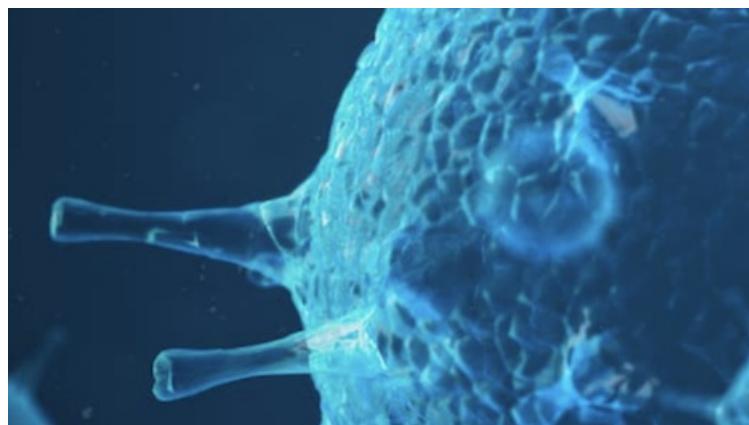


MARKETING

Has the definition of luxury changed since the pandemic?

June 10, 2020



The COVID-19 lockdown is changing how people view luxury. Image credit: NPD Group

By DIANNA DILWORTH

Spending time at home to avoid the risk of serious illness or death in the age of COVID-19 likely has shifted consumers' values and their time and monetary priorities.

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Which begs the question: Has the definition of luxury changed in this pandemic era?

"As far as the basic requirements of quality and craftsmanship, design and great service delivered with emotional intelligence, we believe this has remained steadfast," said Milton Pedraza, CEO of [the Luxury Institute](#), New York.

"However, people's priorities have changed as they face the fragility of life and the importance of health for all human beings, not just themselves," he said.

"Contributing to good causes is very important right now. Their spending is currently about acquiring necessities, and just a few light splurges, while supporting local businesses."



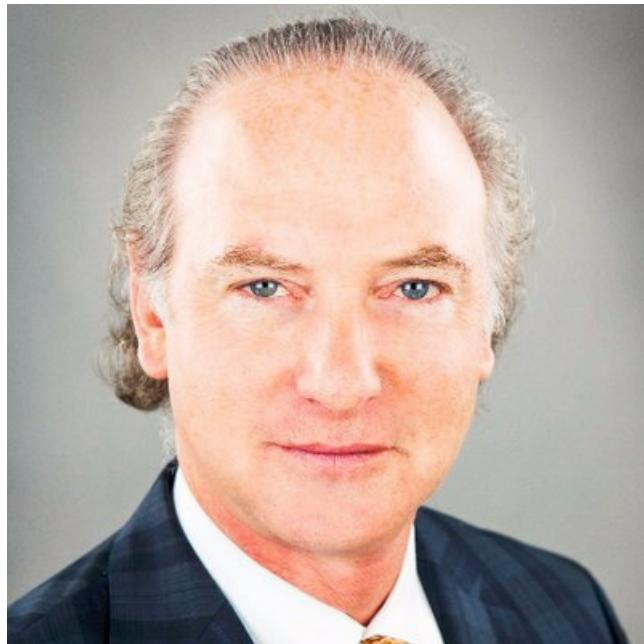
Milton Pedraza is founder/CEO of the Luxury Institute

Practicality is the new luxury

During the lockdown, categories such as apparel and accessories and travel were hard hit, as consumers instead spent on basic necessities.

"Home goods, food, wine and spirits, technology and other shelter-in-place products and services are at the top of the list, while travel and other experiential luxuries remain only on the wish list for the post-pandemic world," Mr. Pedraza said.

Simplicity and practicality will continue to be on consumers' minds as unemployment remains high and the economy uncertain, even among the affluent.



Marshal Cohen is chief industry advisor for retail at NPD Group

"Luxury now will have a greater focus on practical luxury: products to make our lives better and the willingness to spend more on better products," said Marshal Cohen, chief industry advisor for retail at **NPD Group**, New York.

"Luxury has expanded to be well beyond the obvious," he said. "Luxury now extends into the kitchen. Luxury extends into the time we spend and how we spend it. Luxury now is in the home, like home fitness equipment and home entertainment."

When consumers do spend on goods that can be consumed beyond the home, they will put a lot of thought into those special purchases.

"Brands became more powerful and meaningful," Mr. Cohen said. "Luxury is also a little harder to come by with stores shuttered, and as we all know, absence makes the heart grow fonder."



Martin Shanker is founder/president of Shanker Inc.

Luxury experiences

Travel and experiences will definitely be reshaped in a post-pandemic world. Personal space, cleanliness and hygiene will now be considered a luxury.

Additionally, consumers are returning to basic experiences for the first time, which will make them appreciate the

little things.

"Luxury experience has a different variable," said Martin Shanker, founder/president of [Shanker Inc.](#), New York. "Scarcity can be a variable particularly when it comes to luxury experiences. Customers living through a pandemic and sheltering-in-place might consider a walk on the beach to be a luxury experience today when in the past they would accept nothing less than a five-star resort."

"The definition of luxury does not change, yet how customers perceive luxury products and experiences is dynamic and highly influenced by the customers' unique experience," he said.

"Although the definition of luxury is not changing, customers are continually changing. I can say with confidence, sales professionals post-pandemic will need to change if they are to understand their customers' dreams, not just product preferences."



Pam Danziger is president of Unity Marketing

Luxe outlook

Even as stores begin to reopen and consumers return to workplaces, the world is still a fragile place.

Luxury stores in cities across the United States remain boarded up after being looted. Many of these boards have been painted over by people in the community with messages of anti-racism and hope.

What will emerge remains to be seen, but luxury marketers have taken a stand in support of racial justice.

"I don't believe the definition of luxury has changed," said Pamela Danziger, president of [Unity Marketing](#), Stephens, PA. "However, how consumers interpret the value of luxury in their lives has been challenged by the pandemic, as well as by increasing cultural tensions in Hong Kong, France and now in the U.S."

"How this ultimate reset in luxury's value will play out in the long term is still undetermined," she said, "but I expect it to demand a reset for the luxury industry as a result."

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