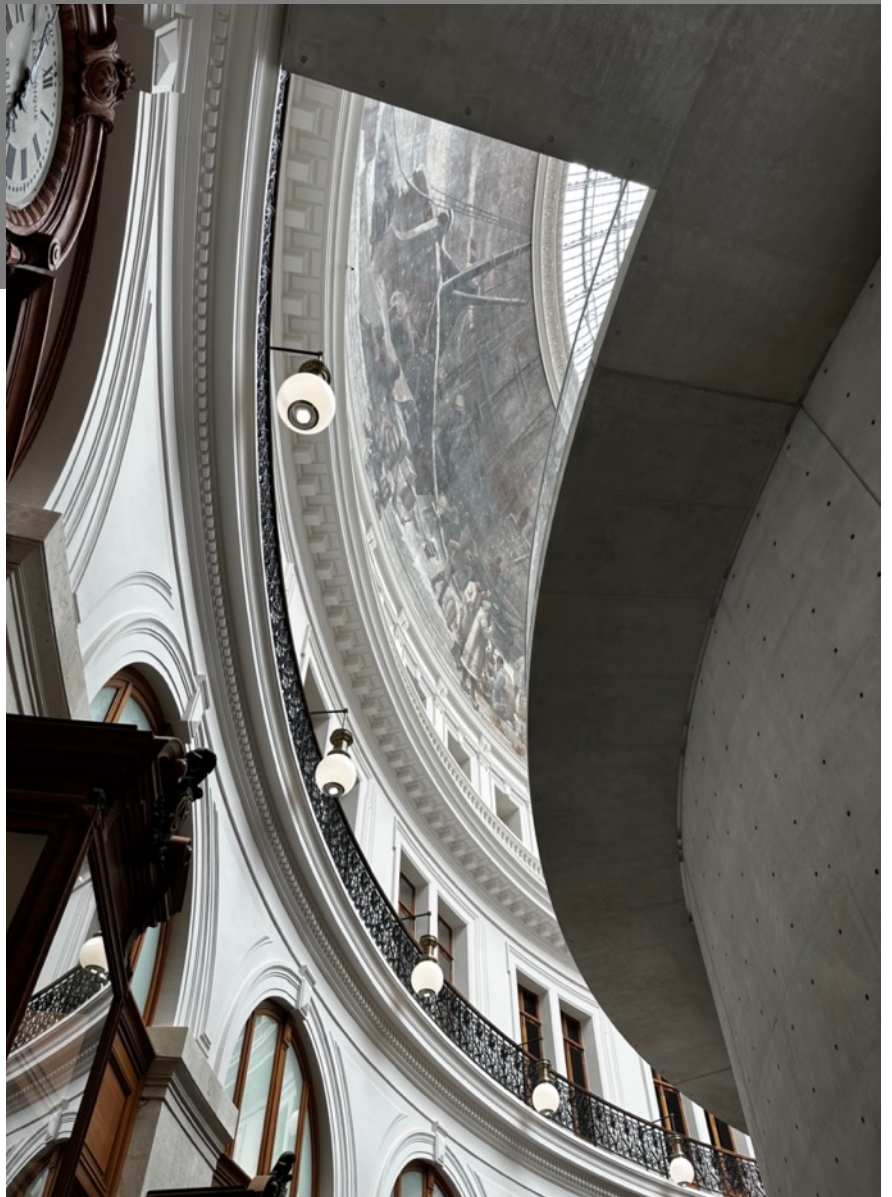
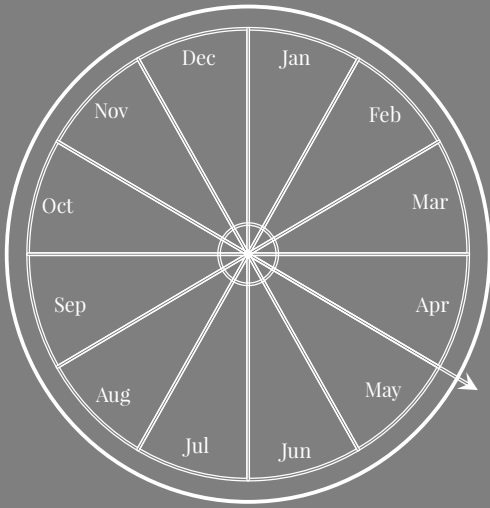


# B



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## Notes

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Knowledge.  
Perspective.  
Passion.

