

NOW//NEXT



Special Edition: The Luxury Edit

INNOVATIONS AND TRENDS IN LUXURY AND PREMIUM

This month we focus on how the luxury and premium sectors of the market are developing to suit an evolving consumer.

To maintain momentum luxury brands must now engage Millennials, Forbes.com explains. The generation's sheer size makes them a critical target segment, because although Millennials represent only about 32% of the luxury market today, they will make up a 50% share by 2025.

Unlike the baby boomers however, as millennials reach a phase of life where they can splurge, they will increasingly seek out luxury experiences over luxury possessions, revealing significant mindset changes from the generations before them.


Highly visible excess fuelled by influencers, the expression of personal value and ethics, customisation and the need for conspicuously consumed experiences are the other key trends playing out across traditional luxury sectors in 2019.


Covering everything from overnight stays at the Louvre to \$700 chocolate bars, sit back with a glass of Krug and enjoy our round up of the most interesting innovation in the premium and luxury space today.

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MEET HUXLY

Established in April 2018, Huxly is a new brand, innovation and communications development agency.

We are a unique team of strategists, designers and sensory scientists who use radically new approaches to build stronger, more successful brands. Being part of the MMR group gives us a global network of researchers and strategists, powerful digital tools and a data science capability. This allows us to understand strategic and cultural situations globally and develop inspiring creative solutions.

We believe that people are complex, but great brands are simple. For marketing to succeed we need to understand our customers' motivations and their emotional, functional, social and sensorial relationships with our products. This already difficult task takes place in a fast-changing world, as new trends and commercial alliances transform the landscape in which we work.

REVOLUTIONARY APPROACHES TO BRAND STRATEGY

Intelligent tools that put simplicity and sensory power at the heart of products and brands

INNOVATION & BRAND POSITIONING

Our unique 360° co-creation process uses metaphors to elicit emotional needs, while our sensory scientists discover how to express those needs through the sensory qualities of your product. This allows us to create powerful, coherent propositions.

COMMUNICATIONS DEVELOPMENT

We use consumer co-creation to understand what drives the appeal of a piece of copy, and get detailed feedback on subtleties of casting, product presentation and tone of voice. This creates clear feedback for your agencies, driving the impact of your advertising.

PACK DESIGN

Successful pack design needs to reflect the emotional and sensory drivers of your brand. We use fast, targeted interactions with small groups of consumers to shape your design agency's ideas. At the same time our own graphic design team can create a world of design possibilities to explore other ways that your brand could express itself.

Better ways to understand the complexity of human beings:

MINDSETS - NEXT GENERATION SEGMENTATION

We use the latest mobile technology to capture consumer needs in the moment. This unlocks real time insights, giving a deeper understanding of consumer needs. From this, our data science team can create a clear framework for understanding your market, allowing us to create a growth strategy.

USER EXPERIENCE

Our Digicapture tool gives us powerful insights into your consumers' experience of your website. Used alongside digital and face to face ethnography, we can make detailed recommendations on what your consumer needs, and how your brand should meet those needs online.

TRENDS

The future is not linear – it will be different for different groups of consumers. We've invented Trend//Tribe as a means of understanding consumer beliefs to predict what the future could be for target consumer groups. It gives you clean, repeatable, quantitative data, and helps your brands create the future your consumers want to live in.

Four Millionaire Macro Forces

In this special feature Huxly shares four key luxury macro forces influencing behaviour and preferences around the world.



1. Excessive Excess



2. Expensive Experiences



3. Costly Customisation



4. High End Ethics





Excessive Excess

The Paradis Impérial Trunk



Source: <https://blog.cognac-expert.com/louis-vuitton-hennessy-paradis-imperial-trunk/>



What is it?

Hennessy celebrated its most premium cognac blend, the Paradis Impérial, with a specially-designed trunk and crystal decanter set created in collaboration with Louis Vuitton and the artist Arik Levy.

Why does it matter?

Speaking to Forbes, Boston Consulting Group Managing Director Sarah Willersdorf explained that “Collaborations are key to the new luxury,” adding that “Millennials are looking for innovation in design, along with unique collections that reflect their individuality and values.”

Sources:

<https://blog.cognac-expert.com/louis-vuitton-hennessy-paradis-imperial-trunk/>

<https://www.forbes.com/sites/pamdanziger/2019/05/29/3-ways-millennials-and-gen-z-consumers-are-radically-transforming-the-luxury-market/#2af84507479f>



1. Excessive Excess

Aston Martin Lagonda



Source: <https://www.trendhunter.com/trends/crossover-vehicles>

What is it?

