

Luxe eternal

How luxury brands are reinventing for success

 **accenture**



About the research

In 2024, we surveyed 500 C-suite executives and their direct reports from luxury brands in Europe, the Americas, Japan, India and China. These brands represented a wide range of personal luxury goods, including apparel, footwear, accessories, beauty, jewelry and watches. We evaluated the brands on two key metrics: desirability (measured by our Brand Desirability Index) and operational performance (measured by our Operational Performance Index).

Central to this was the need to assess “desirability” in an objective and quantitative way. To analyze how brands are performing—both individually and in comparison with each other—and help them measure performance over time, we identified relevant variables from our survey responses, and used them to score brands according to their position on our two indices:

- The Brand Desirability Index captured self-assessments of how brands maintain desirability across generations and different customer segments.
- The Operational Performance Index measured self-assessed operational excellence through lean processes optimized and sustainable operating models, as well as the level of digitization in both operations and customer experience.

The survey also helped us analyze how brand desirability has evolved today using Accenture’s Brand Desirability Framework (described later in this report).

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Jill leads Accenture’s Retail client portfolio—developing offerings and capabilities that allow retailers to move forward with agility. With over 20 years’ experience in retail, she has led digital and physical transformations for global retail brands and built retail practices for leading technology and services companies. Jill was named a ‘Top 20 Women Leaders in Business’ by Women’s Wear Daily. She serves on retail industry boards and is active in several industry bodies, including the Retail Industry Leaders Association (RILA).



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Amal leads Accenture’s Luxury sector and acts as a global client account lead for one of the world’s leading luxury conglomerates. Throughout her career, she has guided luxury clients along their digital transformation journey. Her in-depth expertise anticipates and decrypts technological innovations within the luxury industry—translating these insights into tangible use cases and business value—all while maintaining a sustainability mindset.



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Arianna leads Fashion & Luxury for EMEA within the Design & Digital Products practice as part of Accenture Song. She is focused on creating compelling customer experiences that drive human impact and business value to meet the needs of a new future. Arianna has a strong multicultural background—with over 20 years’ experience working for luxury brands, agencies and vendors. She brings a unique perspective that sits at the intersection of business, creativity and technology.

Introduction:

Navigating a new era for luxury

The luxury market is in the middle of a notable slowdown—its first in recent years. Following a period of heady double-digit annual growth since 2020, the industry’s revenue dipped 0.4% in the first half of 2024.¹ This marks an important inflection point for an industry long considered resilient, even in times of economic uncertainty.

The market has faced fluctuations before, of course. But never at such a widespread level. So what’s changed?

There’s no doubt recent macroeconomic pressures have taken their toll. From high inflation and a global cyclical slowdown to disrupted supply chains and structural difficulties in China, brands have had to manage rising production costs and weakened confidence among aspirational customers. In fact, our recent survey of 500 luxury brand executives reveals that more than two-thirds believe the current complex macroeconomic context is affecting performance.

But is it just about economics?

We think there’s more at play—that a fundamental shift is taking place in the luxury market.

Consider this: while 42% of publicly listed luxury companies reported negative growth in the first half of 2024, a noteworthy minority—around 20%—achieved impressive double-digit growth. This select group includes companies like Prada Group (which grew 18%)² and Hermès (15%).³

These numbers reveal a growing divide and signal a pivotal shift. The brands that are thriving aren’t just weathering the storm—they’re reinventing for success. How? Our survey reveals that the leaders are adapting by embracing continuous change in how they operate and redefining what desirability means in an era of disruption and evolving customer expectations.





Consumers are turning up the pressure

What's driving this shift?

A deep-rooted change in customer expectations. Modern shoppers are more informed and more demanding. Their values and lifestyles are evolving, and they expect brands to keep pace. It's a demographic shift that all industries are currently experiencing. And it has luxury brand executives concerned—an overwhelming majority (83%) agree that “customers are changing faster than we can change our business.”

What makes change so hard?

Luxury brands must walk a tightrope between preserving their legacy and adapting to modern expectations. Once, the power of heritage, exclusivity and product excellence was enough to maintain a loyal customer base. But not anymore. Today's younger generations have different priorities: they value sustainability over excess, personalization over standardization. Luxury brands

now find themselves at a crossroads, stuck between two generations of customers—82% of our survey respondents acknowledge that “the values and behaviors of emerging customers frequently contradict those of existing ones.” What's more, those values aren't set in stone—according to our consumer research, 60% of consumers say their priorities keep changing as a result of everything going on in the world today.⁴

There's an added complication.

Seamless omnichannel customer journeys have now become core drivers of customer loyalty. And if luxury brands fall short on providing white glove experience, they risk severely undermining the connection with their clientele. A striking 87% of luxury executives told us that “today's omnichannel customer journey is radically changing the nature of customer loyalty, which we can no longer take for granted.”

How is customer thinking evolving?



Spotlight on Life Trends

In addition to the rising artificial intelligence (AI)-influenced need for brands to focus on trust, it highlights a noticeable swing toward physical retail as customers rediscover the value of tangible, sensory experiences.

The research finds, for example, that 42% of people said their most enjoyable experience in the past week was physical (versus 15% for digital). It's part of a trend we call Social Rewilding, and it's especially relevant to the luxury market, where prestige physical stores and knowledgeable salespeople have always been critical to the brand experience.⁵

Brand desirability:

