



# Defining Luxury

A Category Overview

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**NBCUniversal**

# We believe

Luxury is not a category, it is a collection of brands that consumers fall in love with. It is a vision of what they desire to be. Each bag, car is another step closer to that reality



# Luxury Transcends Categories

Requiring an understanding of the key aspects

Luxury Industry  
+  
Luxury  
Categories  
+  
Spectrum of  
Luxury Good  
Consumers

## TRANSCENDS SPECIFIC CATEGORIES



**ALCOHOL**



**RETAIL**



Apparel  
**HANDBAGS**



Apparel  
**SHOES**



Apparel  
**FASHION**



Home + Life  
**ELECTRONICS**



Accessories  
**JEWELRY**



Accessories  
**WATCHES**



Home + Life  
**AUTOMOTIVE**



Home + Life  
**TRAVEL**



Home + Life  
**HOME**



Home + Life  
**FINANCE**



# Like many industries, luxury is defined by three building blocks

1

**How the brand is defined**

2

**How the brand is presented**

3

**And who buys the brand**



# Underpinning these category building blocks are core tensions

- ① Brand is everything
- ② Tension between newcomers and legacy (brand and consumers)
- ③ Challenge with corporate responsibility
- ④ DTC challenging how luxury goes to market (Digital, Consumer first)





# Which have played out in different ways across the category



## Heritage is Luxury

Catering to royalty, where the company was founded mattered and brands relied on their long history to promote their value



## Scarcity

From sourcing to the shelves, looking for the rare to create the scarce drove price points, regardless of global impact



## Print is King

Creating the perfect photoshoot to taking out a full page spread, print was the preferred method of brand storytelling

## Quality is Luxury

Brands like Shinola or MM LaFleur built on the idea of luxury without the heritage, challenging how brands are seen within the sector

## Sustainable

Long noted as a wasteful industry, newcomers and legacy brands alike have begun making environmental pledges evolving to new consumer needs and demands

## Digital Reigns

Telling stories through photos, digital mediums like Instagram allow brands to be fresh but flexible

**Legacy**

**Evolution**



# Audiences have also changed from the historic model

## Aspirational



*Infrequent luxury shoppers, saving their money to **buy a single luxury good**. Due to the rarity of purchase, it is often to **celebrate major lifetime event or milestone**.*

## Playing the Part



*Playing the Part shoppers are **moderate** luxury shoppers. As purchases from the brand are infrequent, they are **selective in what they buy from particular luxury brand**.*

## Selective Wealth



*Frequent shoppers who are living a luxury lifestyle yet **balancing their decisions with their income**. Purchases are **purposeful and selective** to categories they can afford, mostly fashion and alcohol.*

## True Luxe



*The True Luxe are virtually **exclusive to the luxury category**. They have the **means to purchase luxury items at will** without concern for finances.*



# As they buy across categories, fitting their lifestyle and income levels



Everyday

## ALCOHOL

Sipping champagne to single malts, accessible to most



Everyday

## RETAIL

Shopping trips and window gazing, accessible to most



Apparel

## HANDBAGS

Over the shoulder, cross body, or totes, accessible to many



Apparel

## SHOES

Pumps, flats, stilettos or boots, accessible to many



Apparel

## FASHION

A-lines to rompers, accessible to many



Home + Life

## ELECTRONICS

Wireless headsets and next gen tech, accessible to many



Accessories

## JEWELRY

Rings to necklaces, accessible to some



Accessories

## WATCHES

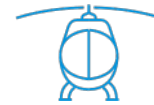
Time pieces and heirlooms, accessible to some



Home + Life

## AUTOMOTIVE

Sporty and refined, accessible to some



Home + Life

## TRAVEL

Yachts, private jets and frictionless, accessible to few



Home + Life

## HOME

Acres and double digit bedrooms, accessible to few



Home + Life

## FINANCE

Wealth management and trust funds, accessible to few



# Based on the changing tides of luxury, coupled with new audiences, each approach must be bespoke



## AUDIENCE FIRST

Understanding the core audience and why they buy is a must



## TAILORED SOLUTIONS

Given luxury is a collection of categories and not just one, custom solutions are needed



## OMNICHANNEL APPROACH

With the pandemic shifting how luxury is bought, a full 360 approach is necessary