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# TURNING DOWN

# THE VOLUME

*Quiet*

**Adjective**

1. Making little or no noise
2. Carried out discreetly, secretly or with moderation

In luxury, there is a widely held notion that self-expression – whether through a pair of shoes, a watch or a blouse – is measured in volume. Loudness is associated with brashness and, quite often, confidence. ‘Loud’ luxury is used to herald an arrival, to make a determined statement. “I’m here” it declares of the owner. It is the highly visible reflection of achievement, recognisable to all. This kind of luxury is the equivalent of a marching band or a firework display. It demands attention and is usually efficient in acquiring it.

‘Quiet’ luxury is almost the exact opposite. Quietness is about avoiding attention, discreet arrival and departure, and eschewing statements. And it has been declared that the Quiet luxury trend is ‘everywhere.’

Not everyone is delighted. The Cut, whilst acknowledging that “*Quiet luxury emphasizes high-quality materials, craftsmanship, and heritage*” admitted that Generation Z were showing a curious fascination with the trend “*romanticizing ‘old money’ and its signifiers...which entrenches existing economic inequalities.*” And thus, bizarrely, the Louis Vuitton monogram becomes to some a symbol of the struggle against inequality.

Quietness in luxury is arguably more to do with cyclical trends than young kids binge-watching *Succession*. Over the last decade, we have had a prolonged period of logo-mania, which for many in the youngest generation is all they understand.

Their experience with luxury has actually been exposure to the incredible wealth growth in relatively new economies, the consumption of branded luxury – the Loud – a symptom of the phenomenon. Far from this being emblematic of residual economic inequalities between old and new money, the massive wave of shout-it-from-the-rooftops brand consumption emphasizes how many people are desiring to declare their accession to the club. 7 out of 10 UHNWs – those with more than \$30m in net worth – are entirely self-made. Less than 1 in 10 have inherited all their wealth (Altrata World Ultra Wealth Report 2022).

It is hardly accurate therefore to suggest that Quiet luxury is the dominant trend amongst ‘the wealthy.’ Nor is it entirely accurate to suggest it is only prevalent amongst “old money.” It is connected with wealth through broad notions about the genuinely wealthy not needing to prove anything, but still desiring items of outstanding quality. The lack of logos, or their subtlety means there is no brand communication to the outside world, unless the item is of such unique design that it can only be a product of a known luxury brand. When Vladimir Putin stepped out in Moscow stadium last year wearing a \$15k Loro Piana coat, the inconspicuous brand, beloved of

**“...Quietness in luxury is often viewed positively as a refocus on fundamentals such as quality and craftsmanship. Awkwardly this implies that the gorging on branded luxury is agnostic to such ideas.”**

billionaires, became conspicuous by its sheer expense. Loud luxury lovers had believed their highly recognisable Moncler or Canada Goose coats were expensive – how on earth did this logo-free coat cost nearly ten times as much? This is the true appeal of Quiet luxury: it's unobtrusive but really, really expensive.

Quiet luxury does not exclusively belong to the super-wealthy. The fact that so many think so is simply an indictment of a world that adores aspirational purchasing. So much so that it considers it an ineffective use of resources to buy something 'luxury' that lacks logos. In truth, the move towards logo-free luxury should delight trend-followers who can finally avoid adorning their outfits with expensive accessories and refocus their resources. More affordable 'masstige' brands are likely to benefit from a move towards quieter luxury, affecting a look, not the logos, of a more prosperous consumer.

The Quiet luxury trend also occurs during periods of economic uncertainty, when the display of wealth is considered insensitive and vulgar. The very wealthy, who tend to not only ride economic storms but also profit from them, have historically adjusted their consumption, keeping to more private forms of wealth enjoyment, such as the post-financial crisis world, which saw the rise of exclusive private members clubs, where the wealthy could enjoy themselves amongst each other, away from critical eyes.

This is partly self-preservation, as envy from inequality produces enmity which may lead to violent attacks or theft, but also a reflection of the awkwardness and guilt that comes with consciousness of fortune.

Quietness in luxury is often viewed positively as a refocus on fundamentals such as quality and craftsmanship. Awkwardly this implies that the gorging on branded luxury is agnostic to such ideas, despite the fact that logo-heavy brands have tried to emphasise, with some justification, their hidden qualities.

