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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**

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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

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Luxury Rentals

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Part-Ownership and Subscriptions

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# Circular Economy

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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

ALTIANT

\* when currencies converted to \$USD



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# Luxury Purchases

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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**

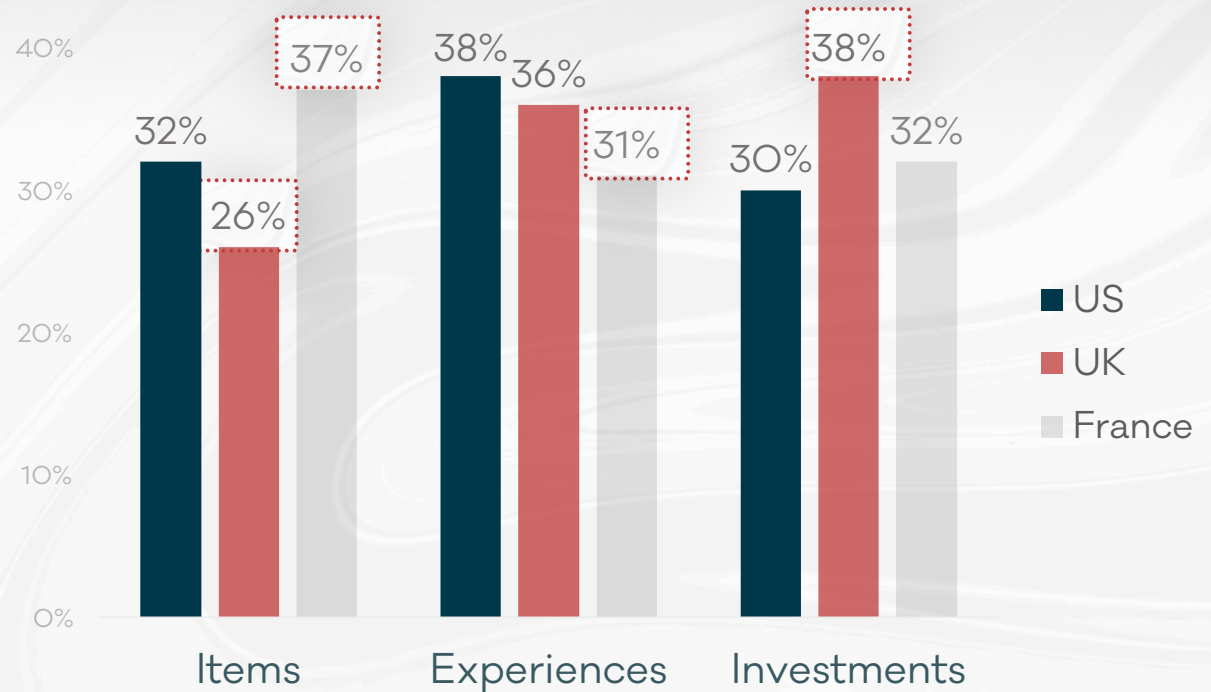
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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

# Luxury experiences and products appeal equally



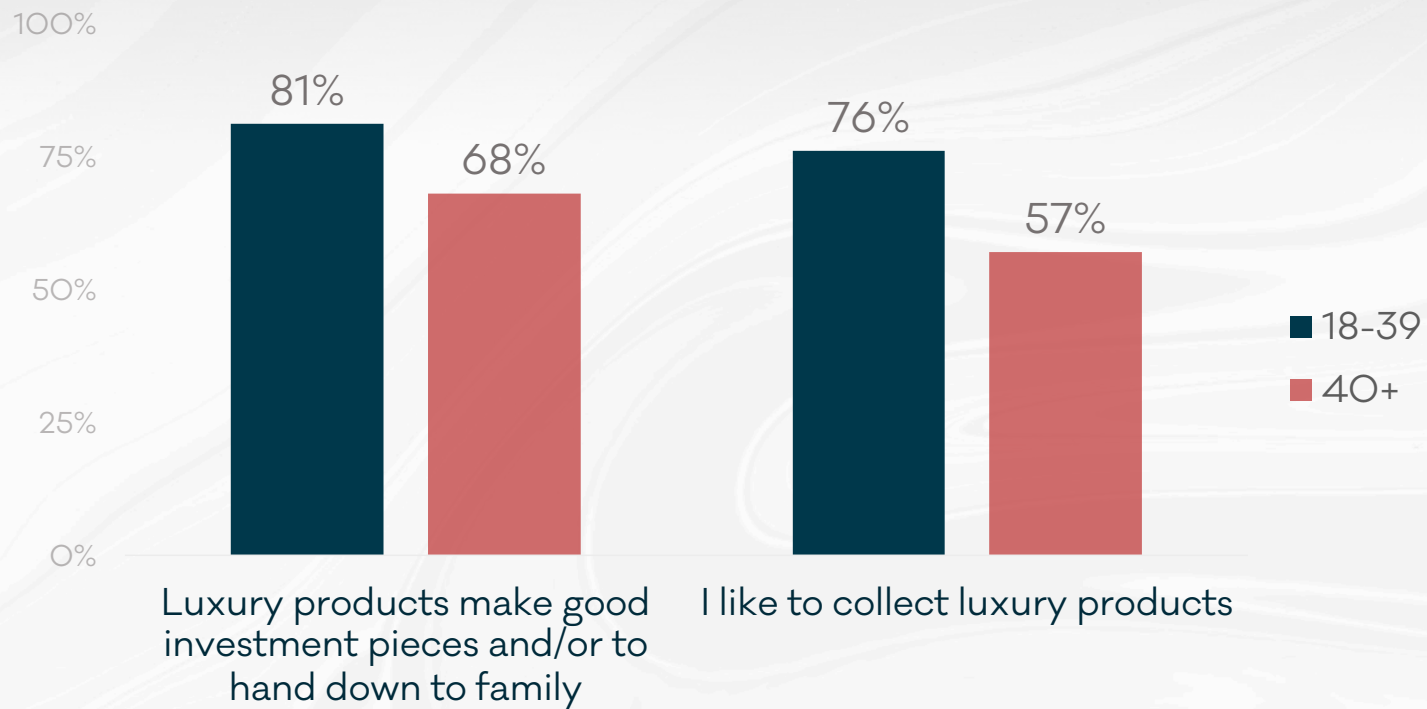
Imagine you have £/\$/€10,000 to spend or invest solely on luxury within the next month. Approximately how would you divide spending (or investing) this on luxury goods/services?



