JCDecaux URBAN SHIFT

7 October 2020

In this issue we shine a light on luxury brands who are embracing this unique moment in time to find new ways to connect with JCDecaux's valuable audiences. Luxury is no longer simply defined by a price tag or recognisable label. It is not, in fact, confined to products: with real-world interaction around luxury items more important than ever.

So join us while we delve into the shifting meaning of luxury and consider how brands can work with us to retain their relevance. We want to inspire you and share ideas that will highlight how JCDecaux's flexible solutions and data intelligence, when coupled with stunning imagery, can play a crucial role in getting luxury brands firmly back in the hearts and minds of audiences, and back into the urban spaces we all love.

THE FUTURE LABORATORY TALKS LUXURY BRANDS

With COVID-19 having major ramifications for the luxury and hospitality sectors, brands and businesses are reassessing their priorities'. The pandemic has proven the fragility of a sector that's reliant on physical spaces and the individuals who seek them out. 80% of luxury CEOs say the COVID-19 crisis has caused a decline of up to 40% on their top line (source: McKinsey & Co).

"WHILE WE HAVE OBSERVED STRONG SIGNS OF AN UPTURN IN ACTIVITY SINCE JUNE, WE REMAIN VERY VIGILANT FOR THE REST OF THE YEAR."

Bernard Arnault, chairman and CEO, LVMH

History tells us that the financial crash of the noughties brought new opportunities, from a boom in markdown sites helping brands to sell-through stock, to a rise in tourism and interest in Western luxury brands from affluent Asian consumers. Growth was largely steady through the 2010s, with 2019 heralding the era of the Untethered Luxurian – an itinerant, curious-yet-discerning global citizen with the wealth to lead a life that prioritised freedom and self-fulfilment over a settled existence.

We reached 2020 expectant of what this new decade would bring, but the onset of COVID-19 quickly put the brakes on many brands' and luxury groups' ambitions. The sector was upended and felt the immediate impact of a world – and customer base – brought to a standstill.

Now, as we begin to look towards the second year of what The Future Laboratory terms the "Transformative Twenties", the luxury sector must consider the near, and long-term impacts of the pandemic and consider the threats and the opportunities for innovation that lie ahead.

"THE CORONAVIRUS CRISIS WILL FORCE THE INDUSTRY TO THINK MORE CREATIVELY AND INNOVATE EVEN FASTER TO MEET A HOST OF NEW CONSUMER DEMANDS AND CHANNEL CONSTRAINTS. THERE WILL BE A RECOVERY FOR THE LUXURY MARKET, BUT THE INDUSTRY WILL BE PROFOUNDLY TRANSFORMED."

Claudia D'Arpizio, Partner and Luxury Specialist at Bain & Company

The Future Laboratory revealed three opportunities for luxury to embrace change and become omnipresent in the lives of luxurians, at a time when many remain cautious about resuming their pre-pandemic lifestyles and consumption behaviours.

01

REFRAME EXCLUSIVITY

IN THE ERA OF DIGITAL ACCESSIBILITY, BRANDS MUST RETHINK WHAT MAKES SOMETHING EXCEPTIONAL

Embrace the ability of emerging ecommerce channels to offer time-restricted access to aspirational products and services. With exclusivity not necessarily driven by cost but by other forms of access, a more democratised version of luxury will harness a more progressive and inclusive future.

For example, the Prada Timecapsule is an exclusive product drop of 50 items on prada.com, occurring on the first Thursday of each month – for 24 hours only.

02

EXPAND THE EXPERIENCE

AS DIGITAL AUGMENTS THE WORLD OF LUXURY, ONE-PLATFORM BRANDS WON'T BE ENOUGH

Broaden the horizons of luxury brands to include and enhance what happens before and after traditional customer engagement. Identify the customer journey points that could provide an opening for a more holistic experience, that will get consumers excited long before, or stay in their memories long after, the main event.

Merge physical and digital. Consumers who venture out to physical retail locations want more than access to products. They also want a good time – shopping is entertainment and it begins with enhancing their journey to store.

03

LUXURY AS SERVICE

WITH RELIANCE ON TACTILE MOMENTS, GET AHEAD BY DEVELOPING A NEW 'SERVICE STRATEGY'

Maintaining an aura of super-exclusivity in the era of luxury omnipresence, brands are beginning to offer Luxury as a Service through new forms of membership. This is at a time when 77% of luxury consumers would buy a product or service simply for the experience of being part of the community built around it (source: Global Web Index).

HYPR, aimed at affluent Millennials interested in streetwear, music and art, evokes Luxury as a Service by allowing members to summon high-end cars such as Lamborghinis and Mercedes-Benz G-class vehicles to tour London.

WE A-DIOR PROXIMITY TO STORE

When the launch of a new retail store takes its cues from a Parisian flagship, you know that something beautiful is on its way.

Such is the case for Dior, **having recently opened their George Street store in Sydney's CBD**.

With Street Furniture panels in proximity to the store announcing its opening, the stunning creative can capitalise on the increasing traffic in the CBD to drive people into action, and into the store.

A LITTLE LUXURY FOR OUR HOMES

Throughout the pandemic, **luxury consumers have tipped some of their spending and investments** towards 'safe-haven' goods and experiences in the home, and we are seeing a renewed interest in quality items and home improvement.

