

COLUMNS

Does luxury's response to digital create meaningful connections?

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After a few years in the doldrums, luxury has returned to growth.

The personal luxury goods market grew globally by 5 percent in 2017. One of the key reasons for this is that luxury brands have successfully innovated.

Tech know

For many years, luxury seemed hopelessly analog in a digital world.

Now, brands have embraced new technologies, from using augmented reality (AR) and virtual reality (VR) in-store, to becoming social media savvy, to embracing online platforms such as Net-A-Porter and Farfetch, to reinventing old analog technologies as in the rise of luxury Swiss smartwatches.

The result is increased relevance to Generations Y and Z, who indeed have been driving sales.

However, this has led to the belief that "the only way for luxury brands to succeed today is to embrace digital technologies" becoming orthodoxy.

Whilst it may be true that all brands have to incorporate new technologies to an extent, it does not follow that they need to be uncritical techno-worshippers.

Indeed, such an approach could even work against the goal of creating long-term, meaningful connections with consumers.

Luxury typically connects consumers to the timeless and sublime.

Digital technologies, on the other hand, are characterized by ephemerality and faddishness.

Brands, therefore, risk undermining their credentials as authentic luxury.

Instead of jumping on the bandwagon of technological trends, many brands would be better served by being a counterpoint to them.

Means and meaning

Digital technologies are an ambivalent presence in consumers' lives.

On the one hand, they have created a new culture of personal choice, mobility and convenience.

The smartphone, to offer only the most obvious example, allows consumers to instantly complete a range of activities that previous generations would have found mindboggling.

On the other hand, the digital age is beset by a profound crisis of meaning. It is a crisis that manifests itself in diverse ways, from the mental health crisis amongst always-on millennials, to culture wars, to the widespread embracing of political options that previous generations would have found unpalatable.

Across global culture, we see a desire to seek meaning beyond technology. This represents a powerful opportunity for luxury.

More than mass or premium, luxury can offer products and experiences that meet consumer desires to transcend problematic everyday realities, and to experience the sublime.

The core opportunity for luxury is in wellbeing.

Sleep on it

Wellbeing has now become particularly scarce. While 54 percent of Americans state their stress level is usually high, fully 48 percent feel their stress has further increased over the past five years.

Technology is a key driver of this. It has made time scarce.

Material success used to be associated with the possession of time.

The aristocratic lifestyle was associated with having time to indulge. However, now, the opposite is true.

Material success is frequently associated with sacrificing time.

For example, entrepreneurs such as Amazon's Jeff Bezos and Apple's Tim Cook boast of how little sleep they get by on.

Digital technology is a chief driver of the scarcity of time, since technologies such as smartphones and computers have created an always-on culture in which work can be conducted in any time and place.

In response to these threats to wellbeing, savvy brands are promising escape from the mundane, the potential for self-discovery, and a sense of the timeless.

For example, Livingston Manor Fly Fishing club offers luxury fishing trips that centre on community, reconnection with nature and enjoying peace and tranquillity.

In China, Buddhism-inspired luxury hotels, spas and teahouses promise busy urbanites opportunities to re-center and reconnect.

Burning desire

Technology has also created a tedious, shallow world.

Two-thirds of millennials report being "bored with life." It was not supposed to be this way.

The promise of digital technologies was to keep us constantly entertained through making a dizzying array of distraction accessible whenever we want.

Yet this seems to have inculcated a perpetual restlessness, in which we flit mindlessly from distraction to distraction, none feeling particularly fulfilling. It is world of quantity rather than quality.

This malaise provides an opportunity for luxury, especially as luxury experiences promise self-discovery through responsible hedonism.

The Burning Man festival beloved of Silicon Valley, with its emphasis on carnival, sexual exploration, wellbeing and community, is a key example.

Rich American consumers are traveling to South America for Ayahuasca retreats. Such retreats promise mind-altering experiences and the chance to explore new facets of the self.

LUXURY BRANDS SHOULD not assume that they need to embrace new technology trends.

Instead, they should start from the premise that true luxury is always about the timeless and rarefied.

In the digital age, what is timeless and rarefied is often the non-digital and, in particular, those experiences that allow consumers to reconnect with nature, with others and with themselves.

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