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A L T I A N T

Powering Luxury & Wealth Insights

Sept 25th 2019

Experiencing Ownership

New Models: From One-Time Ownership to Subscriptions and Rentals

Luxury Daily

Chris Wisson, Knowledge Director

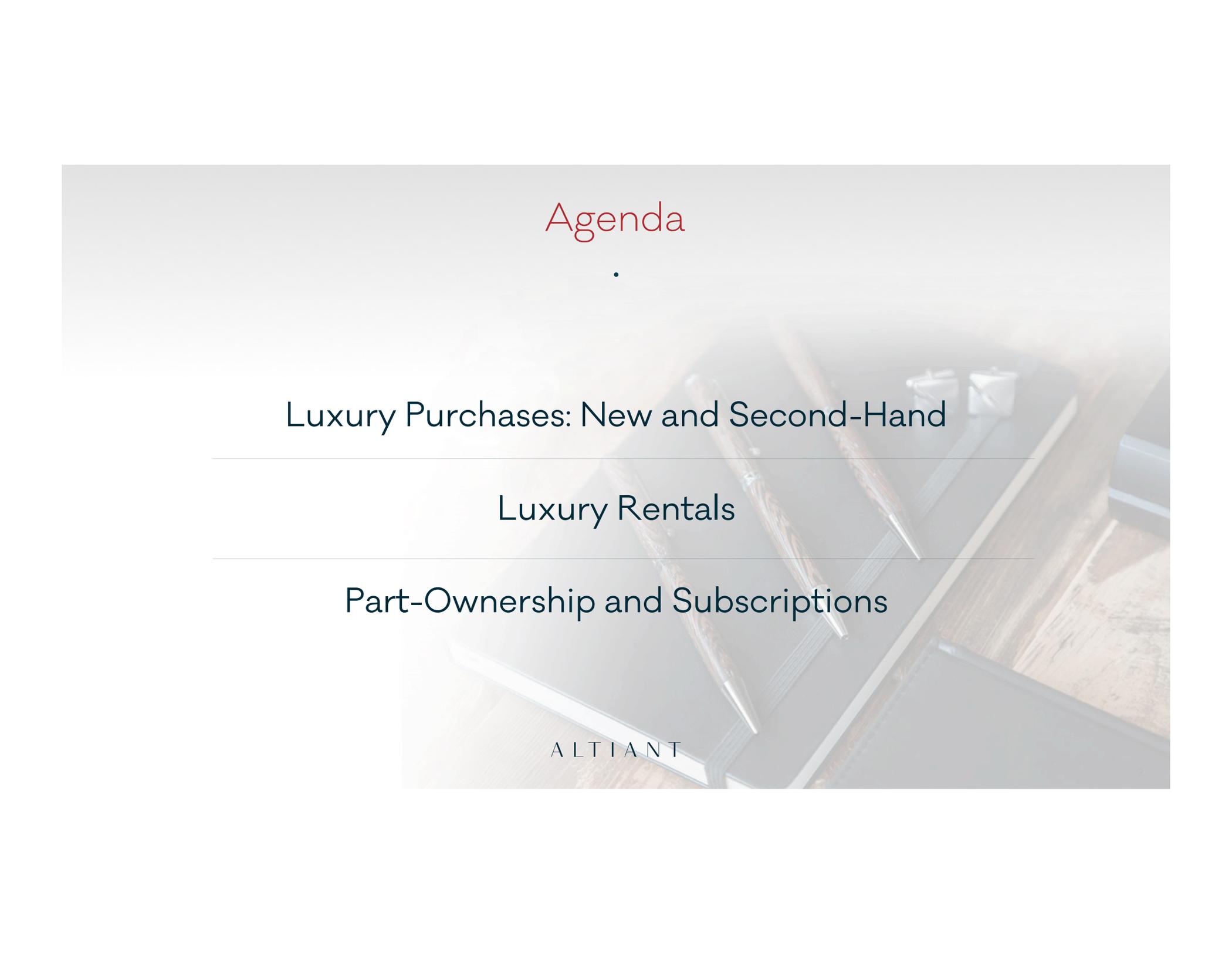
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Agenda

The background of the slide is a blurred photograph of a desk. On the desk, there are several pens in a holder, a wristwatch, and some papers. The lighting is soft and warm, creating a professional and sophisticated atmosphere.

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Luxury Purchases: New and Second-Hand