Lagonda is an Aston Martin-branded extension targeting the highest end of the car market. Their latest launch, an all-terrain electric SUV, will enter production in Wales in 2022.

As Aston Martin Lagonda Vice-President and Chief Marketing Officer, Simon Sproule, accepted an award for “luxury brand of the year” at the Savoy recently, he said: “With each car launch, each new brand partnership or lifestyle event, we get closer to our current and future customers. At a time when the automotive industry is facing incredible challenges we are pushing constantly to make sure the Aston Martin brand, and soon the Lagonda brand, not only stands the test of time but flourishes during this period of change.”

Why does it matter?

The automobile industry is facing unprecedented change. Tesla has made a huge impact at the high end, and all of the big luxury brands are playing catch up, with electric featuring heavily at the Geneva Motor Show over the last two years. Whether it’s a winning strategy will remain to be seen, with Tesla only increasing its share over the past year, it remains the brand to beat.

Source:

<https://www.trendhunter.com/trends/crossover-vehicles>



1. Excessive Excess

Gold-Inscribed, Porcelain-Bottled Champagne



Source: <https://www.thedrinksbusiness.com/2018/10/e8000-champagne-in-porcelain-bottle-goes-on-sale/>



Source: <https://www.thedrinksbusiness.com/2018/10/e8000-champagne-in-porcelain-bottle-goes-on-sale/>

What is it?

A limited edition 6 litre bottle of Edouard Brun champagne, sold for \$8000 in a porcelain bottle inscribed with 24-carat gold.

Why does it matter?

The bottle is made from porcelain to protect the champagne from ultraviolet rays, which can affect the level of sulfurous compounds in the drink and therefore the taste of it. It gives the porcelain a legitimate reason to be. The addition of the art makes it feel unique and scarce.

Source:

<https://www.thedrinksbusiness.com/2018/10/e8000-champagne-in-porcelain-bottle-goes-on-sale/>



1. Excessive Excess

The \$700 Chocolate Bar



Source: <https://toakchocolate.com/>

What is it?

To'ak's 50g vintage chocolate bars retail for previously unimaginable prices, justified by complex stories of quality, rarity, process and terroir.

The brand explains:

“Chocolate, like both wine and whisky, matures with age. With our Vintage editions, extractable compounds from whisky and cognac barrels and other unique storage vessels transform the flavour profile of our chocolate over time. The result is a new expression on a whole other level.”

Why does it matter?

This brand elevates the most commonplace of treats to the luxury space, treating the product and ingredients with a reverence usually reserved for fine wines or cigars to create a product that commands a high price tag.

Source:

<https://toakchocolate.com/>



1. Excessive Excess

The World's Most Expensive Gin



Source: <https://www.standard.co.uk/lifestyle/foodanddrink/worlds-most-expensive-gin-harvey-nichols-morus-lxiv-a3988556.html>

What is it?

In November 2018 the 'World's most expensive gin' went on sale at Harvey Nichols with a £4,000 price tag. According to the brand the gin is distilled from the leaves of a single "ancient" Mulberry tree. Previously, the most expensive gin was thought to be the Cambridge Distillery's Watenshi Gin which is made of the "angel's share" of the brand's Japanese Gin, that part which is normally lost to evaporation but preserved using a process which yields just 15ml of spirit per distillation.

Why does it matter?

Gin is a force to be reckoned with, but it's the artisan end which is delivering the highest growth. The Guardian reports that sales of artisan brands at Waitrose are up 167%, compared with a 30% rise in mass-produced brands. Such is its popularity as a category that last year the Office for National Statistics put gin in the basket of goods it monitors to measure inflation.

Sources:

<https://www.standard.co.uk/lifestyle/foodanddrink/worlds-most-expensive-gin-harvey-nichols-morus-lxiv-a3988556.html>

<https://cambridgedistillery.co.uk/products/watenshi>

<https://www.theguardian.com/business/2018/jan/18/from-mothers-ruin-to-modern-tipple-how-uk-rediscovered-gin>



1. Excessive Excess

Gold Bar Whiskey



Source: <https://goldbarwhiskey.com/>



What is it?

Gold Bar American Whiskey follows the same cross-country journey made by fortune seekers of the last 175 years to the Golden State of California. First blended, then finished in used French oak wine barrels, the whiskey is sold in a gold-plated bar-style bottle with a collector grade “Lady of Fortune” coin pressed into the front.

Why does it matter?

