

THE LUXURY BUSINESS GAZETTE

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

LVMH Will Pay (only) €10 Million to Settle Spying Claims

➤ LVMH, the French luxury conglomerate, will pay €10 mln to settle claims that it hired France's former domestic intelligence chief to spy on private citizens, in particular on a filmmaker for nearly three years while he was filming his documentary targeting the group's CEO Bernard Arnault. The documentary won a Cesar – France's equivalent of the Oscars – as best documentary in 2017.

HNW Families Projected to Transfer \$18.3 Tln by 2030

➤ As Barron's reported, high-net-worth individuals and their families, those with US\$5 mln or more in net worth, are expected to transfer a combined US\$18.2 trillion by 2030, according to a new report of Wealth-X. The wealth transfer will be carried out by approximately 680,000 individuals across the globe, averaging US\$27 mln per person.



LESSONS FROM HIGH LUXURY BRANDING

Prof. Matteo Atti from International University of Monaco explains that “even in the small realm of high-net-worth individuals (HNWI), there is a marked distinction between wealth and ultra-wealth. Regular access to private jet services and the chance to design a bespoke yacht or collect the finest art pieces are still a world away even for most multi-millionaires.” What the HNWI might settle for, the UHNWI would not. However, treating all luxury customers as if they are UHNWI is the universal key. Luxury branding is ahead of ordinary branding. It is more advanced when it comes to service. Therefore, all marketers, branding and communications professionals would be better off learning the techniques of branding from high luxury.

Lower Supply Popped Prices of Champagne During 2021

➤ During 2021 low supply and fizzy demand boosted prices of vintage champagnes and they have been outperforming global stocks. As [FT](#) reports, “champagne prices surged 33.7 per cent in the first 11 months of 2021, as measured by Liv-ex’s Champagne 50 index, its best ever year of performance.”

2021 Was a Great Year for Lux Real Estate in US & the World

➤ 2021 was a very successful year for luxury real estate in many countries around the world but especially in the US (i.e. in NYC). According to [Bloomberg](#), it was “almost three times the number of deals in 2020 and twice as many as in 2019.” It was its best sales year ever on record with record contracts, record volume and record sizes.

Sotheby’s Set an All-Time Record in Art Sales in 2021

➤ The art market was another luxury category that prospered in 2021. As [ArtNet](#) reports, Sotheby’s sold \$7.3 billion worth of art in 2021, a record in the auction house’s 277-year-history. The robust results arrive just as Sotheby’s owner Patrick Drahi may be considering taking the company public once again, according to [Bloomberg News](#).

MEGA-YACHTS IS A MEGA-BIZ

The yachts category, like jets, jewelry, art or luxury real estate, was another one of many subcategories of luxury that performed very well in the pandemic-hit year 2021. This was the case during the mortgage crisis too. The yachts category was one of the fastest selling ones during that period.

As it’s written in [Fortune](#) mega-yachts or superyachts today “are big business and getting bigger in every sense of the word. Not only are more of them under construction than at any time before, with order books full until 2027, but the boats are getting bigger too.

The superyacht of 30 years ago is dwarfed by today’s leviathans, as the mega-wealthy demand ever more magnificent marine palaces.”

A ROYAL CULTURE

As [FashionUnited](#) reports, Grace De Monaco launched this summer with an event in Monaco’s Hotel De Paris hosted by Prince Albert and an inner circle of supporters and friends. The luxury brand, a wholly owned subsidiary of the Princess Grace Foundation US, gives 100% of the profits to support emerging artists in film, dance and theatre. Isn’t Grace De Monaco the exemplary business model for some luxury brands?

The definition of a fashion influencer today needs to be redefined by returning to its original definition. The definitive exemplars of this notion are personalities as Princess Grace. In the words of Brisa Carleton, CEO of the Princess Grace Foundation, “Princess Grace was a Hollywood star turned princess and became really one of the first global influencers in fashion, in film and in philanthropy. (...) She wasn’t just reliant on the fashions of the time, she was helping to shape fashion.”

