

COLUMNS

## Luxury's emerging identity crisis

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Ana Andjelic

By [Ana Andjelic](#)

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"I don't believe in this idea of luxury anymore," famously said J.W. Anderson, the latest It Boy of luxury fashion. "That weird notion of luxury for me is like shopping in an airport."

Mr. Anderson just vocalized what many in the industry are thinking, wondering about their role and place in the world of affluents in 2015 and beyond.

### Blurred online

Things have been increasingly blurry ever since ecommerce made its debut.

Reluctant to embrace this new sales channel, many luxury brands found that Net-a-Porter, Farfetch, and Yoox emerged to eat their lunch.

Uber, James Edition, Tesla and Apple followed. They offer convenience and seamlessness of service and the range and diversity of products unseen in the luxury market.

Consumers, spoiled by the speed and efficiency provided by startups, started to expect the same thing from the established luxury brands.

Luxury brands responded half-heartedly, at best.

Gucci unveiled a smartwatch. Four Seasons created an almighty mobile app. Christie's embraced online auctions. Chanel is gearing up for the launch of its first ecommerce site in 2016.

But do not confuse this foot-dragging for the lack of business savvy. Luxury brands are still simply doing too well to change.

The unfortunate side effect of this complacency and the lack of foresight is that, by being slow to act, they open their market to outsiders who are faster to innovate and respond to evolving consumers' standards.

Global luxury market still has undeniable profit margins and cultural capital.

In 2014, it was at \$929 billion, according to a Bain & Co. luxury goods worldwide marketing study.

To keep its economic and cultural relevance, luxury needs a new story reinterpreted for today's luxury consumer.

From conventional to timely

For a brand to be enduring and timeless is considered a core sine qua non of luxury. Too often, this tenet turns into a trap, making a luxury brand lose relevance with its consumers and with contemporary culture.

To stay timeless, today's luxury brands need to be timely, deeply rooted in the zeitgeist and cultural references of the moment. Think Hedi Slimane and Saint Laurent.

Mr. Slimane was quick to drop Yves from the brand name and to start churning collections that perfectly reflect the vibe of the here and now, with the result of making Saint Laurent Kering's highest-growing luxury brand, ahead of Gucci and Bottega Veneta.

From inaccessible to attainable

Luxury has never been more attainable, and it has never been easier to enjoy it. Blame Net-a-Porter, Uber, James Edition or Gilt Groupe.

"The consumer expectations are changing, everyone feels they have this right to luxury," says Jean-Noël Kapferer, co-author of *The Luxury Strategy*.

This mass interest in luxury helped the industry thrive in the period of economic downturn. It also shifted uniqueness, which has always been something that critically differentiated luxury, from possessions to experiences.

Smart luxury brands' strategies today shift codes of exclusivity into signifiers of personal quality of life, individual reward and exceptional lifestyle.

From communications to marketing

Luxury is increasingly becoming a business not just of design and craftsmanship, but of data generated by the growing number of omnichannel consumers who research in one channel and shop in another.

Contemporary luxury brands are at the intersection of business, products, services and experiences – and not just communication platforms.

Armed with data, experiential approach and omnichannel presence, luxury brands are in the position to confidently exert their cultural influence and create a powerful, overarching lifestyle narrative that inspires, entertains and informs.

#### From products to services

“We didn’t think before about the idea that buying an iPad to take pictures on was actually more important to somebody than buying a handbag,” observed Suzie Menkes, Vogue’s international fashion editor.

What Ms. Menkes astutely noted is the rise of hybrid luxury, where products, services and experiences merge. Think tech products, high-end kitchen appliances, luxury furniture, Whole Foods, luxe bicycles and the like.

But more than creating new categories of luxury, this hybrid MO gives rise to new partnerships provide ammunition for affluents’ lifestyle.

#### From status symbols to culture codes

Days are tough for logo-covered products.

The affluent now are going incognito, abandoning status symbols of old with indulgences as subtle, stripped-down and understated as they are pricey.

A true luxury today is about experiences that fill us with pleasure with our own life, spiritually, mentally and physically enrich us, and which are best enjoyed in private or with a few selected others.

Fitness regimen, healthy food and hard-to-get-to locations are the new ammunition to differentiate affluents’ lifestyle from that of everyone else.

*Ana Andjelic is senior vice president and global strategy director at [Havas LuxHub](#), New York. Reach her at [ana.andjelic@havasluxhub.com](mailto:ana.andjelic@havasluxhub.com).*