

THE LUXURY BUSINESS GAZETTE

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

Auction Market's Resurgent Interest in the Old Masters

➤ Morgan Stanley collaborated with Artnet News to analyze the state of the global fine art auction market for European Old Masters since 2018. They investigated how the Old Masters are contemporized and how today more of the living artists are inspired by the Old Masters. Old is new again and there are neo old masters. These strategic trends have led to the resurgent interest in Old Masters.

US' Old Cars Aren't Valued As Highly As European Old Ones

➤ Even though collectors and connoisseurs consider classic, vintage and antique American cars to be legendary and luxurious especially when compared to the new American cars by the same brands, these auction-level automobiles are still not valued as highly as the European ones. Of the top 30 most-valuable cars ever sold at auction, only one car on the list is American.



PINAULT TO BUY CAA

In the last decade, American industries and cultural media have all been so preoccupied with Silicon Valley and big tech's lobbied hype that they overlooked one of the US' biggest strengths that has been its most effective soft-power weapon all along and way before Silicon Valley - Hollywood. It was one of the main global capabilities that helped it win the soft power against the USSR. Today, however, there is growing criticism both from the global creative intelligentsia and audiences about how Hollywood films lack imaginativeness that they had before, there are more and more sequels, simple formulaic films, increase in mere remakes of the past's masterpieces and, on top of this, the current ongoing strikes. At this very weakening point of the American industry, the European tycoon and Kering boss Francois Pinault decided to start talks on taking over CAA, Hollywood's top talent agency.

Rise In Annual Spendings On Maintenance of Luxury Homes

➤ With the rise of sales in the global luxury real estate market, an increase can be expected both in the need for maintenance staff and in annual cost of maintaining particularly for the McMansion category luxury real estate. Maintenance of these estates could cost up to \$1 mln a year.

Luxury Retailers Are Exploring Membership Club Offerings

➤ At the end of this year Harrods is launching its first-ever club membership offering in Shanghai. Selfridges, too, unveiled this year its own membership program called 'Unlocked'. Through these club offerings these luxury retailer brands can connect with their customers on a deeper level by providing access to exclusive experiences, services and events.

The Role of Sonic Branding In Luxury Brand Management

➤ Some people still think sonic branding is only about the sonic logo in advertisements however that is only the tip of the iceberg. Sonic brand DNA encompasses all audile-sensorial aspects of a luxury brand's manifestations: from the voice of the CEO or founder to the voice of its ambassadors, from the music in the store to the sounds of the product and its packaging...

WHAT IS LUXURY FOR THE ELITES?

As Bernard Arnault, Chairman of the global luxury conglomerate LVMH, once put it: Luxury is "the ordinary for extraordinary people and the extraordinary for ordinary people." The question that arises is then what is high luxury or the extraordinary for the elites? In order to find the answer to this question it is, first of all,

necessary to acknowledge that not all elites are equal. There are different types and levels of elites. As reported by Spear's "Leading luxury brands rely on a deep personal understanding of discerning UHNW clients and hyper-personalisation is the key to 'true luxury'. This is why, industry insiders are aware that they need to go beyond demographics and use advanced psychographic segmentation, profiling, targeting and positioning for hyper-personalisation.

LUXURY IN-STORE STAFF NEEDED

Despite the hype around online shopping and digital marketing, many of the luxury brands have been expanding the number of their physical stores in different cities around the world rapidly. As reported by BoF, high-end brands are counting on brick-and-mortar retail to deliver the sort of personalised shopping experiences that can't be replicated online. However, opening more

stores consequently requires finding and recruiting specialised sales associates (that are called sales ambassadors in the luxury industry) with sufficient experience and soft skills. This has become a challenge for many luxury brands.

The in-store team can make or break the perception and reputation of the luxury brand. It can waste the millions of marketing and PR dollars invested in building the luxury brand over time.

