

# IE LUXURY BAROMETER 2017

By David Millán Planelles

**ie**  
Premium and Prestige  
Business Observatory

## **IN MEMORIAM**

In loving memory of Carlos Delso Mión,  
Adjunct Professor at IE Business School.

A talented executive, an extraordinary man, a good  
friend and a loving person.

We are thankful for your generous and exceptional  
contribution. But above all, we are grateful for the  
moments we have shared with you.

You will always be in our hearts.



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The Paper Pavillion at IE Business School is the location of the IE Premium & Prestige Observatory's Annual Sustainability Awards.

# FOREWORD



We present the IE Luxury Barometer 2017, the fourth annual research report carried out by the IE Premium & Prestige Observatory. We have built the “IE Luxury Barometer” as a resource to be used by luxury industry experts and executives, for them to identify their priorities and to take stock of what keeps them awake at night. We compare the results with those of the previous year and with up-to-date data on the industry. This fourth edition attempts to explore the differences in priorities for luxury experts and executives in Europe and the US.

The IE Premium and Prestige Observatory was created in 2010 with the goal of generating and sharing knowledge about the premium and luxury market and industry worldwide. With the support of **MasterCard**, we have done research on the impact of the digital revolution on luxury clients’ behaviour and the pace at which the industry is adapting, as well as focusing on the behaviour of the Millennial generation and the differences with baby boomers. We have explored the meaning of memorable experiences and their key drivers. The

Observatory has also given visibility to sustainable luxury entrepreneurs. Additionally, the fourth IE Premium Travel Barometer is a tool for building applied knowledge about the premium tourism sector and providing support for action.

This “from experts to experts” research is based on the insight of industry executives, academics, investors and observers. Thanks go to the panel of experts, who have generously shared their insights into the key themes that shape the priorities of the luxury industry, by answering our questionnaire and also by participating in the in-depth interviews. A special thank you to the **Luxury Education Foundation (LEF)** for being an active participant and to Ketty Maisonrouge, Chairman of LEF, for making it possible. LEF participation allows us to have a deeper understanding of US luxury executive priorities.

Thanks to David Millán, author of this research report, for his rigorous work, curiosity and dedication. Thank you to Luca Solca for joining us for the presentation of this paper and sharing your learning and experience. We are grateful also to **Círculo Fortuny** for its contribution once again this year.

We are sadly missing in this edition the valuable contribution and participation of Carlos Delso Mión, PhD. Let this work pay homage to his dedication to the luxury industry, to IE and to the IE Premium & Prestige Observatory. Thank you Carlos.

**María Eugenia Girón**

Executive Director IE Premium and Prestige Observatory  
Madrid, 21 January, 2018

# ABOUT THE IE BUSINESS & PRESTIGE OBSEVATORY



The IE Premium & Prestige Observatory started in 2010 with the goal of generating and sharing knowledge about the premium market and industry worldwide. With the support of **MasterCard** we have done research on the impact of the digital revolution in luxury client behavior and the industry pace of adaptation. We have explored the meaning of memorable experiences and its key drivers as well as key issues for the sector at IE Luxury Barometer.

We have developed tools to better understand premium tourism and the key drivers of our days. The Observatory has also supported premium and luxury entrepreneurship and has given visibility to sustainable luxury entrepreneurs.

## THE PREMIUM & PRESTIGE BUSINESS OBSERVATORY IS...



A platform to integrate all activities related to the premium and prestige business industry within IE Business School.



An observatory of trends and new sources of growth.



A hub for conducting relevant research on this industry of specific value to the Observatory's partners and the wider business community



A platform for organizing seminars, conferences, and other events and for promoting high value networking among industry professionals



An incubator for new ideas and business development within this industry.

