

To Have and Have Not

Reflections on Branded Conflict and the Luxury Category in a Year of Living Dangerously

A presentation to The Medinge Group

Medinge Säteri, August, 2007

DiGanZi



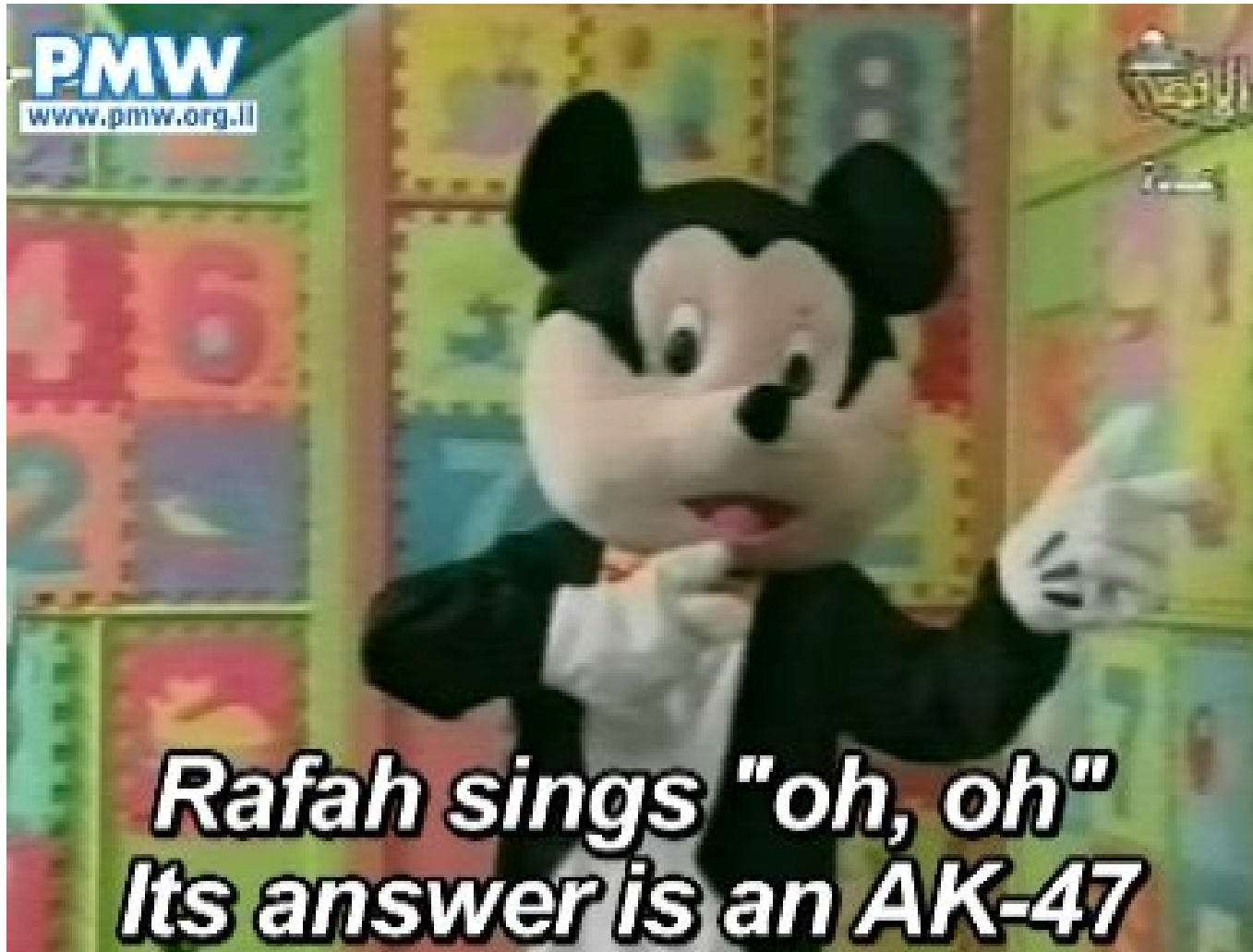
Hezbollah adopted the tools of branding to declare a “Divine Victory”.



A consistent visual brand signature was applied on yellow police line tape.



Hamas TV engaged in brand-hijacking with “Farfour”, who preached Islamic domination and armed struggle to youngsters.



In a final skit, Farfour was beaten to death by an actor posing as an Israeli official attempting to buy Farfour's land.



Often images from reality overtake branded conflict. Sheriff Jim Clark attacked desegregation demonstrators in 1963. This historic photograph marked a turning point in public perception of the civil rights struggle in the USA.



With the advent of digital photography, images from reality can readily be transformed into the art of protest.



Posters hijacking the iPod brand campaign appeared in the London Underground.



Satiric postage stamps created from news photos, protesting the Iraq war.



When the USA offered a \$25 million reward for Saddam's capture, Photoshop versions of how he might appear were circulated.



Images showing the reality of his appearance when apprehended were used to reinforce the idea of his subjugation.



Politicians create their own personal brands, frequently at odds with reality.



Kim Jong Il surrounds himself with soldiers, none taller than 5'3".



King Abdullah appears with 5 sheiks, identically attired.



It is the artists who ponder the deeper questions of contemporary values. Witness this £55 million diamond-encrusted skull by Damien Hirst.



For the same money one can purchase a 65-meter \$110 million luxury submarine.

INDUSTRY ATTITUDES

Brand-arrogant industry groups don't understand their best customers

“We need to get more money from our best clients.”

European brands now recognize they must court the American market

Luxury was initially disdainful of the web

Luxury didn't understand coordinated marketing or how the consumer was changing

Luxury buyers demand “high touch”, personal, intimate experience

Source: Greg Furman, founder The Luxury Marketing Council



Rolls Royce creates unique customer events in private venues, making use of top-level corporate executives.



In order to enrich the bottom line in a competitive marketplace, the Italian jewelry house Bulgari created inventive brand extensions- a fragrance, hotel amenities, a resort in Milan, an automobile, a commissioned novel.

READING THE NUMBERS

Luxury continues to grow as a category 20-32% annually

Number of millionaires in USA doubled to more than 8 million in past 2 years

Over 2 million US households now in the \$10-100 million group

\$100 million- \$1 billion+ net worth individuals now number in the thousands

\$12 trillion global transfer of wealth in the next 10 years

The luxury market more robust than any other time in history

Source: Greg Furman, founder The Luxury Marketing Council

MADE-TO-MEASURE



Couture brands now offer made-to-measure services in retail locations.

TRACKING THE TRENDS

Luxury is untouched by 9/11

Growth will continue through 2008 and won't be affected by the election

Defined by multi-liquidity events

Bombardier has a 2-year waiting list for its \$25 million private jet

Doesn't matter what you charge

Source: Greg Furman, founder The Luxury Marketing Council



\$2144/gallon desalinated water



\$1.2 million Eclipse 500 5-seater family jet

**Wealth
to be enjoyed,
not displayed.**



But luxury is insignificant to a constituency sensitized to branded conflict.