The secret to lasting resilience

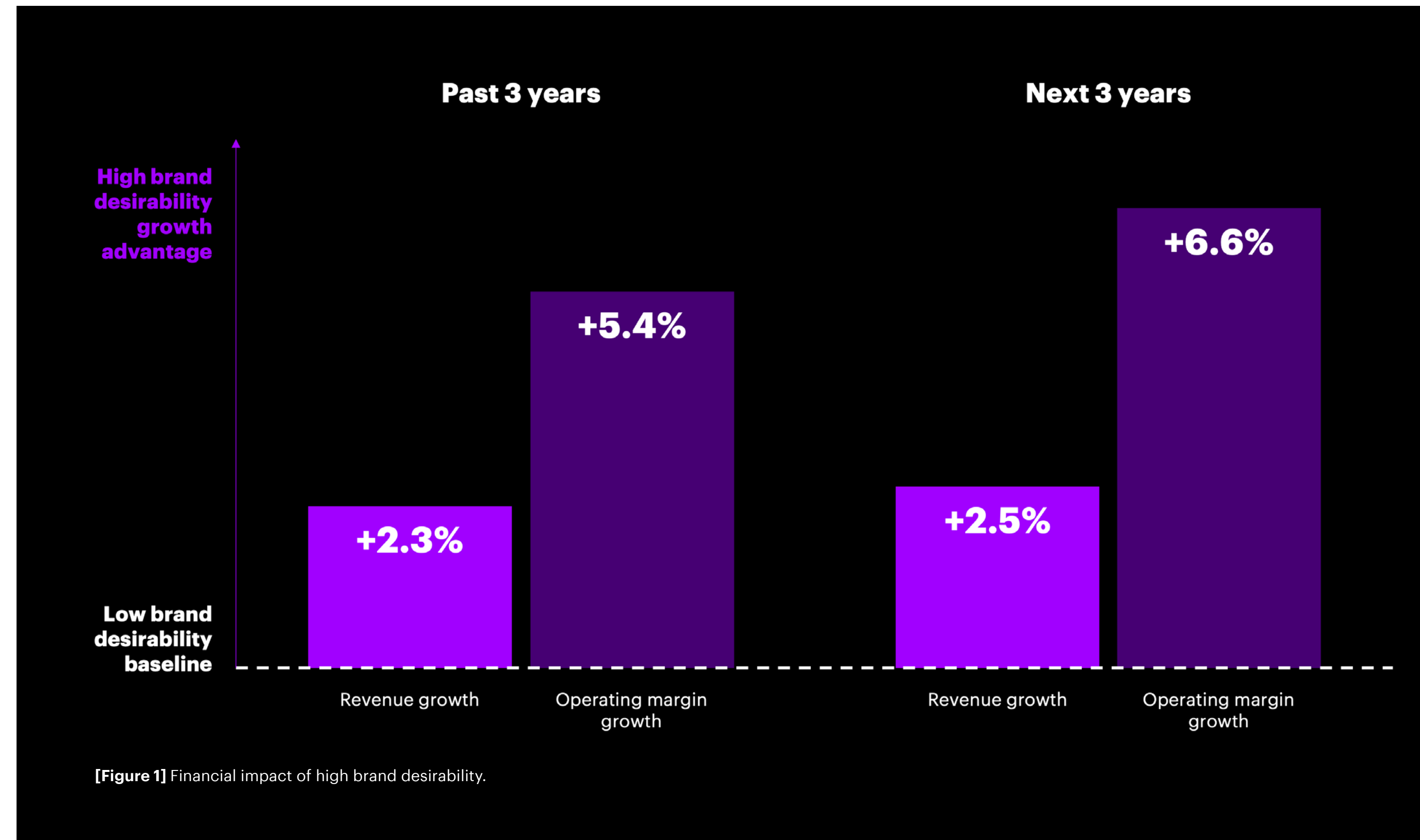
How can brands maintain their allure at this pivotal moment? Luxury executives are near-unanimous that maintaining brand desirability is a key part of the answer: almost 9 in 10 (89%) agree this is essential for long-term growth.

It's no surprise that brands investing continuously and holistically in building and maintaining high desirability outperform financially. When we analyzed the survey responses of luxury executives on financial performance, we found these companies had a revenue growth rate 2.3 percentage points higher than their peers. They're also projected to see an operating margin growth advantage of 6.6 percentage points over the next three years (see Figure 1).

But what is surprising is that few brands are achieving high desirability across all customer generations and spending tiers—just 35% of respondents said their company was doing so today.

Why is desirability so challenging to achieve?

It's because, for luxury brands, desirability is no longer defined solely by attributes like exclusivity, heritage and product quality. While these remain critical, today's environment demands a more holistic approach. Factors like customer experience, technology innovation and social value now go hand in hand with traditional measures of brand desirability to determine success. This is the delicate paradox of luxury: balancing timelessness and a consistent brand DNA—while renewing, surprising and delighting the customer.



Defining desirability.

Accenture's Brand Desirability Framework

What makes a brand “desirable?” Historically, this question was often treated as a matter of personal taste. But for brands to understand and act on their desirability with surgical precision, they need a more structured analysis. Our unique Brand Desirability Framework defines the seven key dimensions of brand desirability today—encompassing both tangible (product quality, functionality) and intangible (prestige, emotional connection) aspects.

Exclusivity

A sense of prestige and exclusivity is central to luxury brands. This is often achieved through controlled production runs, premium price points, or selective distribution strategies.

Quality and craftsmanship

Luxury brands are renowned for their commitment to exceptional quality and craftsmanship. Attention to detail, coupled with the use of high-quality materials, elevates the desirability of luxury products.

Heritage

Many luxury brands draw on a rich history and legacy, appealing to customers' desire for tradition, artistry and a sense of timeless allure.

Social value

Today, a commitment to diversity, self-expression and environmental stewardship are increasingly important if a brand is to resonate with an ever more socially conscious consumer base.

Experience

Luxury brands are about more than products. From personalized service to exclusive events, memorable experiences are key to strengthening the emotional connection with consumers.

Innovation

Forward-thinking luxury brands use constant innovation—in areas like design, communication strategies and cutting-edge technology and AI—to maintain their appeal to discerning consumers.

Iconic status

Luxury brands serve as powerful status symbols, representing success, wealth and membership of a select community, while also fulfilling certain emotional and psychological needs of consumers, such as self-esteem.

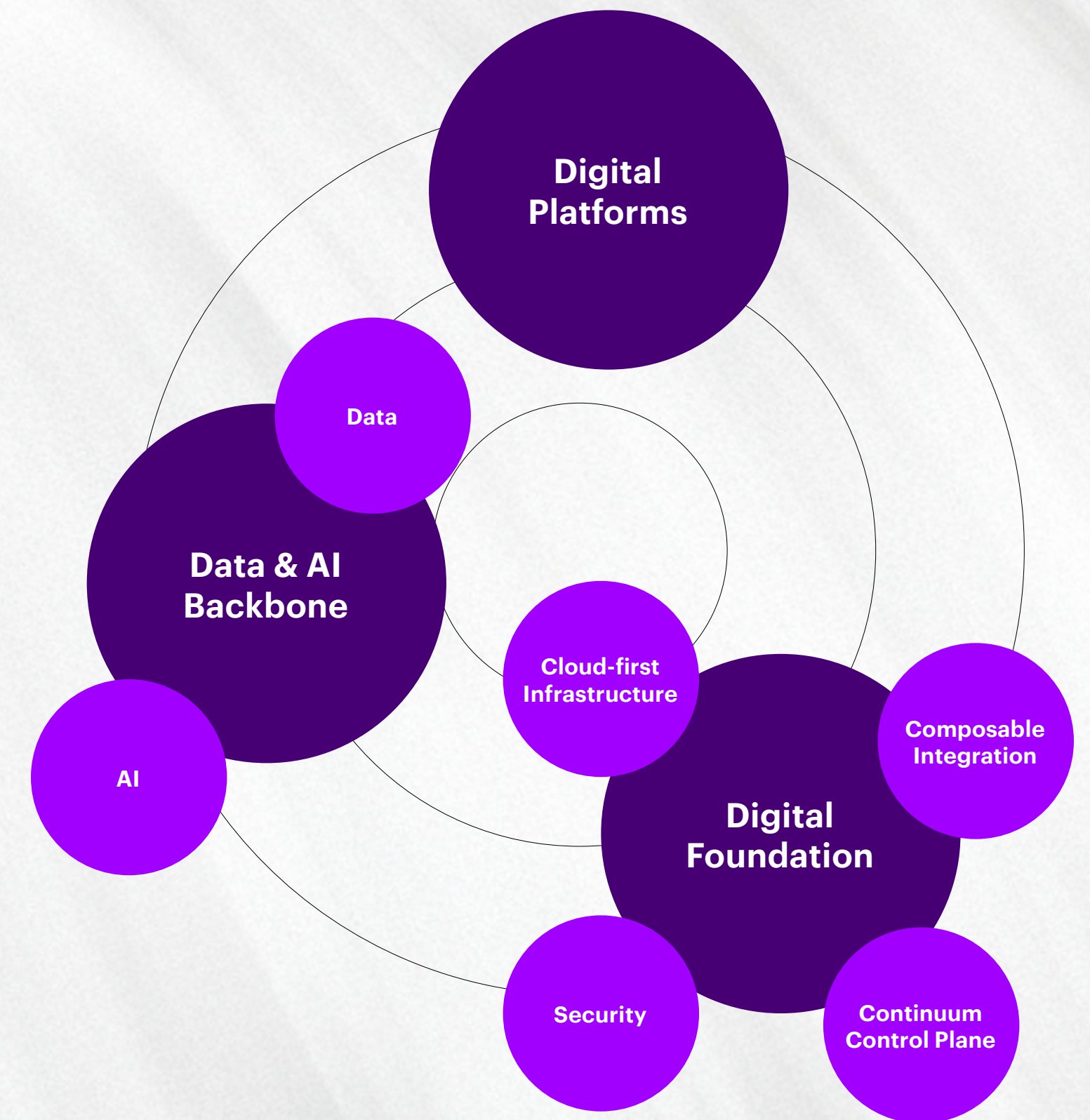
Elevate operations to elevate desirability

