

Luxury  
Travel  
Trends

# The State of Luxury

BY **EMBARK**  
BEYOND & JACK EZON

IN PARTNERSHIP WITH **Bal  
Harbour  
Shops**

# Preface

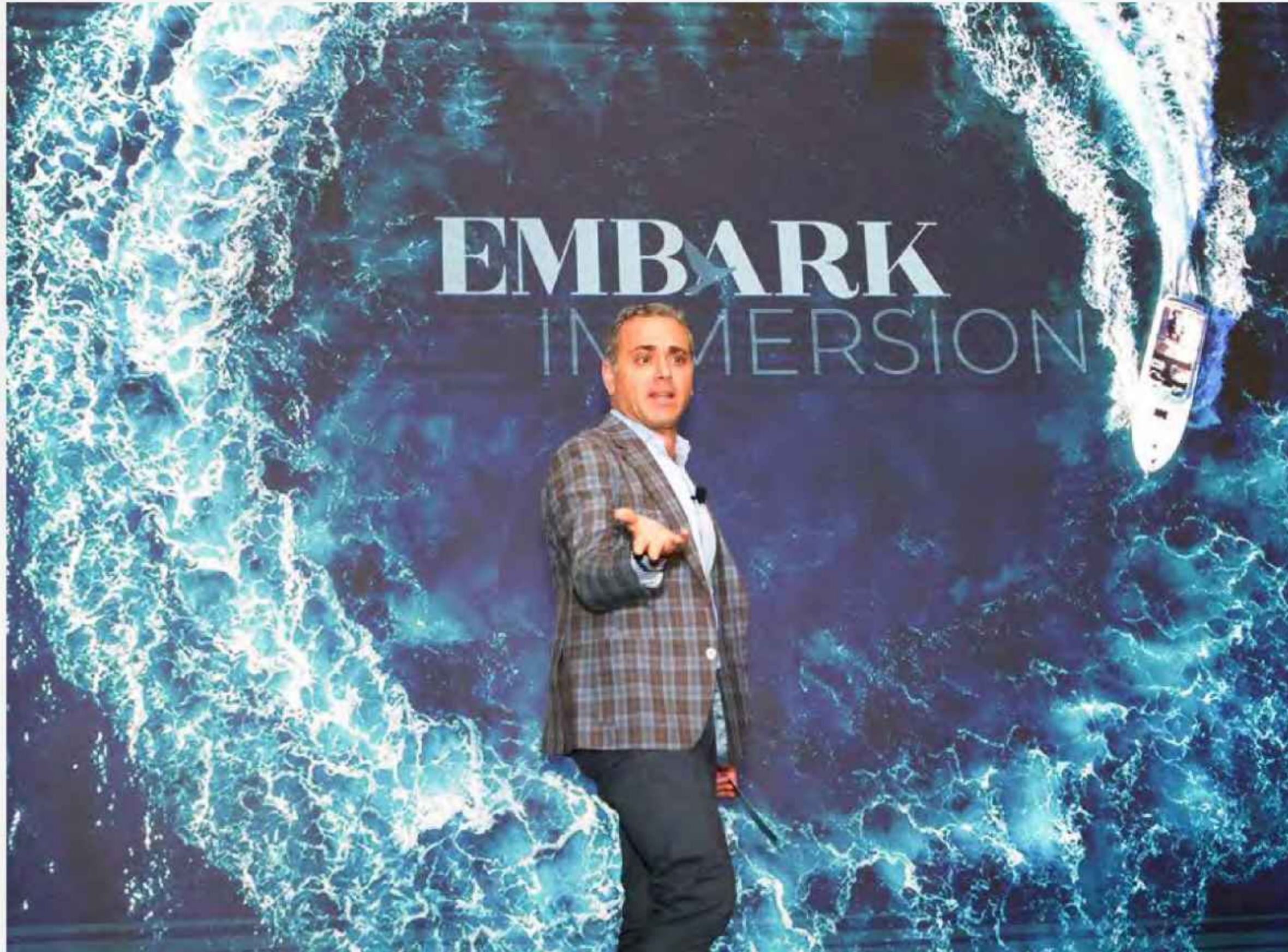
**The State of Luxury** was born from our desire to observe, forecast, facilitate, and celebrate the new paradigms in luxury.

In the inaugural State of Luxury, we are sharing personal insights from top icons in the luxury arena and have distilled the most prevalent thoughts and trends that are transforming the luxury landscape.

The new luxury consumer is seeking access to

rare, one-of-a-kind experiences and interactions that are as unique as they are. Luxury brands are responding, fast and furiously. The following pages examine the state of luxury today and the trends that are impacting how it might look in the future.

JACK EZON, FOUNDER, EMBARK BEYOND OPENING THE SECOND EMBARK IMMERSION CONFERENCE AT NIZUC, MEXICO. PHOTO CREDIT: MELANIE NASHAN



THOMAS ALDERINK, COLIN COWIE, DANNY PEUSCOVICH AT EMBARK IMMERSION PHOTO CREDIT: MELANIE NASHAN



# Introduction

Art, fashion, hospitality, design, science, and technology are starting to play roles in luxury that shouldn't be ignored. We are also seeing these sectors look to one another for inspiration, collaboration, and brand expansion. Most of all, we are seeing luxury brands use hospitality as a platform for brand immersion and customer acquisition. Everything from pop culture to travel decisions are being influenced by the luxury industry.

At Embark Beyond we are so inspired by what is happening in the luxury space and curious about what is to come. That's why we brought together over 200 Embark advisors with over 200 of the world's greatest icons in the luxury and hospitality world at our last company conference, the Embark Immersion, set in the Riviera Maya's NIZUC Resort and Spa. We shared insights, examined trends, and explored collaborative opportunities to holistically elevate the client experience.

The conversations were so compelling that we decided to pen a summary for everyone to read in place of our Q1 trends report. The State of Luxury focuses on two areas. The first examines how luxury has become a cultural conductor, changing values, expansion, and cross-pollinating efforts to acquire a new client or consumer. The second area focuses on how to retain and increase loyalty with that client or consumer.

# The icons that have inspired us to create this holistic account of the current state of luxury



**Robert Chavez**  
Executive Chairman,  
Hermès Americas



**Rodrigo Bazan**  
CEO, Thom Browne



**Trent Power**  
Group Director of Client  
Development & Client Relations,  
LVMH Moët Hennessy Louis Vuitton



**Marco di Santo**  
Managing Director, BVLGARI  
LATAM



**Dezaray Romanelli**  
Managing Director, RIMOWA  
Americas



**Filippo Arnaboldi**  
CEO, Frette



**Massimiliano Righi**  
CEO, Ginori 1735 USA



**Eléonore Dethier**  
VP, Global Head of  
Partnerships, Sotheby's



**Omer Acar**  
CEO, Raffles Hotels & Resorts,  
Fairmont Hotels & Resorts



**Anna Nash**  
CCO, Aman



**Carolyn Travis**  
Head of Brand and Marketing,  
Bal Harbour Shops



**Frederic Biousse**  
Co-founder & Chairman, Les  
Domaines de Fontenille;  
Sandro+Maje Group



**Mauro Nava**  
Dir., Hospitality & Residential  
Sales, Technogym



**Helen Smith**  
Joint CEO, Dorchester  
Collection



**Mike Minchin**  
CMO, Auberge Resorts  
Collection



**Duarte Bon de Sousa**  
VP Operations, Oetker Collection



**Frederic Vidal**  
VP of Operations for the Americas,  
Rosewood Hotel Group



**Deborah Yager Fleming**  
CEO, Acqualina

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# Luxury hospitality has become a meaningful part of the luxury ecosystem as engaging collaborations continue to accelerate.



