

RETAIL

## Could your next job in luxury be in circularity?

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*Today's luxury jobs have been around data, digital and diversity, tomorrow could be about circularity and Chinese consumers will ensure that happens. Image courtesy of C2H4LosAngeles*

By [Erwan Rambourg](#)

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Pre-COVID-19, the luxury sector stepped up in terms of data, digital and diversity. On **data**, it has only been a few years that we have been hearing about algorithms, data scientists and the use of **AI to help with production**, logistics, design and communication.

Data gives you knowledge, and knowledge is power. When I worked in the industry, you never really knew who you were selling goods to. But that was fine as issues then were more about being able to produce enough. Today, however, the sector is crowded, the growth is tough to come by and knowing how your consumer thinks, what she likes, how she lives her day is getting quite essential.

**Digital** was also heavily invested in, with this idea that the **concept of digital** may not belong in a role or a department but likely needs to be breathed and lived by all employees. Scott Galloway, the ever-entertaining author, professor and multi-entrepreneur, **once said** that "having a chief digital officer is like having a chief electricity officer" and that sums it up well.

On diversity and inclusion, many efforts have been made to proactively find ways to reflect the luxury consumers that the brands are selling to with women, minorities and a **rejuvenation of managers** at senior levels. In some cases, it has been more to compensate for missteps, Gucci and Prada making hires following backlash in the United States, for example. Whatever the rationale, it is certainly a good thing for the industry to become more diverse.

ESG issues have gotten much attention from investors and consumers alike with **brands getting tough questions** about traceability, labor conditions and raw materials, but also increasingly about the afterlife of the product, **secondhand** and circularity. On these issues, Kering has been the most convincing with a **CEO who was an early advocate** and a chief sustainability officer who sits on the executive committee and has been an influential voice.

There is still, however, much resistance from managers I speak with in the sector along the lines of "not having solved all environmental debates does not prevent us from selling well to Chinese so not sure why we should

bother, really."

Here is the thing: Chinese consumers do not ask many questions about the environment and not because they are Chinese. It is simply because, unlike European or Japanese luxury consumers, they are likely **first-time purchasers**, so the focus is on fitting in, being part of a club, having the reference brand. So, it's not a question of nationality or culture, it is just a question of time. As they become repeat purchasers of luxury, **they will ask tough questions** and you better be ready.

Beyond producing and distributing appropriately come the key questions of duration and the afterlife of the product.

In essence, circularity. Stanislas de Quercize, the enthusiastic and affable former CEO of Cartier, believes that a key role for luxury should be that of "Chief Circular Officer" and puts his money where his mouth is by helping out startups in the field.

**Jean-Louis Dumas**, who was an essential contributor to Hermès' success, used to say: "Luxury is what can be repaired." It is surprising that Patagonia has been repairing sweaters and jackets and extending their expectancy when **secondhand in luxury is run by third parties** rather than the brands themselves.

With **blockchain technology** becoming more mainstream in the years ahead, consumers will be able to transmit their luxury item to the next generation - **like Patek Philippe claims** you should - or to a complete stranger with full authentication and security.

Beyond that, I believe luxury is about controlling your image, the way you sell, the data and the experience, so you can imagine a world in which brand Web sites sell you the latest and greatest from the current collection alongside vintage, as well as secondhand products instead of leaving that to others.

Running secondhand yourself can provide the best of both worlds: doing good, coming across as a responsible corporate citizen and still making some money.

*Erwan Rambourg has been a top-ranked analyst covering the luxury and sporting goods sectors. After eight years as a marketing manager in the luxury industry, notably for LVMH and Richemont, he is now a managing director and global head of consumer and retail equity research. He is also the author of "Future Luxe: What's Ahead for the Business of Luxury" (2020) and "The Bling Dynasty: Why the Reign of Chinese Luxury Shoppers Has Only Just Begun" (2014).*

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