



APOGÉE

NOTIONAL DOCUMENT

Politecnico di Milano
Facoltà del Design
Product Service System Design MSc

APOGÉE
Notional Document

TURINETTO, Marco

BRONZE, José Miguel Batista da Mata Couto Bronze
780863

April 2014
2012.2013

O orgulho que têm em mim é
eclipsado pelo que tenho neles.

Ao meu Irmão que me ergue.
Ao meu Pai que me mantém firme.
À minha Mãe que me leva em frente.

*The pride they have in me is eclipsed by
how proud I am of them.*

*To my Brother who picks me up.
To my Father who keeps me steady.
To my Mother who pushes me forward.*

À Ana,

o farol da minha infantilidade
subversa, de uma luz como o dia
nunca fez tão brilhante e, agora, como
a noite nunca tornou tão escura.

À sua família.

To Ana,

*the beacon of my immaterial infantilism with a
light as bright as the day never shone and, now, as
dark as the night never rendered.*

To her family.

AGRADECIMENTOS

- . Anitta Di Scotto, *La Maison D'Ecosse*, pela nossa conversa no Mónaco.
- . Christina Healy, Lead Designer e Brand Guardian no *Harrod's*
- . Egidio Donato, Diretor na *Editalia*, pelas suas palavras no Mónaco.
- . Prof. Dr. Fernando Pinto Bronze, *Faculdade de Direito da Universidade de Coimbra*
- . Giovanni Bonetti, owner na *Bonetti Acciai S.p.A.*
- . Guy Vaissiére, Senior Bespoke Associate na *Linley*, pelos nossos encontros no Mónaco e em Londres.
- . Jens Engelmann, CEO da *ENCO GmbH*, pelo nosso encontro no Mónaco.
- . José Ricardo Aguilar, Legal Advisor no *Instituto Pedro Nunes*
- . Joy Devaux, Sales na *Franck Muller*
- . Julie Huguet, Sales Manager na *Franck Muller*
- . Luca Mazzanti, CEO & Fundador da *Mazzanti Automobili*, pela nossa conversa no Mónaco.
- . Massimo Girolodi, CEO & Sales Director na *Newform*, pelas suas preciosas palavras em Milão.
- . Philippe Barnet, Managing Director da *Luxury Society*
- . Quentin Thibault, Sales & Marketing Director da *1.618 Paris*, pela nossa troca de conhecimento em Paris.
- . Rachel Pownall, *Universidade de Maastricht*
- . Riva Marina, Relações de Imprensa na *AEEFE*
- . Robert Maier, *Roding Automobile GmbH*, pelas suas palavras no Top Marques Monaco.
- . Roberto Sciaguato, *La Piramide Rare Jewels*, pela nossa reunião em Monte Carlo.
- . Romain Marsot, responsável pela boutique da *CRESUS* em Lyon.
- . Ruben Tomella, *Gagà Milano S.R.L.*
- . Rui Coelho, *Bloomberg*
- . Prof. Dr. Sebastião Tavares de Pinho, *Faculdade de Letras da Universidade de Coimbra*
- . Siwen Wang, Brand Manager na *Franck Muller*, pela nossa conversa no Mónaco.

Um especial obrigado à Mariana Alfafar, ao Prof. António Portugal (*Faculdade de Economia da Universidade de Coimbra*) e à Prof. Fátima Sol (*Faculdade de Economia da Universidade de Coimbra*) pelas respectivas incansáveis ajudas que foram muito além das minhas expectativas.

Um especialíssimo obrigado ao Prof. Marco Turinetti que, desde o início da nossa convivência, me inspirou no sentido daquilo que sei hoje ser o que, realmente, gosto e quero dar ao mundo.

AGRADECIMENTOS

A todos os que, de alguma forma, contribuíram para que os últimos três anos se tenham encerrado aqui, com especial atenção a:

Toda a minha família, o inabalável monólito de impavidez e firmeza que pautou o trilho que aqui me trouxe e que me aclara a vista do que ainda me está por cumprir.

Pedro Marnoto, família que sempre foi e sempre o será.

Pedro Santos, a clarividência do invisível.

Francisco Maria, uma briosa potência que singra nas adversidades e me inspira.

Xana, um espírito artístico que em muito abriu o meu.

Mariana Araújo, inqualificavelmente indispensável.

Filipe, um companheiro que espero ter a honra de dizer meu por muitos anos.

Zé Maria, a genialidade que nunca deixa de me abismar.

Sofia Pinheiro, a minha âncora em Itália.

Susanna, a poetisa das noites improváveis.

Silvia, Martina e Costanza - as três *Graças*: Aglaia, Tália e Eufrosina.

Valentina, Sinem e Cláudio, o ádito da Milão que só alguns vêem.

Mateus, Irma, Ana, Ennio, Antonio e Paolo, que me vestiram casas de lares.

Joana Mateus, a intangibilidade da "persistência" tornada terrena.

Cláudia Alves, Miguel Melo e Vanessa Henriques, a força centrífuga que suavemente me gritou ao ouvido o (novo) caminho certo a tomar.

Professora Fátima Valente que, na sua tão correctamente autoproclamada conveniência, me relê a vida a cada encontro.

Um especial obrigado aos meus queridos amigos Francisco Monsanto, Ricardo Ramos e Miriam Flores pela ajuda (e boas tardes de trabalho) que, em grande medida, ajudaram à conclusão do projecto.

A ordem das dedicatórias e dos agradecimentos não reflecte qualquer lógica em particular.

THANK YOU NOTES

- . Anitta Di Scotto, *La Maison D'Ecosse*, for our talk in Monaco.
- . Christina Healy, Lead Designer and Brand Guardian at *Harrod's*
- . Egidio Donato, Director at *Editalia*, for your wise words in Monaco.
- . Prof. Fernando Pinto Bronze, *Faculty of Law of the University of Coimbra*
- . Giovanni Bonetti, owner of *Bonetti Acciai S.p.A.*
- . Guy Vaissière, Senior Bespoke Associate at *Linley*, for our meetings in London and Monaco.
- . Jens Engelmann, CEO at *ENCO GmbH*, for our meeting in Monaco.
- . José Ricardo Aguilar, Legal Advisor at *Instituto Pedro Nunes*
- . Joy Devaux, Sales at *Franck Muller*
- . Julie Huguet, Sales Manager at *Franck Muller*
- . Luca Mazzanti, CEO & Founder at *Mazzanti Automobili*, for our conversation in Monaco
- . Massimo Giroldi, CEO & Sales Director at *Newform*, for your precious words in Milan.
- . Philippe Barnet, Managing Director at *Luxury Society*
- . Quentin Thibault, Sales & Marketing Manager at *1.618 Paris*, for our exchange of thoughts in Paris.
- . Rachel Pownall, *Maastricht University*
- . Riva Marina, Press Relations at *AEFFE*
- . Robert Maier, *Roding Automobile GmbH*, for your words at Top Marques Monaco.
- . Roberto Sciaguato, *La Piramide Rare Jewels*, for our encounter in Monte Carlo.
- . Romain Marsot, responsible for *CREBUSUS'* boutique in Lyon.
- . Ruben Tomella, *Gagà Milano S.R.L.*
- . Rui Coelho, *Bloomberg*
- . Prof. Sebastião Tavares de Pinho, *Faculty of Arts and Humanities of the University of Coimbra*
- . Siwen Wang, Brand Manager at *Franck Muller*, for our conversation in Monaco.

A special thanks to Mariana Alfagar, to the Professor António Portugal (*Faculty of Economy of the University of Coimbra*) and to the Professor Fátima Sol (*Faculty of Economy of the University of Coimbra*) for each own's tireless and tenacious help and for surpassing in great lengths my expectations and needs.

A very special thanks to the Professor - and tutor - Marco Turinetto who inspired me to reach what I today know to be what I, in fact, like to do. He has thought me how to channel what I make to the world.

THANK YOU NOTES

To all who were, in any way, conducive to the last three years having ended here and now; with special regards to:

All my family, a monument to the fearlessness and firmness that have trailed the path I followed so far and that let me glimpse what is left for me to do.

Pedro Marnoto, not a friend. Family.

Pedro Santos, the clairvoyance of the invisible.

Francisco Maria, a brave force that thrives on hardship and inspires me.

Xana, an artistic spirit that has broaden mine in a great deal.

Mariana Araújo, unqualifiedly indispensable.

Filipe, a partner I hope I will have for life.

Zé Maria, the genius that does not cease to astonish me.

Sofia Pinheiro, my italian anchor.

Susanna, the poetess of improbable evenings.

Silvia, Martina and Costanza - the three *Graces*: Aglaea, Thalia and Euphrosyne.

Valentina, Sinem and Claudio, my temple of the Milan few have ever seen.

Mateus, Irma, Ana, Ennio, Antonio e Paolo, who have turned houses into homes.

Joana Mateus, the embodiment of "persistence".

Cláudia Alves, Miguel Melo and Vanessa Henriques, the centrifugal force that softly shouted to my ears the (new) right path to follow.

Professor Fátima Valente who, in her so rightfully self-proclaimed convenience, reinterprets my life.

I especially thank my dearest friends Francisco Monsanto, Ricardo Ramos and Miram Flores, whose help [and fun work afternoons] greatly lead to the conclusion of the project.

The order above does not reflect any logic whatsoever.

INDEX

3	Index
4	Reflections on the Thesis
6	Main Goals
8	Abstract
10	Reflections on Apogée
13	What is Apogée?
14	Apogée's Potential.
15	Apogée. A Brand Extension.
16	Reflections on Luxury
19	The Shift of the Luxury Market Towards Unsailed Waters.
24	The Quiddity of Brands. The Genuineness of the Meta.
29	Innovation. A Competitive Advantage with Dichotomies Across the World.
36	Integrity Versus Flexibility. The Service of Educating.
41	Seduction. Exclusivity as Enticement.
44	How Brands Influence Consumers' Self-Representation.
47	The Brand's Habitat: An Interconnected Galaxy of Meaningful Cooperations
51	Ego- <i>Emptor</i> . The Psychological Core of a Purchase.
58	Reflections on Private Banking
61	Overall Conjuncture. The Economic and Social Base for Apogée.
66	Disrupt. Innovate.
74	Firms. Creative Safety and Openness to Investments Through Apogée.
77	Passion Investments and Their Global Flow.
84	Emotions Expanding the Horizons of Investments
86	Complete Bibliography
98	Image Citations
102	Diagram Citations



REFLECTIONS ON

THE THESIS



LIBERTY

MAIN GOALS

To my mind, the further a student is in his academic career, the harder he should push himself to get as close as possible to his desired professional outcome.

A master program final thesis ought to be the result of this philosophy. It should be a project in which the student takes a concrete, steady and meaningful step into his professional ambitions.

I am equally fond of theoretical and pragmatic design and, as such, tried to find a balance between these two sides of the same coin.

Apogée allowed me to dig deeper into the area of design that, throughout the last two years, has shown itself to be of more interest to me: brand strategy.

By converging in the same project the service design faculties that permit one to build all the human and non-human infrastructures of a company and the brand strategy competences that allow that company to be publicly visible in a controlled manner, I dove into a project that fitted me like a glove.

Furthermore, Apogée aims at creating a pertinent and much needed market proposition with great value to all its stakeholders: private banks, luxury brands and HNWIs from emerging countries.

Design-wise, it is the logical conversion of several existent needs - coming from different perspectives and areas of human activities - into one single service. It manages to approach all those issues by decontextualizing concepts and applying them in an unexpected environment.

Brand loyalty, addressing the super-rich, mobilizing the stagnated banking industry, differentiating banking institutions, humanizing harsh market sectors. All of the mentioned above are concerns fully met by Apogée.

This project is not to be ended after its academic performance. It is to be developed into a market proposition to potential interested parties since many have shown their interest in the launch of such a product.

ABSTRACT

No social wave should pass unnoticed by design.

It is under such assumption that Apogée - a service-design and brand strategy project - sets itself as an agglomerator of needs and a producer of solutions.

Luxury brands have long been focusing on expanding their customer base according to a product-democratization philosophy in order to include the middle-class in their clientele. Nowadays - with the current economic crisis - the middle-class is becoming extinct and, as such, brands must turn their attention towards their preferred target: the super-rich. This public buys in line with completely different mental models which require a new strategy; one capable of answering every whim and wish of this very capricious - though value-aware - group of people.

Moreover, private banks - in their cold and harsh world in which reputation is built uniquely under standards of performance - are in need of differentiating strategies that define each institution's value through its offer and not only through a mere (meta)brand identity. Emotion is the lacking input in a world where numbers overpower any other factor of seduction. Mixing dichotomic values won't hurt neither. It will only enhance the capacity of tapping into new potential customers that would otherwise be reluctant to enter in the intimidating and obscure sphere of banking.

Lastly, emerging economies are producing enormous amounts of fortunes: the highest expected growth rates of HNWI's in the world have their origin in Asia-Pacific countries and some of the fastest developing economies in the world are found in Africa.

These new wealthy individuals are far from the stereotype of an uncultured man or woman that blindly follows international fashions and trends. These are people aware of their power over global tendencies and, as such, a portal must be given in order for them to exercise their potential. They look for a total differentiation from their peers; it is no longer acceptable to have the same products as anyone else. It is imperative to own uniqueness without making the same mistakes that have been constantly made in the last decade: outsourced customization.

By joining all these concerns, Apogée appears. It focuses on giving luxury brands the chance to pertinently address new HNWI's through a private banking platform that enhances its provider's public image in a great deal by augmenting it into a more emotional dimension.

ABSTRACT

Nessuna ondata di cambiamento sociale dovrebbe passare inosservata dal design. È sotto questo presupposto che Apogée – un progetto di service design e strategia di marchio – si situa come un agglomeratore di bisogni e creatore di soluzioni.

I marchi di lusso si sono a lungo focalizzati sull'espansione della clientela di base, secondo una filosofia di democratizzazione del prodotto diretta all'inclusione della classe media. Al giorno d'oggi – con l'attuale crisi economica – la classe media si sta estinguendo, ragione per cui i marchi devono rivolgere la loro attenzione verso il loro target privilegiato: il super ricco. Tale pubblico acquista seguendo dei modelli mentali completamente diversi, che richiedono una nuova strategia; una strategia capace di rispondere ad ogni desiderio di questa classe sociale molto capricciosa, benché consapevole del valore.

