

Market Report No.2

Fashion & Hospitality

FASM 220

SUMMER 2024

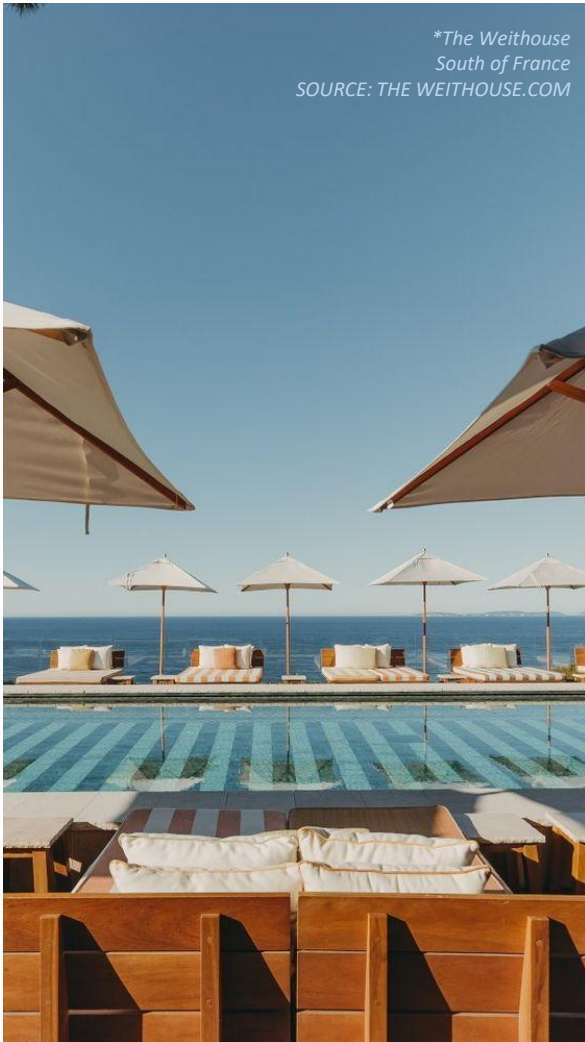
PROFESSOR ROBERTA DEMESKO

VALERIA RIVERA

The Weithouse, South of France

*The Weithouse

SOURCE: THEWEITHOUSE.COM



What is Hospitality?

Hospitality:

Service industry that provides food, entertainment, or accommodation to customers and clients.

*The Weithouse
SOURCE: THEWEITHOUSE.COM

*Oxford Languages
SOURCE: GOOGLE.COM

The Trend

Luxury fashion houses are looking into **new brand extensions** to expand their businesses. The top fashion houses are looking for ways to elevate the customer experience by creating spas, hotels, restaurants, and bars. Through partnerships and collaboration these houses are **increasing their brand positioning in the market.**



BENEFITS

- Generates intrigue
- Increase engagement & emotional connection with customer
- Generates FOMO and desirability
- Increases store traffic and sales
- Makes Products accessible to potential clients
- Opportunity to do market research

