

THE LUXURY BUSINESS GAZETTE

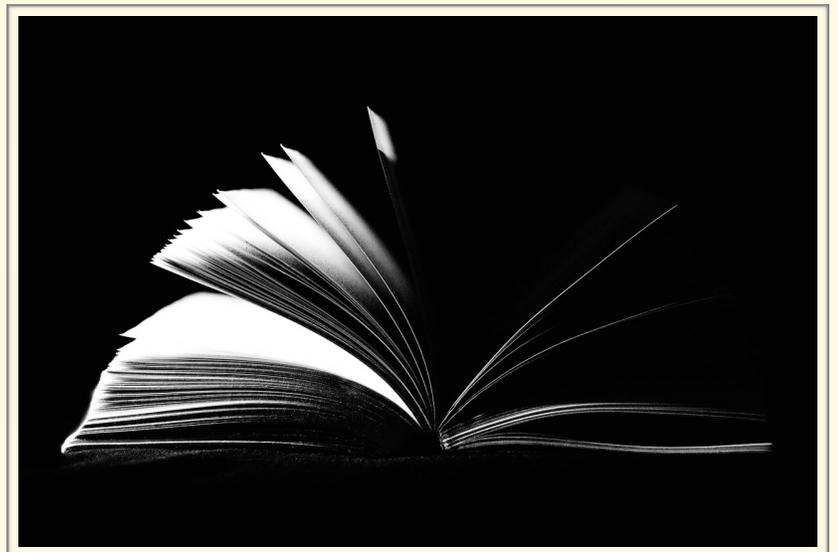
Monthly business news, analysis & views from the global luxury industry

Are Hotel Branded Residences the Future of Luxury Property?

➤ London's latest wave in luxury real estate developments is the rise of hotel branded residences. According to Savills' Branded Residences Spotlight report from 2020, the number of developments created in partnership with a brand has increased by 170 per cent in the past decade, and 2021 is poised to be another record year, with 100 new schemes expected to open globally.

The Global Art Market Report 2021 by Art Basel UBS is Out

➤ The Art Market report 2021 by UBS Art Basel is out. It provides a brief overview of sales in the largest art markets over a 10-year period. The first chapter also includes commentary on the effects of the change in the US administration on the market and the impact of the EU's 5th Anti-Money Laundering Directive on auction houses and dealers in Europe.



LUXURY LEADS THE RETURN TO PHYSICAL

Mansur Gavriel, Loewe and other luxury brands are leaning into traditional physical-analogue marketing as a way to cut through the digital noise and connect with consumers at home. As written in Vogue Business: “Chanel, Dior, Prada, Loewe and Alighieri sent books or other physical items that offered a closer, more intimate look at their collections to top spending customers, who are increasingly expecting brands to come to them. The books, alongside other physical materials like handwritten notes are like keepsakes, rather than disposable catalogues, and “can truly bring people into our universe”, says Alighieri founder Rosh Mahtani. “There is nothing digital that could possibly compare to physical.””

“Swiss Made” Can Lead to a 50% Value Increase for Luxury

➤ “It is no secret that Swiss products and services enjoy a great reputation both at home and abroad,” according to Swiss trademark attorney Milana Pantelic. As written in the article of The Fashion Law, the “Swiss Made” designation can lead to a 50 percent increase in value for luxury goods.

Comparing Luxury Investment Categories Around the World

➤ In order to compare and rank the most popular luxury investments in 2020, Knight Frank surveyed over 600 private bankers, wealth advisors, and family offices. “The art and luxury markets have proven to be incredibly resilient, and demand for quality across categories is unabated.” – said Charles Stewart, CEO, Sotheby’s

French LVMH is Now the Most Valuable Company in Europe

➤ According to the research data analyzed and published by Finaria, the French luxury conglomerate’s market capitalization stood at approximately €264.6 billion as of February 26, 2021. At \$329 billion, LVMH is now the most valuable company in Europe. The luxury giant has eclipsed even Nestle to claim the top spot. LVMH now also ranks as the 21st most valuable company in the world. (RobbReport)

THE SAINT PETERSBURG FÉERIE

There have never been and never will be petty politics in the timeless realms of high culture, high luxury and true diplomacy. This win-win luxury co-branding event between Richemont’s Cartier and Hermitage museum payed tribute to the intrinsic links uniting the Maison Cartier and Russia and celebrated

life in Saint Petersburg, an unmissable destination on the Cartier map. The event included a heritage and savoir-faire exhibition with the Hermitage museum and an international art conference. The author of scenography and exposition concept Sylvain Roca describes the force behind the experience throughout the exhibition in the following way: “The invisible force is in fact a link of continuity be it stylistic or in materials”

HERMES’ PRICING

Hundreds of luxury brands around the world (e.g. Louis Vuitton) as a principle never go on sale. According to the luxury branding expert Jean-Nöel Kapferer: “If products are discounted 50% in January, then they are managed like a fashion brand, not like a luxury brand.” The price elasticity concept of conventional economics should not influence price setting

strategies of luxury brands. It will be beneficial in the long-term for a luxury brand to break such dogmatic rules as ‘the increase of the prices means decrease of demand’. Most of the time the price setting methods of true luxury brands make the prices either stay same or increase. In the luxury sector, to increase the prices would not lower demand but instead it actually could boost it and, in many ways, contribute to the brand’s growth.