The upshot is that brand desirability is now inextricably linked to the ability to deliver on the desire it aims to generate, through fluid omnichannel experiences, seamless digitalized operations and a commitment to core values like sustainability.

This is only possible with a rigorous focus on operational excellence across all internal processes. Every stage of the value chain—from production to marketing to customer service—must work together to enhance brand desirability. Success depends on seeing operational excellence and brand desirability as two sides of the same coin.

Leading brands know this.

They recognize it's not just about creating beautiful and expensive products, it's also now about minimizing the chance of supply chain disruption, quality control issues or generic customer experiences chipping away at brand loyalty. And it's about having an industry-leading digital core, capable of delivering all the above at the accelerated pace today's market demands.



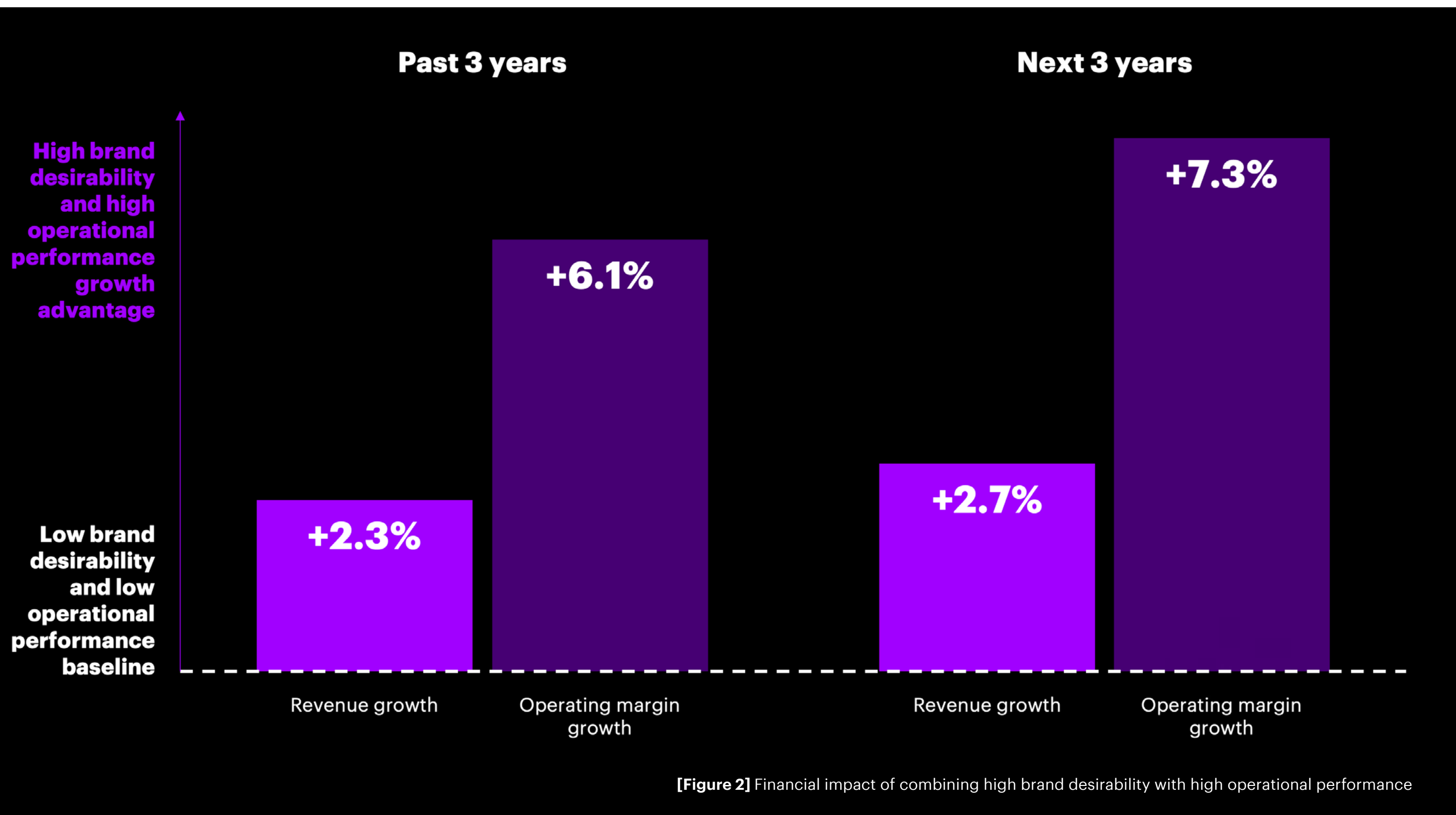
What is the digital core?

We define the digital core as the critical technology capability that can create and empower an organization's unique reinvention ambition.

It enables the organization to accelerate ahead of the competition using the right mix of cloud infrastructure and practices for agility and innovation, data and AI for differentiation, applications and platforms for accelerating growth, as well as next-gen experiences and optimized operations—with security by design at every level.

