#### 87<sup>th</sup> Marketing Club 20th Alex 49<sup>th</sup> Business Club Luxury Brands Marketing

#### Tuesday 18-4-2023 10PM EGY 11PM KSA 12PM UAE

FOUNDER & HOST

#### **Dr.Mahmoud Bahgat**



INSTRUCTOR

MR. Mohamed Attia Optics Marketing Manager



## Luxury Brands Marketing



#### Ву

#### **Mohamed Attia**

Luxury Marketing consulting Optical Marketing Manager Fund raising manager in alithad club









#### Index

- What is Luxury Products?
- Luxury Brands sales
- Luxury Brands
- Market of Luxury brands and forecasting
- Egyptian Luxury Market
- Luxury Brands Marketing tools
- Coved -19 and Luxury brands market





## What is Luxury Products?



• The word "Luxury"

originated from the Latin word *luxuria*, which means excess, abundance.

- A luxury good can be identified by comparing the demand for the good at one point in time against the demand for the good at a different point in time, with a different income level.
- When **income** goes up, **demand** for luxury goods goes up even more than income went up.
- When income goes down, demand for luxury goods go down even more than income went down.

For example, if income goes up 1%, and the demand for a product goes up 2%, then the product is a luxury good.



## What is Luxury Products?



- 1-A luxury item is not necessary to live,
- but it is deemed highly desirable within a culture or society.
- 2-Luxury items tend to be sensitive to a person's income or wealth, meaning that as wealth rises, so do purchases of luxury items.





## Examples of luxury products



- 1- Luxury items can include high-end automobiles also special edition or limited edition ones
- 2- Some services, such as full-time or live-in chefs and housekeepers also some.
- 3- Some kind of villa .compounds & special places to live in like north coast and Nor city
- 4- kinds of food
- 5- Sports
- 6- Personal luxury goods
- 7- Fine arts
- 8- Luxury wine
- 9- Luxury hospitality





## What is Luxury Products?



- Why People buy luxury products?
- 1- Self-Esteem, May Impact a Person's Purchases
- 2- Mood Booster
- **3- Brand Names**
- 4- Brag







• To survive in an economy that looks completely different than it did 10 or 20 years ago,

luxury firms or brands need to focus on being meaningful and inspirational rather than subscribing to the old marketing standards.

• 4Es of marketing: (Experiences, Everyplace, Exchange and Evangelism).









#### • From Products to <u>Experiences</u>

- In the new experiential economy, consumers—particularly millennials—are spending their money on experiences instead of tangible goods. Essentially, shoppers prefer to take a selfie while they enjoy their latest splurge rather than display that splurge on a shelf.
- Of course, this shift has been great for spas and fine restaurants, but companies in the business of selling a product aren't off the hook. Take a note from companies like Stich Fix, which sells clothing by offering customers a personal stylist, or Laudi Vidni, which engages shoppers by giving them the ability to customize the material and style of their handbags.







#### • From Place to **Everyplace**

• Brick and mortar has been in a state of demise for quite some time now.

Online shopping has surpassed traditional retail and has emerged into the idea that a brand needs to be wherever the customer is: in-store, at home, over the phone and online.

Luxury marketers in particular need to go even further to make everyplace

"meaningful & memorable," as Danziger puts it.

She cites J. Hilburn and Lincoln Motor Cars as two luxury brands that have successfully embraced the everyplace concept. J. Hilburn offers customers the chance to meet with one of 3,000 stylists across the country to do a personal fitting, and Lincoln provides a pickup service when customers need to take their car in for repairs.

These brands go beyond typical customer service and almost serve as their customers' personal assistants.







#### • From Price to <u>Exchange</u>

- No longer can a company slap a brand name on a product, mark up the price and say it's aspirational.
- Luxury brands need to provide customers with a **valuable exchange**—and affluent consumers will be willing to pay for it.
- Whether that exchange provides the customer with expert knowledge, appreciation or time savings, it has to make the customer feel like they're getting something that enriches their lives.
- Socially conscious companies that allow customers to give back with every purchase are particularly good at this. Danziger mentions TOMS' and Warby Parker's "buy a pair, give a pair" model as an example.





