

SOFTWARE AND TECHNOLOGY

## Luxury brands are tech companies: Wired editor

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*BMW is among the luxury brands disrupting their own industry through tech. Image credit: BMW*

By SARAH RAMIREZ

CAPE TOWN, South Africa Luxury brands need to embrace their roles as technology companies to keep up with disruptors and thrive in a changing world.

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During a talk at the Cond Nast International Luxury Conference on April 10, the editor of *Wired UK* spoke about the impact technology will continue to have on the luxury industry. Luxury brands have experienced changes in developmental and operational strategies due to technological advances.

"We now live in this highly interdisciplinary world where machine learning, biology, robotics, manufacturing and other accelerating technologies are coming together in exciting consumer and industrial application," said Greg Williams, editor in chief at *Wired UK*, London. "This impacts every industry, whether you're in financial services, transportation, government or the luxury industry.

"Much of what luxury companies do already involves technology, whether that's design, manufacturing, marketing, logistics," he said. "We're all now in the tech business.

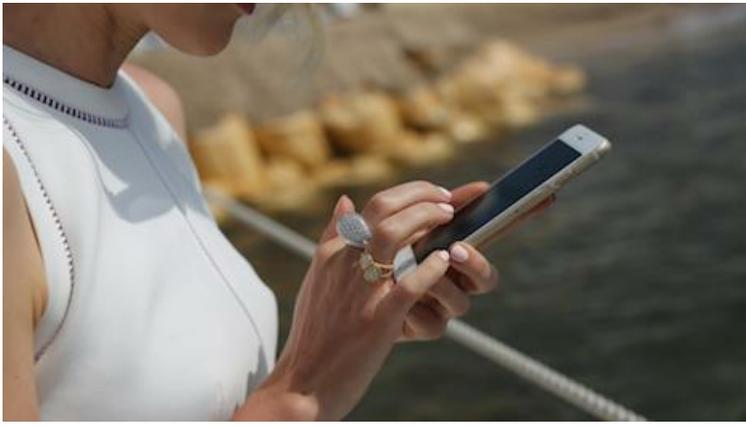
"These technologies are a threat but also an enormous opportunity for all of us."

### Tech tactics

Whether luxury brands accept it or not, they are being judged by their peer disruptor brands, according to Mr. Williams.

In recent years, consumers have grown to embrace direct-to-consumer brands and sharing platforms.

The global sharing economy and improvement in technology have made it easier for startups to get off the ground, since fledgling organizations do not need as much infrastructure or office space as in the past.



*Mobile technology is the key to reaching new consumers. Image credit: Boucheron*

With the widespread adoption of smartphones leveling the playing field among consumers, companies that push "mobile first" strategies are most likely to succeed.

Strategic applications of technology can also help luxury brands improve customer experiences, product and service offerings and transparency.

"Luxury industries have the opportunity to bridge this truth gap," Mr. Williams said. "There's a competitive advantage to be gained by sharing transparent, authentic and compelling stories."

In their own ways, luxury brands can also disrupt industries.

For instance, British jeweler De Beers is among the luxury companies already piloting blockchain tools, and the company plans to launch a diamond traceability platform.

Through Tracr, De Beers will be able to track diamonds from the mine to the retailer. Each jewel receives a unique Global Diamond ID that notes its carat, clarity and color ([see story](#)).



*De Beers focuses on blockchain innovation. Image credit: De Beers*

Mr. Williams also noted that German automaker BMW is moving beyond its core business and evolving into a mobility provider.

BMW Group is partnering with Daimler AG to launch a new joint venture emphasizing mobility in an era during which younger, more urban affluents have evolving feelings about car ownership.

"Your Now" is the new initiative that encompasses several urban mobility companies, focusing on ride-sharing, vehicle charging and parking. Through new vehicle offerings and subscriptions services, luxury automakers have been working to reach city-dwelling affluents who have moved away from car ownership in favor of ride-sharing services and other alternatives ([see story](#)).

Emerging markets

Mr. Williams also spoke at length about how mobile technology is impacting the future of the African continent.

Africa is the world's most rapidly urbanizing continent, and several nations have among the fastest-growing populations of Internet users. More companies, luxury brands and startups alike, are starting to see the opportunity in Africa.

As the BRIC nations have become increasingly developed, Sub-Saharan Africa has emerged as the "next big thing," according to a report by A.T. Kearney.

Research suggests that the countries within the Sub-Saharan region of Africa will likely grow in potential over the next decades due to a young, fast-growing and connected middle class, many of whom are still discovering their next favorite brands. A.T. Kearney's "Retail in Africa: Still the Next Big Thing" report, part of the "2015 African Retail Development Index," looked closely at these consumers and the economies of their home countries to determine the opportunity for retail marketers as a shopping culture emerges ([see story](#)).

"Technology has penetrated Europe, North America and Asia," *Wired's* Mr. Williams said. "Africa is where the real growth is going to happen in the coming years."

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