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NEXT GEN LUX IN HONG KONG



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PREFACE

Life Disrupted

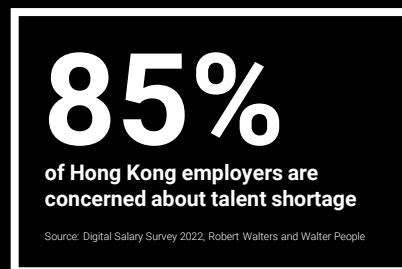
Over the past two years, we have witnessed the dramatic impacts of the COVID-19 pandemic and its reverberations across society. Whether it may be disrupted livelihoods or changed means of work or being contained in our homes, these all examples of how COVID-19 have reshaped our daily lives. But more importantly, we have seen a realignment in values.

Changed Values

The pandemic has been a wake-up call for many people where it forced us to reevaluate our life priorities and confront some big questions such as who we are, where we live and who we love. One major areas of reflection is the ways we work.

Statistics around the globe have shown a dramatic increase in the number of resignations as well as

increased difficulties in attracting talent. Agencies too also face a talent shortage especially in filling entry-level positions where we have seen young talent opt to pursue their passions and more flexible means of employment such as the burgeoning “slashie” work culture.



A Renewed Focus On Talent

As agencies grapple with a shortage of talent, there is a need for us to reflect and reevaluate our approach in talent retention and in cultivating a

work experience that people actively want to be in, rather than feel stuck in.

This saw us place a bigger emphasis on empowering our talent – especially our younger talent – to do the things they want to do by giving them the freedom to incorporate their passions into their day-to-day.

Gen-Z And Luxury

By allowing our younger talent to lead the narrative, we have identified several passion points wherein one of which was luxury.

Seeing that this was a good opportunity to shed some light on the future of luxury marketing, we encouraged our younger talent to set out and explore their values and attitudes when considering luxury which culminated in this thought-leadership piece that was written, conducted, and all about Gen-Z.



A NEW LUXURY

The Rise Of Gen-Z

Gregory Boutte, the Chief Client and Digital Officer of Kering Group has mentioned that young adults around the world have been “a very strong factor of luxury growth over the past decade”, and this could not be any truer now.

40%

of global luxury goods market will be contributed by Gen Z by 2035

Source: 2021 Luxury Goods Worldwide Market Study, Bain & Company

Amidst a global recession, the luxury sector has surprisingly remained quite resilient. A report has shown that luxury goods sales in Hong Kong has grown 114% year-on-year and this growth has mainly been contributed by Gen-Z with the largest buyer growth at 33% year-on-year. Bain & Company also estimates that between now and 2025, Gen-Y & Z will contribute 130% market growth and will emerge as a critical growth lever

for the luxury sector. So, it is unsurprising to see that luxury brands are increasingly seeking the favor of Gen-Z

Brands Bet Big on Gen-Z

Many luxury brands have made big moves to tailor brand experiences and adopt novel marketing strategies to capture the attention of Gen-Z. For example, this saw luxury brands extending their presence on virtual platforms and deepening their exposure on touchpoints that Gen-Z frequent.

In particular, Gucci and Balenciaga have been leading the pack in this regard with Gucci’s aggressive expansion into Web3.0 and Balenciaga’s widely discussed collaboration with Fortnite – one of the most popular video games worldwide – just to name a few.

These Gen-Z centric marketing efforts have paid off for these two brands with both Gucci and Balenciaga topping the list as some of the most discussed brands online. Moreover, over 55% of Gucci’s sales comes from people under 35.



A New Luxury Mindset?

Gucci and Balenciaga’s success is reflective of a need to shake up the current luxury rulebook of engagement to connect with Gen-Z. Considering technological advancements as well as changes in cultural/sociopolitical contexts, Gen-Z embody a set of norms and behaviors that make them unique and unlike generations before them.

Let’s hear from some of our Next Gen to uncover some first-hand insights to better connect with them.



