

# CRAFTING IMPACTFUL DIGITAL LUXURY JOURNEYS FOR HIGH-NET-WORTH CLIENTELE

An expert view on tailoring digital experiences for Ultra- and High Net Worth clients in the modern era of luxury commerce



# FOREWORD

Ultra- and High Net Worth Individuals (U)HNWI, and digitalization are closely related since the digital world has a big impact on the luxury market and requires thoughtful adjustments for individualized experiences. It is critical for businesses looking to succeed in this changing environment to acknowledge the unique opportunities and challenges associated with meeting the preferences of this discerning clientele in the digital sphere.

In 2022 and 2023, the global economy grappled with significant challenges, resulting in a notable decline in economic growth. While (U)HNWIs continue to hold a position of strength and of importance for luxury brands, the number of affluent individuals surpassed HNWIs, emphasizing diverse wealth accumulation. Additionally, brands maintain concerns about the financial returns associated with the affluent demographic when compared to their counterparts among (U)HNWIs.

Simultaneously, the luxury sector witnessed a profound digital transformation in 2022 and 2023, driven by advancements in visualization, personalization, augmented reality, and the widespread adoption of digital channels. Luxury has been pushing the envelope of seamless integration of digital and in-person interactions, and their Customer Relationship Management systems have, in many cases, become truly advanced. Nevertheless, it is crucial to note the divergence in fortunes. Luxury digital platforms are

experiencing a decline, or at best, a strategic retreat. Luxury brands now face the task of navigating diverse expectations of (U)HNWI. Furthermore, (U)HNWI as a segment is considerably small and to serve truly personalized experience, the segmentations of luxury companies are getting increasingly complex, and eventually difficult to generate value in the value chain. Moreover, if digitalization and new commerce are to evolve to their promised potential, the Internet and digitalization, which have never been famous for making things scarce, must be leveraged wisely.

Ultimately, the future of digital luxury revolves around achieving a harmonious blend of advanced technology and human craftsmanship, providing tailored and emotional journey for the discerning clientele.



**Jana M. Arden**

Leading Author

Director – Consumer Product, Retail, and Manufacturing at Capgemini Invent

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**Caroline Le Bars**

Vice President, frog part of Capgemini Invent  
Head of Brand & Content, Luxury Sector for frog France

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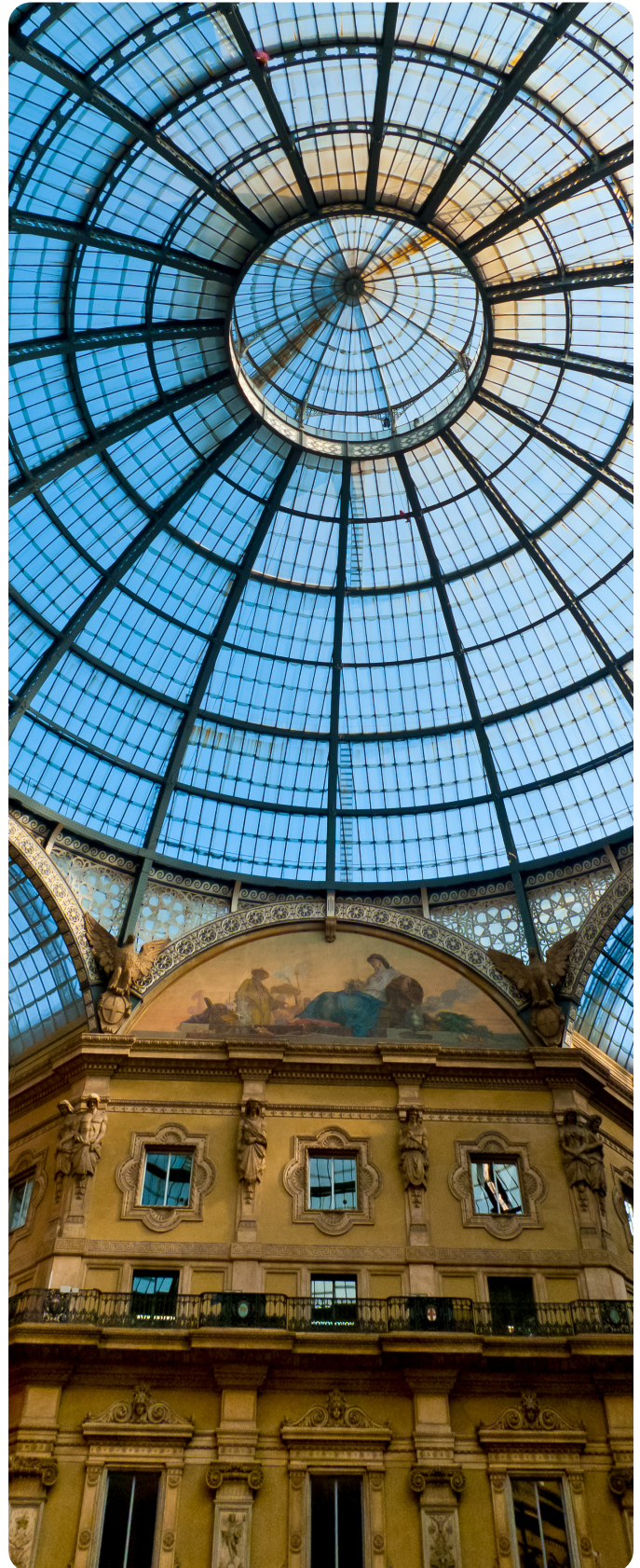
**Raffi Balyozyan**