Inoltre, le banche private – nel loro duro e freddo mondo in cui la reputazione si costruisce unicamente sulla base di standards di performance – hanno la necessità di differenziare le strategie che definiscono il valore di ogni istituzione secondo l'offerta e non solamente secondo la mera identità di marchio. L'emozione è l'input mancante in un mondo in cui i numeri prevalgono su ogni altro fattore di seduzione. Tra l'altro, integrare valori dicotomici non farà di certo male. Aumenterà solamente la capacità di accedere a nuovi potenziali clienti che sarebbero altrimenti riluttanti ad entrare nell'oscura e intimidatoria sfera del settore bancario.

Infine, le economie emergenti stanno producendo enormi quantità di ricchezza: i più alti tassi di crescita previsti a livello globale per gli Individui ad Elevato Valore Netto hanno la loro origine nei paesi dell'Asia-Pacifico, e alcune delle economie a più alto tasso di sviluppo nel mondo si trovano in Africa.

Questi nuovi ricchi sono lontani dallo stereotipo dell'uomo o della donna privi di cultura che seguono ciecamente le mode e le tendenze internazionali. Queste persone sono consapevoli del loro potere sulle tendenze mondiali e, per questo, deve essere fornito a loro un portale affinché possano esercitare il loro potenziale. Essi sono alla ricerca di una differenziazione totale dai loro pari; non è più accettabile avere i prodotti che tutti hanno. È imperativo possedere l'unicità senza commettere gli stessi errori che sono stati costantemente ripetuti negli ultimi dieci anni: la personalizzazione affidata a esterni.

Sposando tutte queste considerazioni, Apogée emerge. Apogée mira a dare ai marchi di lusso l'opportunità di rivolgersi ai nuovi Individui ad Elevato Valore Netto attraverso una piattaforma bancaria privata che rafforza in grande misura l'immagine pubblica del provider (fornitore di servizi o "istituto bancario in questione") assurgendola a una dimensione più emozionale.

REFLECTIONS ON

APOGÉE



PREVIOUS PAGE

GULFSTREAM's model G550 was the most popular amongst chinese businessmen with international affairs interests, selling 22 units in China in 2012.

WHAT IS APOGÉE?

APOGÉE CLUB is a reward-based service provided by a Private Banking institution that gives you the chance to invest in your favorite luxury brands and, in return, get special and exclusive products along with returns in line with a rapidly and greatly expanding sector.

Earn credits and spend them in a vast array of high class products that will take you to an whole new lifestyle.

Moreover, the more you invest, the better your benefits will get.

By becoming a CONNAISSEUR or SAVANT status member, you will be able to access more brands and a wider array of products.

Through our mobile app you will be able to consult your investments portfolio, the products you have booked and check other available brands that might be of your interest.

Our offers can range from exclusive products - vintage rarities, hard highly coveted luxury items, your very own unique handbag... - to the setting up of unforgettable moments such as a meet and greet with your favorite designer, a spot at the Monaco marina watching the Monaco Grand Prix or an invitation to the most restricted luxurious events in the world.

Apogée is the ultimate guide to a still unexplored world of boutique and gourmet luxury brands blooming in all the hidden corners of the world.

With its large brand data-base, the client will be sure to find the exact brand that matches his socio-emotional and financial whims.

Along with the already established luxury icons, Apogée is the step further towards the best things life has to offer.

Apogée also works as PR platform for brands that aim at being positioned amongst the top luxury companies of the world.

The online app makes the process of discovering and exploring new brands seemingless.

By understanding the connections between brands - within conglomerates, for instance - purchase behaviors can be induced inside the same group, as it has been proven by airline alliances.

Ultimately, the goal of Apogée is to emotionally connect an extremely broad customer base to highly regarded luxury Meccas like Paris, Milan or New York but also enlarge this ideal of luxurious lifestyle to the new high-end centers all around the world by turning investments into a retail business with a heavily emotional aura around.

APOGÉE'S POTENTIAL

From a financial point of view, the opportunities created by this market approach are huge. **Profiting from these ever-growing economies with HNWI's growth rates on the hundreds sets itself as a must-do for up-to-date organizations.**

Furthermore, companies must understand that the trend setting power - once strongly rooted in Europe and North America - is now shifting towards Asia, South America and to the Middle East with subtle migrations to Africa as well.

Consider the average person amongst the wealthy individuals and families in the new and quick-growing economies.

Places like China, Singapore, Taiwan, India or even Brazil and Mexico are thriving and wealth is generating, within each new economic powerhouse's population, a growing interest in the luxurious lifestyle defined by European and American elites.

These people are realizing they are the ones with power to set the pace of luxury lifestyle from now on.

Nevertheless, they are still fairly new to this fast and non-stopping world of fashion, of ever-changing trends and of a mindblowingly hard rhythm to follow. They are still very impressionable.

They want to feel like they belong to the high-end spectrum of luxury items and services and, indeed, they can. They want to obtain the social-status they feel they deserve.

These rising HNWI populations will soon become aware of their global power in the luxury market and will demand a specified offer just for their precise needs and wishes.

Designing the offer is crucial for this huge shift of the economic flow paradigm.

Clients do not know what they really need or want unless it is presented to them as an option. Instead of providing "concierge services" - whatever, whenever, wherever - a defined range of offer must be planned in compliance to their desires.

APOGÉE. A BRAND EXTENSION.

Being a very specialized service, Apogée will work as bank's brand extension by itself.

Though that same banking institution might very well already work on the luxury market, Apogée can easily be considered a niche project with a very singular and unique category: investment loyalty program(s).

According to this line of thought, Apogée is an extension of a bank's offer towards this newly found sector, thus the strongly pertinent and pressing need for a brand of its own.

Apogée will help a bank let his clients know that it is working on expanding its offer in the luxury market towards new niche sectors that will help costumers increase both their social and economic status.

Banking institutions could turn into useful tools for gains other than financial ones. They could turn into an active factor in their clients' lives on an emotional basis - something innovative for the banking sector.

A brand extension with these principles would build an image never before seen, especially in the high-end lifestyle area.

This extension would particularly aim at changing banks' clients' opinion on the whole sector by recognizing that their own financial service provider sets itself apart from the rest by opting for a different approach on such an undifferentiated world.

Furthermore, this strategical extension is designed to work together with highly profitable and prosperous sources of capital. Both the client side - HNWIs from emerging economies - and the partner brands side - the luxury sector, one of the few with financial growth both in the last few years of economical crises and on the years to follow, according to several projections - represent secure channels of investments.

Luxury brands are the perfect emotional and financial link between emerging economies and their ideal of high-end lifestyle.



REFLECTIONS ON

LUXURY



PREVIOUS PAGE

LOUIS VUITTON's spring 2012 window design at its Plaza Senaya's store in Jakarta. The style first came out in its Fall/Winter 2012 men's show.

THE SHIFT OF THE LUXURY MARKET TOWARDS UNSAILED WATERS.

Throughout the last few decades, luxury - as an exclusive world of goods and services - tried to expand its customer base by providing fractions of its original offer for lower prices and with a different distribution strategy (Turinetta, 2009).

Mass marketing luxury aimed at obtaining new clients through products at an entry level. It was about telling them that, step by step, they too could climb up the ladder towards a luxurious life style, creating the image of a dream that could be reached after a long time of investments.

It almost reached an aura of collectionism. Customers with lower financial capacity were to buy themselves up the offer range by purchasing several different items until the whole offer was obtained.

This top-down - making what is on top accessible to whomever is (financially) below the main target - tactic is becoming obsolete, if it is not already defeated.

The current economic crisis is erasing the middle-classes and the only two left are the low-income class and wealthy people. Only one of these is prosperous.

The adaptation to this purchase power change has only been noticeable on one end of the spectrum.

Multibrand groups like Inditex have redesigned their offer to accommodate lower purchase power of the masses with cheap and ultra-cheap brands like Zara, H&M, Bershka or Primark. By linking in one single product small prices, a certain trend awareness and design, this slice of the general public becomes satisfied. At least for now.

On the other end, rich people are becoming richer and, as it could be observed in the last few years in wealth hubs like Dubai, Qatar, Luanda or Monaco, even the most exclusive products of the most luxurious brands are not enough anymore. Posterior customization of bought products clarifies this need for extravagance.

Just as someone that has purchased a BMW series7 doesn't want to be mistaken for some other BMW owner with, in his turn, a series5, an owner of a Lamborghini Aventador wants a level of exclusivity that not even this Italian brand can offer him. He wants his car to be unique. Hence the golden plated Bentleys, the fur covered interiors of Ferraris or the blue-chromed Mercedes.

The luxury market must comply with this trend.

ARMANI HOTEL DUBAI at the Burj Khalifa tower, in Dubai, the epicenter of customized cars trends in the last decade.



THE SHIFT OF THE LUXURY MARKET TOWARDS UNSAILED WATERS.

While ensuring the safety of their brand standards, companies must now choose a top-up take on the market. Starting from their utmost exclusive and expensive product, firms need to start building up an even higher luxury offer.

It is a finite job, sure, but as long as brands are able to keep their integrity out of cutomizers' hands and keep the luxury market out of outsourced suppliers - the chop shops of any given sector - they will maintain their established power over this targeted audience.

This is partializing luxury upside down.

Where as other sectors depend on raw-materials to innovate, the luxury sector is well able to work on whatever physical resources it already has and creativity alone.

Creativity has been said to be the drive of many markets but, for the luxury market, it is now as important as it has never been before.

By having to comply with regulations comming from sustainability standards or ethical contraits (amongst others), luxury brands rely on creativity more than ever in order to present new and effective ideas to their tireless and relentless public. Luxury brands must now forget the easy path of designing for a less educated and more impressionable public and intisify their efforts towards developing viable and legitimate ways that lead to an even higher luxury standard, thus meeting the needs of the super-wealthy.

Appealing to emotions is one possible way.

It has been known for a long time that brands appeal to the reflective thinking of the human mind. At least since the middle of the 20th century, brands have been perceived as an extension of its user and their clients know that the products they use build - in some way - their projection onto society. Brands have became part of the way other see us.

Reflective thinking happens when a brand creates a sense of confidence from past experiences leading, then, the costumer to use it again.

Secondly, it occurs when the brand's product builds up the user's self-image and projection onto society, it has been designed according to cultural and personal requirements.

Finally, reflective thinking happens when the product is baren enough so it can be interpreted differently by each user, thus becoming a token of remembrances.

THE SHIFT OF THE LUXURY MARKET TOWARDS UNSAILED WATERS.

Reflective thinking is, by these definitions, the gateway for a brand to incisively take on a market on a cultural, social and personal levels, carefully considering the quality of its products and the trust it builds up amongst its costumers at all times.

Brands must, therefore, design products that are evocative of deep personal and intimate matters.

As such, and working with a very specific target - HNWI's from emerging economies - products for this uber-luxurious offer must be carefully thought. Regarding culture, social issues, economic values and time constraints, a new service that aims at inducing the luxury market into a top-up strategy must be designed as a greatly focused product. It must try to care for every singular need and wish, each on its turn and not all together and unisonously.

When it comes to this booming target audience, blooming in areas like Asia-Pacific, the Middle East or South America, new ways of thinking - both from us, suppliers, and them, prospective clients - must be taken into account.

Being from an emerging economy plays a very important role when defining what to offer them.

Apart from the financial and economic aspects of this choice, the way HNWI's from these countries face luxury is a major drive for a project with such goals.

In growing economies, HNWI's are yet to be fully mature about knowing what they really want regarding luxury goods and services consumption. They still aspire to be like someone else - often taking on western celebrities as role models - and haven't realised yet that, by the way global economy is evolving, they will soon be the trend-setters in a 100% globalized trend world.

As financial power migrates from country to country, so does the power over world trends. This is precisely what is happening right now.

By 2020, when the largest percentage of HNWI's will be headquartered in cities like Jakarta, Kuala Lumpur or Yangon, the rest of the world will look up to those populations to understand the avant-garde thought being employed into the next standard of fashion and ultimate lifestyle.

Just as Fashion Weeks or art itself have gone from Milan and Paris to New York and London - and many other cities but with less international impact -, many other internationally profiled events and phenomena will expand, or even shift, towards new economic poles.

Gandini, C. and Turinetto, M. (2009) *Lusso Necessario, alla ricerca del valore per vincere la crisi*, Lupetti

Norman, D. A. (2004) *Emotional Design*, Basic Books

**

Global Wealth Report 2011 (2011) Credit Suisse Research, available on www.credit-suisse.com

Luxury Brands. How to maneuver through this moment of austerity. (2010), Interbrand, available on www.interbrand.com

Luxury Goods Worldwide Market Study 2011 (2011), Bain & Company and Fondazione Altagamma, available on www.bain.com

PPR Fundamentals 2011 (2011), PPR, available on www.kering.com

The Wealth Report 2013 (2013) Knight Frank

Worldwide Luxury Markets Monitor, Spring 2012 Update (2012), Bain & Company and Fondazione Altagamma, available on www.bain.com

THE QUIDDITY OF BRANDS. THE GENUINENESS OF THE META.

Metaphysics, as a philosophical approach, mostly thinks about what is beyond material, about a transphysical reality and about the supreme principles of action and existence.

According to Aristotle, there are - in metaphysics - four causes that define, limit and distinguish both realities: the corporeal and the intangible.

Firstly, there is the material cause. It concerns the very matter of which things are made. It is subjected to changes and different determinations.

Secondly, the formal cause. It addresses the essence or - in Aristotle's words - the quiddity of things.

Quiddity, in its turn, is the regent core of existence; something that, no matter any environmental changes or accidents, maintains itself intrinsic to its host and unchanging.

Thirdly, the efficient cause. It is, fundamentally, the matrix of progression of a certain person or thing.

Lastly, there is the final cause that can be translated as the "what for?" of everything.

All these philosophical concepts can be directly applied to brands.

The material cause - the cause that varies according to different contexts - is rendered in the resources used by companies to develop and produce their products or services.

The efficient cause concerns the entire company's process.

The final cause represents the final objectives of the firm. Be it commercial or otherwise, these are the ultimate goals that drive a company.

However we are left with the formal cause, the most pertinent for this essay. Considering that it deals with the essence of things - the unchanging inherent values of something -, when thinking about brands, quiddity is often called meta-brand: all the intangible guidelines that lead every single action of a company towards the same final meeting point.

A brand's quiddity (or core) becomes a non-material identifier that protects its host-firm.



GUCCI's artisanal reputation is transversal to all the company. From the manufacturing of products to its brand message, the value of craftsmanship is omnipresent.

