

# THE LUXURY BUSINESS GAZETTE

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

## VW Group's Porsche and Audi Plan to Enter Into Formula 1

➤ The Volkswagen Group has confirmed plans to enter Porsche and Audi into Formula 1 are at an advanced stage. As [Sky sports](#) reports, “the famous brands are expected to join as engine suppliers rather than taking over a team completely, with the new engine rules from 2026 key to their involvement.” It is expected that Porsche will link up with Red Bull but Audi's link up isn't clear yet.

## Finland Seized \$46 Mln Worth of Art En Route to Russia

➤ Finnish customs officials have seized artworks valued by insurance at over \$46 million, blocking them from returning to Russia, under the recently European Union sanctions enforced in response to President Vladimir Putin's invasion of Ukraine. The masterpieces include those by Giovanni Cariani, Pablo Picasso, Titian etc. ([Artnet](#))



## FAMILY OFFICES OF SECRETIVE HNWI

In the words of the French philosopher Guy Debord “the more powerful the class, the more it claims not to exist.” This principle has been present within the world of family offices as well. As April Rudin wrote in her [Forbes](#) article: “the world of single-family offices and high-net-worth families can feel like a secret one. Names may be occasionally known in the investment community, but strategies, practices and ideals are certainly kept behind closed doors.” However, since the power of strategic communications increases, it begins to attract the attention of powerful classes too. Consequently, many of them are making the transition from ‘no mask, no face’ model of invisible powers into the new model of ‘defined and refined mask expressing the hidden face’.

## Luxury Hotels Began Targeting Locals More Than Before

➤ Luxury hotels around the globe are opening new members-only clubs to court an overlooked segment: the locals. Increasingly, high-end hotels worldwide are diversifying revenue streams and creating similar business models aiming to appeal as much to nearby residents as to travelers.

## Annual Art Basel Global Art Market Report 2022 is Out

➤ According to the new report by Art Basel and UBS, the global art market rebounded to pre-pandemic levels in 2021 with \$65 billion in sales. The U.S. remains the largest national market in the art trade while China is second and the UK is third. As written in ARTnews, “the ongoing global crisis has not deterred the ultra-wealthy from investing in art.”

## The U.S. is Taking the Lead Among Biggest Lux Spenders

➤ The luxury business comes back to the US. Chinese consumers will drive the luxury market long-term but for now the US' luxury consumers are the biggest spenders. In 2021 luxury growth was led by the US, not China and recently Shanghai's lockdown plus Russia's invasion in Ukraine affecting Europe are some of the reasons why Americans remain the biggest luxury spenders.

## LUX AUTOS' LIFESTYLE BRANDING

Luxury automobile brands as i.e. Bentley, Aston Martin, McLaren, Ferrari, Bugatti among others are finding ways to diversify into new sectors, from luxury luggage to designer high-end fashion. According to Financial Times, “Ferrari has even closed down more than half its licensing deals to help manoeuvre this

high-fashion offering into a different consumer realm. The car manufacturer's move into high fashion signals an industry-wide desire to cash in on the lucrative world of lifestyle branding.” Luxury brands don't just sell products and services. They sell a whole lifestyle, a worldview, a dream, an idea or an ideal, an image, a story, an attitude, a way of thinking and so forth. This is why lifestyle branding has always been an important component of many luxury brands' marketing mixes.

## HOMO FABER VENICE

Apart from the Venice Biennale, recently the other important event in the city was Homo Faber 2022, which is an initiative of the Michelangelo Foundation. This 3-week event highlighted the importance of craft and craftsmanship through a series of exhibitions, events, and studio visits with master artisans. (TL Mag) Many of the major international luxury brands

attended Homo Faber 2022 in Venice to either add or keep their brand value that derives from the meaning of craftsmanship.

There is a strong demand for a real antidote to extreme commoditization, consumerism and the efficiency fetishism. 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.

