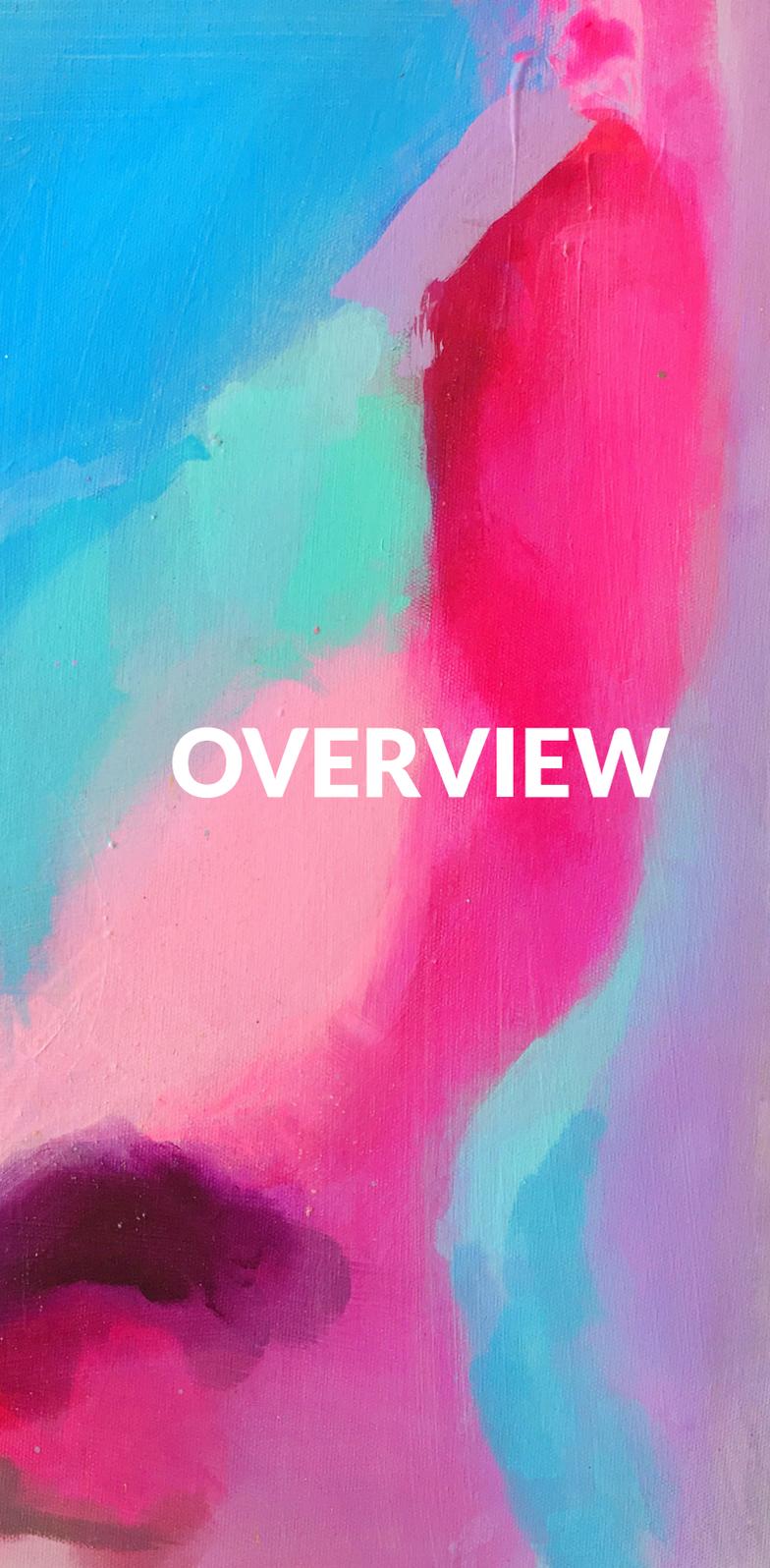


Soul Luxury's Insight Report

SPOTLIGHT ON THE
'SPIRITUALISED
CONSUMER'

Claudia Roth & Sue Liburd MBE

SOUL LUXURY
with *Claudia Roth*



OVERVIEW

Radical, Exponential Change in Consumer Behaviour

Consumer behaviour is changing at an exponential rate. Radical paradigm shifts are creating new trends as new global super-cultures emerge, driven by a rapid growth in internet-fuelled interconnectedness. Corporations that fail to keep pace with these changes risk being left behind or forgotten. Any organisation that fails to understand these shifts and create a new playbook risks missing the next wave of consumer-led growth, leaving them struggling to retain or grow market share.

