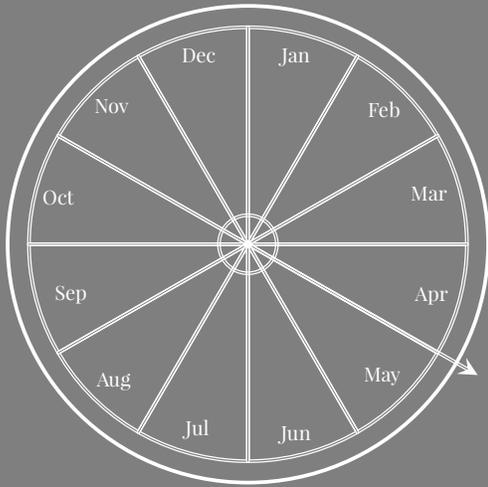


# B



## Volume 20: April 2021



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# April 2021

Dame Anna Wintour recently opined to the FT that queues around the block outside Dior and Gucci stores in London (as they opened for the first time since last year) were evidence of “pent up demand” for luxury. She predicted a “Roaring Twenties” after the pandemic, as people shrug off the trauma of lockdowns and get back into the boutiques.

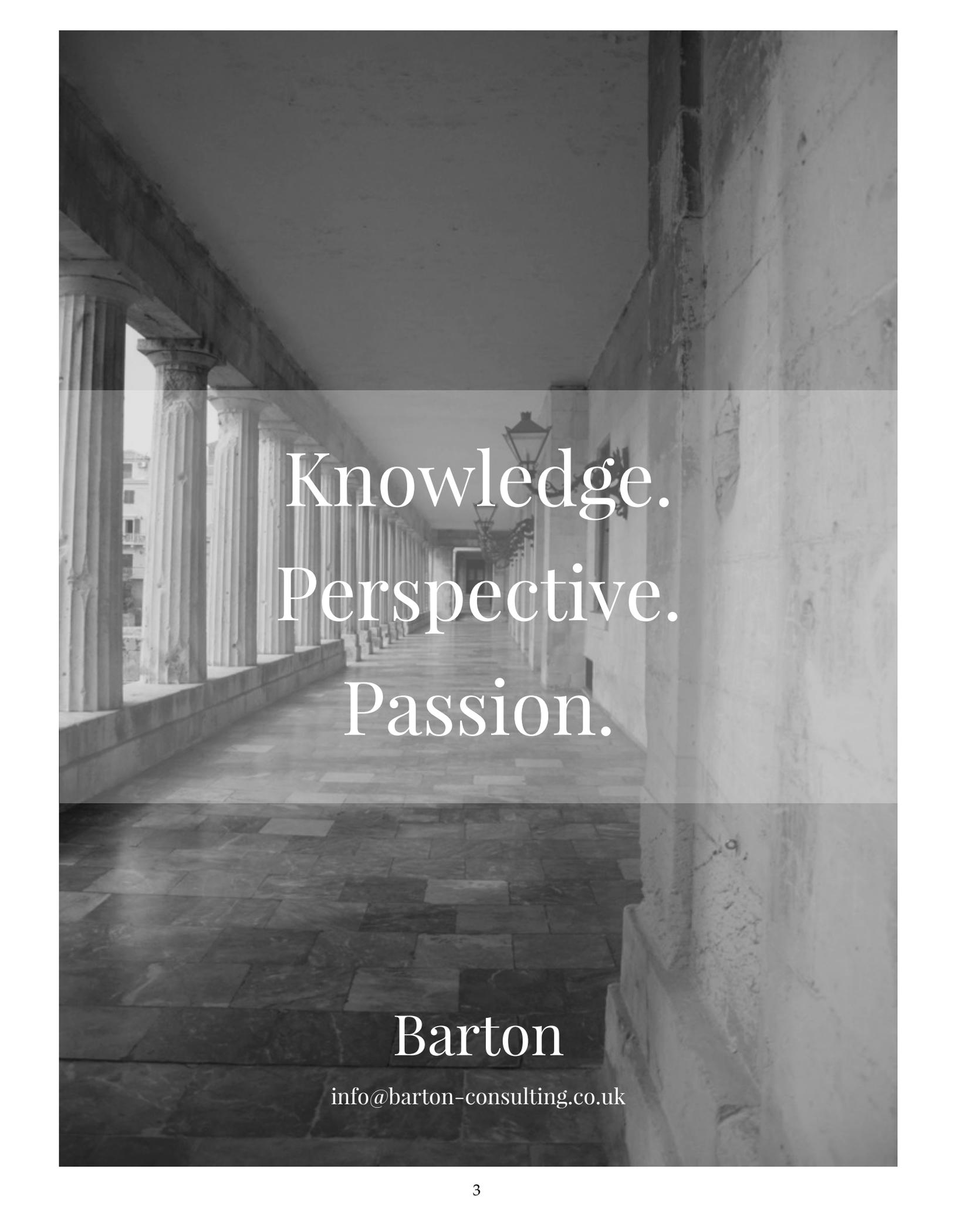
In truth, personal luxury goods haven’t really been inaccessible to consumers. They haven’t needed boutiques, really. Online sales increased 50% year on year in 2020, as consumers turned to the might of luxury e-commerce to sate their desires for dresses, shoes and handbags. And those snaking queues are also the result of strict social distancing requirements in stores that limit the number of customers. Footfall was up 120% in Central London, and some stores reported an increase in footfall compared to pre-pandemic levels, although again it is wise to remember footfall does not automatically translate to sales, particularly as browsing through non-essential shops has only recently become an exotic and unusual entertainment.

