



QUINTESSENTIALLY

The New Era of Connection

5 cultural shifts for the next decade

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Foreword

2020 will go down in history as a year of unprecedented disruption. It is impossible to ignore the enormous impact the pandemic has had, and at the time of writing, a second wave is perceived to be highly likely. However, in this white paper, we will also consider behaviours that were beginning to shift pre-Covid-19 and what the world might look like once the worst of the pandemic has come to pass.

Our starting point is our unique owned audience insight. We've handled millions of requests and delivered 65,000 experiences to over 700,000 clients worldwide. This allows us to witness behavioural shifts on a global scale. We are also fortunate to be truly connected to our members – through personal relationships and intimate conversations, we have learned so much about the lifestyle choices and motivations of these affluent and influential individuals.

This blend of qualitative and quantitative data has enabled us to identify five significant cultural shifts. These are not transient or niche trends. They are here to stay, and they hold significant implications for businesses over the coming decade.

Our findings show that affluent and influential individuals are seeking to better themselves

on their own terms and that health is becoming a more critical factor in their decision-making. They are consuming more consciously and giving away more of their wealth to maximise their social impact. We're also witnessing a desire for technologies that deliver a more human experience. A red thread runs through all these shifts – overall, they indicate an increasingly strong desire to connect, both with ourselves and others.

This desire to connect is not a new phenomenon. Throughout history, we have always built communities and sought connection, but we have become increasingly more isolated in the last century. In 2020 we have reached a new level of isolation. Starved of in-person interactions, Covid-19 has provoked within us a re-evaluation of our priorities; we have come to value human connection more than ever. Accordingly, it is our firm belief that the businesses who adapt to provide this feeling of human connection are the ones that will thrive.

After two decades of leadership in the luxury lifestyle industry, we remain committed to helping you engage with your most important clients, drive loyalty and acquisitions as we enter this new and very different era – *The New Era of Connection*.

Is this the end of the experience economy?

Since its introduction in 1998, Pine and Gilmore's *The Experience Economy* has been hugely influential. Their argument centred around the idea that businesses should orchestrate 'memorable events' for their customers. The memory created through the experience would become the product, and this distinct "experience" would then give brands a competitive advantage.

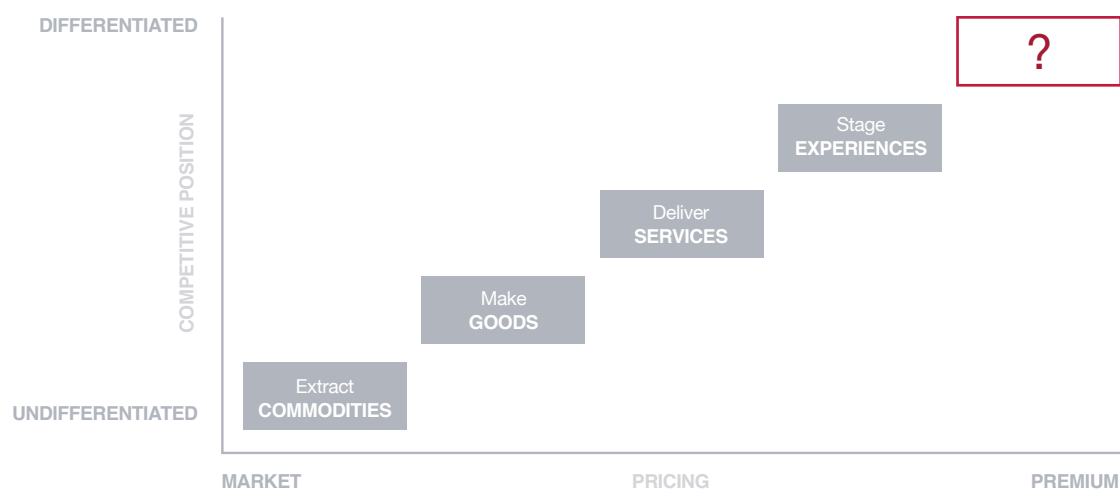
The impact of this thinking has been significant. Over the past twenty years or so, brands have been forced to reimagine their offerings as experiences, as products and services have become increasingly commoditised. But have we now reached peak experience?

Today, experiences themselves are becoming more and more commoditised. Think museums

becoming homogeneously designed for Instagram, the ubiquitous rise of 'food porn' presentation or how Amazon has forced customer service standards upwards in businesses of all sizes. More luxury brands are creating similarly intimate events for their top customers, and many companies have even hired Chief Experience Officers to deliver consistent, high standards every time a user comes into contact with a brand – both offline and online.

Just as goods and services became harder to differentiate from one another as the industrial and service economies matured, now differentiation through experience is becoming more challenging.

Businesses need a new way to stand out and create value.



Five Cultural Shifts

To better understand the emerging reality, we have taken an in-depth look at what's happening in both member behaviour and in wider culture. Our data revealed significant shifts in five key areas: activism, connectivity, philanthropy, health and self-transformation. Some we have witnessed for a while but are now building momentum, while others are new:



Activism

Conscious Consumption

As activism becomes mainstream amongst millennials and Gen Z, brands are having to respond beyond brand purpose to meaningfully connect with customers.



Connectivity

Seeking Meaningful Connections Through Technology

Technology designed to connect us has driven us apart. Now the backlash has matured – we're seeking out technology that truly delivers a more human connection.



Philanthropy

Establishing 'Living Legacies' Through Targeted Giving

Successful individuals are increasingly deciding to give earlier in life, driven by the need to forge 'living legacies' and connect with others. They're taking a more active role, choosing exactly how to use their resources to maximise impact.



Health

Health-Based Decision-Making

We have never been more aware of our collective health. All businesses are now required to be mindful of this precious resource to forge genuine connections with their customers.