A Luxury Market Turned Upside Down

The Deloitte global luxury report (2018) highlights that the luxury consumer market has slowed, with luxury goods sales growth and profitability underperforming compared to previous highs in recent years. This is in part due to the challenges the sector has experienced in adjusting to demographic changes and the speed of technological advancement.

Geologic, Technology-driven Value Shifts

In the space of less than 10 years, luxury consumption patterns have experienced a geologic shift. Rapid growth of technology-driven interconnectivity enabled by mobile technology and social media has transformed human behaviour at a rate not seen before. Dramatic new consumer paradigms are emerging.

The Enlightened Consumer Emerges

The luxury market is challenged as it tries to balance the needs and expectations of maturing luxurians with the priorities and ideals of a new generation of technologically-sophisticated affluent consumers. A social shift away from conspicuous wasteful consumption and growing awareness and concern for rising global inequality has stimulated a re-evaluation in the new affluent generation of consumers.



The Shift towards Meaning

Personal Transformation as an Experience

Privileged experiences are being replaced by a more considered and meaningful approach. The Future Laboratory foresight team (2018) predicts that as overt displays of wealth cease to be aspirational, what was once deemed a humble product or service will become the new markers of wealth. Skift, the intelligence company who compile megatrend data for the luxury travel and wellness industry, shares this thinking. They elevate the continued importance of memorable and bespoke experiences for the luxury traveller, predicting the new level of luxury will be entirely personal, contextual and meaningful. Experiences will go deeper than just having an experience, ultimate luxury will lie in its transformational value.

The Spiritualised Consumer

The affluent consumer is becoming the conscious or newly-termed spiritualised consumer. This is a person who seeks unique experiences and products that support their values, passions and interests, create meaningful lasting personal change whilst making a positive difference in the world. Going forward, products and services will need to adapt to enable this new generation of luxury consumers to live and spend comfortably, guilt-free.

