

A NEW LENS ON

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# LUXURY



ST REGIS

THE LUXURY  
COLLECTION®



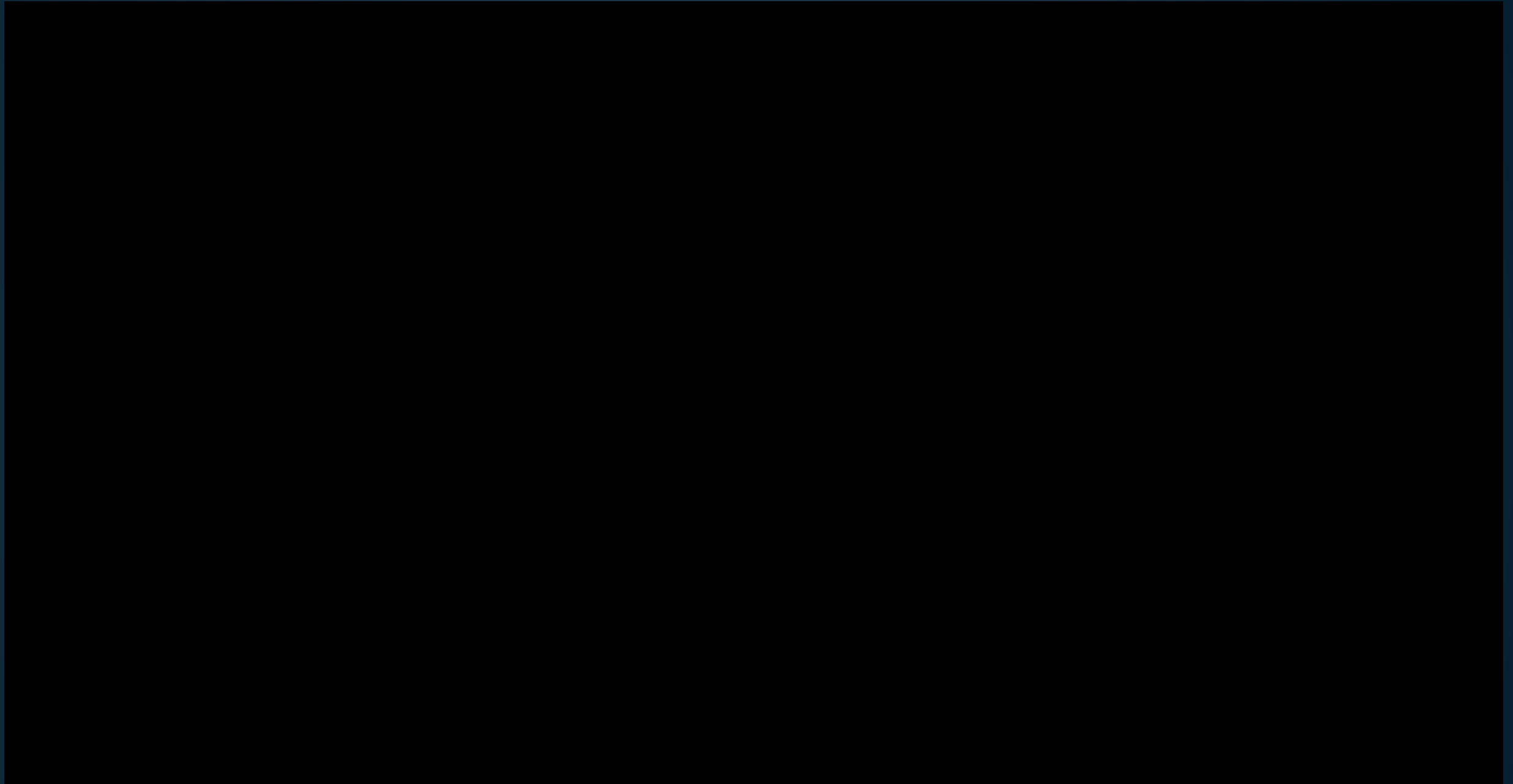
HOTELS  
WORLDWIDE



# Knowing Me, Not Knowing You

VALUE	LUXURY ASSUMPTION	SELF RECORDED
Are Married	53%	
Want Others to recognize their Wealth	55%	
Worry about their Children's Work Ethic	95%	
Worry their Friends only like them for their Money	73%	
Have compromised their Values to Make Money	65%	

# A New Lens on Luxury



# A New Golden Age of Luxury Travel



# Luxury Evolution at Starwood



ST REGIS

THE LUXURY COLLECTION\*



HOTELS

2000	7	39	13
2008	14	62	26
2014	34	92	46
2015	40	99	51

2014 TOTAL  
STARWOOD LUXURY

**172 Hotels**  
**40 Countries**

2016 TOTAL  
STARWOOD LUXURY

**202 Hotels**  
**42 Countries**

W BOGOTA  
DECEMBER 2014



# W BEIJING – CHANG'AN

## Q4 2014





# W SHANGHAI – THE BUND Q2 2015



# W AMSTERDAM Q3 2015



# W RETREAT & SPA - GOA

## Q4 2015





# THE ST REGIS CHENGDU

## SEPTEMBER 2014

# THE ST REGIS ISTANBUL FEBRUARY 2015



# THE AZURE QIANTANG, HANGZHOU AUGUST 2014



# HOTEL IMPERIAL, VIENNA

## SEPTEMBER 2014



# EXCELSIOR HOTEL GALLIA, MILAN NOVEMBER 2014





# THE ST ANTHONY, SAN ANTONIO JANUARY 2015



# Luxury Outlook



Karl Lagerfeld Boutique, Regent Street, London



The St. Regis Bal Harbour Resort



Burberry AW14 Show, Shanghai

## Luxury Growth

Luxury endures as one of the strongest segments in retail, travel and commerce.