Luxury Rentals

Part-Ownership and Subscriptions

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Circular Economy

•

Linear
Economy



Recycling
Economy



Circular
Economy



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The population



United Kingdom

N

169



United States

168



France

147



Median HHI*

\$205,000

Female

53%

Male

47%

18-39

42%

40+

58%

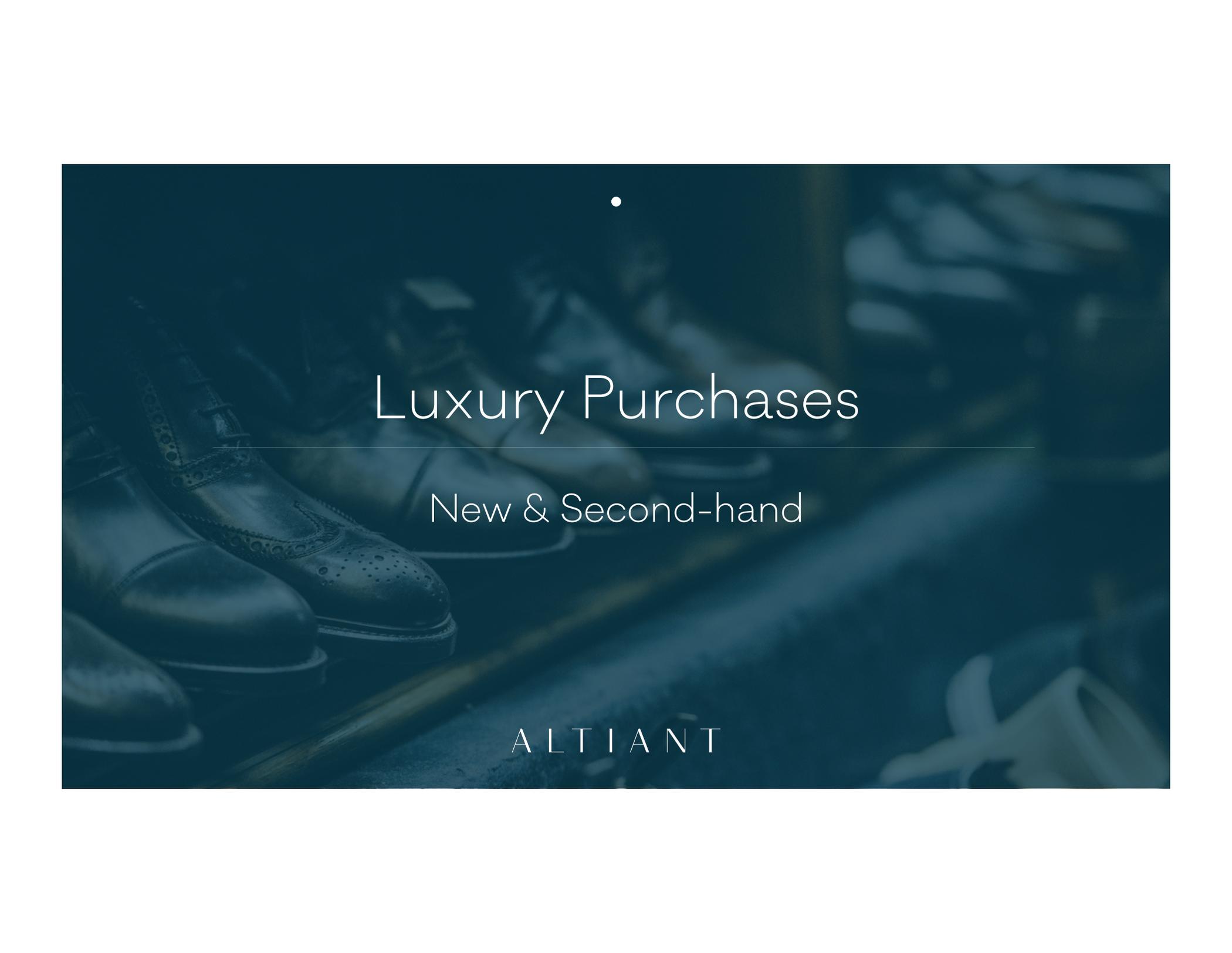


Median IA*

\$ 711,000

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* when currencies converted to \$USD



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Luxury Purchases

New & Second-hand

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The rise of digital has changed purchasing habits

9/10

use digital TV/films

NETFLIX

Netflix is fast approaching **150 million** subscribers

7/10

use digital music services

 **Spotify**

Spotify now has almost **225 million** monthly active users

 Polaroid











NOKIA

BORDERS

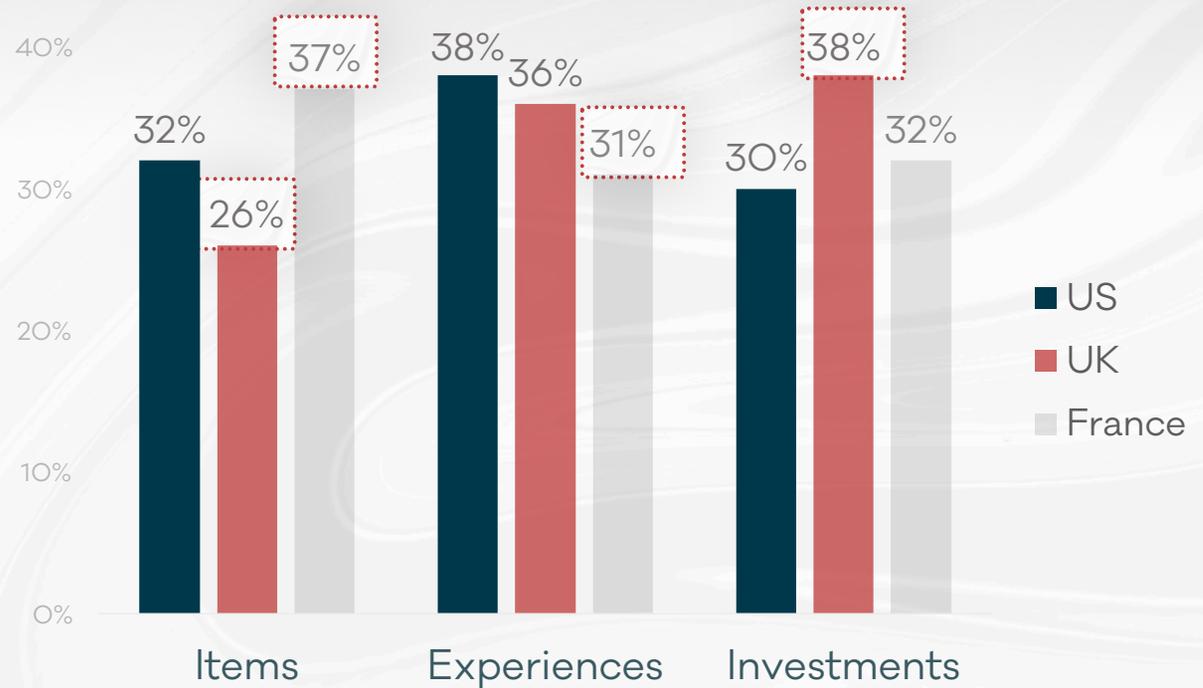
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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Luxury experiences and products appeal equally



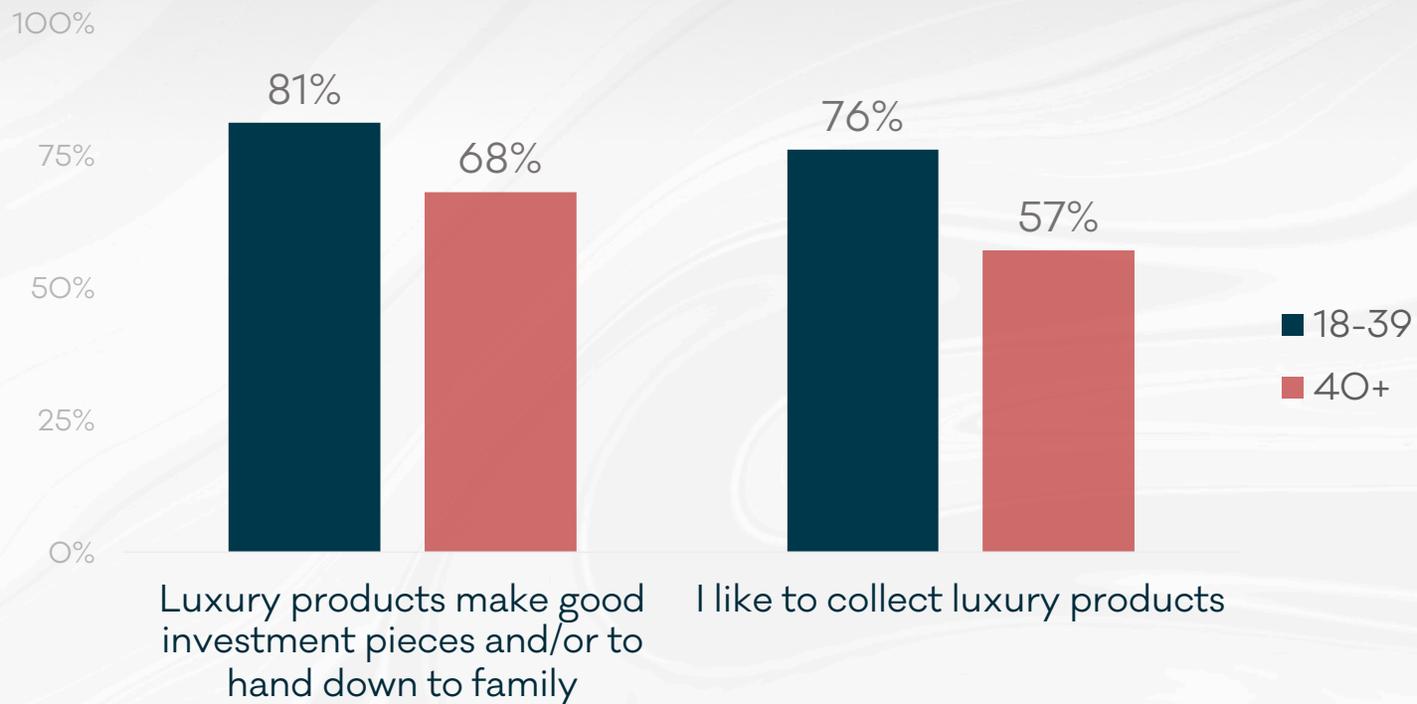
Imagine you have £/\$/€ 10,000 to spend or invest solely on luxury within the next month. Approximately how would you divide spending (or investing) this on luxury goods/services?



