

# THE FUTURE OF LUXURY: EPICENTERS & SCALABILITY

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**BEYOND BORDERS: THE NEW LENS OF LUXURY EPICENTERS**  
For years, luxury companies have linked markets by geographic location to manage global complexity. A look at the regions of luxury powerhouse China renamed by the world's countries that share a similar GDP shows varied wealth from the Gulf oil states to those of the developing world. Luxury brands will need to distort traditional boundaries to succeed in the future luxury marketplace.



## EVOLUTION: 2025 and Beyond

**TOURISM**



**2/3** of Chinese luxury consumption occurs outside of China.

**TECHNOLOGY**



Online sales **+20%**. In 5 years this will **double**.

**TRANSMIGRATION**



**600** cities **2/3** economic growth globally.

## DMS: Dynamic Market Scorecard Deconstruct Traditional Boundaries

The DMS is a set of metrics that will help businesses understand cities on a deeper level in order to:

1. Provide a strategic framework for global patterning process
2. Serve as a predictive model for future Big Bet Cities

**MARKET DYNAMICS**  
as defined by MetroLuxe Index, BCG



Local Demand: High Net Worth Individual  
Tourist Demand: Impact on Spend in a City  
Supply Side Drivers: Infrastructure and Distribution

**INDIVIDUAL DYNAMICS**



Mobile Connections: Level of mobile commerce optimization  
Mobile & E-Commerce Spend: Average order value per e-commerce transaction

**CITY DYNAMICS**



Market Maturity of Individual City:  
Emerge - Takeoff - Accelerate - Thrive - Mature

## REVOLUTION: The 3 R's of New Management

**RESTRUCTURE**  
ACTION: Pattern cities driving efficiency by sharing relevant expertise with big bet cities. Product assortments, retail formats and service models are customized by city patterning.



**RE-LOCATE**  
ACTION: Reorganize talent distributing into city markets. Human capital valuation - Former Country GMs become City GMs.



**RE-ALLOCATE RESOURCES**  
ACTION: Create City P&Ls and City Budgeting for new City Managers to leverage and optimize resources with similar Big Bet Cities.