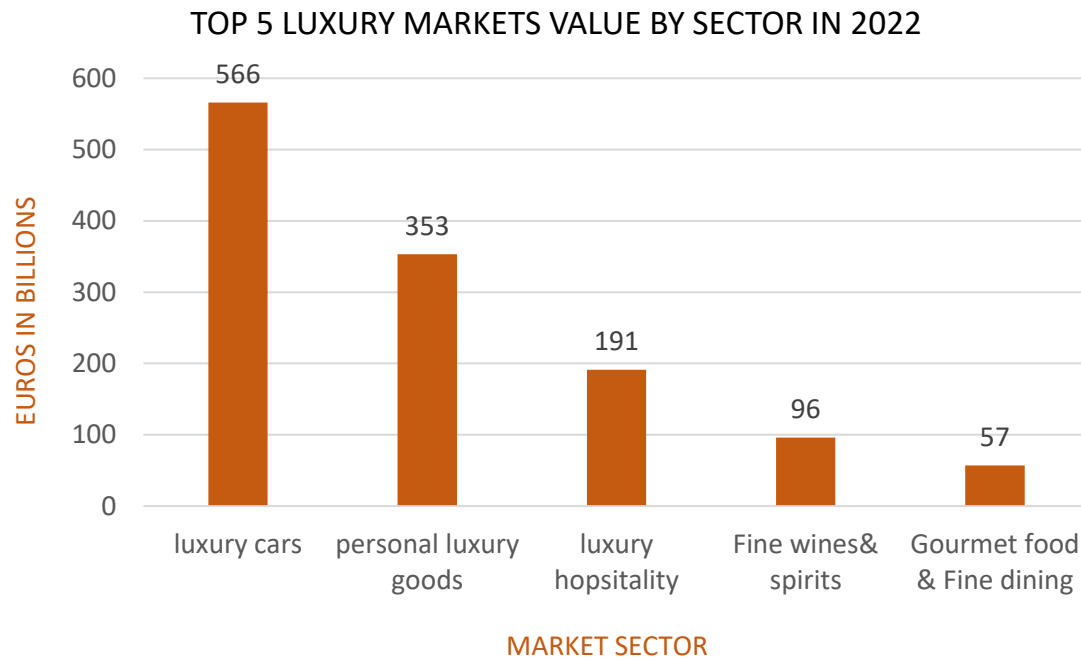
The Trend

“This tendency is accelerating and inspiring brands to **expand their ecosystem** through service-based third spaces and new store formats, **blurring the lines between retail and hospitality.**”

- Clara Ludmir, *Consumer Behavior and Retail*, Forbes

Ludmir, Clara. “How Hospitality Is Influencing the Future of Retail and Elevating Brand Experiences.” Forbes, July 31, 2023.
<https://www.forbes.com/sites/claraludmir/2023/07/25/how-hospitality-is-influencing-the-future-of-retail/>.

Why Is The Trend Important For Revenue ?



210,100,000,000 USD

Luxury hospitality was the **top 3rd most valuable market in 2022**

(191B Euros/ 210.1 B USD)

The market is projected to grow to **210,512,000,000 USD by 2032.**

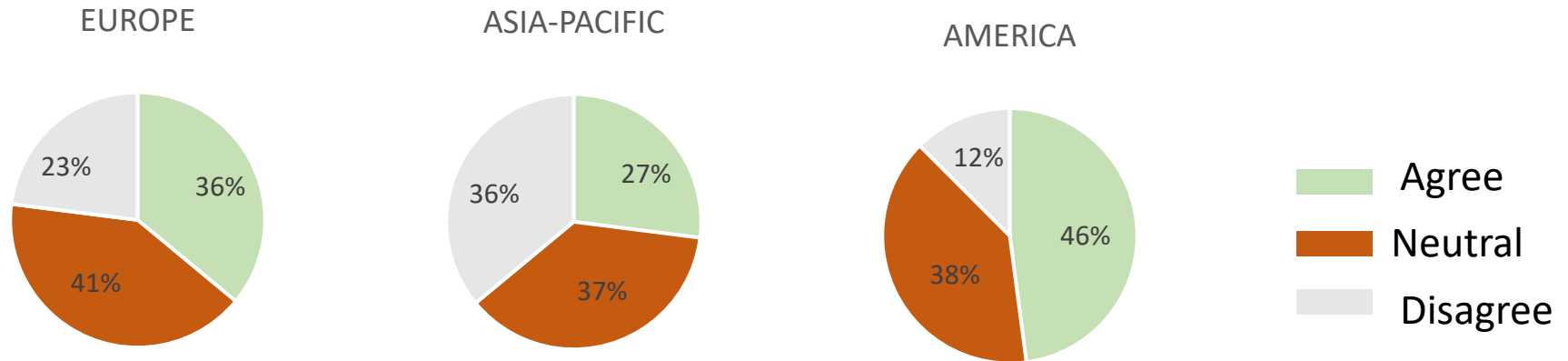
(191.6 B Euros/ 210.5 B USD)



Luxury Travel And Tourism Worldwide Report
SOURCE: STATISTA

Why Is The Trend Important For Revenue ?