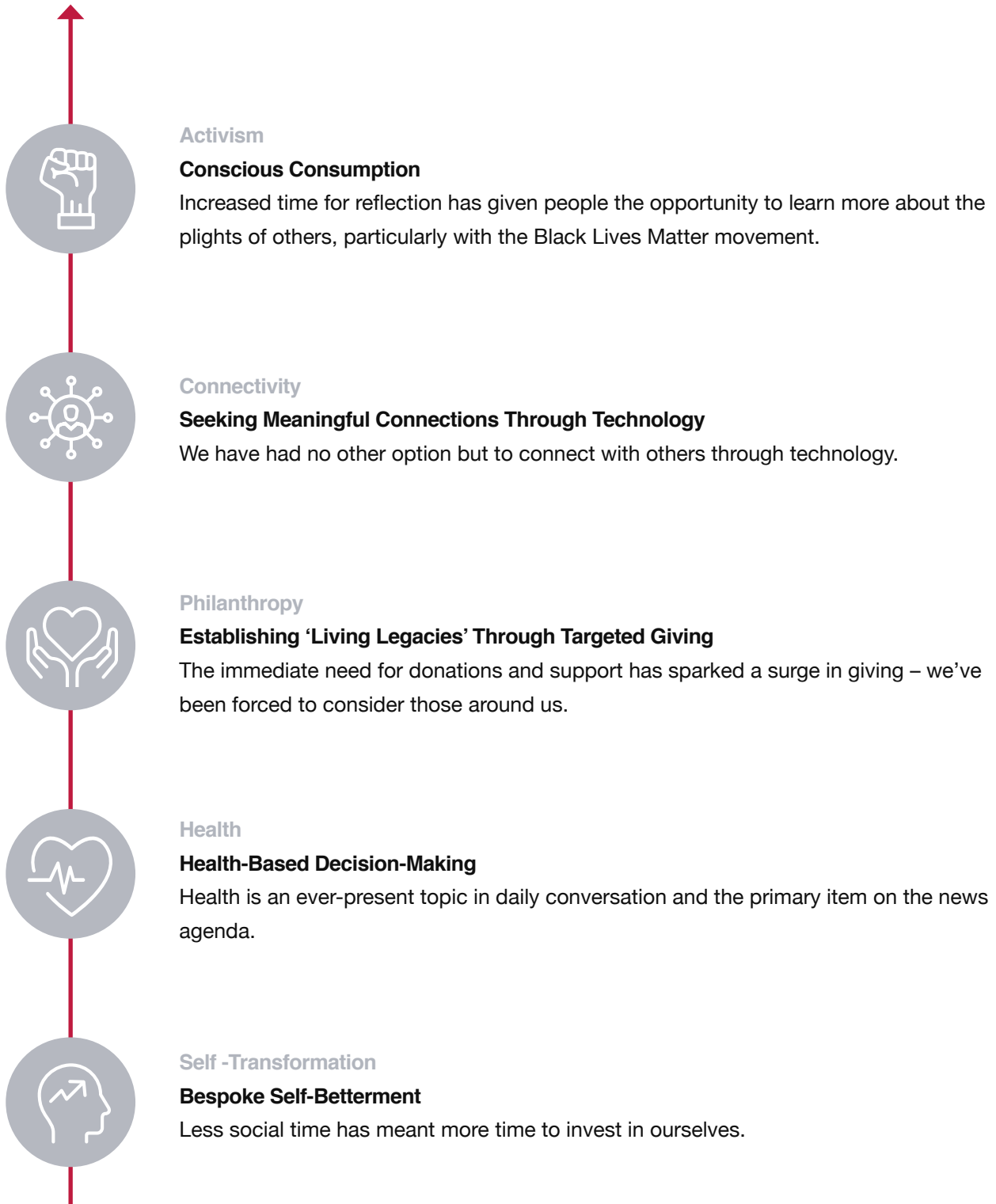


Self-Transformation

Bespoke Self-Betterment

An increased demand for bespoke transformative experiences has emerged as consumers seek to connect with themselves more deeply.

Covid-19 has accelerated these shifts




Crucially, in taking away most of our in-person interactions, Covid-19 has provoked a rethink

A photograph of a person with long hair, seen from the back, looking out over a city skyline at sunset. The person is in the foreground, and the city buildings are in the background, with a warm, golden light from the setting sun.

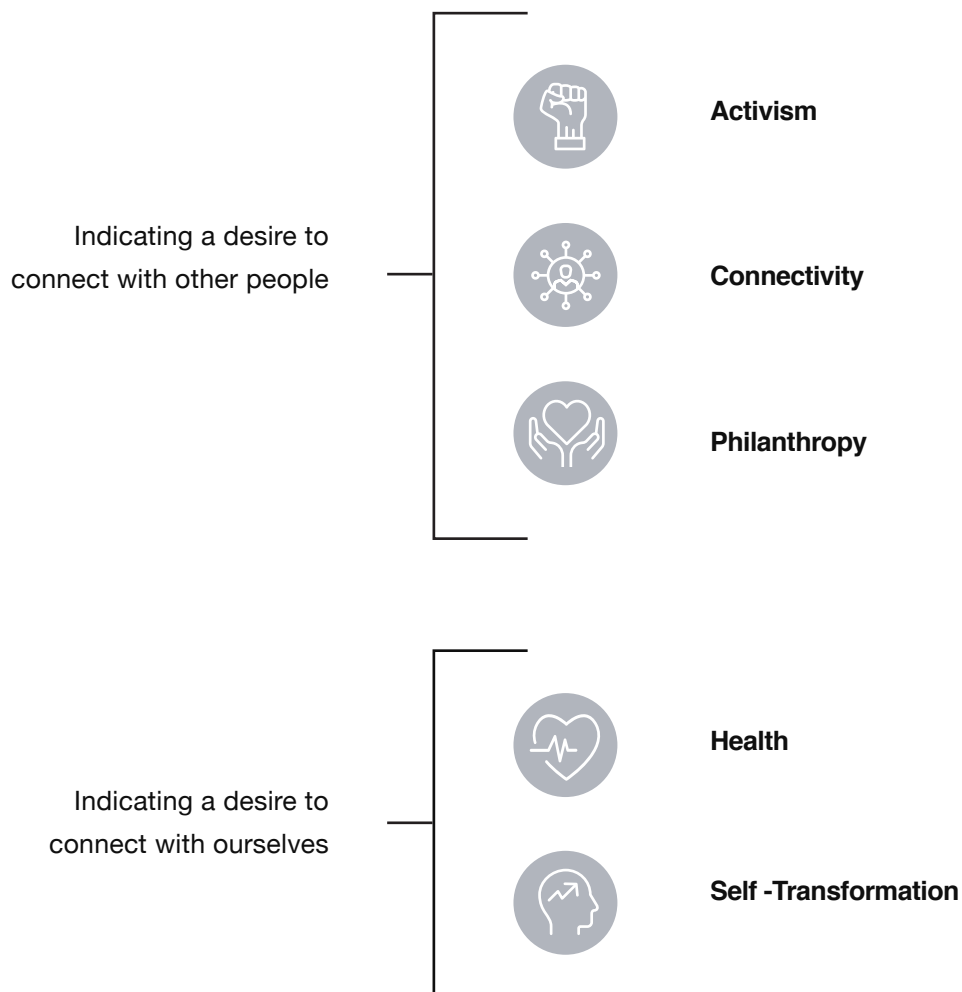
Insight

We have come to value human connection more than ever



Sure, loneliness existed long before the internet and social media, but we seem to have reached a new level of alienation. I would venture to say that people today are starving for the genuine relationships, a sense of belonging, and the feeling of being known and understood.

Brian Grazer,
author of *Face to Face:
The Art of Human Connection*



A deep yearning to connect with both others and ourselves has been building.

Therefore, we predict the value of goods, services, and experiences will increase with their ability to leave us feeling more **connected to others** or to **ourselves**.

We're calling this new reality: ***The New Era of Connection***



CONNECTING WITH **OTHERS**

32%

increase in philanthropy
category member requests¹

84%

feel the environmental and social impact of a
purchase is of significant importance²

70%

increase in live viewings on Instagram and
50% on Facebook in 2020³

67%

of people around the world say climate change
is a major threat in 2019 vs 56% in 2013⁴

CONNECTING WITH **OURSELVES**

144%

rise in health and
fitness requests¹

120%

rise in requests for new and
continued education¹

53%

increase in mind body and
soul request category¹

71%

of members said they had taken temporary
digital detoxes to escape social media⁵

¹ Quintessentially request data. Increase as a percentage of all requests from 2016-2020, ² Selfridges, ³ Adweek, 2020,
⁴ Pew Research Centre 2019, ⁵ Quintessentially Member Survey 2019

What does this mean for businesses?



The New Era of Connection is the evolution of the experience economy – businesses will still need to create ‘memorable events’ for their customers. However, they can create further value and differentiation by leaving customers with **a feeling of connection to other people or to themselves**.

So as ‘experiences’ become commoditised, the way to truly stand out is to **design your brand experience to facilitate meaningful human interaction or self-development**.

During a lockdown period, achieving this might involve offering one-way video concierge

to provide a more human sales experience. Looking beyond the pandemic, this might mean designating an area in a toy shop for parent-child interaction, designing an area in a jewellery store for couples to bond or arranging an exclusive travel experience full of off-the-beaten-track adventure and mindfulness classes for your VICs (very important clients). These types of experiences create an increased emotional connection with the brand and create more value for the customer.