#### • From Promotion to **Evangelism**

- If customers want meaningful, life-affirming products from their favorite brands, it's no wonder that they can become fanatical when they actually get them—and that fanaticism is a powerful promotional tool.
- These days, many luxury companies are seeing significant results through "brand evangelism" (otherwise known as good, old-fashioned word of mouth). That doesn't mean there's no room for traditional advertising, public relations or endorsements, but there's no question that word of mouth drives sales. Danziger mentions Apple, a classic example of a company that turns its customers into evangelists (& makes quite a profit from those loyal customers).





Marketing

- 4 Types of Luxury Shoppers
- In our study, we encountered 4 types of people who shop for luxury goods:
  - 1. Professional stylists
  - 2. Window shoppers
  - 3. Occasional splurgers
  - 4. Big spenders
- These are high-level categories. Within each group, there are variations in characteristics or behaviors. Additionally, the same individual may be an occasional splurger for one product type or brand, but a big spender for others.
- For example, a wealthy lawyer may be a big spender when it comes to designer suits, but an occasional splurger on luxury cars.
- Individuals can also move across categories over time. For example, someone who is not born wealthy but is fortunate enough to build substantial wealth over time may move from a window shopper, to an occasional splurger, to a big spender, and perhaps eventually to someone who can pay a professional stylist to buy luxury goods for them.



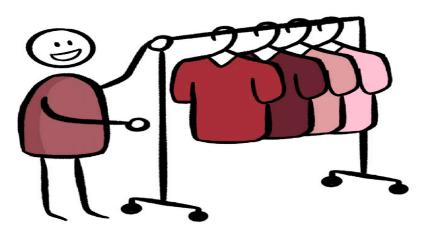




#### **Professional stylists**

(also called personal shoppers) Purchase luxury items on behalf of a client. They're all business when it comes to luxury shopping — they're familiar with the brands their clients favor, and they want to decide on items and purchase them quickly.

#### **Professional Stylist**





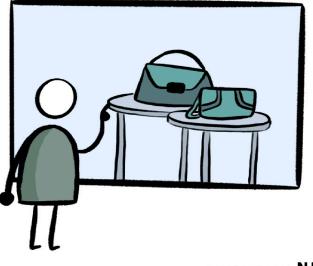




#### Window Shoppers

- Luxury brands sometimes have enormous fan bases composed of people who can't afford to buy the products.
- Many of these are younger consumers who follow the brand and aspire to someday be able to buy its products.

#### **Window Shopper**







- Occasional Splurgers
- These shoppers buy a luxury item every now and then.
- For them, a luxury purchase typically, a long-wearing, durable item like a bag — is an indulgence and an investment, sometimes intended to celebrate a special occasion.
- "I don't buy extra trendy pieces that I think may not be in fashion in a couple of decades. So, basically, things I can hopefully hand down to my future daughters."







#### Big Spenders



- Big spenders are habitual, frequent luxury shoppers.
- This type of shopper accounts for the majority of luxury sales.
- They buy many kinds of luxury goods and services and tend to have strong loyalty to multiple brands.
- One big spender in our study described her favorite brands for us





## Examples of Luxury products



- 1- Luxury items can include high-end automobiles also special edition or limited edition ones
- 2- Some services, such as full-time or live-in chefs and housekeepers also some.
- 3- Luxury Hospitality
- 4- Kinds of Food
- 5- Sports
- 6- Personal Luxury goods
- 7- Fine Arts
- 8- Luxury Wine







Luxury cars, Luxury hospitality, & Personal Luxury goods together account for 80% of the total market.

According to our forecasts, the overall luxury market grew back by 13% to 15% in 2021, to €1.14 trillion, 9% to 11% below 2019 levels.

All segments except Luxury cruises resumed growth, but only luxury cars, personal luxury goods, fine wines and spirits, and high-end design furniture were able to grow enough to exceed their 2019 levels.







Luxury hospitality bounced back from the middle of the second quarter of 2021, and occupancy rates progressively increased. However, overall spending on hospitality stayed well below pre-pandemic levels due to continued restrictions to international travel.

The market reached €79 billion, up 20% to 22% at current exchange rates from 2020, but still down 58% to 62% from 2019.

Hotel chains outpaced independents, powered by their greater adaptability to shifting consumer needs.

Customization proved vital to accelerate the recovery. Digitalization advanced to meet the needs of younger customers, while enabling process automation and contactless interactions.