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

# Under-40s see value in owning timeless luxury products



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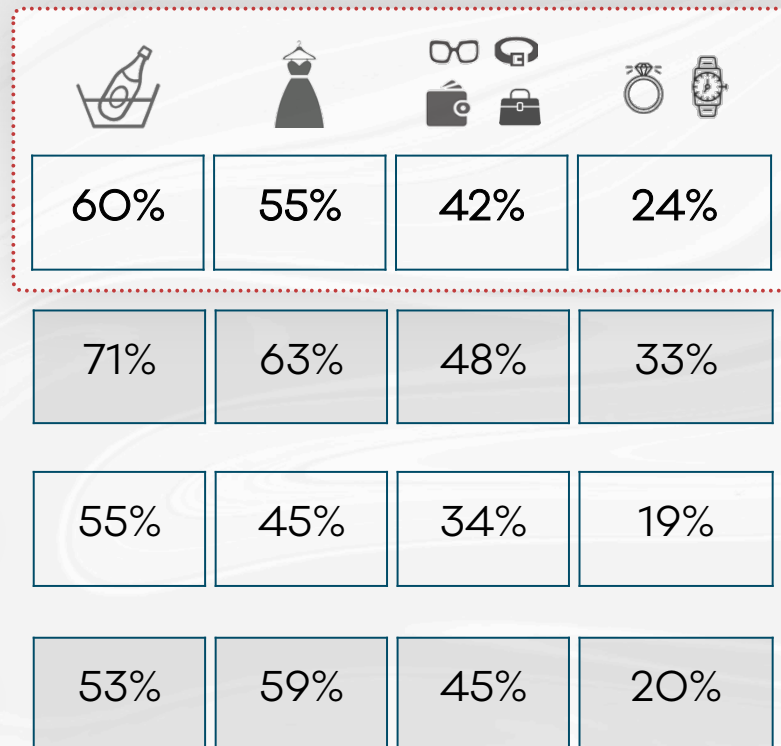
Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant



# 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



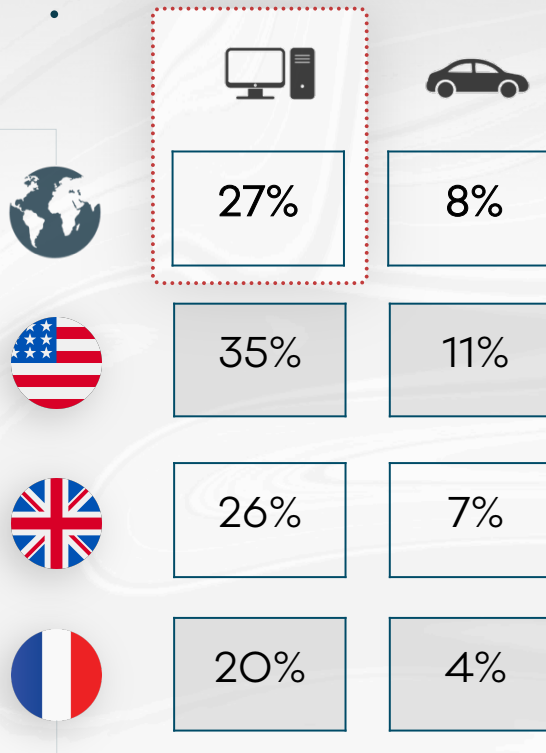
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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