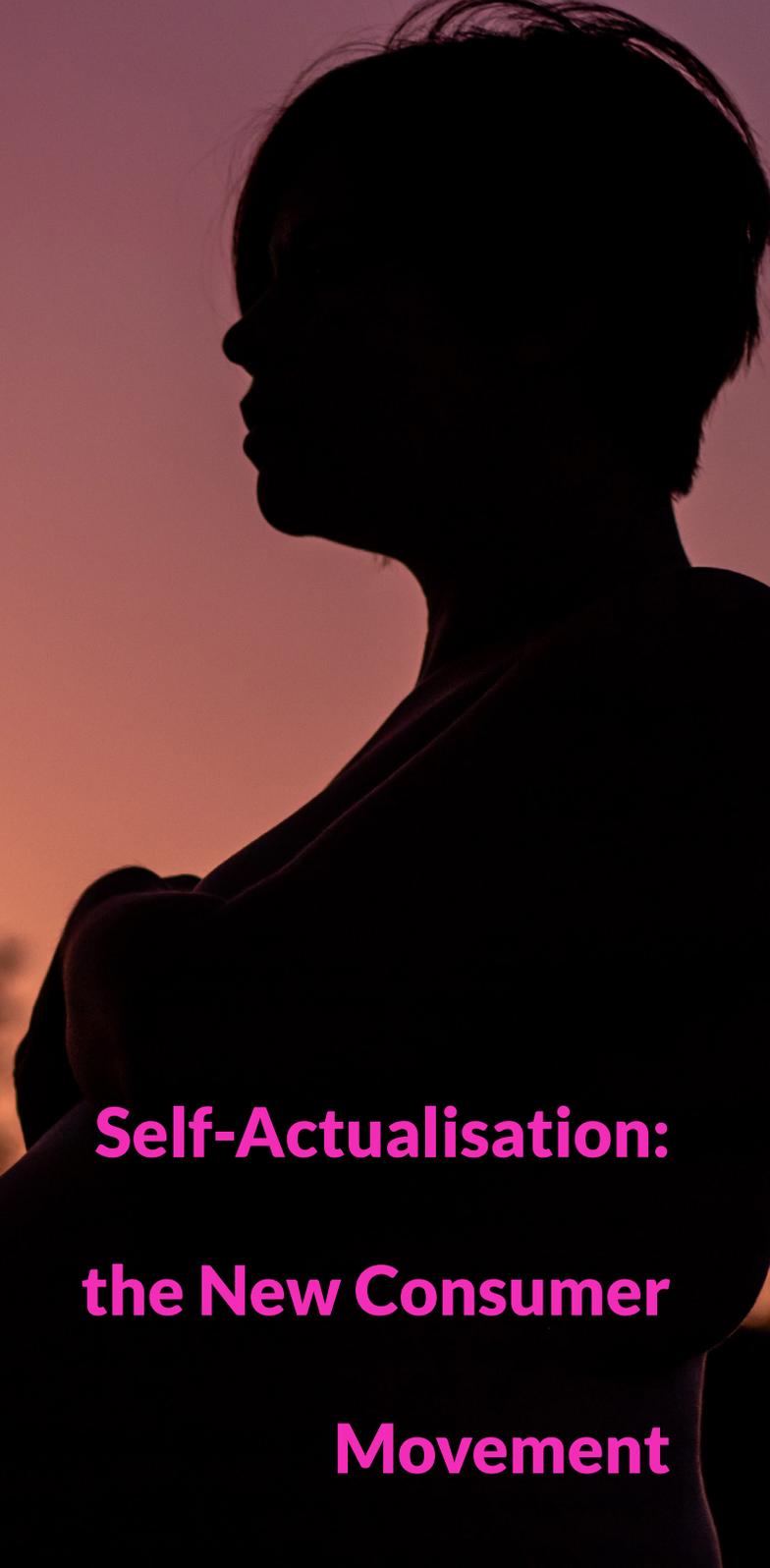
A silhouette of a woman with long hair, looking upwards against a warm, orange-hued sunset background. The text 'The Transformation Economy' is overlaid on the lower part of the image in a bright pink color.

Soul Seeking as New Wellness

More than ever, the desire for emotional fulfilment is key in the consumption of experience. Increasingly, affluent consumers are looking to define themselves by their experiences rather than by the goods they own. The transformation economy arrived like a new super car carrying a new passenger: the soul-seeking luxurian, riding an experiential wave of psychological and physical self betterment towards spiritual growth and ultimately happiness. With a craving for transformative experiences within the holistic substrate of wellness.

New Consumers, New Expectations

The transformed consumer expected its suppliers to express and stand behind a set of world changing values - environmental, organic, natural, ethical, equitable, kind, benevolent, sincere, true. Experience replaced product as the new status symbol refocusing on the buying of experience and the experience of buying, both offline and online became essential. Augmented in-store retail experiences now seek to elevate the offline shopping experience and increasingly-sophisticated digital technologies aim to further refine both the online shopping experience and the purchasable offline experience. At the forefront of this growing luxury experience market are smaller companies with the capacity for highly personalised experiences, enabling them to provide idiosyncratic, bespoke offerings that tell the meaningful and authentic stories behind their brands.



Self-Actualisation: the New Consumer Movement

The Way We Live Life is Not Just Changing - It is Being Transformed.

Luxury consumption patterns are experiencing a paradigm shift. Luxury consumers reach the top of Abraham Maslow's Hierarchy of Needs – that of Self-Actualisation.

Maslow's Hierarchy of needs is a psychological model usually presented as a scalable pyramid. The basic and most fundamental human needs sit at the bottom with self-actualization. The desire and ability to fulfil one's full potential at the top. Many individuals on arrival at the apex of the pyramid discover it is not the nirvana they expected. They feel 'unfulfilled' and 'empty' and desire more, often expressed in terms such as 'seeking a higher purpose', 'craving deeper meaning' and a 'desiring more meaningful human connection'.

