

Luxury in 2025

Laetitia JOLY, April 26th 2021





Nike Mag, Mack to the Future sold \$25,000

In July 2019, Sotheby's sold 100 pairs of old sneakers at auction for \$1.29 million.

Virgil Abloh, the creative director of Louis Vuitton men's collections says that sneakers are a new art form that speaks to his generation.

Like Sotheby's and Louis Vuitton, Luxury brands have already started to adapt their strategies according to the youngest generations behaviour and interests (prefers casual wear, digital natives, interest in social and environmental issues...). The recent pandemic situation and the weight of China in luxury sales have accelerated this transformation.

Facing an uncertain future and focusing on attracting their new clients, Luxury brands (i) will no longer have traditional boutiques, (ii) their production sites will be relocated, (iii) brands will communicate much more about their universe and values than about their products, and (iv) last but not least, they will adapt their organization to be more agile.

I - Immersive experience in Brands' physical sites

As emotions are crucial for the clients to purchase a luxury product, an immersive experience in the brand's universe will be showcased into physical sites, activating all the senses of the client.

Luxury brands has started to create new concept of physical sites: *Louis Vuitton* has recently transformed his boutique at Saint-Germain-des-Près into a Library, and Gucci has opened his second restaurant.

The main objectives of the new boutiques will no longer be to "sale" products only but to make the client feel and understand the brand universe so that the client purchases on site or afterwards online.

These sites will include lifestyle experiences linked with the brand's values, and that can activate all your senses such as: art performances or hospitality experience (hotel, spa, coffeeshop, restaurant).

Brand ambassadors (former sales person) will interact with visitors with no commercial oriented speeches in order to gain the trust of the clients.



II - Relocation of production sites

Clients will value more “made responsibly” than “made in France” or “made in Italy”, and they will also expect an immediate delivery with a superior local after-sales service.

To answer these needs, luxury brands will reduce their carbon foot print creating production sites, workshops and schools to train their talents, in different regions of the world.

These workshops will produce new creations, repair client’s products and refurbish second-hand products that will be integrated into their offer.

For the selling process, brands will use external and local e-commerce platforms to sell their products therefore promoting short channels.

In some emerging markets such as India or Western Africa, Brands will contribute to the economy development creating jobs for local people.



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III.a - Brand image: **Sustainability content**

Most of luxury brands launched sustainable initiatives but there is a gap between the latter and the clients' perception which appears to be low. When there is communication about those matters, they are not impactful enough (sustainability sections on brands websites or just informative posts on social media).

In 2025, I expect luxury brands will continue to find many ways to improve their social, economical and natural environments inside and outside of their organization.

However, in order to have an powerful impact on clients perception, **I expect more creative and impactful content which will be consistent with their universe.**

They will find a **way to differentiate themselves** and choose an angle linked to the brand image.

I see possible connections between sustainable causes and brand's storytelling.



III.b - Brand image: **Heritage rejuvenation**

The patrimony, the heritage of a brand is what makes the brand legitimate. So it is important for the brand to protect it and to transmit this dimension through products and communication.

In 2025, in order to attract the youngest generations, I expect luxury brands to continue to develop creations and communications linked to **their history in a contemporary and innovative way** in order to show how “cool” a luxury brand can be.

“Believe In Dreams” *Tiffany & Co* 2018 Spring campaign reflects exactly what is a reinterpretation of historic codes of a brand in a present-day way.

Please have a look at the video:

<https://www.youtube.com/watch?v=NV6AKqos4js>

Also, the Hong Kong Ballet advertising campaign is a good example of rejuvenation of traditions:

<https://mkimand.co/#/hong-kong-ballet/>



IV - Brand organization will be more agile

Facing an uncertain future, luxury brands will also focus on their capacity of being agile.

Specific skills will be required for talents to be recruited into their company: **creativity**, **collaboration** and **resilience** skills will be main assets for companies.

Although Gen Z candidates are targeted by luxury brands in order to better understand their future clients, Gen X and Y talents will be treasured in 2025 to transmit their experience to Gen Z for their **management skills**, for their **experience for managing crisis** and for their **"savoir-faire"**.

More specifically for sales force, **emotional intelligence** will be a must to gain the client trust, to gather relevant data about the client in order to offer a unique and personalised service. For instance, we can expect that **chat conversations skills** will be required.

Also, in order to adapt to fast changing markets and to be closer to local culture and communities, there will be only two geographical layers in worldwide luxury brands: local/country management and global headquarter, valuing local initiatives while DNA of the brand will be protected by headquarter (no more regional layer).



If we sum up, in 2025 the Luxury industry will remain an exceptional **provider of emotions** but will also contribute to **protect our environment, support local economies development, play an active role in social challenges**, and will **empower his teams locally**.

This exercise made me realise that the **future luxury industry will have even more values I feel connected with**, and **I want more than ever to contribute to this bright future**.