# 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

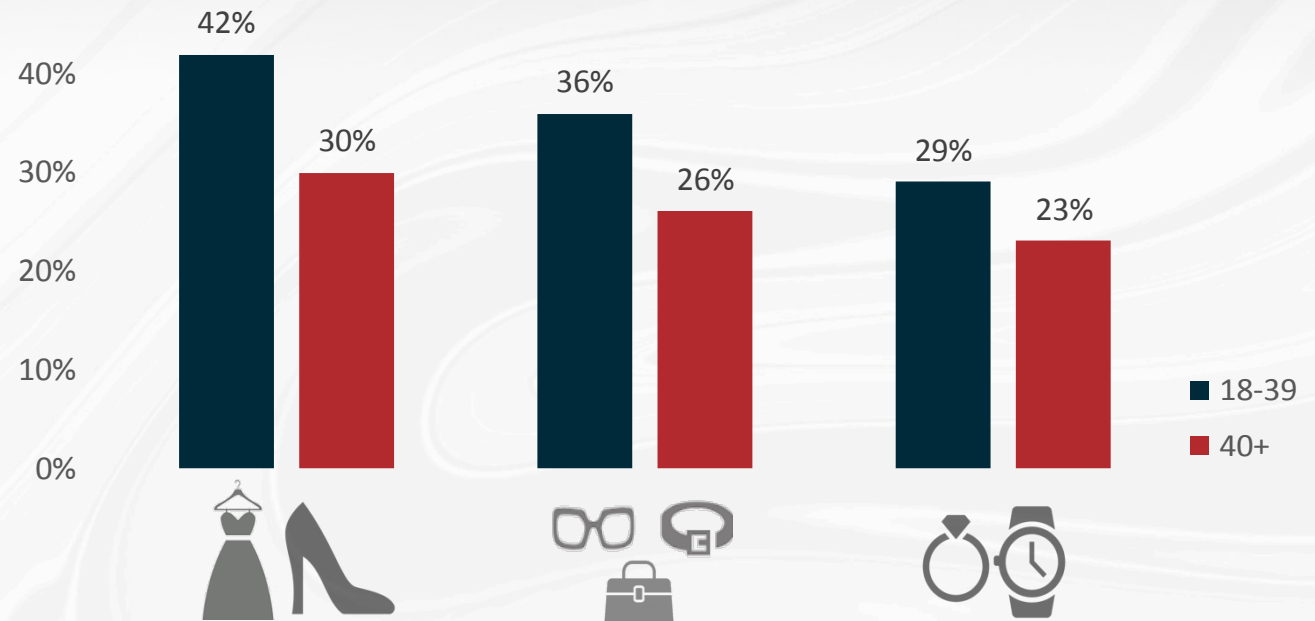


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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

# 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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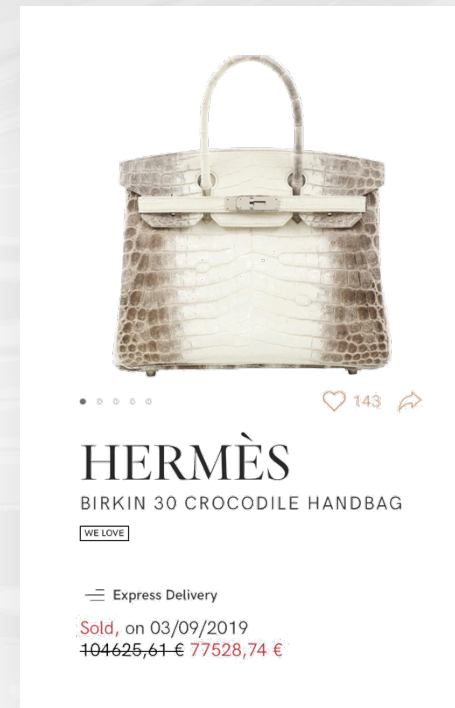
## Second-hand shaking off its stigma



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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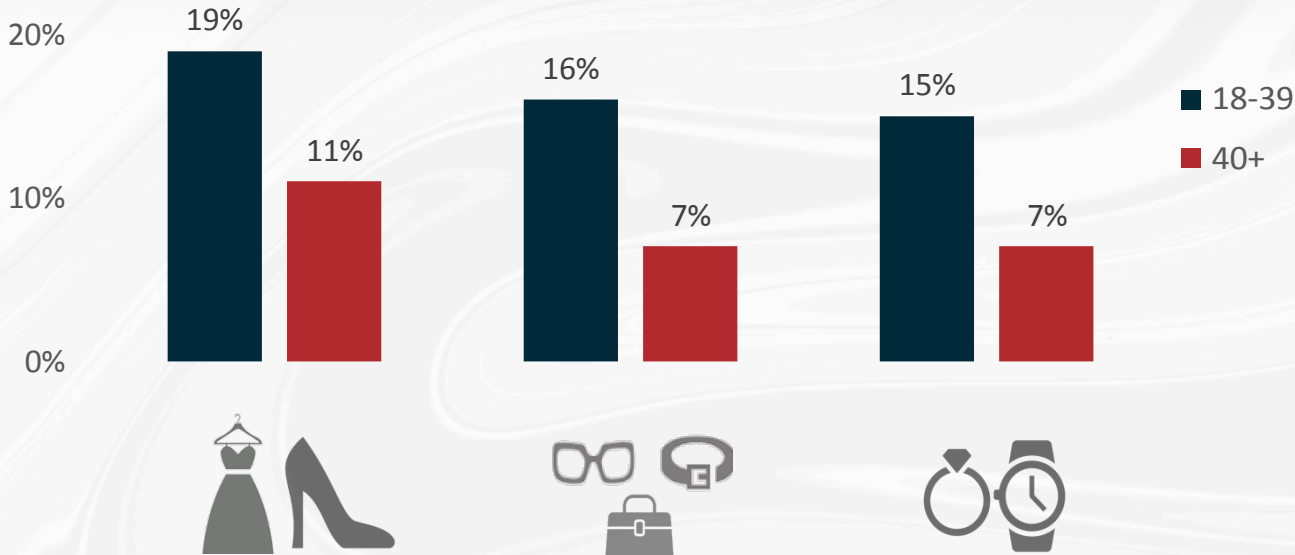


# Luxury Rentals

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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?”