Investment Advisor, Luxury Goods, Genthod Global Advisory

“In today’s luxury commerce landscape, close contact and personalization are greatly important. (U) HNWI clients have specific needs and desires, and they expect us to not only meet but exceed their expectations. A blend of personalization and digital adaptation is key to thriving in the luxury market.”

**Dr. Dirk Boll**

Deputy Chairman 20th & 21st Century Art, Christie’s



## About the research

“Crafting Impactful Digital Luxury Journeys for High-Net-Worth Clientele” Jana M. Arden, Director – Consumer Product, Retail and Manufacturing at Capgemini Invent, explores the world of tailored digital experiences for Ultra High Net Worth Individuals and High Net Worth Individuals ((U)HNWI). Through a dual approach of primary research,

involving stakeholder interviews and discreet (U)HNWI insights, and secondary data research, she provides a comprehensive view of modern luxury commerce for this segment.



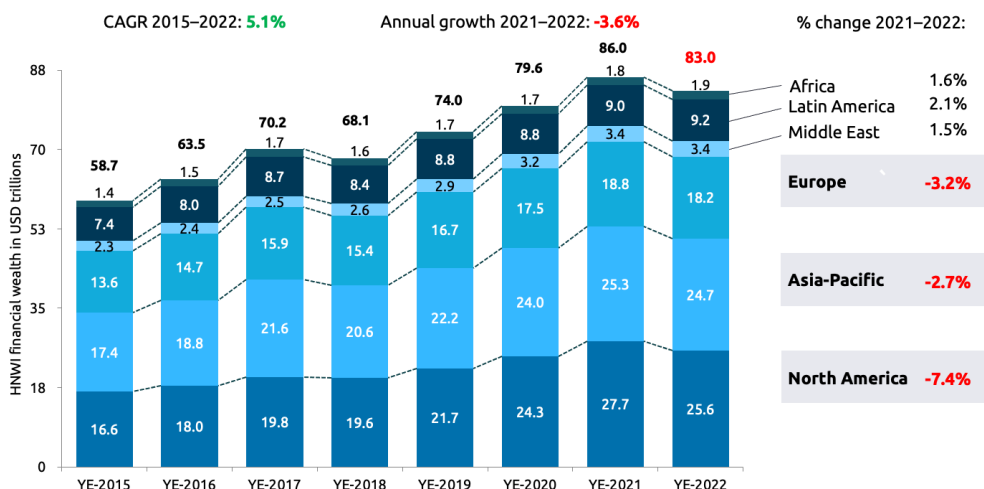
## Dynamics of the (U)HNWI segment

In 2022, the global economy endured a deeper-than-anticipated recession, cost-of-living crisis, rising interest rates, and intensifying geopolitical tensions. These developments caused economic growth to drop from 6% to 3.2% in 2022. Given the ongoing macroeconomic uncertainties in 2023, 2024 will see cautious global economic growth.