Sales of fine wines and spirits rebounded strongly, reaching €77 billion,

- up nearly 2% from 2019, boosted by people throwing themselves into postlockdown socializing in a mood of "revenge conviviality."
- Spirits grew the most, due to rising consumption of Asian spirits (mostly baijiu) and growing interest in high-status spirits.
  - Marketing messages focused on topics such as inclusivity and sustainability to meet the concerns of younger adults.
    - Sparkling wine, disproportionately hit in 2020, recovered better than other segments of the wine market.







High-end food and fine dining grew 8% to 10% at current exchange rates but, at €49 billion, stayed 7% to 9% below 2019 levels. Fine restaurants, hit hard last year, rebounded after lockdowns eased. Gourmet food grew at a lower rate than last year, despite evidence that greater enthusiasm for home cooking was spurring consumers to create high-end pantry meals with specialized appliances. Meal delivery from "dark" or "ghost" kitchens has also been going upmarket.







Sales of private yachts and jets edged up by 1% to 3% at current exchange rates relative to 2020, reaching €22 billion,

but did not close the gap with 2019. Luxury yacht delivery growth in 2021 was aided by delays in 2020 and surging interest in intimate luxury experiences.

Sustainable solutions (including hybrid propulsion) were in high demand.

The demand for private jets was stable compared with 2020, driven by the perceived benefits of safety, convenience, and efficiency.

The secondhand market slowed down, due to less availability than in past years.







The fine art market rebounded, thanks to the gradual reopening of public auctions and art fairs.

We observed stronger growth in the medium-priced segment as global uncertainty discouraged bids on higher-priced items.

Mergers and acquisitions meant a wave of consolidation rippled through highend galleries.

Diversity, equity, and inclusivity climbed the agenda for fine arts management teams.

Non-fungible tokens (NFTs) proved increasingly popular among the younger generations, but their impact on the broader market is still uncertain.





The high-end furniture and housewares market reached €45 billion, up 13% to 15% from 2020 and 6% to 8% ahead of 2019.

The segment benefited from consumers spending more on their homes, with a particular focus on their living rooms, bedrooms, outdoor areas, and lighting.

The blending of living and working spaces fueled "resimercial" growth, with consumers seeking increased comfort, functionality, and flexibility in design solutions.





• Examples of Luxury Jewelry











Marketing Club

• Examples of Luxury Jewelry











• Examples of Luxury Jewelry







Marketing Club

• Examples of Luxury Cars













• Examples of Luxury Cars











• Examples of Watches Cars







#### HARRY WINSTON



• Examples of Watches Cars







#### TIFFANY & CO.







• Examples of Clothes









• Examples of Clothes









#### Luxottica Products Classification





Hi- Luxury	Luxury	Premium	Fast Fashion	Sport	Life Style
BVLGARI	CHANEL	MICHAEL KORS	DKNY		
TIFFANY & CO. New York Since 1887	Paul Smith spectacles	VERSACE			Ray-Ban. BENUINE SINCE 1937
	DOLCE & GABBANA	BURBERRY Zondon, England			
	MIU MIU EYEWEAR	EMPORIO¥ARMANI			
	GIORGIO ARMANI				
	PRADA E Y E W E A R				



# Market of Luxury Brand & forecasting

- The expected Growth in Sales of these kind of products was **6.5%** per year .... But that was before the Pandemic to retch **400 Billion** USD at 2027 ,
  - Now expected growth is 2%
- What do you think the favorite cities in the world for Luxury brands shopper? Dubai, Paris, New York, Roma, Hong Kong
  What do you think the profit margin of Luxury Products ? Starting from 200% till 5000%







- We can say some tips used for Luxury brands Marketing :
- 1.Exclude unqualified audiences using words like "cheap" & "free" from viewing your ads.
- 2.Advertise on Bing to capture their older, more affluent user base.
- 3.Attract the right customer with elevated ad copy.
- 4. Target ads based on user income level.
- 5.Use dynamic remarketing to lure prospective buyers back.







- We can say some tips used for Luxury brands Marketing :
- 6. Use brand heritage to tell the stories behind product.
- 7. Understand the Luxury Customer.
- 8. Create the clubhouse effect.
- 9. Help customers use their imagination.
- 10. Use influencers to make products go viral.







#### We can say some tips used for Luxury brands Marketing :

11.Never neglect customer service and feedback.

- 12. Pricing reflects luxury.
- 13. It needs to look and feel the part.
- 14. Have a clear buyers persona.
- 15. Merge your brand with virtual reality.