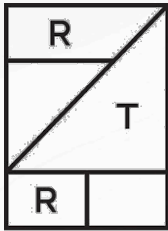
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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

# Luxury rental competition heats up



HURR  
COLLECTIVE



RENT THE RUNWAY

ARMARIUM

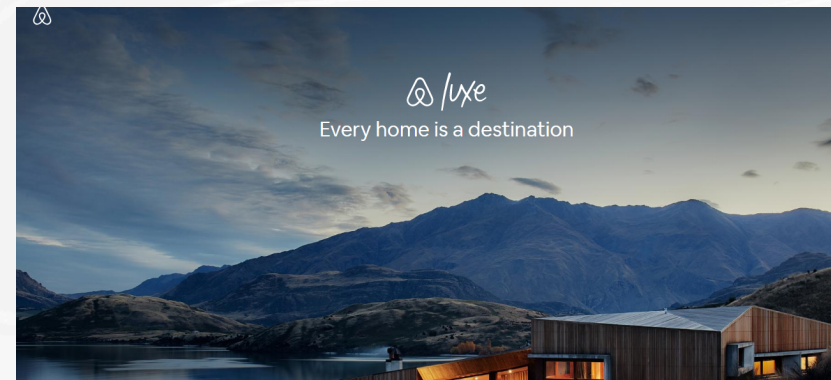
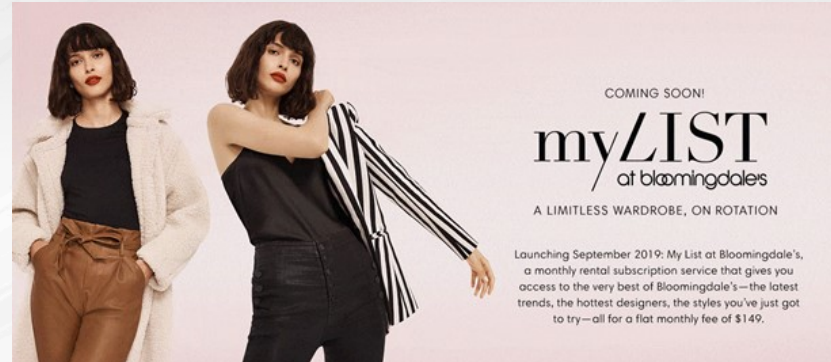
FRONT ROW

LE TOTE

MY WARDROBE HQ

BUY & BORROW

**R** BY ROTATION



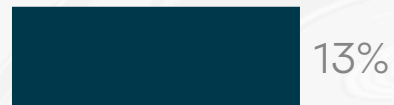
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# 'Wear once returns' open the door for rentals



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



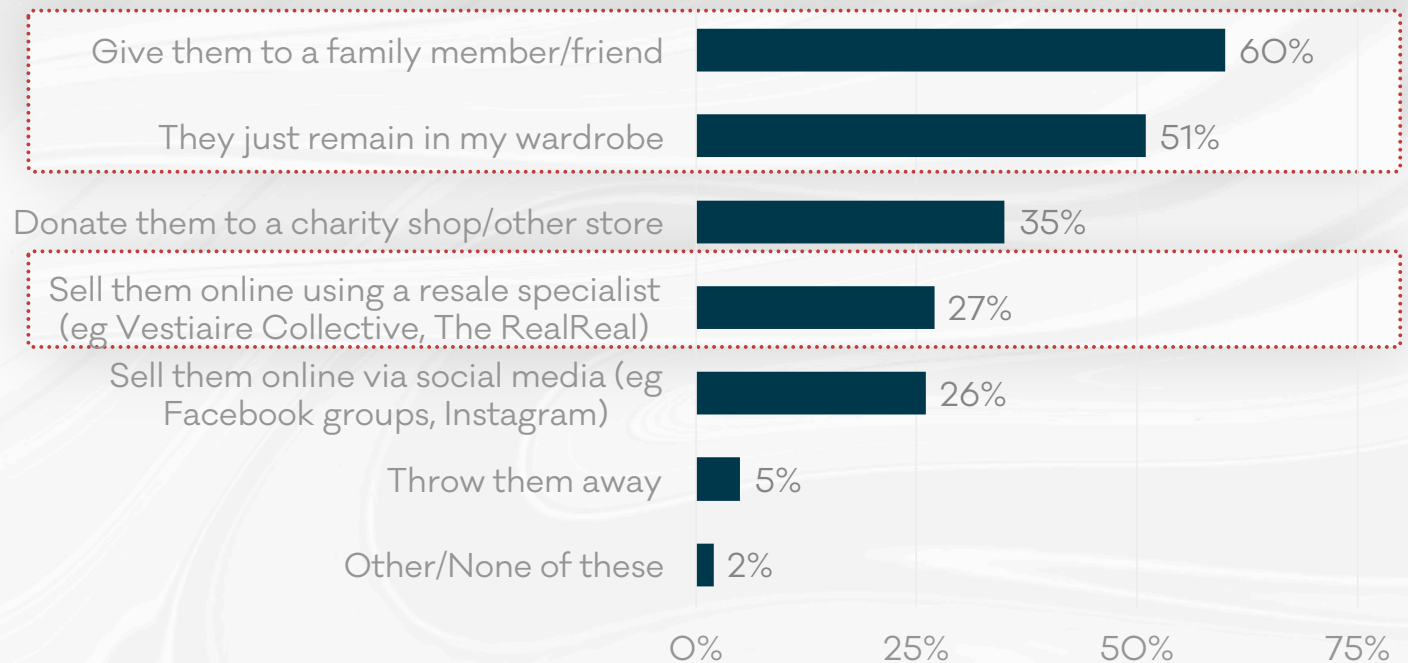
0% 10% 20% 30%

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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%

