

MARKETING

Luxury market looking up in 2018, say industry execs

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Luxury's outlook for 2018 looks bright, according to panelists. Image credit: Aspire Lifestyles

By SARAH JONES

NEW YORK Despite a level of uncertainty surrounding the luxury business this year, executives are predicting a positive outlook for the next six months.

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During a panel discussion hosted by the Luxury Marketing Council on June 19, representatives from various fields shared their takes on the temperature of 2018's luxury market. Even though the luxury market is facing challenges such as pressure from digital retail and more competition from premium players, the business is projected to see significant growth ([see story](#)).

"In the past I used to have my crystal ball in January and I would say, I think as a result of last year and what's going on in the stock market and Washington and everywhere, we know," said Faith Consolo, the chairman of [Douglas Elliman](#)'s retail leasing, marketing and sales division.

"But this crystal ball is very cloudy because there's so much uncertainty in general and for us in retail there has been such a shift," she said.

Trending topics

One of the key themes in luxury today is experiences.

Lori Byrne, senior vice president of sales and marketing for concierge firm [Aspire Lifestyles](#), said her company looks to make every interaction end consumers have with her brand clients a relationship-building experience. For instance, Aspire might learn a guest's birthday and later organize a surprise in their room on that date for a client hotel.

For [MarieBelle](#) chocolates, experience means bringing clients into its boutique to better immerse them in the brand through tastings or in-store events. The chocolatier's global corporate sales manager Jennifer Laddy additionally sees social media as a driver of future growth.



MarieBelle's SoHo store. Image credit: MarieBelle

In an increasingly digital world, it is also important to have a personal, human touch.

Mary Theresa Sciandra, who founded men's clothier **Regal Threads**, works with busy clients who desire a one-on-one experience they cannot get at a department store. In the more personal consultation, she can guide them on what fabrics or cuts will suit their lifestyles.

Eleonora Paulsen, president of **Gruppo Italia**, also looks for ways to add bespoke touches to her real estate projects. For instance, one developer used their signature as a logo in cabinetry, allowing for a unique touch in the eventual owners' homes.

In addition, Gruppo Italia is branching out into lower tiers of luxury, catering to a wider audience than what Ms. Paulsen referred to as the 2 percent.

The **Luxury Marketing Council**'s CEO Chris Olshan, who moderated the panel, noted that even though consumers come armed with more information, sales associates need to be empowered to offer suggestions. Knowing about brands, for instance, does not equate to the consumer knowing what is right for them.



Panelists, from left: Regal Thread's Mary Theresa Sciandra, MarieBelle's Jennifer Laddy, Aspire Lifestyle's Lori Byrne, Luxury Marketing Council's Chris Olshan, Douglas Elliman's Faith Consolo, Elaine Papas, Gruppo Italia's Eleonora Paulsen and Sub-Zero Group's Jeff Moore. Image courtesy of the Luxury Marketing Council

A number of panelists agreed that it is taking longer for deals to close. Attorney **Elaine Papas** noted that clients are smarter, and small details in a contract such as a lease can be agonized over by both parties.

Douglas Elliman's Ms. Consolo sees clients being faced with too much choice. In the retail environment, less brands are expanding, leading to a buyer's market for commercial real estate and indecisiveness.

Reflecting what many of her fellow panelists said about the need for a personal touch, Ms. Consolo equated luxury to access.

At the end of the day, service is everything. **Sub-Zero Group** East president Jeff Moore said that luxury is about pleasing the end user.

Personal touch

The human element is going to be the top differentiator among luxury brands going forward, according to the CEO of Luxury Institute at Luxury Interactive Europe 2015.

As consumers increasingly experience the world through screens, they will come to crave the now-rare human

connection. Here is where luxury brands can help themselves stand apart by outperforming their peers at relationship building and delivering a worthwhile personal touch ([see story](#)).

Marketing is poised for a conversational evolution, forcing brands to boost their capabilities at interacting directly with consumers.

A Forrester analyst speaking at the researcher's Consumer Marketing Forum on April 5 noted that just as mobile transformed marketing, conversational tactics are set to disrupt the brand-consumer relationship in the near future. While brands already employ tactics such as chat and social media, the level of sophistication and consistency of one-to-one interactions is set to grow ([see story](#)).

"Our world is very fast forward and what I'm seeing from my high-end clients, luxury is about a personal touch," Ms. Papas said. "It's wanting to feel special, heard."

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