Going to brands and services that help save time.

The world of work in China is determined by the principle of 9.9.6. (at the office from 9 am to 9 pm, 6 days a week): Luxury customers no longer have the time. In 2020, online began taking over from offline, whether via the brand sites themselves or with distributors such as Alibaba with its Luxury Pavilion, which attracted the biggest luxury players, foremost among them Cartier. Being

able to buy at any time, 24 hours a day, allows you to rediscover the pleasure and promises of Compulsion, without thinking. The Metaverse, augmented reality, increasingly precise algorithms, etc., are an extension of the same service: enjoy the remaining free time, thanks to a selection exactly corresponding to targets' preferences.

• **Favouring creations that integrate popular youth culture**, street culture, rap, skateboarding, etc., into their design, to show that people remain cool in all circumstances, with the signature of major brands to also show to which elitist universes we continue to belong.

• Rediscovering the essentials of traditional Chinese culture:

GuoFeng (Chinese style) and GuoChao (modern style combined with traditional Chinese elements) won over young Chinese. Scandals associated with some international brands and Live shopping recommendations have also prompted young customers to be more interested in Chinese brands.

• And even, though sharing outstanding experiences

like these ten Chinese young women who rented the same room in a palace to reduce costs but created a buzz on social networks by photographing themselves in the bathtub of their room and acting as celebrities. This experience would now come up against a more critical view at Luxury with the media describing it as “useless spending” and with criticism from social networks like RED that directly prohibit “showing off”. Is this a simple effect of context linked to the pandemic or real trend? The preference of some clients for vintage products can also be explained by their more classic & timeless style compared to new collections which are more bling bling & show off.



@diandilahi is an Influencer who publishes content recreating Luxury brand campaigns from salvaged objects. Very quickly noticed by 7.26 million followers, many of whom discovered the style and design of major brands thanks to him, he now collaborates with Luxury brands.

When China today represents 21% of the Luxury sector and when analysts estimated at the end of 2021 that it would be number one in Luxury purchases by 2025, will it be able to find its way back to growth and turn the Covid-19 crisis into a simple accident on its long march?



FOCUS

Italy, at the forefront of transformations?

Silvia Andreani
Luxury Fashion Beauty Officer
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Signs of a recovery

Like art, music, and culture, fashion evolves and follows shifts in society. It belongs to people who contribute to its meaning and aspiration, and so, to its value and business equity.

After the health crisis that kept Affluent tourists away from Italy, one would think that the Luxury market is on the floor. However, the cumulative turnover of the Luxury market has clearly increased over the first two months of 2022 with a growth of +25% compared to the previous year, above the level before the pandemic, making it the best result of the last two decades.

During the first two months of 2022 Italian fashion exports also increased significantly (+23%) with a rate above the average for the year 2021 (+17.3%). Regarding the balance sheet for 2021, the president of the National Chamber of Italian Fashion, Carlo Capasa, communicated a financial year of €83.3 billion, +21.1% compared to 2020, but still far from €90.2 billion in 2019 before the Covid-19 pandemic.

New crises have followed the health crisis e.g., the war in Ukraine, inflation,

Chinese tourists still stranded in their country, but the forecasts remain positive with the prospect that the turnover of the fashion industry and related sectors will exceed €92 billion in 2022 (+10.5% compared to 2021) and will break previous records.

Obviously, Luxury is penalised by the situation in Ukraine, the Russians being important clients of Italian fashion and products, which represent almost 20% of all Italian exports to Russia (this is the most important export sector after mechanics, the two sectors together accounting for almost half of Italian exports to Russia).

In addition to the restrictions in trade with Russia, the other collateral damage is the crisis of consumer and companies' confidence, returning to the pessimism of mid-2021 (at the start of the third wave of the pandemic) with the same consequence.

We face an energy crisis and the rise in the price of raw materials, leather in particular: the industrial cost of luxury products increased by 36.9%, even if companies did everything to limit the rise in the price of finished products

(+1.3% on average). One can imagine that this situation will be untenable if the price of raw materials, production and transport does not fall quickly.