Capgemini Research Institute provided a deep review of dynamics of the HNWI segment in the World Report Series 2023 Unlock growth in Wealth Management. According to their findings, in 2022, HNWIs commenced the year from a position of strength boosted by the performance of 2021. However, as the research further points out, the global financial markets

encountered a downturn, with notable declines in stock market indexes across all regions. This downturn marked a significant turning point, as it represented the first instance since 2015 where also HNWI wealth experienced similar year-over-year contractions, quantified at 3.6% (Figure 1). Conspicuously, the financial landscape for HNWIs exhibited a substantial transformation across various regions.

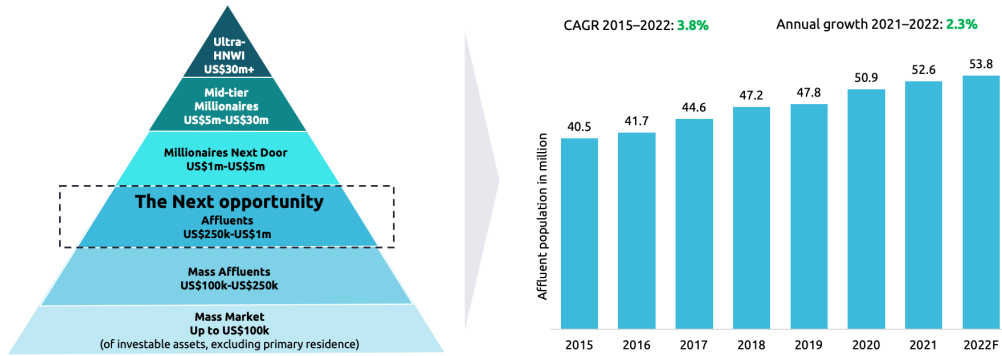
### HNWI financial growth declined in Europe, APAC, and North America



Source: Capgemini Research Institute for Financial Services, 2023.  
Note: Chart numbers and quoted percentages may not total 100% due to rounding.

Figure 1: HNWI Financial Growth in Europe, APAC and NA

### Affluents outnumbered HNWIs by 2.5x in 2022



Source: Source: Capgemini Research Institute of Financial Services, 2023; GlobalData Wealth Management data, 2023  
 Note: The data represents the population of individuals with investible assets between US\$300k and US\$1m. Affluents are defined as individuals with liquid assets between US\$250k and US\$1m. This data is considered a proxy for the Affluent population due to minimal differences in the value of investible assets.

World Wealth Report 2023 | Charts Deck

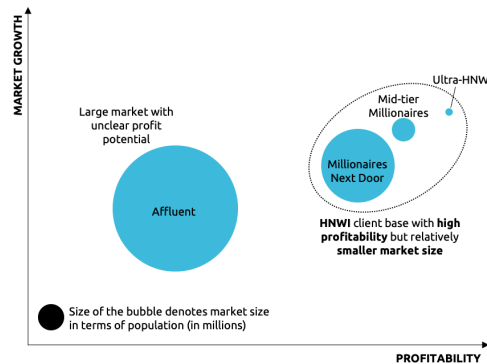
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Figure 2: Affluents evolution in 2022

Such dynamics underscore an intriguing observation: the number of affluents (individuals possessing significant wealth yet not meeting the HNWI classification) has surpassed the HNWI population, underscoring the diversified spectrum of wealth accumulation within the global population (Figure 2). Nevertheless, a central concern pertains

to profitability. Despite their significant population, affluent individuals have yet to manifest growth and profit potential equivalent to that observed among HNWIs, an aspect prominently underscored in Figure 3.

### Unproven Affluent segment profitability casts a shadow over long-term market potential



Note: The chart is not to scale and is for illustrative purposes only  
 Source: Capgemini Research Institute of Financial Services, 2023

Figure 3: Affluent Segment Profitability for a Long-Term Market Potential

## Decoding the enigmatic world of (U)HNWI

In the world of luxury, the pursuit of exclusivity and bespoke experiences is a driving force for (U)HNWIs. These discerning individuals are not merely seeking wealth; they crave personalized encounters that transcend the boundaries of conventional riches. They are drawn to one-of-a-kind events, limited editions, and custom creations, placing a premium on the uniqueness and distinctiveness of their experiences. Craftsmanship and unattainable luxury are at the core of (U)HNWI desires. They demand excellence that goes beyond traditional measures of quality.

The sense of freedom and the ability to exercise choice and control over their luxury experiences are highly valued by (U)HNWI. This group cherishes flexibility to shape their personal narratives and have the freedom to either showcase their affluence or retreat from the public eye as they see fit. This duality of seeking both visibility and privacy underscores the complexity of their preferences.