It’s time to consider what your businesses can do to foster a sense of community, to bring people together or to help people to connect with themselves.

I. Conscious Consumption



As activism becomes mainstream amongst millennials and Gen Z, brands are having to respond beyond brand purpose to meaningfully connect with customers.

Mainstream Activism

Recent years have seen an exceptional rise in activism from myriad movements and causes such as #MeToo, Extinction Rebellion, LGBTQ+ Pride and Black Lives Matter. Much of this drive is due to passionate millennials and Gen Z. At Quintessentially, we have seen a significant increase in requests for more socially aware brands from our younger members. Given millennials will represent approximately 55% of the luxury market by 2025 and will contribute 130%¹ of market growth between now and then, brands must take note and cater to their needs and values.

Purpose Prizes

Businesses that once questioned the need to invest in purpose are now seeing a tangible ROI as ‘conscious consumption’ becomes the norm. According to Selfridges, over 60% of their customer base wants to shop sustainably, 90% want to buy fewer items but of higher quality, while 84% feel that the environmental and social impact of a purchase is of significant importance². The data increasingly shows that affluent and ambitious individuals from all generations are voting with their wallets – and brands that exhibit strong social and environmental credentials will be rewarded. Quintessentially’s Head of Servicing, Lucy Telling notes:

“

A significant proportion of our millennial members are becoming more and more discerning about the provenance and environmental credentials of the luxury brands they buy, and the more conscious brands are increasingly able to command a premium. Conversely, we’re witnessing a steady decline in demand for what is deemed ‘less conscious’ – including fur.

”

Taking Action

Nike has drawn plaudits for the historically significant Colin Kaepernick campaign and for following it three years later with a \$40m donation to Black Lives Matter. Some brands, including Sephora, Apple and Lululemon, continued to pay employees after store closures due to the pandemic. Headspace responded to rising unemployment in America and the UK by offering a full year of Headspace Plus for free. Brands like these that take moral actions are seen favourably; such actions are remembered for years to come.



Authenticity


Authentic actions are crucial for younger audiences to avoid accusations of ‘woke-washing’ or ‘green-washing’, two terms which have entered common parlance over the past few years. Lacoste’s ‘#Lacostesaveourspecies’ campaign drew initial plaudits for supporting endangered species, but the company were later criticised for selling deer leather gloves. Similarly, AT&T and Pfizer came under fire for donating both to pro-LGBTQ+ groups and anti-gay politicians. Hypocrisy doesn’t go unnoticed, and the consequences can have profound repercussions beyond just bad PR.

Performative Allyship


Companies need to tread carefully. Ad agency McCann briefed Shantell Martin to paint a Black Lives Matter mural on Microsoft’s boarded up Fifth Avenue store “while the protests are still relevant”. Ms Martin publicly called out what she termed “performative allyship”. To some, this was just a poorly worded phrase, but to others, Microsoft’s inauthenticity had been exposed. This lesson is even more important for luxury brands – as an industry, we come under increased scrutiny based on the perception that we have the means to do things the right way.

Transparency

One brand doing things the right way is Gucci. They are broadcasting their ‘commitment to generating positive change for people and our planet’, having launched a website and Instagram account, @gucciequilibrium. In granting access to such a wealth of information, from thorough environmental reporting to plastic-free and circular-economy initiatives, Gucci is encouraging judgement: consumers can assess Gucci’s social and environmental credentials for themselves. In a similar vein, Net-a-Porter, Matches Fashion and Selfridges have increased the depth and visibility of sustainability messages on their respective websites, allowing their customers to decide which brands to support. More information helps consumers feel empowered to make an informed choice; transparency helps to build trust.

MENU

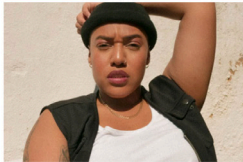
Gucci Equilibrium is our commitment to generate positive change for people and our planet



In conversation: Sinead Burke + Tanya Compass

30.07.20


Amplifying voices, a series of interviews, comments and videos that give voice to reflections and opinions on two fundamental issues: diversity and inclusion.



My Gender Expression isn't a Phase

29.07.20


Tanya Compass tells her story



2020 Eredità delle Donne Festival

23.07.20

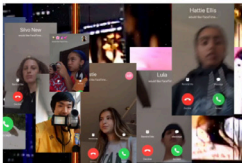
Gucci is pleased to announce the third edition of this event, designed to look at Italy's legacy of art and culture through the prism of the roles women scientists, artists, writers and pioneers in many fields have played over the centuries



Amplifying Gen Z Voices

09.07.20


Fostering intergenerational conversation and collaboration, moving us closer to a sustainable future



Curiosity is a Human Emotion

03.07.20

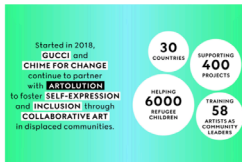
THE PODCAST



Gucci's Support for Refugees Globally

20.06.20

Marking World Refugee Day with Artolution and Japan for UNHCR



Gucci Off The Grid

15.06.20

The first collection from Gucci Circular Lines, created with circular

Gucci North America Changemakers Scholars 2020

Climate Crisis

Covid-19 should be considered as a training ground for the impending climate crisis. In *The New Era of Connection*, brands must exhibit strong sustainability credentials. The low probability of pandemics meant risk teams hadn't prioritised them in their planning, despite their potential high impact. There can be no such excuse for climate change. Attitudes towards the issue have changed: in 2013, a median of 56% said climate change was a major threat vs 67% today³ – and these numbers are continuing to rise. Not all brands can be Tesla, whose sole purpose is 'to accelerate the world's transition to sustainable energy' but every luxury player must take enough of a responsible stance to give people permission to consume; sustainable credentials have become a key part of the luxury value equation.

► The New Era of Connection

There is a growing expectation for businesses to drive societal change; nearly two-thirds of consumers now choose, switch to or boycott a brand based on its position on societal or environmental issues, up from 51% in 2017⁴. Gen Z and millennials will increasingly consume brands that align with their values to signal to others that they are virtuous consumers who contemplate wider societal issues; owning a Stella McCartney bag tells a different story than wearing a mink coat. In *The New Era of Connection*, purposeful brand actions will become more important than ever. The brands that connect with young peoples' belief systems through authentic behaviours rather than 'performative allyship' will thrive.



© Stella McCartney

Implications

- ▶ The rise of conscious consumption provides somewhat of a dilemma for luxury brands that have traditionally encouraged ‘conspicuous consumption’ to signal success. In the short term, consider moving to ‘**discrete consumption**’ – more exclusive clienteling to reduce outside judgment, and in turn, client guilt. Conversations with our members suggest they still value exclusivity and we are seeing increasing demand for more **private** venues.
- ▶ In the longer term, as younger generations come to represent a larger percentage of your audience, consider what **actions** you might take to make an authentic connection with their conscious mindset. It is important to go beyond having a brand purpose written on your website – you must deliver on it. Don’t try to please everyone; it’s better to be **genuine** on fewer actions rather than aiming to tick off every ‘purposeful’ box.
- ▶ Act now on **sustainability** with measurable pledges and C-Suite-level hires to put the issue front and centre. Brands that make us feel guilty regarding the environment will ultimately lose, as fearful attitudes towards global warming continue to solidify. History won’t look back fondly on those who saw the climate crisis coming and didn’t act.
- ▶ Ensure your purpose works for your **employees**. Listen closely to understand how they want to impact the world, then pivot to fulfil their needs. To attract top talent, the company purpose needs to connect with the employee’s.
- ▶ Brands have become value systems, so you’ll need take a **clear stance** to attract and connect with a group of likeminded individuals. Community building doesn’t happen overnight, but it accelerates when a consistent vision is delivered over time.
- ▶ Consider if you want to lead or follow on an issue, and ask if it makes sense to **make pledges as a category**, for example, if they are particularly costly. Sometimes there is increased strength in a collective decision.
- ▶ **Be transparent and authentic across all channels to build trust.** CEOs and employees are increasingly seen as a personification of brand principles and therefore become a ‘channel’ themselves. Similarly brand ambassadors and influencers need to truly live by the brand’s purpose to authentically connect with customers.

