



NEW LUXURY MANIFESTO by KJAER GLOBAL

KEY TAKEOUTS FROM THE EVOLUTION OF LUXURY REPORT NOVEMBER 2015

#1. INNOVATE OR DIE

While old-school luxury brands have relied heavily on heritage, extremely high quality and easily recognizable status symbols, there is now a new generation of brands that has built a premium position almost entirely on technology, collaboration and participation. These new players in the market innovate with sustainable products and better customer experiences that have changed people's expectations of a premium brand. To build relevance for the new informed and affluent generation, all luxury brands – old and new – will need to put innovation at the core of their business. There is no turning back.

#2. BUILD EXPERIENCES BEYOND PRODUCTS

A new generation of conscious consumers is moving beyond ownership towards the thrill of discovering new things, places and experiences. This means luxury brands must offer deep luxury and transparency by inviting customers into their brand universe. Affluent millennials happily trade personal data for VIP treatment, but they expect seamless and hyper-personal experiences in return. A simple, but personal approach at all touch points will be a basic prerequisite. Brands that do not provide truly personalized experiences and demonstrate a deep understanding of their customers will not qualify as either luxurious or premium.

#3. ENRICH LIVES, TIME IS IRREPLACEABLE

Being cash-rich but time-poor does not signal status to a new generation of connoisseurs. Instead, they look for time to nurture relationships and grow personal skills. This affluent group want time to curate their own lives, grow their expertise and distinguish themselves by what they know – discernment is in their ability to value what is rare and precious in life. “Can't afford it” is being replaced by “can't find it”. By delivering solutions that free up time, luxury brands can help people discover their values and the riches not measured by possessions or bank balance.

#4. ENABLE MEANINGFUL CONSUMPTION

The affluent consumer is fusing the desire for luxury with expectations about responsibility for the environment and society. New luxury must come in more than sustainable packaging – an end-to-end sustainable approach, with concern for provenance and impact on the surrounding world, is essential. This is a new sharing or ‘we’ mindset that luxury brands must embrace in order to deliver meaningful products and services. This means going beyond CSR policies and pronouncements into genuine betterness culture, so that purpose is integral to brand DNA – understood and acted upon by all stakeholders.

#5. DELIVER ESSENCE, NOT EXCESS

While old luxury has traditionally reinforced status, hierarchies and individual power, new luxury is subtle and purpose-driven. It celebrates inclusiveness, collaboration and soft power – often associated with feminine values – as a driver of authentic wellbeing and quality of life. For premium brands, this means a need to focus on simplicity, intelligent reduction and more mindfully designed products, services and experiences. A deeper awareness of positive lifestyle choices means we increasingly focus on mindful luxuries and true enjoyment – we replace excess with essence – a universe where the good life will guide our choices.