PHARRELL WILLIAMS, SINGER, SONGWRITER, PRODUCER AND NOW LOUIS VUITTON MEN'S CREATIVE DIRECTOR PICTURED WITH HIS WIFE AND SON.

“The lust for luxury is real! Luxury spend keeps growing and is becoming culture in its own right,” announced Carolyn Travis, Head of Brand and Marketing for Bal Harbour Shops, as she opened a conversation among several luxury and hospitality leaders at the November 2023 Embark Immersion.

More people across ages and income brackets are getting swept up in the world of extravagant products, driving the industry to an incredible boom. Companies are looking to capitalize on this in a myriad of ways. “We are seeing many interesting examples of luxury brands expanding and extending their reach, partnering, and moving into other verticals to diversify offerings and increase market share,” said Travis.

Dwindling pace and the need to stay relevant in a crowded digital and physical marketplace are forcing luxury companies to level up. They are creating products outside their signature space. They are cross-selling, cross-pollinating, and cross-marketing. They are taking their product or service beyond the confines of the Madison Avenue retail shop or the five-star hotel room and bringing it to other verticals. All the while, AI promises to enable them to be top of mind and touch many parts of the customer lifecycle.

According to an analysis by financial market intelligence firm Cerulli and Associates, in the next 10 years about \$16 trillion of wealth will be inherited by Gen Xers and Millennials.

In 1989, total family wealth in the United States was about \$38 trillion, adjusted for inflation. By 2022, that wealth had more than tripled, reaching \$140 trillion. Of the \$84 trillion projected to be passed down from older Americans to millennial and Gen X heirs through 2045, \$16 trillion will be transferred within the next decade.

— COURTESY: THE NEW YORK TIMES, CERULLI ASSOCIATES

Appealing to a younger generation doesn't just mean embracing cool styles or connecting via Tik Tok. This new generation of powerful buyers are creating a sense of urgency and alarm with brands that step up their strategy and their outreach to connect with them on a deeper level. Brands are now being tasked with becoming a cultural tastemaker, a film producer, a storyteller, and a collaboration incubator. These moves aren't always successful, but many think they are worth the risk. The reward is an enhanced brand image, increased value, and more customer engagement.

\*Generation X (those born between 1965 and 1980), Millennials (1981-1996) and Gen Z (1997-2012)

Gucci Salon, a new brick-and-mortar concept that takes luxury retail to a new level in LA for VIP clients with appointments.



CATEGORY 1

# Luxury as a Cultural Conductor

Luxury companies, especially fashion brands, have always reflected culture, but today it seems they are leading culture.



Brooklyn Diner turned into Chanel's Lucky Chance Experience and subbed foods for a bubblegum-pink fragrance discovery experience.

There has been a growing trend of luxury harmonizing with other cultures and subcultures to create products and experiences that better resonate with wider audiences. Think Gucci opening a café with a world-renowned Italian Chef, Massimo Bottura, Louis Vuitton menswear appointing Pharrell Williams as Creative Director, Tiffany & Co. doing an advent calendar with Jean-Michel Basquiat's estate. In fact, the past 12

months has seen more changes in top creative directors than any year in history looking to attract a new generation through niche passions rather than just reflecting trends.

Luxury is being flipped on its head and we are here for all of it. In this section, we will explore how luxury is becoming a cultural conductor with four key themes.

# Changing Status Symbols

People are reframing how value is created, distributed, and captured.

Status symbols are becoming more inconspicuous and more difficult to attain. Symbols are shifting towards unique one-of-a-kind experiences and access over products, but they have always been tangible. If intangible experiences and access are now the ultimate in wealth and status, what are the new symbols?

## Inconspicuous Consumption

According to Anna Nash, CCO of Aman, “wealthy clients have shifted from a showy conspicuous-consumption

to a conscious-consumption, ‘discreet luxury’ preference; it’s tasteful to be a bit low key.” Aman has always positioned themselves as the Brunello Cucinelli of hospitality – an ‘in the know’ discreet brand of the highest quality.’ Never has the brand been so in-demand.

## Mindfulness

New status symbols represent your values. Technogym’s Mauro Nava shares the impact of mindfulness on business. “Being mindful of decisions, what you do in life and how you consume is integral to next-gen luxury clients. Luxury is a feeling – how your brand makes people



CELINE BOND STREET

A 2018 global survey by Accenture Strategy of 30,000 consumers in 35 countries indicated that nearly two-thirds (62%) find brands with high ethical values attractive.



FRETTE DESIGNS HOTEL-INSPIRED COLLECTIONS

feel and how you feel as a person is integral to connecting to them.” Post-Covid has brought on a lot more mindfulness in making buying decisions, especially from a younger generation. Consumers today are focused on sustainability, investment value, and craftsmanship when considering a luxury purchase.

## Value Perception

Luxury products are not cheap but that doesn’t mean that a younger generation eschews them for lower priced options – they are just looking for a rationalization of higher prices and a justification of value. “Quiet luxury” is about quality and exceeding expectations. “When you overdeliver on the experience people don’t question the price,” shares Raffles and Fairmont CEO, Omer Acar. Rosewood’s VP of Operations, Frederic Vidal acknowledges that despite his properties being among the most

expensive in the world, everything they do is rooted in value. “It may be expensive, but people have to walk away saying it was worth it.”

## Craftsmanship

Luxury brands can outline the value in their product by showcasing how the craftsmanship behind the product attributes to its cost. RIMOWA’s Dezaray Romanelli believes this look behind the scenes of the product is the most important part of their story that younger generations connect to. “It not only justifies the cost but creates brand pride and affinity,” she notes. Ginori 1735 and Frette agree, which is why they are both opening their ateliers to prospective clients. “If you see the craftsmanship, labor, talent, and time that goes into every dish you will never question the price” explains Massimiliano Righi, CEO Ginori USA.



## Investment Value

Many brands are focusing on the long-term investment value of products. Patek Philippe had a brilliant concept. “You don’t own a Patek Philippe. You merely look after it for the next generation” The brand was a thought leader with this idea. Today, there is an investment value conversation to be had around anything from a RIMOWA bag, to a Birkin Bag, to a Bulgari necklace. Buying something that lasts, something that increases in value, or that represents an investment is a compelling justification for the price of a quality product.

## Shared Values

Consumers tend to invest more in brands that share common beliefs. “People buy brands that share values,” says Dezaray Romanelli. “Today a brand is very much defined by what it stands for – not just from a fashion or market segment standpoint, but from a value statement standpoint.”