2. Seeking Meaningful Connections Through Technology



Technology designed to connect us has driven us apart. Now the backlash has matured – we're seeking out technology that truly delivers a more human connection.

A Complicated Relationship

Our relationship with technology... well, it's complicated. The pandemic has forced us into greater tech dependency, but there is an increasing awareness that technology designed to bring us together can often have the opposite effect. In turn, this has created a desire for technology that provides real human connection.

A Pernicious Force

Anyone can now create deepfakes or buy bots, and fake news has proliferated. Scams are thriving. Democracy is being threatened. Tech companies are abusing our thirst for dopamine, using the endless scroll to conquer our attention spans while echo chambers force us into holding views of binary opposition. It's affected our mental health. Multiple studies have found a strong link between heavy social media and an increased risk for depression, anxiety, loneliness, self-harm and even suicidal thoughts. In the midst of a global pandemic, Covid-19 has led many to rethink their use of social media. Is it still appropriate to show off our lifestyles when so many are suffering?

The 'Tech-Lash'

Consequently, social media companies are more in the spotlight than ever and they have had to respond. Instagram has trialled removing the 'like' button, YouTube is fact-checking Covid-19 videos and Apple has been encouraging reduced screen time through their app of the same name. With each negative headline we have become progressively more aware of technology's ills. Consequently, it is perhaps unsurprising that 71% of Quintessentially's millennial members said they had taken temporary digital detoxes to escape social media.⁵

The Good Side of Tech

On the other hand, we have also witnessed technology's attempts to connect us and undoubtedly we would have experienced greater suffering during the pandemic without it. Zoom has facilitated more meaningful interaction with friends, family and colleagues. VR apps have attempted to give us the feeling of being in the same room as our friends, albeit through digital avatars. Oculus headsets have sold out as increasing numbers seek this type of human connection. What is telling about these applications is that people are wanting to replicate a genuine, in-person experience as closely as possible. We want to connect meaningfully.





Being connected is not the same thing as connecting. Only when we meet people, face to face, can we form the kinds of meaningful connections that truly matter in our lives.

Simon Sinek,
author of *Start With Why*
and *Leaders Eat Last*



Digital Events

In response to this desire to connect we have witnessed a surge in digital events during the pandemic. Art Basel ran online viewing rooms, allowing exhibitors and collectors to still connect with one another. While they are not a replacement for the in-person shows, this is a long-term initiative and they will run in parallel to the art fair next year. At Quintessentially, we have seen extremely high attendance in our online events, such as our live cocktail master class with The Ned's Head Bartender Ronald Douglas; Shanghai Fashion Week saw 11 million viewers purchase a total of \$2.75 million worth of items sold during live streams. Online events won't replace in-person events, but they are an effective means of bringing people together remotely, particularly when there is a sense of occasion and when they are broadcast 'live'.

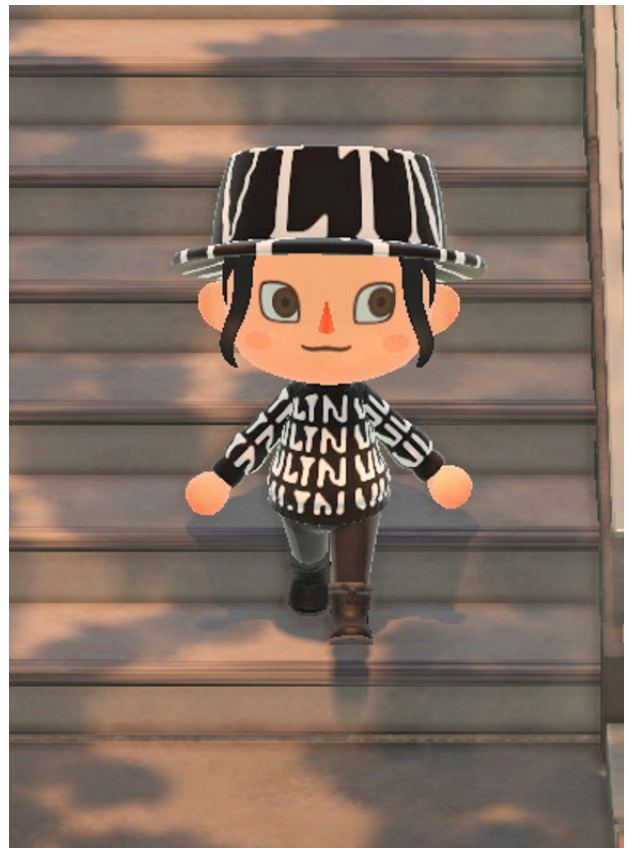
The Growth of Live

Since the pandemic began, live viewings on Facebook and Instagram have soared by 50% and 70% respectively. Increasingly, people are using live streams for webinars, classes, parties, video games and influencer beauty regimens. We're seeing this shift across our member base with more than half of our members either joining or enquiring

about live events. Online exercise classes have been a particularly popular category, and brands like Bodyism, Peloton and Taryn Toomey's 'The Class' have catered to this demand. We want to feel like we're part of a community whilst we simply fulfil a functional need to remain healthy. We want to feel connected to each other.

Social Tech

Creating a sense of community is at the heart of the highly successful Nintendo Switch title *Animal Crossing: New Horizons*. The game is a whimsical life simulator that has been celebrated for providing both social connection and calming escapism in the pandemic. Unexpectedly, the game has also become a marketing channel for luxury fashion brands. Valentino, Marc Jacobs and GCDS are just a few of the brands taking their real-life clothing to *Animal Crossing* to reach these digital communities. For Nintendo, connecting people through the game has proven to be very rewarding – they've sold over 22 million copies since its March launch and their share price has reached a 12-year high.



© Valentino looks created by photographer KaraChung of AnimalCrossingFashionArchive.

Remote Clienteling

Recognising the desire for a more human experience online, Gucci has launched Gucci Live. Gucci Live is a service that uses one-way video chat to connect shoppers to staff experts. Through this online service, Gucci clients can have a more personal experience and a chance to connect with a real person. The faux-store Gucci has created is professionally lit, and replete with Gucci pieces. Clients can pose questions to the associate and ask for the products to be shown from multiple angles. While Gucci doesn't believe such virtual clienteling will replace the in-store experience, the initial success of Gucci Live demonstrates that there is an appetite for a more in-store-like experience online.

Human Digital Experience

Physical and digital experiences are starting to converge, and accordingly, more and more brands are experimenting in this area. For example, Estée Lauder's Bobbi Brown has introduced a virtual makeup consultation offering. Customers are guided through finding their ideal foundation and

given bespoke makeup lessons. Such a rich and personalised experience was once only possible in-store, but can now be done remotely. The initiative was conceived as a perk for their top-tier loyalty club members, yet the success has lead Estée Lauder to roll this out to all their customers. Brands like Bobbi Brown are proving that delivering a more human, bespoke and experience through online platforms can lead to increased conversion and retention.

