

# THE LUXURY BUSINESS GAZETTE

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

## Geneva Auction Week 2021 Was Diverse, Bold and Alive

➤ The watch world revealed all of its eccentricities during the Geneva Auction Week this year. The diversity of watch brands and designs was impressive and the attendees from all over the world participated actively. Nearly 100 million Swiss francs was spent over a single weekend. Observers noted how the interest particularly in Richemont watchmakers is surging.

## Calendar for Luxury Industry Events 2021 - 2022 is Out

➤ The number of physical events, congresses, conferences and trade shows on luxury has now returned to nearly pre-covid19 levels. In addition to that the proportion of digital or hybrid events in the luxury industry is falling as well. The effectiveness of physical events cannot be replaced with any digital events. The new luxury industry events calendar is out.



## EQUESTRIAN INDUSTRY IN PROSPERITY

Luxury brands as Hermes, Longines, Rolex among others have been sponsoring the equestrian events for decades. Specifically, showjumping is one of the most prestigious sports events out there and so the value that it adds to an associated brand cannot be overestimated. The elite world of international showjumping and the equestrian sphere in general is a luxury industry in and of itself. There are three main reasons for this. Firstly, horse-related sports and leisure activities have a deep seated and long-established aristocratic, noble, chivalrous and royal image. Secondly, horses are some of the most beautiful animals that can develop a strong emotional bond with a human being. And thirdly, it is one of the most expensive type of sports.

## Future of the World's Largest Gambling Hub Is Now Debated

➤ According to The Economist, on average, gamblers spend US\$1,354 in Macau casinos compared to just US\$156 in Las Vegas. Macau recently had its worst month of the year and its casinos put relations with Beijing at risk. The future of the world's largest gambling hub is now debated.

## How Can Luxury Brands Apply Soundscape Archaeology?

➤ As BBC reports, "soundscape archaeologist Mylène Pardoën is reproducing the sounds that were heard inside and outside the Paris cathedral from its construction in the 13th Century until the 2019 fire." These are the sounds that brought to life a sacred place and a divine center like Paris' Notre-Dame cathedral hundreds of years ago.

## 70% of Young Investors Intend to Fire Their Family's Advisors

➤ As the new generation of wealthy investors grow older wealth management advisors' business could almost go through an existential crisis in the near future because they acknowledge what Ernst & Young has reported – that 70% of women and millennial/Gen Z investors will likely fire their family's advisors as the trillions in wealth transfer comes their way.

## LUXURY IS CRISIS-PROOF

The luxury industry didn't just survive the pandemic but many of its categories actually thrived.

The luxury industry have always withstood economic booms and crisis, macro-shifts, industrial revolutions and world wars. During the financial crisis and after the fall of Lehman Brothers in

2008, the luxury industry demonstrated its resilience once more, outperforming most other industries and even recovering much faster and stronger than any other industry.

Luxury is one of the most resilient categories after recessions and economic downturns, with recoveries that are dramatically faster and stronger than non-luxury sectors. The current rebound after the 2020 shock is just confirming this pattern.

## FABERGÉ'S LEGACY

The timeless and rare works of Fabergé were auctioned at Sotheby's this month in London. The title of the auction was 'Russian Works of Art, Fabergé and Icons'.

Fabergé's understanding of a luxury business model was impressive. He sent out pamphlets to his clients, which was a novelty at that time. He also emphasized his decision that whatever

the brand produces would be an absolute novelty and one of its kind. In addition to this, he even managed to spread the myth that all unsold objects were to be destroyed at the end of the year to start creating new ones for the next year.

In an interview in 1914 he was asked: "How do you see your situation as opposed to all your great competitors abroad?" He replied saying: "Tiffany, Cartier and Boucheron are people of commerce. I am the artist jeweler."