THE QUIDDITY OF BRANDS. THE GENUINENESS OF THE META.

The syntone of the tangible and the intangible

In order to maintain a company's genuineness intact, its process, products and brand must coexist in a constant and mutual exchange of values that, together, compose the firm's core.

Resourcing to Aristotle's metaphysics, each of its four causes has a direct reflection in a company and only by putting them together, one might be able to attain a coherent and consistent brand essence.

It is this dynamics of communication between elements - that is unique to each company - that constitutes the most valuable asset of a brand. The intangibility and the inherent secrets of this process render it unrecognizable and, therefore, impossible to mimic. It can only be seen in the brand's market outputs.

It is safe to assert that everything lies in the relations between the company's intentions and competences that, in conjunction, provide clients with an added-value product that satisfies their needs and whims.

However, the ultimate achievement for any brand - and contrary to the many that defend that timelessness is the absolute goal - lies in producing results that, somehow - either by reaching such a barren state that it is easily absorbed by each client's interpretations or by filling its outputs with such a strong charisma that it arouses the interest of a wide number of people - correctly and effectively appeal to emotions without being barred by any criteria and without suffering from the mutation of any continuity patterns - in space or time.

This complexity represents a huge advantage for brands. It augments every single product into a new dimension that greatly exceeds its material side.

It allows companies to create a shell protecting them from counterfeiting and from the misuse of their brands, thus helping them reach a balance in the application of their visual identities, keeping its recognition and avoiding its attrition.

These aspects will strongly weight on the subconscious processes that come prior to any purchase on a client's behalf.

THE QUIDDITY OF BRANDS. THE GENUINENESS OF THE META.

Apogée and the meta

If brands clearly state their core values and if these values are genuine to their inner processes, it becomes easier for Apogée to perform a positioning exercise amongst partners.

With intelligible essences, brands - within Apogée - will fill their market place without impertinent overlapping.

On the other hand, considering that the meta is Apogée's strong suit when attracting investors, the more unambiguous a brand is, the more effective it will become in our service.

Aristotle (1999) *The Metaphysics*, Penguin Books Ltd

Norman, D. A. (2004) *Emotional Design*, Basic Books

Ricca, M and Robins, R. (2012) *Meta-Luxury. Brands and the Culture of Excellence.*, Palgrave Macmillan

Verganti, R. (2009) *Design Driven Innovation: Changing the Rules of Competition by Radically Innovating What Things Mean.*, Harvard Business Press

INNOVATION. A COMPETITIVE ADVANTAGE WITH DICHOTOMIES ACROSS THE WORLD.

Many core values of well established businesses are being affected towards being stronger at conveying concerns with innovation.

While tradition is still a blockbuster, innovation is trumping through these rooted business principles of action and gaining terrain in the fight for differentiation.

In luxury, matters are just as explained above.

Many brands operate according to their long-lasting values: flags of both old age and exclusivity.

One intuitively thinks that costumers of brands such as Chanel, Brioni or Audemars Piguet would look for their usual feel, that is, what they know beforehand they are going to experience with a product coming from these companies.

Just as Hilton Hotels clients know they are going to feel at home in every of their establishments across the world, costumers of these mogul-brands of luxury want the exact same sensation: feel as if they were, somehow, special and in a higher standard than the rest and feel this way constantly.

Due to this flagrant conformism, innovation, of course, holds its risks.

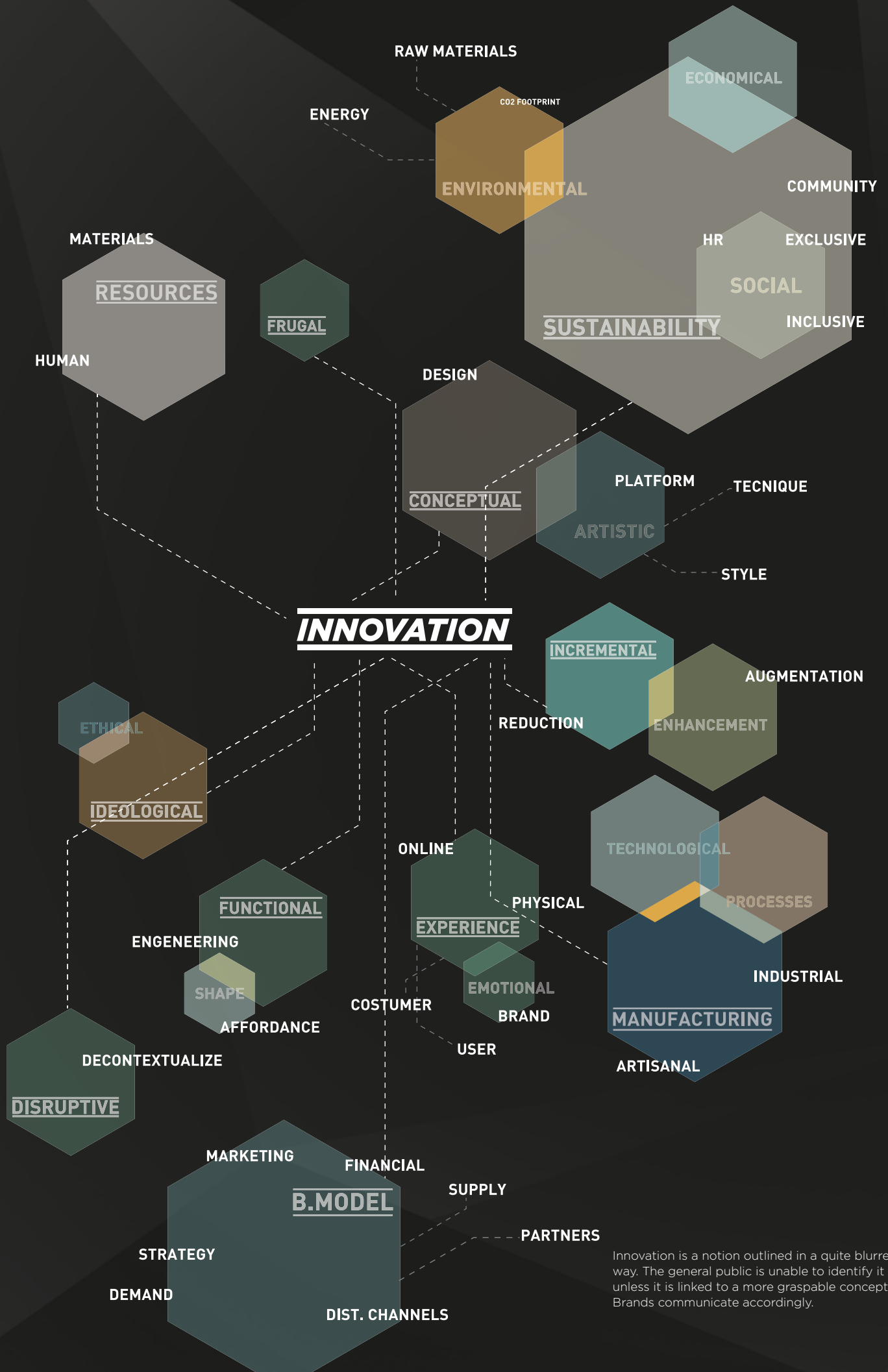
The competitive advantage it allows a company to gain is contrasted with the fear of being the first to do something. Companies recognize the value of innovation but, on the other hand, also realize that, if something goes wrong with a particular new venture, there is a lot at stake.

Firms are natural hostages of their own executive decision makers and, in many cases, the path they define for themselves depend solely on the courage (or lack of) of whomever is calling the shots.

Examples like Apple or Alessi - from which products came out without even consulting the market on wether they would be successful or not - clarify how important an innovative vision can be in the realm of executive decisions.

As such, innovation can be either aspired or feared. Its uncertainty constitutes the very same property that makes it coveted and unwanted. One factor alone holds both its market materializations: success and failure.

In that same sense, innovation can be found through many substantiations. Be it a design push, a technology push or a market pull, innovation unfolds into many areas of expertise - as many as one might want - that, by (de)contextualizing a particular concept, creates a whole new meaning to an already explored -



Innovation is a notion outlined in a quite blurred way. The general public is unable to identify it unless it is linked to a more graspable concept. Brands communicate accordingly.

INNOVATION. A COMPETITIVE ADVANTAGE WITH DICHOTOMIES ACROSS THE WORLD.

though in different ways - environment. This is innovation: the interpretation with a new perspective of a certain context.

In luxury, innovation is often disguised as something else in order to - maybe falsely - intensify a brand's efforts on emphasizing its concern with a particular area. The environment, for instance.

As much as there are luxury brands that communicate their concerns with the environment as one of their core company values, many do so with the intention of creating a moral or ethical support for their market differentiation. To my mind, when a car make (like Tesla Motors) says it is deeply concerned with its carbon foot-print, what it is truly telling its costumers is that it has an innovative approach to the car manufacturing industry that distinguishes them from their competitors. Specific core values have the sole function of building a safe-net for a competitive advantage.

By aiming at augmenting the conceptual depth of a brand, companies make their emotional engagement with costumers stronger. With this main objective, innovation isn't enough (yet).

Even for the most educated audiences, innovation - as an abstract concept - doesn't capture one's attention as it could when associated with a specific principle or area.

Be it science, lifestyle, humanitarian causes, or any other area of human activity, innovation leaves its intangible existence and becomes graspable when it is associated with other concepts.

Whether this might be interpreted as a dishonest or a normal brand strategy on any company's behalf, innovation must come down from its pedestal and pair itself with a more explainable concept so the brand can successfully engage its clients.

In the end, any core value presented as a novelty to the market is innovation backing its own strategic differentiation up.

However, in luxury, innovation is, sometimes, somewhat of an outsider to the standards of brand strategy.

Heavyweight brands project their traditional values so strongly into the market that many others feel the urge to adopt the same core principles so they won't stand out - in a negative way - from the crowd. **This causes a deeply rooted inertia in the race for new ideas, leaving most of the luxury market in its usual comfortable place of a continuous cycle of incremental innovation.**

INNOVATION. A COMPETITIVE ADVANTAGE WITH DICHOTOMIES ACROSS THE WORLD.

Such positioning exercise within the same sector creates interesting relations between brands.

While many newly created brands blindly follow the strategies patterned by big conglomerates, others - like DE GRIS - disrupt by adopting different core values. This dichotomy triggers both a sense of superiority and fear.

Where as tradition is still a strong trump to play, many brands, - like Chanel, Brioni ... - that solely survive on values that have lasted since their creation, now feel the need to distance themselves from occasions and situations - that otherwise would be very profitable for them - that promote innovation.

This phenomenon allows brands with a truly differentiating core to stand out in a positive way and healthily compete with other equally differentiated companies.

Are these the only contexts where innovation is protected from flags of luxury like traditional manufacture or craftsmanship?

I would say it depends, mostly, on geography and its cultural ramifications.

Assuming innovation is, as explained above, - a major agent in the quest for differentiation that associates itself with more tangible concepts to engage its public - it must be used in a brand's strategy very wisely.

Brand strategy is, above all, an outlined way to more closely relate with a prospective audience and, by doing so, enhance and augment as much as possible the company's success in its market. The emotional attachment that a firm might try to obtain and cultivate within its clients can only be created with an utterly careful appropriation of all pertinent sociological factors at play in a specific area.

Brand strategy is geography sensitive.

Brand strategy is culturally sensitive.

Brand strategy is overall socially very sensitive.

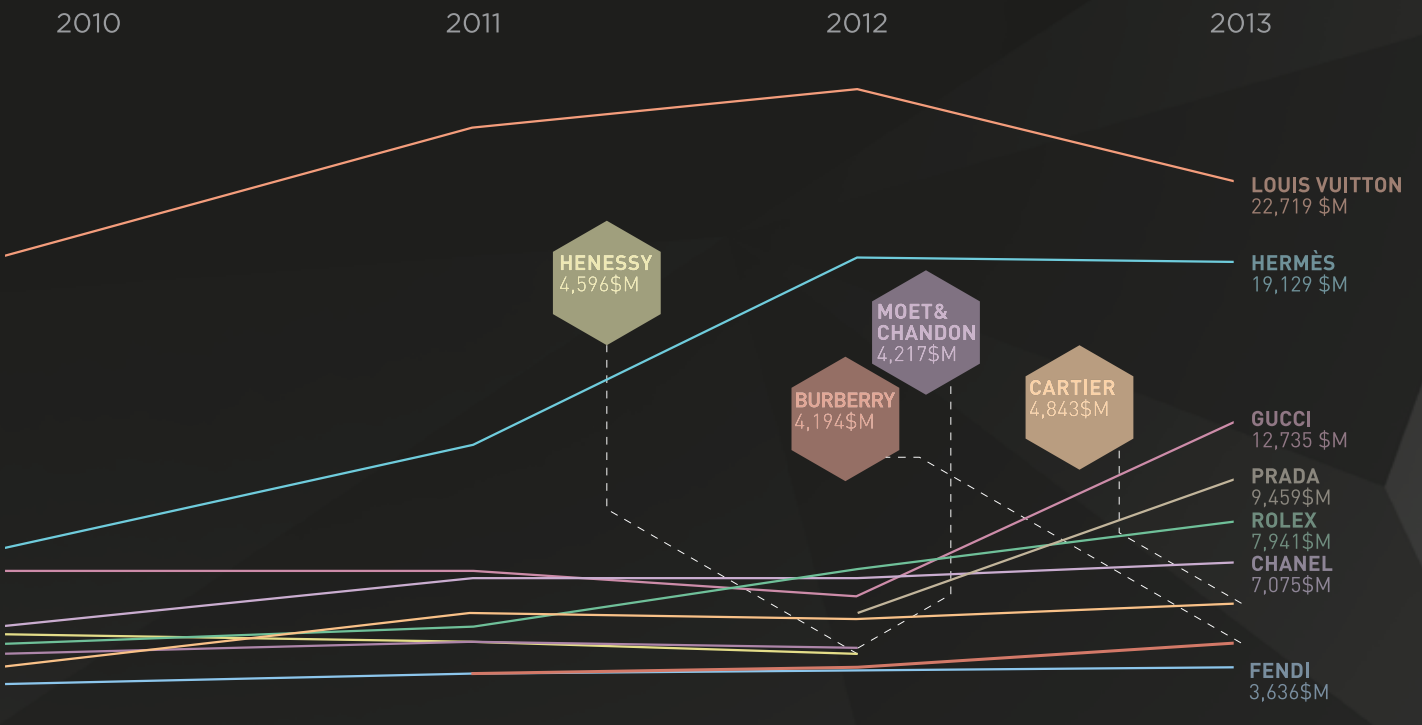
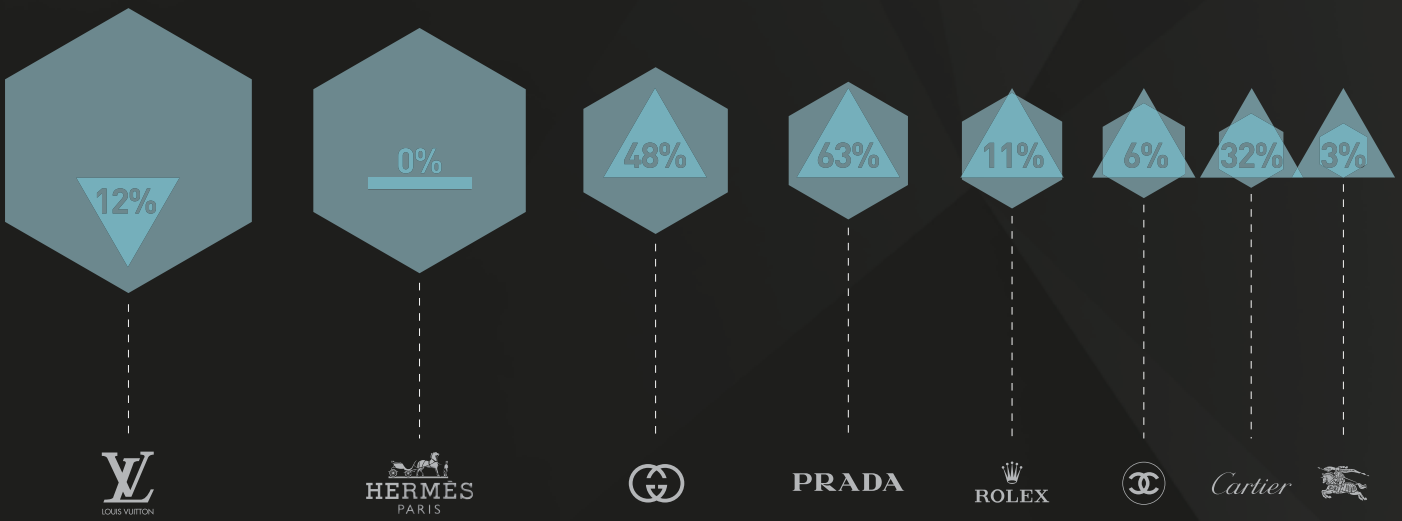
Luxury isn't any different.