Italian paradoxes: worldwide acknowledged heritage values for a very happy few.

With its powerful brands full of audacity like Gucci, Italy became highly influential in the world of luxury & even tends to define luxury codes today. But what is the perception of Luxury in Italy? First of all, two things should be noticed:

- The majority of the Italian population is not a priori concerned by what is happening in the Luxury sector, quite simply because only a minority are able to buy the brands and products of this market.

- Italy remains one of the key countries for the existence and sense of luxury, fashion and art-de-vivre. As Italian brands enjoy a worldwide reputation, most expenditures and investments in this market are made by foreigners, tourists, expatriates, or investors from other countries.

This is the heart of the paradox: a culture that is permeated by luxury in its lifestyle and sought for beauty, based on heritage, exceptional craftsmanship, know-how and unlimited creativity (which explain why many companies have been bought by French groups to make all the productions in Italy). But on the other side only a happy few can afford to buy Luxury items, due to price point that is unreachable for the rest of the population..

It should also be noted that newcomers to the Italian Luxury lifestyle are asking themselves many more questions in terms of meaning and value than the current clientele, and that Italian Luxury brands, far from clinging on to a "classic" vision of Luxury, are showing signs of developing and evolving, adapting to the clientele of the future.

During the Luxury Summit that took place at the beginning of May 2022 hosted by SOLE24ORE Business School, Luxury professionals issued an important statement : *«In the current context of continuous uncertainties, the world of Italian Luxury has emerged changed and improved. A world of Italian Luxury that post-Covid is less and less linked to status and symbol and increasingly aimed at transmitting to a world of values».*

On the ethical level, companies take a position with regard to the war in Ukraine; **on the social level**, the health crisis of 2020/2021 has enabled companies to demonstrate their commitment by adapting their production chains to manufacture gowns, hydroalcoholic gel, equipment, etc., which were absent from health system, like Giorgio Armani group has done.

The group also showed its commitment to sustainability, as seen in their Registration Document with their engagement with the United Nations: *«The philosophy underpinning my brand has always been sustainability: through my work, I offer clothes that last and can be worn for many years [...]. It is vital to adopt a sustainable position nowadays. The question of ethics even comes before strategy.»* – Giorgio Armani

In terms of products, reconciling Luxury and sustainable development is a big challenge when it is hard to imagine Luxury customers renouncing packaging and over-packaging, animal leather, sparkling covers or large paper magazines characteristic of this «unique» sector.

Meeting this challenge involves a new paradigm: innovating and educating customers, with new materials (for example plant-based leather or fabrics made with mushrooms, recycled materials, orange fibres, as showed in the Salvatore Ferragamo Sustainable Thinking platform and museum etc.) and with communication showing both the R&D and creative value of these innovations, and their relevance to the brands' values and environmental commitments.

In terms of communication, with new muses who are no longer necessarily top models as it used to be, but personalities who embody talent and a project that do not call for an ideal aesthetic projection, but to share the vision of the world to which the brand is fully associated: real expertise and skills, diversity, inclusiveness, etc., serving a cause.

In terms of creation, Italy is the place where Virgil Abloh made the roots for a disruptive idea of Luxury like Off-White, a wave that see hip coming from another lifestyle and background beside the old, polished idea of luxury. For somebody it seems like a mere provocation or a call to the philosophical background to reflect on the power of money. However, the lesson here is a change of perspective, conceiving the idea of power of change: like Pollock's painting stains that reflect the power of the unconscious in his pictorial technique, (a very different ideal of art) luxury used to be related to specific patterns and materials (fur, silk, cashmere...), but how do we know that they are still meaningful nowadays?

In terms of retail, by creating new experiences. Conferences, events, and roundtable about Metaverse, NFT, Blockchains, Augmented Reality are everywhere in Milano city. All luxury professionals are aware that digital world is making events and promoting new environments to enlarge the audience, giving the possibility to access to a different idea of exclusiveness and product scarcity, typical for the world of luxury.