► *The New Era of Connection*

Pent-up demand for in-person connection has been building during the lockdowns that have been implemented around the world. Although we've increased our dependency on technology during the pandemic, we've also come to see its limitations more clearly. We can, therefore, expect relationships and one-to-one clienteling to remain integral for luxury brands, but this will be complemented with more human applications of technology like Gucci Live. More broadly, in *The New Era of Connection*, technology will continue to both drive us apart and bring us together. Businesses that can truly connect us either digitally, or in person, will thrive.



© Gucci

Implications

- ▶ As societal pressure increases on the big tech companies and awareness continues to grow over the harms of specific applications, ‘bad’ applications will increasingly come under the spotlight. Perform an **honest appraisal** of your customer experience. Consider whether your technology is driving **positive customer outcomes** or if there are **pain points** that need addressing.
- ▶ Digital transformation remains top of the agenda, as the speed of technological advancement increases, and therefore the pace of disruption increases with it. However, while the temptation is to focus on automation, AI or efficiency improvements, it is vital to **retain an element of human connection** within digital initiatives to maintain a service advantage and build trust.
- ▶ As the balance of the buying journey shifts from equal parts offline and online to primarily online, consider how you can replicate deep, **relationship building online**. An elevated level of customer service in keeping with your in-store experience will be expected, so be careful not to erode your advantage. As always, don’t lose sight of the importance of deep personal relationships which pay dividends in the long term.
- ▶ As people seek the truth amongst proliferating fake news, they will turn to the sources and individuals they trust – making trust an increasingly important metric. How can you **build trust**? Can you leverage your **heritage**?
- ▶ As physical and digital experiences continue to converge consider options for **remote clienteling**. For example can you introduce a video concierge akin to Gucci Live?
- ▶ You’ve likely had to focus on your online channel during the pandemic, and your customers will now feel more confident shopping this way. **Bridge the gap** between channels with a phone call. Tempt customers back by reminding them of the human and experiential advantages of the in-store experience. There will always be a demand for retail as a leisure activity.

3. Establishing 'living legacies' through targeted giving



Successful individuals are increasingly deciding to give earlier in life, driven by the need to forge 'living legacies' and connect with others. They're taking a more active role, choosing exactly how to use their resources to maximise impact.

A Time Of Need

The UN has predicted the global economy will shrink 3.2% in 2020 as a result of the Covid-19 crisis. The largest financial crisis since the 1930s has resulted in a plummet in charities' fundraising income, and will push a further 130m people into poverty. Alongside brands, wealthy individuals have stepped up to fill the void, fuelled by a desire to establish positive legacies while they are still young. The young and affluent have responded to the virus with significant donations, including Hugh Grosvenor's donation of £12.5 million to The NHS Charities Together fund. International superstar Rhianna mandated that her \$5 million reached the Caribbean, Africa, and vulnerable areas of the USA and helped with testing and care. Millennials are giving more than ever and are particular about where their resources are attributed.

Beyond The Crisis

It's perhaps unsurprising that charitable donations increase in response to a crisis. However, Quintessentially member data shows successful and affluent individuals have been steadily exhibiting expanded philanthropic behaviours since long before the virus hit. Indeed, member requests in the philanthropy category were up 32% between 2016 and 2020. Philanthropy has become the most common interest amongst wealthy people, with 36% engaged in benevolent causes.⁶

32%

increase in philanthropy category
member requests from 2016-2020



Stormzy has pledged £10m to fight racial inequality @ Frank Schwichtenberg

What is Driving This?

One perspective is that increased philanthropy is necessary when the gap between rich and poor is growing. Academics have argued that we give most regularly when observed, and the media spotlight has certainly been increasingly aimed at the wealthy. Those capable of impacting change are feeling increased societal pressure.

Targeted Giving

But there is another less cynical take on the increase in giving. Millennials are giving more because they are more passionate about the causes. They spend more time researching their donations and play an active role in supporting organisations beyond giving cash. Take British rapper Stormzy, who pledged £10m to fighting racial inequality earlier last month. In giving four scholarships to Cambridge 2020 there has been a further halo effect – black student admissions are up to 91 from 61 the year before. Whereas in the past, one would donate a building and get a commemorative marble plaque with a name engraved, millennials are insisting on the specifics of where their money ends up to ensure it tackles the causes they are passionate about.

Impact Philanthropy

Another example of a philanthropist who plays a more active role in her giving is Emily Brooke, founder of Beryl, who made millions designing an efficient bicycle light for London's Santander Bikes. 'My priority is seeing where my money goes and how it is spent,' explains Emily. 'My money needs to go to causes I choose, and I need to monitor its impact. I expect the sort of accountability I have shown my own investors.'⁷ For millennial 'venture philanthropists' like Emily, success is measured primarily by the societal impact of her giving.

Social Capital

Rather than seeing legacy as something left behind, for later in or after life, the new generation of wealthy young philanthropists are choosing to live their legacies by donating and getting involved in a meaningful way from a younger age. Driving change still gives the donor increased prestige, but it also generates a more subtle form of social capital. For millennials, the priority is being seen as leaders on a particular issue – opposed to signalling to sums that have been donated. The

giving helps forge their identities, and they amass a community of followers along the way who also believe in the same cause.

► *The New Era of Connection*

The localised nature of donations increasingly suggests philanthropists want to support the people and causes that they are meaningfully connected to. As the gap between rich and poor widens, a new cohort of passionate, successful millennials is seeking to put a positive stamp on the world. This more targeted, impact-focussed style of giving will continue to grow. Philanthropy as a whole will also continue to progress as a chief interest for the wealthy. This will be aided – but not caused – by greater recognition of individual giving by the global media, in lists like The Sunday Times' Giving List and Forbes' America's Top Givers. There is an element of forging a positive self-image through public philanthropy, but this is not the only driver – the increase in targeted, impact-driven philanthropy indicates a desire to care for one's extended community, to create a living legacy, and ultimately, to connect with others.



Implications

- ▶ 9/10 millennials and Gen Z are more loyal to brands that support causes they defend. When planning your VIP clienteling experience, consider if and how you can **partner with local causes**, independent businesses or charities which align with the values and passion points of your VIP clients. Train staff to take an interest in clients' philanthropic endeavours and ensure you are capturing this valuable data point through CRM systems.
- ▶ Consider how you can **hero your clients'** philanthropic efforts or **champion their causes** in your communications. Even better, demonstrate that you are not just saying the right thing, you are doing the right thing; this will help forge meaningful long-term connections with your clients.

4. Health-Based Decision-Making



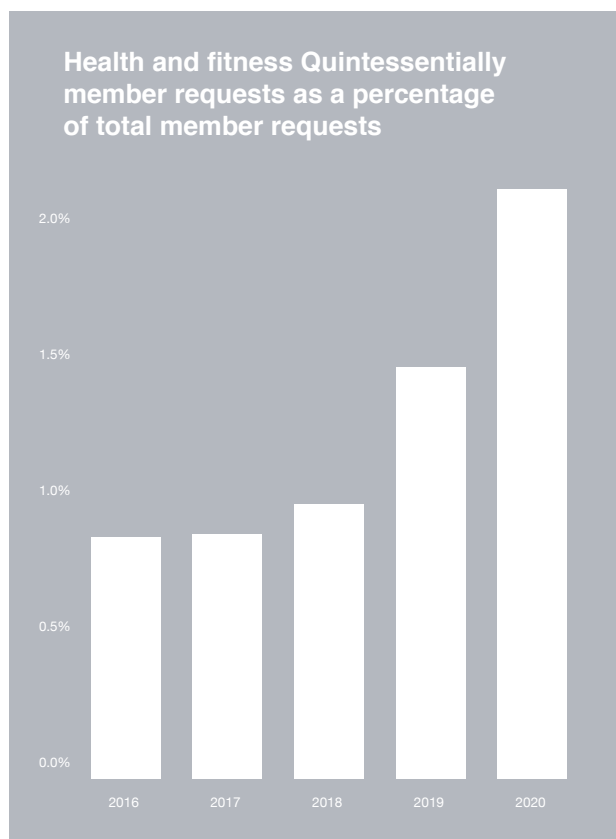
We have never been more aware of our collective health. All brands are now required to be mindful of this most precious resource.

