

Post-GFC: Smart marketers look ahead

THE OUTLOOK IS FINALLY BRIGHTENING FOR THE LUXURY SECTOR, BUT DON'T EXPECT A RETURN TO INSTANT BLING AND EASY GLITZ: THOUGHTFUL SPENDING IS THE NEW CHIC, WRITES VICTORIA LEA.



If ever there was a poster-girl for how not to market in a global recession, it was the 2009 chick flick *Confessions of a Shopaholic*. Perkily pro-capitalist and cheekily credit-happy, the film could have been the next *Legally Blonde*, stampeding to box office glory – if only it hadn't launched smack bang in the heart of the global financial crisis. Suddenly slap-dash spending was no longer de rigueur and the film limped away with just modest returns. But as the world wakes up from the GFC and big ticket spending is coaxed out of the sin bin, what tack for luxury marketers now?

Be gentle with your audience, Melinda O'Rourke, founder and director of brand consultancy MO Luxury, says. Consumers are more cautious in a post-GFC world, wary of lavish outlays and more considered in their spend. "There has been a reduction in consumer spending due to people's own caution and rethinking – a product or brand may still be desirable but they may hold off until they are more secure in their own financial situation," she says. Luxury purchase decisions in 2010 are much more considered, agrees Lisa D'Amico, marketing manager for Cloudy Bay Vineyards, part of the LVMH group, and also more low-key. "Conspicuous consumption is not in favour," D'Amico says. "Consumers

still look for brands they know and trust but perhaps not those that scream 'flashy or bling'. They still value and purchase quality wine but we have found they are entertaining more in the home or buying premium wine by the glass rather than the bottle."

To combat this caution, marketers need to offer more than just a product, Susie Stenmark, general manager of communications at Chanel Australia, says. Because spending for the sake of spending is just not in vogue. "Luxury consumers have always sought quality and value, and post-GFC, in that regard their habits are no different. But per-

haps the luxury service experience and the way they feel about the brand is now even more important. A genuine connection to the brand and its relevance to their lifestyle must be felt."

It's here, in forging that connection between the consumer and brand,

that marketers are needed more than ever. Almost two years after the GFC first hit, buoyed by a recovering economy and back-to-back months of hard work, Australian buyers are once again prising open those purse strings. But

this time around their luxury wants are different.

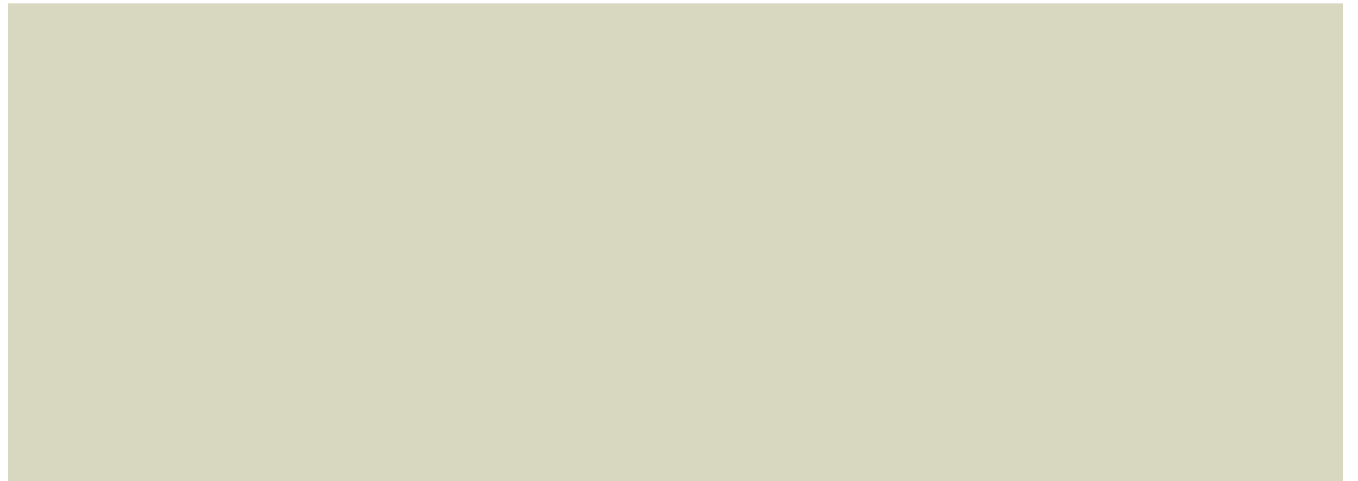




What they seek now, argues Martin Rinck, president of Hilton Worldwide Asia Pacific, is both a valuable experience and a personalised one. "Luxury today is being redefined," Rinck says. "The traditional symbols of luxury in the hospitality industry are no longer valid - it's not about the number of chocolates on the pillow, it's about the value and worth of the experience to the individual."

According to Rinck, in a post-GFC world, celebrating and acknowledging a guest's individuality is critical. Luxury guests want discretion and bespoke options, along with choices that play into their conscience in relation to philanthropy, sustainability and responsible business.

"Personal and 'original' experiences are deemed more important than expensive,



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