As in any other market, luxury includes in its offer what is thought as an already observed necessity or, even more pertinently, what is thought to become a necessity in the near future. This supply-demand logic has been shaken, at global scale, due to a mismatch between producers and their clients.

Above
Brand value %change 2012-2013 (top 8)

source
BrandZ Top 100 report 2010
BrandZ Top 100 report 2011
BrandZ Top 100 report 2012
BrandZ Top 100 report 2013

Below
Brand value of most valuable luxury brands (top11)



INNOVATION. A COMPETITIVE ADVANTAGE WITH DICHOTOMIES ACROSS THE WORLD.

In Europe, tradition is still an overwhelming factor for buyers that, semiotically, associate luxury with already institutionalized codes, hence looking for products that present themselves as “the luxury they are used to see”.

On the other hand, producers are eager to innovate: they have been leveraging their manufacturing structure to promote new methods and have joined this will of improving their production with a continuous conceptual modernization.

HUBLOT, with its recently launched LaFerrari model, has done just that: profit from innovation on both ends (concept and production) of product development.

BMW, with its I series, has shortened the distance between (traditional) german luxury car manufacturers and the market’s ideal of an industry with a greatly reduced CO2 footprint.

The mismatch of intentions deepens when it becomes clearer that what is being innovated in the western countries is mostly sought after by clients from eastern nations and other emerging economies (where its producers are stagnated in a mimetic logic of product development).

In countries like India, producers are yet to adopt a business soul of their own, that is, though there are innovative brands in these markets, most develop products that are an obvious adaptation of european codes and their application in local raw materials (jewels, clothes, even cars).

Opposite to this logic, there are the emerging luxury costumers that recognize innovation as a plus in a product.

Luxury, as a deeply emotional market, must induce in its clients - though subtly - the will to brag about the products they own. If this happens, it means that the client has been engaged with the highest possible rate of success.

New clients feel that innovation is worth bragging about.

Having been through decade-long trends of customization - their way of differentiating themselves from anyone else with the same product -, clients from emerging economies have put a stop to that and moved on to a more educated perspective on luxury .

-
- A. Schilling, M. (2010) *Strategic Management of Technological Innovation*, McGraw-Hill International Edition
- Crawford, M. and Di Benedetto, A. (2011) *New Products Management*, McGraw-Hill International Edition
- Gandini, C. and Turinetto, M. (2009) *Lusso Necessario, alla ricerca del valore per vincere la crisi*, Lupetti
- M. S. Carvalho, João (2012) *Planeamento Estratégico. O seu guia para o sucesso.*, VidaEconómica
- Norman, D. A. (2004) *Emotional Design*, Basic Books
- Ricca, M and Robins, R. (2012) *Meta-Luxury. Brands and the Culture of Excellence.*, Palgrave Macmillan
- Verganti, R. (2009) *Design Driven Innovation: Changing the Rules of Competition by Radically Innovating What Things Mean*, Harvard Business Press
- **
- Best Global Brands 2012* (2012), Interbrand
- BrandZ Top100 2010* (2010), MillardBrown
- BrandZ Top100 2011* (2011), MillardBrown
- BrandZ Top100 2012* (2012), MillardBrown
- BrandZ Top100 2013* (2013), MillardBrown
- Global TGI Country Comparisons* (2010), TGI and Kantar Media
- Relatório Sobre a Riqueza Mundial 2012* (2013), Capgemini
- The 2013 Global Retail Development Index. Global Retailers: Cautiously Aggressive or Aggressively Cautious?* (2013) ATKearney
- The Chinese Millionaire Wealth Report 2013* (2013) Hurun Report and groupm
- The Wealth Report 2013* (2013) Knight Frank
-

INTEGRITY VERSUS FLEXIBILITY. THE SERVICE OF EDUCATING.

In luxury, a brand's identity can easily become a company's equity, that is, the face of a company represents such a heavy value for its business that it turns itself into an active asset that needs close and careful management.

The logotype and its ramifications must be thoroughly observed at all times for they can both be an exponential enhancer of a firm's business and a jeopardy for its reputation.

Louis Vuitton, the most valuable luxury brand has admitted to decrease the use of its logotype in patterns printed over its products due to high and easy counterfeiting. Gucci has decided to do the same.

Both these companies struggle to overcome both bootlegging and the ongoing association of their brands to high profile clients that don't portray their values and, therefore, destroy their efforts to build and maintain a meta-brand of (claimed) high standards of luxury, exclusivity and refinement.

The complete set of touch points of a luxury company must be designed under the same core brand values as each one of them is an important conveyer of those same acting principles. The products and services themselves are the last standing point of a chain of a successive transmission of brand guidelines that, in the end, represent the company.

As such, a brand is not a logotype or a graphical identity. It is the full and comprehensive application of manufacturing, operational and ethical principles towards every single element of a company. It is more so in luxury as luxury brands survive greatly on their reputation.

Due to the constant presence of these factors, a three-pointed intrinsic relation is built around a brand: company-product-client, all of which constitute a "place" where a brand's integrity must be carefully kept.

The company feeds its products with an aura of its own values and it is that same aura that safeguards the company from rip-offs and other wrongful appropriations of its identity.

Products feed clients with a social representation according to the values and status they transport.

Clients feed the company with their association with the brand in question. Every client endorses the brands he or she carries. In here lies a very delicate and dangerous situation for companies.

INTEGRITY VERSUS FLEXIBILITY. THE SERVICE OF EDUCATING.

A brand's identity isn't obtained by being solely an issuer of a graphical standardized system that's transversal to the whole of a company's touch points.

It further requires the company to educate its own clients so it is well represented by them in the market place. A product holder is as much of a brand flag as any other touchpoint or brand tool.

Clients must be taught towards accepting the values of a brand and, as such, use and show them off accordingly. Therefore, a brand's integrity must be managed in a two-front operation: the issuing of values and their maintenance when allocated to external factors (clients).

Apogée - consulting for clients and brands

Apogée, as an intermediary service between clients and brands, can and should work as a mediator of the dialogue between these two entities. That is, on one hand it advises clients on what they should purchase and invest and on the other hand it leads companies to an optimized product-service design for Apogée.

Taking into account that Apogée is a status-building tool for both clients - in their projection onto society - and brands - in the augmentation of their core values in an offer that is specifically designed in a top-up approach for Apogée -, this service is bound to handle very delicate operations. As such, Apogée holds huge benefits but also considerable risks for both parties.

The delicacy of the processes that each brand goes through when working within Apogée lies, mostly, in the flexibility and integrity exercises of their respective brands. Given that these issues depend also on the clients, Apogée comes into play as the element that ensures that the interests of both clients and brands are taken into consideration.

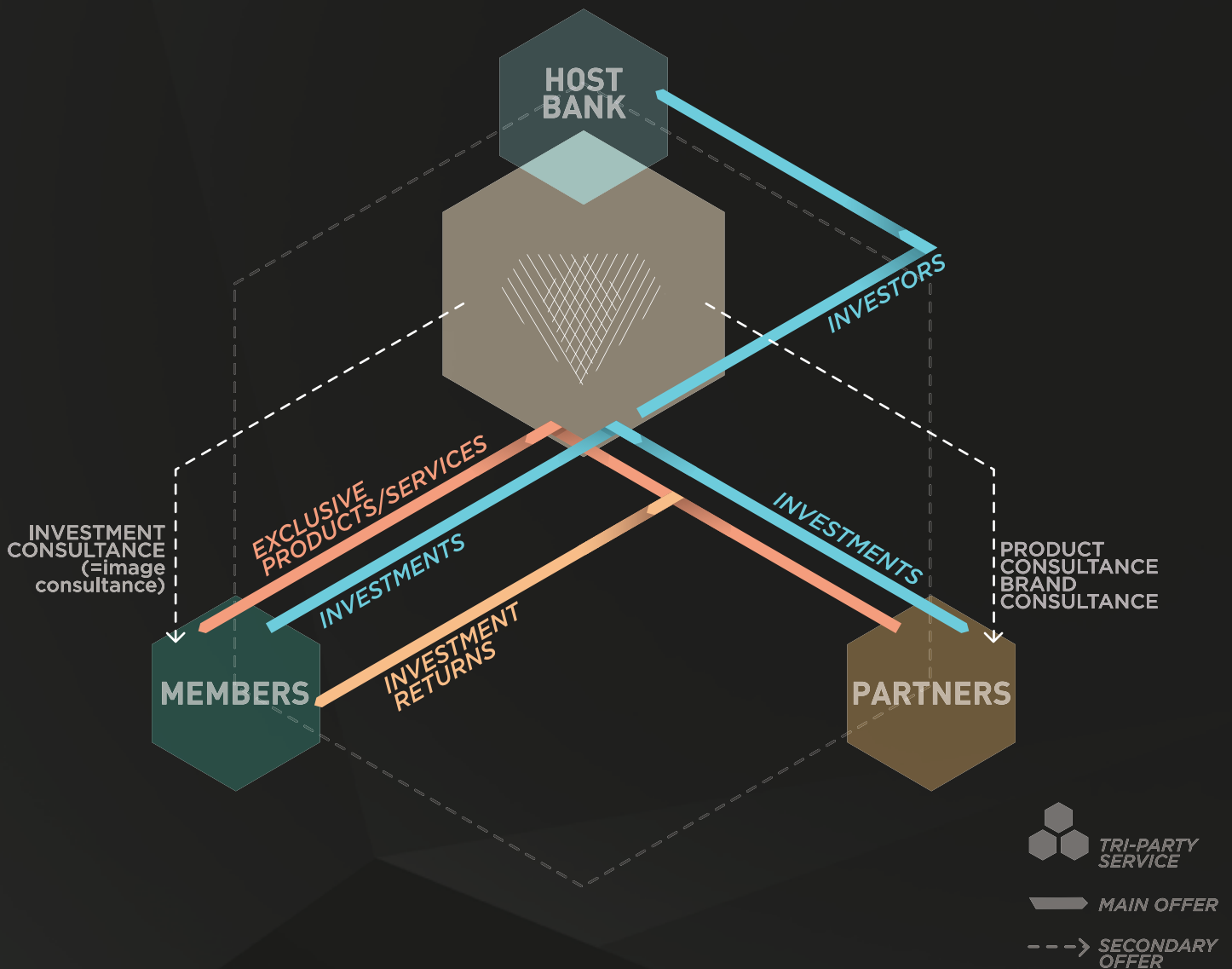
Firstly, Apogée makes sure that clients invest according to their personal taste but also following our expert advice on which path they should trail towards what they expect to gain from Apogée.

Secondly, Apogée must secure that clients investing in brands are suited to continue the strong thread of core values started by the company itself and, when displaying its products, are able to represent the brand correctly.

Apogée's offering map

Apart from its main offer, Apogée also provides its members and partners with a consultancy practice that is very characteristic of this service. Investment consultancy can be perceived as an image-consultancy as Apogée

understands that what a member invests in will reflect on his public image; Brands will also be advised about which products or services might be pertinent to provide through Apogée.



INTEGRITY VERSUS FLEXIBILITY. THE SERVICE OF EDUCATING.

Thirdly, Apogée guides brands on a top-up expansion of their product/service range. By doing so, Apogée works side by side in trying to develop a flexible brand culture within its partner companies.

It would not be difficult to design products that are more luxurious than each brand's flagship product, but Apogée - for the company's sake as well - constraints the creation of these new items in order to maintain every intervening reputation intact.

By operating according to the three main guidelines written above, Apogée presents itself as a systemized platform where brands are free to widen their offer and, while doing so, are sure that the will of their clients of having a unique product - that literally no one else has - won't interfere with their graphical and meta-brand principles and guidelines.

When brands are able to control the customization of their products by not leaving it in the hands of someone that does not dominate or even know about the core values of a firm, they are converging the power of exclusivity of their own products onto themselves.

Apogée can, therefore, be considered something other than just a financial service provider or a platform that joins clients, banks and brands in the same dialogue. Its very fundamental offered service of passion investments requires that Apogée engages in a counseling relationship with its partners and clients towards advising them on the best path to follow.