MEET OUR NEXT GEN

#1

SAMI AWAN
PLANNER



#2

ALAN TSANG
SENIOR BUYER



#3

KELSEY TSUI
PLANNER





NEXT GEN #1

SAMI AWAN



What Are Your Favourite Luxury Brands?

I'm a big fan of Balenciaga. I also quite like Bottega Veneta, Alexander McQueen and CHANEL.

Why Do You Like These Brands?

Personally, I like weird things, things that are gimmicky. I think really, at the heart of it all is that I want people to notice me and luxury brands with products that look unique, can generate talking points and help me attract attention are those that I like.

So, If It Is Attention-Grabbing, You Will Buy It?

I think the most important thing is that the brand and product has got to match me; my views, my style, my values. Even if I had all the money in the world, I wouldn't buy stuff that didn't suit me even if it was from a brand I like. I mean... I'm quite an outgoing person and I enjoy being the center of attention, so usually the items I usually buy are those that are quite iconic from each brand so people would know. What's the point of luxury if people don't know that I'm wearing it!

Then What Iconic Pieces Have You Bought?

I've bought the green Candy Padded Tech Cassette from Bottega Veneta recently, a truly iconic design with the signature intrecciato weave. Usually, I buy one or two iconic items from the brands I like (as I don't have an unlimited budget) so I can own a little something from every brand.

What Do You Think About Luxury Brand Crossovers?

I think that it's a good thing, like for both brands

involved. Some luxury brands used to just be so out-of-reach and a bit out-of-touch with contemporary tastes. Through these collabs [with streetwear brands], it seems like I can also own a piece of these otherwise unattainable brands.



What In Your Opinion Makes A Luxury Brand, Luxury?

This may be contradictory but while I appreciate these luxury brand crossovers, but for a luxury brand to be luxury, it still needs to be a bit unattainable to some degree. A brand's story and history is equally important as that is what makes luxury worth the price.

But I think just having these elements aren't enough as any luxury brand will have them. What is important is that the brand generates value for me, if you get what I mean? Like owning this item makes me feel a certain way or be perceived in a way that I want to be perceived. I think this is what makes certain luxury brands stand above others, in my opinion.





NEXT GEN #2 ALAN TSANG



What Are Your Favourite Luxury Brands?

To be frank, I am quite ambivalent towards traditional luxury brands. I'm more inclined towards Japanese accessories and streetwear brands such as WTAPS. But if I had to name a few luxury brands I like, it would be Bottega Veneta and OMEGA.

What Is It About Japanese Brands That You Like?

Other than great aesthetics, I also really appreciate the craftsmanship and I think that Japanese [streetwear] brands and designers are masters in this regard. You can tell that a lot of care was placed from the smallest of details where each item is crafted with upmost precision and intricacy such as the functional yet stylish technical wear of WTAPS.

I think another reason why I like these brands is that they were born from an incredibly storied movement in Japanese contemporary fashion where conventions were challenged to give birth to many new subcultures and styles that were quite ground-breaking at the time.



Is That Why You Bought Your Goro's?

Yes, but funnily enough, I remember I was firstly influenced by Kimura Takuya and seeing my friends around me talk about it. It made me intrigued to find out more and deeper and deeper I fell into the rabbit hole and I thought to myself I must get my hands on one.



But These Items Are All Notoriously Difficult to Get!

Yes, I have taken many trips back-and-forth to Tokyo and spent many hours in line just to get my hands on the items that I want.

How Does Owning These Items Make You Feel?

I feel like by owning one of these highly sought-after items, I'm part of something that is bigger than myself, like a movement of some sort. In a way, I think the exclusivity and limited access kind of helps build a tight-knit community, where each of us are like gatekeepers of a collective identity, banded together by a common love of the story and craftsmanship behind these amazing items.

I can't count how many times fellow owners have come up to talk to me about Goro's and our respective experiences. It's a great feeling!



NEXT GEN #3 KELSEY TSUI



What Are Your Favourite Luxury Brands?

I like CELINE and CHANEL. While it is not a traditional luxury brand, but my favourite brand of all is Maison Kitsuné.



Could You Tell Me Why You Like Maison Kitsuné?

