

POWER OF PRINT

# Print has a Proven Pedigree with Luxury Brands

For the lucrative luxury market, the idea that print is out of fashion has never felt more outdated. Jo Stedman, Creative Director for an agency specializing in luxury brands, said, *“There is so much more authenticity with print design. With websites, no matter how fabulous the photography or slick the transitions, there’s always a glass screen between you and it. So, it gives everything an element of sameness. You can’t feel it, you can’t smell it, there’s just no tactility at all. Something which I believe is necessary for luxury brands.”*<sup>1</sup>

**\$400B**

By 2025, Bain predicts luxury brands could reach over \$400 billion in sales.

“There is so much more authenticity with print design.”

**70%**

By 2025, Gen Y and Gen Z buyers will represent 70% of the total market.

Ryan Battles, Brand Director at the luxury brands focused Dialogue Agency had this to say about the allure of print-in-paper via magazines, “The printed magazine reflects similar brand values found within luxury companies – a high benchmark of quality, craft, care and professionalism.

The magazine becomes a visible representation of the brand wherever it’s distributed. And a collectible premium product that cuts through the digital.”<sup>2</sup>

#### AD SPENDING LED BY LUXURY BRANDS

Despite unprecedented disruptions in recent years – from a worldwide pandemic and economic recessions to various supply-chain issues – the global ad economy is positioned for sustainable growth. But its composition will look very different.<sup>3</sup> Traditional sector leaders are flattening or decelerating ad growth. This includes the telecommunications, automotive and consumer packaging goods (CPG) markets. Yet others are increasing ad spend and, despite the current economic landscape, leading the way are luxury brands.<sup>4</sup>

Research conducted in late 2021 by GroupM revealed ad spend in the Luxury sector rose 30% in 2021. It’s expected to rise 12% this year and another 8% in 2023. The next largest increase was in Technology where ad spend grew nearly 15% in 2021 and is expected to rise 11% in 2022 and 9% in 2023. This, compared to traditional stalwarts such as the CPG market, where ad spend only rose 3% in 2021, with a marginal bump of just 5% in 2022.<sup>5</sup>

#### LUXURY PURCHASES CONTINUE UPWARDS

According to Bain and Company’s Fall 2021 Luxury Study,<sup>6</sup> global personal luxury goods sales were estimated to reach \$324 billion by December 2021. This represents an increase of more than 29% over 2020 due to people having more disposable income from buying far less items during the pandemic. The findings were a surprise as experts had predicted full recovery of consumer markets would not happen until well into 2022.

Projecting forward, Bain predicts luxury goods will sustain this upward trajectory through 2025, advancing between 5% to 9% CAGR to reach \$412-\$435 billion.<sup>7</sup> The study also revealed Millennials (Gen Y - born 1981-1996) and Gen Z (born 1997-2012) consumers now accounted for nearly two-thirds of personal luxury goods sales in 2021, up from 44% in 2019. By 2025, these younger affluent buyers will represent 70% of the total market, while influence and spending will lessen for Gen X (born 1965-1980) and Baby Boomers (born 1955-1964).<sup>8</sup>

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#### EMOTIONAL CONNECTION IS PARAMOUNT

There are very distinct characteristics for these younger luxury buyers: 1) they're overwhelmed online, 2) hostile towards advertising, 3) want genuine connections, and 4) desire a unique luxury experience.<sup>9</sup> Despite luxury companies making greater commitments to social media, their investments are producing dismal results. Only 30% using Instagram and 16% using Facebook report that these platforms are effective.<sup>10</sup>

In fact, more than half of Millennials view technology overload as stressful, yet 60% truly enjoy receiving direct mail. It's a consumer profile that presents a ripe opportunity for luxury brands to create hyper-personalized print marketing. With the highest ROI of any media at 112%, you can't go wrong including direct advertising in any mix,<sup>11</sup> targeting younger generations.



Print on paper, especially catalogs and direct mail, are a better way to showcase high-end imagery. It's easier and far more engaging to appreciate a fashion spread in print than the screen of a computer. For luxury brands that invest in the best artists, photographers and stylists, the controlled medium of print is preferred to digital devices. On such screens, factors like brightness, hues and blue light can diminish the quality of a product's image.<sup>12</sup>

As Global Branding and Media Director for Moët Hennessy, Véronique Louise proclaimed, “Print is a natural place for luxury brands. In a world of fake news and superficial images, where time is lacking, print publications stand for substance and meaning.”<sup>13</sup> No matter how advanced smartphones or computers become, they will never be as emotionally engaging as experiencing a stunning printed photograph in a magazine, direct mailer, brochure or catalog.

— Source 1: Jo Stedman, Creative Director of SO Creative, specializing in luxury brands, 2021  
— Source 2: [5 Luxury Ad Trends for 2021](#), THAT Agency, November 2020  
— Source 3, 4: [GroupM Finds “New Economy Replacing Advertising’s Pre-Pandemic One, Sees Big Shifts](#), MediaPost, November 2021  
— Source 5: [GroupM Portrait of Change: The New Economy Report](#), November 2021  
— Source 6, 7, 8: [Personal Luxury Goods Market Has Recovered Ahead of Schedule, But Its Future Is Uncertain](#), Forbes, November 2021  
— Source 9: [Using Print to Connect Luxury Brands and Consumers](#), MediaPost, August 19, 2021  
— Source 10, 11: 2021 Luxury Industry Insiders study  
— Source 12: [Why Luxury Brands Turn to Print Marketing](#), November 2020  
— Source 13: Véronique Louise, Global Branding Director, Moët Hennessy, December 2020



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