For (U)HNWI, wealth accumulation serves to build legacy and secure affluence for future generations. The (U)HNWI are eager to explore investment opportunities that extend beyond the ordinary, such as collectibles,

fine art, and real estate. They expect industry leaders to not only offer access but also provide insights, expertise, and exclusive opportunities.

Furthermore, (U)HNWI are showing a growing preference for prioritizing their personal well-being. They seek transformative experiences and products that promote holistic health, whether it's through opulent spa treatments, exclusive wellness retreats, longevity clinics, or personalized fitness programs. In addition to their personal well-being, (U)HNWI are deeply committed to philanthropic endeavors, aligning their resources with causes that resonate with their values.

In the midst of challenges within the broader luxury market, establishing and nurturing robust relationships with (U)HNWI clientele has become increasingly vital. In this endeavor, the realm of luxury undergoes transformations that mirror the evolving preferences and behaviors of these discerning consumers.



## Setting the scene – Recent digital trends in the luxury industry

Prominent tech trends will define the next decade's market. Extreme personalization and considerate use of technology stand out as refined marketing techniques for targeting ultra-rich consumers.



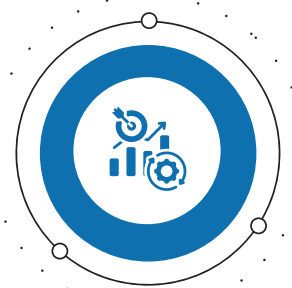
### CUSTOMIZATION AND ADDED VALUE

The luxury market is moving towards greater personalization and customization. HNWI's expect brands to understand their individual preferences and offer tailored experiences, from product recommendations to unique services.



### EFFORTLESSLY CONNECTED

HNWI are looking for seamless integration across their digital ecosystems. This includes the ability to purchase, communicate, and access services effortlessly, regardless of the channel or device they use.



### CONTINUOUSLY INCREASING IMPORTANCE OF OMNICHANNEL

Renewed interest in brick-and-mortar stores after the pandemic is enticing the luxury brands to continuously improve the connection of their digital and physical consumer journeys.

### (U)HNWI

They prefer exclusive items and services that they can add to their collections along with private viewings.

### HNWI

They prefer a personal touch in services, valuing bespoke and tailored solutions.

### AFFLUENTS

They prefer increased momentum in the online space and superior omnichannel experience.



In today's tech-driven era, the luxury industry undergoes a digital revolution as brands seamlessly blend artistry with cutting-edge advancements. Online stores and social networks for luxury brands have surged in popularity in recent years. The traffic in the luxury brands websites grew by approximately 31% in 2023. However, the recent crisis of several digital platforms suggests the need of direct connection to the customers and rising consumer interest in buying directly from brands online.

**31%**

*The traffic in the luxury brands websites grew by approximately 31% in 2023.*

Examples of how luxury brands direct themselves into new technologies to grasp the market dynamics and trends:

**I. Metaverse:** The Metaverse transforms experiences into products, blending real and virtual worlds through immersive technologies to create innovative digital spaces for brands.

GUCCI



Hosting its very own Metaverse experience in Sandbox, where it has built its own digital world, known as 'Gucci Vault Land.'

PRADA

Blends its fashion shows with a virtual reality platform with Metaverse in the Autumn Winter 2022 Men and Women's catwalk.

**II. Generative AI:** Generative AI is poised to significantly enhance operating profits in the fashion, luxury, and apparel sectors, with potential gains estimated to reach up to \$275 billion within the next three to five years.

LVMH

Announced an accelerator program to focus on- chatbot customer service, and a visual recognition-based predictive technology, to create customized clothing.



Has developed an AI solution that consumers can use to detect counterfeit products with their smartphones.

**III. AR & VR:** It provides a more immersive experiences and try-on products to create a catalogue of virtual products, replace physical events, reach more regional shoppers, and increase engagement.



Leverage the concept of AR showcasing several animated characters that visitors can interact with using QR codes.

CAROLINA HERRERA  
NEW YORK

Introduced AR to enable customers to closely examine its latest clothing line and project holographic models showcasing specific apparel selections.

**IV. Web3 (Blockchain & NFTs):** Brands can use this technology to digitize, monitor and trace the complete lifecycle of a luxury item. Blockchain allows to introduce limited edition NFTs to meet consumer demand for distinctive luxury items.