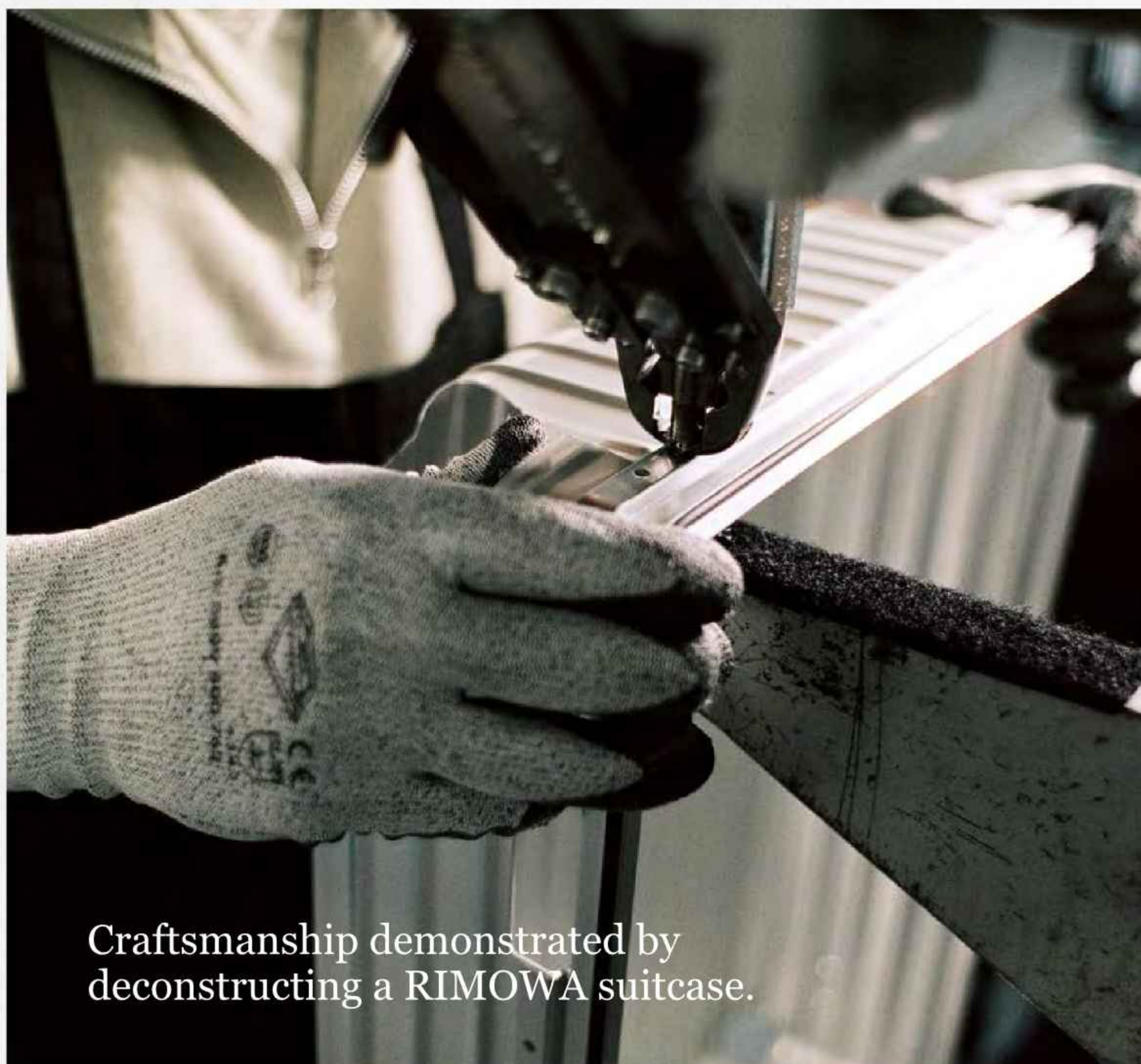
Not only do conscious purchases benefit the planet, but they can be status symbols that bring bragging rights because of the cultural relevance of corporate social responsibility.

**“The new luxury consumer is aware of, and making purchasing decisions based on sustainability and corporate social responsibility (CSR).”**

— FREDRIC BIOUSSE, CHAIRMAN OF SANDRO, MAJE GROUP

Biousse shares that his “clients all belong to a tribe; they share the universe. What you wear and buy defines who you are.”

He attests, “it’s not just the brand but values of the brand that drive engagement. Sustainability is particularly important for younger generations as we collectively understand the state of the environment.” Luxury brands are prioritizing this in several philanthropic and carbon neutral ways. “And while today, sustainable practices won’t necessarily shift business, they help define your brand,” explains Biousse. “Those brand values are what younger clients identify most wish and the community of people who have similar values.”



Craftsmanship demonstrated by deconstructing a RIMOWA suitcase.



Six Senses connects with a current luxury consumer based on shared values rooted within wellness and sustainability.

# Expansion Through Elasticity

At Embark Beyond, we say that travel is just one word in the sentence of a clients' lifestyle.

“When you can only speak to one word you lose a tremendous opportunity of connecting on a deeper, trusted level to truly influence your client’s decisions and buying habits” explains Jack Ezon. The same holds true for any other ‘word,’ whether it is fashion, automotives, jewelry, or travel. Working one-on-one with our clients to create their travel experiences allows us to understand their personality, behavior, relationships, and how they interact with other luxury brands and verticals.

Thinking about a client holistically will be a necessity as AI replaces any mechanical part of the travel planning process. Not only does holistic thinking help us to understand clients, it helps to touch their lives in different areas by incorporating passions and true personalization into the narrative. That’s why many luxury brands, especially niche brands, are expanding, extending, and partnering to move into related categories with two main objectives. The first is to extend their market share with new clients, and the second is to remain relevant in the lives of current clients.

As Filippo Arnaboldi, CEO of Frette, explains “Frette shouldn’t be just a company that sells sheets and towels.” Arnaboldi shared how Frette is extending into new entry-level

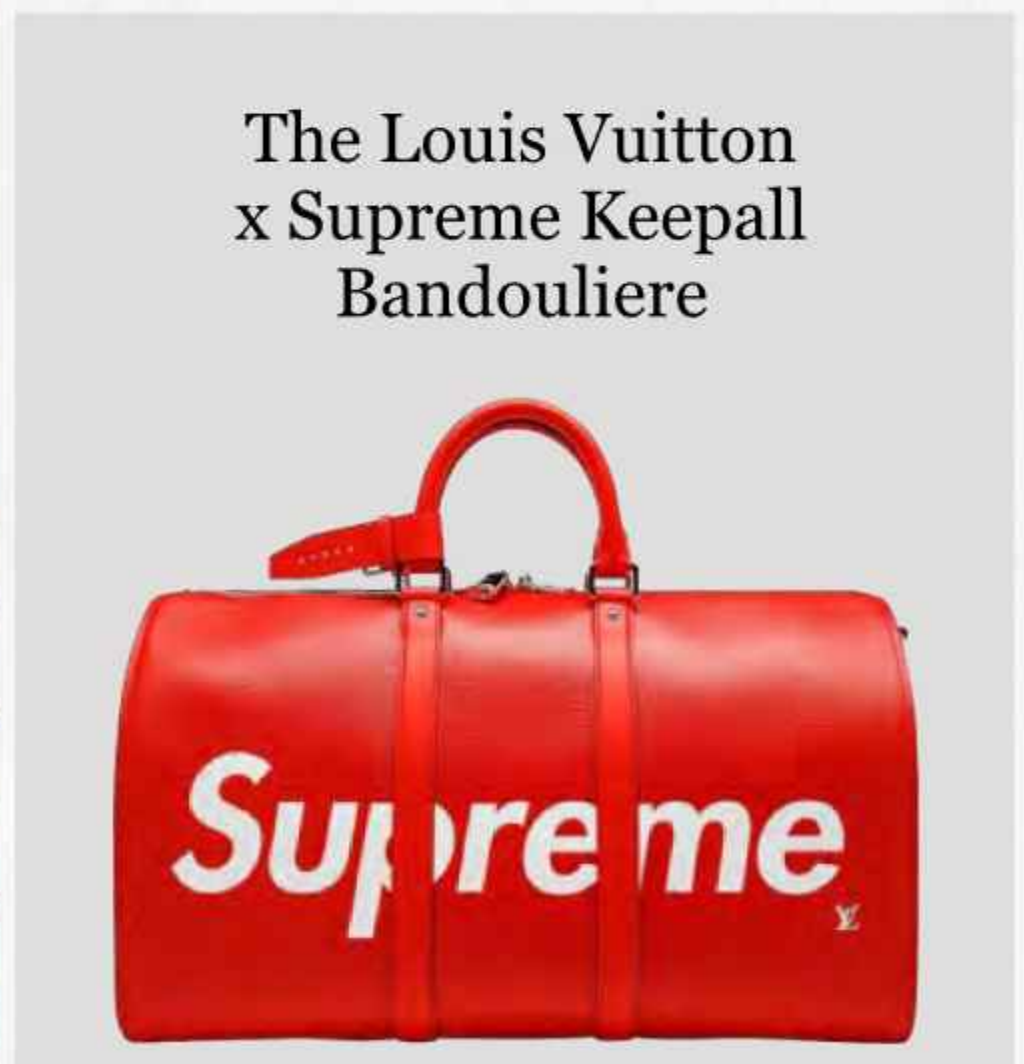
categories such as lifestyle to round out their offerings, capture new clientele, and become a more holistic solution for their hospitality partners. Their recent foray into loungewear, candles, and pajamas are a case in point.