This shift is enhanced also by a change of perspective on targets: from a consumer approach to a user approach because the quality of the experience comes first, and co-creation is enhanced. But the brick-and-mortar retails, still widely preferred by luxury customers in Italy, eager to live sensorially, and these places are evolving into Hyper-physical venues, where experience remains exceptional, in terms of reception, personalization and attentiveness, presentation of products, so that visitors have the feeling of entering a exclusive universe that knows how to make them feel unique.

And finally **on the entrepreneurial level**, with an ambition, embodied by the OTB group (which can already rely on Diesel, Jil Sander, Maison Margiela, and Marni) to recreate an Italian luxury pole, while the large Italian companies are owned by two French groups, KERING (Balenciaga, Bottega Veneta, Brioni, Gucci, Pomellato) and LVMH (Berluti, Emilio Pucci, Fendi).

As we can see, the transformations of Luxury in Italy are only just beginning!



FOCUS

At the forefront of transformations?

Stéphane Paoli
Service Line Leader CEX/MS
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To set the scene, it must first be said that the average income in Switzerland is two to three times higher than that of the French, when the price of luxury goods remains comparable; in other words, a car that costs €100,000 in Switzerland is equivalent to an investment of €40,000 in France: Luxury and high-end referents are thus much more integrated and blended into daily life. The other factor is the position of luxury-related industries in Switzerland: many brands (particularly watches and jewellery) represent the gold nuggets of Swiss «know-how» and occupy an important place in society. They have a great awareness of their role for the economy, culture and national values.

Luxury is part of the landscape, from all points of view; this explains why its definition is increasingly difficult and relative depending on the point of view of the person speaking about it. However, four main pillars with different statuses can be identified:

- Beauty, care, wellbeing, perfumes = The Sensory Experience
- Accessories, watches and jewellery, bags, leather goods, shoes = Fashion
- Automotive = Status
- Leisure, hotels and restaurants, gastronomy, alcohol and fine wines = Lifestyle.

Their common point? Luxury is anything but functional. As the president of a well-known luxury brand with whom I had the chance to collaborate used to say: «In the world of luxury, the only thing to cultivate is the ability to make people dream». Perfumes demonstrate it; even if they are treated on a mass consumption distribution way, they operate from extremely strong aspirational and emotional drivers, linked to the evocative power of the brand to which they give access. They are the gateway to the world of Luxury for most people who do not (yet) have the possibility of buying more expensive products, but who can project themselves into an aspirational lifestyle.

Luxury: the challenge of a total experience

The fundamental change in the profile of Luxury customers began well before the pandemic but was accelerated with the possibility of buying online from the moment brands had to switch to selling on websites. Digital has changed the game by opening new information and purchasing channels, and by reaching new audiences, which has forced brands to consider that

the online experience is as important as the product. New questions arise: how to translate this experience into new channels? How to transpose the in-store experience to digital? How to create a coherent emotional universe from beginning to end?

This is all the more difficult since Luxury brands are also sold by distributors who have their own vision of the in-store experience and their own way of designing their website, and that brands do not control this process from A to Z: buying a €8,000 watch online and collecting it at a pick-up point in a grocery store breaks the dream. In contrast, at the boutique the customer experiences the ceremony of the delivery of the box by employees in white gloves, its opening, the adjustment of the watch to their wrist and the precise setting of the time. In the UK, Watches of Switzerland have worked on the issue to recreate the experience at the customer's home, or elsewhere if they wish, with specially trained staff ensuring that the experience is exceptional from purchase to personalised delivery.

The experience doesn't end there. However, many Luxury brands do not address - or give little attention

to - the after-sales service and allow years to pass before contacting their customers, often to remind them that the time has come to service their watch or their car. Implementing CRM systems is a very recent development, and has been implemented unevenly across brands and countries, yet it is essential to keep the relationship, both to cultivate the feeling of belonging and to maintain a presence in mind. This is more important since, in a context of crisis, more and more people need to reassure themselves by focusing on their sense of belonging.