BALENCIAGA

Introducing phygital (physical and digital) collections, which means people can now dress up their avatars and gain access to the exclusive releases.



Burberry won the inaugural Metaverse World and Gaming Experience Award, including the release of NFTs on Blankos Block Party

# Sitting down with leaders of the industries serving (U)HNWI

## 4.1 How is luxury adapting to the digital age?

### Key Takeaways

- Luxury industry continues to invest into digitalization however the way they invest becomes more refined to address specific behaviors.*
- Improved visualization, personalization, and augmented reality are revolutionizing luxury shopping experience, reducing waste, and enhancing customer decision making.*
- A growing number of (U)HNWI is using the digital tools independently, however the content preference varies by age.*

*This transformation is industry wide, and digitalization is considered an integral part of the client journey across various luxury industries.*

Throughout our conversations with the experts, it became obvious that the luxury industry has undergone a significant transformation in response to the growing digitalization of consumer interactions, with several key trends shaping the digital luxury experience.

Le Bars mentions: 'There are three stages of digitalization observed. Initially, prior to COVID-19, luxury brands displayed a reluctance towards digitalization. However, during the pandemic, there was a complex and inevitable shift towards e-commerce, click-and-collect, and various omnichannel features. Remote appointments, previously unconventional, became a necessity, prompting companies to swiftly adapt their operating models. The third stage witnessed a major investment in digitalization post-COVID for all channels including retail stores, as the industry embraced new client behaviors and expectations.'

This transformation is industry wide, and digitalization is considered an integral part of the client journey across various luxury industries. 'This post-COVID transition was particularly seamless for branded luxury products. However, it is important to note that this digitalization trend extends to various luxury segments such as art' adds Boll. (U)HNWI are increasingly making appointments and engaging with luxury

brands through digital platforms, making the luxury shopping experience more convenient and accessible than ever before. While some clients still rely on traditional concierge services, there is a notable shift towards HNWI using digital tools independently.

Several key factors have contributed to the progress of digitalization in the luxury industry. One significant factor is the improved visualization offered by digital platforms. Boll mentions that customers can now enjoy detailed and relational views of luxury products, including artworks, which aids in making informed purchase decisions. Furthermore, Balyozyan adds that more informed decision making allows for bespoke, on-demand products, reducing excess inventory and minimizing waste. This convergence of customization and sustainability is reshaping luxury's digital landscape.

Personalization is another critical aspect of the digital luxury experience. Boll further explains that clients can visualize how a piece of art would look in their own space, for example, by superimposing it into a room with their existing furniture. This level of personalization enhances the customer's connection with the product.

## How transformative do you perceive Augmented Reality (AR)?

AR has played a pivotal role in providing a richer and more immersive luxury experience. Using this technology, customers can virtually try on clothing or visualize art pieces in their homes, allowing for a more engaging and interactive shopping experience. Also, AR creates an emotional and interactive process for clients, allowing them to explore every detail of high-value art pieces, adds Boll. Boll further mentions: "It (the experience) justifies the price by conveying the art's story, history, and craftsmanship. Digital experiences also eliminate space limitations, enabling brands to showcase their entire catalog, appealing to diverse client preferences."

Additionally, dynamic elements like qualitative Try-on, are making the acquisition more enticing, mentions Le Bars. Balyozyan also adds another example of Gucci's innovative venture, "Gucci Vault," poised to reshape the brand's metaverse and gaming strategies. Balyozyan explains that Gucci's immersive digital realm allows intimate interaction with luxury items and offers real-time consumer insights, influencing future product lines. Additionally, they explore digital-only products as both market experiments and data sources, reshaping the luxury brand-consumer relationship.

## What is the relation between customer's age and digital tool adaption?

The adoption of digital tools in the luxury industry varies across different age groups. Boll explains that individuals below the age of 60 have generally embraced digital platforms comfortably. However, for those aged 70 and above, there is a greater need for assistance in navigating digital tools. However,

brands need to adapt their communication channels based on the client's age. Younger consumers focus on product information and trends, often relying on brand websites. Older clients prioritize quality and reputation over traceability details.