Massimiliano Righi, CEO of Ginori 1735 USA, which is part of Kering Group, revealed plans to extend beyond dishes and into broader home categories including perfumes, candles, and even furniture through a collaboration with Domus. Ginori 1735 is also transforming its stores into a ‘Ginori Café’ concept to truly illustrate the lifestyle brand’s “Dolce Vita” concept in an immersive experience.

“Ginori 1735 makes dishes, but we don’t sell dishes.” Righi brilliantly explains. By expanding what it sells, Ginori 1735 is transforming what it is. “We sell a lifestyle.; a piece of La Dolce Vita.” In the world of Raffles & Fairmont, hospitality doesn’t need to be limited to the confines of a hotel. CEO, Omer Acar believes trains, cruises, music halls, and sporting events are ways to focus on the entire experience of the customer and truly connect with them when and where it is most important. “In today’s crowded marketplace, you need to meet the client where they are.”



“Thinking about a client holistically will be a necessity as AI replaces any mechanical part of the travel planning process. Not only does holistic thinking help us to understand clients, but it helps to touch their lives in different areas by incorporating passions and true personalization into the narrative.”  
— JACK EZON





Aman Hotels & Resorts has launched its own line of beauty products now sold in Bergdorf Goodman, Neiman Marcus, and other high-end e-tailers.

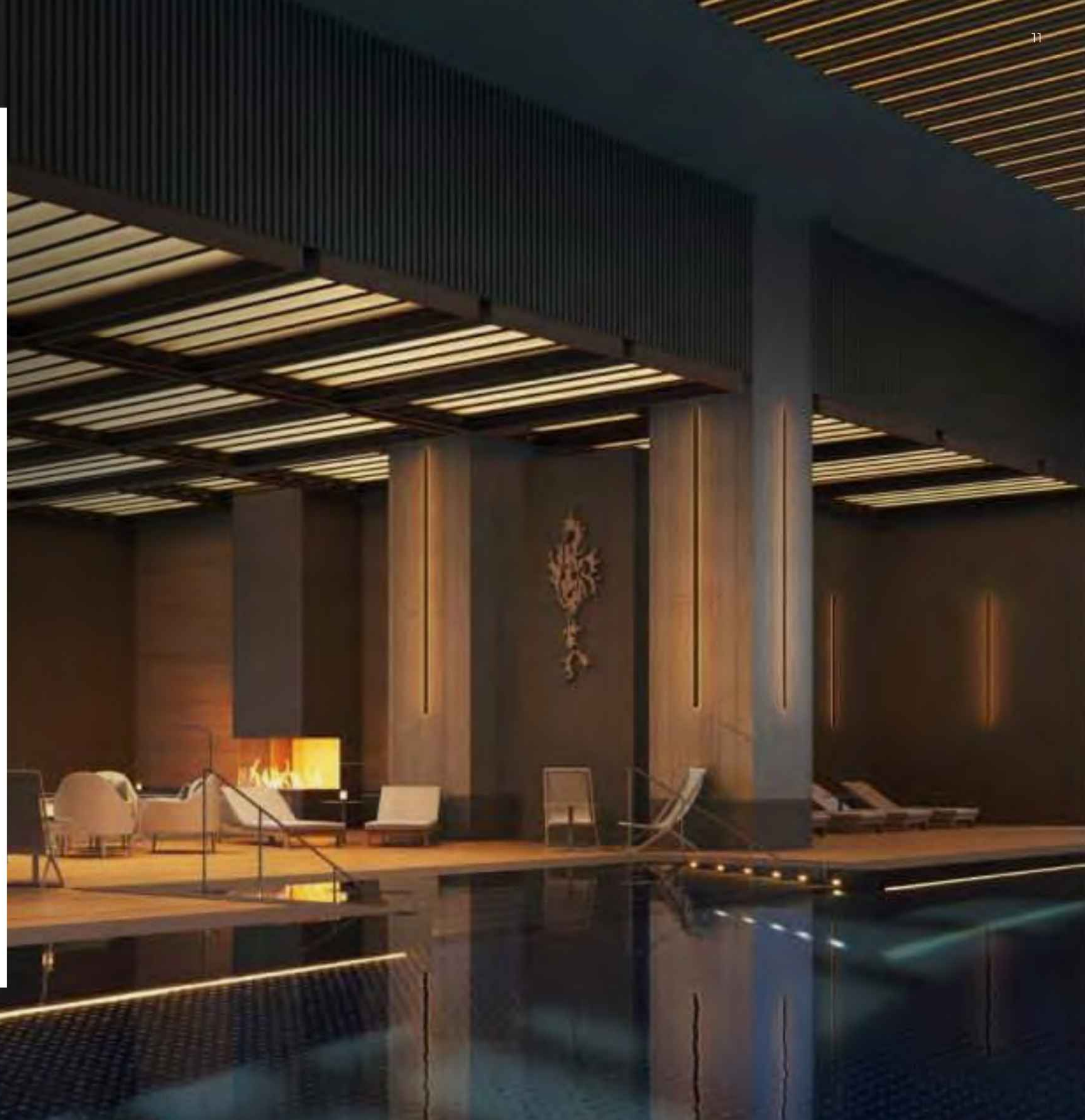


“We launched the Janu brand to cater to the evolving needs of global travelers, giving them a dynamic and social experience. A place for us to nurture the next generation of rising Aman junkies.”

— ANNA NASH, CCO OF AMAN

The thought process behind an expansion like this is to target a younger demographic and offer them a taste of Aman in a different category but still at an ultra-luxury price point. Nash explained how Aman wants to take customers from the beauty section of a department store into their hotels. The end goal is for this client to buy into the Aman lifestyle with membership and Aman residences.

The goal of many of these brands is to develop broader reach and a lifestyle story without causing brand dilution. There isn't an exact science to achieve success. When a brand successfully expands there is a distinctive “way of living,” and a set of “attitudes and values,” that are attached to the brand. “To transcend the ordinary price of any item, you need to be more than the functional item,” explains Righi.



# Leveraging Cultural Capital

## Investing in experiences over product

Offering culturally rich, unique, and personalized experiences to top clients is a way to connect with a multi-generational client on an emotional level. It will give them a sense of exclusivity and brand lifestyle that a product may not necessarily be able to provide. Luxury hotel and travel companies like Embark Beyond, have become real partners to luxury product brands who understand how out of the ordinary experiences can elevate brand perception, loyalty, and engagement.

“Hospitality presents a unique opportunity to engage clients. People are able to fully immerse themselves in what’s in front of them; they are more open to exploring new passions when they are away from their routine,” explains Ezon, Managing Partner of Embark Beyond.

