

SOFTWARE AND TECHNOLOGY

51pc of luxury industry has experimented with NFTs: Bain

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No single technology has been adopted by the majority of the luxury sector, although RFID, 3D printing and 3D imaging have a sizable adoption rate of more than 30 percent. Image credit: Ales Nesetril/Unsplash

By KATIE TAMOLA

Technology and luxury are becoming increasingly inseparable, according to a new study from Bain & Company.

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With a plethora of innovative options at hand, luxury brands are continuously implementing and experimenting with new technologies that assist them in reaching their goals. Just a few technologies that luxury brands have effectively employed include 3D printing, biotechnologies, augmented reality, virtual reality, the metaverse, NFTs and more and for many brands, this is just the beginning.

"The adoption of new technologies in the luxury industry is still in its infancy. They can play a central role in the profound transformation of the sector: at the service of customers, operational excellence and sustainable development," said Mathilde Haemmerl, partner in charge of the luxury goods practice at Bain & Company, Paris, in a statement.

"The fields of application to be explored are still numerous and promising," she said. "The pooling of forces across the sector will be a powerful accelerator."

The study is based on data from 75 member companies of the Comit Colbert, interviews with executives and technological partners, in conjunction with additional research and analysis from Bain & Company.

Shaping the future

There are several benefits to embracing new technologies, including enhanced consumer engagement, improved operational performance, a reduced carbon footprint and more.

With such an innovative world, there are an immense number of technologies to embrace.



There are several benefits to embracing new technologies, including enhanced consumer engagement. Image credit: This is Engineering RAEng

The study found that on average, the member companies of the Comit Colbert utilized 2.3 new technologies among 16 options including biotechnologies, molecular recycling, 3D printing, artificial intelligence and machine learning for process optimization, artificial intelligence and machine learning for customer engagement, augmented reality and virtual reality, automated optical inspection, scanning, 3D imaging, holography, neural analysis, haptic gloves and screens, radio frequency identification, blockchain, metaverse and NFT.

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For those who have not adopted a wide range of technologies, luxury brands are seemingly still looking for the forms that will be most effective in helping them reach their bottom lines.

Other obstacles to embracing said forms include apprehension about compromising the "DNA" of the luxury sector, lack of technological experience, among others.

For brands that do embrace technologies, conglomerates ostensibly have the upper hand, as luxury houses that are part of a group have already adopted twice as many technologies on average compared to independent rivals.

Luxury houses are currently testing or looking to implement an average of 3.2 additional technologies in the next three years.

Embracing disparate forms of technology is believed to help luxury brands foster positive customer relationships, operational success and sustainability.

Technology can have a positive effect regarding sustainability in helping to anticipate the environmental footprint and aiding in overproduction, overstocking, overconsumption and waste.

A world of NFTs

NFTs and the metaverse are the technologies generating the most buzz. A whopping 51 percent of the luxury industry is already in the testing phase or planning launches for NFTs before 2025.

Scottish whiskey distiller Johnnie Walker is serving up digital drinks, tapping a world-famous grain whisky distillery for its latest release.

Launching with 75 limited edition Johnnie Walker Blue Label Ghost and Rare physical units, the exclusives will be made available in tandem with digital assets, as part of an NFT package, hosted on partner BlockBar.com's site. The release marks the first from Emma Walker, Jonnie Walker's first female master blender in its 200-year history ([see story](#)).



SEPHORiA: Virtual House of Beauty will take place on Sept. 18. Image credit: Sephora

LVMH-owned beauty retailer Sephora is generating mammoth excitement for its biggest virtual event of the year.

SEPHORiA: Virtual House of Beauty will take place on Sept. 18, offering far-reaching programing that will give a glimpse into exclusive products, the retailer's approach to inclusivity and more. The retailer also announced it will be releasing its first NFT to attendees ([see story](#)).

NFTs, like any technology, must be thoughtfully implemented in order to be successful.

France's Balmain was among the first luxury label to embrace the entity, and as discussed during Vogue Business and eBay's Technology Forum "Fashion's Web3 Future" on May 26, the brand has found immense success with NFTs because of its methodical approach. Txampi Diz, chief marketing officer of Balmain, explained that NFTs must reflect brand ethos and initiatives and offer connecting digital and physical experiences in order to truly make a mark ([see story](#)).