However, whilst it is a somewhat romantic view of the situation, the notion that people will react strongly following

the end of restrictions with orgies of luxury goods purchasing, luxury holidays and perhaps, erm, orgies, isn’t unfounded. The comparison with the original Roaring Twenties has been made by academics such as Yale’s Dr Nicholas Christakis, who says that the end of the 1918 flu pandemic resulted in an economic and social revival.

However, it’s hard to ignore that back then there were other factors at play. At the start of the First World War, much of the first world’s nations and imperial possessions were governed by hereditary, absolute monarchies; by the close of the war in 1918, it was the end of three of the greatest royal dynasties that had lasted for centuries. Europe was fragmented and socially in tatters and it was the new world – America – that led the charge over the next decade.

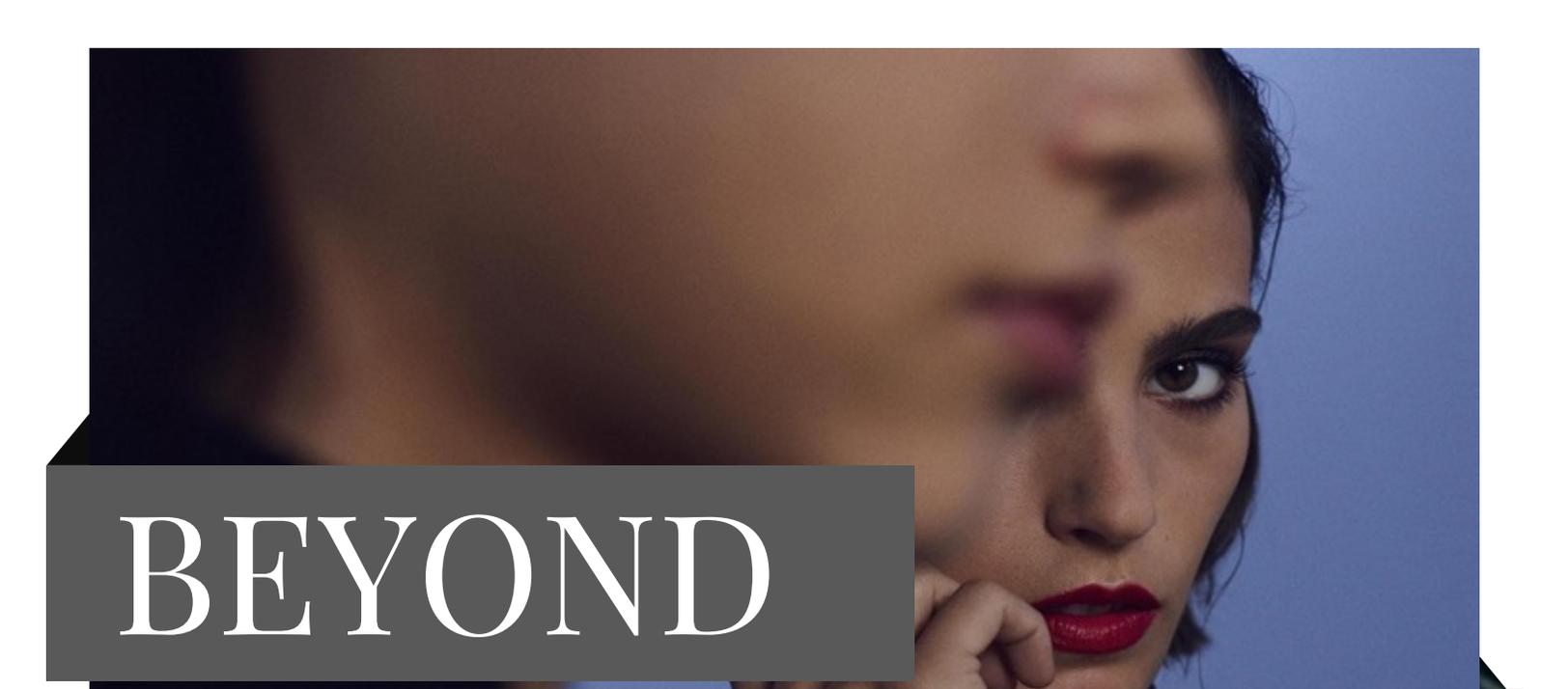
In today’s post-pandemic world, there will be a far greater collective, international, socially-cohesive hinterland, thanks to the internet. It is a remarkable testament to the power of informal international digital networking that social media now sees it has a role restricting what we can and cannot see. The conundrum of the digital age is becoming about what reality we want, and what reality we need.



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# BEYOND

# BEAUTY

A recent *Which?* survey had asked its subscribers to vote for their favourite UK seaside towns & villages, in anticipation of a summer of ‘staycations’, given the continuing pandemic in Europe (the pandemic is officially over in the UK). There were individual ratings for the quality of beaches, food & drink, the shopping, sense of peace and quiet, as well as the seafront and pier.

What was most striking though was that the highest ‘Customer score’ correlated almost directly each and every time with one particular rating: the scenery. The more stars the scenery had, the higher up the table it was likely to be. The top 10 locations all had four or five star ratings for scenery, and sometimes only one or two stars for other aspects such as shopping or food & drink, suggesting a clear preference for visual beauty over all other aspects.