# THE OBSERVATORY AT A GLANCE



Generating knowledge about the premium and luxury goods industry since 2010

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A hub for premium and luxury international experts

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Supporting sustainable luxury entrepreneurs and honoring leaders in luxury ecosystem since 2014

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Academic cases published by Observatory team

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Hosts events & presentations for industry experts every 2 months

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+ 6000 registered industry professionals receive the bi-monthly newsletter

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More than 200 features in national and international media online



# ABOUT THE AUTHOR



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Adjunct professor of strategy and luxury at IE Business School.

Visiting professor in other international institutions like INCAE in Costa Rica and the International University of Monaco.

Adviser to boards and top management.

Author of several articles and learning materials on luxury strategy ([link to IE Publishing materials](#)).

# EXECUTIVE SUMMARY

The fourth edition of the **IE Luxury Barometer by the IE Premium & Prestige Business Observatory** investigates the issues that have the biggest impact on executives and companies in the luxury sector. In this edition the main results are as outlined below.



## **The traditional business model under change.**

In all four editions of the study, luxury experts have selected this topic as the undisputed priority. It is significant how this aspect, against the current backdrop of change, remains a priority for luxury companies. There is little doubt that the ability to create a memorable experience is a must-have for luxury strategists.

Furthermore, the combination of the previous topic with the relevancy of reinventing the role of retail suggests a more substantial impact. The traditional business model, associated to a strong retail presence, is currently threatened.

Luxury firms are pressured to understand and define the very foundations of their future model. This will require that current retail spaces will need to deliver a combination of both, a meaningful value through the creation of experiences and an adaptation to how competition takes place in a more digital world.



## **A more competitive landscape forces luxury firms to stick to the basics: creativity.**

The luxury arena is becoming more complex. The market growth limitations we observed in previous years have no importance in the growth-oriented topics in the Barometer. The combination of topics related to consumer engagement and retail transformation suggests that it is competition and not growth that is putting pressure on most executives.

This fact, combined with the rise of the role of talent and creativity, lends credence to the idea that delivering a differentiated value through creativity is at the core of luxury rivalry today.

Therefore, the Barometer results suggest that in order to address the challenges that lie ahead, a balanced approach is needed. Comprehending changes in the market in terms of consumer relationships and business model development is necessary, but this can never undermine the fundamental focus on creativity which allows firms to compete in a meaningful way.



## **China, a strong comeback.**

The role of China is perhaps the topic that has changed most significantly among the top ten positions. Evidence in the qualitative interviews conducted suggest two reasons for this.

Firstly, Chinese consumers (globally) are becoming more sophisticated and hence it is becoming increasingly complex to meet their needs. Secondly, the approach to China should be to react accordingly to this first aspect. All types of activities need to be catered to, in order to target a more selective clientele that demands excellence, and to forget the volume-based approach pursued in the past.



## **Digital disruption advances, perhaps at a lower rate than needed.**

Over previous years the Barometer has included digital-related topics among the top ten priorities. This is evidence of how the industry is changing and adapting to a new competitive landscape. On this occasion we witness the disappearance of the role of the mobile phone, which occupied a strong position in the ranking last year.

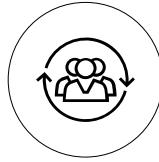
The idea that perhaps digital change is happening at a slower pace than expected is based on two aspects: firstly the differences observed between the US and the European Barometers (the US appears as a more digital-friendly luxury market), and secondly the importance of digital change in other industries. This will be one area where the topics of the Barometer might change in the coming years.

# EXECUTIVE SUMMARY



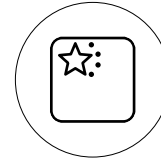
CREATING MEMORABLE EXPERIENCES

**59,42%**



REACHING NEW AUDIENCES AND GENERATIONS

**52,17%**



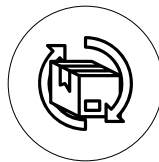
THE ROLE OF CHINA

**49,28%**



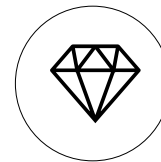
ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