A new clientele escaping segmentation

Before, the Luxury sector corresponded to a microcosm with financial means well above the average: the Affluents. Today, we have come out of this holistic and linear ecosystem which made people believe that it was impossible to go to Lidl in a Porsche. The customer will invest in what attracts them the most and demonstrate their social belonging with their property real estate, car or watch, but this does not prevent them from shopping at a discount distributor.

Some brands have understood this well, particularly in the automotive sector, which had anticipated the multiplicity of profiles, and above all does not seek to segment their customers. They want all types of customers to be able to project themselves into their world by meeting as many motivations as possible: social spectacle, security, extravagance, personal experience, etc.

This customer transformation is also part of what brands do not control, and some have suffered from it, for instance BMW, Dolce & Gabbana, Lacoste, Ralph Lauren. To respond to this, they have adopted a rebranding strategy like Ralph Lauren Purple Label which targets an explicitly high-end clientele. The fact that their clients share on social networks everything they do, buy and visit, from a palace to an alligator bag, also disrupts the most elaborate communication plans with a gap between the ideal clientele

of Affluents and the real buyers who do not always have the norms of Luxury and who put the social spectacle above all else*, with a risk of loss of control for the brands.

It is a cultural revolution for iconic and old brands, whereas newer Luxury brands are embracing and integrating these changes because they see new clients and new expectations, with the possibility of new, less conventional relationships with them. It is interesting to notice a new role in companies, Chief Experience Officer, whose job is to improve interactions between the brand and its client, with a finer knowledge of their way of life and what that this implies in terms of services. For example, a car manufacturer will offer to pick up and return the car after the overhaul or provide a complete workspace for the client to work as at their office before picking up their vehicle.

Outlooks

Until recently CSR, sustainability and environmental commitments were part of the strategic choices of companies; these are now social issues in relation to which brands must position themselves.

Luxury does not escape the conflict economy/ecology but will overcome it by developing, in a logic of exclusivity, new materials. For a long time, leather, especially the skins of reptiles or crocodiles, has been associated with exoticism and extreme rarity, inspiring the imagination. Now, it is innovations that will inspire new stories, as we've already seen with Tesla, which was able to seize high-end drivers with the promise of a technological and connected automobile, made with alternative materials, which reinvented the norms, and the notion of Luxury at the same time.



JANELLE (Ipsos) : Like every part of our society today, the Luxury category and consumer are also evolving and in some ways being disrupted. From buyers clamoring for more social involvement and less ostentatious branding to designers fusing classic aesthetics with sports and streetwear to connoisseurs embracing immersive experiences at every touchpoint. How is today's new Luxury consumer different and driving industry change?

JEMINE (Versace) : There is a great deal of transformation. We can no longer embrace the Luxury customer

with rigid definitions of social class because he or she now transcends traditional socio economic classes, particularly with tourism and innovative commercial spaces that integrate Luxury brands more effortlessly, as we see in the outlet channel globally whether in Florence (The Mall), Mendrizio in Switzerland (FoxTown), New York (Woodbury Commons) or Paris (La Vallée), - providing access to thousands and thousands of consumers who are also looking for true Luxury in this channel. Outlets are a high growth channel and brands are all working to figure out how to properly balance the product and discounting strategy in ways that stay true to the identity and values of the brand.

Our stores have an essential role to play from this point of view by guaranteeing an exclusive experience with products that are not sold anywhere else. These products, like our stores, must be consistent with what our brand embodies and what our customers want to find there, the identity of Versace. We must therefore work on reimagining how we go to market to strategically integrate both new customers and the diversity of channels, while ensuring that the image and promise of the brand are maintained. More and more Luxury brands are developing «made for outlet» concepts on the one hand as part of a multi-layered/multichannel approach, with products which are

never intended for boutiques, and on the other hand determining the ideal distribution of end-of-season items in other sales channels.