## 4.2 Transforming (U)HNWI Clients Digital Engagement

### Key Takeaways

1. *Elite clients crave personalized service with dedicated advisors.*
2. *Digital presence is a must to connect with (U)HNWI.*
3. *Luxury brands need to provide not only an exclusive product but also an exclusive service.*

It's important to acknowledge that (U)HNWI individuals are digitally connected in various aspects of their lives. Therefore, luxury brands should consider adapting their engagement strategies to incorporate various digital touchpoints. Whether it's through exclusive digital platforms, personalized online experiences, or leveraging technology for communication, luxury brands need to ensure they are present in the digital spaces where their clients are active.

Further on personalization Boll mentions: "In today's luxury commerce landscape, close contact and personalization are greatly important. (U)HNWI clients have specific needs and desires, and they expect us to not only

meet but exceed their expectations. A blend of personalization and digital adaptation is the key to thriving in the luxury market."

Also, luxury companies are recognizing the need to extend customer care beyond providing exclusive product. 'Offering concierge services that transform the VIP experience into a holistic and exclusive service is key' explains Le Bars. Luxury brands need to evoke emotions through carefully orchestrated ceremonies characteristic by a door-to-door experience rather than in-store only. 'Exclusive service not only exclusive product makes the VIP experience true' concludes Le Bars.

### How are luxury brands redefining (U)HNWI digital experiences for success?

All experts agreed that several luxury brands have often excelled in delivering seamless and personalized digital experiences for their HNWI clients. The experts mention that brands have achieved this by striking a balance between in-person and online interactions, ensuring availability across digital platforms, while reserving in-person engagement for security and personalized support. Boll says that these brands prioritize educating their clients on how to navigate their online offerings with ease, providing a seamless transition between physical and digital touchpoints. Through these strategies, luxury brands effectively cater to the unique needs and preferences of their high-net-worth

clientele, enhancing their overall luxury shopping experience. Balyozyan further adds that some e-tailers introduce a personalized touch with algorithm-driven stylist recommendations, simplifying the task of coordinating outfits with online selections. Some companies have truly innovated the selling ceremonies. For example, Louis Vuitton, Pharrell Williams 'Speedy bag' NFT has enlarge the start of the consumer journey offering the product in a specific digital community, first as an NFT and then as a physical bag. This is a one way that companies are also enlarging their segments by new customers, comments Le Bars.

## 4.3 What are the challenges that luxury brands face while crafting digital experiences for (U)HNWI?

### Key Takeaways

1. *Readiness of the tool and data access remain the hurdles of digitalization across the value chain.*
2. *The digital realm exposes luxury brands to increased price comparison and product evaluation, challenging them to justify premium prices and maintain an aura of exclusivity in a transparent online marketplace.*
3. *Integrating sustainability into the luxury digital experience poses a challenge, as some high-net-worth clients may initially show limited interest.*

*Wholesale transactions is particularly dominant across various luxury segments, raising questions about the comparability of the available data.*

Le Bars speaks about digitalization across the entire value chain. In her view on digitalization, two key elements stand out: customer facing immersivity such as try-ons and saving all information of the purchase. She points out that implementing a digital passport faces hurdles due to the lack of tools seamlessly integrating with existing systems. Le Bars further mentions that the notable absence of extensive data, coupled with limitations in capturing data at its full capacity,

underscores the current challenges faced. The prevalence of wholesale transactions is particularly dominant across various luxury segments, raising questions about the comparability of the available data. Clienteling has debuted only 2-3 years ago, with some still navigating the application process. Despite these challenges, avenues such as warranty registration and aftersales services provide alternative means to gather valuable data.

Designing and implementing immersive digital experiences for (U)HNWI clients presents several challenges for luxury brands. In the view of Balyozyan luxury brands face two key challenges in crafting immersive digital experiences for (U)HNWIs:

01

Firstly, the digital aptitude of this clientele varies, contingent on factors such as age and location. In markets with older HNWI demographics like Japan and Western Europe, some

may lack familiarity with intricate digital tools. Striking a balance between innovation and providing support to less digitally fluent older clients can pose challenges.

02

Secondly, younger generations accustomed to rapid e-commerce deliveries expect swifter turnaround, while luxury often involves made-to-order or bespoke processes, resulting in longer wait times. Bridging this gap between fast e-commerce

expectations and luxury craftsmanship necessitates communicating the value of the wait and the uniqueness of luxury production. Story telling supports the transition and AI might soon provide further advancement of bridging these two worlds.