Nothing shrieks rich like gold bars. This is a bottle designed to display conspicuously (it even comes with a display stand) playing to a certain segment of the market’s desire to show off.

Sources:

<https://goldbarwhiskey.com/>



1. Excessive Excess



Expensive Experiences

Experiential Overnight Stays



Source:
https://www.airbnb.co.uk/b/louvre?irgwc=1&irclid=wEN21F1DDxyJWzA08T289QkFUkl2cSTRQ0qBXU0&ircid=4560&c=S kimbit%2C%20Ltd._290446&sharedid=&af=126295512



Source: <https://designtaxi.com/news/400863/Airbnb-Opens-The-Great-Wall-Of-China-As-An-Overnight-Rental/>

What is it?

Stay overnight in a \$30 million mansion in Malibu, the Louvre pyramid or even on the crest of the great wall of China. Airbnb is now delivering once in a lifetime accommodation experiences as well as a host of options in the £2500+ per night bracket.

Why does it matter?

Euromonitor reports that 50% of U.S. Millennials prefer to spend money on experiences over things. While previous generations achieved status and self-worth through conspicuous consumption of goods, Millennials derive status and happiness from experiences, and seek to capture and share these with their social media circles.

Sources:

https://www.airbnb.co.uk/b/louvre?irgwc=1&irclid=wEN21F1DDxyJWzA08T289QkFUkl2cSTRQ0qBXU0&ircid=4560&c=S kimbit%2C%20Ltd._290446&sharedid=&af=126295512
<https://designtaxi.com/news/400863/Airbnb-Opens-The-Great-Wall-Of-China-As-An-Overnight-Rental/>

•\$\$\$ 2. Expensive Experiences

Haute Pop-Ups



Source: <https://www.harpersbazaar.com.sg/fashion/hermes-carre-club-singapore-details-dates/>

What is it?

A branded pop-up collection of experiences themed around Hermès' iconic Carré scarves. With everything from customisable photo booths to scarf matching manicures and Instagrammable themed food, this completely immersive brand experience is tailor made to snap and share on Insta.

Why does it matter?

Luxury sales are growing nearly three times faster online than they are in bricks and mortar (source: Euromonitor). This means brands need to rethink the physical destinations they create for consumers if they want to lure them through the door. As consumers become more digital, Hermès has transformed the brand into an experiential destination, drawing in a new generation of consumers with its timeless fashion.

Source:

<https://www.harpersbazaar.com.sg/fashion/hermes-carre-club-singapore-details-dates/>

•\$\$\$ 2. Expensive Experiences

Luxury Baking Mixes



Source: <https://www.foodbev.com/news/godiva-collaborates-with-general-mills-to-create-new-baking-mixes/>



Source: <https://www.trendhunter.com/trends/chocolate-baking-mixes>

What is it?

Godiva has collaborated with General Mills to expand into the baking aisle with their new range of high quality baking mixes, each including Godiva's 72% chocolate. Consumers only need to add a few ingredients such as eggs and butter.

Why does it matter?

Baking mixes can already be easily found in supermarkets, but Godiva is the first high quality Belgian chocolatier to enter the space. Consumers can now not only indulge in the end-product, but can experience the process and make it their own too.

Sources:

<https://www.foodbev.com/news/godiva-collaborates-with-general-mills-to-create-new-baking-mixes/>

•\$\$\$ 2. Expensive Experiences



Costly Customisation

The Rainbow Rolex



Source: <https://www.mad-paris.com/en/collections/daytona-rainbow/>

Source: <https://robbreport.com/style/watch-collector/rolexs-collectible-rainbow-daytona-in-everose-2791121/>

What is it?

The limited-edition Rolex Sapphire Rainbow Daytona watch, created by luxury watch customiser MAD Paris.

Why does it matter?

As personal wealth grows, and luxury brands become more accessible to the masses, a specialised industry is lifting the bar to create a new tier of exclusivity. Just as Overfinch did for Land Rover, prestige brand jewellery customisers like MAD Paris are creating scarcity by customising existing products to make them more differentiated and less attainable.

Source:

<https://www.mad-paris.com/en/collections/daytona-rainbow/>



3. Costly Customisation

Kangen Water



Source: <https://www.enagic.com/>



What is it?

A water machine that filters and can alkalise or acidify your water to your chosen PH level.

Why does it matter?

The Kangen Water machine by Enagic enables consumers to drink 'beauty water' at a PH level of 0.4-0.6, use a more alkaline water to clean food, surfaces, dishes and remove stains, and much more. Although it's a little on the expensive side, it's a one-off purchase that says 'I no longer need to buy cleaning products or bottled water like everyone else. I am worthy of quality, even when it comes to water'.