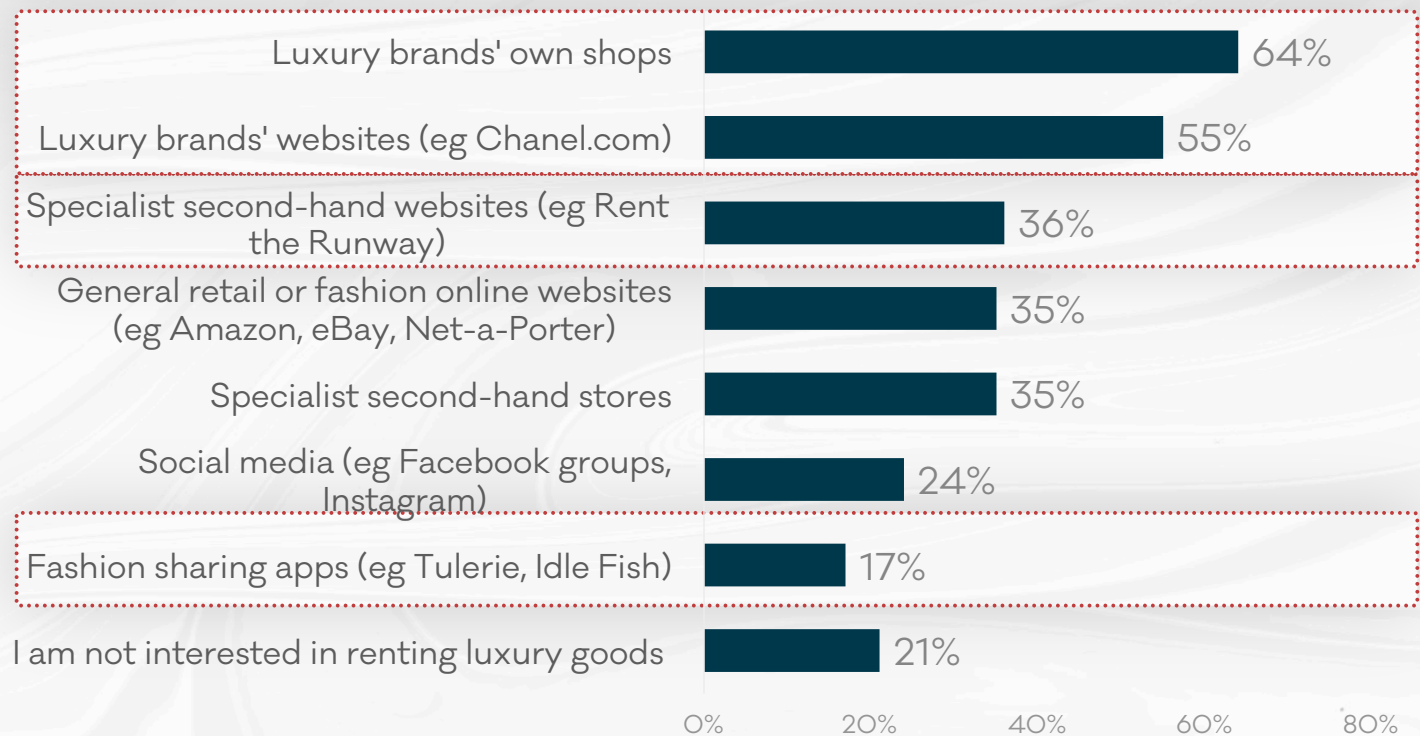
just leave used luxury clothes in their wardrobes

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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%**

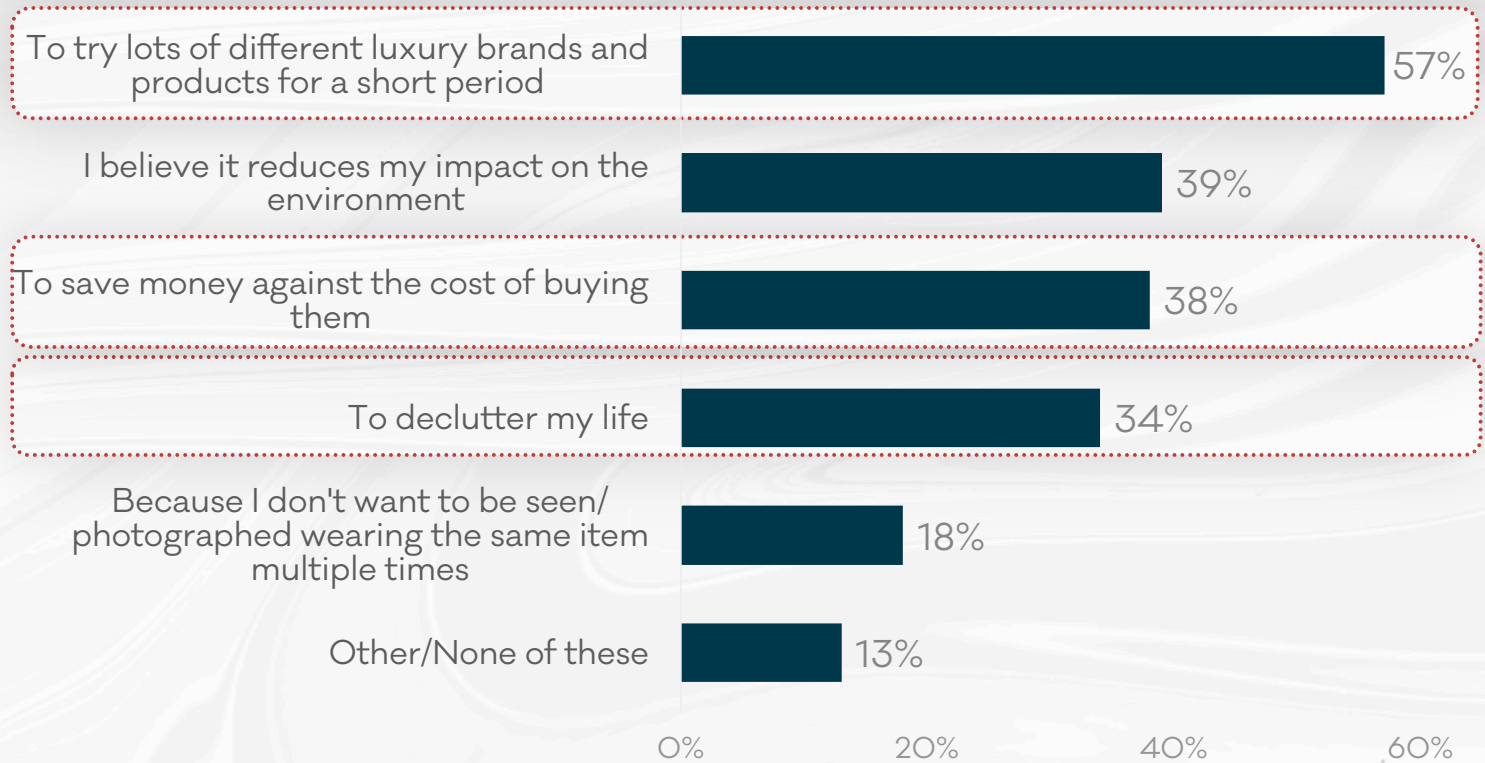
of luxury renters  
would rent rather than  
buy as they believe it  
reduces their  
environmental impact