In the context of the modern luxurian lifestyle it is now time to rethink Maslow's pyramid.



Maslow's Hierarchy of Needs

Spirituality - the trend you cannot afford to ignore

The concept of spirituality has recently taken on new meaning in the business world. Whereas the term once evoked images of newage, marginalised niche behaviours, today it has evolved into a consumer concept that business can no longer afford to ignore. It is a growing phenomenon that is rapidly defining the behaviour of an entirely new paradigm of consumer. Interest in spirituality has steadily grown over the past few decades with arguments cited that as the pace of societal and business change increases, society seeks spiritual solutions that offer safety and contentment during the turbulent and tumultuous time.

A New Intelligence

Spiritual leadership writers such as Danah Zohar and Ian Marshall argue that spiritualisation is the intelligence related to the part of brain which allows us to hope and dream, visualize and connect to our purpose in life. It is the intelligence of the deepest self which is revealed when we access the unconscious aspects of the self as a means to live a truly purposeful, richer and more creative life. Chris Laszlo and Judy Sorum Brown describe spirituality as being the interconnectedness and desire to be part of larger whole.

Holism, the new pathway to success

In business as in life we are fundamentally interconnected with each other and with all species. None of us exists as a completely separate entity. Seeing that all of the world is deeply interconnected, is a perspective shared by many of the world's major spiritual traditions, as well as business leaders, changemakers and thought-leaders. Heartfelt human connection sits at the core of this new evolution, which the authors of this report term as the emergence of the spiritualised consumer. The key to understanding this new consumer can be found in the concepts of holism and reductionism. Holism is the theory that everything is part of an intimately interconnected system where the parts cannot exist independently. Reductionism perceives the world as unconnected with parts that can operate independently of the system. It is Corporate reductionism that is sitting at the heart of many of the challenges the world faces today. Corporatism with its focus on profit driven rivalries and the destruction of the environment for financial gain has failed to see, or ignored, the part it plays in shaping society and managing the environment. As the global population exceeds 7.5 billion, the world increasingly is looking to corporations to take the lead and provide solutions to global fiscal, environmental, climate and health challenges.



Spirituality + Health = Wellbeing, a US\$4.2 trillion market

As the spiritualised luxurian consumer increasingly shapes future luxury markets, the message and values behind products and services will become as important as the product or service itself. The wellness industry recognised this trend earlier than other sectors. By understanding the spiritualised consumer's drive to create a “better me, better world” they created a simple blueprint to help their customers in becoming better people. Organisations such as Healing Hotels of the World recognising how spiritual growth and transformative healing was emerging in the lives of those becoming self actualised, created bespoke concierge services. These aim to introduce individuals wanting to break free from old concepts to allow new wisdom and better lifestyle choices to unfold through a range of bespoke experiences. In addition, by identifying, sourcing and supporting healing hotels, they work to enable this new genre to inspire personal health and transformation in their customers.

The Fast-Growing Transformation Economy

According to the Global Wellness Institute study (2017) the wellness market is worth over three times the worldwide pharmaceutical industry. The wellness industry grew 12.8% from 2015 to 2017, from US\$3.7 trillion to US\$4.2 trillion market. This has been fuelled by the creation of accessible multiple pathways to achieve self-transformation. These include meditation apps, fitness trackers, organic fair-trade health foods, specialist yoga classes, mindfulness courses and environmentally sustainable spiritualised retreats to name but a few. With the drive towards greater personalisation the sector is set for unprecedented growth and it may occur in unpredictable ways. For example, foresight trends predict a rise in wellness fashion comprised of sustainable, intelligent, healing clothing, there are functional fragrances to bio-hack our brains and bodies to perform better, and the emergence of personalised nutrition in alignment with DNA sequencing.



Happiness is the New Wealth. How do you measure it?

Traditionally, culture has defined success in terms of resource accumulation which has translated to success = money. However, in recent years shifts in consumer sensibilities, especially amongst those at the top of the resource accumulation pyramid have meant consumers have begun to broaden their definitions of success. Success now includes concepts like consciousness, wellbeing, social capital and happiness. Huffington Post co-founder Arianna Huffington told Forbes' Dan Schawbel that “we need a Third Metric...a third measure of success that goes beyond the metrics of money and power, and consists of four pillars: well-being, wisdom, wonder and giving.”

