

SOFTWARE AND TECHNOLOGY

Luxury hesitant to integrate AI into creative processes: Bain

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Of the luxury maisons surveyed, 41 percent shared that AI is a top-ten strategic priority for the next three years. Image credit: LVMH

By AMIRAH KEATON

The adoption of artificial intelligence solutions on behalf of high-end brands is set to skyrocket over the course of the next two years.

This month, global consulting firm Bain has published [Luxury and Technology: Artificial Intelligence's Quiet Revolution](#), a third-edition report, in collaboration with French luxury industry trade association Comit Colbert. Of the luxury maisons surveyed for it, 41 percent shared that AI is a top-ten strategic priority for the next three years, while another 44 percent admit that though AI is not the most pressing issue of interest at the moment, the tool remains on the agenda.

"There is a real awareness of the potential of AI within luxury brands," said Mathilde Haemmerl, partner at [Bain & Company](#), head of the company's luxury division in France and coauthor of the study, in a statement.

"The arrival of generative AI in particular, more accessible and less expensive than analytical AI, should allow small Houses to make up part of their gap with the larger ones."

For the report, Bain fielded a joint study with Comit Colbert between May 2024 and July 2024. The online survey touched upon artificial intelligence strategy and levels of adoption across 20 selected use cases, and was supplemented by interviews with executives from maisons and technology partners, completed to specify applications in the luxury sector as well as general research and Bain & Company's experience.

Slow but steady

Overall, B2C businesses across the board have been eager to embrace the technology.

Between 2021 and 2023, roughly \$10 billion was spent cross-sector on transactions related to the metaverse. Comparatively, approximately \$50 billion has been invested in generative AI during this same period.

Luxury, however, has taken a slow but steady approach to adoption.

Whereas other sectors are using larger slices of revenues on information technology advances Bain shares that IT spending from financial services, for instance, accounts for about 8 percent of sales retailers at larger have dedicated between 1.5 to 4 percent to digital transformation in this department. Luxury brands land "at the upper end of this range."

Throughout the sector, company size is currently the most influential factor in how much these companies push artificial intelligence.

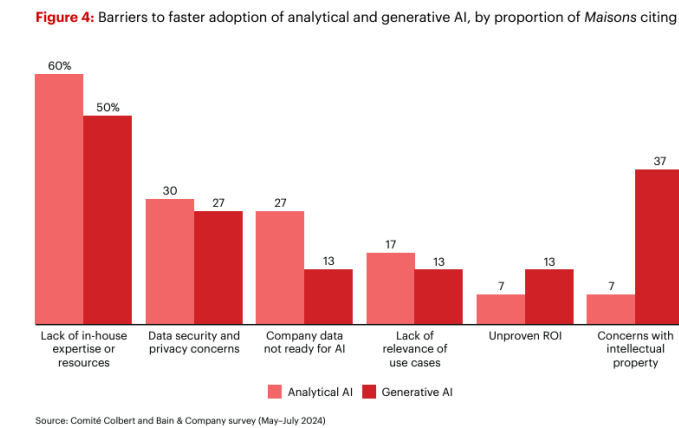
Luxury and Technology: Artificial Intelligence’s Quiet Revolution classifies large maisons as those with annual revenue in excess of 3 billion euros and medium-sized options as those with 200 million to 3 billion euros in annual revenue. Small maisons have less than 200 million euros in annual revenue, per the report’s methodology.

Compared with just 19 percent of small and medium-sized maisons, 78 percent of large players have AI listed among their top 10 strategic priorities for the next three years.

Regardless of size, a lack of in-house expertise and resources is the most commonly cited barrier to AI adoption.

“Our maison, previously a novice in the use of artificial intelligence, is now taking an interest in generative AI solutions and training our creative departments and human resources,” said Laura Cals, chief of staff to the CEO at French jeweler Boucheron, for the report.

“We are now considering the possibility of incorporating analytical solutions and predictive models as well.”



Among the barriers to AI adoption cited by survey respondents are a lack of in-house expertise, as well as data security concerns. Image credit: Bain

Of the small and mid-sized companies surveyed, 42 percent of those backed by a luxury group already have a clear vision of their generative AI strategy, compared to just 13 percent of independent maisons.

