

COLUMNS

## Tech trends that will define luxury

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*Seeing AI to AI in luxury*

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The definition of luxury has now become less to do with its high prices, the look or its unlimited amenities.

Now, luxury is better defined by how well the product reflects your personality and helps make it easy. It is about exclusivity and rarity, caught up with the current era, delivering experiences that make luxury worth the price.

New trends are on the rise, such as artificial intelligence, the next Internet, blockchain and the burning topic of discussion for the decade, bitcoin. Here are the trends in detail and how they will affect the multi-billion-dollar luxury business:

### Artificial intelligence

Organizations in other markets around the globe are coming up with automated systems, chatbots, call-bots and other such computer programs that allow consumers to gain a better experience in customer servicing.

When it comes to the luxury products, it is important for brands to deliver the same experience online as that of a showroom, for the price that they are charging.

The approach for each customer must be tailored to that of a showroom. Simple chatbots cannot provide that experience, and here is where artificial intelligence comes into play.

Pioneers in luxury have already started to invest in AI. Analyst firm Forrester Research has not only identified an imminent rise of 300 percent in the investment in AI this year, but has also stated that 57 percent of the brands believe AI is key to improving customer experience in coming times.

The advent of AI has also given luxury homes a new meaning.

Houses have evolved from being merely about expensive interiors and high-tech devices. Now, AI handles the basic tasks that consumers conduct in their homes. These tasks may at times be as simple as turning on the light to maintaining the perfect temperature. AI even alerts you automatically when there are issues with your home amenities.

Technology is also being developed where home automation systems detect your mood and create an environment

best suited to improve it.

AI is moving and creating domains, including products of its own, that have rightfully taken their place in the luxury market.

Take for instance, an entire industry that revolves around augmented reality: video games, movies and architecture. Augmented reality is a necessity in many sectors such as high-class architectural facilities and universities, but for many, is still a luxury product. Video games is a great example.

In the non-luxury space, Amazon is opening stores nationwide that require just a simple scan of your Amazon application to help you shop at its store, with no cashiers and no payments after you are done shopping you will just be auto-charged after you leave.

#### Blockchain technology

Luxury has always lured customers, both who can afford them and those who cannot afford them. More than \$2 trillion worth of goods, with no history of purchases, is forged or used to cheat customers in the luxury market.

Since the potential buyer has no information or awareness of the history of the product, he or she is very likely to be cheated. It leaves high-end customers with trust issues, even with products showcased in luxury brands' official showrooms.

To build a better level of trust in their customers, luxury brands have come up with a new solution: blockchain technology.

Blockchain technology can be explained as a simple ledger that states all transactions being made of a product that are available chronologically and publically.

In the real world, with the advent of blockchain technology, a customer can check the good's authenticity, history, source and verify its real-time value. This eliminates the need for third-party segregation, which opens a window to fraud and forgery.

Blockchain gives customers a new dimension by ensuring authenticity and security in purchases. Basically, anyone who buys something that involves a big amount and is likely to be purchased in any form of currency apart from normal cash or cards will go through the blockchain.

The diamond industry has already witnessed the advent of this technology, and results are turning out to be positive. Everledger is one of the many companies using Blockchain technology for more than 1.5 million diamonds. Any potential buyer can check the history of the product in which they are interested.

The blockchain platform promises a faster and more secure supply chain to maximize customer confidence in the product. Security, transparency and sustainability is guaranteed to customers using this technology.

#### Cryptocurrency

Bitcoin is no new topic of discussion for people around the globe. It has been out in the market for a while, and by the looks of it, is there to stay. It emerged as a way to make secure transactions anonymous, and was accepted by people on the deepweb as a payment method.

Now, bitcoin has evolved from being a payment method to a brilliant investment.

When it comes to the luxury business, the popularity of bitcoin being accepted as a payment method is notable.

Luxury goods can cost from thousands of dollars to the millions.

Traditional banking charges its customers fees that are neither practical nor efficient for large sums. For instance, a transaction of \$100,000 can cost customers more than \$4,000 in transaction fees. This number goes up if the sender settles large payments on regular basis.

Of course, that is not the only thing that concerns the rich. Tax collectors banging on the door a few days later, enquiring about the transaction and the source of income, is also a great concern.

Transaction fees in bitcoin depends on the number of transactions and not the amount. Hence, transactions worth millions cost the people \$1 to \$2. This has opened up the market to the use of bitcoin.

Even though prices fluctuate regularly, it does not affect consumers as much as bank transactions did. A lot of well-known marketers such as Microsoft, Expedia and Virgin Galactic a brand that promises to take regular consumers

out into space in a few years accept bitcoins as a form of currency.

THE ACCEPTANCE of bitcoin in the market can be witnessed by the fact that a real estate developer sold an apartment complex worth more than \$220 million, accepting payments in bitcoin.

A \$2.3 million house in Middletown, New Jersey, is also accepting bitcoin as a form of payment.

There was a 300 percent increase in bitcoins in just one year, a majority of it untraceable, transactions that happened in the dark Web.



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