Gandini, C. and Turinetto, M. (2009) *Lusso Necessario, alla ricerca del valore per vincere la crisi*, Lupetti

Ricca, M and Robins, R. (2012) *Meta-Luxury. Brands and the Culture of Excellence.*, Palgrave Macmillan

**

Annual Report 2012 (2012), PVH

Annual Report and Accounts 2012 (2012), Richemont

Best Retail Brands 2012 (2012) Interbrand, available on www.interbrand.com

BrandZ Top100 2013 (2013), MillardBrown

Document de Reference (2009), LVMH, available on www.lvmh.com

Reference Document (2012), PPR, available on www.kering.com

SEDUCTION. EXCLUSIVITY AS ENTICEMENT.

In the world of luxury, the perception a brand induces in its audience of its own products is a crucial factor when penetrating the market place. It is a universe that's guided by non-measurable elements and, as such, with abstract criteria of intervention.

As mentioned in *Meta-Luxury* (Ricca & Robins, 2012), rarity presents itself as one of those immeasurable ingredients for, in luxury, it leaves its quantitative grounds and goes on to be a qualitative component of the equation.

By definition, rarity is the scarce existence of a certain thing. This same quantitative interpretation contributes towards price inflation and a purchase enticement in the luxury market. However, the abstract and conceptual explanation of rarity - a direct consequence of the quantitative interpretation - is much heavier in the client's purchase ponderation.

A perception of value is automatically conferred to something that is, objectively, rare. Exclusivity results from this alliance of factors.

Exclusivity derives directly from the public's perception of a certain product/service and - considering that in this elucidation of rarity, its very meaning has already been subverted into something less objective and more notional - it allows companies to approach prospective clients in a less linear way.

The very fact of someone wanting to have something that no one else has is the true materialization of exclusivity, as it only occurs when a lot of people are denied access to a product or service. It is by limiting admittance to a product that rarity, exclusivity and luxury are created as concepts and, simultaneously, converge into a symbiotic existence.

Rarity, as a concept, brings new human factors into play that should be addressed when penetrating the market place: desire, the longing for having something and the entire quest ending in the possession of a certain coveted article. These are the elements that show luxury as the answer, not so much to necessity, but, above all, to the most primary and subconscious whims and wills of clients.

Since one might project himself onto society through his possessions, the very ownership of a rare item leads to several different connotation of the owner. One may, therefore, be read as someone with high and strict standards of choice, that purchases according to expert criteria and that thinks not only of what he should buy but combines this with what he wishes to have.

SEDUCTION. EXCLUSIVITY AS ENTICEMENT.

These dynamics between a product, its rarity, all the qualities that rarity itself grants to the product and the consequences for the owner allow Apogée - as a service that explores what might be above the current product range of each brand - to induce this exclusivity aura into its partner brands and, as such, let rarity be a drive for demand.

Gandini, C. and Turinetto, M. (2009) *Lusso Necessario, alla ricerca del valore per vincere la crisi*, Lupetti

Norman, D. A. (2004) *Emotional Design*, Basic Books

Ricca, M and Robins, R. (2012) *Meta-Luxury. Brands and the Culture of Excellence.*, Palgrave Macmillan

Yao, A. (2010) *New trends in Europe and emerging luxury goods market*, China Europe International Business School

**

Luxury Brands. How to maneuver through this moment os austerity. (2010), Interbrand, available on www.interbrand.com

HOW BRANDS INFLUENCE CONSUMERS' SELF-REPRESENTATION.

Humans respond to their experiences according to three cognitive processes. Firstly, humans respond viscerally - visceral thinking -, a purely sensorial response to what one's senses pick up.

Secondly, humans react behaviorally - behavioral thinking -, a rational answer to any alternative presented to them. If in a dilemma between two possible solutions, a human, behaviorally thinking, will opt for the most functional and effective one.

Lastly, humans think reflectively. This perceptive exercise appeals to one's inner-most intimate emotional reasoning, a psychological place where cultural and personal associations exist to form decisions and opinions.

This is also where brands achieve a stronger emotional connection with the consumer.

As mentioned before (see "The Shift of the Luxury Market Towards Unsailed Waters"), reflective thinking is the emotional interpretation of our surroundings.

It consists on producing a very subjective reading of any inputs processed by our own senses and, regarding brands, it can be witnessed in three different situations:

- . when a branded product is empty of emotions, that is, totally barren and, as such, permitting any inference by its user or when it is so heavily charged with sentiments that it instantly builds a passionate relationship with its purchaser;
- . when a product is designed according to the cultural and social constraints of its user, helping him build a self-image and projecting it onto society;
- . when a brand builds a relationship based on trust with its customers leading them to use it repeatedly.

Reflective thinking, is, by these definitions, the gateway for a luxury brand to incisively take on a market on a cultural, a social, and a personal levels, regarding always the quality of its products and the trust it builds up amongst its consumers.

Brands must, therefore, design products that are evocative of deep personal and intimate matters as well as products that transport with them the meta-brand that will, consequently, be transferred to each one of its users.

Self-image establishment in emerging economies

Emerging economies have held trends that flagrantly depict their will of distinction amongst crowds.

Car customization, tech-gadgets personalization, individualized aircraft orders; all of these portray the very particular whims of the wealthy in nations such as the UAE, China or Taiwan - countries where having the best is not enough.

The crème-de-la-crème of this surfacing economies have the best money can

HOW BRANDS INFLUENCE CONSUMERS' SELF-REPRESENTATION.

buy but still, they want to stand out from others that possess the same items. Owning the same hyper-car as your neighbor states that you are just another person in the herd.

According to Target Group Index's survey on self-perception and appearance, the six countries whose citizens most feel the need to stand out in a crowd are all emerging economies - China (54%), India (54%), UAE (52%), South Africa (48%), Brazil (36%) and Mexico (36%).

Furthermore, and according to the same enquiry, seven out of the ten countries whose people most feel the need to keep up with the latest fashion are, again, emerging economies - UAE (47%), South Africa (44%), Russia (41%), China (33%), [Poland (28%)] and Colombia (28%).

Lastly, out of the ten countries that consider it is worth to pay extra for quality goods, six are emerging economies - Brazil, India, South America, China, Mexico and Kuwait.

It is worth noting that all of the countries mentioned above are amongst the top ten nations - of their respective continents - in the ranking of the states with the highest expected HNWIs growth rate for 2022.

All of these facts ally an eagerness for something other than the standard luxury offering (even from the major luxury houses) with the geographical focus of that same social trend in countries outside of the long-established luxury zone, that is, Europe and North America.

Gandini, C. and Turinetto, M. (2009) *Lusso Necessario, alla ricerca del valore per vincere la crisi*, Lupetti

Martineaux, D. (2006) *Continuity - What Private Banking Clients Want*, Wealth Briefing

Norman, D. A. (2004) *Emotional Design*, Basic Books

**

Global TGI Country Comparisons (2010), TGI and Kantar Media

Global Wealth Report 2011 (2011) Credit Suisse Research, available on www.credit-suisse.com

The Wealth Report 2013 (2013) Knight Frank

THE BRAND'S HABITAT: AN INTER-CONNECTED GALAXY OF MEANINGFUL COOPERATIONS

Brands often rely on their peers in order to enter in new markets, strengthen their presence or even to survive. Co-branding is a much coveted strategy for companies that intend to instill new life into their brands or revitalize their relationship with customers.

However, brands have not been up to the challenge of creating inter-company relations of true mutual enhancement. Co-branding has been performed in a rather meaningless and superfluous manner. It has systematically tried to convince clients of a non-existent functional link between two firms. It has built connections with no substance that focus on a shallow - though intentional - brand displacement that is solely empowered by both the surprise and awareness factors.

In luxury it is even more so.

It is time to take a more functional approach to this potentially highly fruitful brand tactics.

Following the Tonino Lamborghini Group 30-year-long logic of Lamborghini licensed design, Ferrari joined forces with Vertu - a Finnish luxury smartphone house - and Porsche paired up with BlackBerry resulting in three mobile phones launched within one month that demonstrate the rooted outdated co-branding philosophy of the luxury market.

After Tonino launched the Antares - in late November 2013 - Vertu released its Ti Ferrari model and BlackBerry started selling its P'9981. This wave of imitation clearly states that luxury brands are unwilling to develop new forms of cooperation with other sectors and prefer to settle for an obsolete marketing strategy based on the design of merchandise products that parcel their luxurious offer in order to target lower-income individuals, thus misrepresenting the true and, currently, only viable purpose of luxury.

Furthermore, Bentley decided to capitalize its pseudo-overlapping of innovation and craftsmanship principles with Zai - a ski gear manufacturer - and put on the market the limited edition Zai / Bentley ski.

Once again, two brands met at a place of no particular benefit for the user.

There are numerous situations of shallow co-branding ventures in which brands wrongly assume their clients' permeability to this "cheap" seduction policy: Fiat 500 + Gucci, Kartell + Lenny Kravitz, Louis Vuitton + Cassina, amongst many others. Though these can be just marketing approaches with no true selling intention, the same results can be obtained with more functional strategies: co-branding that, rather than being reduced to the association of two brands, links the full operational capabilities of two companies.

THE BRAND'S HABITAT: AN INTER-CONNECTED GALAXY OF MEANINGFUL COOPERATIONS

—

To my mind, the path luxury brands should take when thinking about co-branding ventures - and the approach Apogée takes to the luxury market - is one that is not uniquely focused on providing the user with the chance of displaying two renowned brands at the same time.

This kind of brand symbiosis should allow its clients to be proud of what the two brands do and permit him to do. Co-branding should create an environment in which its owner is proud of what is behind and beyond the logotypes he is displaying.

It is not about what you have. It is about what you do. Never before has this Mahatma Ghandi's maxim been so suitable for luxury.

The apex of such a relationship between two brands and their clients is one that results from a functional connection and manufactures a product of true practical utility for its final user.

In Apogée, co-branding is performed by allying the two true great capabilities of two dichotomous sectors: luxury's brand power and banking institutions' functionality. It is a genuine relationship of mutual benefit that results in a product of pertinent practicality for its user.

While partnered luxury brands benefit from an enhancement of their useful side - that has otherwise been neglected -, banking institutions can profit from a fresh openness to new types of products with a more brand-oriented core.

With Apogée, co-branding gains a new dimension that departs from the innermost parts of companies and reaches its customers as a tool for convenient operations. It respects the financial sector's long-lasting reputation and enhances the luxury sector's one.



The **FIAT 500**, a car model with both functional and superfluous co-branding ventures. While the Abarth 500 is the result of a fully practical relation between two companies, the Fiat 500 Gucci Edition is an empty exercise of brand mutual benefit.

Gandini, C. and Turinetti, M. (2009) *Lusso Necessario, alla ricerca del valore per vincere la crisi*, Lupetti

Crawford, M. and Di Benedetto, A. (2011) *New Products Management*, McGraw-Hill International Edition

Felsing, U. (2010) *Dynamic Identities in Cultural and Public Spaces*, Lars Mullers Publishers

McColl, R. and Twong, Y. (2011) *Intrinsic motivations, self-esteem and luxury goods consumption*, Journal of Retailing and Consumer Services

Norman, D. A. (2004) *Emotional Design*, Basic Books

EGO-EMPTOR. THE PSYCHOLOGICAL CORE OF A PURCHASE.

Brands are designed to induce specific reactions in their observers. They are conceived based on a prediction of what kind of emotions they will arouse in whomever has any contact with them.

Brands are multi-front assets of a company - that is, brands are supposed to interact with costumers in an almost omnipresent manner -, however, there are moments in which a company's identity is more crucial for its success than others.

a) pre-purchase: a moment in which the relationship between brand and consumer is nearly 100 per cent consumer oriented in a sense that it consists on a unilateral flow of information coming from the brand and ending in a (often) passive assimilation by the prospective costumer.

b) purchase: a moment that deeply reflects both the effectiveness of a brand's prior exposure to the public and the reflective thinking of anyone engaged in a purchase. A person's previous experiences, mental-models and associations will profoundly influence his/her decision.

c) post-purchase: a moment that is no longer under the meticulous control of brands but, nevertheless, constitutes the most important scenario for a company's reputation. It is the moment of client endorsement in which anyone who bears a certain logotype under her arm or around her neck (...) is its single most important advertising platform within his/her microcosmos.

In the latter two moments a mutual exchange of information can be observed between client and brand. It depicts the intrinsic symbiosis of quality appropriation by the client from the brand and by the brand from the client.

In the luxury market several psychological factors come into play when deciding between products. These are a myriad of social, cultural and personal aspects that often bypass reason and functionality to focus on a less linear process of choice from an array of alternatives. Thus, luxury brands stress their emotional side and, sometimes, come dangerously close to neglect a more objective and straight-forward take on their personality. Luxury brands work towards satisfying their clients' own mental-models and towards meeting their necessities regarding their self-representation. The image we would like to have of ourselves plays a much more important role than what we care to admit [Norman, 2004].



GUCCI

Firenze 1921

GUCCI

Firenze 1921

EGO-EMPTOR. THE PSYCHOLOGICAL CORE OF A PURCHASE.

It is impossible to escape from our self-representation both onto society and onto ourselves. Our lifestyle - what we wear, the materials, fabrics, accessories, brands and styles we bear - represents our public self-image. Even displaying an anonymous brand or brandless products states a lot about our character.

Everyone wishes to cause a good impression within his peers. However, both the concept of self and the concept of good vary from culture to culture. While in western societies the individual is naturally driven to stand out from the crowd, in eastern civilization (China, Japan, far eastern Russia amongst others) people thrive on having a constructive and positive impact on their respective groups and value the results of that same number of people instead of their own.

Good (or bad) is an extremely volatile concept that, nowadays, can't even be considered a constant element within the same community for a short period of time.

Every single product causes a psychological phenomenon that assesses that same item, associates it to specific memories, experiences and pre-concepts - runs the product through a mental-model - and, finally, transposes that same interpretation onto the exterior display of its bearer's self-image.

This mental-model intends to add value to a product that, without any interpretation, means nothing to a prospective buyer.

In luxury, brands and their products should be designed to blatantly attack the most probable personal associations they will go through in each of their clients.

Therefore, the action of buying is a positioning exercise by every customer: it reflects on our lifestyle which, in its turn, constitutes, confirms and translates into our self-perception and the image we would like others to have of ourselves.