INTEREST OF AFFLUENT CONSUMERS IN TRAVEL AND LUXURY BRAND PARTNERSHIPS WORLDWIDE 2022

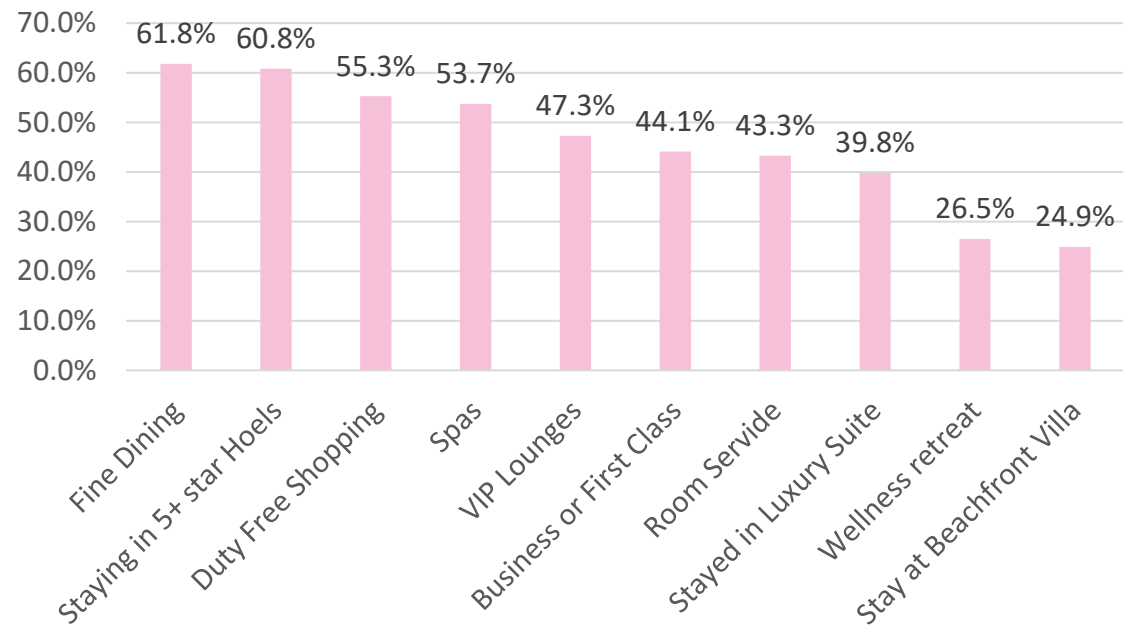


From 27%-46% of luxury consumers support future collaborations in luxury travel to create brand extensions.

Luxury Travel And Tourism Worldwide Report
SOURCE: STATISTA

Why Is The Trend Important For Revenue ?

AFFLUENT CONSUMERS' PREFERRED HOLIDAY ACTIVITIES
WORLDWIDE Q4 2023



Hospitality services are the **top five** activities that affluent consumers spend the most on in the last year (2023).



'Luxury Travel And Tourism Worldwide Report
SOURCE: STATISTA

Why Is The Trend Important For Revenue ?



OTHER FACTS

- By 2028, the luxury leisure market will increase from \$239 Billion (in 2023) to \$391 Billion. A **64% increase.**
- **86% - 91.5%** of affluent customers **shopped travel products** in 2023

■
'Luxury Travel And Tourism Worldwide Report
'Spending on luxury leisure hospitality' worldwide in 2023, with a forecast for 2028, by wealth segment'
SOURCE: STATISTA

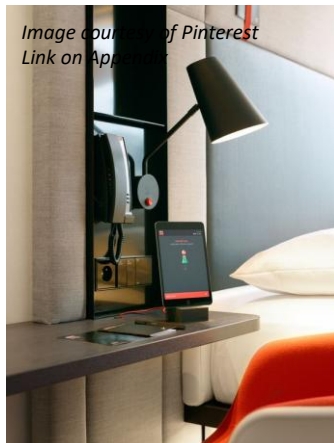
Why Is The Trend Important For Revenue ?