With a net worth of US\$77.4 billion, Warren Buffet once told shareholders at an annual meeting: "I measure success by how many people love me." He went on to say he knows people have personal and financial success, testimonial dinners and wings of hospitals named after them, however nobody loves them or thinks particularly well of them. His belief is that regardless of how big the bank balance is, to be fulfilled and have true success it is more important to love and be loved. Richard Branson founder of Virgin has said “too many people measure how successful they are by how much money they make or the people that they associate with. In my opinion, true success should be measured by how happy you are.” To understand the new meaning of success over the next decade will need a deep understanding of and connection with the spiritualised consumer. This is the next wave of technologically sophisticated, well informed, conscious, experience seeking, soul searching, purposeful and empowered consumer.



Healthy Hotels Cater to a New Consumer

The hospitality industry is no stranger to disruption and has developed a healthy appetite to evolve. It has seen disruptions from branded hotels to boutique hotels through to home sharing offerings. As sustainability moved up the global agenda hospitality has embraced the principles of sustainable tourism. Ensuring there are economic, climate and social advantages to tourism development, whilst reducing and mitigating undesirable impacts on natural, historic, cultural social environments.

This is visible in brands such as Muji, a lifestyle brand which recently extended in to the hospitality space. They are embodying a paired back and natural hospitality offering in their China hotels. It is described as the “anti-gorgeous and anti-cheap” position. There are no superfluous experiences or bold ornamentation. Spaces are designed to restore mind, body and spirit. Muji says they are “shifting away from packaged consumer products to a build your own experience.” Aesthetics include simple minimalist furnishings, hardwood floors, personalised room aroma diffusers, textured towels and walls made from diatome (sedimentary sea products), which are used to regulate room humidity. Products available in the rooms are for sale in the onsite Muji store, slippers are encouraged to be taken home rather than be considered one time use products. This shift is in line with consumer sensibilities.

THE SIX FACETS

of the Spiritualised Consumer

One

A desire to thrive and flourish in every dimension of their life.

Two

They seek to live a life of purpose, meaning and connectedness, caring for the whole self, others and for the world. Personal values matter and their chosen brands need to fit with their personality and authentically convey their values.

Three

They have an independent longing for unique customised products and services designed to meet their specific needs, desires and lifestyle. Revolving around positive personalised, memorable and transformative life enriching experiences.

Four

They are conscious. Expectations, consideration for and protection of humanity and the environment is of the utmost importance.