EGO-EMPTOR. THE PSYCHOLOGICAL CORE OF A PURCHASE.

Ego-Emptor - the purchaser-self

Eg(o) - prefix from the Latin *ego*, meaning I.

- . one's personality core;
- . principle of dynamic organization, a director and evaluator that determines every experience of an individual;
- . according to the second Freudian theory, ego is the psychic instrument that is built by one's experiences and, as such, exercises its power of control over an individual's behavior. Most of its functioning is unconscious, however it is a person's principle of reality.

Emptor - Latin for purchaser, buyer.

- . one who acquires in exchange for money (*emo*) in contrast with *vendo* (to sell);
- I take the liberty to use this term to individuate the psychological faculties that are used towards a purchase.**

For every action a human being performs, he uses only some of his immense cognitive capabilities. He filters his full potential and deploys the fragments he needs. It is no different when trying to choose between brands, their products and, most importantly, their values.

In luxury, function takes a step back and lets everything else shine; all the other brand elements that exist solely to appeal to the emotional side of the customer are given the main role in the client-company relationship.

The Ego-Emptor is one's psychological self when deciding what to buy.

It runs the available array of choices through a mental model - a cognitive instrument unique to each individual -, performs every kind of association needed and produces a final and internally justified decision.

The *Ego-Emptor* works according to several inputs that are both internal and external. It concerns all personal experiences that might be pertinent to a specific choice and applies them in - positive or negative - emotional associations of which the outcome might enhance or damage a specific product's chances of being bought.

A product can appeal to memories or unconscious opinions; it can instantly be perceived as a token of remembrances of a dead relative - which can have a positive or a negative impact - or it may address a judgement that was seemingly formed during childhood from a cartoon or a cereal label. These are personal and internal happenings that set part of the background for each decision a human being might come across with.

EGO-EMPTOR. THE PSYCHOLOGICAL CORE OF A PURCHASE.

Moreover, in luxury, social status heavily weights on purchase processes.

As every acquisition is an exercise of self-positioning amongst peers, social constraints are another factor that influences them.

The communal environment in which one finds himself is a major drive of cognitive- emotional processes. It applies pressures that might lead an individual to opt for a certain alternative instead of any others. It might create whims of differentiation or of camouflage.

Peer force may cause someone to want to stand out from the crowd or impel that same individual to try and fit in by not thinking outside that box and by blending in with everyone else.

These are outer circumstances that dictate the rest of the landscape that constraints a purchase decision.

The Ego-Emptor is the full set of abilities, experiences and psychological instruments available to each individual to prove (to himself) a specific purchase to be right.

-
- Cacioppo, J. T., Winkielman, P. (2001) *Mind at Ease Puts a Smile on the Face; Psychophysiological Evidence That Processing Facilitation Elicits Positive Affect*, Journal of Personality and Social Psychology
- Davis, M. (2009) *The Fundamentals of Branding*, AVA Publishing SA
- Gandini, C. and Turinetto, M. (2009) *Lusso Necessario, alla ricerca del valore per vincere la crisi*, Lupetti
- Healey, M. (2008) *What Is Branding*, RotoVision SA
- Hume, D. (1748) *An Enquiry Concerning Human Understanding*, Pearson(1995)
- Kahneman, D. (2011) *Thinking, Fast and Slow*, Farrar, Straus & Giroux
- M. S. Carvalho, João (2012) *Planeamento Estratégico. O seu guia para o sucesso.*, VidaEconómica
- Norman, D. A. (2004) *Emotional Design*, Basic Books
- Quintais, L (2009) *Cultura e Cognição*, Biblioteca mínima
- **
- Dicionário Houaiss Da Língua Portuguesa* (2001) Círculo de Leitores
-

A person's hands are shown holding a pair of glasses. The background is a soft-focus landscape of a field under a sunset sky, with the sun low on the horizon. The overall color palette is dominated by warm, golden, and blue tones. The text is overlaid in the center of the image.

REFLECTIONS ON

***PRIVATE
BANKING***



PREVIOUS PAGE

SUSHI SHO's chef, Keiji Nakazawa handles a prawn to make one of the best sushi in Japan, the country with the most Michelin-Stars in the world.

OVERALL CONJUNCTURE. THE ECONOMIC AND SOCIAL BASE FOR APOGÉE.

Though Apogée might strike as a design-push innovation, it has all the features of a market-pull strategy. The current global economic and social luxury status are reaching a boiling point in which supply is becoming insufficient for its demand.

By affirming that the world's luxury supply is not meeting its demand's exigences, the targeted issues is not its quantity. The rupture is happening much more heavily in a conceptual and perceptive way, affecting clients' expectations of a brand's standards of quality.

One of the main concerns of luxury brands nowadays is how to effectively approach HNWI's and UHNWI's. These are individuals with unusual purchase mental processes that prioritize differently from a regular purchaser.

There is the pressing need of a new market entirely focused on this cluster of consumers.

Emerging concerns amongst HNWI's

According to Knight Frank's "The Wealth Report 2013", 10% of their respondents (private bankers and investment advisors) admitted their clients have increased their philanthropic investments. Though easily neglectable, if properly analyzed, one might conclude from this information that emotional concerns are growing stronger in HNWI's priorities when investing.

Furthermore, and despite an insignificant 1% global increase in investments in luxury goods, China alone has experienced a 19% growth in the same financial operations. This has propelled China's luxury market not only internationally but also domestically: Moutai, a Chinese liquor brand, has become the 4th most valuable luxury company with its value being estimated in 12\$b.

Moreover, the consistency of Europe's luxury market share is greatly due to purchases made in its luxury hubs - London, Paris and Milan - by asiatic tourists.

China, as stereotype for the asiatic wealth growth, gives us several topics that indicate a healthy future for investments in luxury brands coming from those countries. Globalization of wealth has opened new HNWI's to investments that meet both the brain's and the heart's requirements. Investors now feel the need to satisfy more than their desire for financial return. An emotional profit is becoming as important as a financial one (Pownall, in *The Wealth Report 2013*, 2013). And if one's passion is on the other side of the world that is no longer an uncrossable frontier.

OVERALL CONJUNCTURE. THE ECONOMIC AND SOCIAL BASE FOR APOGÉE.

To further support this movement towards a more humanized array of criteria for investing amongst the Chinese wealthy, China currently represents 30% of the global art market - a market as embedded with emotive factors as it can get. Though still considered uncharted waters, passion investments - according to Dr. Rachel Powdall - are already being clearly perceived as something beyond the run of the mill investment. It is an operation with returns that go beyond financial remunerations.

They can almost be regarded as soothing operations that, in the end, will provide a peace of mind due their inherent enormous emotional satisfaction.

As a further matter, since it is a young market, it benefits from the absence of paradigms and standards. It is of a more subjective nature and, as such, operates fully accordingly to each investor's whims.

Apogée also aims at materializing a channel that links HNWI's from emerging economies to their ideals of luxury in western countries.

Indeed, according to the Hurun Report 2012, though an increase in national pride when investing in arts has been noticed, most of the favorite luxury brands of the Chinese wealthy are, in fact, from Europe and North America.

To men, 14 out of their 15 preferred high-end brands are from the old continent and its fellow across the Atlantic - with the exception of Moutai.

To women, all of their 10 preferred brands are from the western world.

Brands are acting accordingly, however in a way that is objectively too insipid and inconsequential.

European and American brands top the lists of investments in media exposure of almost all (8 out of 10) of the luxury sectors.

An overall 30-40% increase in those investments has been witnessed from 2011 to 2012.

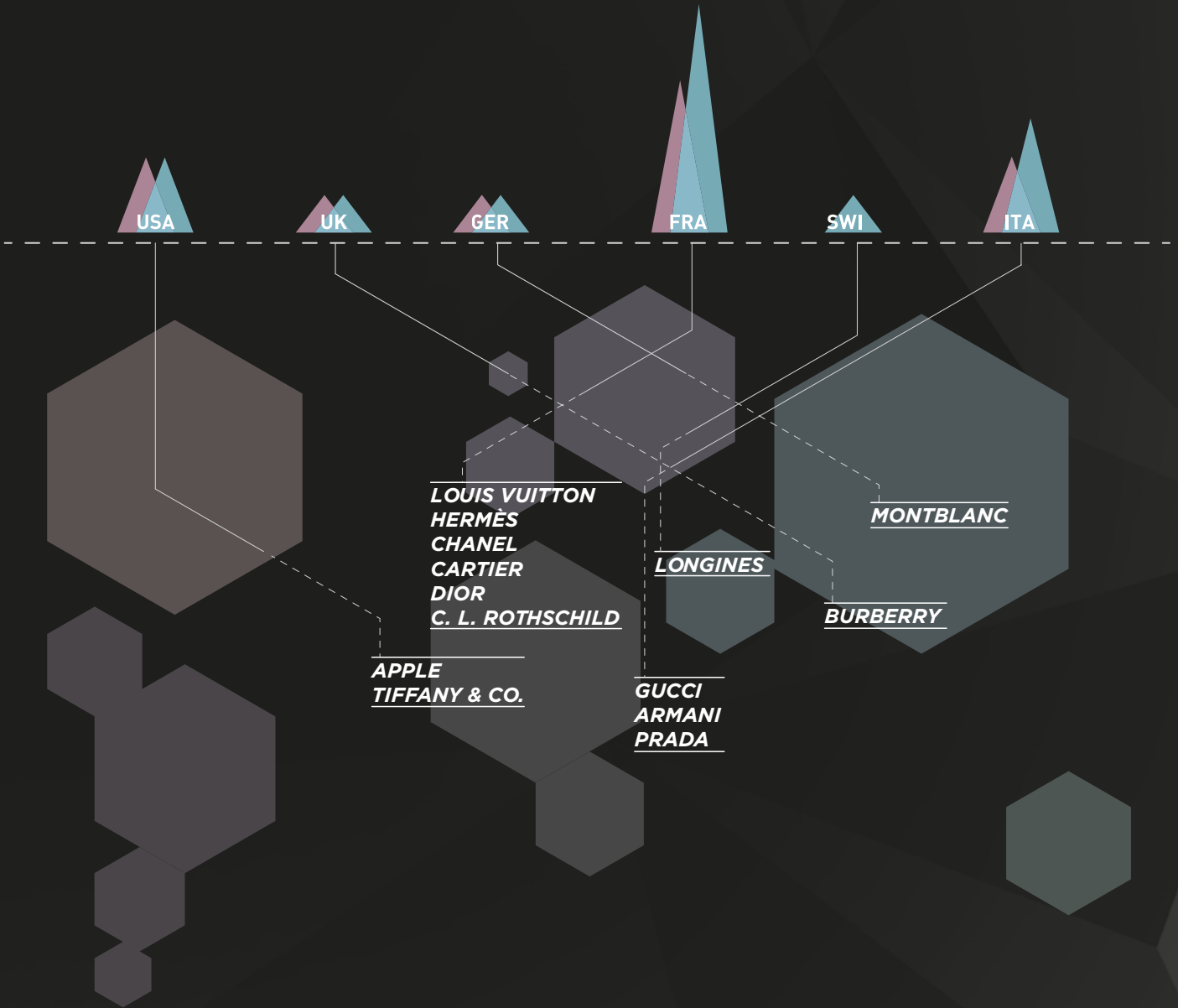
The biggest investors in media coverage in China are:

- . Lancôme (3926 RMBm)
 - . Estée Lauder (3238 RMBm)
 - . Moutai (CH) (2591 RMBm)
 - . Audi (2240 RMBm)
 - . SK-II (2026 RMBm)
 - . Volkswagen (1948 RMBm)
 - . Mercedes-Benz (1798 RMBm) . Luzhou (CH) (1731 RMBm)
 - . Dior (1583 RMBm)
 - . Martell (1505 RMBm)
-

Country distribution of:

- Chinese Male Millionaires' Preferred Brands for Gifting - top15
- Chinese Female Millionaires' Preferred Brands for Gifting - top10

source
Hurun Report Chinese Luxury Consumer Survey 2013



OVERALL CONJUNCTURE. THE ECONOMIC AND SOCIAL BASE FOR APOGÉE.

The following sectors are topped by the referred brands in media investments in China:

- . cosmetics - Lancôme
- . alcohol - Moutai (CH)
- . auto - Audi
- . real estate - Evergrande Real Estate (CH)
- . watches - Omega
- . jewelry - PGI
- . fashion - Burberry
- . hotels - Sheraton

Furthermore, - according to Knight Frank's "The Wealth Report 2013" - Asia-Pacific's share of the largest luxury brands outlets increased in 44% from 2011 to 2012.

These are all measures that attend to typical purchase behaviors and that neglect to address the rather peculiar demands of HNWI's.

The creation of an infrastructure that meets the whims of people that want more than just products is imperative. This new social and economic trend raises individuals that demand unique experiences that distinguish them from other clients to whom going to a store and buying a product is enough.

Apogée is, indeed, a service that opens both the banking and luxury sectors to these new standards and expectations from prospective clients.

Verganti, R. (2009) *Design Driven Innovation: Changing the Rules of Competition by Radically Innovating What Things Mean*, Harvard Business Press

Ricca, M and Robins, R. (2012) *Meta-Luxury. Brands and the Culture of Excellence.*, Palgrave Macmillan

Crawford, M. and Di Benedetto, A. (2011) *New Products Management*, McGraw-Hill International Edition

A. Schilling, M. (2010) *Strategic Management of Technological Innovation*, McGraw-Hill International Edition

**

Global TGI Country Comparisons (2010), TGI and Kantar Media

The 2007 Guide to Private Banking and Wealth Management (2007), Euromoney

The Chinese Millionaire Wealth Report 2013 (2013) Hurun Report and groupm

The Wealth Report 2013 (2013) Knight Frank

Worldwide Luxury Markets Monitor, Spring 2012 Update (2012), Bain & Company and Fondazione Altagamma, available on www.bain.com

DISRUPT. INNOVATE.

Nowadays the banking sector presents itself as a stagnated business due to its huge focus on performance-based reputation building.

As such, banks must now have a more disruptive approach to the market both in form and in content in order to ease and shorten the processes clients go through. That is, in its mission of managing human logistics that comprehend both clients and staff, banks should cease to design specific singular products or services and begin creating holistic experiences that provide meaningful products in an overall pleasant interaction.

Furthermore, it is now time for banks to realize the value of platform operations. Instead of working in a two-sided relationship with its clients, banks can start to serve both clients and third-party partners, thus attracting higher capital influxes.