JANELLE (Ipsos) : What other transformations do you see? How do they impact your strategies?

JEMINE (Versace) : Here is this socioeconomic transformation, but we also see an amazing, cultural revolution, for example, the success of “streetwear” which has spread throughout the world and informs and inspires so many aspects of fashion. Even traditional Luxury brands known for their sophistication and even exclusivity have embraced the “streetwear” aesthetic, which has allowed them (in whole or in part) to reinvigorate the brand and not only create new products but also reach new audiences, especially Gen Z. Who would have imagined that Harrods, an icon of Luxury in London, would develop collections with skateboards and accessories? They did so by drawing inspiration from the strategies I mentioned: products sold only at Harrods, disruptive creations with golden jackets, accessories, fine wines, and rare coffee blends, and an «ironic reinterpretation of the classics Harrods”.

This example shows that the reasons for buying Luxury are more diversified than before: does the client come for Harrods, for Palace, to have products that are all the more valuable because they are unobtainable online, to resell them? There is no longer a monolithic approach for Luxury customers, who can all push the door of the store for a different reason and the same product will respond to different ideas and motivations, rewards that we make for ourselves - taste for prestige, craftsmanship, desire for unbridled creation, etc.

JANELLE (Ipsos) : What would be the profile of this “new Luxury customer”? The Affluents survey by Ipsos tells us that the Gen Z portion of the sample consists of 20% more women, twice as many LGBTQ+ members, 20% more Blacks, 50% more Hispanics, 70% more Asians. How do we think about the Luxury customer profile given this?

JEMINE (Versace) : The new customer is globalised, they live seamlessly with technologies, we can speak of ubiquity with regard to them and Luxury feeds on these new cultural telescoping: sophistication and streetwear, prestige paired with new and different aesthetics, such as models with cornrows (a traditional African hair style where the hair is braided very close to the scalp), or paired with history and societal issues, as seen with Louis Vuitton partnering with the National Basketball Association (NBA). “Inspired by the exchanges between the world of French know-how and the world of American sport, Virgil Abloh has now imagined a line of ready-to-wear and limited-edition accessories bringing together the emblems of the two institutions. Combining the designer’s signature codes and basketball iconography, the collection pays tribute to universality and inclusion, values inseparable from the vision transmitted by Virgil Abloh within Louis Vuitton”.

Gen Z is open to all these dimensions at the same time, with particular attention to the values and societal commitments of brands. Contrary to stereotypes, their consumption is less about showing off and being ostentatious, and is very sensitive to social issues; inclusion; feminism; the lived experiences of those in the Black, Hispanic, Asian, and LGBTQ+ communities; Islam, the hijab; body positive attitudes; people with disabilities; in fact, all aspects of diversity and identity. This sensitivity is exercised both in terms of brand communications and their way of dealing with these issues internally, in particular.

To do as a priority: think empathy to connect with the new Luxury consumer, be authentic, affirm your values to ensure your brand is relevant but consistent amid multiple trends with their HR policies and their concrete achievements in terms of of organisation and management. Companies must act authentically, because it is easy to check if they are really genuine, if they create Foundations like Nike, which does a lot in terms of social awareness, or LVMH with its prize for Young Fashion Designers, or if they make believe that they fight against discrimination with some performative efforts.

Gen Z...It’s a much more diverse generation and the next will be even more so. Their values will influence Luxury brands, how they will connect with this new melting pot that transcends lifestyle, race, gender, income, education, profession, age, tastes, etc. We need to rethink the segmentation criteria, the typologies and the psychological attributes that determine the relationship of today’s and tomorrow’s customers with Luxury in general and its brands in particular.

JANELLE (Ipsos) : Any thoughts on technology... the Metaverse? Is it another technological revolution?