**63% of people are willing to invest more money in transformational or out of the ordinary travel experiences.**

— DESIGN HOTELS COMMUNITY SURVEY, JUNE 2023

That’s why Auberge Resorts CMO, Mike Minchin shared that “Auberge positions their hotels as a platform for discovery where people can explore their passions.” Frette’s Arnaboldi agrees, “Hospitality is the best showroom as it enables people to touch and feel your brand in a 360-degree captive environment.”

For Ginori 1735, hospitality placement is the most lucrative marketing channel. Righi explains “hospitality is central to Ginori 1735’s

growth. Many of our clients have tried our products in a hotel or cruise before buying privately.”

## Investment Value

Travel Drives Fashion Sales. Not only is hospitality the best showroom for brands, but customers are also more likely to buy while they are traveling. People are more available to shop and they are more captivated to return home with something sentimental from their travels. In addition to this, the study found that travel significantly spurred clothing and accessory purchases in preparation for a trip. Nearly 40% of consumers purchase new clothing to wear on their vacations.

## Following the Traveler

It should be no surprise that luxury brands are closely following where travelers are going so they can set-up shop before the customers arrive. The phenomenon of the pop-up beach club germinated in 2018 when Dior thought it could be cool to showcase their new resort wear in a few destinations. Five years later, every waterfront hotspot has aligned with at least one brand, if not multiple. In fact, luxury brands are launching new destination-specific collections or refreshed resort wear collections, often aiming to attract new customers surrounding their travel.

“Considering how to create unique moments with highly personalized service is a great example of how travel and luxury can come together for a competitive advantage” says Minchin.



**Wildflower Farms, Auberge Resorts Collection in Hudson Valley welcomed Eleven Madison Park and Chef Daniel Humm for a plant-based feast in October 2023.**

It was an exquisite fusion of culinary talent amidst natural beauty.

**Tom Ford brought together influencers from around the world to launch their new fragrance Soleil de Feu at the Amanzoe in Port Heli, Greece.**



# Luxury as a Cultural Leader

An industry filled with tastemakers, content creators, storytellers and collaborators

Successful luxury brands are creating movements and phenomena that directly impact pop culture to capture a future client and position themselves as relevant tastemakers in an ever-changing environment.

Brands are collaborating with surprising niche artists who reach their desired new clients. The new approach gravitates towards going narrow and deep into specific cultural followings rather than a broad and wide approach with more universal partners.

Eléonore Dethier, Vice President, Global Head of Partnerships at Sotheby's is seeing more and more brands thirsting to become a tastemaker in the world of art and culture. "In today's landscape, brands prioritize authentic storytelling to underscore their connection to culture. Custom content, be it video or editorial, lies at the heart of our partnerships. This trend transcends luxury, extending to hospitality, technology, and automotive sectors. Omnichannel collaborations with like-minded partners, blending media outreach and premium experiences, are the key to maintaining brand resonance."

Appealing to a younger generation doesn't just mean embracing cool styles or connecting via TikTok. It means becoming a cultural

tastemaker, a film producer, a storyteller, and a collaboration incubator. "You can stay relevant by creating a brand that resonates with people personally," says Righi. "Which is the reason so many brands are aligning with niche icons or influencers. The key is reinventing without disrespecting."

While brands historically have brought ever-changing cultural insights and cues into their designs, today they are actively setting trends outside of their space. They are watching human behavior closely and how that behavior dictates consumer dynamics. The CMO of a luxury brand now doubles as a social psychologist, a sociologist, and sometimes an anthropologist, witnessing firsthand how spending is affected.

Once reserved for an enlightened few, art has gone mainstream. "People are investing in art like real estate and its influence blankets a much broader and younger luxury segment than it did a decade ago" notes Frederic Vidal, Vice President of Operations at Rosewood Hotel Group for the Americas. That is why Rosewood Hotel Group helped to create the "placemaker" concept. Each property now features artists and cultural influencers to curate programming reflecting the destination. Art, culture, and an authentic sense of place is key to attracting a younger client mindset.



ABOVE: LVMH LAUNCHES '22 MONTAIGNE ENTERTAINMENT' TO DIVERSIFY STORYTELLING CHANNELS, EXTEND BRAND CREATIVITY, AND BOOST LABEL MARKETING OVERSEEN BY ANTOINE ARNAULD.



LEFT: CHEF JOSÉ ANDRÉS (RIGHT) CRAFTS GASTRONOMIC FROZEN YOGURT FOR ALEX ISRAEL'S (LEFT) "SNOW BEACH FROZEN TREATS" POP-UP INSTALLATION FOR MIAMI ART WEEK. PHOTO BY ZACH HILTY, BFA

BELOW: GUCCI OSTERIA DA MASSIMO BOTTURA IN FLORENCE, ITALY



LEFT: BRITISH DESIGNER LUKE EDWARD HALL PARTNERS WITH GINORI 1735 TO CREATE A FANTASTIC ARRAY OF SCENTS AND UNIQUE ARTWORK THAT COMBINE TO CAPTURE THE SPIRIT OF SOME OF HIS FAVOURITE LOCATIONS.



CATEGORY 2

# Clienteling 2.0: A Customer- Centric Focus

Keeping the client loyal, connected, and engaged for life

About 15 years ago, when consumers began to value experiences over goods, luxury brands completely reinvented their approach by shifting focus away from product and towards experience – an experience of making clients feel special through relationships that connect to clients personally. Through the years they've enhanced the relationship with tools that offer access to exclusive products that enable salespeople to

construct proper 'development plans' for clients. We saw the beginnings of a 'soft loyalty' program, tailored to each buyer. This practice, of proactive marketing through relationship-based selling, became known as "clienteling."

If marketing is about attracting the right consumer, "clienteling" is about keeping that consumer loyal and connected for life.

# Building the Bond

## Utilizing technology as a tool and relationships for connection

LVMH's Group Director of Client Development, Trent Power, has identified three pillars to successful relationships. In his words, "empathy, proximity, and trust are the fundamentals of our relationships with our clients." You need to listen and connect to your client to build trust, and you need to be present in their life for it to really work. As Duarte Bon de Sousa, Vice President Operations, Oetker Collection, the company that owns the iconic Hotel du Cap d'Antibes explains, "the best loyalty programs don't manipulate the customer with points or free stays; they offer special access and elevated attention to make them feel special." LVMH is focused on building tools to support each of these three pillars. These tools can include tangible experiences, access to exclusive product, and technology to guide people in connecting deeper to their customers.

**According to Bain & Company, the top 2 percent of luxury customers drive 40 percent of luxury sales.**

### It's Emotional

The key to evaluating sales tools and embracing new technology in luxury selling is to be sure the technology enhances the personal connection as opposed to replacing it. "Luxury is about making someone feel special," says Ezon. "Everyone, no matter how wealthy or popular or successful, everyone wants to feel special." That's why humans are so integral to client loyalty both today and in the future. Ezon continues, "Computers can't make you feel special by announcing that they thought of you. You could have the most amazing suite,



the most fabulous car, the most elaborate jewelry... but if you don't feel special with it, it's not a luxury — It's a functional product or service."

"Our business is all about relationships - only people can make people feel special," attests Marco Di Santo, Managing Director, BVLGARI LATAM. "Value is giving someone more than a product. It is a feeling and something you cannot really buy, but something you get as a customer."

