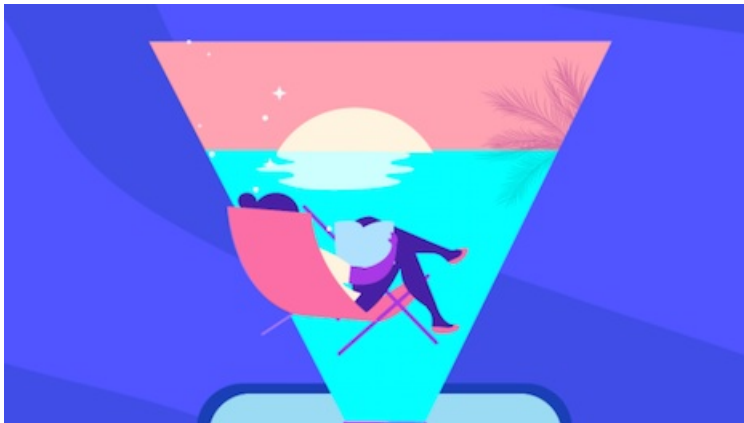


RETAIL

Affluent consumers want less branding, more personalization: Sabre

July 26, 2017



Luxury consumers are also more cognizant of their social and environmental impact. Image credit: Sabre

By DANNY PARISI

As luxury proliferates, consumer attitudes toward the industry are moving away from a product-focused view to using luxury as a means of expressing an identity.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

According to a new report from Sabre Hospitality Solutions, consumers of luxury are more likely to focus on luxury goods that are low-key and not as showy as opposed to logo-centric status symbols. This presents an opportunity for luxury brands to market to consumers as individuals with values and not just fans of the brand itself.

Luxury trends

As luxury goods have proliferated throughout society, thanks to outlet stores, discount online retailers and consignment, customers are beginning to get burned out on the logo-driven style of luxury goods.

Instead, many consumers are gravitating toward "no-frills" luxury, with minimal branding.

This shift is the crux of Sabre's new report, "The Future of Luxury." The report has identified five key trends in the luxury industry that may help predict where it will be in the next five or 10 years.

The first trend is self-actualization. Customers want their purchases to help them achieve an ideal self, and brands can work to create unique and innovative experiences not offered anywhere else to give those customers a sense of individuality.



Global wellness tourism revenues grew 14% between 2013 and 2015, twice as fast as overall tourism. It's predicted that the category will grow another 37.5%, to USD 808 billion, by 2020.

GLOBAL WELLNESS INSTITUTE, NOVEMBER 2016

Global wellness tourism. Image credit: Sabre

The second trend is no-frills chic, or customers' desire to purchase luxury goods and experiences that are less brand-focused and showy and more focused on the individual.

Sabre notes that this provides a sort of blank canvas for customers to express themselves upon, rather than be stuck with the message of the brand.

Third, consumers want ethical luxury. Consumers are now aware of their actions and how they affect the world at large in more acute ways, and they want their luxury purchases to reflect that awareness and desire to have a positive effect on the world.

Customers now desire purchases that make them feel that they have given back to the world in some way, whether through charitable donations or buying ethically sourced materials, for example.

The final two trends are related: on-demand luxury and personalized luxury.

Consumers are used to the digital world in which they can have whatever they want now and they can have it personalized just for them.

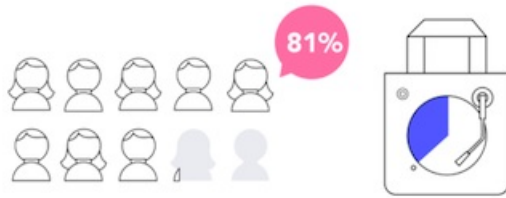
Personalized self

Brands that have followed these trends are already seeing the benefits.

LVMH-owned beauty retailer Sephora introduced a host of new features to its online store focused on personalizing the purchasing process for individual customers.

Some of the new features include individual recommendations based on previous purchases and a personalized welcome when past users visit the online store again. Sephora is banking on the growing trend toward smarter online shopping experiences to help drive up ecommerce sales.

As a result, Sephora saw six times more engagement than without personalization ([see story](#)).



81% of millennials said it was important that the logo on their handbag is subtle. One third of all handbag sales over a 12-month period (up to June 2016) were of handbags that hid logos or had none at all.

THE NPD GROUP, OCTOBER 2016

Thoughts on branding. Image credit: Sabre

Similarly, Italian fashion label Dolce & Gabbana is placing emphasis on its footwear category with the opening of a dedicated sneaker boutique in Milan.

Located at Via Della Spiga 1, Dolce & Gabbana's sneaker boutique will sell a collection of the brand's colorful, graffiti- and patch-adorned tennis shoes that customers can customize themselves in-store. With luxury's continuous shift toward casual dress, high-end sneakers are an ideal way for brands to leverage creativity with craftsmanship ([see story](#)).

As more brands begin to latch onto these trends, the luxury landscape will continue to shift. Other brands and retailers should take note of the direction of the wind so as not to be left behind other brands.

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.