**47,83%**



REINVENTING THE ROLE OF RETAIL

**42,03%**



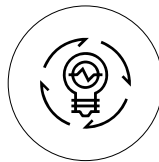
NEW VALUES AND BELIEFS ASSOCIATED TO LUXURY

**43,48%**



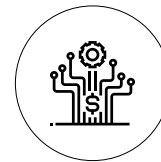
THE ROLE OF TALENT AND CREATIVITY

**40,58%**



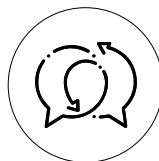
PRODUCT PERSONALIZATION

**34,78%**



THE ROLE OF DIGITAL TO SELL

**36,23%**



THE ROLE OF DIGITAL TO COMMUNICATE

**30,43%**

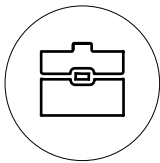
\*The % above indicates the percentage of experts that have selected the topic

# THE IE LUXURY BAROMETER

## WHAT IS THE IE LUXURY BAROMETER?

The underlying idea of the IE Luxury Barometer is to unveil the knowledge of luxury experts and thereby identify the main aspects that influence the industry and how it is evolving.

Due to the difficulty of accessing a population with the vast subject knowledge required for this study, the size of the population surveyed is limited. To provide more diversity to the study, we consider four different profiles:



### CEO & EXECUTIVES

professionals with extensive experience in any luxury industry and with expertise in top management decisions.



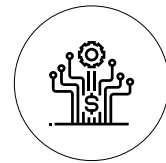
### FACULTY

renowned business school academics with expertise in this sector and with specialised publications.



### MEDIA

luxury media professionals.



### FINANCIAL

finance industry professionals with expertise and involvement in the sector (investors, analysts, etc).

By identifying their top priorities, the barometer aims to measure the aspects that put more pressure on the evolution of the luxury industry and luxury firms. As a consequence, the study proffers some specific knowledge that may help luxury companies with their business development.

In short, the IE Luxury Barometer is a study with two main objectives:

- to understand the point of view of experts and professionals regarding the most important aspects and trends in the luxury sector;
- to explore the implications that these aspects may have on the development of this sector in the immediate future and in the long term.



# THE IE LUXURY BAROMETER

## METHODOLOGY. THE WAY WE BUILD THE IE LUXURY BAROMETER.

The methodology of this study consisted of two separate phases.

First, we carried out a quantitative research study with a population of 100 experts with recognised knowledge of the sector. The panel of experts received a list of 40 selected topics. Each participant had to select the 10 topics that they considered to be the most relevant from the proposed list of 40. They were also given the opportunity to add any one additional topic not previously listed.

### EXTERNAL FACTORS: SOCIETY & ECONOMY

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1. Socioeconomics and political turmoil to become an issue.
2. The role of Macroeconomics and price disparity

### LUXURY MARKET: INDUSTRY & TRENDS

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3. Private Equity becomes a more important player in the industry.
4. Financial and corporate activity.
5. Growth and M&A. Increase size and reach.
6. Tourism reinforced as a key driver for growth.
7. Environmental and social responsibility.
8. Wealth distribution and polarization.
9. Facing the arrival of new players.
10. Distribution control and vertical integration.
11. Reaching new countries and destinations.
12. The role of luxury capitals and city tourism.
13. The role of Outlet and to control discounts.
14. The role o China.

### THE CONCEPT OF LUXURY

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15. New technology driven categories.
16. The appearance of new luxury categories
17. New values and beliefs associated to the concept of luxury.