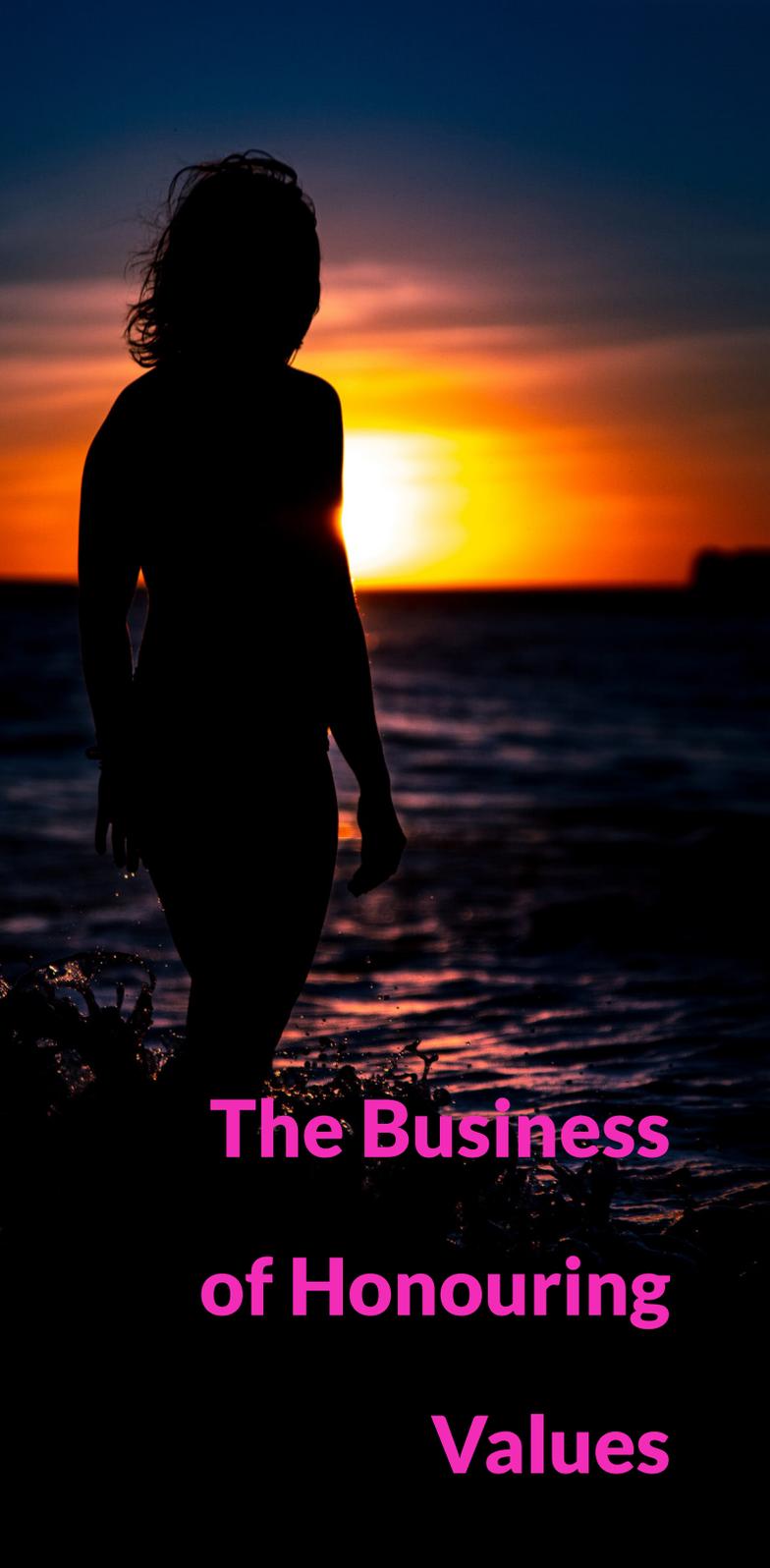
Five

They are technologically sophisticated, networked, never far from an Internet connection keeping them connected to what they deem important. Not slaves to technology they are savvy. They use it, especially mobile devices, in day-to-day decision making, for influence and to advocate their causes.

Six

Deeply engaged and committed to living a healthy lifestyle, which they expect to have as a natural extension when travelling away from home.

These facets are influencing and reshaping industry sectors.



The Business of Honouring Values

Traditionally, ownership, exclusivity, high price points, labour intensive production and exceptional quality have defined luxury goods and services. However, with today's demanding lifestyles people are reassessing their values. For many affluent consumers, luxury is taking on a new definition. They crave authentic, ethical, unique, exclusive experiences and products that reflect their values.

You can't afford to miss the Generation Y & Z boat

A Bain & Company study published in January 2019 reported luxury consumers are becoming more culturally diverse and increasingly younger. Luxury brands cannot and must not ignore Generations Y and Z. Their influence is unparalleled, accounting for 47% of luxury consumers in 2018 and for 33% of luxury purchases. This accounts for virtually 100% of the market growth seen in the sector compared with their market impact of 85% in 2017.

Wake up to the new International Culture

The need for cultural sensitivities and greater inclusion is also increasingly acknowledged. For example, Muslim women consumers accounted for nearly 40% of luxury women's ready to wear in 2018, whilst plus size consumers represented 20% of the market. The significance of ignoring cultural sensitivities can be borne out by the difficulty that Dolce & Gabbana faced during November 2018 when they were accused of racism, racial stereotyping and being disrespectful of Chinese culture and heritage. D&G had posted a series of short videos of a Chinese model wearing the brand's clothes giggling as she attempts to eat pasta and pizza with chopsticks. They were forced to cancel a high-profile fashion show in Shanghai only a few hours before it was due to start. The incident resulted in product boycotting, a social media storm, a call for a public apology and removal of their products from shelves.



