

RBH Mindset

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**Designer NFTs,
digital sneakers and
app-controlled cigars**

Gen Z
luxury

Modern Luxury:

**How to look
rich online**

Tearing up the
rule book

**DNA-based
skincare**



Luxury

isn't just in your
your face anymore,
it's on your phone

In its most everlasting form, luxury is a means of participation, a tangible way to denote one's association with a recognisable elite, a household name – a pedigree. Research into luxury consumption reveals that “when one chooses a brand, one communicates the desire to be associated with the group who regularly use that brand.”

The key word here is ‘communicates’ because though luxury is more abundant than ever, how we communicate – and how we communicate the luxuries we own – has changed radically.

Today, Gen Z is projected to account for more than one in five luxury purchases by 2025, and for Gen Z, it's not about cashmere and Calacatta marble. In fact, it's not even about the price tag.

For Gen Z,
it's all about
luxury in its
barest form

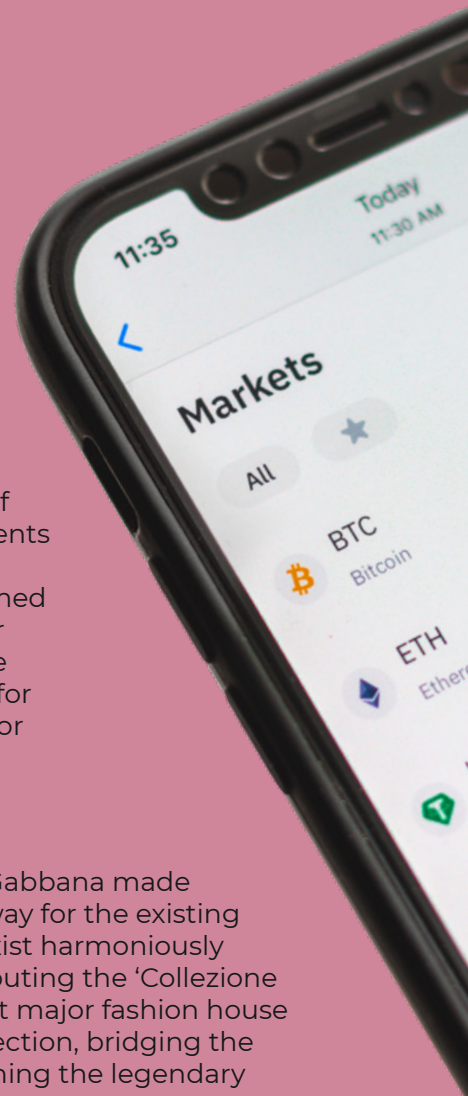


“Does this NFT go with my outfit?”

Take, for example, the boom of non-fungible tokens, more commonly known as NFTs. The market for these isn't built upon an appreciation for a kind of tangible craftsmanship, an exclusive material or a rarity, but instead the sole idea of owning something unique. An NFT is an image with no value by itself but is instead valued by its own legacy, using a ‘blockchain’ to denote the scarcity of hands in which the ‘ownership’ of it has passed.

Yet without understanding how to view one of these blockchains, or identify the authenticity of an NFT, the pictures – which sell for the equivalents of millions in cryptocurrency – mean nothing. This kind of immaterial luxury at one point seemed poised to cripple the existing bricks-and-mortar luxury sector, because if an item's physical value became irrelevant, there'd be little justification for the extraordinary manufacturing costs the sector is built upon.

But in August 2021, Dolce & Gabbana made clear that they had found a way for the existing luxury fashion sector to co-exist harmoniously with the new NFT space. Debuting the ‘Collezione Genesi’, they became the first major fashion house to release their own NFT collection, bridging the physical and virtual, and birthing the legendary ‘Doge crown.’



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What was important about the collection, and particularly the Doge crown, is that they weren't just NFTs. The crown, for example, came with two-year access to D&G couture events in Italy, private tours of the D&G atelier in Milan, and significantly, a physical recreation of the crown itself.