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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.

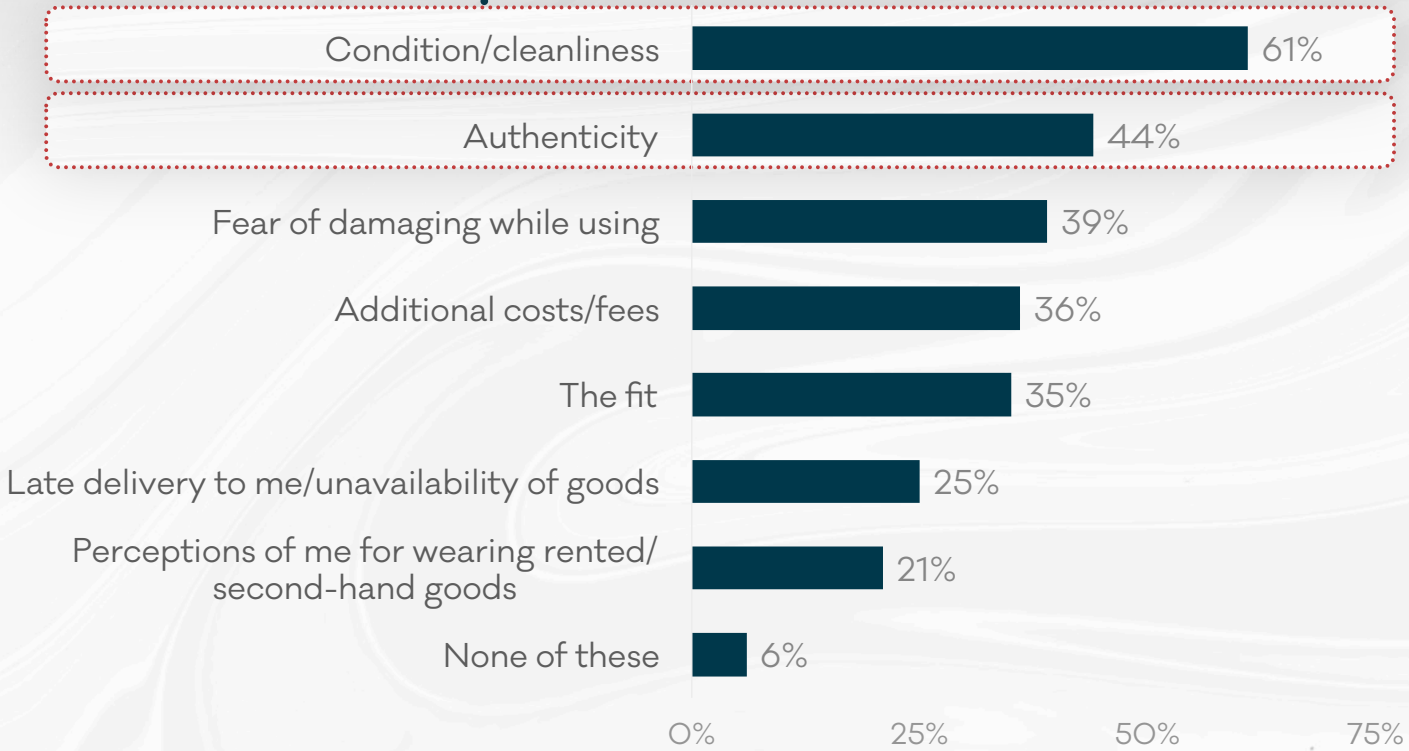


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Base: 318 US/UK/France affluent/HNWIs willing to rent luxury goods | Source: LuxuryOpinions®/Altiant