Luxury brands that embrace reinvention as a strategy can do all this at the same time—reinforcing their desirability while also refining internal processes, digitalizing operations, embracing AI across the value chain and enhancing customer experience. In doing so, they create a powerful reinvention flywheel effect. This is where the efficiencies gained from greater operational excellence and the revenues from greater brand desirability provide additional investment funds that can be directed back into the business.

The result: a continuously self-reinforcing cycle of improved business performance, improved financial performance and improved brand desirability. Our research finds the brands combining high brand desirability with high operational performance stand to gain a 2.7 percentage point revenue growth advantage—and a 7.3 point operating margin growth advantage—over the next three years compared to low-performing peers (see Figure 2).



“We continue to progress in our journey towards retail excellence, enriching our product range and driving customer engagement to nurture our brands’ desirability.”⁶

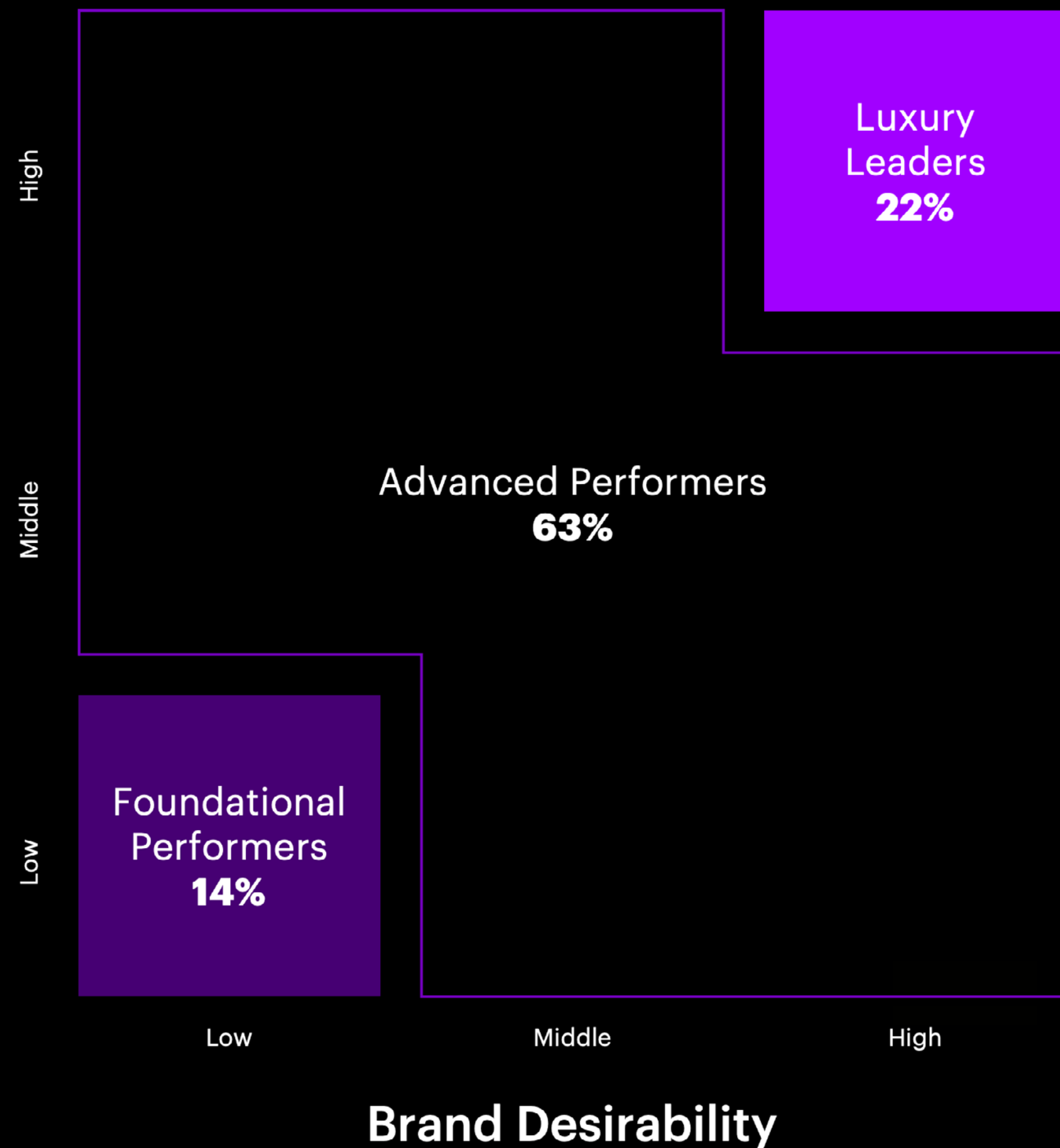
Andrea Guerra
– Prada Group Chief Executive Officer



How to hit the sweet spot

How many of today's luxury brands are truly finding the perfect balance between brand desirability and operational excellence? Our analysis suggests it's only a minority.

Operational Performance



[Figure 3] Accenture's Luxury Brand Matrix

Based on survey responses, we identified which of today's luxury brands are positioned to benefit from this sweet spot—and which aren't. This revealed a small group of Luxury Leaders that are thriving thanks to a powerful combination of high brand desirability and high operational performance (see Figure 3).

These Luxury Leaders are rare, representing less than a quarter (22%) of our sample. This suggests most luxury brands have yet to fully recognize the significance of enhancing both operational excellence and brand desirability. Indeed, we also uncovered a small group of brands ('Foundational Performers') who are struggling with both low brand desirability and low operational performance. The risk for all these brands is high: the self-reinforcing power of the reinvention flywheel means the gap between themselves and the leaders will keep growing unless they urgently address their reinvention readiness.

The good news?

Our research has uncovered the four key characteristics of Luxury Leaders that help them achieve the sweet spot between brand desirability and operational excellence.

- 1 First, they're highly focused, targeting only the most important levers of desirability for their unique brand and market position.
- 2 Second, they've reset their strategies and priorities, recognizing that operational excellence is key to both maintaining brand desirability and the ability to finance reinvention.
- 3 Third, they recognize an industry-leading digital core—comprising digital platforms, integrated data and AI and secure composable infrastructure—is now a foundational capability for any business.
- 4 And fourth, they view their people as essential enablers of their success.

Taken together, these four characteristics provide a roadmap for all luxury brands as they redesign their strategies to strengthen brand desirability and reignite growth. Let's dive into each one and explore the specific actions luxury brands should take to stay competitive in today's market.

Focus on the right levers of brand desirability

A defining characteristic of Luxury Leaders is their ability to focus on what really matters. Rather than attempting to address all the different dimensions of brand desirability at once, these leaders typically concentrate on a core of no more than four of the seven dimensions in Accenture's Brand Desirability Framework. This contrasts with Foundational Performers, who typically spread their focus across a greater number of dimensions.