Fashion in the Spiritual Spotlight

Circular Economy

With demands for a reduction in the consumption of finite planetary resources becoming louder, the fashion industry is awakening to the role it plays in the deterioration of the climate. The global wellness summit 2019 Wellness Trends Report details how the fashion industry spews out 1.2 billion tons of greenhouse gas emissions a year, more than all international flights and maritime shipping combined. Washing our clothes releases half a million tons of microfibers into the ocean every year, equal to 50 billion plastic bottles and textile dyeing is the second largest polluter in the world. Factors such as these are fueling the new circular economy. For example, in the new plastics economy, the ambition is for plastics never to become waste, they should re-enter the economy rather than growing the degradation of marine ecosystems.

Voting With their Feet

Brands such as Adidas are experimenting with creating new products such as trainers made from yarns and filaments produced using recycled plastics recovered from the oceans. Leading fashionistas such as the Duchess of Sussex, Meghan Markle are leading the way in promoting the importance of sustainability and planetary resource consideration by choosing sustainable, eco-friendly clothes. In October 2018, on a trip to Melbourne Australia, she caused a stir when she was seen to change out of her Manolo Blahnik shoes into a pair of Rothy's flats. Rothy's shoes are made from recycled water bottles which were once destined for landfill. Subtly reminding us of the marine ecosystem and the importance and need for recycling.

It's Time to Take Action

You are being called to step forward and to step up as the world has changed and the time for complacency has passed. Consumers are evolving. They are knowledgeable, technologically-sophisticated, spiritualised, expect and demand more.

The New Market Paradigm has arrived

Offering great products and service is no longer enough. To thrive and flourish as a business going forward, you must stay on top of a rapidly changing consumer consciousness and the accompanying expectations. If you continuously work out what customers care about most, then shape and reshape your consumer experiences and equip your employees to deliver, you will always be aligned to these customers priorities. Be clear and transparent about your values, be prepared to stand for and demonstrate those values with integrity sharing your social and environmental impact respectfully and tastefully.

The Spiritualised Consumer

Understanding and appreciating the spiritualised consumer offers tremendous new revenue opportunities whilst also giving you a platform to share your values and contribution to humanity. We are convinced that the companies that will be the big positive influencers in this new era, will be those that recognise and understand the spiritualised consumer.

Want to Know More?

If you share Soul Luxury's commitment to the creation of spiritually-holistic living and want to know more about the facets and complexities of the dynamic of this evolutionary shift, get in touch. To take action to understand and leverage what the spiritualised consumer means for your business and you, contact us to discuss further or to attend our insight forums.

For more information how Soul Luxury can help your business adapt and thrive in the Transformation Economy, [click here](#).

Authors



Claudia Roth

Claudia is the Founder & Managing Director of Soul Luxury. Previous Vice President Europe, Middle East & Africa for The Leading Hotels of the World, known for the largest luxury hotel collection across 75 countries. In the midst of her highprofile career, Claudia arrived at a turning point. An unexpected, yet welcome, transformation led to a spiritually holistic lifestyle beyond the purely materialistic world. She recognised others are seeking the same. Claudia and Soul Luxury now work globally with affluent travel, hospitality, wellness and lifestyle brands, to develop business and lifestyle solutions for the spiritualised consumer. She is a cofounder of the HEALING SUMMIT and as a soul visionary she also leads holistic forums.

Email: claudia@soul-luxury.com



Sue Liburd MBE

Sue is an award-winning businesswoman, human capital innovation consultant and business mentor. She works internationally with some of the world's leading Corporations, UK Charities and Government departments. Sue has an impressive track record as a board level confidante and nonexecutive director, supporting senior decision makers with strategic thinking, navigation of transformational change and to shape their organisations for the future. Sue has a special interest in global trends across wellness, hospitality & technology and applying nature's design principles to business solutions to help support a healthy planet. Sue was awarded an MBE by Her Majesty the Queen in 2016 in recognition for her services to Business, Charities and Voluntary organisations.

Email: sue@sueliburd.com

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SOUL LUXURY
with *Claudia Roth*

soul-luxury.com

hello@soul-luxury.com

  @Soul.Luxury