### Leveraging Technology to get Personal

Large brands are looking at new technology solutions to help scale consistent relationship building, enabling their human sales associates to connect deeper. Burgeoning solutions leverage client data, such as purchase history

and personal information gleaned by sales associates. These centralized data resources hope to build a 360-degree view of individual customers with a goal of arming salespeople with ideas to personally increase customer lifetime value. Thome Browne is one of the best at fusing artificial intelligence and emotional intelligence with their Client Value Management program, or CVM. "CRM is just the data, CVM is a much bigger commitment, marrying old school clienteling with a team that has been analyzing data to enable salespeople to get closer to their clients," explains Thome Browne CEO, Rodrigo Bazan.

**Even in hospitality, luxury purveyors are repositioning their service and programming based on top VIC's.**

### Customer-Centric Programming & Merchandising

Robert Chavez, Executive Chairman, Hermès America shared what makes Hermès so successful. "Everything we do is customer-centric," he attests. In fact, each store is stocked by their Store Director in Paris, not a centralized buyer or distribution office. Store managers are individually invited to Paris for a full presentation of a new seasons' line." Each store director then orders merchandise based on anticipated preferences with specific VIP clients in mind. Before it is available for public purchase, salespeople personally connect to their top clients explaining why they thought it would be a perfect addition to their wardrobe ensemble. Even if the client doesn't buy the product, there is a strong likelihood someone in the customer's sphere of influence will.

For example, Dorchester Collection CEO, Helen Smith revealed their new customer-centric tactic to business: "We are OBSESSED with the top 2% of our guests and take a 'Field of Dreams' approach to engaging them, expanding everything we do from our customer outwards with an 'if you build it, they will come' mentality." Dorchester Collection connects personally with their best clients and program their properties around their VIP's passions.

# Encouraging Connections for Insight

High touch, human touch, personal touch

Regularly tracking and analyzing consumer data is nothing new. Most successful companies track client demographics, preferences, purchase history, feedback, and engagement. This allows them to segment their customers into different groups based on their value, loyalty, and potential. What is changing is the way in which they encourage humans to collect data – through their relationships.

## Human Connection

Of course, new systems and connections can glean information about a client from their digital purchases, followers, and browsing habits. However, luxury brands recognize the need to go deeper and learn more about what drives their clients to fully leverage oncoming AI technology which is only as good as the information gathered about a client. That’s why creating spaces that encourage open conversations are so important. Chavez attests, “Ultimately it is the personal connection that keeps clients engaged.”

## Capturing the Why

Building client profiles is so much more than inputting data into a CRM program. It is about listening, and truly understanding a customer’s motivation to purchase something. “Learning

why someone wants to buy something is very important – the key is to listen first,” shares Di Santo. “Empathize with the client and truly understand what life is like for them – what are their desires, stressors, passions, dislikes, and life goals? Once you understand the clients psyche and you touch them emotionally, that connection gives the client permission to pursue and obtain their own desires, unapologetically. They have permission to buy the beautiful watch or take the bucket list trip because they feel validated and understood. When passions and desires become the priority, concerns with pricing and value become secondary.

## A New Territory for Personalization

Connection is personal and requires a salesperson to be relatable and real. In the past, social norms were predictable and somewhat scripted. Client advisors were stiff and pretentious. Today’s billionaire may walk in with a hoodie and jeans, while no longer identifying with that storied persona. Customers develop trust through an authentic relationship with interesting people. This has led brands to let go of programmed speak, dress, and style.



“When it comes to community, it is important for us that we reach new fans in their own environments... you might not be a current customer of Mercedes but you might be a fan of 90s pop culture, which is the world that our collab with A\$AP Rocky explores.”

– BETTINA FETZER, VICE PRESIDENT, COMMUNICATION & MARKETING AT MERCEDES-BENZ AG

Personalization matters.

McKinsey & Company

78%

of consumers would recommend, or repurchase from companies that personalize, while 76% would purchase, according to a 2021 consumer survey conducted by McKinsey & Co.





TOP LEFT: PRIVATE SHOPPING AT CASA CUCINELLI, PHOTO BY JUSTIN BRIDGES

LEFT: THE SHOPPING EXPERIENCE AT BAL HARBOUR SHOPS



BELOW: La Suite Dior offers overnight stays above Paris, designed by LVMH architect Peter Marino. Featuring 25 pieces of renowned artwork, it offers exclusive experiences and amenities.



You need to be ‘real’, expressing individuality because clients want to connect with real people.

Sometimes an exposed tattoo, something you would never have seen a decade ago, opens conversation and connection. Many brands are struggling in redefining guidelines of engagement. As Di Santo puts it, “It is important to be personable enough to show that you are connecting to a client, but at the same time you are representing a luxury brand; you still need to give a luxury experience.” This requires constant monitoring and adjusting, which has rattled many brands while letting go of a clearly defined voice. Bulgari offers “Sophistication Courses” to train their associates on passion points important to their clients, ranging from wine to travel, so that they have

topics to talk about and learn proper guidelines in staying professional while getting personal. There is a fine art of expressing yourself within the context of the brand.

Hermès also trains associates to move away from scripts and read queues. Chavez relates. “At Hermès, the client must agree to engage in the relationship; it can’t be one-sided. Sales associates also read in-between the lines and piece information together. If clients take time out of their schedule to share and give insight, then you must use it and show them how you have used it.”

## Redefining the Shopping Experience

Retailers are revisiting the way a customer shops. Many are experimenting with spaces that encourage relationships over browsing merchandise. Thome Browne’s shops purposefully lack flamboyant windows dotting their latest fashions. Instead, they are designed as discreet, well-placed living spaces created to encourage relationship building. “We are not in the world of hard selling. We are in the world of connecting our clients with a sincere relationship.” Bazan explains, “We never lead with product. It’s always about connecting to client first and the product follows.” Brunello Cucinelli recently developed “Casa Cucinelli” —

private apartments in key destinations decorated in full Cucinelli style with an open kitchen, and a plush living room. Merchandise is almost an afterthought with discreet walk-in closets showcasing exclusive products and capsule collections. The space is meant to immerse the visitor in the Cucinelli lifestyle, for entertainment and for relationship building. Gucci opened its ivy-covered appointment-only salon in L.A. this month, as part of its turnaround strategy. Chanel has opened separate, private boutiques dedicated to serving top-spending clients, starting with locations in key Asian cities in 2023. Many other brands from Dior to Louis Vuitton to Hermès are adding exclusive lounges to engage rather than purchase.

# Tools for Developing Loyalty

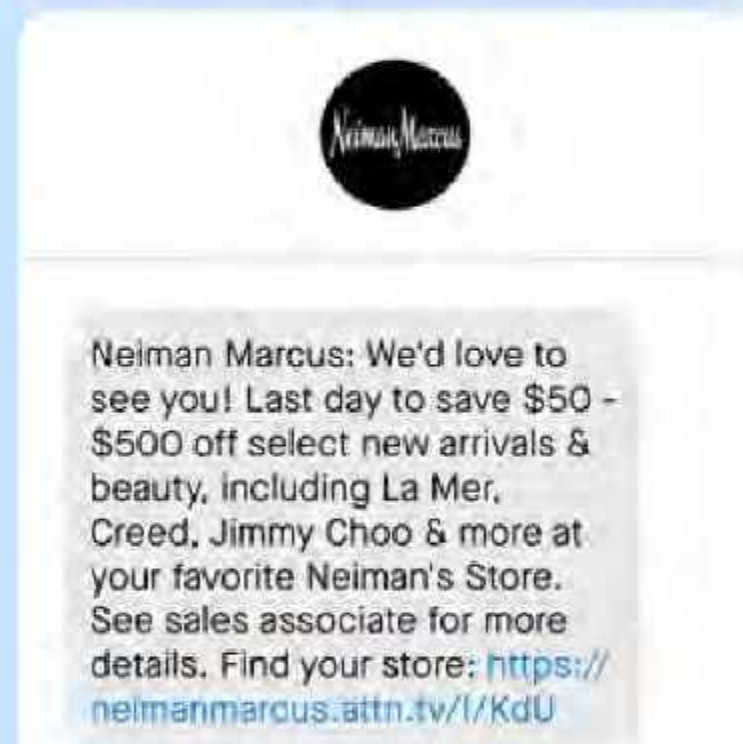
Moving beyond point programs for deeper commitment to luxury brands