The Quiet v Loud luxury debate also ignores cultural differences. The perspective of a switch from one to the other is typically western-centric in its sensibility. Other cultures can perceive 'Loud' luxury very differently. For example, buying heavily logoed items is not necessarily about heralding an arrival into the club but a belief that you are buying an item of guaranteed quality from a celebrated brand. Quiet luxury brands, being less well known, feel less secure and more of a risk.

There is also the question of the underlying motivation for Quiet luxury. Amongst the wealthy, it isn't so much a trend as a preferred way of living. It is enough for them to know (and perhaps their intimate circle) that their anonymous-looking t-shirt cost \$500 or that their plain Virgin wool polo shirt retails for \$4000, but it is also too easy to claim it is all for how the product feels, the fundamentals of how it is made. For the aspirational, buying rip-off designs of famously 'Quiet' items (such as the Loro Piana Summer Walk loafer) suggest, once again, that they are reaching into an impossible lifestyle.

But does this not show the fallacy in classifying luxury as Quiet or Loud? In essence, the goal is the same: project an image of yourself as higher than what you know yourself to be. Loud luxury does this by proclaiming through obvious symbols and iconography. Quiet luxury does it through a stylistic adherence to an expensive-looking appearance. The reality is that those who are on the way up the mountain will always try to look more like those at the top.

# Sector updates



*Image: Mr & Mrs Smith*

International hotel group Hyatt has announced it will be acquiring the **Mr & Mrs Smith** platform for an enterprise value of £53m (\$66m). Mark Vondrasek, chief commercial officer of Hyatt said “We believe this planned acquisition will help us appeal to new types of travelers in existing Hyatt destinations and introduce World of Hyatt to new members via access to the curated Mr & Mrs Smith collection.” The transaction is expected to close in the second quarter of this year. Hyatt plans to add direct booking access to properties within the Mr & Mrs Smith platform – including villas - through Hyatt’s website and mobile app. Barton notes that the current Smith partnership, with IHG Rewards, will likely end as a result of this acquisition. Though likened to affiliations such as Small Luxury Hotels (SLH) or Leading Hotels of the World (LHW), the world of Smith – founded 20 years ago – is unique, more focused on factors such as property aesthetics, style and mood. It includes both luxury and non-luxury level properties, from Aman hotels to rooms in village pubs.

French luxury goods group **Kering** has posted ‘disappointing’ sales results for the first quarter of 2023. Despite the fact that revenues at the group grew by 1% year on year, this performance looks anaemic when compared to that of rivals Hermes (23%) or LVMH (18%). The group’s biggest brand, Gucci, which accounts for half of all its revenues, is currently going through a transition (which, to Barton, seems a very frequent occurrence for the chequered brand), having lost creative director Alessandro Michele at the end of last year - apparently due to a bust-up with CEO Bizarri and group-head Francois-Henri Pinault. Also damaging the group was the fallout from Balenciaga’s advertising controversies, which hit sales in North America and Europe, partly due to boycotts. However, there was brighter news from its jewellery brands including Boucheron and Pomellato, which Kering announced increased by ‘double digits.’ In truth, some of the relatively inferior performance is down to Kering reducing its wholesale exposure, as wholesale revenue decline dragged down overall performance.



*Image: Gucci*



*Image: Mercedes-Benz*

**Mercedes-Benz** have announced what some have dubbed a “Cullinan killer” under its Maybach banner: the Maybach EQS 680 SUV, a fully-electric four-wheel drive beast – albeit one which only seats four people. The concept behind the Maybach EQS is the same as other Maybachs: this is expected to be a solely chauffeur-driven vehicle, not a luxury family tractor. The architecture follows the EQS line more closely than the previously announced concept version from 2021 (a mistake in Barton’s view). The result is a design which is mainly differentiated as a Maybach by its two-tone paintwork and liberal application of Maybach logos around the vehicle’s interior and exterior. There is nothing particularly revolutionary about its EV capability: it has a bit more total power (484kw v 385kw) and a similar range performance to the standard Benz EQS which is around 285 miles on a full charge, slightly below the ‘magic’ 300 miles reached by Tesla. With performance in such vehicles liable to take a back seat, it is interesting that Benz did not major on an entirely different aesthetic for what will be a considerably pricier model.