It will not be surprising to many that consumers are greatly swayed by visual beauty. But talking about something being desirable *because* it is “beautiful” has become somewhat taboo. Therefore, consumers very rarely mention “beauty” as a sole motivator. Instead, they allude to craftsmanship and quality.

And whilst these are definitely important to them, they also *feel* more important to mention. Mentioning you bought something because of its design, in the words of one HNW luxury shopper, “makes me feel a bit simplistic.” Another mentioned a big interest in classic cars from the likes of Ferrari & Aston Martin but was embarrassed by the fact he didn’t know or care much about the motor itself or the engineering he “just liked the look of the things.”

Many purchases of simply very beautiful things are made across the luxury sector every day and aside from the sectors where a naked and singular worship of beauty is acceptable – such as fashion – the motivation of the visual is obscured by factors such as rarity, quality, heritage or longevity.

The importance of the visual is exemplified in the domination of Instagram over other social media. If the visual isn’t as vital as some people claim, then why is an image app the number one portal for luxury brands to communicate with followers, posting tens of thousands of images and videos every minute? Is it because luxury’s synonymity with beauty is so painfully obvious, that no one need mention it?

“...Luxury is special because it’s nearly always beautiful, but the ubiquity of beauty in luxury makes it less worthy of mention...”

If this is the case, then many brands have missed this point entirely. If something is beautiful, it is beautiful. If it is stylish, it is stylish. How do we know this? Because visuals say more than words could ever say. The fact that people buy goods *on Instagram* shows that they don’t need an essay describing how it looks to buy it; they can see for themselves.

