

THE LUXURY BUSINESS GAZETTE

Monthly business news, analysis & views from the global luxury industry

Most Valuable Artworks Sold At Auctions Worldwide in 2023

➤ The question that remains is whether 2024 will be similar to the year before or to the year 2022 in terms of performance of the top most expensive lots sold at art auctions around the world. The total figures for the top 10 lots are about \$660 million in 2023 versus \$1.1 billion in 2022. Henri Rousseau's *Les Flamants* (1910) sold in May 2023 for \$43.5 million, set a new auction record for him.

Luxury Brands Expand Into Second- and Third-Tier Cities

➤ According to Sarah Willersdorf, global head of luxury at Boston Consulting Group, expansion into second- and third-tier cities was well under way before the pandemic. More and more luxury brands are becoming aware of the untapped potential of these regional cities whether they are in UK, US, China, India, South Korea or elsewhere around the world.



HIGH DEMAND FOR VIP ESCORTS AT DAVOS

As many of the WEF insiders have repeatedly observed, it's all about what happens behind the scenes or at the informal gatherings and afterparties in Davos as opposed to the crowd pleasing populist statements in front of the cameras. At these parties the corporate and financial elites indulge in pricey caviar, champagne, call girls and cocaine, according to [DailyMail](#). 'All local service providers are completely booked' in Davos, said the owner of a dating app called [Titt4Tat](#). Selling sex is legal and regulated in Switzerland. As in many other luxury industries, in this industry too, demand annually outgrows 'supply' during this time when the heads of state, financial elites, high net worth entrepreneurs and well-connected celebrities attend the WEF in this small Swiss town.

Unique Clocks Are On the Rise In the High Horology World

➤ Various luxury brands from Van Cleef & Arpels to Moving Mechanics and from Jaeger-LeCoultre to award-winning independent house L'Épée 1839, have been offering their own unique clock designs and many of them recently were nominees or won awards at the GPHG 2023.

Report: What Buyers Want In Luxury Housing In 2024

➤ The Sotheby's International Realty 2024 Luxury Outlook report overviews high-end residential markets around the world and highlights what to expect in the year ahead. Many market watchers predict an overall positive 2024 for luxury real estate. Hotel-style at home and home as an art gallery are among the buyers' motivations.

Secondhand Luxury Goods Are Now a 50 Bln Dollar Business

➤ The luxury resale market has been growing since the beginning of the pandemic. According to Bain&Co. estimates last year approximately \$49.3 billion (€45 billion) worth of secondhand luxury products were sold worldwide. Some of the secondhand luxury goods can hold their value and some can actually grow in value over time despite being used. (RobbReport)

BREAKING UP LVMH FOR MORE VALUE

According to Bloomberg, LVMH is being penalized by shareholders for its disparate collection of businesses. Breaking up the behemoth could release significant value for investors. One of the main advantages for some of the luxury brands that could split away from the conglomerate, would be the fact that they would become

less mainstream and more differentiated again. It's Bernard Arnault who emphasizes the 'desirability' factor so often and yet keeps turning the luxury brands his group acquired into mere fashion brands and, on top of that, imposes the same management style on almost all of the luxury brands inside the group. Were they to break up, brands as Louis Vuitton or Dior could be similar to Hermes and achieve worth on their own as much as the whole group that's currently about €360 billion.

LUXURY COURTING THE 1%

In the post-pandemic world order where the already thriving global luxury industry experienced additional explosion, it has become more difficult to attract the top 1% of society. There are more brands, more products and services, more channels for brand communications and more content than ever. As BoF reports, "courting "VICs" — very important clients — has become a strategic

focus for brands. However, engaging this consumer cohort is only becoming more challenging, as competition for their attention intensifies. The dynamic is pushing retailers and [luxury] megabrands to implement more sophisticated, differentiated strategies to foster relationships."

Personalization and unique offerings are at the center of this type of courting while elevation, experience and emotion remain parts of the key equation as well.