Five of the nine-piece collection also combined museum-grade, one-of-a-kind items with their NFT counterparts, the remaining four being strictly digital NFTs.

D&G's collection sold for around \$6m

To no one's surprise, there have now been similar moves in the NFT space from Louis Vuitton, Burberry, Givenchy, Jimmy Choo and Gucci.

The success of such a project is in connecting the immaterial with the material, using the namesake of this pedigree brand to conjure up the same sense of rarity that the NFT space is reliant upon. It also served to prove that consumers still appreciate material indicators that co-existed and, in many ways, affirmed NFTs and other digital signifiers of wealth.

This is best, and perhaps most literally, seen in Tag Heuer's NFT timepiece, the 'Connected Calibre E4 smartwatch.' This smartwatch has the key feature of enabling users to display on the watch face their expensive collection of NFTs, bringing NFTs into the material world, whilst bolstering their perceived value with the existing pedigree of Tag Heuer.

On the flip side, high-end jewellery brand Bulgari released a collection of 10 exclusive watches, each having a QR code that gave access to an NFT. The watches, called Octo Finissimo Ultras, cost around \$440,000, and the NFT was ostensibly in place as a protection against counterfeiting. But the manufacturers likely considered that the NFTs could eventually be worth more than the watches themselves.

NFTs in the luxury market aren't just gimmicky waves to be strategically ridden, they're why Gucci and Balenciaga have filed trademarks for smart glasses and connected clothing, they're why titans like Prada, Cartier and LVMH have founded their own Blockchain consortium. It is estimated that NFTs and the metaverse will make up 10% of the luxury goods market by 2030, with a revenue opportunity of \$56bn

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If they are
just a wave
then it's a
tsunami



“ I'll let my DNA decide ”

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Of course, luxury is not just about the feeling of participating in an exclusive group. Luxury can also be about participating in a much more personal, one-on-one experience. Customisation is more readily available in the luxury market than ever before, and nowadays, it isn't just about engravings and colour choices, it's about creating a truly unique personal experience.

Something as personal as a DNA-accurate face cream, maybe? Services like HomeDNA can help with that, offering to test your DNA using home-swab kits and providing you with the genetic information needed to choose appropriate face creams. This service comes in response to the public's growing interest in DNA-based advice on decisions regarding fitness and beauty. The market for genetic testing has tripled in the past seven years as, more and more, customers are showing that they want products designed just for them.

Harvey Nichols tackles this desire with their new 'wardrobe overhaul' service. This experience begins with a bottle of champagne arriving in the post – just in time for a phone call with a dedicated stylist. The customer is invited to sip the champagne while talking through their exact preferences, preparing the stylist with precise requests for their upcoming shopping trip. The process may cost £2,000 but that money also goes towards the shopping budget, meaning the consultations and gifts are complimentary.

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Another example of a tailored retail experience is the rapidly popularising wait-and-try delivery service pioneered by the company Toshi. Winning the attention of LVMH, the largest luxury group in the world, the service is described by its CEO as 'delivery but with retail services.' In function, it involves a Toshi assistant bringing orders to your door and waiting for you to try on the products, and then returning them on your behalf if needed.

The significance of these packages is their accessibility.



Previously, having a
personal stylist
or shopper would be a
possibility
for only a select few

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Nowadays, with the popularisation of home shopping, and the knock-on effects of the lockdowns of the past couple of years, the entire luxury market may see more of a trend towards off-handed shopping. Marry that with the increased opportunities for personalisation with at-home consultations, and the future for luxury is looking increasingly one-on-one.



And what could be more sacred than the one-on-one experience of a smoker and their cigar? Something that Harrods has made clear that they understand with the modern advances they've been making in their cigar lounges. With the average user of these lounges storing a collection worth around a quarter of a million pounds, they can now access an app which remotely monitors the exact temperature and humidity of the boxes in which their cigars are stored. The smoking lounge itself has in-built airflow technology that pushes smoke away from users' clothes, leaving no residual scent on them when they leave.