However, many brands appear to have got into the habit of believing that if the visual is what it is about, it’s better to go belts-and-braces and make the copy all about the way it looks too. And so you have thousands of beautiful social media visuals accompanied by text describing what the consumer can already see.

This is not only useless, but also potentially harmful. Describing something beautiful as beautiful – and nothing else – will always end up with consumers believing that’s all it has to offer, even when this isn’t the case at all.

Sexual attraction is a great example of how this works. We are wired to appreciate physical beauty in those we are attracted to, but we always look for other qualities that end up enhancing that beauty or masking flaws. When someone you care about tells you of how the new object of their attraction is beautiful, and tells you nothing else besides, you worry that, eventually, they won’t be fulfilled.

It is similar with luxury. Despite being swayed, distracted or even misled by visual beauty, consumers rationalise other qualities as a method of balancing their decision-making. Luxury is special because it’s nearly always beautiful, but the ubiquity of beauty in luxury makes it less worthy of mention.

One of my favourite philosophies is that there is no point in *saying* you are something, you have to *be* something. And if you *really are* something, you won’t need to say it. This is exemplified by Pierre-Alexis Dumas’s view that in order to be a luxury brand, you don’t tell people you are, you just are.

There is often a great underestimation of the desire for the technical. Consumers want real meaning to their high-end purchases. Mega-trends in organic processes and sustainability are at the heart of this desire. Consumers cry out “Tell me about the difference you are making” to elicit a deeper value from their spending. Even when these issues aren’t part of the purchase, technical benefits and achievements of products should be focused on.

There’s no point adding words such as “stylish”, “pretty” or “beautiful” to an image caption or a post. It’s far better to point to practical innovations, engineering or materials used. Fundamental information and valuable knowledge that builds a sense of greater value in the product they can already see.

# Sector updates



Image: Louis Vuitton

**Louis Vuitton** has signed a landmark deal with Chinese e-commerce behemoth JD.com to make its brand available to the platform's users. It is the first time that the French luxury brand has made a deal with a third party e-commerce platform in China. Barton notes that the raised eyebrows regarding the deal are also explained by the fact that this is not a full commitment to the platform. Instead, Louis Vuitton would get customer traffic from JD to its own official WeChat program, thus keeping the final sale environment in house. The deal highlights the vital importance of the Chinese e-commerce market for luxury brands but also that even the mightiest of brand names cannot go it alone via proprietary e-commerce sites. Plumping for visibility over exclusivity, albeit in a measured way, suggests worries about irrelevance are greater than negative impacts of exposure.

At the height of the pandemic, luxury car manufacturers were fretting about the impact. Will confidence decline and a global recession (or even depression) follow? At the end of last year, Barton said that *"even the automotive industry – which has faced many challenges in the last few years...can afford to look on the bright side."* And so it has proven for **Rolls Royce**, who has just recorded their best ever first quarter in sales, with a 62% rise year on year between January and March. Demand has been especially strong for its SUV, the Cullinan, and Rolls claim that order books extend well into the second half of 2021. Not only is this a reflection of the fact that the wealthy have had a financially healthy pandemic, it also points to the confidence in resuming normal life and the desire for self-reward purchases. Feel-better luxury spending looks set to be a big part of the post-pandemic luxury recovery.



Image: Rolls Royce



Image: Relais & Châteaux

**Relais & Châteaux** have entered the private villa rental market with a portfolio of 500 properties in 30 countries. Villas by Relais & Châteaux is launching into a buoyant marketplace, thanks to the global pandemic, which has decimated the hotel & restaurant trade for which the association is known. Non-urban R&C Villas boast private access and seclusion – with no adjoining properties. President of the group, Philippe Gombert, said "guests of the Villas can expect the same level of refined service as if they were staying in one of the hotels." And you can see how, as Barton notes that most of these properties are attached to hotels in the association's existing portfolio, and many them are simply large "suites" rather than standalone villas. Still, it is a smart move to highlight the possibilities of seclusion within the environment of an R&C property, as private home rentals – a big trend amongst the very wealthy – looks like they are here to stay.