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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Under-40s see value in owning timeless luxury products



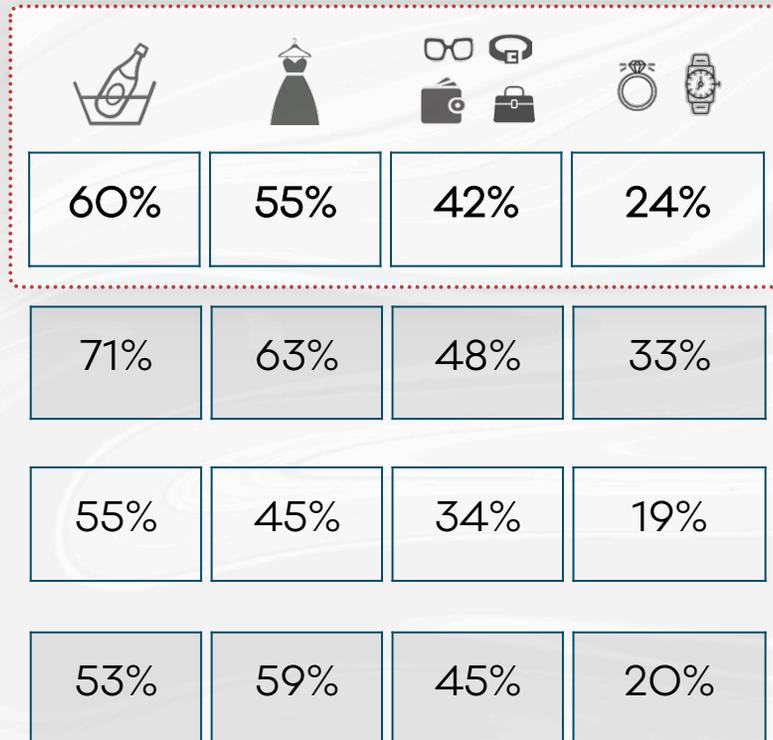
ALTIANT

Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Brand new luxury products remain popular in all three countries

Typically how often do you purchase brand new luxury goods in the following categories?

At least once a month



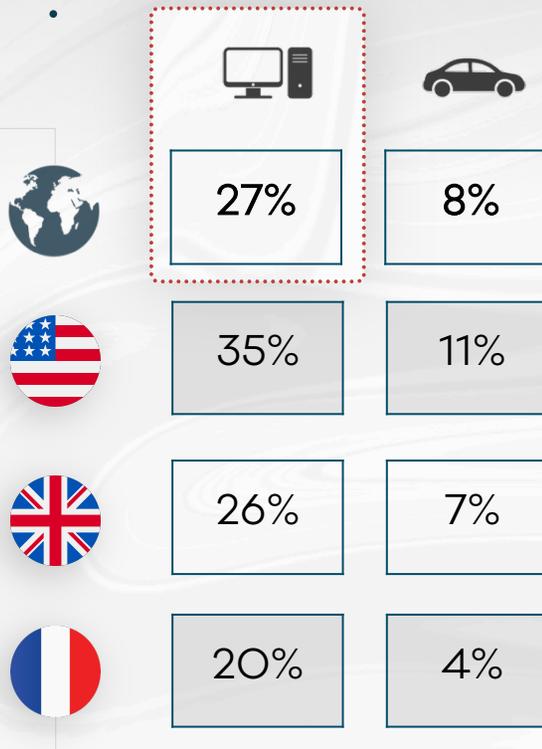
ALTIANT

Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Brand new luxury products remain popular in all three countries

” Typically how often do you purchase brand new luxury goods in the following categories?

