

MARKETING

Brands must tap into adaptability, perseverance to successfully transform

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Businesses must adapt or they will get left behind. Image credit: Bain & Company

By NORA HOWE

Businesses across all sectors are encouraged to remain flexible and conscious in the current climate as effects of the global pandemic continue to shift consumer values.

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In *Positive Luxury*'s newest installment of its Power Series on Nov. 19, industry leaders discuss what this year has taught them about business survival and that adaptability is more crucial than ever before. According to the panelists, businesses will get left behind if they do not acknowledge the present circumstance.

"In moments of darkness, I learned that hoping for something different was always going to set me up for failure and disappointment," said Mina Guli, founder of grassroots organization *Thirst* and world-renowned adventurer, athlete and water advocate.

Adjusting to the new normal

There are three transformations of change that have accelerated momentum due to the global pandemic, according to Matteo Capellini, associate partner at *Bain & Company*.

"Over the course of just a few months, we have fast forwarded five years when it comes to digital transformation, sustainability and methods of working," Mr. Capellini said. "The speed at which businesses and consumers adapt is more crucial than ever."

According to a recent report by Bain, online is set to become the leading channel for luxury purchases by 2025, fueling the omnichannel transformation. Brands will need to adjust their footprints to the new digital map of luxury purchasing, evolve the role of bricks-and-mortar stores and their ergonomics and maximize the customer experience, according to the report.

In addition to sustainability and environmental issues, diversity and inclusion have come to the fore in 2020. Younger generations are expected to account for 180 percent of the market growth in coming years with Gen Z shaping the near future of luxury with their distinctive habits and values.

These consumers place an unprecedented emphasis on tackling social and racial injustice and will continue to

seek brands that align with their vision and desire for purpose ([see story](#)).

"Sustainability must become a cultural value of all companies moving forward," said Whitney Bromberg Hawkins, founder and CEO of [FlowerBx](#). "It must become ingrained in the decision making process of every department of a company."



Mina Guli has dedicated her career to advance the conversation about the global water crisis. Image credit: Mina Guli

A major theme of the discussion was awareness and perseverance. Between the global pandemic, political unrest and social and environmental tension, this year has been arguably one of the darkest for people across all industries.

Despite the disruption, however, the panelists remain positive and encourage businesses to seek out opportunities, no matter how difficult they may be to find.

"All of the lessons here are very clear it's just a matter of putting them into practice," Ms. Bromberg Hawkins said. "There is an opportunity in everything, even if it's difficult to see."

The speakers also stressed the importance of accepting the reality of the present situation and adapting to it.

"Those that are able to put their heads, hearts and bodies into the present situation will succeed, while those that believe hope is a strategy and are simply waiting for life to return to normal are the ones who are struggling," Ms. Guli said. "The lesson here is that we need to adjust to where we are today and stop hoping that things will change tomorrow."



Panelists stress the importance of supporting the people building businesses. Image credit: Mina Guli

All three panelists agreed unanimously that people and community are at the center of successful transformation.

"It's all about people," Ms. Guli said. "People build businesses; people build change."

"You cannot leave your team or community behind," she said. "We must work together and face the future as one unit for change."

Changing luxury landscape

Sustainability was on the horizon for the luxury industry before the onset of COVID-19. However the pandemic has accelerated efforts as consumer values quickly shift toward responsibility.

In a fireside chat at the Future of Luxury eConference in September, Positive Luxury cofounder Diana Verde Nieto

explained how the pandemic has put more pressure on brands to focus on sustainability. At the same time, companies have an opportunity to reevaluate their strategies and reorient themselves around sustainability efforts.

Brands have historically been reluctant to invest in sustainability initiatives because of a "say-do" gap regarding what consumers say they want and what they actually do or buy. This gap has narrowed as consumers become more values-oriented ([see story](#)).

This fall, Walpole, the sector body for British luxury, launched its Sustainability Working Groups as online forums to discuss eco-conscious behavior that consumers are increasingly expecting from brands.

The move came months after the London-based organization introduced its British Sustainability Manifesto. More than 50 luxury brands have signed up to follow sustainable practices across their entire organization, notwithstanding the pressures from the ongoing COVID-19 pandemic ([see story](#)).

"It seems counterintuitive to pick up momentum within this climate part of me just wants to hibernate, preserve resources and take a break," Ms. Bromberg Hawkings said. "However, we must accelerate even when it's against everything we feel right now."

"The key to success right now is continuing to push forward," she said.

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