Source:

<https://www.enagic.com/?c=water-usage>



3. Costly Customisation

Do It Yourself Dior



Source: https://www.dior.com/en_gb/womens-fashion/shoes/walkndior

What is it?

Dior has launched 'Walk'n'Dior' sneakers which are fully customisable, as part of their ABCDior program.

Why does it matter?

Even though they are working within a relatively tight set of parameters the brand is allowing consumers to feel they are part of the creative process, heightening a sense of involvement with the end product.

Source:

<https://www.trendhunter.com/trends/abcdior>



3. Costly Customisation

Customised Coke-Creation



Source: <https://thedieline.com/blog/2019/5/17/coca-cola-introduces-a-signature-line-of-dark-mixers>

Source: <https://www.marketingweek.com/2019/05/02/coca-cola-moves-into-alcohol-market-with-premium-mixers/>

What is it?

Coca-Cola has launched a range of dark mixers, available in Smoky, Spicy, Herbal and Woody. This is the first launch that formally takes the brand into the alcohol space to compete in the fast-growing premium mixer market, and was developed using a co-creation process with consumers and experts - another first for the brand. Marketing Magazine explains:

“Coca-Cola asked mixologists to attend a London workshop in March 2018, who were briefed to experiment with ingredients and create mixers to enhance dark spirits. Consumers were then invited to taste the new recipes, with the four most popular going into production, with each bottle stamped with the signature of its co-creator.”

Why does it matter?

With premium mixers in 33% growth, and mainstream mixers in 7% decline, Coca-Cola has delivered a credible way to compete using innovative development techniques. Leveraging the history of the brand adds essential authenticity to the product, giving it a right to exist with buyers.

Source:

<https://thedieline.com/blog/2019/5/17/coca-cola-introduces-a-signature-line-of-dark-mixers>

<https://www.marketingweek.com/2019/05/02/coca-cola-moves-into-alcohol-market-with-premium-mixers/>



3. Costly Customisation



High End Ethics

Ethical Foie Gras



Source: <https://modernfarmer.com/2016/03/farm-confessional-foie-gras/>

Source: <https://www.meetsupreme.com/welcome>

What is it?

French brand Suprême has launched an ethical, cruelty-free foie gras which is grown in a lab. Trendhunter explains “The company's French pâté is made from cells that are extracted from a duck egg, which are grown by being supplied with nutrients and healthy fats. This foie gras involves no GMO ingredients, genetic manipulation, antibiotics, or the killing or mistreatment of any animal”

Why does it matter?

Many Millennials have strong principles and are rejecting categories that do not mesh with their world view, so this lab grown foie gras represents a major shift in what has been a very traditional category, steeped in prestige and controversy.

Sources:

<https://www.meetsupreme.com/welcome>

<https://www.trendhunter.com/trends/cruelty-free-foie-gras>



4. High End Ethics

High End Designers and Brands do Inclusivity



Source: <https://www.teenvogue.com/story/gucci-beauty-launches-new-lipsticks>



Source: <https://www.trendhunter.com/trends/rodarte-and-universal-standard>

What is it?

High-end brands like Rodarte and Gucci Beauty are embracing body diversity by increasing their range of sizes and showing a more realistic portrayal of normal female appearance.

Why does it matter?

Exceptional Unilever brand Dove started a revolution for self-acceptance and body positivity amongst brands that the high end of the market now seeks to emulate. Millennial consumers are no longer duped by airbrushing and are increasingly demanding that brands adopt a mindset of acceptance rather than elitism. Expect more high-end brands to follow suit.

Source:

<https://fashionista.com/2019/05/gucci-beauty-makeup-collection-campaign>

<https://www.trendhunter.com/trends/rodarte-and-universal-standard>



4. High End Ethics

High End Upcycling



What is it?

Voitures Extravert is transforming vintage cars such as the classic Porsche 911 into eco-friendly electric vehicles with a 400km range.

Why does it matter?

Forbes.com reports that 56% of true-luxury consumers today are attuned to luxury brands' stance on social responsibility, compared with 45% in 2013.

An innovative approach to high-end upcycling, this business is allowing consumers to drive expensive vintage cars without the hassle of maintenance, negative environmental impact or the drawback of old technology in performance. Genius.