# 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?”



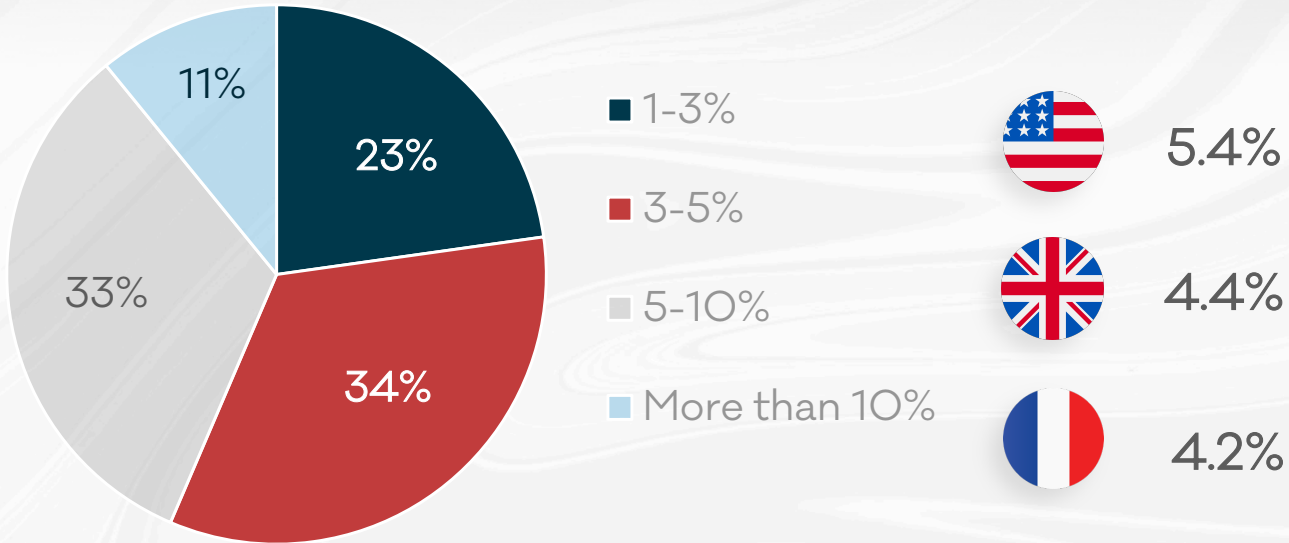
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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant



# 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 <b>but interested</b> in doing so	Do not currently part-own and <b>not interested</b> 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%		

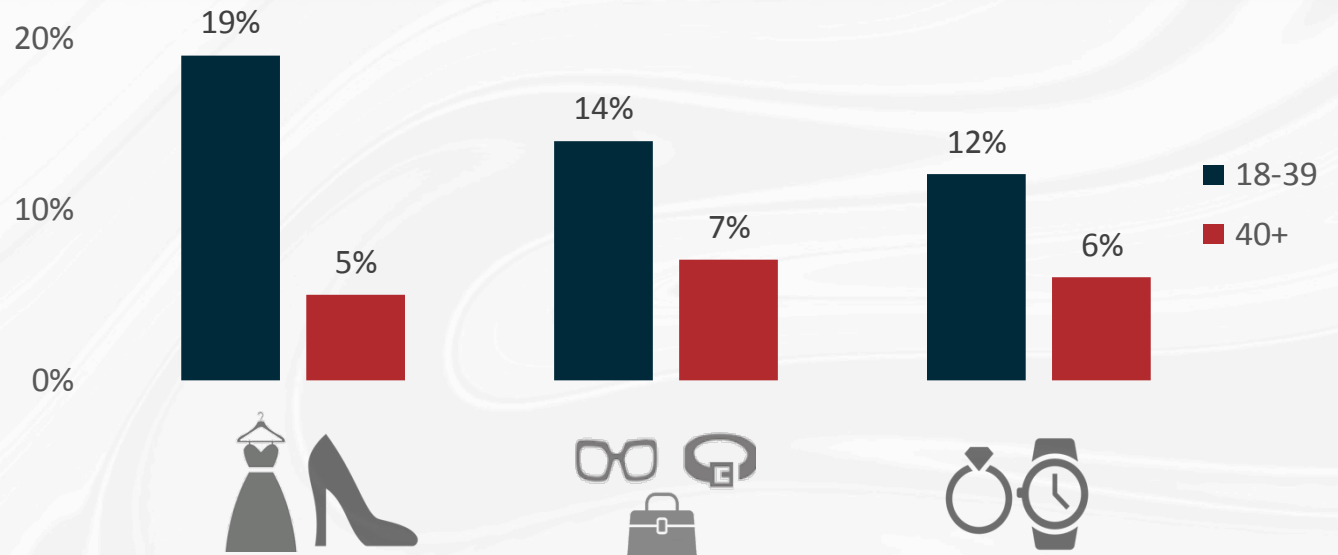
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Base: 484 US/UK/France affluent/HNWIs | Source: LuxuryOpinions®/Altiant