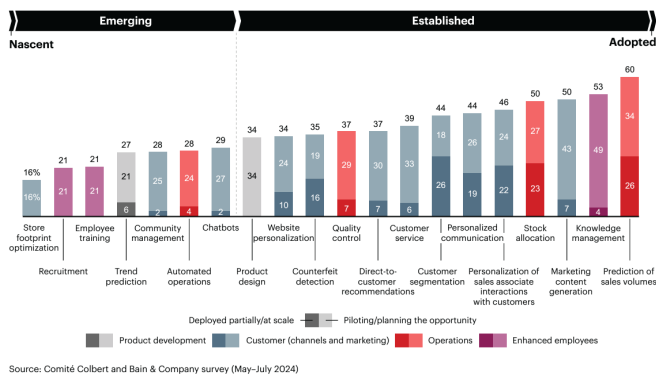
“Synergies are important between maisons; as a smaller maison, we benefit from the group’s impulse and experience sharing on solutions developed within pioneering maisons,” said Jrmý Muras, chief digital officer at French fashion label Givenchy, for the report.

“In any case, the solutions we inherit must be adapted to our specific needs and trained’ to our heritage.”

To determine exactly how fashion luxury brands are already putting AI to work, Bain and Comit Colbert analyzed examples across six main areas, including operations and supply chain, retail and ecommerce, advertising and customer marketing, organization and support functions, customer care and product development.

From store footprint optimization to employee training to direct-to-customer recommendations, the average large maison surveyed is testing or planning 5.8 of the 20 specific use cases identified. For small and medium-sized market members, this figure equates to 5.3.

Figure 3: Proportion of Maisons that have adopted or are testing various AI use cases



Bain and Comit Colbert analyzed 20 specific AI use cases in luxury. Image credit: Bain

“The rise of generative AI is an inescapable and enduring trend that will impact our future and will not fade away like Web3 or the metaverse,” said Delphine Tour Helin, global retail services director at France’s YSL Beauty, for the report.

“We are no longer in a race towards innovation, but in a phase of consolidation to deploy our analytical AI solutions at a larger scale.”

AI-powered pause

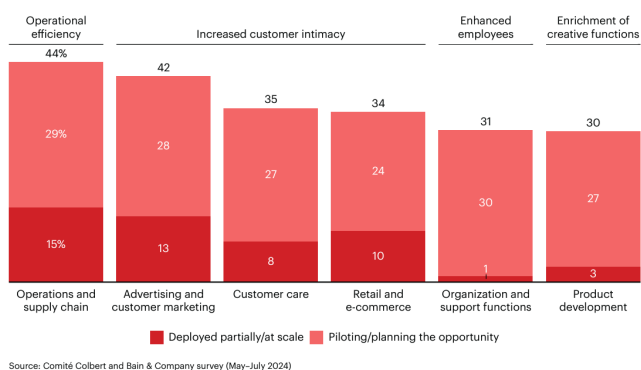
Experts say that four strategic pillars most readily serve luxury when it comes to AI.

Brands are most intensely focused on two: finding operational efficiencies, including the management of sales volumes and inventories, and supplementing customer interactions, namely marketing (see story), sales channels and service, with the tool.

Many maisons, however, are still exploring the latter two objectives: employing AI for the enhancement of teams, as well as for the enrichment of creative functions. In particular, luxury teams are hesitant to use AI throughout the creative process. Of the four pillars, it is the least likely function for which brands have deployed analytical or generative solutions at scale.

As Bain and Comit Colbert put it, those behind the centuries-old names that command high prices seek to avoid tools that would “harm the transmission of institutional savoir-faire.”

Figure 7: Proportion of Maisons that have adopted or are testing AI solutions, across functional areas



The four strategic pillars include operational efficiency, employee-related enhancement, increased customer intimacy and enrichment of creative functions. Image credit: Bain

Considering 75 percent of luxury consumers value enhanced technological integration, per the partners’ penultimate report (see story), this stands as a point of contention.

No matter where a single label may stand, the report points to the direct connection between the preservation of a luxury brand’s codes and the enduring presence of live minds at these companies, expressing that AI should neither question the central role of humans in the creative process nor replace operational teams, adding the following: “Human expertise must be preserved at all costs because it is the guarantor of the DNA and know-how of the maisons.”

“Luxury sets itself apart from other industries through the crucial role of artistic direction, which must embody the brand, reflect its identity, and convey its creativity,” said Grgory Boutt, chief client and digital officer at Kering, for the report.

“While AI can by no means replace human creativity, it can enhance and streamline the creative process.”

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