The New reality

A global wellness mindset has emerged, affecting many everyday decisions from what to eat to how to travel to with whom to connect and how to dedicate time. For more and more of our members, wellness has become a daily concern: an essential consideration and their dominant lifestyle characteristic. Brands are needing to navigate increasingly complicated health and wellness ecosystems.

A Growing Industry

While Coronavirus has inevitably caused us to increasingly prioritise our health, pre-pandemic the health and wellness sector had been steadily growing for years, particularly amongst affluent and ambitious individuals. Looking at health and fitness requests as a percentage of total member requests, we have seen a 144% rise from 2016 – 2020.



Unicef social media post

Brands Are All Caregivers Now

Before the pandemic struck, 'Caregiver' was once a differentiating brand archetype reserved for brands like Volvo, Four Seasons, or Unicef. These brands had a unique position in the market because they kept us safe, cared for us or had a nurturing tone of voice. Covid-19 has forced all brands to become caregivers; to connect with customers, they must show genuine, human concern.

Crisis Response

In the short term, caregiving meant quickly responding to the pandemic. Donations were the first port of call. For example, Tiffany gave \$250,000 to The New York Community Trust, Bulgari gave an unspecified amount to Istituto Lazzaro Spallanzani's research department. At the same time, British house Jimmy Choo chose to donate to the NHS. These brands all opted to give locally to help them support and connect with regional communities. It elevated the role of brands and helped embed them into local health ecosystems.

Non – Cash Donations

In the medium term, companies responded with non-cash donations. Gucci, Ralph Lauren, Barbour, Louis Vuitton and Burberry have all donated hundreds of thousands of protective masks and gowns, while LVMH adjusted its production lines to manufacture hand sanitiser in response to the shortage in France. The speed at which companies were able to pivot was impressive and will long remain in the memory of consumers, even when the pandemic subsides.

VIC Clienteling Strategy

As the world emerges from lockdown, thoughts turn to VIC clienteling strategies. How can businesses get customers through the door while prioritising customer health? Clear communication is mandatory. Many of our members are asking what social distancing measures are in place before they go somewhere. If we've booked them into a restaurant, they want to know who else will be there, how much distance there is between the tables and if the staff will be wearing masks. Businesses must give more detail than ever before to respond to anxious customers.

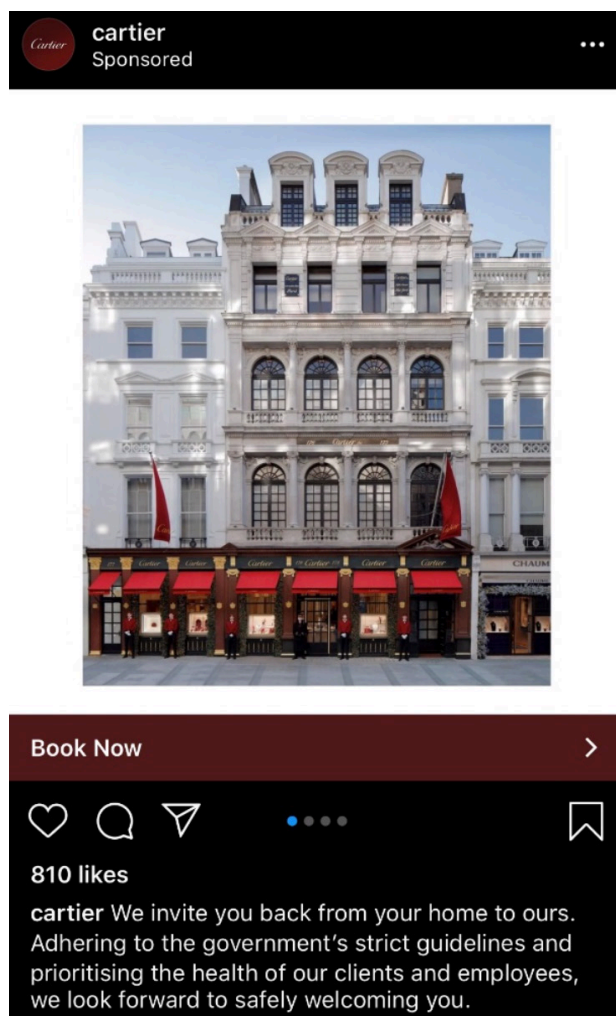
Intimacy And Transparency



LVMH group, Cristian Dior Fragrance factory making hand sanitiser

Boucheron has started holding a series of intimate, post-lockdown gatherings, offering a meal or a tea to clients in their Place Vendôme boutique in Paris. To put clients' minds at ease, they've adapted the space to respect what they refer to as 'courteous' distances and are strictly following all sanitary rules. Similarly, Cartier has highlighted that they are 'adhering to the government's strict guidelines and prioritising the health of our clients and employees'. Transparent messaging and the promise of intimacy is necessary to reassure concerned clients.

Health And Social Connection



While it might not be possible to deliver the same level of social connection during the pandemic, it has been proven to improve our health. Dr Robert Waldinger, Psychiatrist and Harvard Professor notes, 'People who are more socially connected to family, friends, and community are happier, healthier and live longer than people who are less well connected'. Accordingly, if businesses legitimately want to prioritise the health of their clients and employees, they must find ways to thread social connection throughout their experience. This is necessary while the pandemic rages on and especially important as we look beyond it.

► *The New Era of Connection*

Undoubtedly, the pandemic has increased the importance of health in decision making and accelerated the pre-existing health and wellness movement. Whereas, once upon a time caregiving was a unique differentiator for brands, now all brands must consider themselves health brands to meaningfully connect with customers. In the past, brands have tended to play up their role in people's lives, but now they play a genuinely important role; how brands design their physical space and maintain hygiene standards can quite literally be a matter of life and death. In *The New Era of Connection*, we can expect an abundance of new wellbeing products to appear on the market from players not previously known in this space and a surplus of new wellness-driven brand behaviours as health increasingly influences purchase decisions. All brands are now 'caregiver' brands.

Implications

- ▶ In the short term, human lives are still at stake. In the aftermath of the pandemic, some will remain reluctant to venture out. Communicate the exact steps you're taking as a business to make your retail experience **private and safe**. Will you have temperature checks, mask requirements, disinfectant, disposable testers? Those who genuinely take an interest in client health will be rewarded with long-term loyalty.
- ▶ Perhaps rising life expectancies, scientific advances and improvements in patient care made us bullish? Well, Covid-19 delivered a stark reminder of our mortality, and there is a need for reassurance from experts. We've come to depend on the scientific community for trusted guidance increasingly, and accordingly, your organisation should take a **science-lead approach** to health communication.
- ▶ There are significant opportunities for brands that deliver wellness benefits beyond the pandemic. Consider your credentials as a health brand. In China, we are witnessing strong sales of cars with anti-virus features. Can you adjust your NPD pipeline to include a health and wellness product or service? Ask 'how can we become **truly useful**?' Delivering value means adapting to satisfy consumer needs with increased **humanity and compassion**.
- ▶ Social contact is proven to be good for our health. In the longer term, design your physical space to facilitate **human connections** over transactions. Contemplate how you can bring couples and friends together, or create moments of memorable family time.