Source:

<https://www.voitures-extravert.com/>

<https://www.forbes.com/sites/pamdanziger/2019/05/29/3-ways-millennials-and-gen-z-consumers-are-radically-transforming-the-luxury-market/#52c154d7479f>



Source: <https://www.voitures-extravert.com/>

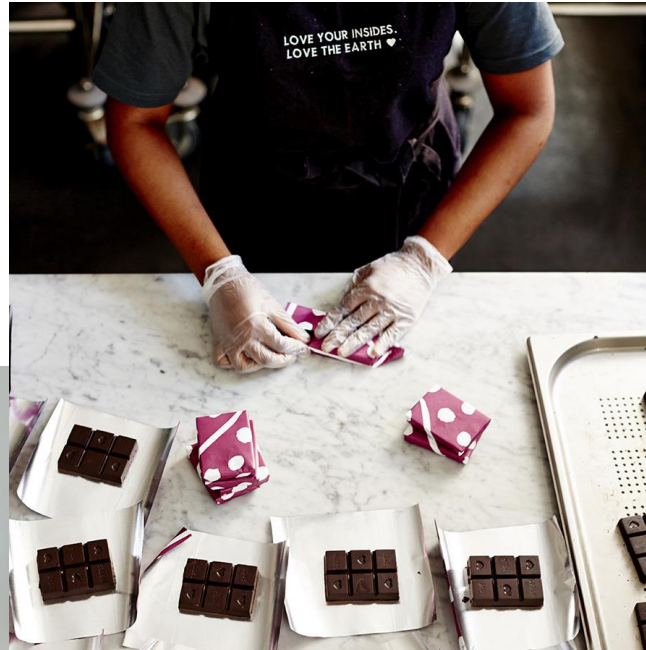


4. High End Ethics

Chocolate With Status



Source: https://www.instagram.com/pana_organic/



Source: <https://panachocolate.com/uk/about/>

What is it?

Pana Chocolate's hand-crafted, sustainable, raw, vegan, gluten-free and soy-free chocolate.

Why does it matter?

When it comes to luxury, people want more than the physical product. They want the status that comes with it, but the luxury mindset around this is changing. 'Status has become less about 'what I have' and much more about 'who I am': namely, more ethical, creative, connected, tasteful – the list goes on! – than the masses' and this is exactly what Pana Chocolate have focused on. When the consumer buys Pana, they're making a statement that they put their money (and more of it than your average consumer) into ethical, quality-focused and sustainable brands.

Sources:

<https://trendwatching.com/trends/the-future-of-luxury/>

<https://panachocolate.com/uk/about/>



4. High End Ethics

Designer Goods Subscriptions



Source: <https://www.vox.com/the-goods/2019/4/5/18294297/rent-the-runway-kids-subscription-rental-economy>



Source: <https://www.timeout.com/newyork/shopping/rent-the-runway-sample-sale>

What is it?

A subscription service that allows you to rent high end fashion on a monthly basis.

Why does it matter?

This service allows consumers to wear and return expensive designer goods without the extravagant cost, or waste. Consumers that use this service see themselves as financially responsible and environmentally mindful.

Source:

<https://www.renttherunway.com/>



4. High End Ethics

Retailers and Re-commerce



Source: <https://nypost.com/2018/12/06/neiman-marcus-pleased-with-sales-despite-slow-holiday/>



Source: <https://www.friluk.com/products/ora-vegan-designer-handbags>

What is it?

Neiman Marcus is the first luxury department store to go after the lucrative second-hand market by buying a minority stake in a resale website specialising in pre-owned designer goods.

The retailer will open Fashionphile “salons”, allowing customers to authenticate and sell their luxury goods for cash in-store.

Why does it matter?

Boston Consulting Group Managing Director Sarah Willersdorf told Forbes.com “Second-hand luxury is rapidly becoming mainstream and it is not just the lower price that attracts these true-luxury consumers. It is often the only way they can buy scarce, limited-edition, special sold-out collaborations missed the first time or vintage items.”

Luxury brands and retailers could look at resale sites as a threat, but Neiman Marcus is working with the trend, rather than against it. Armed with the knowledge that 50% of its customers buy or sell preowned luxury goods, and that 75% of those customers who resell luxury items buy new luxury purchases within three months, the retailer has made an insightful leap to be where consumers are, and are to meet them on the other side.

Source:

<https://footwearnews.com/2019/business/retail/sneakers-luxury-retail-drops-resale-1202780515/>

<https://www.forbes.com/sites/pamdanziger/2019/05/29/3-ways-millennials-and-gen-z-consumers-are-radically-transforming-the-luxury-market/#1903807b479f>



4. High End Ethics



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