

THE LUXURY BUSINESS GAZETTE

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

How Equestrian Teams & Their Horses Get to the Olympics

➤ Equestrianism is one of the most, if not the most, expensive sports in the world. Many of the horse owners figuratively say that their horses get a much more luxurious treatment and care (and on a continuous basis) than themselves. How the equestrian teams, delegations, their horses, equipment, legion of support staff get to Olympics is a process of grand and luxurious proportions.

Resilience of the Art Market and Global Auction Houses

➤ The recently released report by ArtTactic, a London-based market analysis company, demonstrates that global sales in the first six months of 2021 have more than rebounded and exceeded pre-pandemic levels at Christies, Sotheby's, and Phillips. Art is timeless and universal so it's no surprise that it can transcend the various storms that happen in time and space.



ACQUISITION OF LUXURY BRANDS

According to HSBC's calculations, the last time the overall luxury sector's stocks were as expensive was during the dot-com bubble. Acquisition of luxury brands by cutting the right deal is still hard today despite the fact that the pandemic has softened up some of the founders of independent brands who began rethinking their succession plans. For example, even the world's largest luxury conglomerate LVMH had to negotiate with the family behind Bulgari for 12 years until they finally accepted the check for \$5 billion. As WSJ reports: "Investors are betting that a tougher outlook for stand-alone brands will send these and other names into the arms of big luxury houses like Gucci's owner Kering."

Most Innovative Private Jet Providers of the 21st Century

➤ According to Argus TraqPak, in 2020, shared private jet solutions accounted for over 50% of US private aviation flight hours for the first time. What were some of the significant innovations in the past 20 years by the aviation companies? Which jet providers are the most innovative?

Haute Couture Brands Make It Reassuringly Expensive

➤ As their high net worth customers get wealthier still, haute couture brands have been raising prices during the pandemic. “Very desirable brands have the ability to increase prices. This has the advantage of reducing the risk of overwhelming the market and putting perceived exclusivity in jeopardy.” - (Guardian)

VW Group & Porsche Agreed to Combine Bugatti With Rimac

➤ Volkswagen Group and Porsche have agreed to create a new joint venture that combines Rimac, a Croatian company that makes electric supercars, with Bugatti. As CNN reports: “Mate Rimac will be the chief executive of Bugatti-Rimac. Two Porsche executives, including Blume, will have board seats at Bugatti-Rimac.”

LUXURY AS A LEADING VOICE

As Kati Chitrakorn wrote: “Luxury brands no longer sell just their brand. In a new era of consumer expectation for shared values, brands are curating platforms to function as tastemakers to extend their own brand halo into the wider cultural world.”

The complete transition from a capitalist culture to Cultured Capitalism where meaning prevails over meaninglessness is inevitable for the global economic order to survive and then thrive. This is where true luxury brands can lead the way as schools of thought and cultural-economic think tanks. Only the true luxury brands are qualified for such a mission, not the brands that only appear as luxury but in essence are merely consumerist brands.

LUXURY IS THE TOP INDUSTRY

With an estimated net worth of \$186.3 billion, Bernard Arnault, chairman and CEO of the global luxury goods conglomerate LVMH, joined the centibillionaires club. Bernard Arnault is once again the world’s richest person after Jeff Bezos lost about \$14 billion in one day.

By looking at the top 5 of the global Forbes list, one can notice that currently the two of the most money making industries among all industries seem to be high luxury and big tech.

During an interview at Oxford Union Arnault once said: “Luxury [marketing] for us is asking ‘how to create desire?’” But what are some of the high luxuries that he prefers for himself?