JEMINE (Versace) : Yes, and it’s going very fast! Until recently, Luxury customers were quite reluctant to buy online, and now it seems natural to them. The Metaverse is moving in the same way with NFTs, cryptocurrencies, digital avatars, etc. Luxury is adapting to these technologies, and I am fascinated to see how quickly companies in the sector have adopted this new wave, very differently from the way they had adopted the web and above all much faster when I see how it is embracing Web 3.0.

JANELLE (Ipsos) : We’re already coming to the end of our conversation! Any advice on what to do and what not to do when you are a Luxury brand working to connect with this new consumer?

JEMINE (Versace) : As for what not to do, don’t ignore the power of the diversity of the new Luxury consumer. Diversity is not just the people who were traditionally excluded, it’s everyone. It’s the full range of consumers. While Luxury consumers are also Gen Z and people of colour etc.... it is also still the 55-year-old white man whose 80-year-old mother is still alive (and shopping the category). It’s easy for brands to focus on this new and promising customer and forget about the diversity of the Luxury audience as a whole.

AFFLUENTS & SURVEYS

The secret of engagement



Claire Drevon
Senior Insight Director
Ipsos UU en France

Luxury brand customers are few, highly solicited by the brands, mobile, and... discreet. This is one of their paradoxes, between ostentation and the desire not to be in the spotlight. Among their prerequisites, confidentiality is a major expectation.

For a long time now, we have not been able to consider studies on Affluents as a just a regular group of consumers but with a few high-end markers (a more upscale room average, adjustment of schedules to adapt to their busy calendars, higher incentives, etc.) or a indeed going for a more elaborate face-to-face interview.

To recruit and engage the Affluents, you have to create the conditions for cultural complicity with them so that they feel that the codes are shared and that the marketing study with which they are going to be associated is in line with their lifestyle.

We must rethink the moment of the study as a whole:

- By seeing it as another type of point of contact with the brand, which cannot be disappointing under any circumstances and must preserve customer-capital.

- By giving participants a complete experience with real benefits (discovery of beautiful places, the library of a grand hotel, a new bar, themed lunch or dinner, etc.).

- By transforming the group into an opportunity to develop their network in a «club spirit».

- By promoting a spirit of co-creation and collaboration based on their personal expertise in Luxury and the Houses Vs. simple customers, (If the group is presented as a place where we will ask them their opinion as Luxury buyers, we can be sure that Affluents will not come).

- By giving Luxury customers the possibility of a unique meeting with the Brand's key players (nose for a new perfume, engineers to develop a new watch, etc.).

Confidentiality and exclusivity are the two principles to keep in mind when it comes to manage meeting with the Affluents, without impacting their ability to express their positive and negative feelings because it is, most of the time, part of their professional daily life.

In the case of individual interviews, you must be flexible, giving the choice between the channels (face-to-face, Whatsapp, Wechat, Line, etc.), the languages spoken by the client, the time zones depending on the location of the world where he is, the incentive he wishes (money, gift in kind, etc.).

Definitely, the time of the study must be a separate bubble, a time under the sign of fluidity, between "happy fews": this implies knowing how to choose the places; the codes most in tune with the

Brand and its customers, to develop more a script than an animation guide, in other words to take the time for excellence.

The more the study is presented and experienced as a gratifying moment, even a moment of unique experience, the richer, freer, and more creative, the insights and engagement will be.

GEN Z EYE-CATCHING

Beauty or show-off?

The view of luxury lover
Mia, 14 yo

Mia
14 y.o



Mia lives in Paris and is in fourth grade. As part of her observation internship, she notably spent time with the Luxury Team of Ipsos in France; on this occasion, she was able to share her point of view on what Luxury represents for her: creation at the service of Beauty for a wealthy clientele at the forefront of fashion. At the same time, Mia is not indifferent to the news: global warming, the exploitation of the Uyghurs, working conditions in companies are among the subjects that concern her, which social networks contribute to be disseminated, and on which it wishes to act.

It fuses Classicism and the Quest for Meaning. Classicism responds to his vision of Luxury as a search for Beauty, safe value and security and the Quest for Meaning to his expectation of responsible brands on an environmental and human level. Conversely, when she compares herself to her friends and comrades, she sees a representative profile of the Social Spectacle and Fashionistatos, for whom brands, money and show off come first.