5. Bespoke Self-Betterment



Increased demand for bespoke transformative experiences has emerged as consumers seek to connect with themselves.



The New Reality

The rise of the ‘growth mindset’ amongst the affluent and successful is fuelling the accelerating demand for transformative experiences and products. At Quintessentially we’ve seen member requests in the mind, body and soul category increase by 53% from 2016–2020. That includes things like soul meditation or outdoor survival therapy. Our members increasingly want to connect with themselves to understand better who they are so they can understand where to go. They are seeking transformation – creating a better self on their own terms.

53%

increase in member requests in the mind, body and soul category (as a percentage of all requests from 2016-2020)

Covid-19

This trend existed before the pandemic, but Covid-19 has accelerated it. Time in isolation has forced introspection, and less socialising has meant more time to connect with oneself. Confronted with our mortality, we’ve had more time to figure out what matters – and for many of us, that has meant understanding how we can grow. New values and hobbies are emerging.

A Transformation Economy?

Indeed, Pine and Gilmore themselves have suggested it may be ‘the transformation economy’ that will succeed the experience economy, and there is ample evidence for this point of view. Amongst our members, there has been a 120% rise in requests for new and continued education from 2016-2020. We are also witnessing increasing sales of self-help books and exponential growth in demand for e-learning platforms. Knowledge and learning are becoming a new currency. It’s not just about what you have but what you know. In the transformation economy, there is a clear value exchange: time for personal growth.

Mental Health

More Quintessentially members are openly seeking psychotherapy; attitudes towards mental health have changed drastically. Greater openness to talk about mental health has been fuelled by key public figures such as Prince William, Stephen Fry, and Lady Gaga. Therapists like Esther Perel have become celebrities in their own right, and the result is that maintaining or improving one's mental health has become an aspirational goal for the mainstream. Seeking help has become far less stigmatised; it's just another facet of the growth mindset.

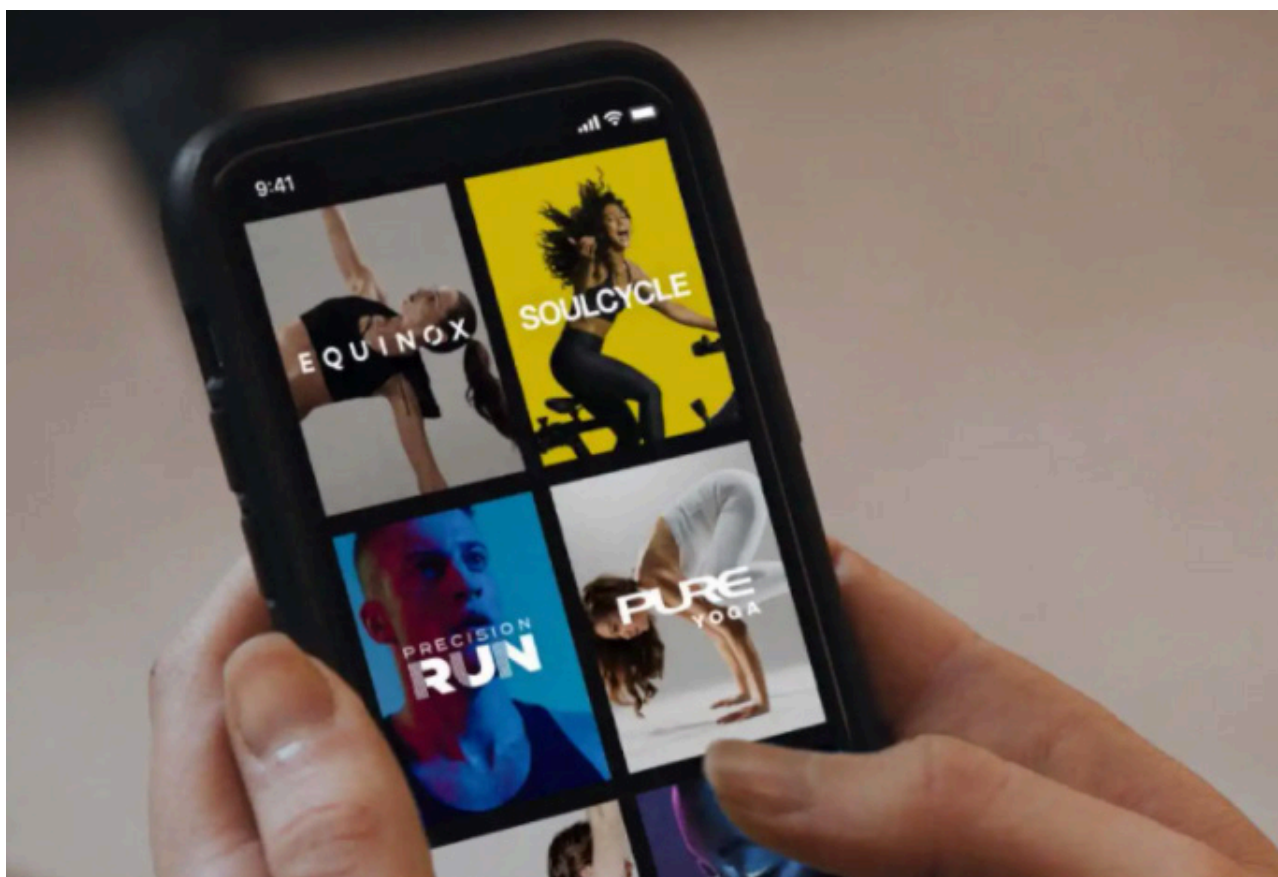
Personal Transformation

The growth in one-to-one therapy also elucidates the personal nature of transformation. Transformation for the masses has always been a part of the advertising lexicon – 'Buy this handbag, and you too can become a chic Parisian high-flier'. But if it was once about attaining the standards of an aspirational stereotype, now, it is more bespoke.

Take transformation television, in the 90s, British tastemakers Trinny and Susannah didactically told us 'What Not to Wear'. Similarly, in *Changing Rooms* or *Extreme Makeover*, there were a set of rules imposed on the beneficiaries by an omnipotent authority. Today, the critical element in shows like *Queer Eye* or *Tidying Up* is empathy. Marie Kondo and the Fab Five recognise that everyone has their own transformation they're going through. It's personal, and they listen. Brands need to do the same.

Who's Doing It Well?

SoulCycle understands this principle. Their call to action 'Change your body. Take your journey. Find your Soul.' acknowledges that each 'soul' is unique. Similarly, Equinox states their mission as 'In everything we do, we create the possibility for people to maximise the potential within themselves'. These transformation brands do not present an ideal standard to attain – they acknowledge that transformation is personal. It means something different for each individual.



Transformative Travel

Marketers should learn from the high-end travel market, which was pioneering transformative experiences before other categories. Modern luxury travellers increasingly want travel to provide lasting positive change in their lives. They long to be stimulated by new perspectives, to connect with their inner selves and grow. At Quintessentially we've handled requests for 'ten private lessons with Japan's finest sushi chefs' or immersive retreats in Bhutan. Similarly, Marriot has offered a high-end self-improvement program with 3-star chef Eric Ripert lending culinary expertise, or golf lessons provided by legendary Swedish golfer Annika Sorenstam. MD of Quintessentially Travel, Jenny Graham explains:

“

This is definitely a trend that will grow post-Covid-19. Americans led on the trend first, but in 2019 we saw a rise amongst our British members, mainly with successful female clients who are now turning to and seeking solo getaways to invest time in themselves. They're choosing the likes of Miraval, Chiva-Som and Ananda in the Himalayas.

