

THE LUXURY BUSINESS GAZETTE

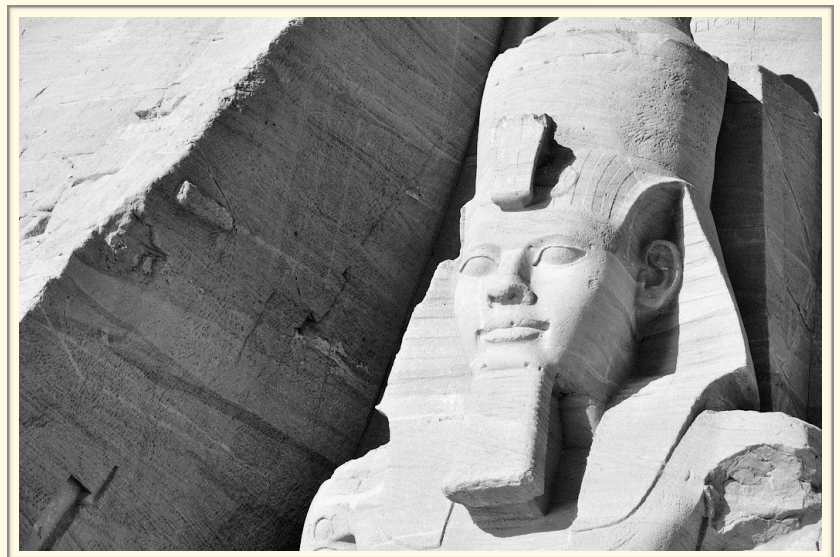
Monthly business news, analysis & views from the global luxury industry

Luxury Brands Began Focusing More On the Local Clientele

➤ Local consumption of luxury is on the rise. As there are less tourists traveling luxury brands began focusing on their local clientele. Those tourists that are not traveling are also spending more on the same brands in their own countries. “The good thing though is that the tourists that are lacking in Europe are actually spending quite strongly at home” - said E. Rambourg from HSBC New York

Implications of Forbes 35th Annual World’s Wealthiest List

➤ The number of billionaires on Forbes’ 35th annual list of the world’s wealthiest exploded to an unprecedented 2,755 - that’s 660 more customers of high luxury than a year ago. Altogether, the world’s wealthiest are \$5 trillion richer than a year ago. This data alone can discredit all the pretentious economists, analysts and journalists out there who claim entire luxury industry suffered recently.



LUXURY EVENT MANAGEMENT

Ancient Egyptian royalty ruled with the precursor sciences of strategic communications and luxury PR. As Edward Bernays wrote: “Their personal and political publicity is still extant after thousands of years. (...) Pyramids, obelisks, friezes, and statues propagandized the divine nature of those rulers. In ancient Egypt, priests were experts in public opinion and persuasion.” Few weeks ago, Egypt dazzled the world with the superlative event excellently executed. It was a breathtaking parade, a historic ceremony and a grandiose spectacle that was organized for royal mummies to be moved to a new resting place. Pharaohs would be satisfied. The luxury event worthy of the pharaohs caught the attention of the international media.

PrivateJet Travel Stays Strong. Commercial Flights Rebound.

➤ High retention rates show private aviation gaining ground, even as Covid concerns relax. Today private jet travel stays strong as commercial flights rebound. A [recent poll](#) found nearly 30 percent have considered switching from commercial airline to private aircraft.

Bespoke Service - Key Type of Service Among Luxury Brands

➤ Recently, Japanese billionaire Yusaku Maezawa commissioned a bespoke Rolls-Royce and Hermès Phantom. As written in the [Market Herald](#), “the car’s striking two-tone exterior is reminiscent of the green and cream glazes used on antique Japanese Oribe ware, which Maezawa-san collects.”

Monaco Reigns as the World’s Priciest Area to Buy a Home

➤ The tiny Mediterranean country of Monaco continues to be the priciest spot to buy a home, according to a report from Savills. “International interest in Monaco was sustained throughout 2020 and we expect to see a surge of demand for both sales and rentals once travel restrictions are lifted,” Irene Luke, head of Savills Monaco, said in a statement. ([Barron’s](#))

WHAT HNWI SPEND ON NOWADAYS

Jacob Bernstein from [NYT](#) wrote on how bored rich people are spending their extra cash. According to Bernstein “it’s not just that they’ve spent the last year splurging on stakes in untested, newly formed public companies that have yet to produce products, much less profits. It’s that during the pandemic,

seemingly every luxury acquisition has become a so-called alternative asset class.” So during the pandemic the HNWI began spending more on collectible timeless items and objects of art. As B. Clymer wrote: “the wealthy that used to spend money on travel aren’t using it, so everything collectible is skyrocketing in value.” A simple reframing from ‘purchase’ to ‘investment’ gives the reassurance and motivation to continue spending on these luxury collectibles.

INVESTING IN LUXURY

The intelligent investor Warren Buffet, CEO of Berkshire Hathaway, has always been interested in buying companies that have monopolistic traits: high pricing power, substantial competitive advantage, strong brand identity... These are exactly the characteristics of all true luxury brands out there and conversely these are the components that almost all

non-luxury brands lack. During an interview at the Financial Times Luxury Summit Dr. Johann Rupert, Chairman of Richemont, explained the brand equity imperative saying: “our role is to protect the DNA and the brand equity, because if we can have desirability and brand equity then we can have pricing power.” The luxury business that produces the classic, the archetypal, the iconic, the totemic or the cult was, is and will continue attracting [investors](#).