### COMPETITIVE ISSUES

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18. Access to key/scarce resources.
19. Protect exclusivity, aiming at absolute luxury positioning.
20. Creating memorable experiences.
21. Growth opportunities are scarce. Organic growth is more challenging.
22. The need to balance management and creativity.
23. Product personalization.
24. The role of talent and creativity.
25. The role of endorsement.
26. Reaching new audiences and generations.
27. Innovation in the process and cost control.
28. Going niche (*Luxury firms need to avoid generic (flagship) retail formats to provide exclusive, small and focused retail spaces*)

### BUSINESS MODEL AND CHANGE

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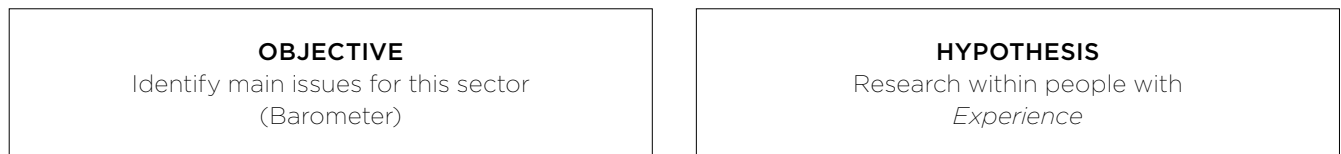
29. The role of technology.
30. Online retailers becoming more relevant - Potential (*They have become a partner as they enhance a luxury firm's strategy*).
31. Online retailers becoming more relevant - Threat. (*They have become a potential threat to the traditional business model as they capture some of the value firms used to capture, they are faster and have a closer relationship with consumers*)
32. The role of Digital to Sell: Adaptation to E-commerce and new commercial activities.
33. The role of Digital to Communicate: Adaptation of the traditional communication activities to engage clients.
34. The role of Digital to Compete: Develop/acquire new resources and capabilities to compete on a digital era.
35. New business models. (*New or evolved ways to compete in the marketplace, particularly adapting the traditional business model to compete on a digital era*).
36. Reinventing the retail business model.
37. Focus on Omni-Chanel. The retail and the online spaces need to be integrated.
38. Re-imagine on-line service.
39. Payment systems.
40. The effect of the mobile phone.

# THE IE LUXURY BAROMETER

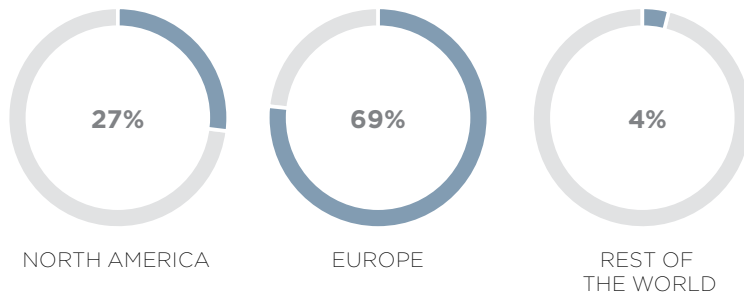
## METHODOLOGY. THE WAY WE BUILD THE IE LUXURY BAROMETER.

Second, there was a qualitative study based on individual in-depth interviews with a selected list of experts, to validate the results. In this 2017 edition we were honoured to benefit from the insight of (alphabetically listed):

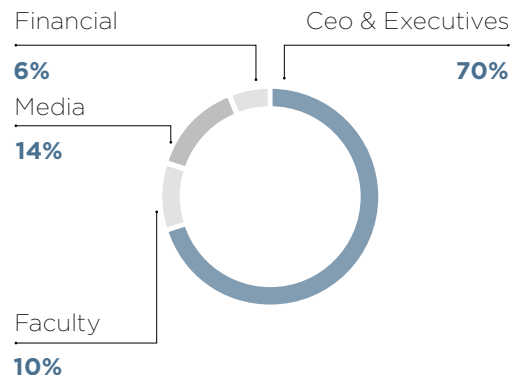
- Maximilian Büsser, MB&F CEO
- Margareth Henríquez, Krug President & CEO
- Ketty Pucci-Sisti Maisonrouge, Luxury strategist, associate professor at Columbia Business School.
- Luca Solca, Sector head luxury goods, Exane BNP Paribas
- Gourav Soni, 64Facets, Americas CEO
- Maz Zouhairi, Lalique NA President & CEO