All of these issues can be answered by inserting passion and emotion into an otherwise very analytical world. Though strange to the banking sector, emotional elements do not require financial rigor to be set aside; both sides can work symbiotically towards innovating the market.

Emotional values can be embedded into a bank's identity through, at least, two processes.

Firstly, sentiments can be brought into a banking institution through its functionalities - the modus operandi Apogée subscribes.

A countercurrent behavior amongst a thick layer of homogeneous players will - if successful - shatter the very foundations of a deeply rooted way of thinking of a particular market.

Che Banca! - Italy - or ActivoBank - Portugal - demonstrate that a disruptive utility purpose is able to instill in a market's clientele a newly-found eagerness for innovation. It lets people understand that, after all, there is much more to expect from companies beyond what they have been offering so far.

This business conduct constitutes the very advantages of innovation: being the first to introduce new ways of thinking into a specific market pulls competitors towards meeting the standards you have just raised.

Secondly, emotions can serve a firm's communication at a more intangible sphere. It is a more superfluous strategy that is nothing short of any other tactics concerning a company's public image.



BONO's celebrity endorsement of **AMERICAN EXPRESS's (RED)** card. Three brands joined towards an almost holistic approach to charity as a major brand value targeted at the most affluent.

DISRUPT. INNOVATE.

Calculated alliances like the one between HSBC and globalwarmingsolutions boosted both the latter's website's visit count and improved the bank's public image after a series of largely exposed scandals.

In this partnership, HSBC managed to insert values of ecological sustainability into a market that was, otherwise, quite far from those concerns and, though its results were not worth noting, the doubt about the pertinence of these concepts within the financial market was installed in every surrounding stakeholders.

In the end, it is the insertion of new concerns into a business that confer a new - or enlarge the existing - meta-aura to its companies. It is the principle of decontextualization of notions working towards innovation; the subversion of meanings leading to a greater gratification of suppliers and demanders.

American Express did just that. The Amex (RED) card - a product injected with a high dose of solidarity and charitable concerns due to its partnership with (RED) - meant that, for a client, caring about having a positive impact onto society required paying more.

This a product that enhances the public-image of both company and consumer and, due to current economic distresses, it was a service only affordable to the wealthier - a luxury.

Harmony between all bases of operations is crucial for a company. If its public image meets what really goes on inside, clients perceive it as a sturdy and solid enterprise that is true to its core values. If a brand's essence is comprised in all touchpoints and activities its company, those same values will be depicted to the audience both in communication and in function. That is true innovation. That is true identity.

Gandini, C. and Turinetti, M. (2009) *Lusso Necessario, alla ricerca del valore per vincere la crisi*, Lupetti

Smith, D. (2013) *Banks need to focus on user experience says IDEO design director Anne Pascual*, 20 June, www.wired.co.uk, ←<http://www.wired.co.uk/news/archive/2013-06/20/wired-money-anne-pascual>→

EL CELLER DE CAN ROCA, GIRONA, SPAIN
the best restaurant in the world with a one-year-long waiting list.

Apogée would work as a controlled democratization of Private Banking, expanding its offer to new clients but keeping it, nevertheless, an extremely high-end exclusive and luxurious product. Exclusivity is only obtained by denying access to a majority of people



FIRMS. CREATIVE SAFETY AND OPENNESS TO INVESTMENTS THROUGH APOGÉE.

The Problematic

In a sector that heavily relies on its creativity and vision to obtain an acceptable degree of differentiation, a firm's inventiveness and its ability to capitalize that same originality is, probably, the most valuable asset it might have to leverage a positive, efficient and significant market presence.

Companies struggle to overcome the homogeneous pool of its competitors' product ranges relying solely on a design push - a market approach that requires a very subtle and fragile inner process.

The value created within each company by this core of creativity, initiative and inspiration is one that must be secured at all times. Co-existing with management guidelines is not enough. Creativity must be the matrix itself for every executive decision made for it is the sole - or the overwhelmingly superior - influencer of the firm's path forward.

Apogée - as a tool that allows companies to get access to an untapped world of interested investors - must realize the importance of creative independence for its partners and, indeed, comply with all the factors at stake.

The smaller a luxury firm is, the more likely it is for it to rely on its creative uniqueness, and even though big companies are more resistant to new investors' active participation on executive matters, everyone values the integrity of a brand's imaginative essence and its immunity to time.

Apogée's role as a metaphor to the financial market

Apogée will be a tool that comprises the three main goals of a financial market. Firstly, it will signal its clients how their funds should be allocated amongst the partner brands.

Secondly, it provides liquidity to brand partners.

Third and lastly, it suppresses search costs and information costs for potential investors.

FIRMS. CREATIVE SAFETY AND OPENNESS TO INVESTMENTS THROUGH APOGÉE.

Apogée as a provider of financial instruments

Apogée works solely with intangible assets - assets that represent legal claims to some future benefit. It projects brand equity in order to attract investors that, in their turn, will purchase financial assets - which are, again, intangible.

One might choose from two main options: **debt or equity instruments**. Debt instruments usually set a fixed dollar amount return whereas equity instruments' return may change based on a company's earnings. Depending on the type of both debt or equity instruments, returns can be either fixed or variable as there are exceptions to the standard products.

While debt instruments are mostly used to inject capital in a company for its day-to-day expenses, equity instruments focus more on the future performance of the firm and the hope that it increases in value.

As brands may be concerned with the consequences of the entry of new money, Apogée must comply with both their worries and their client's wishes.

Debt instruments are more likely to provide the client with a fixed income and keep the company out of new investors' hands. These financial products rely on a purely monetary relationship in which lenders rarely partake on an active approach to the executive matters of the issuers.

There are, however, some situations that allow the lender to have some executive decision power due to the delicate circumstances of the exchange. Mezzanine debt, for instance, is used in transitional periods of a company and, therefore, requires the investor to be aware of and intervene in the changes that occur in order to secure the company's safe landing in its final goal. Mezzanine debt is applied to fund acquisitions, corporate re-capitalizations or product growth, operations that are frequent in the luxury market.

Overall, debt instruments are quicker solutions to the lack of liquidity of a company and a more secure - yet less incisive in the executive affairs - opportunity for a fixed-term influx of return to investors.

On the other hand there are equity instruments. These represent an investment in the intangible value of a company and are, therefore, dependent on that same value to provide returns.

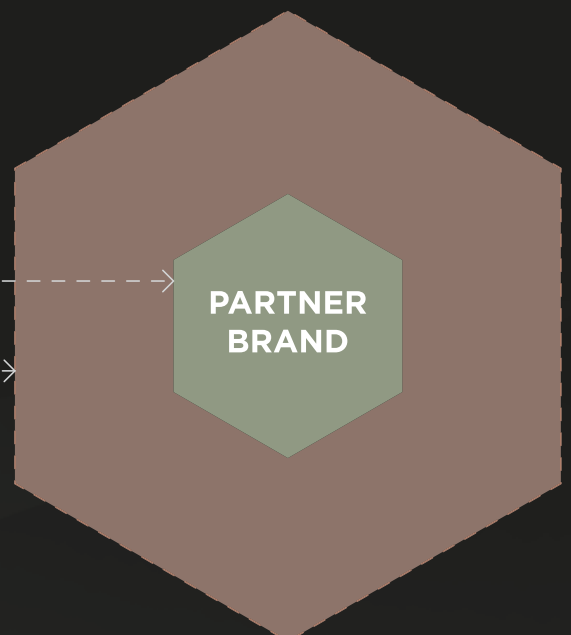
This kind of investments are a supply of equity financing that will, most likely,

In Apogée, investors' and brands' interests are protected by the existence of several financial mechanisms that involve different kinds of penetration in each partner's internal affairs.

usually, **debt instruments** secure a fixed profit to investors but keep them from being involved in executive or creative matters

equity instruments allow investors to intervene in executive matters of the firm

**EQUITY
INSTRUMENTS**
**DEBT
INSTRUMENTS**



FIRMS. CREATIVE SAFETY AND OPENNESS TO INVESTMENTS THROUGH APOGÉE.

end in a far more intertwined relationship between the firm and its investor than the one that occurs in debt instruments.

In this case, investors depend on the fluctuation of a company's value to get their returns and are, consequently, interested in keeping the company in the path that they think is the right one to increase in value.

Equity instruments hold a strong duality within the running interests of Apogée. Since they allow investors to have decision power in the issuer company, they are more appealing because an executive decision might be "sold" as a possible Apogée exclusive product. Being able to call the board of your favorite brand your peers is, undoubtedly, the ultimate goal in the quest for what is beyond a trivial luxury product purchase. However, allowing new investors to have a say in their executive affairs is possible only for the strong and confident.

Apogée partner brands would be more interested in this kind of investments if they know themselves to be able to resist to new opinion makers within their executive board.

Small luxury brands might also be interested in this kind of financial instrument if they believe their intellectual property to be so unique and valuable that no investor would dare interfere with the current firm's trajectory and strategy.

In the end, Apogée offers products that are tailored both to its clients and to its partners.

In a full cooperation with its partners, Apogée's service range complies with each client's financial and social exigences.

A. Schilling, M. (2010) *Strategic Management of Technological Innovation*, McGraw-Hill International Edition

Crawford, M. and Di Benedetto, A. (2011) *New Products Management*, McGraw-Hill International Edition

Fabozzi, F. J. (2002) *The Handbook of Financial Instruments*, Wiley Finance

Verganti, R. (2009) *Design Driven Innovation: Changing the Rules of Competition by Radically Innovating What Things Mean*, Harvard Business Press

PASSION INVESTMENTS AND THEIR GLOBAL FLOW.

Due to current economic contingencies, investments are being made with totally different considerations and thoughts put into prior to the action itself.

The global market's uncertainty has built an international situation in which risk is now almost omnipresent in investments. Investors have to either turn their back on safety and just go with their gut and keep investing in what they really believe or they can minimize risks by investing in more prosperous markets there are.

On both solutions luxury comes into play.

If trying to avoid high risks in investments, an investor should obviously turn to sectors with more generous expectations of growth.

Luxury, especially in the uprising markets of South America and Asia Pacific, has proven itself to be very resistant to times of financial crisis.

In these two very prosperous regions, the growth rate of sales of some of the major luxury groups in the world (LVMH, Kering, VW AG, FIAT SPA) are all around 20%. Their HNW population's expected growth - together with a reported growing interest by major luxury firms in these areas - make it easy to predict a substantial increase of luxury's presence in these markets.

On the other hand, luxury brings out the most inner and deep desires in people. It responds solely to the subconscious aspirations of its costumers and helps them build their self-representation.

It is that same wish of wanting to feel as one with their preferred brand that might lead them to, eventually, invest in that passion.

They do not feel like mere clients, they feel like something above that "mundane" status of buyer and, as such, have only one way up to go: investing. And this is passion investment.

These two concepts co-exist in perfect harmony: investments of passion do not exist without some certainty of return and that certainty is only given by low-risk sectors.

Luxury is, undoubtedly one of the best recipients of these financial operations and emerging markets are well aware of that.

PASSION INVESTMENTS AND THEIR GLOBAL FLOW.

In 2013, from the list of the nine most popular HNWI investments of passion (fine art, watches, fine wine, jewelry, classic cars, sports teams, furniture, coins and stamps) only the ones not from the luxury market are not expected to grow (sports teams, coins and stamps) and the region from which most of these investments come has been Asia Pacific since 2009.

Furthermore, the capital region-to-region flow in 2012 show a definite pattern of money being invested by emerging economies (where wealth is) in more mature ones (where luxury brands are headquartered).

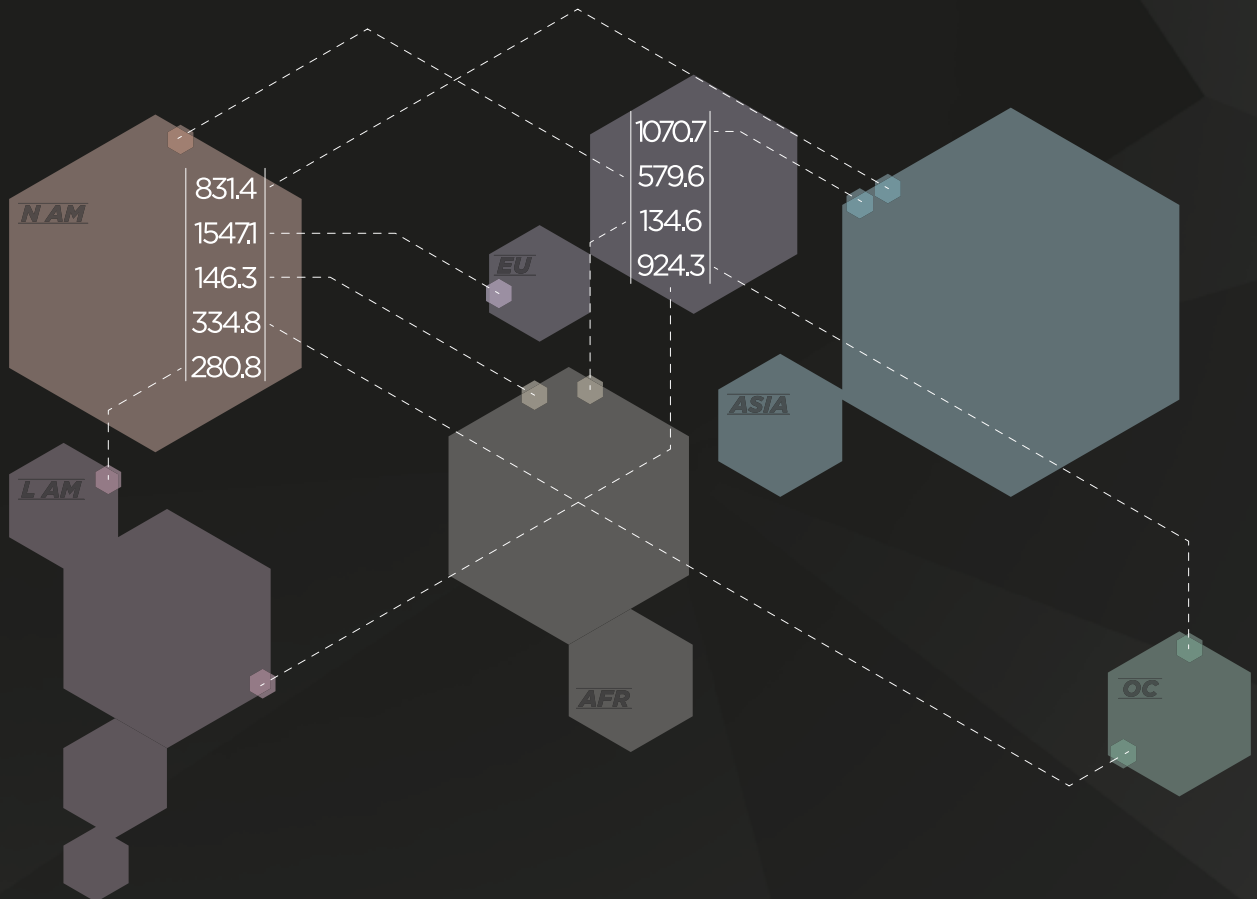
For instance, Europe and North America receive investments in commercial property from every other part of the planet - with special attention to 924.3m\$US invested by South American private investors in Europe and 831.4m\$US invested by Asia-Pacific private investors in North America - where as South America has received investments predominantly from Europe and Asia Pacific from both Europe and North America.