In a timely campaign, Dyson has broadcast live across JCDecaux Ciytlights throughout Australia's capital cities promoting their new Cordless v11 outsized vacuum. Bigger than its predecessors and encompassing all the Dyson prestige we know and love, this vacuum is big enough to get around the home in one charge, making cleaning easier and more efficient, giving back the most important luxury – time.

THE PILATES CLASS TAKES CENTRE STAGE

With affluents' physical health and safety threatened, time spent in isolation has forced a reset of our priorities around maintaining health and wellbeing. Business models have shifted with many luxurians signing up to online communities and classes, swapping sweaty gyms for high quality digital experiences.

The Pilates Class by Jacqui Kingswell has partnered with JCDecaux to promote their new online offering in a big way, with **a truly impactful bus wrap campaign** roaming the Eastern suburbs' streets of Sydney. They've got us all inspired to sign up, to get fit and healthy for summer.

RUDE NOT TO STARE AT AUDI

This year Luxury Auto has boasted a rise in sales, with lowered interest rates, top-end buyers have shifted a gear, with more purchase power than ever before. This makes it even more important for brands in the category to achieve high cut-through.

Of course, nothing says luxury quite like the Audi Q range, with the brand driving desire and consideration across JCDecaux's quintessential assets – appearing on the Digital Spectaculars, Street Furniture, Lux Pack as well as Large Format assets on major arterials.

JCDecaux's high quality network takes Audi to all the right urban places, enabling Audi to connect efficiently with a savvy, luxury-loving consumer segment across Australia's five capital cities.

FEVER-TREE MIX

WITH THE BEST

Tis the season for the drinks category to start heating up and luxury mixer brand Fever-Tree have made sure they **reach audiences who prefer the finer things in life**, with their JCDecaux Street Furniture and Transit Portrait Sides campaign.

Using Out-of-Home was a first for this British brand, but they have made a splash into the local market by using JCDecaux's intelligent CODEX data to target specific messages to gin and dark spirit drinkers, in proximity to Coles and Woolworths stores. If Fever-Tree want you to be mixing with the best, there is no doubt they are, when they mix it with the savvy set.

DOMESTIC TOURISM IS SPICING UP

Bring on Summer 2020/21 as Australians are finding their luxury fix locally. Why not?, when we have some of the most pristine beaches, luscious hinterlands and dramatic outback in the world, offering breathtaking experiences to the avid 5-star traveller seeking something a little bit special. **80% of Australia's total tourism revenue is spent by Australians, in Australia, between day trips and overnight stays**.

Spicers Retreats is enticing the east coast with a JCDecaux Street Furniture campaign designed to inspire urban audiences to plan their next luxury escape. With intrastate travel restrictions starting to ease, Spicers are seeing increased audiences and bookings as Australians fuel their wanderlust and reignite our love of domestic travel.

Image © Pokémon

POKÉMON GO X LONGCHAMP

Last week, a partnership between French luxury goods company Longchamp, game developers Niantic and The Pokémon Company went live to bring a week-long event to Pokémon GO, and a limited-edition bag to stores. This collaboration launched in time for Paris Fashion Week, and is the first of its kind for Pokémon GO; with the same designer backpack (complete with iconic character Pikachu) available both in-game and in-store.

Luxury fashion and gaming collabs are becoming increasingly popular with brands such as Moschino, YSL, Marc Jacobs and Luis Vuitton tapping into the massive popularity of games like League of Legends, The Sims, Animal Crossing and Final Fantasy.

Illion data is showing that recent **spending on games**, **apps and music is sitting at 150% of the pre-COVID averages**. This is beautifully illustrated by Pokémon GO, where global lockdowns threatened playability for the augmented reality, location-based mobile game; developer Niantic acted quickly by adding play-from-home functionality so players could continue to enjoy the game. As lockdowns ease in parts of the world, players are once again out in the real world and driving continued interest in collaborations from categories like luxury fashion.

THE JCDECAUX MOBILITY IMPACT MONITOR

With our global partners Adsquare, we have developed an Audience Mobility tracker to help **understand the movements of 3.6 million smartphone users around Australia**. By geofencing all of JCDecaux's locations, we receive weekly 'audience mobility updates' to understand exactly what's going on across our network.

NATIONAL JCDECAUX ENVIRONMENTS (EXCLUDING MELBOURNE)

Audience volume as at w/c 21st September, compared to pre-lockdown levels (Feb-Mar 2020)

75%

ROADSIDE DIGITAL LARGE FORMAT

SPOTLIGHT ON BRISBANE LARGE FORMAT

Audience volume as at w/c 21st September, compared to pre-lockdown levels (Feb-Mar 2020)

42%

SYDNEY CBD (POSTCODE 2000)

Audience at -25% pre-COVID levels

0% month-on-month change when compared to Aug 2020

75%

SUBURBAN STREET FURNITURE

Audience at -25% pre-COVID levels

73%

SYDNEY SUBURBS

+2% month-on-month change when compared to Aug 2020

50%

RAIL ENVIRONMENTS

Audience at -50% pre-COVID levels

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Data and information sources: Adsquare, in-house data from our Pigeon Project and other JCDecaux Audience Intelligence platforms, industry research reports and articles from respected people within the Media and Marketing industries.