It means Luxury Leaders are not trying to juggle too many priorities at the same time, avoiding the risks of a haphazard or scattergun approach. By zeroing in on core dimensions, they can streamline their efforts, ensuring a tightly focused strategy that better aligns with the brand values and customer expectations that matter most, while avoiding any dilution of their brand message.



So where, specifically, are they focusing?

For these brands, social value is an increasingly critical dimension of brand desirability. Luxury Leaders expect to intensify their commitment in areas like inclusion and diversity, launching social initiatives, and other ESG targets. This emphasis on value-driven luxury is essential to nurturing deeper emotional connections with socially conscious customers.

At the same time, the value of experiences is gaining prominence. We found that Luxury Leaders are 50% more likely than their peers to invest in clienteling and customer management, recognizing the importance of having personalized, memorable customer interactions. In addition, they are more likely than their peers to be significantly increasing their investments in crafting a truly seamless customer experience across digital and physical channels. In terms of other tactics, nearly one-third view trade and industry show appearances as a crucial near-term focus for reinforcing their brand's desirability.

Exclusivity remains, of course, a hallmark of a luxury brand. Indeed, one-third of executives at Luxury Leaders say they're planning to maintain a high-price strategy in the coming years, and around one in six are targeting a selective or limited distribution strategy.

At these top-performing brands, however, the focus is broader and more nuanced. For them, exclusivity is viewed as just one component of brand desirability, and they're careful to ensure it doesn't overshadow all the others. For Foundational Performers, in contrast, exclusivity remains at the forefront of their thinking, with two-thirds of these brands planning to implement exclusivity strategies over the next three years.

Spotlight on Hermès

Consider how Hermès has successfully combined a unique approach to managing its supply chain and controlling its distribution with a renewed focus on in-person experiences. The brand has been one of the most consistent luxury goods performers in the market, having raised prices globally by 7% in 2023 and again by a similar amount in 2024.⁷ At the same time, Hermès has been investing in its multi-local distribution network, opening new stores and renovating existing ones in key locations like Singapore, Shenzhen and Atlanta,⁸ recognizing that experiential value is a key component of its brand desirability today.

50%
more likely to
significantly invest in
clienteling and customer
management skilling*

Reset strategic priorities

Luxury Leaders are setting themselves apart by their willingness to adapt their strategies and priorities to new realities.

Consider, for example, their focus on operational excellence. Luxury Leaders recognize that operational effectiveness across the value chain—including the use of AI technologies—is now a fundamental requirement, especially when it comes to driving efficiency and freeing up capital for reinvestment in the brand.

Compared to their peers, these brands are far more likely to highly prioritize operational efficiency and strengthening production capacity (by 20% and 50% more, respectively). Importantly, this ambition is backed by solid investment. Luxury Leaders are nearly twice as likely to be planning significant increases in their investments in operational excellence over the next 12 months and notably more likely to sustain these investments over the next three years.



Operational agility enables relevance

One of the outcomes of this operational agility is the way Luxury Leaders are able to remain relevant with the shifting expectations of the luxury market—particularly the rise of digitally savvy, experience focused and socially aware Gen Z shoppers. Take their commitment to omnichannel customer journeys: Luxury Leaders are significantly more likely to strongly agree these are transforming the nature of customer loyalty. They also understand the need to create consistent and relevant brand experiences across a variety of digital and physical channels.

Again, Luxury Leaders are backing up this commitment with investment. They're making strategic decisions to invest in enhancing their ability to engage customers and provide seamless customer experiences over traditional expansion strategies like entering new geographic markets. For example, Luxury Leaders are 68% more likely than peers to say they're planning to significantly increase their investments in creating seamless experiences across all channels over the next three years. And in that same time frame, they're also 41% more likely to be increasing their investments in engaging customers through virtual experiences.



68%
more likely to be planning
for significant investment
increases in experiences
over the next 3 years*

Case in point

Consider how Prada Group has been transforming its systems in ways that aren't always obvious to the customer but deliver an improved shopping experience. Examples include support for new 'checkout-free' shopping in Prada stores, where customers can complete their transactions by tapping on a sales assistant's mobile device. It's the brainchild of Chief Innovation Officer Cristiano Agostini and his team, who have been exploring a range of ways to use new technologies to deliver ever more tailored and seamless shopping experiences.⁹

Other luxury fashion brands are also finding innovative ways to use advanced technology to improve customer shopping experiences. Examples include Chanel's¹⁰ radio frequency identification-powered 'smart' mirrors, Gucci's¹¹ virtual try-ons and Burberry's¹² conversational AI that allows customers to go 'behind the scenes' of collections.



