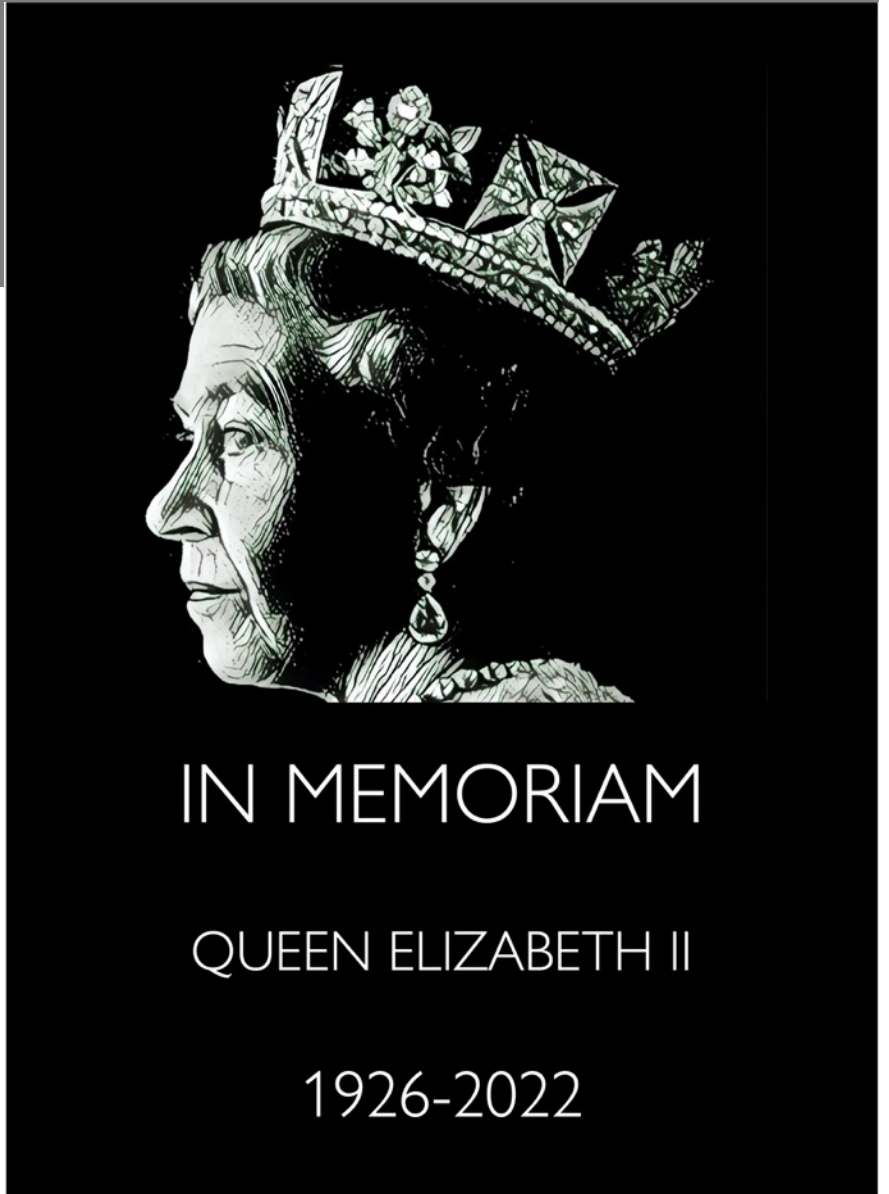
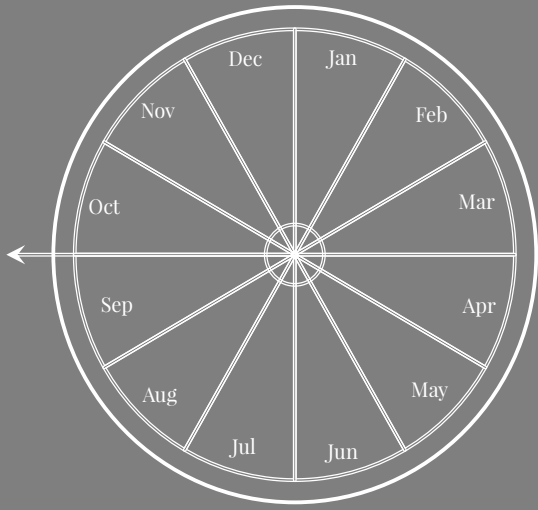


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Knowledge.
Perspective.
Passion.