### SURVEYED POPULATION LOCATION:

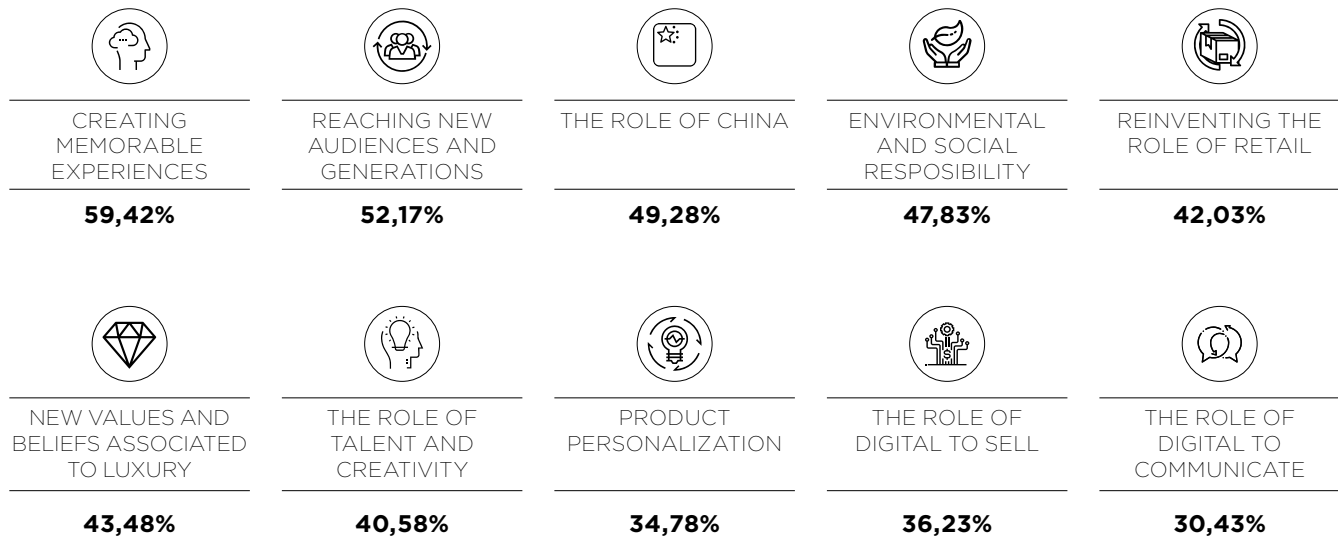


### SURVEYED POPULATION PROFILE:



# THE IE LUXURY BAROMETER 2017

## GLOBAL KEY FINDINGS



The analysis of the results and the discussion with the expert panel provide the following findings:

- **The search for a new business model.**

The traditional business model of luxury firms revolves around a meaningful retail space. Indeed this does not apply equally to all luxury industries. But it is widely considered that a strong retail presence is a requirement for luxury firms.

The need to create experiences combined with the new role of retail, suggest that this traditional business model is threatened. Hence luxury firms are pressured to understand and define the very foundations of their future model.

What this finding suggests is that the solution to this threat requires current retail spaces to deliver a combination of both, a meaningful value through the creation of experiences and an adaptation to how competition takes places on a more digital world.

- **Competition is becoming more complex. Focus on creation is key.**

The luxury market has grown significantly over the past decades. This makes it even more difficult to achieve a balance between delivering on the promise of nicely crafted products and meeting the needs of bigger firms in terms of sales and control.

We believe that the return of the role of China and the importance of commercially-driven topics (such as reaching new audiences, reinventing the role of retail and the role of digital) might be the consequence of a more complex and competitive landscape.

The pressure towards “bottom line” topics is unsurprising, but its importance in the ranking is relevant. The reason for this importance might be that firms prioritise their sales targets (a direct bottom line pressure), but also it could be that firms struggle to identify true differentiation drivers (that would hurt sales and put pressure on the bottom line as a consequence).