At least once every six months

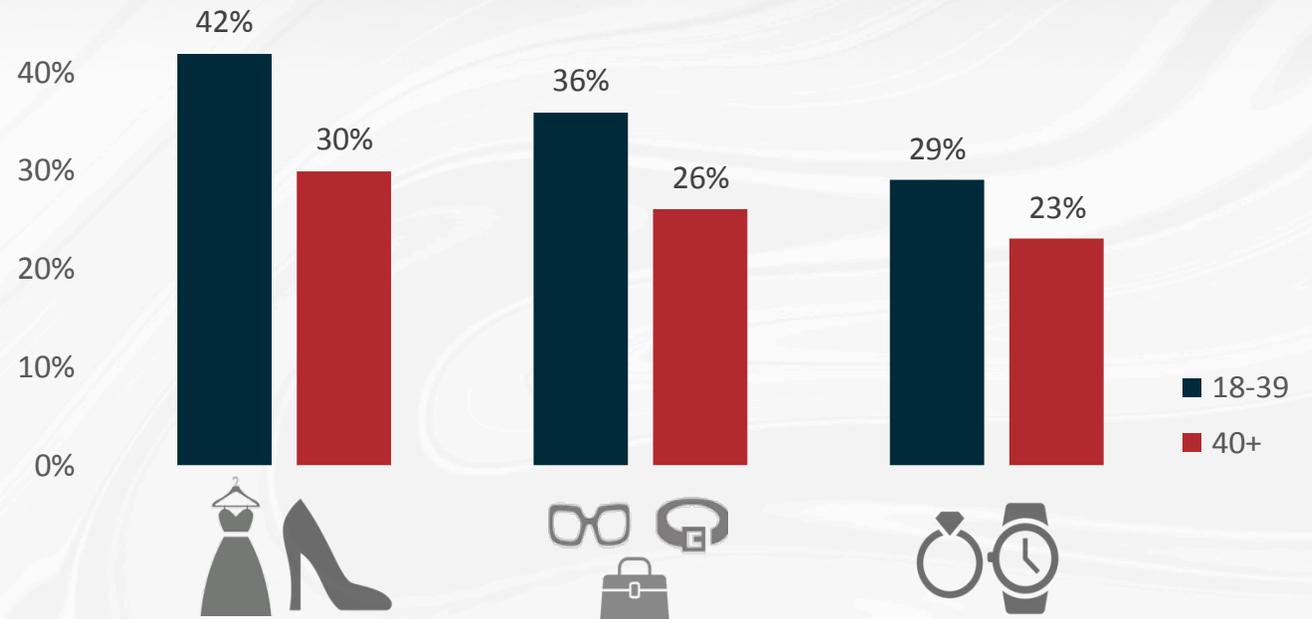


ALTIANT

Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

46% purchased second-hand luxury goods last year

“
Have you bought
second-hand luxury
goods in any of these
categories within the
past year?”



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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Second hand operators increase in number

Vestiaire Collective

The RealReal

Bagista REBELLE

BAG BORROW or STEAL



”

I use The RealReal and Vestiaire because I can trust their **authenticity**, they have a **huge selection**, and they **make returns very easy**. They frequently have the same exact items that I have in my closet, and in **better condition than mine**.

— LuxuryOpinions® member

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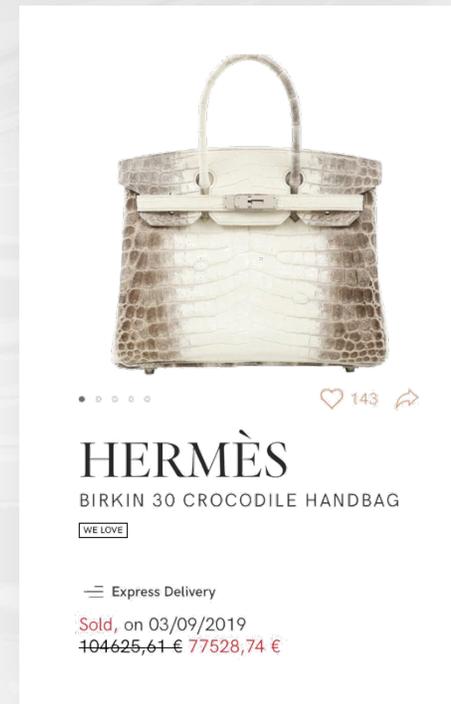
Second-hand shaking off its stigma



Do you agree or disagree with the following statements about product ownership?

Only 16% think there is a stigma attached to wearing second-hand luxury goods

34% think that luxury brands at lower prices (e.g. second-hand/rentable) makes them less desirable



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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

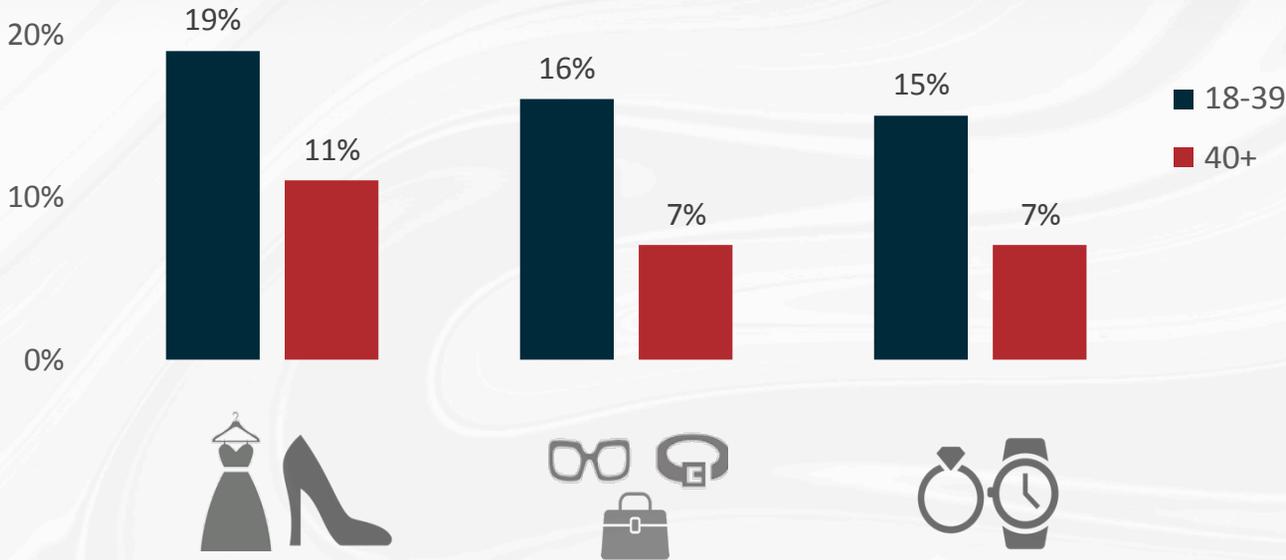


Luxury Rentals

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One in five rented luxury products last year

“Have you rented/leased luxury goods in any of these categories within the past year?”



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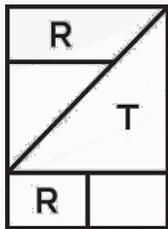
Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Luxury rental competition heats up



GETMYBOAT

HURR
COLLECTIVE



RENT THE RUNWAY

ARMARIUM

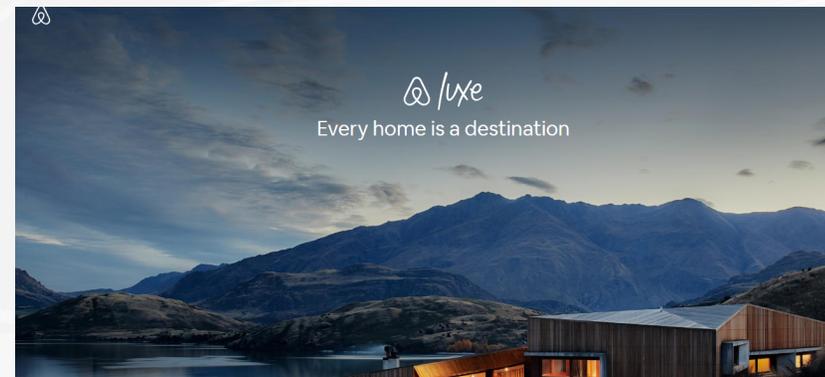
FRONT ROW

LE TOTE

MY WARDROBE HQ

BUY & BORROW

R BY ROTATION



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'Wear once returns' open the door for rentals



Have you ever purchased a luxury product which you only wore once (eg. a social event) before returning for a refund?