#### We can say some tips used for Luxury brands Marketing :

16. Make your products appear exclusive by producing a limited amount.

17. Treat your customers highly and give them an experience they can't get anywhere else.

18. Take advantage of pricing to make your brand appear more luxurious and high quality.







• In 2014, McKinsey published <u>a report</u> suggesting that **digital now influences at least 45% of all luxury sales**.



OF BRANDS PLAN TO INCREASE THEIR BUDGET

#### 93%

OF MARKETERS INTEND TO SPEND MORE THAN

\$10K

ON THEIR CAMPAIGNS



OF MICRO-INFLUENCERS CHARGE LESS THAN

\$250

PER SPONSORED POST



CHARGE LESS THAN

\$500

PER SPONSORED POST











of consumers would pay more for a better customer experience (DEFAQTO RESEARCH)



Of consumers have stopped doing business with a company after experiencing poor

customer service

(RIGHTNOW CUSTOMER EXPERIENCE

IMPACT REPORT)

A customer is 4 times more likely to buy from a competitor if the problem is service related vs. price or product related

(BAIN & CO.)





#### WHO IS THE LUXURY CONSUMER?

Today's luxury consumer is sophisticated, digitally savvy, and more selective about the brands she buys. Brands that have historically relied on heritage and exclusivity must now navigate a "new luxury" that includes personalization, technological innovation, and authenticity, while maintaining the traditional expectations of the brand. As luxury marketers develop omnichannel strategies to keep her engaged, it's essential to understand who she is and how she discovers the products she covets.



# Marketing

Handbags bag bags handbags purse backpack crossbody tote

Footwear shoes sneakers sandals slides flip flops loafers boots

Accessories wallet sunglasses belt wallets glasses scarf hat

Apparel shirt shirts dress jacket dresses jeans clothing

SEO INSIGHT: Trademarked brand names and product keywords are the top keywords driving traffic to luxury brand sites. Searchers often include the current year in their queries, especially when seeking the latest season as opposed to vintage or pre-owned luxury.





Source: Luxe: PMX Agency Trend Report 2017

WOMEN'S MARKETING





















Marketing













VB Vantage

DESIGN TECHNICAL MULTIMEDIA CONFIGURE SERVICES TEST DRIVE

#### AN INTERIOR OF CHARACTER

A sporting exterior, honed by 100 years of Aston Martin design expertise is matched by an interior of cosseting comfort. The finest materials are used to create a driver and passenger environment of exquisite finesse, all created by expert craftsman. With hundreds of unique colour and finish combinations available and a range of personalised options, V8 Vantage isn't just an iconic sports car, it's your iconic sports car.









 $\times$ 



#### Rolex Day-Date 40 Mens Automatic Watch 228238CDP

from Jomashop.com

18kt yellow gold case with a 18kt yellow gold Rolex president bracelet. Fixed fluted 18kt yellow gold bezel. Champagne dial with yellow gold-tone hands and diamond hour markers ... more »

#### \$46,380.62

(US\$34,995.00)

+\$84.16 delivery Jomashop.com 92% positive (2,086)

Visit site

SAVE







	LOG IN   REGISTER		MY ACCOUNT	YOUR WISHLIST	NEWSLETTER	Change Country:	UNITED KINGDOM
					SEARCH	D CART 0	CART IS EMPTY
VERSACE	SALE	WOMEN	MEN	VERSUS	YOUNG	HOME COLLECTION	MY VERSACE
VERSACE > NEW SPRING SUMMER > WOMEN > GEOMETRIC TRUE KNIT	TTED TOP						
		10					-AREESSA
				t <b>ric Tribe</b>			70776-A215437 A3116
			PRICE A			SHAR	e (f) (p) (a)
		8	COLOR:	0			
			SIZE:	38 (40) (42)			
				SZE TABLE Al sizes fit italian standa	rðs		
	1		ADD T	O SHOPPING CAR	т	ADD TO V	VISHLIST