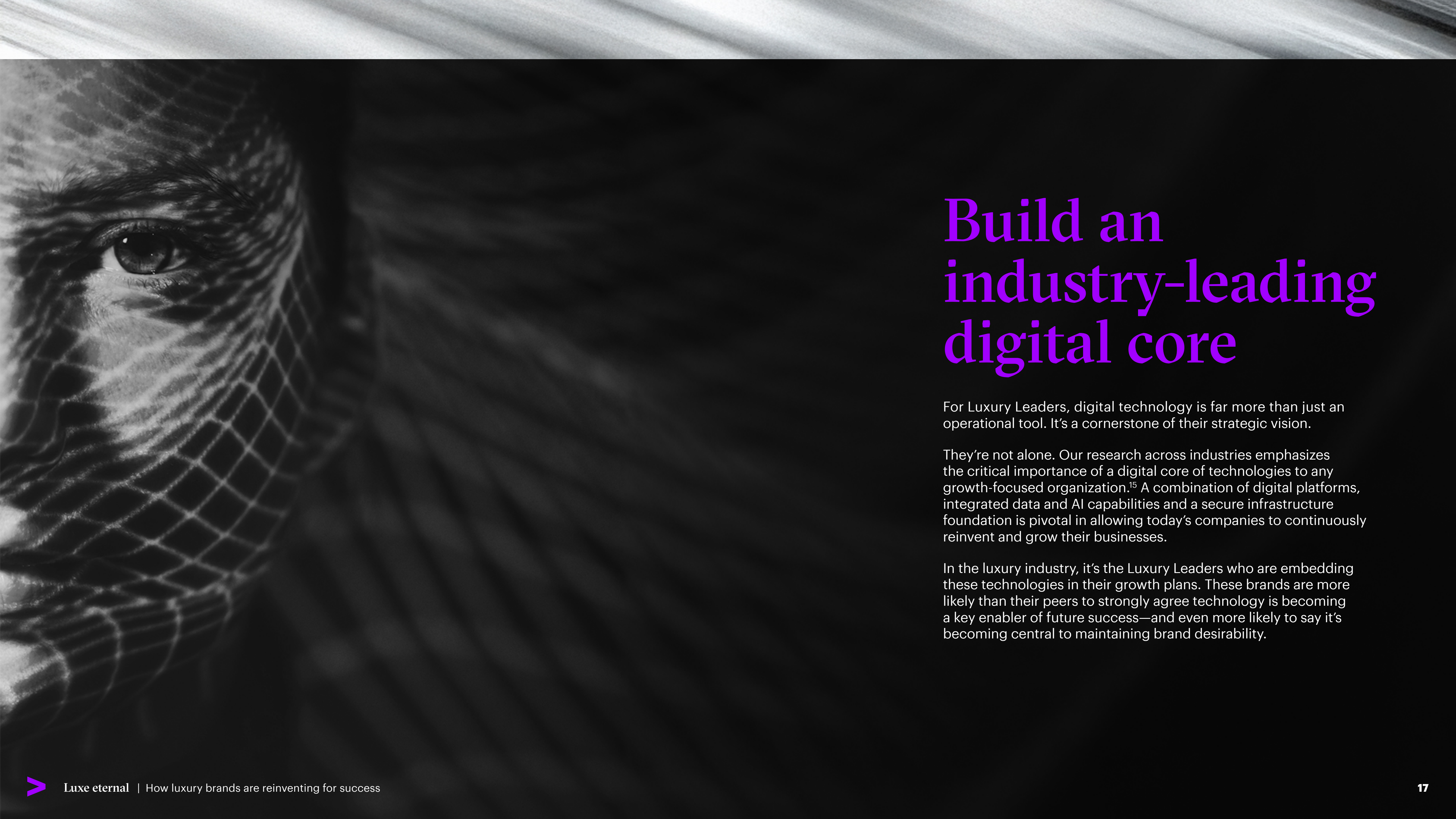
92%

of Luxury Leaders are planning to increase their investment in ESG targets over the next three years

Luxury Leaders understand that sustainability is non-negotiable for top-tier brands.

Almost all (92%) Luxury Leaders surveyed are planning investment increases in ESG targets over the next three years. Moncler Group, for example, has integrated sustainability into its business through its Moncler Born to Protect plan, focusing on climate change and biodiversity, the circular economy, responsible sourcing, valuing diversity and supporting local communities. One hundred percent of the company's nylon scraps from its own sites are now recycled, and it's committed to sustainable practices across all operations, aiming for carbon neutrality by 2050.¹³ This focus on sustainability is crucial to the brand's success, helping it remain desirable and relevant to eco-conscious customers.

Leading brands are also leading the charge in adopting new technologies to help meet sustainability goals and provide supply chain transparency, with investments in areas like sustainable materials and energy innovation, digital passports and blockchain technology. Gucci, for instance, is providing digital product passports for its durable denim garments, tracing the journey from raw materials to manufacturing and production, as well as providing information about product care and repair services to Gucci clientele.¹⁴



Build an industry-leading digital core

For Luxury Leaders, digital technology is far more than just an operational tool. It's a cornerstone of their strategic vision.

They're not alone. Our research across industries emphasizes the critical importance of a digital core of technologies to any growth-focused organization.¹⁵ A combination of digital platforms, integrated data and AI capabilities and a secure infrastructure foundation is pivotal in allowing today's companies to continuously reinvent and grow their businesses.

In the luxury industry, it's the Luxury Leaders who are embedding these technologies in their growth plans. These brands are more likely than their peers to strongly agree technology is becoming a key enabler of future success—and even more likely to say it's becoming central to maintaining brand desirability.

Prada Group, for example, was able to elevate its shopping experience thanks to a new cutting-edge platform designed to adapt to the rapidly evolving commerce landscape. Because its new platform is composed of modular software components, each one can be optimized, scaled or replaced independently with minimal disruption. It allows Prada to assemble a set of best-in-class commerce capabilities to provide the luxurious experiences its customers expect.

The result? A blazing fast check-out experience—60% faster than before—and 15% more shoppers completing check-outs.¹⁶

It reflects just how interdependent digital tech and luxury experience now are.

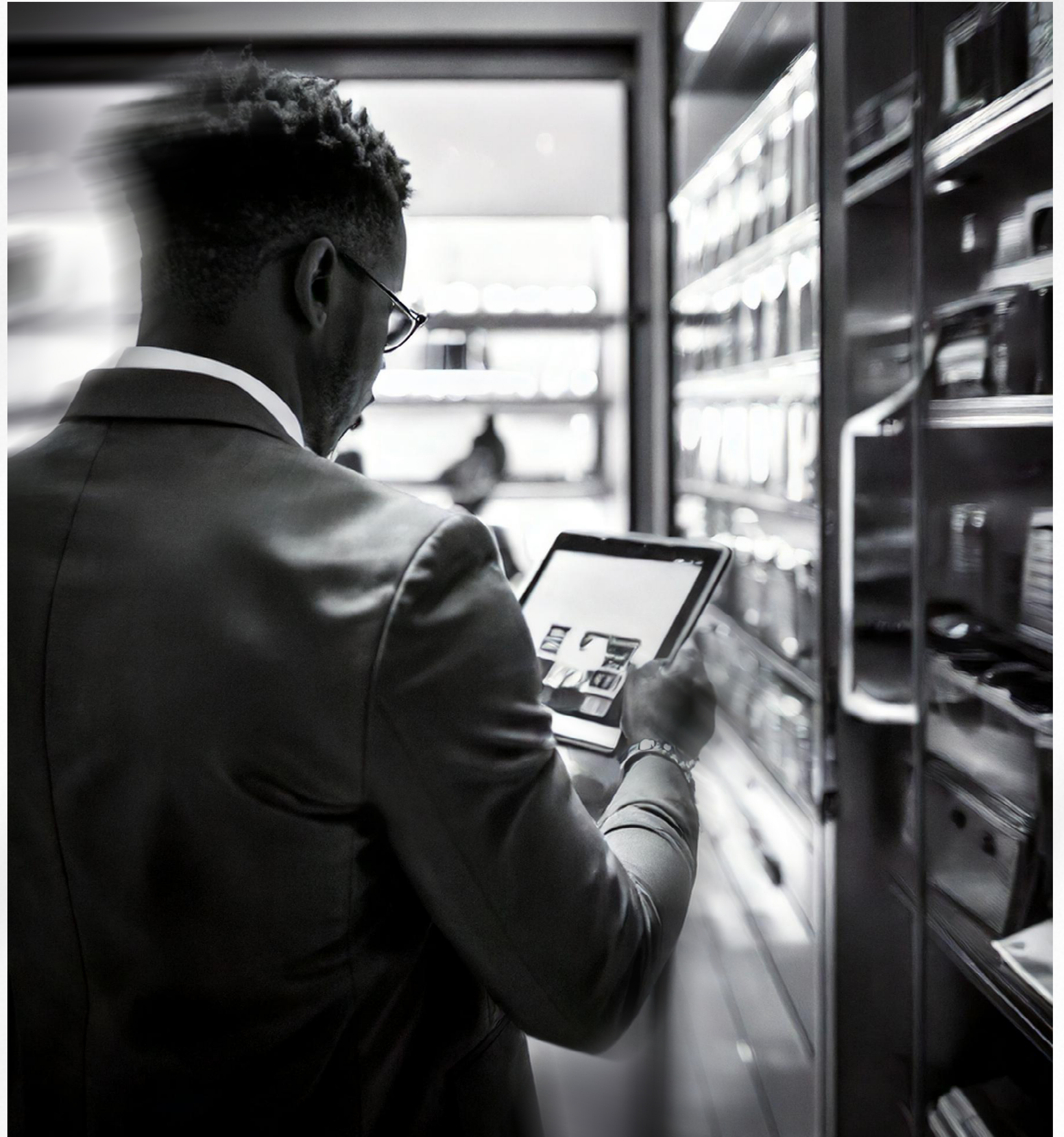
On the operational side, for instance, Luxury Leaders are more likely to have successfully used digital technologies to optimize manufacturing and predict future demand. On the customer side, they're ahead in integrating cross-functional data, and exploring new technologies to engage customers and enhance customer journeys. For example, Luxury Leaders are more than twice as likely to deeply consider the challenges of using technology to offer exclusive experiences to aspirational customers. The result: a more holistic view of the customer and an improved ability to deliver seamless, high-touch experiences combining digital and physical elements.

