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Luxury 2030: The rise of the personal luxury experiences

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Luxury consumers will only get more demanding in the future, and the key to attracting a new generation of buyers will be greater personalization. Image credit: Shutterstock

By A LUXURY DAILY COLUMNIST

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In the first three parts of this [series](#), we discussed the major changes the luxury market will see over the next decade. It is important to note that luxury's main principles will not change, but the rise of [Generation Z](#) as the most important customer group along with rapidly changing consumer preferences towards individuality will make the expression of luxury look very different in the future.

In 2020, the consumer's perspective is often left out when brands create luxury experiences.

Decisions on which experience to offer are often made in the boardroom without real consumer insights. As a result, many brands make assumptions about what consumers want instead of *knowing* what they want.

Very few brands are excellent in putting the consumer's needs at the center of their actions. "Consumer-centric" is still very much a buzzword, and a decade from now, brands that do not provide a relevant luxury experience for customers simply will not survive.

I often hear that what sets luxury brands apart is the personal experience consumers have in the store, assuming it is a fashion or lifestyle brand, a hotel or restaurant, or a car dealership.

When I audit those brand experiences and benchmark them against their competitors in the same space, there is often a recurring pattern: the experiences hardly differ at all.

One space may be a bit nicer than another or the architecture may be more spectacular, but that is not enough to create an authentic, relevant, unique or memorable luxury experience.

For this to happen, brands need to start gathering data long before they come up with experiences.

To be distinct means creating experiences that are perceivably different from those that other [luxury brands](#) create, and this starts by defining the brand.

If a brand story is not clear, sharply defined and highly different in its positioning elements, then turning the brand expression into an experience will never work. It also will not feel authentic because authenticity requires a strong connection to a brand's purpose and values.

Not enough clarity or definition in brand equity and **brand storytelling** is a major shortcoming for most luxury brands.

The other issue is creating memorable experiences.

When I think about the times that brands have created a memorable experience for me, they are few and far between yes, even in the luxury industry.

When scrutinizing an array of stores belonging to leading luxury fashion and leather goods brands, its stores reminded me more of a department store than a refined, high-class, luxury experience. Not once was I offered something that made my shopping experience feel special and, in all cases, interactions with store staff felt rushed.

None of the experiences were convincing, memorable in a positive way, or created any sort of brand equity. It was quite the opposite: I would never return to most of those brand stores if I had been on a real-world shopping experience.

The same happened during my recent audits of luxury sports car brands in Asia.

In one case, the experience of visiting one of the most admired European luxury car brands in the world was so negative due to the arrogant behavior of a sales person, I left the dealership in a state of shock.

Meanwhile, during a recent stay at a luxury hotel, I had an important question that needed clarifying before I arrived but was not able to get a hold of any on staff for hours.

In the end, the hotel made a typical error for a luxury brand by forcing a guest to move from one place (check-in) to another (concierge) because the staff could not perform certain duties.

From a customer perspective, this creates burden and frustration instead of a luxurious experience.

This is the unfortunate reality for many luxury brands in 2020, as their experiences are still too transactional, too beholden to industry standards, and not nearly personal or memorable enough.

This will not be acceptable by 2030 because the youngest generation has higher expectations than any before it, and young **millennials** and **Gen-Zers** will force brands to think, act and behave very differently.

In China, where luxury consumers are now, on average, about 15 to 20 years **younger** than they are in Europe and the United States, this effect can already be seen.

Many Western brands are already seeing that what is accepted in other parts of the world is not sufficient for young, highly-demanding Chinese customers, and a large number of brands are struggling in China because they cannot create brand equity and loyalty over time.

Yet, what they are seeing in China now is just a preview of what they will experience everywhere else in the world in the future after today's youngest consumers assume control of the market.

One important aspect of **Gen-Zers** is that luxury, in both expression and expectation, is a much more personal and unique affair for them than it was for previous generations.

Hyper-competition will be a big driver of this market. The number of brands in every segment will double, or even triple, and more and better Asia-born luxury brands will emerge to focus on more specific aspects of luxury than we find with today's brands.

Altogether, there will be much more for consumers to choose from, which will lead to even more individual expressions of luxury. The principles of luxury will remain, but the expressions and expectations will multiply.

What will brands have to do?

Closeness to consumers will become much more critical. Digital is a huge enabler for luxury brands and, in the future, they must have a digital infrastructure with sophisticated CRM systems and advanced data querying technologies.

Most importantly, their data needs to be readily available for decision-makers on every level.

If someone checks in to a hotel, for instance, the front desk staff should know the guest's preferences beforehand, and they should have a relevant, tailored experience strategy prepared for them when they arrive.

If a guest has a day packed full of meetings, the hotel should offer an evening of a workout with a personal trainer followed by a light meal to help create a "luxury" experience.

For a vacationing guest, they should offer luxury in the form of memorable local experiences.

EACH PERSON and situation is different.

The future of luxury will be about creating experiences that consider those differences in a memorable, shareable and consumer-centric way.

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