“

Luxury is a very big word. I tend to think of fashion and great French designers like Christian Dior or Yves Saint Laurent. It makes me think of them but especially of their sketches; I went during the holidays to Monsieur Dior's house in Granville and many of his projects were on display there,

always with the corresponding sketch next to them. I find it incredible that we can create such drawings and such collections and that, even after our death, our creations are exposed to the public in department stores and with parades in our name. These men marked the history of fashion and today their pieces are, for me, in the luxury category. That's why I think of them when I think of luxury. Luxury evokes for me department stores like Galeries Lafayette. My mother is a fairly big consumer of luxury products, such as Louis Vuitton or Chanel. For example, I love going into the L.V. and look at the bags, the different designs, and models.

Luxury also expresses wealth for me, beautiful cars, racing cars, Rolls-Royces, large yachts, cruises, gold watches like Rolex. When they talk about luxury, people often associate this word with wealth, as if only «rich» or «well-to-do» people can have access to it, as if money is the only way to admire it and to enjoy it. interest in it.

I am not comfortable with products that are visibly expensive, with logos or signs that show that they are brands that are much more expensive than the average. I prefer a classic sweater with a nice material, which is expensive because the material is beautiful, rather than with a brand that suddenly shows that you have money.

In social networks, there is a lot of talk about subjects such as the environment,

the brands that make the Uyghurs work, exploitation in companies, a lot of controversial subjects and it is true that I tend to leave a brand if I learn that it exploits the planet or the people.

”

COMPASS



The 5 things to know to manage Luxury brands.

- 1.** Even if the correlation between wealth and luxury purchases remains true on average, not all Affluents are automatically Luxury customers, with notable differences between different countries globally. How can we create the conditions for an extraordinarily appealing customer experience to attract those Affluents who remains at a distance?
- 2.** Fashionistas are a priority target for Luxury players, but are more complex than one might think, in particular because they are not immune to the trends of the time, such as environmental and social concerns, and their purchasing criteria may evolve, even with paradoxes
- 3.** Brands will have to balance the creation of ultra-elitist universes and the deepening divide with the vast majority of people. In a context of downgrading and impoverishment, buying Luxury products to show off in the pageantry of social networks or fashionable places can become complicated and create a feeling of guilt, even risk, linked to the purchase of objects that are particularly desirable and expensive, but are also provocative and not very useful.
- 4.** The segmentation carried out by Ipsos allows brands to understand why and to what extent communication strategies must differ according to geographical areas: Essentials in the Middle East and Europe are not driven by the same motivations as Asian Fashionistas and American Indulgents. How can you best adapt your strategies to fit the diversity of the Affluents?
- 5.** Our survey of Affluents also describes their differences in terms of media consumption according to segments and their habits. We see, for example, that Indulgents watch more television and travel more than other Affluents, while Fashionistas go to restaurants, theatres or parties more than average. Where is it best to communicate to be as effective as possible?

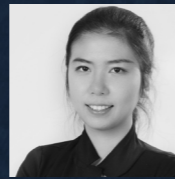
IPSOS AND YOU OUR LUXURY EXPERTS AT YOUR SERVICE



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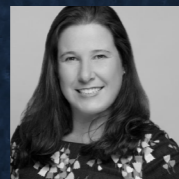
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Upheavals in the Luxury sector - omnichannel, Gen-Z, the emergence of new digital experiences with Web 3.0, the rise of ethics and values - redraw the territory of Luxury and offer new sources of growth. By combining knowledge and data transformation, Ipsos experts help brands navigate this changing landscape. In more than 90 countries, Ipsos offers the total understanding of society, markets and individuals needed to understand current dynamics and detect ensuing implications.

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INSIGHT TANK

LUXURY: THE TIME OF TRANSFORMATIONS?

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GAME CHANGERS