KEY TAKEAWAY

The **luxury hospitality** industry has been showing growth in the latest years and projections indicate that growth will continue in the near future.



**The Weithouse
South of France
SOURCE: THE WEITHOUSE.COM*



Important Elements

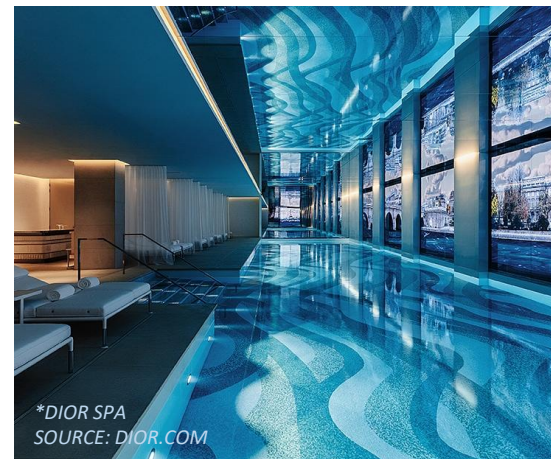
- > High-end Amenities
- > Storytelling
- > Outstanding Service
- > Partnerships
- > Exclusivity
- > Exceptional Locations
- > Premium Pricing
- > Personalized Experiences
- > Sales-driven Decision making
- > Advanced Technology

Example No.1

Dior Spa

In 2021 Dior launched its Cheval Blanc Spa in the Paris, France. Now it has locations in Qatar, Dubai, the French Riviera, and Scotland. The brand promises to provide excellent services in a unique and luxury environment. Exclusive products are available for visiting customers.

“Cheval Blanc Paris and the House of Dior: the perfect union of passion and inspiration. Both share passion for the most intimate and authentic experience, and the most inspiring beauty.” -Dior



*Dior Website
SOURCE: DIOR.COM

Example No.2

La Reinassance by Jacquemus



Saint Tropez is now the home of *La Reinassance* a gastronomic experience lead by designer Simon Porte Jacquemus. The restaurant serves food Inspired by his childhood in the South of France. Café Citon and Oursin were his two first restaurants to open.

“The restaurant is presented as a café and brasserie that encapsulates the brand’s hedonistic lifestyle on the shores [...] glimpsing the synergy between fashion and gastronomy.”