- : By 2018, there will be 47m millionaires, double the amount of there are today
- : By 2020, the world's population of UHNWIs (\$30m in assets) will exceed 260,000, a population holding wealth of more than \$40 trillion between them
- : There are now 2170 billionaires globally with a net worth of US \$6.5 trillion – enough to fund the US budget deficit until 2024





## New Global Map of Influence

While the western European nations and the US remain largely at the top of the wealth pile, a wider global map of affluence is emerging.

- : New world regions, such as Africa and Asia, will account for nearly 70% of the growth of global private wealth within the next five years
- : For the first time, billionaires are emerging in Angola, Nepal, Swaziland and Vietnam
- : By 2030, the number of middle-class consumers in emerging economies will reach 1.2 billion

Fashion Designer Hana Tajima, photographed by James Fitzgerald

## Experience Rising

The world's wealthy are increasingly turning to experience-led consumption to deliver higher levels of fulfillment. And because luxury has become ubiquitous, wealthy consumers look for exceptional ways to differentiate themselves from the pack.

- : Spending on 'experiential luxury' now makes up more than half (55%) of the total worldwide luxury spend, or \$980 billion - travel and hotel spend represents \$460 billion of that.
- : Lexus has created a new retail culture concept called *Intersect* in Tokyo where one single car is sold alongside books, coffee, clothing, and home wares.



Intersect by Lexus, Tokyo



## Millennials v. Boomers

The key target markets for luxury brands are like bookends of the age spectrum – Millennials on one side, and Baby Boomers on the other.

- : In the US, 50+ consumers represent almost 50% of the spending on CPG goods and in less than five years' time, they will possess 70% of the disposable income in the US.
- : There are now 11.8m Millennials aged 18–30 living in US households with annual incomes exceeding \$100,000 and using their spare cash to splurge on luxury items.
- : Along with Baby Boomers, Millennials will become the most important consumer market for luxury between 2018 and 2020.

Jewelry Designer Amber Atherton, photographed by Angela Moore

## Luxury Generation C

One of the biggest shifts in consumer mindset is the rise of the 'tribe' and a trend named Generation C – collaborative, creative, conversational and critical.

: Generation C is not a demographic as such, but rather, a widespread psychographic created in the era of social media, beta-culture, crowdsourcing, and the collapse of the global economy.

: These factors have prompted consumers, hyper-aware of their spending power, to insist that brands engage and collaborate with them, create dialogue and become more experimental.

: 50% of Chinese, 36% of European and 39% of US luxury consumers now follow brands on social media.





## Mobile luxurians

Luxury consumers are increasingly using their mobiles and tablets first when engaging with any brand, retailer or content.

- : 1 billion people are expected to make upwards of \$1 trillion in transactions via mobile devices worldwide by 2016.
- : Of the 63% of wealthy consumers who have made a purchase through their mobile device, just under 20% have bought a luxury product or service.
- : Chinese customers spent \$210 billion shopping online, making \$7.7 billion worth of transactions on mobile devices in 2012.



## Luxe W(H)ealth Rising

Regardless of age, luxury consumers are focused on their health, well-being, mental agility and fitness.

: Wellness tourism, set to grow at 9% annually (twice the general rate of global tourism), evolving it into a \$678.5 billion market by 2017.



Launch of W Hotels partnership with Tara Stiles

## Changing Consumer Behaviors

One size will not fit all. Chinese luxury tastes vary by gender, age, tiers 1+2 cities, 3+4 destinations, and Macau. Each country, and market, fosters a different, and constantly evolving taste-graph.

In all cases – and despite the growing number of cultures on the move – the travel and hospitality sector is still driven and influenced by the trends many of these consumers interact with in the world of luxury fashion, retail, design and technology.



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## New Trends to Watch

- : Renaissance Retail
- : High Heeled HNWIs
- : Fe-Lanthropy
- : Sport Luxe
- : Tech Luxe
- : Lab Talk
- : Rental Luxe
- : Flat-Age Luxury
- : Sustainability Redux
- : Space-Age Luxury
- : New Sublimity

White Wolf Hotel, Portugal by AND-RÉ Architects



## Renaissance Retail

Luxury brands are stepping in as cultural benefactors, facilitators, educators and enablers — elevating brands to cultural icons in the process.