Barton

info@barton-consulting.co.uk



LUXURY

OR

COMMERCE ?

What is a 'luxurious' retail experience? It's something we should have mastered by now given how many decades luxury boutiques have been open for and how many billions of feet have crossed their thresholds. It's still the most important thing – along with the products that people buy – that separates luxury from non-luxury. Without it, consumers experience shock, grow frustrated and feel disappointed: this is often fatal for the brand in question. Having expected to walk into a wonderland, a paradise of beauty and indulgent service, they leave dismayed and lacking a motivation to return.

This summer I experienced two different kinds of "luxury service" from two very different brands. They share the same devotion to a quality luxury product and also a high price point, but they could not be more different in their life stage and fame.

There is no need to name these brands as this is not about shaming a specific business but more of a commentary on, as an industry, where we are and how we got here. The first brand – which was actually the second experience – is a world-famous elite fashion house, often considered one of the most luxurious brands in the world. It sells couture, ready to wear, leather goods and accessories, including perfume and skincare. It is a behemoth, a colossus that bestrides the runways of high fashion. It has high-end boutiques in every major capital city of the world and its revenues are in the billions of dollars.

The second brand – which was the first of the two visits - is a tiny Balearic-based perfumer. It has only been around for a few years and only makes a handful of products. These include personal fragrance products such as soaps and perfume and home fragrance products such as candles and diffusers. They have but one boutique in a charming island capital. Their revenue is around 0.1% of the first brand's annual marketing budget.

Brand 1 – Fashion Leviathan

The brand's main UK boutique is located in a choice part of London's Bond Street, surrounded by its competitors. It has a very large frontage, clean but fairly severe. Without the elegantly mannequined windows, it could easily be mistaken for an anonymous office block. On the recently widened pavements, they have set up black-roped fencing for queue control. Yes, the first part of this brand experience is standing in line with other shoppers, waiting your turn to enter the store. These queues vary in length (and therefore duration) depending on the particular day. On this occasion, it was about 15 metres in length, and it took about 8 minutes before the door was opened. We have discussed the fashion for queues in the Barton Diary before and won't add too much more except to say that this, once again, is a strange and unfortunate way to begin a luxury brand retail experience. Queuing is essentially a necessary hardship. True, not much of a hardship compared to forced labour or frontline military service, but still an unenjoyable and restrictive experience.

“...Whilst all this to-ing and fro-ing was happening, I couldn't help but feel that a more luxurious experience at that moment would have been being able to grab the pair of sunglasses and wave them through a self-checkout till.”

It was difficult to escape the feeling that, whilst in line with the other consumers who were transfixed by social media on their devices, we were being conned. Once inside, I was approached by a customer service assistant carrying an iPad. I was first asked whether I had an appointment in a formal but welcoming tone. As I didn't, I was placed into a queue via the iPad and was asked to browse the store until an assistant became available. I was assured that someone would come and find me when it was my turn to be served.

As I wandered around, picking up and putting down a variety of items, I noted that the store assistants were not all on the shop floor seeing customers. Many of them were appearing from and disappearing into hidden doors in the wall, a furtive look on their faces as they navigated through crowds of blank-faced customers. After 20 minutes of waiting, I searched the store for the assistant who had welcomed me in to find out how long I had to wait, but he was nowhere to be found.

As a time-saving strategy, I decided to stand next to the particular item I was interested in purchasing – a pair of sunglasses. Eventually, a store assistant who had just sold a handbag to a client clocked me there and asked if I was being served. I informed her I was 'in the iPad' and she said she needed to check. "What is your name?" she asked sweetly, and after receiving the answer walked off to the front of the store. She came back and quickly told me someone was coming to assist. It was no doubt no fault of hers that no one appeared. Whilst all this to-ing and fro-ing was happening, I couldn't help but feel that a more luxurious experience at that moment would have been being able to grab the pair of sunglasses and wave them through a self-checkout till. 45 minutes after I had entered the store I was finally found by a chirpy store assistant who sent me off to the payment area within 30 seconds of asking what I needed.

Brand 2 – Boutique Perfumery

This brand's boutique – which was recommended by the hotel concierge – is located down a little side street of central Palma. The entrance is innocuous and mysterious. A simple brass plaque on

the wall next to the door and a charming flag above the door are all that exists of any brand frontage. There is no queue.