*That implementing a digital passport faces hurdles due to the lack of tools seamlessly integrating with existing systems.*

**Caroline Le Bars**

Vice President, frog part of Capgemini Invent  
Head of Brand & Content, Luxury Sector for frog France

Boll highlights another significant challenge which is the downside of visibility coming with the digital exposure. Luxury brands often market their products as exclusive and high-priced, yet in the online world, it becomes easier for potential clients to compare prices and offerings across different platforms. This might lead to questions about how to justify the premium prices associated with luxury items. The digital landscape offers a variety of information, including collective customer reviews and product comparisons. This transparency can make it more challenging for luxury brands to maintain the air of exclusivity and mystique, which are often key elements of their overall appeal.

Yet another challenge is how integrate sustainability into the digital experience. Some (U)HNWI clients may

not initially show a strong interest in sustainability efforts, which are however becoming more important in the luxury industry. Also, 'while sustainability initiatives, such as carbon-neutral auctions, are being embraced by some luxury brands, there may be limited interest among (U)HNWI clients due to the perception that sustainability is more of a middle-class topic' says Boll. For luxury brands, it is crucial to ensure that sustainability efforts align with their core values and product quality. Simply promoting sustainability may not be enough; the product's quality and performance must remain exceptional. Communicating the tangible advantages of sustainable practices, such as improved product quality, can help address this challenge.



## 4.4 How can luxury brands stand out in the digital age and elevate the affluent client experience?

### Key Takeaways

1. *Value-added services are becoming crucial in maintaining client loyalty among (U)HNWI as luxury companies adapt to their evolving digital preferences.*
2. *Luxury brands need to find a way to attract and serve the new type of client segments including serving new cultures.*
3. *Adapting to the diverse expectations of (U)HNWI requires a reevaluation of segmentation and engagement strategies.*

*In this changing landscape, we expect (U)HNWIs' expectations in 2024 to become more demanding and diverse, leading companies to reevaluate their segmentation and client engagement strategies.*

*Tailoring the right consumer journey early in the clients lifetime enables easier acquisition of (U)HNWI.*

All experts underline the importance of value-added services that are expected to grow significantly in the future and become a vital factor in maintaining client loyalty. Entering the luxury landscape of 2024, luxury firms are reevaluating their market strategies in response to the progressively refined digital preferences of (U)HNWI. In this changing landscape, we expect (U)HNWIs' expectations in 2024 to become more demanding and diverse, leading companies to reevaluate their segmentation and client engagement strategies.

Although the cost of acquisition is rising, the mass luxury brands don't struggle to acquire new clients from the existing client segments. 'Their challenge is to attract new type of clients, including novelty such as new cultures that are beyond the typical mentions of US and China' says Le Bars.

Boll further adds that in a fiercely competitive digital landscape, luxury brands can set themselves apart and attract affluent clients by emphasizing the uniqueness of their products. The inherent exclusivity and distinctiveness of each luxury item can be a compelling selling point. Furthermore, to retain

(U)HNWI clients, brands can inspire confidence on the vendor side, reassuring sellers that they will receive the best possible exposure and price for their luxury assets.

When crafting unique interactions, it is important to note that the end user might not be the receiver/user of the services provided. Ensuring a seamless journey for (U)HNWI includes creating tailored services for those making purchases on behalf of them as well. "Personal advisors and shoppers are a middle person, and the digital experience needs to curate also for B2B needs", adds Boll. This widens the consumer journey the luxury companies need to tailor for (U)HNWI even more. Furthermore, luxury companies need to distinguish who buys the gift and who receives it. Capturing the related data often leads to multiple customer profiles. While this is observed predominantly in the affluent segment as opposed to (U)HNWI, tailoring the right consumer journey early in the clients lifetime enables easier acquisition of (U)HNWI.

***Personal advisors and shoppers are a middle person, and the digital experience needs to curate also for B2B needs.***

**Dr. Dirk Boll**

Deputy Chairman 20th & 21st Century Art, Christie's

## 4.5 How will the luxury industry continue to evolve to meet the changing preferences of (U)HNWI?

### Key Takeaways

1. *The future of digital luxury presents a paradox with advanced tech opening new horizons while human craftsmanship gains value.*
2. *Companies will need to build on emotional journey rather than digital journey.*
3. *Luxury brands need to focus on transformation and adaptation rather than sole digitalization.*

*Digitalization and personalization are not necessarily in opposition*

A compelling paradox emerges when we consider the future of digital luxury experiences. The surge in cutting-edge technologies, from artificial intelligence (AI) to platforms like Chat GPT-3 and GPT-4 undeniably unlocks new horizons for digital luxury. Simultaneously, there's a growing reverence among luxury consumers for the unrivaled essence of craftsmanship, deeply entwined with human artistry.