We observe that the underlying reason for the configuration of the Barometer may be that the increase in the size of the industry goes hand in hand with an increase in competition in the market. Whilst more consumers theoretically means more space for traditional and well-known players, the reality seems to suggest that this market increase also comes with more competition in addressing the needs and desires of increasingly educated and demanding clients, and more complexity in controlling a global business.

Observations on the results and the discussion with the expert panel confirm this risky effect (in the long term). The creation side of the business is shown in the Barometer. Nevertheless, firms should be careful and make sure they meet their short-term objectives without damaging their ability to be true creators, which is indeed the fundamental driver of a luxury firm.

# THE IE LUXURY BAROMETER 2017

## GLOBAL KEY FINDINGS



*"The Barometer depicts the trend in the industry towards a more commercial side. This is risky as one can never forget that the fundamental aspect is the creation side".*

**Maximilian Büsser**



*"The idea of excellence is not a static or a historic one, but an idea of evolution and luxury must be at the forefront of it. One should understand that luxury must be the light that illuminates the road for the rest of the industries".*

**Margareth Henríquez**



*"The barometer nicely shows how the market is more competitive. Firms can no longer rely on a simplistic view of luxury based on iconic products and a timeless approach".*

**Luca Solca**

### • The role of China, coming back again (and strong!).

In this edition the role of China has emerged very strongly. Interestingly enough, this is the first time in these four years of analysis that the role of China actually appears in the top 10. The reason for China's newfound importance is perhaps one of the most significant aspects of this year's report. We believe that there are two reasons for this.

First is the evolution of the Chinese consumer and second is the evolution of China as a market. We have discovered, with the help of the expert panel discussions, evidence that the Chinese consumer (who buys not only in China but all over the world) has become more educated and demanding when buying luxury. This is not only true on the ultra high-end spectrum of the market, where one could argue that a more exclusive sales process enhances a faster learning process. In other spectrums of the luxury world, experts also suggest the idea of a more "expert" Chinese consumer. This would explain why the role of China is so important these days, as firms need to take specific decisions to engage in a more sophisticated way with their Chinese consumers.

The second rationale behind this comeback might be what has happened to China as a country. Several factors need to be considered: the anticorruption movement from the Chinese President Mr. Xi Jinping has been already taken into account; oil prices make some markets less attractive than China, as consumer power in Latin America and Africa correlates with a high oil price; and the Chinese middle class is still growing and is expected to become the biggest in the world in the years to come. All these aspects combined suggest that China, not only the Chinese consumer, should definitely be a fundamental market in any luxury strategy.

Previous years have seen an extraordinary expansion in access to the Chinese market. The Barometer might suggest that the Chinese market now requires a more subtle and sophisticated approach, rather than an aggressive and volume-based approach.



*"The Chinese luxury consumer, especially in the high-end, has become very educated and discerning".*

**Ketty Pucci-Sisti Maisonrouge**

# THE IE LUXURY BAROMETER 2017

## GLOBAL KEY FINDINGS

- **Digital transformation: retail and commercial activities to be impacted by digital change.**

It is to state nothing new to highlight the fact that digitalisation is shaping markets and business models. We can clearly observe this trend in the Barometer with the importance of reinventing the role of retail and the role of digital, for instance.

However, this combined with the importance of reaching new audiences and generations, signals how executives are under pressure to be able to understand a new environment, not only in terms of technology but also in terms of new consumer behaviour.



*"Today, owning a big brand is not enough, especially for younger generations. Their decision-making process is shaped by new technologies, but also by new standards. And actually, despite some commonly known considerations of Millennials, I believe still brands do not completely understand entirely this change in behavior".*






















**Gourav Soni**



# THE IE LUXURY BAROMETER 2017

## DIFFERENCES BETWEEN EU AND US

In this edition, the surveyed population included a significant proportion of respondents from the US. It is therefore interesting to observe the differences\*. The EU Barometer is the result of considering only European experts. In the same way, the US Barometer reflects the answers only from the US experts.