Once inside, you immediately question whether you are in a store at all: you walk through a series of rooms, filled with antique display cases and other furniture and props such as plants and wax candles on bronze stands. It has the feel of a small, rarely visited museum. It is only after spending a little more time in each room that you realise each one is a visual homage to each one of the brand's signature scents. One scent, connected to the sea, is in a room with model ships in a mahogany antique cabinet. On the walls are paintings of great sailing ships and educational boards of naval knot-making.

Another room, focused on a garden scent, has a display case stuffed with dried flowers. In another, there are religious reliquaries. You are free to wander through. At this point, this "store" appears to be completely unstaffed. Finally, after you have walked through the last gallery, you end up in a room that looks like an early 19th century apothecary, with antique wooden pharmacy cabinets, a stone floor with black cabochons and a view onto a quiet courtyard. The sole store assistant is dressed in a traditional Mallorquin outfit and remains silent until you ask for help. The store is very quiet, except for the sound of birds in the courtyard. The fragrances, which you are now able to sample after walking through galleries of inspiration, are waiting patiently on the side. After selecting two, you take two off the shelf to the till – which is a mirrored mahogany cabinet. The experience overall was around 15 minutes, but there was a great desire to linger longer over the iconography and antiques.

There's no question which experience was more pleasurable, memorable and, yes, 'luxurious.' The tiny upstart brand had trounced the big name. Of course, there's a degree to which the Fashion Leviathan had become imprisoned by their own global desirability – with their boutique resembling more of an exclusive gift shop than a fashion emporium. But the studied focus on human organization, on iPads and queues rather than on the stories and history, was extremely revealing – indeed a warning – of an artistic business that had become a faceless commercial enterprise.

Sector updates



Image: Four Seasons

Another month, another luxury hotel brand announcing yachts. This time it was the turn of **Four Seasons** to announce theirs, launching in 2025, “appealing to discerning guests looking to reimagine their love of travel by experiencing the splendour of modern sea voyaging.” The first vessel of the fleet (which currently looks a little like a Pixar-ish bath toy) is already being built and will include 95 suites. Accommodation will start at around 581 sqft (54 sqm). As yet, no pricing has been announced. Barton notes that though Four Seasons are announcing their yacht after the likes of key competitors Ritz-Carlton and Aman, they consider it, erm, ““represents the next chapter of its long history of industry-leading innovation.” What’s clear is that there will be a complete shift in the expectations of ultra-luxury cruising. Old hands like Silversea and Seabourn may look on with envy at the kind of high-spending typically cruise-resistant clients these luxury brands are able to bring to the sea. But then the market has been yearning for a higher end, Martin Brudnizki-style product for decades.

The **UK Government** has reintroduced the tax-free shopping scheme, previously abolished in 2021 after Brexit, enabling luxury-buying tourists to get a refund on VAT on goods bought on the high street, at airports and other departure points and exported from the UK in their personal baggage. Introduced late this month as part of a raft of taxation changes in a Budget announcement, it was hailed by businesses and business organisations including Walpole, which focuses on protecting and promoting British luxury brands. CEO of Walpole, Helen Brocklebank, commented: “The decision is a hugely welcome measure which will ensure the future of many small businesses...it follows a significant and tenacious campaign by Walpole and a coalition of stakeholders to reinstate the scheme.” It also became apparent to Barton that the UK Government may be even more determined to support Bond Street luxury sales as its Budget announcement caused Sterling to plummet against the US dollar to record levels, making London – temporarily at least – one of the best places in the world to buy luxury goods.



Image: Getty



Image: Reuters

If there was one thing that luxury goods brands could rely upon it was that the Chinese luxury consumer, distinct from the US or European consumer, always preferred to buy new. Analysts cited cultural reasons and a fear of buying fakes for this long-lasting preference. However, used luxury ventures are now reporting serious upticks in the used luxury goods marketplace. **ZZER**, based in Shanghai, now needs more shop space to expand the business. The number of ZZER's consigners, or people putting up their goods for sale, has soared 40% in 2022 compared to the same period last year. The platform now has 12 million members and expects to sell 5 million luxury pieces this year. China's used luxury market is tipped to grow to \$30 billion in 2025 from \$8 billion in 2020, and luxury brands will now have to grapple with what kind of role they play in this process. Their reliance on the Chinese preference for newness may reach its limit with the more cost-conscious middle-class that is growing in the country. The key question, Barton considers, is how much input and control do Chinese consumers want these brands to have.