# 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

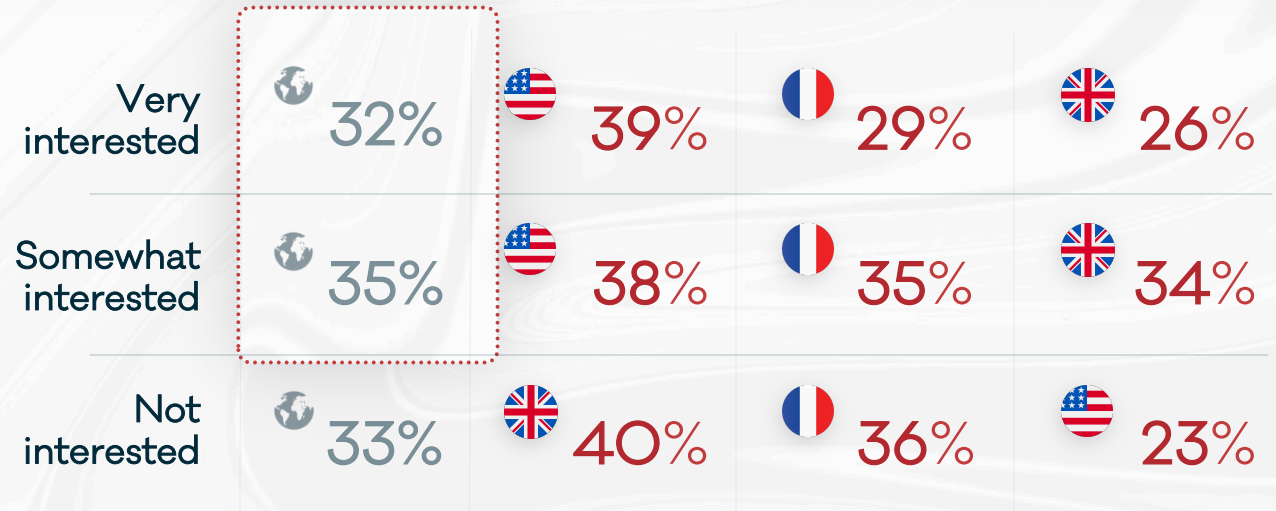
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# Americans most likely to be very interested in car rental programs

”  
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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## 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?

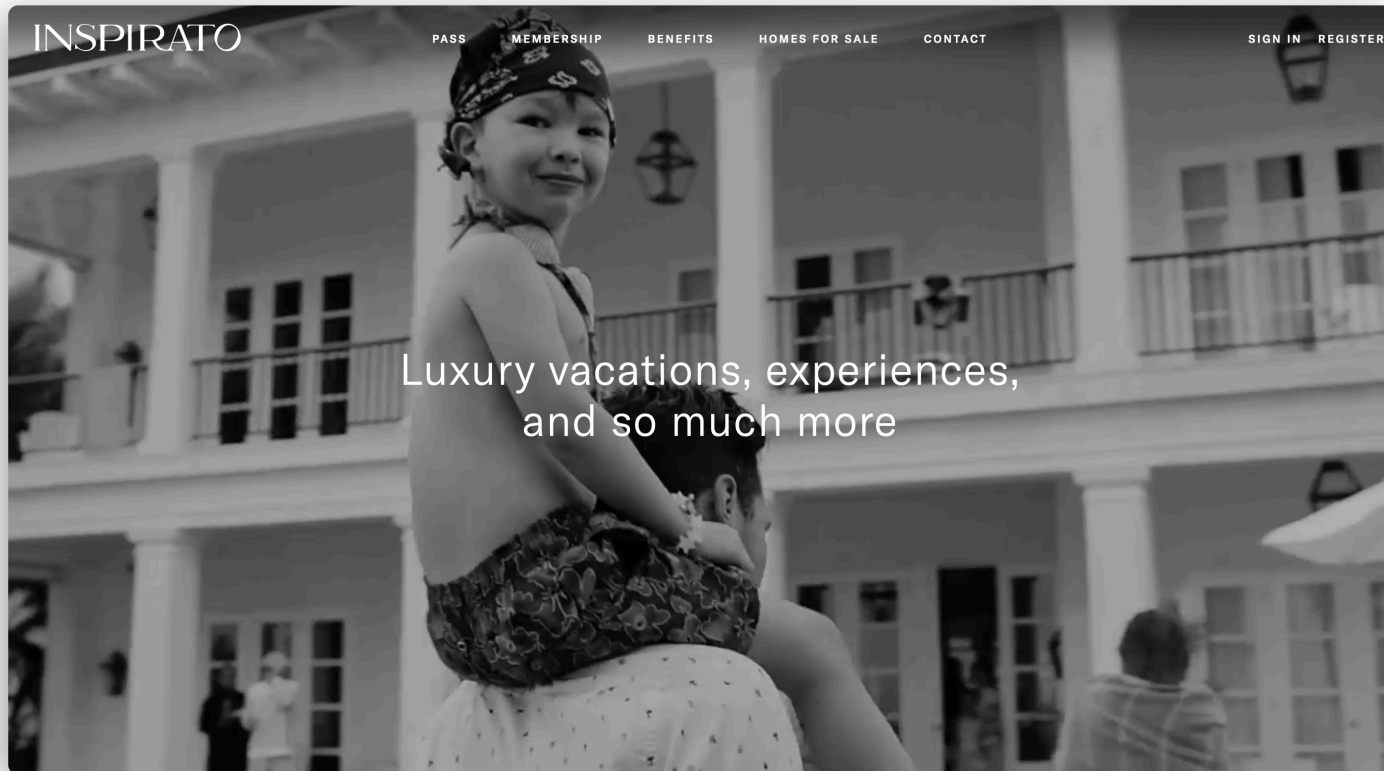
				
Up to \$2,500	29%	25%	27%	36%
\$2,501 – 5,000	23%	23%	27%	19%
\$5,001 – 7,500	11%	15%	10%	9%
\$7,501 – 10,000	7%	11%	6%	3%
More than \$10,000	4%	6%	2%	4%
Zero/Not interested	26%	20%	28%	29%

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# 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

Please contact us for full data set at

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