

# LUXURY SNAPSHOT

## Q2 & Q3 2024

The Top Narratives & Why They Matter

### APR

#### GIORGIO ARMANI UNDER INVESTIGATION FOR LABOUR EXPLOITATION



Business of Fashion

The court in Milan put Giorgio Armani Operations in a one-year receivership amid a Chinese labour exploitation probe. LVMH's Christian Dior was also investigated for unfair commercial practices by labour suppliers.

As the news reports on these stories, perceptions that high prices reflect ethical products are being challenged.

**Despite long-term efforts to stop forced labour across supply chains, luxury companies fail to protect workers. The lack of transparency builds an unsavoury reputation for the industry.**

### MAY

#### SWISS WATCHES SEE BIGGEST MONTHLY DECLINE IN 4 YEARS, WITH CHINA-LED PULLBACK



Bloomberg

After the pandemic-era boom, sales for top Swiss watch brands Rolex, Patek Philippe and Audemars Piguet declined, extending a two-year drop.

The negative trend resulted with Swatch Group shares plunging to their lowest point, and Richemont shares dipping by 1%.

**While the China-led pullback was expected, its breadth was not. The broader sector has been affected along with other factors, demonstrating a shift in the atmosphere for the luxury industry.**

### JUN

#### THE END OF AN ERA: VIRGINIE VIARD LEAVES CHANEL AFTER 3 DECADES



Vogue Business

Viard's departure after a five-year tenure as the artistic director of Chanel and 30 years under the House shocked the industry.

It raised questions about the brand's future direction and its ability to continue appealing to Asian consumers as it refreshes collections and retains its brand heritage.

**As luxury fashion undergoes a reshuffling of creative directors, maintaining trust and relevance is vital.**

**Houses need to navigate scrutiny and leadership transitions delicately.**

### JUL

#### LUXURY FASHION NAVIGATES ECONOMIC & GEOPOLITICAL CHALLENGES



Forbes

The market environment for luxury fashion remained tough with declining revenues and profitability, particularly in the Asia-Pacific. Luxury giants LVMH, Kering and Richemont were not spared.

Despite economic volatility, geopolitical uncertainties and normalisation after the pandemic-driven surge, Hermes, Miu Miu and Prada demonstrated resilience and growth.

**As notable houses double down on long-term investments to maintain desirability, exclusivity and quality, their response to these challenges will shape future strategies, especially geographic-based ones.**

### AUG

#### OMEGA REVOLUTIONISES TIMEKEEPING AT THE PARIS 2024 OLYMPICS



PORTFOLIO

Omega's involvement in the Paris 2024 Olympics reinforced its pursuit of innovation, placing it at the forefront of timekeeping.

Throughout the Games, it pushed the boundaries of accuracy with varied technologies. It raised the standards of precision and performance with the next generation of photofinish technology, AI-based skeleton tracking and 4K UHD (ultra-high-definition) graphics.

**Omega's 92-year partnership with the Olympics illustrates its vision for strategic alignment and unmatched leadership in modern timekeeping. Its technological advancements signals luxury brands to evolve beyond product-focused strategies.**

### SEP

#### ABIDING BY NEW RULES OF LUXURY FOR CULTURAL CAPITAL GROWTH



Jing Daily

The media reported that consumers are moving towards experiential spending and expect brands to clearly define their emotional goals. Those who neglect this aspect, risk falling behind.

China's luxury brands led transformative experiences with cultural heritage and client-centric storytelling as the common thread.

**Emotional connection and cultural capital are intertwined. Brands that pivot from the 4P model to the 4E framework (emotion, experience, engagement, exclusivity) will position themselves for growth and market differentiation.**

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