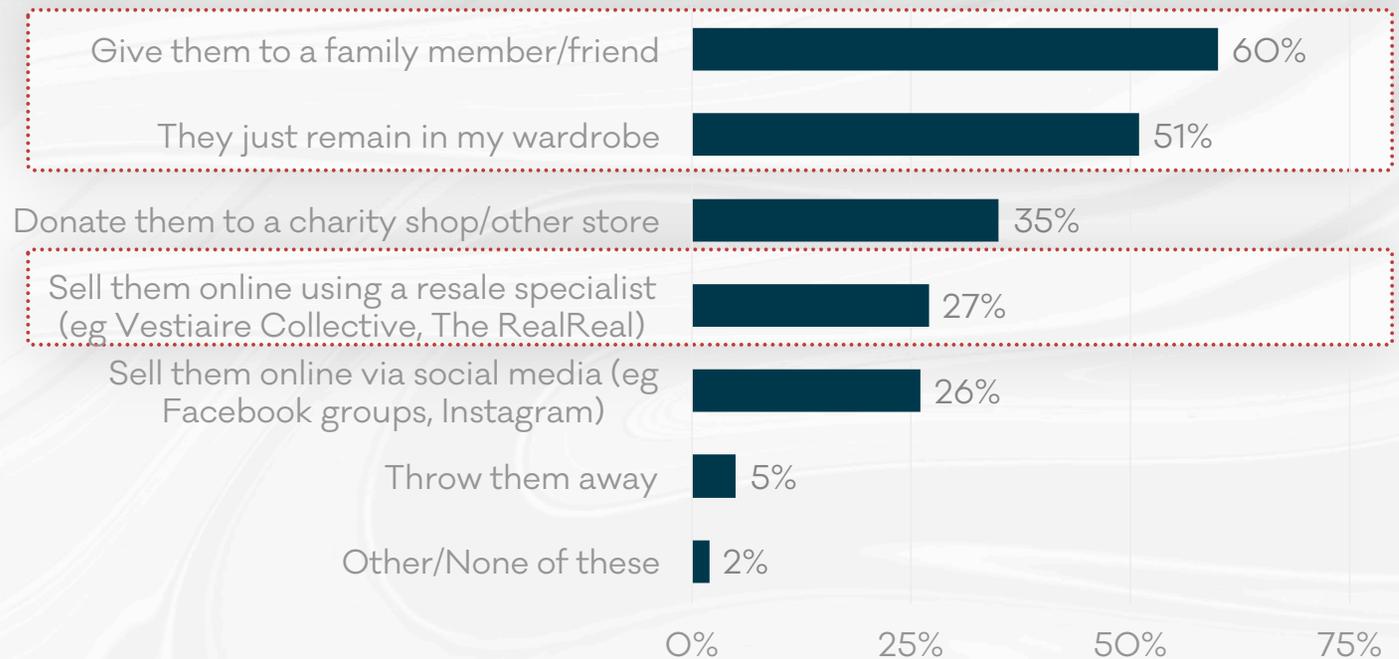
0% 10% 20% 30%

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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

27% of our sample already using resale specialists

”
What do you typically do with luxury goods after you finished using or wearing them?



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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Re-using luxury goods



What do you typically do with luxury goods after you finished using or wearing them?

TULERIE



Buy what you love, borrow what you like.

51%

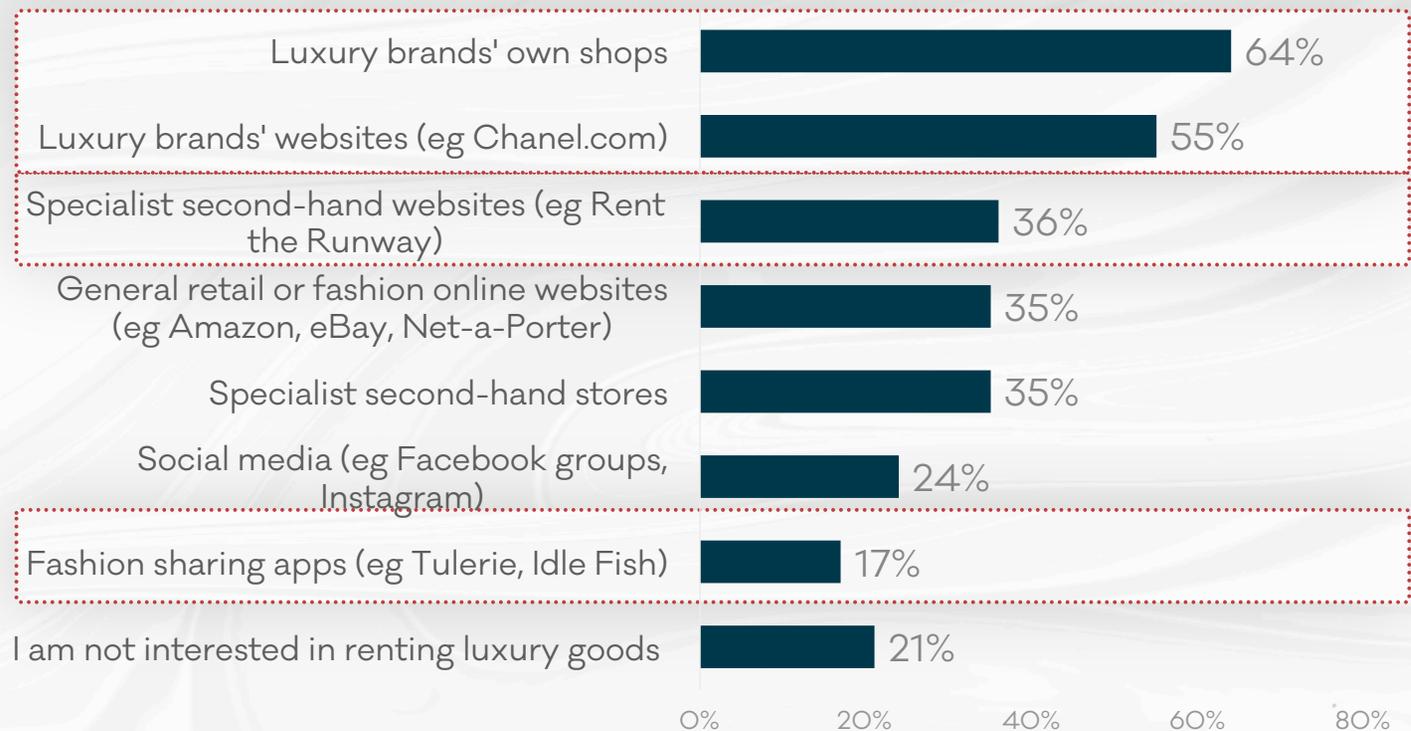
just leave used luxury clothes in their wardrobes

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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Luxury brands can drive the rental movement

Assuming they all exist, which of the following channels would you use to rent luxury goods?