EU BAROMETER	US BAROMETER
 CREATING MEMORABLE EXPERIENCES <b>61,70%</b>	 REACHING NEW AUDIENCES AND GENERATIONS <b>68,42%</b>
 ENVIRONMENTAL AND SOCIAL RESPONSIBILITY <b>48,94%</b>	 REINVENTING THE ROLE OF RETAIL <b>57,89%</b>
 NEW VALUES AND BELIEFS ASSOCIATED TO LUXURY <b>46,81%</b>	 CREATING MEMORABLE EXPERIENCES <b>52,63%</b>
 THE ROLE OF TALENT AND CREATIVITY <b>46,81%</b>	 THE ROLE OF CHINA <b>52,63%</b>
 THE ROLE OF CHINA <b>44,68%</b>	 THE ROLE OF DIGITAL TO SELL <b>47,37%</b>
 REACHING NEW AUDIENCES AND GENERATIONS <b>44,68%</b>	 ENVIRONMENTAL AND SOCIAL RESPONSIBILITY <b>47,37%</b>
 PRODUCT PERSONALIZATION <b>36,17%</b>	 DISTRIBUTION AND VERTICAL INTEGRATION <b>42,11%</b>
 REINVENTING THE ROLE OF RETAIL <b>36,17%</b>	 PRODUCT PERSONALIZATION <b>36,84%</b>
 THE ROLE OF DIGITAL TO SELL <b>34,04%</b>	 THE ROLE OF DIGITAL TO COMMUNICATE <b>36,84%</b>
 TOURISM AS GROWTH DRIVER <b>31,91%</b>	 NEW TECHNOLOGY DRIVEN CATEGORIES <b>36,84%</b>
	 NEW VALUES AND BELIEFS ASSOCIATED TO LUXURY <b>36,84%</b>

\* It should be noted that the number of respondents is not equal. There are a total of 47 respondents in the EU, and 19 in the US. This difference in the total number of surveyed experts might be considered as a limitation in the analysis of the difference between Europe and the US.

# THE IE LUXURY BAROMETER 2017

## DIFFERENCES BETWEEN EU AND US



- **Headquarters effect.**

Some differences might be based on the specific goals of the US executives surveyed. While in the EU there is a combination of global and countrywide responsibilities, a majority of respondents in the US have a countrywide responsibility. This may be why the Barometer prioritises more tactical issues in the US. The top priorities being reaching new audiences and generations, and the role of retail, are the clearest examples.



- **The digital effect.**

However, another issue that can be observed as the cause of the differences between the US and the EU is that in the US Barometer, retail and digital-related topics (role of retail, role of digital to sell and to communicate, and reaching new audiences) are more important. The underlying rationale would be that a more advanced digital market in the US shapes luxury rivalry differently.

*"Certainly the US is a more digital-friendly market and the pressure for retail innovation is much higher",*  
Maz Zouhairi



- **Specific characteristics of the US consumer.**

Although we include no specific evidence of this in the Barometer, it has been also noted from the discussions with the expert panel that there are some further differences between Europe and the US.

The relatively higher importance of retail-based issues and communication issues might also be the consequence of a more difficult communication task in the US. The experts interviewed endorse the idea that it is perhaps a bit more complicated in the US to make clients appreciate the characteristics of luxury products.

# THE IE LUXURY BAROMETER 2017

## EVOLUTION & TRENDS

Here we take a look at the evolution of the top 10 topics throughout the four editions of the IE Luxury Barometer\*.