Boll mentions that the future of digital luxury experiences is likely to see a shift from an oversupply of products to a more focused emphasis on the transactional aspect of the industry. Luxury brands will increasingly adapt to meet the changing preferences of (U)HNWI clients by streamlining their offerings and prioritizing the efficiency and convenience of transactions, while also addressing challenges related to storage and the management of extensive luxury assets.

In Balyozyan's view the very definition of luxury expands to embrace the tangible imprint of the human touch, casting a spotlight on aspects that machine-made products cannot replicate. While technology undoubtedly

elevates products and the related communication, it may falter when it comes to evoking deeper emotions. Thus, nurturing the human touch within luxury experiences takes on paramount significance in this age of advancing technology, states Balyozyan. Equally vital is the ability to convey the emotional connection, a defining factor capable of transforming casual users into devoted clients. Ultimately, this seamlessly aligns with luxury brands' primary objective: the alchemy of converting emotion into sales.

Fundamentally, digitalization and personalization are not necessarily in opposition. Le Bars mentions that digital will in fact help personalization. She continues that the future doesn't hold a question of balance but that of implementation and store transformation. The realm of digital is an enabler, emotion and exclusivity remain the essence. 'Companies will need to build on emotional journey rather than digital journey' says Le Bars.



*Nurturing the human touch within luxury experiences takes on paramount significance in this age of advancing technology.*

**Raffi Balyozyan**  
Investment Advisor, Luxury Goods, Genthod Global Advisory





## Is transformation more important than digitalization?

Despite of the hype of digitalization, the square meter of stores is increasing. Le Bars points out 'there is new wave where luxury brands need to focus on transformation and adaptation rather than sole digitalization. This entails improving omnichannel experiences, reshaping the mindset of advisors and sales reps, and creating a renewed image of luxury.' As the growth of digital sales stabilizes, the industry

is navigating a nuanced landscape that balances the best of both digital and physical realms. 'Rather than diminishing foot traffic, the digital realm strengthens the allure of physical stores, marking the inception of a seamless journey from immersive digital encounters to in-person experiences', concludes Le Bars.



*The digital realm strengthens the allure of physical stores, marking the inception of a seamless journey from immersive digital encounters to in-person experiences.*

**Caroline Le Bars**

Vice President, frog part of Capgemini Invent  
Head of Brand & Content, Luxury Sector for frog France



## Closing words of the leading author

In the headwinds of the global economy, it becomes increasingly apparent that (U)HNWI, with their respective purchase power, are pivotal customer segment in the luxury industry. (U)HNWI are becoming increasingly digitally savvy, posing multifaceted opportunities and challenges for luxury brands aiming to cultivate emotional connections with these customers. Also, (U)HNWI's growing expectations for privacy, quality, and hyperpersonalization further underscore the industry's need to adapt.

The technological advancement in the luxury industry is undeniable. Yet, building an emotional connection, that is so often mentioned in this industry, seemingly remains in the hands of the physical world and human interaction. Digital tools appear to be tools for convenience rather than that of emotional connection. After a wave of strong digital development, the

importance of brick-and-mortar stores and concierge services is experiencing a comeback. This together with the digital advancement is widening the omnichannel landscape that further complicates strategies aimed at serving this small and already fragmented customer base of (U)HNWI. Storytelling, and innovative product strategies and product launches continue to serve as the bridge between the digital and physical worlds. Nevertheless, challenges persist. Constraints presented by data limitations and a crumblesome implementation of digital tools pose a question of whether transformation rather than sole digitalization should take precedence in serving the customer segment of (U)HNWI.

### To stand out, luxury brands need to:

1. Make technology a natural part of the offer for (U)HNWI in their journey.
2. Leverage digitalization as a driver of a traffic to the brick and mortar.
3. Adjust the operating model and tools to tackle challenges like varying digital aptitudes, and operational complexities when serving a fragmented customer base.
4. Continue exploring the forms of innovative commerce relevant to the brand.
5. Bridge the gap between physical and immersive experiences by emphasizing the importance of emotions in customer engagement, utilizing storytelling as a driving tool.



# About the specialists



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## About Capgemini

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