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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Partnerships signpost the way forward



STELLA MCCARTNEY



TheRealReal

*Partnering to extend the lifecycle of luxury items.
Join the consignment movement.*

73%

are interested in
selling used luxury
goods directly back to
luxury brands

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Sustainability and Circular Economy resonate with many



39%

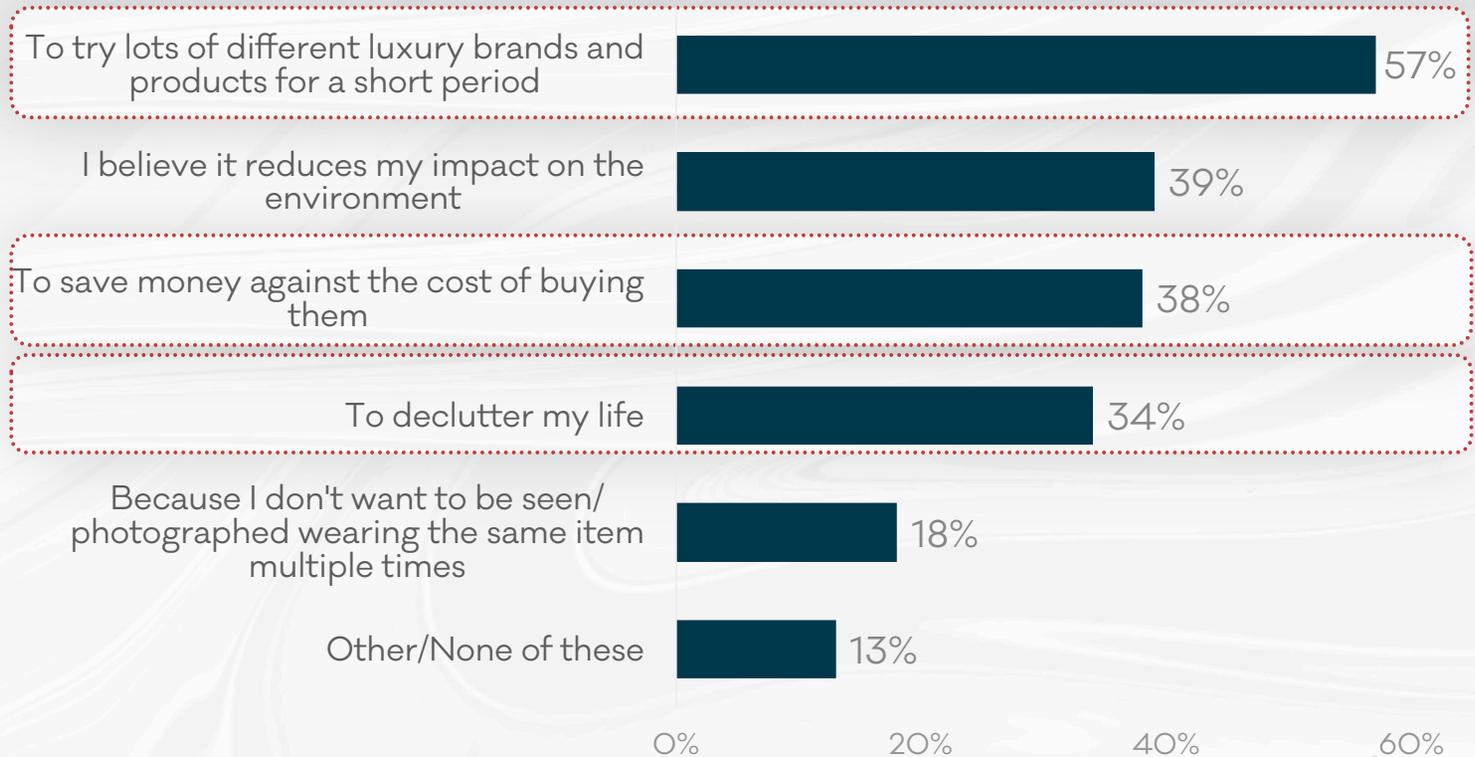
of luxury renters
would rent rather than
buy as they believe it
reduces their
environmental impact

ALTIANT

Base: 318 US/UK/France affluent/HNWIs who would be willing to rent luxury goods | Source: LuxuryOpinions®/Altiant

'Experiencing the new' drives the rental market

“
Please tell us
why you would
rent luxury
goods rather
than buying
them.