- : Prada, launching an art museum in Milan in 2015.
- : Salvatore Ferragamo , restoring the Uffizi in Florence
- : Tod's, restoring the Coliseum in Rome
- : Fendi, restoring Rome's Trevi fountain.
- : HOT: House of Waris RARE's involvement with Fundacion Haciendas del Mundo Maya.





## High Heeled HNWI's

The rise in affluent, high-powered women is prompting luxury brands to rethink their language, product and tone for a group of savvy women now shopping for themselves.

- : The majority of affluent travelers (with an annual income of \$250k) are now women – 54%, up from 42% in 2010.
- : This year, women will control \$28.5t in purchasing power globally.
- : HOT: Helena Christensen announced as The Luxury Collection's newest Global Explorer.

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A Film by  
Carine Roitfeld and Stephen Gan



## Sport Luxe

The Body Beautiful has become a mass pursuit among consumers of every age, who are co-opting sport into their social lives, splurging on sporting holidays, and buy premium sports-wear from brands such as Stella McCartney

- : Adidas with Tom Dixon at Milan Design Week
- : Chanel's first couture sneakers
- : Tory Burch's new Active Wear
- : HOT: Tara Stiles – Detox to Retox at W Hotels Worldwide

## Fe-lanthropy

Luxury brands simultaneously are adopting a feminist progressive stance to reach women, aligning with the female mindset.

- : 15.2% of the world's 23,505 female UHNW individuals pursue careers in the non-profit sector.
- : Gucci launched Chime for Change film-cum-political platform (co-founded by Beyoncé, Frida Giannini and Salma Hayek-Pinault), aimed at empowering women.
- : HOT: From W HRC to SR Pink Polo







## Tech Luxe

Luxury and technology are converging as brands seek new audiences in female and HNW consumers.

- : Angela Ahrendts, CEO of Burberry, announced her move to Apple. She followed Paul Deneve, then-CEO of Yves Saint Laurent.
- : Apple and Google have collaborated with Diane von Furstenberg and the CFDA for promotions of Google Glass.
- : HOT: Keyless Check In



Google Glass



## Lab Talk

Blame it on the executives flocking to thought-leadership and multidisciplinary events such as TED and SXSW Interactive, or Davos, or the cult of tech 'start-up' and all things Silicon Valley.

- : Louis Vuitton for its recent men's campaign has featured Davos ambassadors.
- : HOT - Starwood Hotels has launched an idea lab in Connecticut allowing customers and its staff to interact with new innovations, and is soon opening StarLab in New York City.

## Rental Luxe

Fashion rental, installment plans, second-hand luxury stores. These quaint shopping concepts are enjoying a revival as some economies remain flat and austerity becomes de rigeur.

- : Armani now allows Brazilians to pay by check on up to 10 installments.
- : RentTheRunway, announced \$24.4m in finance in March 2013, led by Advance Publications, the parent company of Condé Nast, among others.
- : HOT: Disrupter – Air BnB



## Flat-Age Luxury

Baby Boomers still control a huge amount of net wealth in established markets, and now brands are responding.

: The Row, Linda Rodin (65).

: Louis Vuitton, David Bowie (67)

: NARS, Charlotte Rampling (68)

: HOT - 14 Year Old Carmen Dell'Orefice was taken to The St. Regis to be drawn by Salvador Dali. On her 80<sup>th</sup> Birthdayshe was taken back by Vanity Fair to be drawn by David Downton.

Carmen Dell'Orefice at The St. Regis New York  
for September's *Vanity Fair*



Carmen Dell'Orefice at The St. Regis New York for September 2014 Vanity Fair



## Sustainability Redux

A host of new labels and pioneering luxury brands are redefining sustainable luxury as something desirable, and even sexy.

: Maiyet, the ethical leather goods and clothing company, has shot to fame for its fresh, aspirational pieces that combine responsibility with luxury. The company has invested in a climate-controlled workshop by David Adjaye for its weavers in Varanasi, India.

: HOT – The Andaman, a Luxury Collection Hotel, Langkawi saving the reef one polyp at a time.

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## Space-Age Luxury

A growing obsession with science is informing and infusing luxury brands with a new metaphor to play with: the world of space, astronomy and exploring new frontiers.

- : Rodarte, for its Fall 2014 collection, featured stills prints from Star Wars
- : As commercial space travel finally arrives, stargazing tourism is on the rise. Tents at Elqui Domos hotel in Chile's Elqui Valley are designed with optimum stargazing in mind and come with telescopes.
- : HOT – W Sea of Tranquility anyone?



## New Sublimity

In fashion, technology, art and culture, mindfulness and sublimity have become the new buzzwords for brands keen to accentuate their higher level, ascetic, emotionally cleansing attributes and offers.

: In Brazil, the Nanak Emporium food store concept has been designed and created around the Sikh triangulated concept of health, happiness and holiness.

: HOT: Let a St. Regis Butler guide you to a holy lake above Lhasa for high-altitude yoga





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Sublimity

The ultimate in personal luxury. The  
Raison d'Etre of Generation LuXurY

HOT: I heart Venice

#Instagramvirgin #newSRVenice

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