”



Chiva-Som, leading wellness destination offering spa, fitness, physiotherapy, holistic, nutrition and aesthetic beauty.

Filtering Down

Perhaps fitness or travel brands are obvious candidates for transformative experiences, but we also see this filter through the rest of the luxury market. Born out of an understanding of this need, Rolls Royce has launched 'Whispers'. Whispers is an exclusive digital members club which offers 'an unequalled level of access' to 'transformative, inspiring and entertaining experiences' like scientific exploration and camping in the Antarctic. Similarly, Prada, Armani and Chanel are all turning to once-in-a-lifetime experiences for their members to cater to the growth mindsets of their VICs.

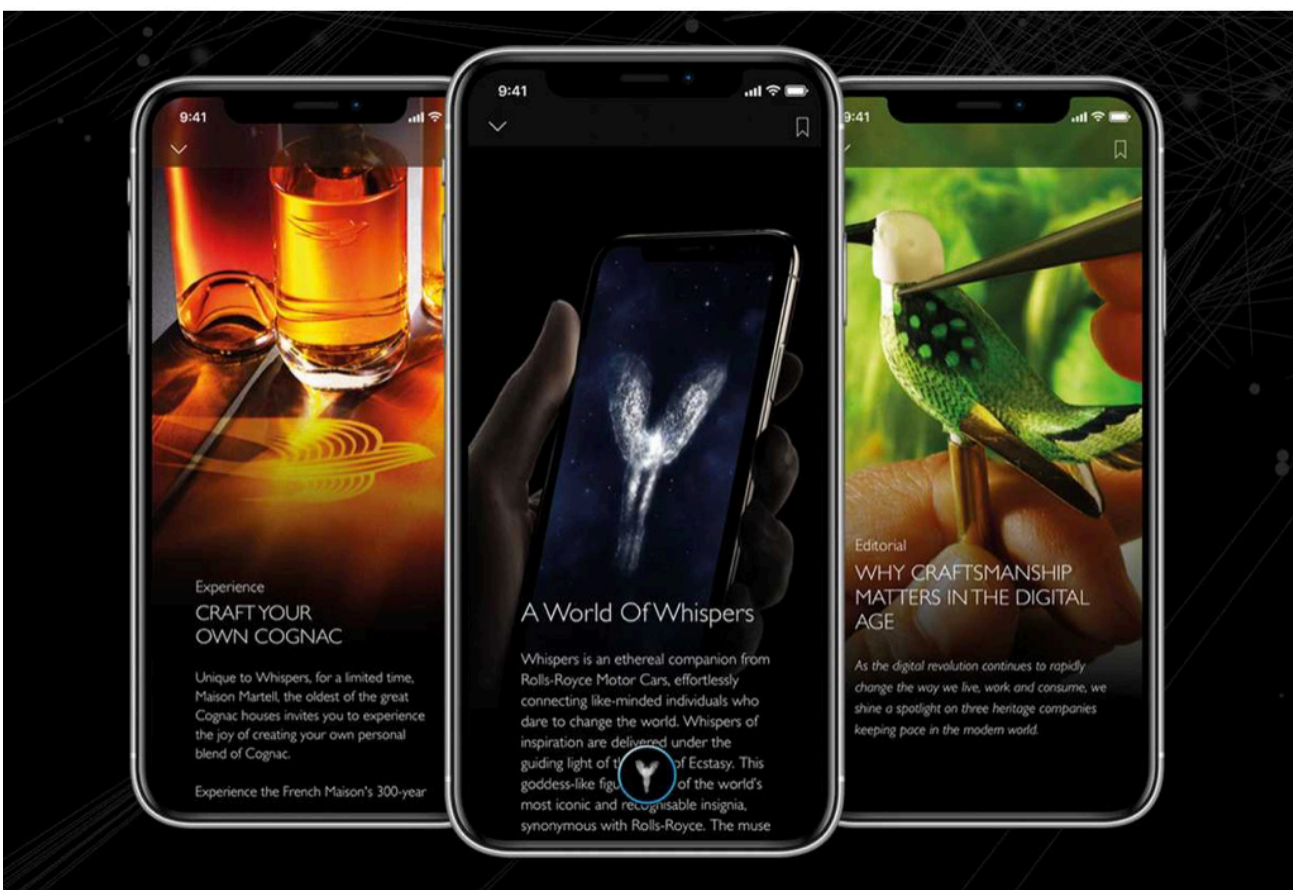
A Paradox

These transformative experiences are inevitably shared on Instagram. While flaunting luxury purchases may have become less socially acceptable during the pandemic, sharing what we've learned and how we've grown is very much okay. It is somewhat ironic that the fruits of learning

and internal development are shared publicly. Are they really about the self at all? In reality, the fact that we broadcast our inner journeys indicates that they are really an attempt to connect with others. We share who we are in the hope that other people can relate or feel the same.


► The New Era of Connection

In the coming decade, affluent and successful individuals will seek to use knowledge to elevate their status. More and more Quintessentially members are using their membership to attend transformative master classes and learn from experts, or go on off-the-beaten-track adventures – and this is showing no sign of slowing down as we appear to emerge from the peak of lockdown. As successful individuals look to satisfy their growth mindsets, a transformation economy will emerge to complement the experience economy. The brands that leave their clients feeling connected to themselves and provide genuinely transformative experiences will see success.



Implications

- ▶ Adapt your physical space to offer transformative experiences. Inevitably, the pandemic has led to a focus on E-commerce, but an immersive retail experience can provide an incentive to return to brick-and-mortar shopping. Can you offer a learning experience in-store? Which brand experts might you leverage?
- ▶ Understanding that everyone is on a personal transformation journey consider if your demographic segmentation is fit for purpose. Instead of making broad generalisations based on age, gender, or marital status, consider segmenting by aspiration. Instead of 'who are they?' ask 'who are they becoming?' or 'what transformation are they going through?'. This will allow you to ask an even more important question – 'how can we help them get there?'.

An aerial photograph of a tropical resort featuring numerous overwater bungalows with thatched roofs, connected by a winding wooden walkway. A large central building with a curved roof and a swimming pool is also visible. The water is a vibrant turquoise color.

What's changed more importantly, and been catalysed by Covid-19, is the way we are living and the way we are thinking about what's important to our lives: community and connection

Mary Portas,
retail entrepreneur and broadcaster



Summary

As *The New Era of Connection* dawns, it is clear that consumer priorities have evolved. Influential and successful individuals are more conscious of the environmental and social impact of their purchases. They are giving back more than before, and are seeking to connect meaningfully with other people and the world around them. Health has become a primary influence on lifestyle choices, and we are witnessing the rise of transformative experiences as consumers seek to connect more deeply with themselves to realise their potential. Brands must adapt to this evolving set of priorities at speed.

Ultimately, in *The New Era of Connection*, the businesses that can create a feeling of connection with other people and themselves, throughout the entire brand experience, will thrive.

Get in touch

How we can help

Leveraging our audience expertise to provide additional insight and depth to your research or strategy.

Creating or optimising physical or virtual experiences for affluent and influential individuals.

Engaging your existing customers, optimising your acquisition strategy or creating and implementing loyalty programmes.

Bespoke sprints or workshops to solve business problems, combat disruption, or develop new products and services.

And so much more.

Let's Talk:

enquiries@quintessentially.com

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