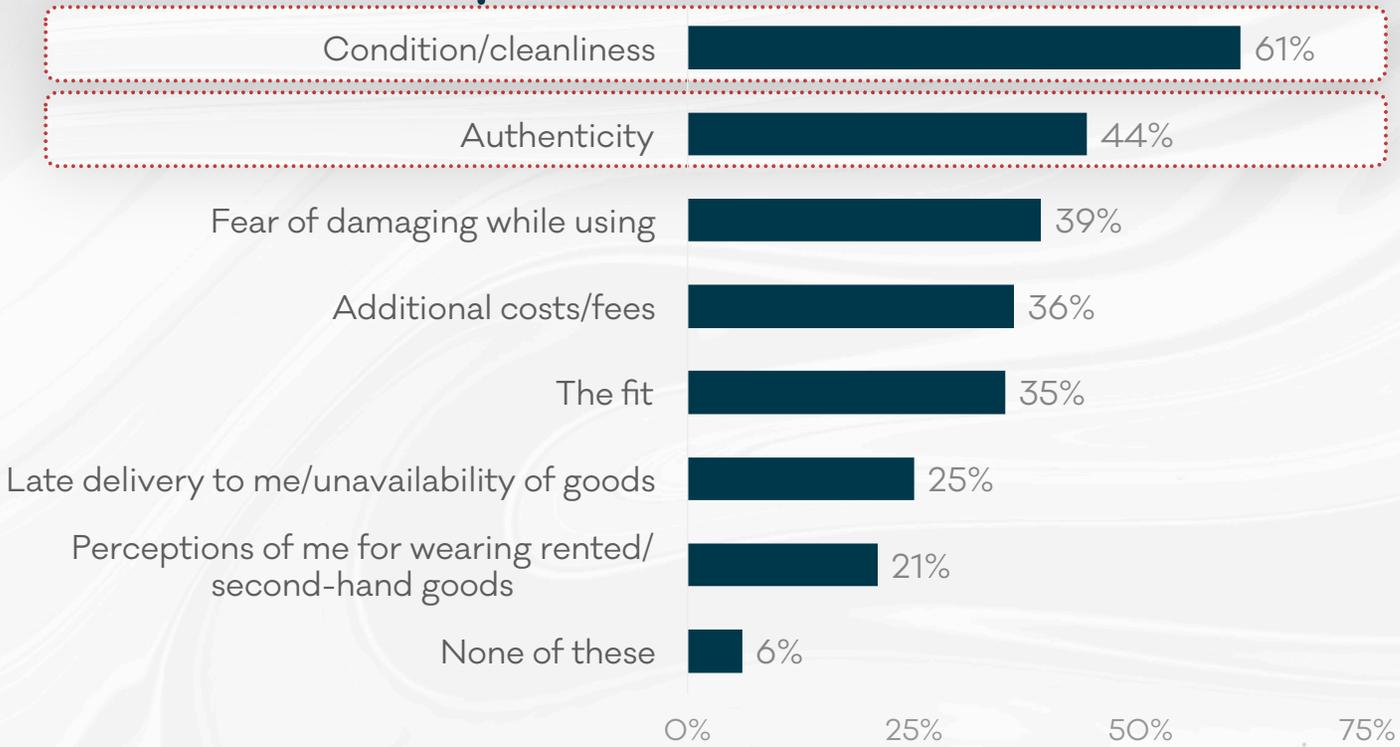


ALTIANT

Base: 318 US/UK/France affluent/HNWIs willing to rent luxury goods | Source: LuxuryOpinions®/Altiant

Cleanliness is the main deterrent to rentals

“Which of the following factors (excluding brand and price) would deter you from renting luxury goods, or from renting them more often than you currently do?”

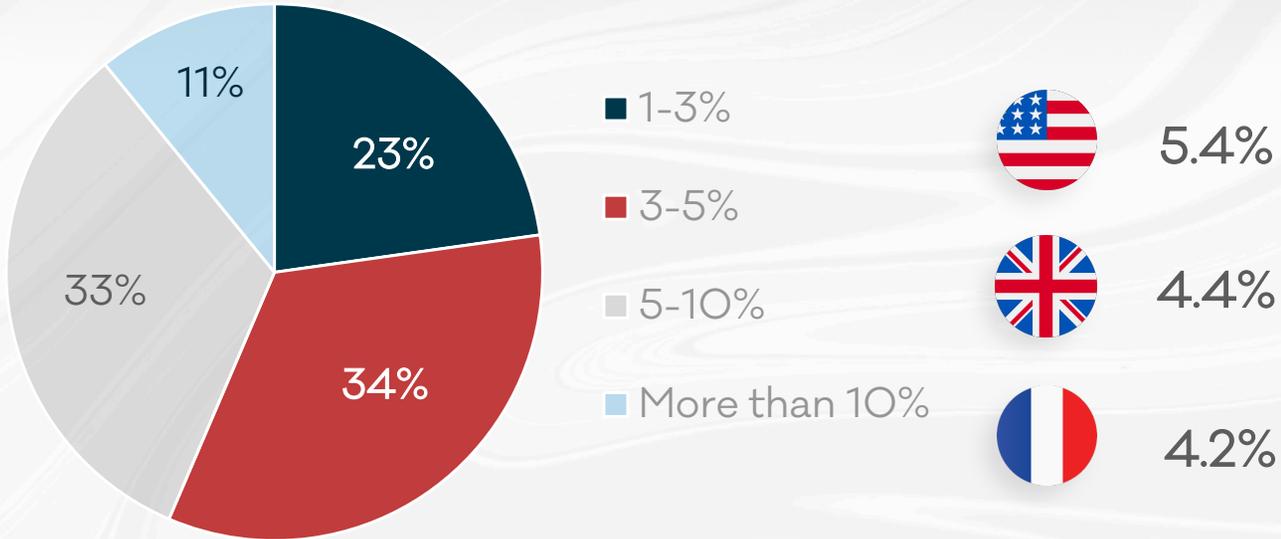


ALTIANT

Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

44% prepared to spend over 5% of retail price for rentals

”
What portion of the retail price would you be willing to pay to rent a luxury item for 4 days (eg. fashion, cars, fine jewelry)?



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Base: 391 US/UK/France affluent/HNWIs who would pay to rent a luxury item | Source: LuxuryOpinions®/Altiant



Part-ownership
and Subscriptions

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Part-ownership has high interest levels among non-users



How interested are you in part-ownership within the following luxury categories (owning a percentage of luxury products or services such as a timeshare)?

	Current part-owner	Do not currently part-own but interested in doing so	Do not currently part-own and not interested in doing so
Property (eg. holiday homes)	28%	41%	31%
Private transport (eg. jet, yacht)	14%	45%	41%
Not opposed to part-ownership			
Art	54%		
Jewelry/watches	45%		
Designer fashion/shoes	33%		

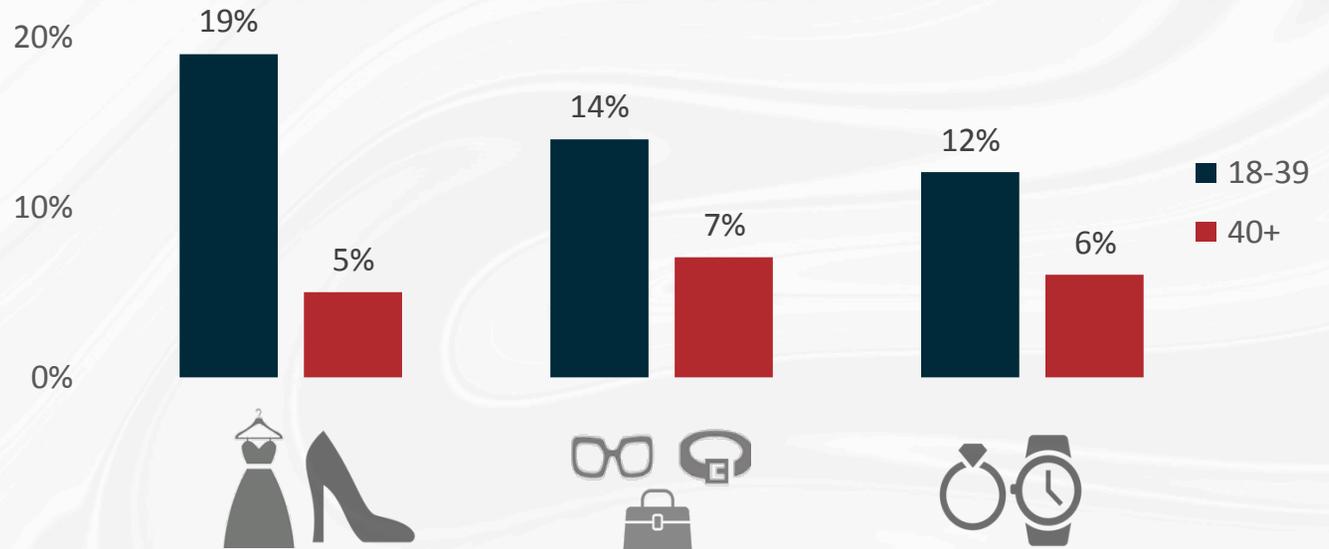
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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Room for growth in luxury subscriptions



Have you subscribed to a sharing service of luxury goods in any of these categories within the past year?