## The Loyalty Program

Luxury is unabashedly not democratic. Entry-level items exist mainly to prospect new customers. The real goal is to develop a loyal lifetime client who is as obsessed with a brand as the brand is with their spend. Best-in-class luxury brands have successfully proven that defined, points-driven loyalty programs are not as effective as more ‘mysterious,’ undefined programs that include more access as you progress with the brand. Of course, luxury customers are not looking for mass marketed freebies. They are looking for exclusivity, and for someone to deliver elevated services based on truly understanding their taste, likes, and dislikes. For luxury brands, an aligned loyalty program looks like exclusive access, VIP treatment, and personalized service, such as concierge assistance or bespoke products.

While these ‘opportunities’ are heavily promoted to create soft loyalty

Neiman Marcus digitalizes the loyalty experience by using first-party data to customize messages based on shoppers’ preferences, including geo-targeting messages to help drive foot traffic to any of their 36 locations across the US for exclusive, in-store events.



enticement to would-be patrons, they are purposefully not published anywhere.

Oftentimes when a client doesn’t want to share information or connect, a salesperson shares examples of what they can achieve with additional insights about the customer. It’s up to the salespeople to map out how they will engage. The emotional piece really comes into play for luxury

brands because a salesperson can use creative ways to connect to consumers.

## Need for New Opportunities

Experiential opportunities are almost like inventory – ammunition a salesperson can use to build loyalty for their specific client. The challenge

## Top opportunities for loyalty development

- 01 Offering a first look at new seasonal product
- 02 Invites to experiences such as fashion shows, travel experiences, and concerts
- 03 Creating limited capsule collections or scarce products which salespeople can leverage as a perk for their top clients
- 04 Personalized gifting for special occasions and milestones

with loyalty, is that the lack of ‘reward’ products and experiences that cannot seem to keep pace with the growing luxury client base.

According to a 2023 Henley & Partners report, the number of millionaires worth over

**\$100 million in the world has more than doubled since 2003.**

Despite most extremely exclusive experiences being reserved for clients spending over \$1 million with a brand, there is a clear shortage of experiences to offer. This definitely broadens the number of potential top clients.

Because their top customers are scarce and exclusive, salespeople clamor to grant access to unique experiences, product, or events like fashion shows. Brands are thirsting to create new opportunities so that salespeople can use them to develop more loyal clients. They proactively seek new collaborations and experiences — leaning more heavily on the hospitality space to deliver them. Di Santo relates. “Luxury brands are professionals at planning engagements with hospitality and they execute sought after experiences that can complement their brands.” Acar reminds us that

“Retailers sell the dream; in hospitality we deliver the dream.”

Having new VIP experiences and new stories to tell are critical in giving the salesperson an ‘excuse’ to keep connecting to their client. The key is to create development plans for individuals on a micro-level and to personally connect experiences and product with a client. If we have the tools to understand what our clients likes and dislikes are, then we can plan out-of-the-ordinary experiences and impactful events that reflect their taste and cause an even deeper connection to us and the brand.

The thing luxury brands look for most in creating events is to make them memorable. Di Santo notes, “A good event is not about how few people are invited, how expensive it is, or the crowd you invite — a good event is defined by how memorable it is. That’s the aim. Because that memory is what keeps you aligned with the brand and eventually leads to a sale.”

There is no question that brands are getting creative with new channels and platforms to create insider access. Louis Vuitton launched its Treasure Trunks. Prada created its time

capsule drops both by invitation in metaverse communities that offer consumers the opportunity to access exclusive NFT products and experiences that have been built for those communities. Launching these exclusive memberships is about trying to add another layer of richness to the VIP experience. The goal is not to generate significant revenue but to create another ‘product’ to offer bragging rights to their VIP clients. It also allows Louis Vuitton and Prada to expand products of scarcity and exclusivity, particularly through the new medium of digital assets.



**"Retailers sell the dream; in hospitality, we deliver the dream."**

— OMER ACAR, CEO RAFFLES & FAIRMONT



ABOVE: Instead of opening storefronts in huge locations like London or New York, Ralph Lauren decided to create them in the virtual world of Roblox, which has 47 million daily active users. The fashion brand loaded its virtual shops with virtual puffer coats, checkered beanies, and other vintage ski clothing for the winter.

# Building Community for Lifetime Engagement

Luxury is about belonging and identity

## The Brand Community

Luxury brands have been rallying around the idea of building community as a tactic for long-term engagement as a way to reiterate and communicate their own brand values. What is a brand community? A community is a group of people who care about each other and share common interests and thus, belong together. It can be said to truly exist when its members are conscious of their existing connections. A brand community is a new approach whereby brands create deeper relationships with and between customers to differentiate themselves.

Today's customer is interested in being involved in the brands they patronize with a shared purpose. It brings stronger affinity and shared emotions through a sense of belonging. It breeds consumer passion and even advocacy for a brand, sometimes with a cultlike following.



Over 90% of luxury consumers from younger generations are highly engaged in active brand communities.

Luxury is about making someone feel special. And one of the most important aspects of feeling special is feeling a sense of belonging. This is a way of harnessing customer loyalty.

— 'LUXURY 3.0', HIGHSNOBIETY AND BOSTON CONSULTING GROUP (BCG)



Technogym offers a great example of a brand that transcends its product with a cultlike community. Mauro Nava notes “You are not alone but part of something bigger with people who are keeping you motivated and accountable.” Technogym offers their clients opportunities to connect virtually and in-person, using their product as a conduit to connect.

Brand communities have become essential marketing mechanisms, especially in the direct-to-consumer world where companies rely on social media buzz or personal recommendations to reach new customers. Communities naturally drum up hype for a brand and its products. To sustain credibility and communicate a purpose-driven mission, luxury businesses are being more proactive about creating platforms and experiences to portray their values with close-knit communities to rally them around a specific cause for positive change.

## The Self-Created Community

Trends show growth in self-created communities as well. Minchin has identified small-group travel as one of their fastest growing market segments. “We are finding people spending more time together in affinity groups – whether to celebrate, gather or travel.” Individuals are traveling with friends, unrelated families, or even acquaintances that share a common passion, almost as though they were a multi-generational group. “The goal is to help them connect and create stronger bonds,” relates Ezon. Minchin observes “Now more than ever, guests thirst for more community and stronger relationships,” who has charged each of his hotels to reconsider spaces and programs to support small group connections. Embark has created its Embark Together initiative that brings a coordinator not only to assist in logistics but to program team-building activities related to the travelers.

# Conclusion

**The State of Luxury** is ever-changing and moving at a rapid pace. While the future can be daunting, it is certainly exciting.

Despite a growing number of qualified ultra-high net worth luxury consumers, brands are clamoring to stay relevant to current clients while capturing a new generation of clients.

The old rule book on client acquisition has changed as the face of new luxury clients' tastes become more obscure. These new clients are very mindful about what they buy, how they buy, and why they buy. This is forcing brands to define themselves, not only by their style and voice, but by their purpose.

The way brands are staying connected to existing clients is also changing. While the concept of clienteling has been around for over a decade, brands are doubling down on getting personal. They are preparing to embrace the maturation of AI to magnify personal relationships.