# 2017

PRIORITIES		
1	62%	Creating memorable experiences
2	49%	Environmental and social responsibility
3	47%	New values and beliefs associated to luxury
4	47%	The role of talent and creativity
5	45%	The role of China
6	45%	Reaching new audiences and generations
7	36%	Product personalization
8	36%	Reinventing the role of retail
9	34%	The role of Digital to Sell
10	32%	Tourism as growth driver
<hr/>		
11	30%	New Luxury categories
12	30%	Focus on Omni-channel

# 2016

PRIORITIES		
1	61%	Creating memorable experiences
2	54%	Environmental and social responsibility
3	50%	Tourism as a key growth driver
4	41%	Product personalization
5	37%	The appearance of new luxury categories
6	37%	Reaching New Audiences and Generations
7	37%	Re-inventing the role of retail
8	33%	The effect of the mobile phone
9	33%	The role of technology
10	33%	Protect Exclusivity
<hr/>		
11	33%	The role of China
12	33%	New values and beliefs associated to the concept of Luxury

\* In order to compare like for like, we compare the results obtained from the European experts as this was the panel surveyed in the Barometer in the previous three years.

# 2015

## PRIORITIES

1	81%	Creating memorable experiences
2	59%	Online retailers becoming more relevant
3	57%	The role of talent and creativity
4	52%	Product personalization
5	52%	Environmental and social responsibility
6	50%	Protect Exclusivity
7	45%	The need to balance management and creativity
8	43%	The role of Digital: Communicating and engaging with clients
9	40%	Growth opportunities are scarce
10	40%	New business models(New ways to compete + Digital transformation)
11	40%	Reaching younger generations

# 2014

## PRIORITIES

1	77%	Creating memorable experiences
2	65%	Protect Exclusivity, aiming at absolute luxury positioning
3	65%	Reaching New Audiences and Generations. New Values of luxury
4	58%	Product Personalization
5	52%	Luxury surrenders to the internet/e-commerce
6	48%	Innovation in the process
7	48%	Environmental and social responsibility
8	45%	Tourism reinforced as a key driver for growth
9	45%	New values and beliefs associated to the concept of luxury
10	45%	The need of control Distribution and vertical integration
11	45%	Luxury surrenders to the internet/communicating with clients

# THE IE LUXURY BAROMETER 2017

## EVOLUTION & TRENDS

- **Strategy seems to be enhanced...**

In the past four editions of the Barometer, the creation of memorable experiences has been the undisputed top priority. This seems to be the cornerstone of any luxury strategy.

Likewise, product personalisation is the second of the priorities that has been constantly selected among the top 10 issues, albeit with a slight downward trend. There is also a growing trend towards environmental and social responsibility appearing in the top positions.

However, the aspect that suggests a major shift is the high importance in 2017 of the role of talent and creativity. As was suggested in the 2016 edition, there was an urgent need for a more strategic approach to deal with market change and ambiguity. This sharp increase in the role of creativity, an issue closely related to the core strategy of a firm, may be the answer to that situation and might suggest that firms are giving more importance to fundamental strategic aspects.

- **...to face a more competitive environment**

The strong emergence of the role of China, and the growing importance over the previous years of the role of new values associated with the concept of luxury and reaching new audiences and generations, suggest the idea of a more complex and competitive landscape. These topics are not related to traditional business development drivers (sales or distribution, for instance), but they highlight the fact that the difficulties in doing business today come from new and, to a certain extent, unknown variables. Achieving a meaningful differentiation in the market is therefore becoming more challenging.

As a consequence, the evolution of the Barometer supports the idea of a more complex and competitive landscape, not only in terms of an increase in the number of firms or a demand for change, but also in the increased difficulty in appealing to the new luxury consumer.

- **A changing industry**

The role of digital disruption has traditionally been highlighted in the Barometer. Topics related to digital change have always appeared in the lower segment of the top ten positions.

In this edition it is interesting to notice the disappearance of the mobile phone as a top ten topic. This does not necessarily imply that the mobile phone is no longer important, but that other issues are capturing the attention of executives more. The role of retail and the role of digital (to sell and to communicate) have become more important in general terms and not related to any specific device, such as the phone. It might be interesting to observe how this evolves over the next few years, as this topic is expected to have a strong impact on the evolution of the luxury industry in the near future.

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