

THE LUXURY BUSINESS GAZETTE

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

European Luxury Brands Are Among Top M&A Targets

➤ The very resilient capacity and the transcendent nature of the European luxury industry makes it attractive for investors and suitors as the general market confidence is shaken. The extraordinary and repetitive booms of the luxury sector have turned the European luxury firms into top M&A targets. The sector appears ripe for an M&A wave, according to an informal [Bloomberg](#) survey.

Luxury Industry's Growth And Boom Might Never End at All

➤ 'Extraordinary boom', 'unstoppable growth', 'Europe's first 500 billion dollar company' ... These are some of the words that Financial Times used in its recent [article](#) to describe the luxury industry and its global players. Those economists who were speculating that this boom temporary are now of a different view as they aren't sure whether the sector's boom will ever end.



ALLURE OF THE 'OLD MONEY' AESTHETIC

The attitudes of the new money and the old money towards luxury are very different. Needless to say, not all new money and not all old money are equal. There are old money attitudes among the new money and new money behavior among those that inherited wealth. Economically speaking, not all old money are part of the long-established wealthy dynasties. So the two terms can be very confusing and inaccurate. Instead of the new money vs. old money there can be a better comparative analysis among the types of wealthy clientele when described with the terms ruled elite vs. ruling elite. The inability to distinguish between the ruled elite and the actual or the ruling elite derives from the weak segmentation skills of market researchers, journalists and communication professionals.

Cuba Faces Tobacco Crop Crisis After the Hurricane

➤ As published by [CigarAficianado](#) and according to a report by Granma, the Cuba state-run newspaper, Cuba faces smallest crop in its history because of the damage from Hurricane Ian. Habanos S.A. stated that it'll work on minimizing the damage and help the sector recover.

The New Art Market Report by UBS and Art Basel is Out

➤ The global art market grew to \$67.8 billion in 2022, exceeding pre-pandemic levels and reaching its second-highest level to date, according to [The Art Market 2023](#), authored by Dr. Clare McAndrew, Founder of Arts Economics and published by Art Basel in partnership with UBS. What are some of the key findings and takeaways from the new report?

Highlights From This Year's Swiss Watches and Wonders

➤ [Watches and Wonders](#), the annual trade show of high-end watches held in Geneva, Switzerland, is the world's biggest watch fair that attracts collectors, brands, experts, investors and influencers from various countries. What were the most standout pieces this year? What are some of the highlights from the gathering? What was the pattern among the various offerings by top brands?

LUXURY'S TALENT SHORTAGE

As [Adrienne Klasa](#) wrote: "After years of rapid growth, driven by voracious demand from Chinese consumers, Europe's luxury industry is facing acute hiring pressures for roles spanning everything from manufacturing to retail and management." The post-pandemic world didn't create the war for talent. It intensified it further. So the

war for talent isn't showing any signs of slowing. Spotting talent ahead of others, attracting talent and talent retention are among the main goals for a growing number of luxury brands today. Talent is out there but luxury brands need an advanced radar instead of its primitive one. The global talent agenda can have a huge impact. The last time the secret of discovering and investing in the right talent was revealed Europe had a Renaissance which started in Florence, Italy.

ARE LUXURY BRANDS OVEREXPOSED?

It is true that luxury is desired by everyone but is it true that luxury is for everybody? The answer seems obvious.

The democratization and cheaper line extensions of many luxury brands has led them to become overexposed in the eyes of consumers. Some of the luxury brands have managed to avoid this mistake however many

other brands are either over-communicating or overselling. This is why, for example, Hermes' CEO once said "When a product sells too much we stop producing it".

Distributing a product too much, opening too many stores, publishing too many advertisements and social media posts, collaborating with the most popular brands and celebrities dilutes the essential rarity and exclusivity ingredients of the luxury business model and luxury brand management systems.