With even the most archaic parts of the luxury market onboarding new technologies, the sector seems gripped to meet users' growing expectations of an increasingly personalised experience. And in a time where user information and data are the largest markets on the planet, we will likely see the most successes from brands who are able to accurately provide individuals with the unique experiences they desire.

Modern Luxury

Wrapping up

Modern luxury, therefore, appears to be composed of a series of polarisations. It should somehow offer a personal experience that is both immensely social and intensely private, traditional and innovative, immaterial and material.

Yet despite all the contradictions that make up the modern luxury experience, the luxury market has remained constant. Its manoeuvring can be credited to the pedigree brands the market is built upon, without their adoption of the necessary changes to transfer their namesakes into fresh territories, the market could have bowed from its varying demands.

But to appreciate the true marvel of modern luxury is to understand that though luxury may appear more accessible than ever, the reality is little has changed, it remains as exclusive as it ever was – if not more.

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Modern Luxury



Luxury
is now something
customers
expect access to

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Tearing up the **rule book**

Here we offer further learnings from how premium brands have championed innovation and creativity in their quest to deliver luxury to today's consumers, exclusively and accessibly.

Accessible **1. luxury**

As a demanding and loyal demographic become the ones to impress, premium brands need to cover all basis. So, let us introduce the casualisation of the premium sector – accessible luxury.

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Modern Luxury

Deliver **deeds** and not just **words**

In a crowded brand landscape where so many are doing the same thing, the brands that stand out are those doing the right thing. Stella McCartney is one of the few premium brands with a purpose that informs every aspect of their business.

Creating luxury products in a way that's fit for the world we live in today and for our future, Stella McCartney is proving it's possible to act on purpose simultaneously.

With their sustainable supply chain and use of vegan materials, their latest flagship store has taken it one step further. With mannequins made of sugar cane and its own pollution filtered air branded 'stellair', they are going above and beyond in their commitment to our future.

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Be consistently
creative
and courageously
confident

Looking to pose questions about luxury, authenticity and inspiration are Balenciaga's creative director Demna Gvasalia and Gucci's Alessandro Michele.

Last year's so-called 'Hacker Project' saw Gvasalia and Michele create cross-pollinated collections. Deeper than any mere collab of recent times, the project saw a deep dive by each brand into the other's iconic design codes. The thrillingly innovative cross-branded merchandise that emerged was much garlanded in the media and across social.

Now, what does this mean? As luxury becomes more accessible, there's an opportunity for it to become more bold, expressive and playful and far less restrictive and rigid.



Exclusive
2. luxury

And the other side of premium brands? Exclusive luxury. The kind that only the wealthy can afford to purchase and experience.

Straying away from retail, this exclusive luxury is a little different. It's not about stepping foot into a shop. Instead, we're taking a look at a maternity ward. The Lilly Pulitzer brand, known for its whimsical patterns and bold colours, has dipped its toes into the maternity market.

VIP birthing suites were created featuring a variety of Lilly Pulitzer prints throughout the space, helping to relieve stress, discomfort and fear around birth. This means custom bedding with matching onesies for babies to take home. Mums would also receive special gifts for staying in the suite including a robe, swaddle set, and tote bag.

The waterfront view rooms also feature a sitting area for families with a plush sofa as well as full VIP treatment, with a strictly gourmet menu that includes such fare as lobster tails.

It's fair to say, all of the practical and aesthetic details of the space transform a maternity ward into a premium brand environment, and childbirth into a 'luxury experience'.



Any experience
can be a
**premium
experience**

In conclusion

Whether it's exclusive or accessible luxury, both share the same goal. To allow people to feel part of a premium community that align with their personal beliefs.



If you're keen to keep
your brand working smart
and turn these insights
into something powerful,
get in touch with RBH by
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