Brands are changing the way they engage with clients to develop a deeper, personal relationship. They store that insight in their CRMs for automated suggestions to better connect to clients through experiences, product, and a host of other 'rewards' for loyalty.

All the while, brands are seeking new experiences and product to offer their salespeople as ammunition to make their clients feel like a special VIP. In addition to making them feel special personally, brands are looking to also incorporate clients into their meaningful communities by recognizing that belonging to a group with similar passions or purpose together is a much stronger force than the love of an individual relationship. It is the dream scenario for a brand -- bringing stronger affinity and shared emotions through a

sense of belonging. It breeds consumer passion advocacy for a brand, and sometimes with a religious following.

As we reflect on the year ahead, what are your plans to connect deeper with your customers? What opportunities will you offer to keep great customers close? How will you proactively engage with them? What new programs or partnerships will you develop to reach new, qualified clients through shared values and passions? Share with us via email us.

[StateofLuxury@embarkbeyond.com](mailto:StateofLuxury@embarkbeyond.com)

# EMBARK BEYOND

## About EMBARK Beyond

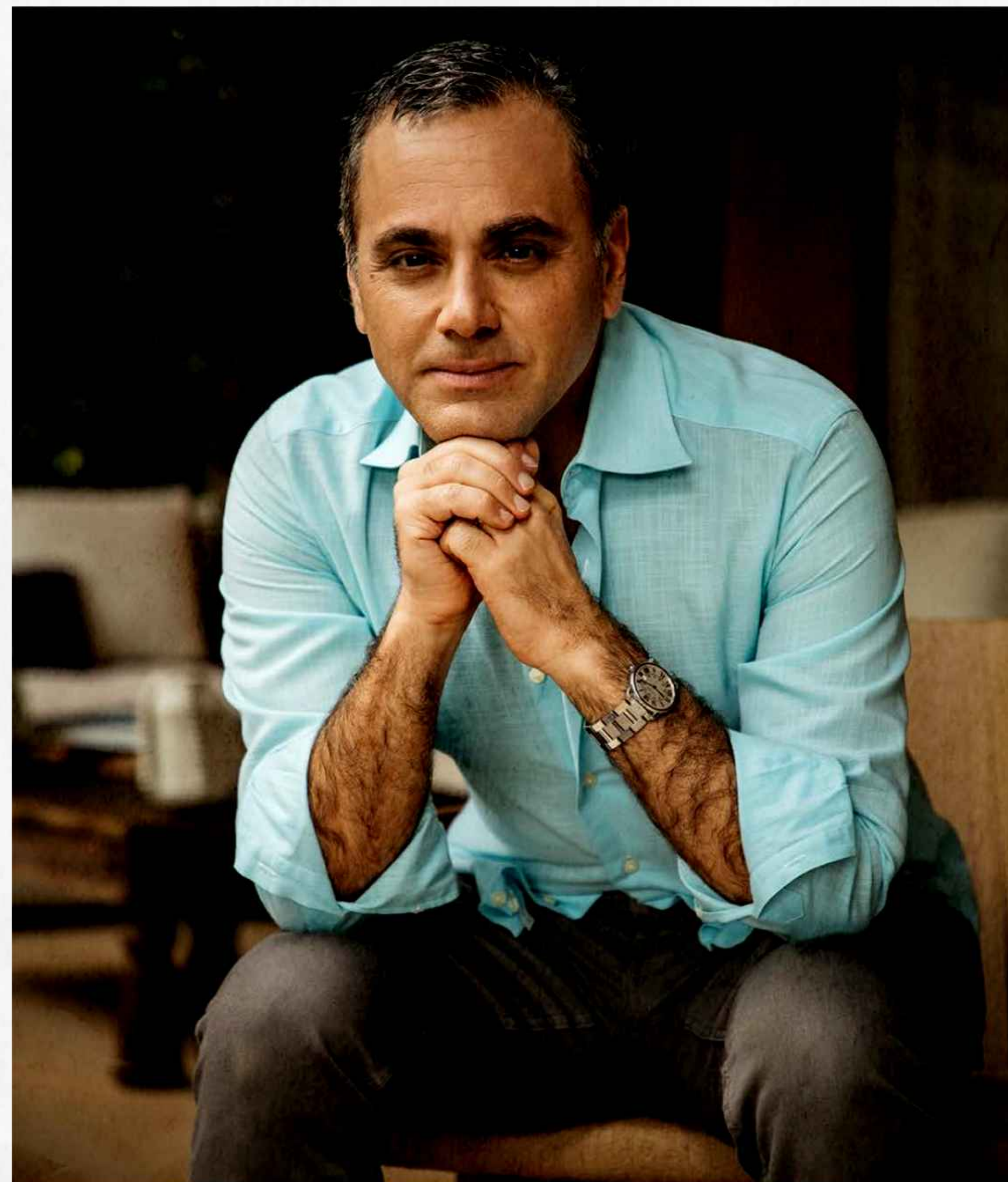
Embark Beyond is an international luxury travel and lifestyle partnership group that is revolutionizing the industry with shared ownership, attracting top talent, and boasting over \$300 million in sales. Their exclusive clientele are primarily composed of Generation-X and Millennial A-listers, as well as executives, financiers, and entrepreneurs worldwide. The Embark community benefit from tailored global experiences and access to the largest luxury social destination event business in the Americas. Embark Beyond's platform fosters synergies among partners to cater to every aspect of an individual's preferences, passions, life goals, and legacy.

## About Jack Ezon

### Founder & Managing Partner

With a focus on company direction, expansion plans, strategic partnerships, PR, and customer journey mapping, Jack inspires talent and drives business development. Renowned as one of the most influential travel advisors globally, he's recognized for his innovative spirit and leadership in luxury travel, earning him the moniker "Olivia Pope of Travel" by Bloomberg in 2018.

Leveraging extensive relationships and a global network of clients and purveyors, Jack excels in curating luxury travel experiences tailored to the preferences of the next generation of travelers. His expertise has attracted a loyal clientele of UHNW Generation-X and Millennial individuals while establishing one of America's largest luxury social destination event businesses, collaborating with elite celebrity event planners to organize remarkable destination weddings, birthdays, and other celebrations worldwide.



# Bal Harbour Shops

## About Bal Harbour Shops

Bal Harbour Shops was the first shopping center location that many famed European merchants chose as the site for their first ventures outside of New York. Today, this “Shopping Hall of Fame” is home to 100+ of the world’s most famous and most luxurious fashion and jewelry brands and often draws comparison to New York’s Madison Avenue and Beverly Hill’s Rodeo Drive. In September 2012, the International Council of Shopping Centers’ Shopping Centers Today magazine named Bal Harbour Shops the “world’s most productive” as ranked by sales per square foot.

## Carolyn Travis

Head of Brand and Marketing, Bal Harbour Shops

Carolyn Travis oversees global strategy for Bal Harbour Shops, renowned as the top luxury retail and dining destination worldwide. Her innovative approach to branding, marketing, and communications has significantly elevated the brand’s visibility, including the successful launch of Bal Harbour Magazine and strategic partnerships with publications like Vogue Magazine.

Before her tenure at Whitman Family Development, Carolyn led transformative efforts as the Executive Director of Tourism for Bal Harbour Village, focusing exclusively on luxury tourism. Additionally, she founded and led CMT Consulting, specializing in international tourism-related businesses. With a Bachelor of Arts degree in Political Science and Latin American Studies from the University of Florida, Carolyn continues to make waves in the world of luxury retail and tourism from her base in Miami.