–*Laura Perez for Tapas*

*'Jacquemus Opens Idyllic Fashion Restaurant in Saint Trope' SOURCE: TAPAS.COM

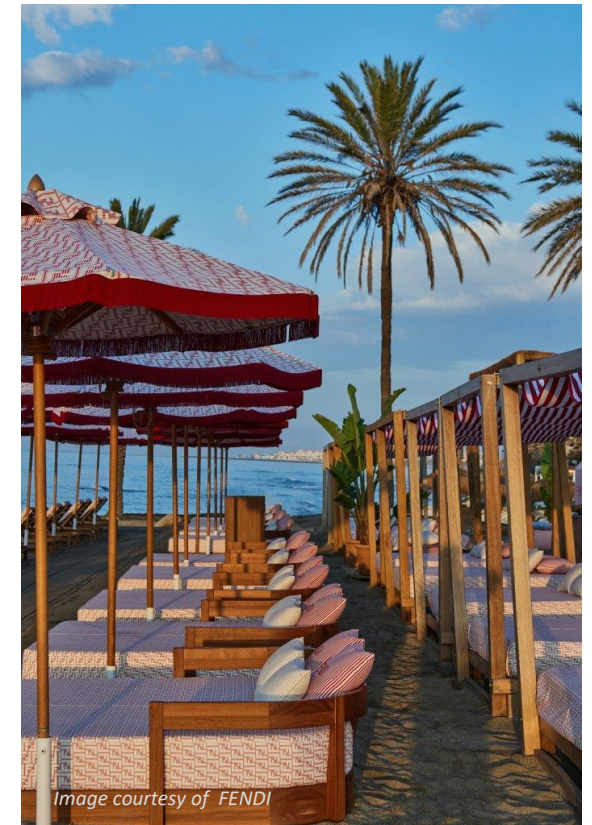
Example No.3

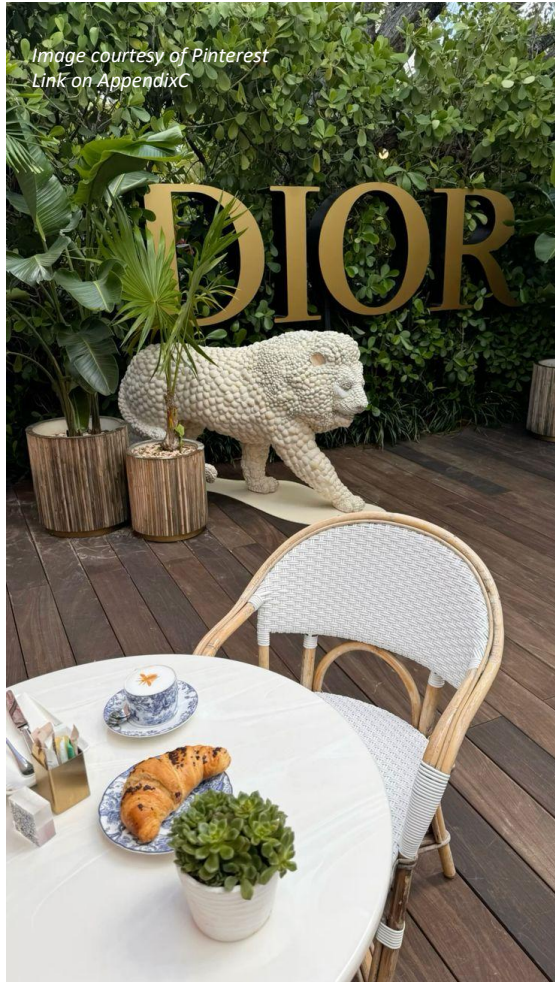
Fendi Club at Marbella

Located at the Spanish coast, The Fendi club at the Puente Romano Beach Resort, is a newly renovated lounging area where guests are welcomed to relax and shop the latest resort capsule collections.

“The new beach club christened ‘FENDI for Puente Romano Beach Resort’ is a refined fusion of the playful, unconventional spirit of the fashion house and its new Astrology Summer Capsule Collection 2023”
 –Andrew Forbes for *The Luxury Editor*

‘The World’s First Fendi Beach Club Opens
 At Puente Romano Beach Resort’
 SOURCE: THE LUXURY EDITOR





IN CONCLUSION

To be developed effectively, fashion brands must **strategically choose a partner** that is highly experienced in the luxury hospitality industry.

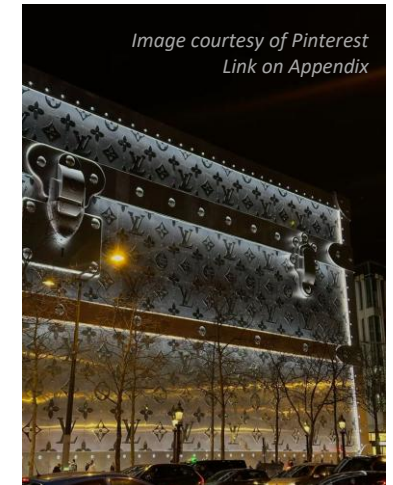
It is key that fashion houses take a **wholistic approach to close the gaps** within the market and make the experience seamless.

All spaces and processes must be designed with a **consumer-centric perspective**, prioritizing the clients needs and wants.

Applying a comparable method to the one that is used to sell luxury items, these experiences must seam **unattainable, exclusive, and aspirational** to most consumers.

My Point Of View

It will be very interesting to see how this trend will advance in the future as brands look to expand their horizons. With the help of current and advanced technology, labels must continue to manage competition, sustainability concerns, and economic downturns in new ways; By finding balance between reality and innovation. Because this type of market requires high amounts of investment, bridge companies and ecommerce-only brands must find ways to compete with the trend.



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