I really like foxes which was kind of what got me into the brand after I saw a Maison Kitsuné tee with the iconic playful fox logo. I like that the brand aesthetic was very versatile, with clothing items that you can mix-and-match and wear everyday at a reasonable price point.

I also like the philosophy of the brand as after I learned more about the brand and its roots, I think that it is more than just a brand but more like a lifestyle and I really like that.

Could You Elaborate On What You Mean By That?

Maison Kitsuné is not just a fashion brand, it also is a

music label and they also have cafés as well. Oh, and an art gallery too. So, you can see, the brand is more than just clothing, the clothing is just another creative canvas into the lifestyle that the brand curates.

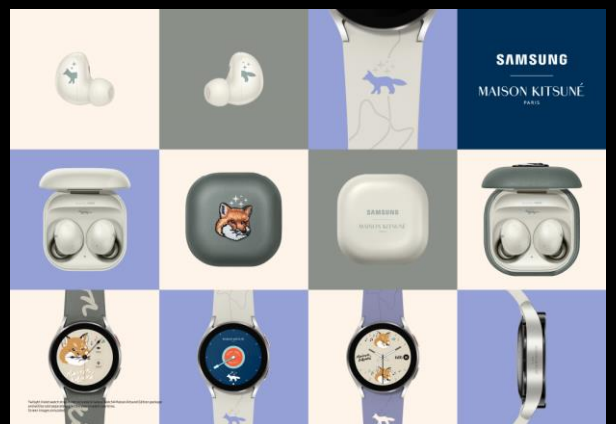
Oh, and I forgot to mention that the brand also has frequent collaborations with other brands and IPs which is great as I can uncover new sides to the brand as well as explore new brands in the process.



OK, Then Do You Think Your Views On Luxury Differ From Past Generations?

I think people [from past generations] used to shop for luxury items as status symbols but I think our generation shops more for lifestyles and whether it suits us. I think nowadays even if a brand were to be the most prestigious brand in the world, I think we wouldn't consider it if it didn't align with ourselves.

I guess another difference is that I think we are more experimental in some ways? I think we are always on the lookout for things that suit us and I think that our repertoire of brands considered might be a bit more broad than past generations. So, I guess we would be more open to collaborations and new reinventions of classic items and lines. For example, I had my eye on the Maison Kitsuné partnership with Samsung.





TAKEAWAYS

#1

FROM 'ASPIRATIONAL' TO 'COMPATIBLE'

Luxury brands have conventionally projected an ideal for audiences to aspire towards. While this hasn't changed, the mentality behind how Gen-Z select luxury brands have. Gen-Z will select luxury brands based on personal suitability and common values shared between them and the brand. Gen-Z won't change themselves to suit the brand but rather the brand must suit them.

Luxury brands need to be mindful that instead of a top-down driven brand narrative for a singular consumer archetype, there is a need to curate more open and participatory brand experiences to better engage and connect with Gen-Z.

#2

FROM 'TARGETED' TO 'EXPLORATORY'

The Gen-Z are in a constant state of exploration which could be due to them being digital natives with unprecedented access to luxury information and trends. The result is an abundance of choice which make the Gen-Z more inclined to mix-and-match between brands to reflect their unique identities. While we see that they may settle for certain brands eventually, but they are still constantly on the lookout for new inspiration, new excitements and new news which can explain Gen-Z's appreciation for brand collaborations.

At the core of brand collaborations is cultural relevance. Luxury brands need to align themselves with facets relevant to popular culture to better engage and connect with Gen-Z.

#3

FROM 'BUYING' TO 'BUYING INTO'

Luxury has conventionally been a status symbol where purchase of a luxury item is just a means of ownership. But for the Gen-Z, consumer expectations extends beyond that. Buying a luxury item to Gen-Z also means buying into the community. The item itself becomes something of an 'access point' to partake in the lifestyles enabled by owning it.

Opportunities for deeper engagement with Gen-Z lie in touchpoints and lifestyle categories which can embody the brand's identity to strengthen associations with the desired brand lifestyles to be communicated.



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