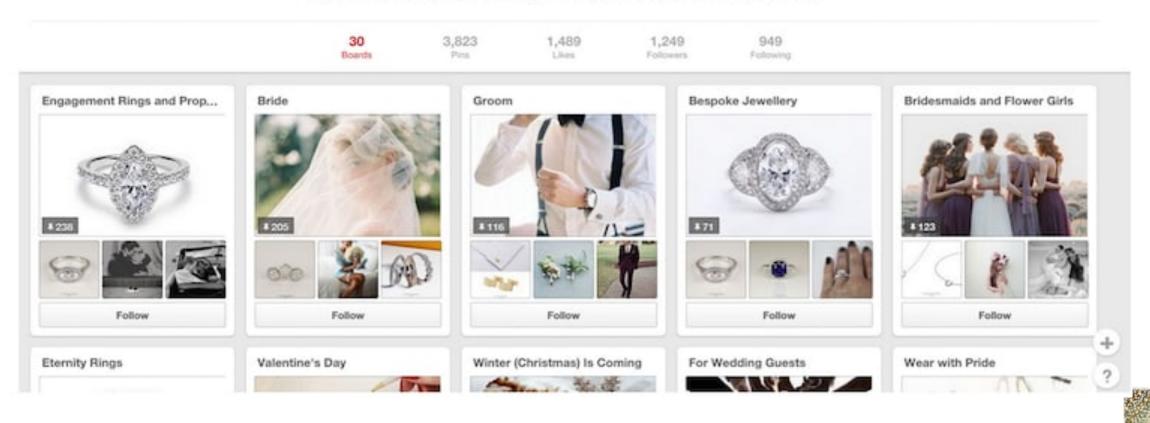




#### 77 Diamonds

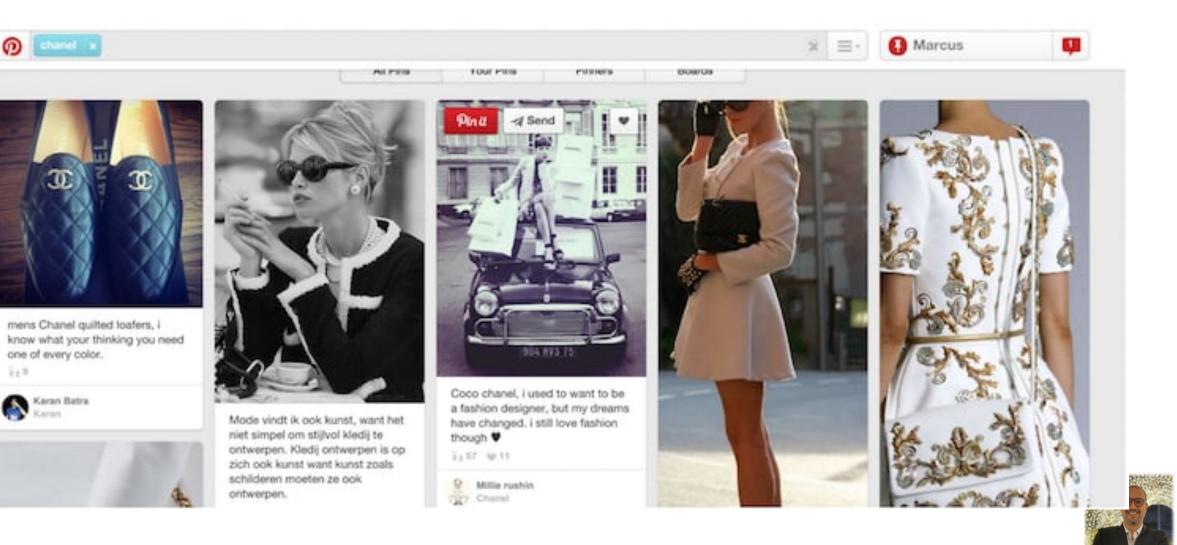
E London, UK · C www.77diamonds.com

Unique online jeweller specialising in engagement rings, diamond jewellery and loose diamonds.











# Egyptian Luxury Market?



- Egypt is one of the least developed luxury markets, which poses solid potential. The luxury fashion, jewelry and accessories segments lag behind much more developed automotive – all major luxury car brands already present in Egypt.
- At hotels, all luxury hotel brands are present in Egypt, and there are Marriott International luxury brand. New arrivals will hopefully be a motivation for many hotels to undergo much needed renovations.





