

COMMERCE

Apple is about to crash the party, claims L2 founder

November 8, 2013



By JOE MCCARTHY

NEW YORK – L2's founder predicted that technology giant Apple will be venturing into luxury categories in the near future to capitalize on enormous profit margins and its pristine brand image at the L2 Forum 2013.

[Sign up now](#)

[Luxury Daily](#)

During the "'7': The Forces Shaping Prestige in 2014" session, L2 Think Tank boss Scott Galloway pointed out that Apple's acquisition of CEOs from Burberry and Saint Laurent indicates that the brand is forcefully moving toward the luxury sector. The founder also warned that luxury brands will begin to face increasing disruption from outsiders.

"Apple is about to crash the party," Mr. Galloway said. "Why wouldn't [Apple] migrate to [luxury]?"

"The move gives consumers a chance to express their affinity for Apple with something other than [technology]," he said.

"Luxury is on the verge of a massive disruption by competitors."

Disruption and warehouses

The first trend that New York-based Mr. Galloway said will shape luxury in 2014 is the

pervasiveness of visual marketing.

Instagram has significantly higher engagement levels than other social media, and its advantage will only sharpen as the platform's audience grows.

Secondly, luxury brands are about to encounter unprecedented disruption by outsiders. The executive pointed out that industries that are the most profitable endure the fiercest disruption.

However, disruption can catalyze brands to adapt to changing consumer perceptions.



Burberry on Amazon

Warehouses will likely expand as brands become more adept at linking in-store with ecommerce.

"Adazon" will shake up the luxury scene as it continues to implement its pay-to-play mentality, Mr. Galloway said. In other words, brands that want to have a coherent presence on Amazon will have to buy advertisement space.

Thirty percent of ecommerce searches begin on Amazon versus 13 percent on Google, which demonstrates the marketplace's influence.

The ancient trade routes that brought the East and West together will continue, but they will become reversed. Mr. Galloway discussed this "Polo Marco" phenomenon in a video.

Embedded Video: [//player.vimeo.com/video/77075826](https://player.vimeo.com/video/77075826)

L2 Think Tank

Myths galore

Mr. Galloway also addressed some myths. Take the myth that what is good for the technology world is good for society.

"There is a myth of progress in tech that all boats are raised," Mr. Galloway said. "But it's winner-take-all."

Retail jobs are quickly evaporating, making what was once a bridge to economic stability a fortress for new technology.

Additionally, the myth that attribution through data can solve all problems ignores how innovation generally occurs.

Mr. Galloway said that data iterates what is already there, while engaging on a human level with problems often drives change.

"Data is not about invention, innovation or breakthroughs," Mr. Galloway said. "Nothing beats joy, inspiration and the hunger to produce economic security for your loves ones."

Final take

Joe McCarthy, editorial assistant on Luxury Daily, New York

Embedded Video: [//www.youtube.com/embed/5mjTkzRjIGs](https://www.youtube.com/embed/5mjTkzRjIGs)

© Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.