

COLUMNS

## What new luxury means to millennials

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Luxury does not mean what you think it means.

For the first time in centuries, the very definition of luxury has changed with the arrival of millennials, or Gen Y, as they are also known. They embody a mental shift that was first signaled by the frenzied progress of information-hungry Gen Xers, and will be amplified by a cohort of Gen Z consumers looking to find their own, unique place in the world.

Everything from consumption behavior to consumer empowerment has permanently altered the industry landscape, and brands are left asking themselves increasingly difficult questions.

How does this generation define luxury? What does a brand stand for as the current customer base ages and younger, affluent followers define luxury in less material terms?

I had the pleasure of exploring these same questions on a panel for Luxury Daily's Luxury Roundtable 2017: Engaging Gens X, Y & Z conference May 3 in New York.

The notion of luxury is no longer an immovable bastion. To **define new luxury for millennials**, as well as Gens X and Z, we have to look at the story that lies beneath it.

Access fallacy

Any discussion of new luxury must begin with the classic story of access.

Access, or lack thereof, has always been at the crux of what many older generations would define as luxury.

Individual work and begin to climb the social and professional ladders. As they do, they come into certain resources and begin to purchase increasingly more expensive luxury items, moving through the typical customer funnel.

The higher they go in class, the more luxury brands become integral to their lifestyle, and soon a virtuous cycle turns them into ideal luxury consumers across multiple categories.

Access has always been kept in short supply, and to achieve it, one must attain higher and higher levels of wealth.

In the old paradigm, consumers gained access through money, class and societal roles. There is no workaround and, short of winning the lottery, there are no shortcuts.

It is a very literal story that seems almost impossible to change.

However, millennials have not only changed that story, they have found a loophole.

Non-consumption of new luxury

A brief survey of new industries spurred by our generation reveals a telling pattern of non-consumption that has confounded purveyors of the old access story.

Instagram, Snapchat and the entire social media realm have given every single person, regardless of class or wealth, access to the experience of luxury.

No matter who you are or where you are, you can partake in the luxury-fueled lifestyles of celebrities and influencers every moment of every day.

This democratization of experience, albeit vicarious, is a powerful blow to the old access story.

Looking at the parallel explosion of the sharing economy, we see a similar phenomenon taking place with ownership.

Rent The Runway, Airbnb, Uber and Le Tote signal a clear move toward new consumption models that remove the need to outright buy luxury products and services.

Behind them, a swarm of new startups such as Silvercar and Curtsy look to bring the sharing economy to even more niche factions of young customers.

Even if we take a small slice of the service economy, the same pattern re-emerges.

The personal stylist industry for example, has been disrupted many times over in just the past few years.

My fellow millennials and I can now get personal styling through subscription boxes such as Stitch Fix and Trunk Club, algorithm-based Web app Finery that works through our closets, or Amazon's new Echo Look.

*Amazon's Echo Look: the new BFF?*

Everywhere you look, access has been broken down and redistributed.

When old barriers to luxury begin to crumble, we are left with a new reality: consumers no longer have to buy luxury to consume it.

Keep in mind this is happening before millennials even come into to their full wealth and buying power.

A non-consuming value system that normalizes the experience of luxury without the purchase is now hardwired in the minds of our generation.

The non-consumption of new luxury is just one of many **emerging luxury narratives** that are forming among post-boomer generations. Without the usual barriers before us, what is the new access story for millennials?

Brave new world

For a millennial consumer, access now means finding your tribe.

It means that instead of aspiring to a single, out-of-reach ideal, we look for brands and people that celebrate the many versions of ourselves.

Many of our once-external aspirational goalposts have now become internal signifiers.

The gig economy, reality stardom and digital activism all point to a generation that at once wants to fit in and stand out.

The notion of finding your tribe, coupled with millennials' capacity to live in a world where every norm is broken down and rebuilt, has given way to an industry that looks very different than it did even a decade ago.

We now see a heavy push toward customization in everything from marketing communications to product development.

Young consumers today follow the find-your-tribe access story straight to highly personalized, highly collaborative products and services that get them ever closer to a pure expression of self.

We live in an environment that nurtures tremendous fragmentation of brands, offerings, products and verticals.

If the old access story of luxury meant being told what to aspire to, the new story clearly says to define that aspiration for yourself and that means an infinite world of brands that reflect who we are.

Even something as simple as high-low fashion, where high luxury brands are coupled with affordable or premium names, points to the fact that old-access rules have become irrelevant.

Luxury exists on all levels, from discount, through premium and bespoke in the eye of the new consumer.

TRADITIONAL BRANDS brands need to look at their narratives and ask themselves which story they are telling.

A company is either propagating the old story of access which no longer rings true for millennials, or is creating a new world where the paradigm has shifted outward toward the consumer.

New luxury has a new meaning for brands that are willing to listen.

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