# Egyptian Luxury Market?



- The watches sector is relatively well covered, however, only <u>Rolex and Hublot have mono-brand stores in Cairo (each brand</u> with one mono-brand boutique),
- most of the other brands are represented in wholesale / multibrand. The watches, writing instruments and small accessories sectors have been driven for decades, similarly to other emerging markets





### What is Luxury Products?



- At Fashion With the exception of <u>Burberry</u> (3 stores), <u>Paul &</u> <u>Shark</u> (2), <u>BOSS</u>, <u>Armani</u>, <u>Polo Ralph Lauren</u> (4), Carolina Herrera, <u>Billionaire</u>, Philip Plein, <u>Longchamp</u>, <u>Tommy Hilfiger</u> which are all represented with mono-brand franchised stores in Egypt
- all other luxury fashion brands are distributed by the leading local wholesale distributors (multi-brand stores), (several stand alone locations, street-level) and <u>Beymen</u> (located at <u>Four Seasons Hotel Cairo Nile Plaza</u>. Yet, the stock for most brands within these multi-brand stores is limited, both in product range and sizes. Mention must also be made that not all merchandise is of the most recent seasonal international collections.



# Coved-19 and Luxury brands market



- Pandemic effect the world and Effect the sales of every thing especially Luxury brands Why???
- 1- Financial problems
- 2- unstable future
- 3- Close and stop travelling





### Mark Jacob celebrities



• ,, Mary Kate Olsen



#### Sarah Jessica Parker





# Mark Jacob celebrities



#### Winona Ryder

#### Scarlett Johansson







#### What is Luxury Products? Ashley Olsen



#### Miley Cyrus















#### Questions





#### 87<sup>th</sup> Marketing Club 20th Alex 49<sup>th</sup> Business Club

Luxury Brands Marketing

Tuesday 18-4-2023 10PM EGY 11PM KSA 12PM UAE

FOUNDER & HOST

Dr.Mahmoud Bahgat













#### Thanks For your Time





#### What is Luxury Products?



- https://en.wikipedia.org/wiki/Luxury\_goods
- https://www.investopedia.com/terms/l/luxury-item.asp
- https://www.investopedia.com/articles/personal-finance/091115/psychology-behind-why-people-buy-luxury-goods.asp#i~:text=of%20luxury%20items.-,For%20some%20consumers%2C%20a%20luxury%20good%20can%20go%20a%20long,providing%20a%20sense%20of%20belonging.&text=for%20impulse%20shopping.-,A%20sense%20of%20accomplishment%20is%20another%20reason%20why%20some%20people,they%20typically%20could%20not%20afford.
- <u>https://alexandriacapital.com/wealth-matters-template/</u>
- https://www.businessinsider.com/global-luxury-goods-sales-to-slide-up-to-35-study-2020-5
- https://www.businesswire.com/news/home/20201117005990/en/Global-Luxury-Goods-Market-Report-2020-Market-to-Reach-403.2-Billion-by-2027----ResearchAndMarkets.com#:~:text=The%20Luxury%20Goods%20market%20in,Billion%20in%20the%20year%202020.&text=Among%20the%20other%20noteworthy%20geographic,grow%20at%20approximately%200.8%25%20CAGR.
- https://www2.deloitte.com/jo/en/pages/consumer-business/articles/luxury-goods-sales-growth-bottoms-out-profit-margins-resilient-under-pressure.html
- <u>https://www.marketresearch.com/Verdict-Research-Ltd-v107/Retail-Sales-Clothing-Footwear-Accessories-10484256/</u>
- https://www.bontena.com/articles/top-luxury-fashion-brands
- <u>https://cpp-luxury.com/egypts-real-potential-as-a-luxury-market-for-major-international-luxury-fashion-brands/</u>
- https://www.marketresearch.com/Verdict-Research-Ltd-v107/Retail-Sales-Clothing-Footwear-Accessories-10484256/
- https://www.mallofegypt.com/shopping/fashion-unisex/ego
- https://www.mckinsey.com/~/media/McKinsey/Industries/Retail/Our%20Insights/A%20perspective%20for%20the%20luxury%20goods%20industry%20during%20and%20after%20coronavirus/A-perspective-for-the-luxury-goods-industry-during-and-after-coronavirus.pdf
- https://mediaboom.com/news/5-luxury-brand-marketing-strategies/
- <u>https://neilpatel.com/blog/luxury-marketing/</u>
- https://www.ventureharbour.com/luxury-brand-digital-marketing/
- https://www.wordstream.com/blog/ws/2017/02/15/luxury-marketing-strategies
- https://www.bain.com/insights/from-surging-recovery-to-elegant-advance-the-evolving-future-of-luxury/#:~:text=The%20overall%20luxury%20market%20tracked,and%20yachts%2C%20and%20luxury%20cruises.