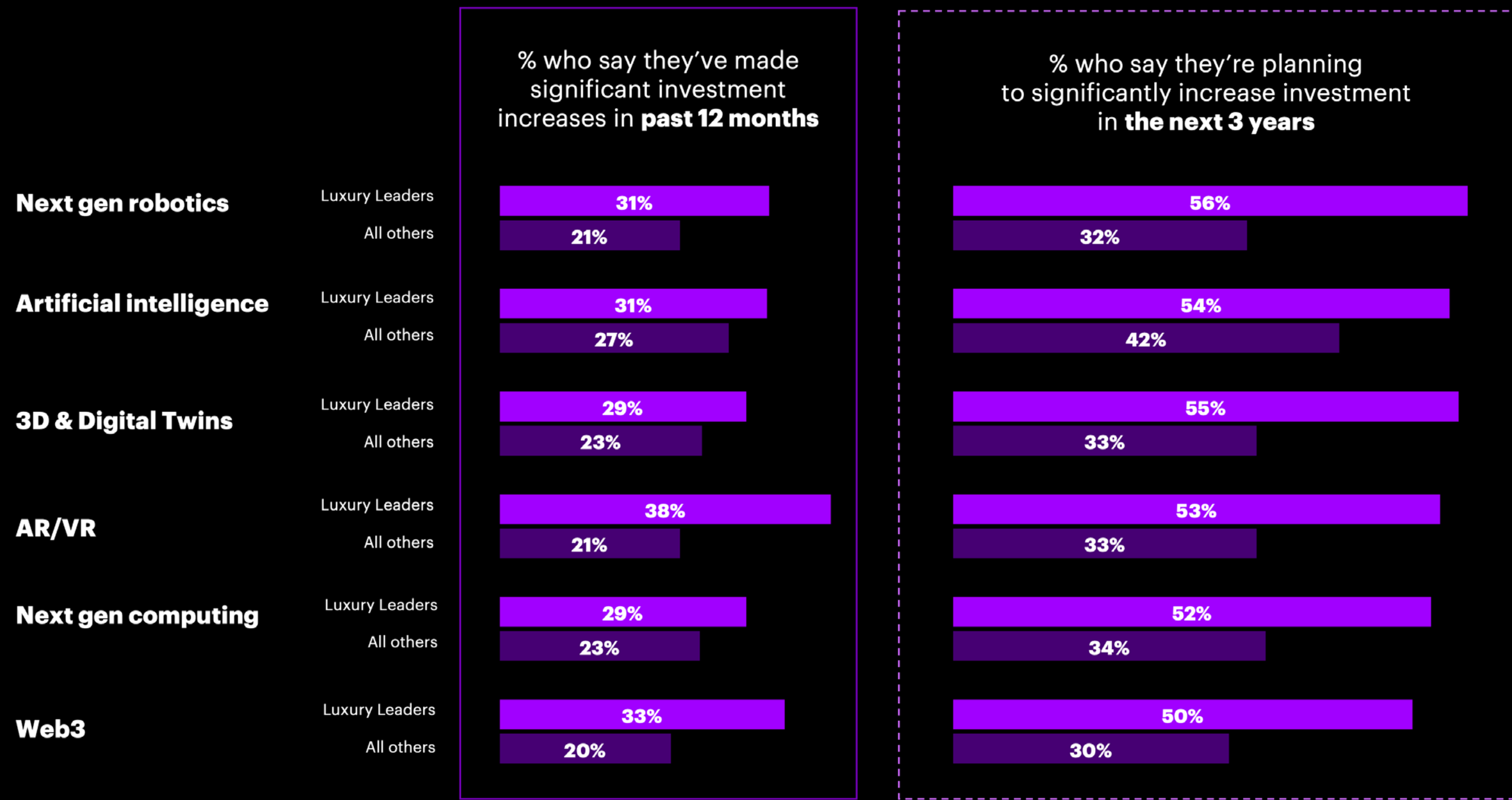
Look at how Chow Tai Fook has embedded technology into its operations to strengthen efficiency and decision-making. The company recently launched automated logistics and distribution centers, reducing store replenishment cycles and improving inventory management. And it integrated an RFID-enabled jewelry tray into its stores to better understand customer behavior and optimize inventory. It's helping the brand enhance operational efficiency and customer experience while also providing insights to drive smarter decision-making across the business.¹⁷

Luxury Leaders are acutely aware that innovation drives competitiveness in today's luxury market.

Although the vast majority (83%) of luxury executives agree that cutting-edge technologies like generative AI will disrupt the industry in the coming years, they're not all preparing for it. Luxury Leaders are comparatively much more likely to be investing in those intelligent technologies as well as others like artificial and virtual reality, Web3, next-gen computing, robotics and digital twins (see Figure 5). They recognize these are the technological innovations that will define the winners and losers in the luxury industry of tomorrow.

83%
of luxury executives agree that technologies like generative AI will disrupt the industry—but not all of them are prepared for it





[Figure 4] Where are luxury brands investing in technology, now and in the near future?

AI is reshaping retail.

Consider how advances in AI are already reshaping the retail landscape by streamlining back-office and customer-facing processes. AI-driven analytics help with forecasting demand more accurately, driving manufacturing automation, optimizing inventory levels and managing supply chains more efficiently. At Jaguar Land Rover, for example, AI-powered real-time data analysis is being used to improve production lines. The luxury automaker is introducing predictive risk management controls to identify production anomalies—enhancing both efficiency and product quality.¹⁸

Luxury brands are also using AI, including generative AI, to improve customer experiences and enhance decision-making processes, ensuring they can respond faster to changing customer needs. Take South Korean cosmetics giant AmorePacific. At the company's new AI-powered beauty lab, robots custom-mix products while deep learning and machine learning tools recommend the most suitable lipstick shades from a range of 366 colors and 205 skin foundations. It's allowing AmorePacific to offer highly personalized beauty solutions while also shortening product development cycles, enabling faster launches of new products and lowering barriers for future innovations.¹⁹

Empower people

Across industries, leading businesses understand their people are the backbone of their success. Luxury Leaders are no different. These leading brands recognize their competitive edge lies not only in their brand heritage or technological investments but also in how they empower and equip their people to be true brand ambassadors.