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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Various brands have become popular with our sample



Please tell us about which subscription box services you currently use or have recently used, naming the brands where applicable?

 Premium alcohol	  
 Food kits	  
 Luxury beauty & hygiene	  
 Premium flowers	  

17% of our affluent sample use luxury subscription boxes

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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Subscriptions as an opportunity to engage new segments



KIDBOX | 

One box. Lots of looks.

- Receive 6 boxes a year—**no obligation**
- **4-7 items** handpicked by a stylist in each box
- Save over 50% on **premium**
- For each box kept, KIDBOX
- **Free shipping & returns**

[Start the quiz](#)



AW19/20

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Americans most likely to be very interested in car rental programs

“
Would you be interested in a luxury car rental program for members (potentially instead of actually owning a car)?

This would involve paying a monthly subscription and being able to rotate between driving 4-6 luxury cars per year.

Would you be interested in such a scheme?



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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Americans also most likely to be interested in travel subscriptions

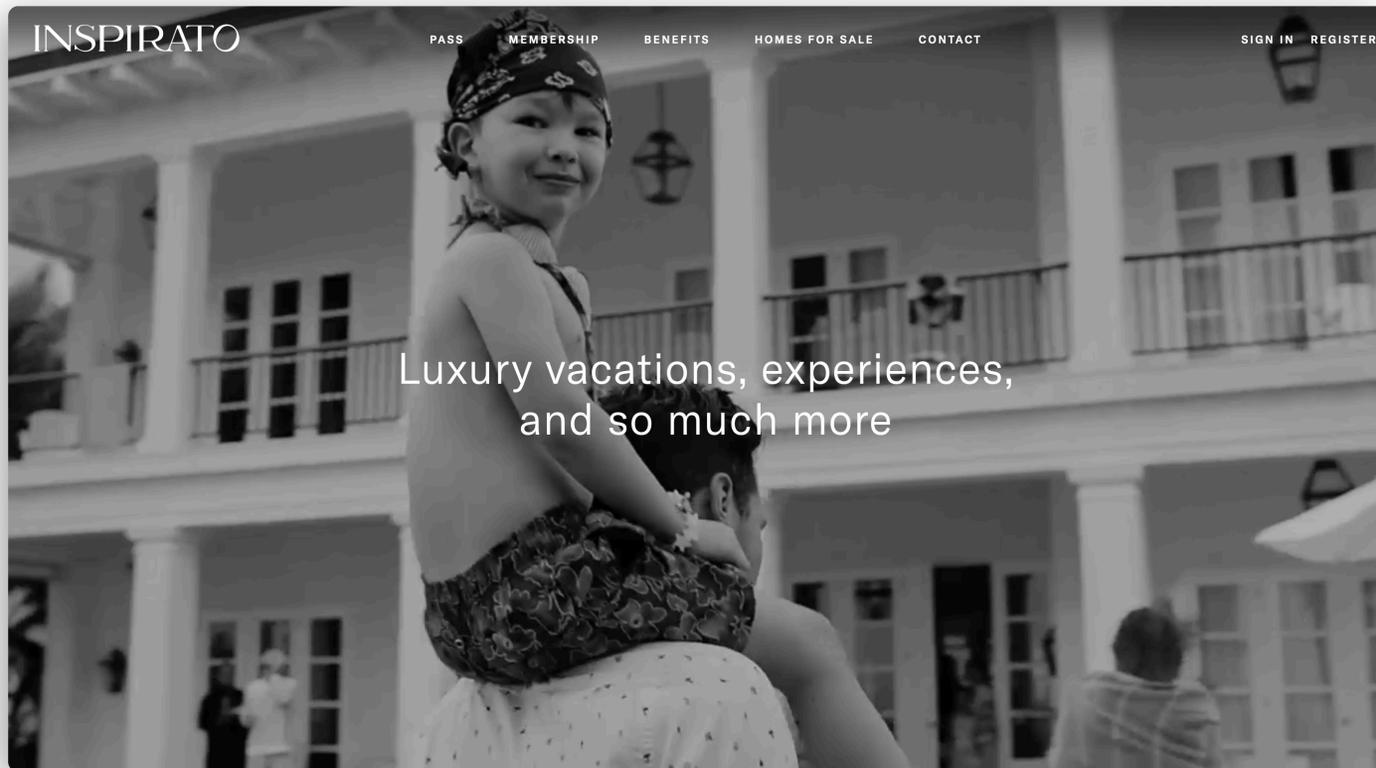

 Would you be interested in subscribing to a luxury travel subscription in which there are no nightly fees or other expenses and all unlimited stays are covered by a subscription fee. If so, how much might you pay for a monthly subscription?

				
Up to \$2,500	29%	25%	27%	36%
\$2,501 – 5,000	23%	23%	27%	19%
\$5,001 – 7,500	11%	15%	10%	9%
\$7,501 – 10,000	7%	11%	6%	3%
More than \$10,000	4%	6%	2%	4%
Zero/Not interested	26%	20%	28%	29%

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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

Inspirato launches luxury vacation subscription model



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Key takeaways

1. A changing mindset

One in five rented a luxury product within the past year.

Only **16%** say that there is a stigma in wearing pre-loved items.

34% think that luxury brands at lower prices makes them less desirable.

39% of luxury renters would rather rent than buy as they believe it reduces their environmental impact.

2. The Business Opportunities

Trying different luxury brands for short periods is the main enticement to rent (**57%**), with cleanliness the main deterrent (**61%**).

43% of luxury consumers are willing to pay more than **5%** of the RRP to rent a luxury item for 4 days.

51% say their unused clothes remain in their closet, rising to **66%** among French panellists.

3. About CX

Luxury brands' own stores (**64%**) and websites (**55%**) are the most attractive places to rent from, followed by resale specialist sites (**36%**).

Luxury subscription models can offer better control of the CX via bespoke options and possibilities to appeal to new segments.

73% are interested in luxury holiday memberships and **67%** in luxury car rental models.

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Thank you

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