It's part of a broader trend, called out in our latest Life Trends report,²⁰ which emphasizes the dignity of work. We find there's a noticeable shift toward rehumanizing the workplace, driven on the one hand by employees seeking more meaningful work and on the other by companies recognizing the need to invest in upskilling and empowering their staff. It's about recognizing the chain of causation that links employee experience to customer experience to brand desirability and, ultimately, profitability.



Look at how Brunello Cucinelli's business model puts people at the heart of its success and prestigious reputation. The brand champions human dignity and ethics, offering fair wages, work-life balance and a respectful working environment. By blending traditional craftsmanship with modern innovation through continuous training, Cucinelli enhances both the skills and motivation of its employees. This ethical approach preserves cultural heritage, boosts creativity and meets the expectations of customers who prioritize sustainability and ethical responsibility. Cucinelli's people-first philosophy is key to its unique market position and success.²¹

45%

more likely to significantly invest in digital proficiency*

Empowering people is an area in which Luxury Leaders shine.

For example, one of the key differentiators of this group is a commitment to digital fluency. These brands are 45% more likely to be making significant investments in digital proficiency and 1.5 times more likely to strongly agree their workforce is digitally fluent.

A core part of Shiseido's global talent strategy, for example, is building digital and data literacy. Since 2016, over 10,000 of its employees have participated in the Shiseido+ Digital Academy, where they access resources on topics like e-commerce, blockchain and AI to develop specialized skills. Shiseido's leadership views this investment in education as key to building a more efficient and innovative workforce, emphasizing upskilling over rehiring to reduce costs and retain talent.²²





31%
more likely to be
exploring new
technologies to find
innovative ways to
engage their customers*

Digital fluency drives innovation and nurtures a culture of constant improvement. For example, Luxury Leaders are 31% more likely to be exploring new technologies and channels to find innovative ways to support and engage their customers. By doing so, they're also empowering their employees to excel in an ever-changing digital environment.

Few technologies exemplify this better than generative AI, which is reshaping work across the value chain. As we explain in our Work, Workforce, Workers research, the fact this technology is "human by design" means it's uniquely able to help people enhance their

productivity, creativity and human potential—allowing work to become more meaningful and impactful.²³

It's not just about digital proficiency.

Digital proficiency is just one aspect of people empowerment. Luxury Leaders are at least 45% more likely than their peers to be investing in developing other critical skills in areas like strategy, innovation, clienteling and operations, ensuring employees are prepared for long-term success. These investments reflect a forward-thinking attitude, one that sees employee growth as directly tied to company growth.

What about organizational culture? We find that Luxury Leaders are adept at building cultures that empower their employees to take risks, innovate and bridge silos to collaborate across the organization. For example, they're 35% more likely to strongly agree that they actively incentivize teams to achieve strategic goals and 26% more likely to strongly agree their organization rewards experimentation and risk-taking. Luxury Leaders are also far more likely to say they're fostering cross-functional collaboration and communication.



Closing the gap

As we've seen, many luxury brands are yet to unlock the full potential of combining brand desirability with operational excellence—a critical balance that triggers the reinvention flywheel effect and the self-reinforcing cycle of continuous reinvestment and operational excellence.

What's more, some Foundational Performers are still struggling to embrace a reinvention mindset altogether. Our research found that fewer than one in three executives at these companies strongly agree that business reinvention is necessary to be successful in today's market.

For these brands, decisive action is urgently needed. Without it, the reinvention flywheel will continue to widen the gap between Luxury Leaders and the rest, weakening the market appeal of those left behind as well as limiting their ability to invest. Brands must commit to focusing on operational excellence as well as the core measures of their brand desirability to remain relevant.

Luxury brands have developed great resilience, but they can't stay unchanged and expect to thrive in a shifting market. To preserve their timeless appeal, they must be ready to innovate in operations and update their desirability for a new generation.



What to do now?

A summary of our recommendations for luxury brands

1

Focus on relevant levers of brand desirability

Embrace the changing nature of brand desirability. Realize how brand desirability is continuously changing and expanding due to consumer and market influences. Note the increasing significance of factors such as social value and in-person experiences.

Focus on what matters. Avoid spreading the brand too thinly by chasing every possible aspect of desirability simultaneously. Understand that simplicity is key—pinpoint a fundamental set of dimensions that align with brand DNA and concentrate on them consistently.

Seek genuine relevance. Make sure the brand is at the heart of the value proposition—while keeping the brand fresh with experiential and social values.

2

Reset strategic priorities

Emphasize operational excellence. Revamp processes throughout the entire value chain—everything from sourcing to customer experience—to strengthen brand appeal holistically.

Ignite the reinvention flywheel. Use the efficiencies gained from improved operational performance to kick-start a continuous cycle of reinvestment in greater operational agility, more streamlined processes and increased customer knowledge and personalization.

Elevate value change. Leverage data and embed AI in the fabric of the value chain to boost efficiency, cost-effectiveness, agility, time to market and personalization of experiences across all touchpoints.

Sharpen the focus on sustainability. Luxury products need to be both iconic and durable. Invest in sustainable materials, digital passports and blockchain technology to meet sustainability goals and ensure supply chain transparency, aligning with the growing demand for ethical and responsible luxury.

3

Build an industry-leading digital core

Establish a flexible technological environment. Build a flexible technology base using digital platforms, modern engineering and data with AI to improve processes, enhance decision-making and swiftly adapt to consumer changes.

Leverage data-driven insights for personalization. Use the digital core's data-driven and AI-powered insights to deliver more personalized and responsive customer experiences, reinforcing brand desirability and creating long-term loyalty.

Enhance efficiency and agility through automation. Embrace white-glove automation. Use the advanced automation capabilities of digital frameworks at the service of creativity to craft relevant, personal and memorable experiences, focusing on high value activities.

4

Empower people

Recruit talent on the promise of brand DNA. Create a workplace that prioritizes people and considers them true contributors to a strong brand vision.

Streamline positions for better operations. Clarify expectations for each position, and leverage technology to develop the right training tools and development paths and reinforce the quality of hires.

Strengthen the competency framework within the boutiques. Actively equip retail talent with more relational and analytical skills to create experiential value within stores and participate in clienteling and omnichannel operations.

Create an inspiring and inclusive work environment. Foster an environment where employees feel appreciated, empowered and driven—allowing the company to innovate, thrive and lead in a dynamic, competitive market.

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