Africa, in its turn, is more connected to Europe and has privately invested about 134.6m\$US in 2012 alone.

All is right for a platform of passion investments to be designed and give the opportunity to these (many) upcoming HNWIs to follow their dreams of sculpting their projection on society as they see fit and according to their (uber-high) standards of lifestyle.

US\$bn invested by private investors in commercial property in 2009.
 Investments coming from emerging continents into the luxury havens (Europe and North America) account for 98% of the total world fund flow in luxury real estate.

source The Wealth Report 2013
 by Knight Frank



2012 Annual Results for the twelve months ended January 31st, 2013 (2013), Prada Group, available on www.pradagroup.com

Annual Report 2011 (2011), FIAT SpA, available on www.fiat.com

Annual Report 2011 (2011), Volkswagen

Annual Report 2012 (2012), PVH

Annual Report and Accounts 2012 (2012), Richemont

Consolidated and Statutory Financial Statements at 31st December 2012 (2012), AEFPE, available on www.aeffe.com

Document de Référence (2009), LVMH, available on www.lvmh.com

Document de Référence 2011 (2011), PPR, available on www.kering.com

Earning Release 2T13 (2013), inbrands

PPR Fundamentals 2011 (2011), PPR, available on www.kering.com

Reference Document (2012), PPR, available on www.kering.com

The Wealth Report 2013 (2013) Knight Frank

EMOTIONS EXPANDING THE HORIZONS OF INVESTMENTS.

As defined before, passion investments are mostly made according to one's beliefs. The investor performs this financial operation aiming at associating himself with particular values or meta-values that, somehow, contribute to the persona he desires/needs to build.

In this sense - and never giving up the necessary financial profitability of investments - many unconventional sectors can be considered as potential recipients of monetary injection.

Public opinion - and often expert reading as well - is still very conservative regarding the luxury market. It still constraints the sector to a reduced number of traditional retail areas and to an even lower number of hard-luxury items. However, with new blistering trends showing up all over the world, many other products and services are expanding the boundaries of the luxury sector and introducing new values and principles to which clients or investors want to become associated.

Apogée can become the passage way to this enlargement of the luxury market.

Apogée mainly aims at providing its clients with a range of well established brands with high profitability rates and good financial performances as well as with strong brand values that will positively reflect on an Apogée member's investment portfolio and social status.

This service has been designed to allow clients to understand the best brands that fit their emotional whims and that will meet both their financial and sentimental requirements. Thus, Apogée can as easily recommend Louis Vuitton as it can advice on a new Indian luxury clothing brand.

Regardless, the sector must be methodically analyzed in order to obtain more creative but equally emotionally rewarding investment recipients. It is only so that Apogée will establish its difference from neighboring competitors.

On one hand, this matter might be interpreted as a quest to the source of luxury: to it's primary supply.

It is known that the closer a company is to the final consumer, the higher its profit margins become. It would be interesting, then, to consider investing in highly coveted raw materials such as leather - metals and others are excluded for these belong to much larger industries - in order to allow companies that deal with this prime matter to obtain the necessary know-how to directly present the final consumer with luxury consumables.

This behavior would instill a new and exciting sense of competition amongst companies in the luxury market and would, most definitely, create a further need for innovation in order for brands to differentiate themselves.

It wouldn't necessarily cut off already established supply relationships but it

EMOTIONS EXPANDING THE HORIZONS OF INVESTMENTS.

would redefine each player's participation in the luxury market.

India, Morocco and Italy are regarded as the best leather producers in the world, however only one of them has a developed B2C leather goods industry that allows stakeholders to collect generous profit margins.

Current luxury trends dictate that the market is shifting at full speed towards emerging economies - especially Africa and Asia-Pacific. It is, thus, nothing but logical for these countries to build their own luxury brands, enjoying their own "italianità".

An insightful sense of marketing leveraging both financial and intangible assets possessed by those countries would create new strong players in the market place.

Nations like Morocco and India could cease to be simple recipients of global brands' retail outlets and begin to construct their own domestic sector - with serious capabilities of world expansion.

However a different approach can be observed in the luxury market regarding its raw supply: one that does not intend to narrow the distance between demand and basic supply but, instead, focuses on hegemonizing the full production-to-sale process. Chanel has made one of its main goals to buy a large slice of the still existent Parisian seamstress workshops; Kering recently acquired France Coco - a leading tannery from Normandy, France; Da Vinci Invest - a swiss diversified asset manager has bought Bruno Magli - a major player in the leather italian business.

Moreover, many luxury brands have been leveraging their technological know-how to present clients with new and innovative products.

Zegna Sport's water-repellent jacket or the watchmaking industry's concern with sustainability are just two of the many tech-push approaches to the luxury market.

Deconstructing this sector to arrive at its core machinery, equipment and scientific knowledge could be another interesting route to a larger and more pertinent and meaningful presence in the luxury market.

On the other hand, luxury brand loyalty can be seen in sectors other than retail and hard- luxury. Food, for instance, is a strongly emotional market that likes to keep its clients close and its investors even closer.

Even after a food-poisoning scandal, Noma, in Copenhagen - said by many to be the best restaurant in the world - saw its reservations list untouched.

In 2011, when Ferran Adrià started his two-year long hiatus, his restaurant, El Bulli, was already booked for an astonishing period for after its reopening. San

EMOTIONS EXPANDING THE HORIZONS OF INVESTMENTS.

Sebastian - a Spanish city that holds the record for most Michelin-stars per head - enjoyed from a huge tourism boom due to its culinary attractions. Food is undoubtedly an emotional matter that explores both the conscious and the subconscious of people. Flavors, odors, rarity and exquisiteness brought together form the unique formula of very few extremely coveted Meccas of gastronomy. These are the requirements for passion investments. Furthermore, in order to strengthen their presence in strategic places, large global companies are investing in businesses that fall out of the boundaries of their usual operations.

LVMH - the french luxury goods giant - bought a majority stake at Cova (having competed with Prada for its share), a very famous Milanese coffee house in via Montenapoleone, aiming at expanding its brand loyalty towards a new industry. By marrying its clients' allegiance to the devotion of Cova's usual costumers, LVMH managed to create a powerful meeting of two worlds - without even placing its brand in its new location.

The Armani Bar (Hong Kong, Zagreb, Milan, New York...), the Gucci Café (Milan, Tokyo, Ginza, Florence), the Ralph Lauren Restaurant (Chicago) or the the Dior Cafe (London) are just a few other examples of the willingness of luxury brands to venture into the food industry, making it clear that brand value and muscle is kept intact in this rising, though fairly unknown, sector. Luxury brands are not just associating themselves with a simple venue, their are pairing up with places with a long history amongst their usual clients and that represent an iconic gathering place for their surrounding population. Brands are coupling with respected chefs or with idolized cuisines and recipes; it is a very powerful exercise that allows brands to penetrate environments that depict one's lifestyle in a very raw and explicit manner.

-
- Aiello, G. and Chan, P. and Donvito, R. and Godey, B. and I. Skorobogatykh, I. and Oh, H. and Pederzoli, D. and Singh, R. and Tsuchiya, J. and Weitz, B. (2011) *Brand and country-of-origin effect on consumers' decision to purchase luxury products*, Journal of Business Research
- Felsing, U. (2010) *Dynamic Identities in Cultural and Public Spaces*, Lars Mullers Publishers
- Gandini, C. and Turinetto, M. (2009) *Lusso Necessario, alla ricerca del valore per vincere la crisi*, Lupetti
- McColl, R. and Twong, Y. (2011) *Intrinsic motivations, self-esteem and luxury goods consumption*, Journal of Retailing and Consumer Services
- van der Veen, M. (2003) *When is food luxury?*, in World Archaeology, vol. 34, Taylor & Francis Ltd.
- Yao, A. (2010) *New trends in Europe and emerging luxury goods market*, China Europe International Business School
- Sanderson, R. (2013) *LVMH acquires majority stake in Cova*, www.ft.com,
←<http://www.ft.com/intl/cms/s/0/77ad1d7e-df35-11e2-a9f4-00144feab7de.html#axzz2m3jjZkAT>→
-

COMPLETE BIBLIOGRAPHY

A. Schilling, M. (2010) *Strategic Management of Technological Innovation*, McGraw-Hill International Edition

Aiello, G. and Chan, P. and Donvito, R. and Godey, B. and I. Skorobogatykh, I. and Oh, H. and Pederzoli, D. and Singh, R. and Tsuchiya, J. and Weitz, B. (2011) *Brand and country-of-origin effect on consumers' decision to purchase luxury products*, Journal of Business Research

Aristotle (1999) *The Metaphysics*, Penguin Books Ltd

Aureli, P. V. and Besana, B. and Celac, M. and Easterling, K. and Groys, B. and Kolossov, V. and Lessage, D. and Miéville, C. and Mincan, M. and Mouffe, C. and Schneider, F. and Singh Grewal, D. and Stampfli, R. and Tanslig, M. and Vishmidt, M. and others (2010) *Uncorporate Identity*, Lars Muller Publishers

Ayadi, A. (2005) *Value Creation in Mobile Banking*, Institut National des Télécommunications d'Evry

Baldini, M. (2005) *L'Invenzione della Moda. Le teorie, gli stilisti, la storia*, Armando Armando srl

Brodgen, L. (2009) *Development Trends in the Airline Industry*, IATA

Cacioppo, J. T., Winkielman, P. (2001) *Mind at Ease Puts a Smile on the Face; Psychophysiological Evidence That Processing Facilitation Elicits Positive Affect*, Journal of Personality and Social Psychology

Catania, A. (2011) *Design, territorio a sostenibilità*, FrancoAngeli

Cautela, C. (2007) *Strumenti di design management*, FrancoAngeli

Chang, C. and Yu, X. (2004), *Investment Opportunities, Liquidity Premium and Conglomerate Mergers*, in Journal of Business, vol. 77, The University of Chicago

Chang, W. and Hsu, P. and Liao, S. and Wen, C. (2012) *Mining shopping behavior in the Taiwan luxury products market*, Expert Systems with Applications

Chow, J. and Levinson, J. and Ma, Q. and Solomon, J. and Spieczny, J. (2010), *Swiss Private Banking. Microeconomics of Competitiveness*.

COMPLETE BIBLIOGRAPHY

Clark, T. and Osterwalder, A. and Pigneur, Y. (2012) *Business Model You*, Campus Verlag GmbH

Crammond, D. [interview with] (2010) *What Private Clients Want from their Bankers*, hubbis

Crawford, M. and Di Benedetto, A. (2011) *New Products Management*, McGraw-Hill International Edition

de Montgolfier, J. and Meacham, M. and Moolman, T. and Tymms, A. (2012) *Lessons from Africa's Pioneers*, available on www.bain.com

Davis, M. (2009) *The Fundamentals of Branding*, AVA Publishing SA

E. Stokburger-Sauer, N. and Teichman, K. (2011) *Is luxury just a female thing? The role of gender in luxury brand consumption*, Journal of Business Research

Fabozzi, F. J. (2002) *The Handbook of Financial Instruments*, Wiley Finance

Felsing, U. (2010) *Dynamic Identities in Cultural and Public Spaces*, Lars Mullers Publishers

Gandini, C. and Turinetti, M. (2009) *Lusso Necessario, alla ricerca del valore per vincere la crisi*, Lupetti

Hagel, J. and Singer, M. (2011) *Unbundle the Corporation*, Harvard Business Review

Healey, M. (2008) *What Is Branding*, RotoVision SA

Heller, E. (2004) *Wie Farben auf Gefühl und Verstand wirken*, Droemer Verlag

Herdman, A. (2011) *Future Growth of the Airline Industry*, Association of Asia-Pacific Airlines

Hume, D. (1748) *An Enquiry Concerning Human Understanding*, Pearson (1995)

Kahneman, D. (2011) *Thinking, Fast and Slow*, Farrar, Straus & Giroux

Katzin (2012) *The Conglomerate as an Investment Vehicle*, St. John's Law Report

COMPLETE BIBLIOGRAPHY

Kemp, S. (1998) *Perceiving luxury and necessity*, Journal of Economic Psychology

M. S. Carvalho, João (2012) *Planeamento Estratégico. O seu guia para o sucesso.*, VidaEconómica

Martineaux, D. (2006) *Continuity - What Private Banking Clients Want*, Wealth Briefing

Meeker, M. (2011) *USA Inc.*, available on www.kpcb.com/usainc

McColl, R. and Twong, Y. (2011) *Intrinsic motivations, self-esteem and luxury goods consumption*, Journal of Retailing and Consumer Services

Norman, D. A. (2004) *Emotional Design*, Basic Books

Osterwalder, A. and Pigneur, Y. (2010) *Business Model Generation*, John Wiley and Sons Ltd

Pegoraro, M. and Trevisan, M. (2007) *Retail Design. Progettare la shopping experience.*, FrancoAngeli

Quintais, L (2009) *Cultura e Cognição*, Biblioteca mínima

Radón, Anita (2012) *Luxury Brands Exclusivity Strategies - An Illustration of a Cultural Collaboration*, The Swedish School of Textiles, University of Borås

Ricca, M and Robins, R. (2012) *Meta-Luxury. Brands and the Culture of Excellence.*, Palgrave Macmillan

Stuettgen, Dr. M. (2011) *Our Journey to Single Global Brand*, Credit Suisse, available on www.credit-suisse.com

T. Hall, Edward (1966) *The Hidden Dimension*, Bantam Doubleday Dell Publishing Group Inc

Temkin, B. (2008) *The Customer Experience Journey*, Forrester

van der Veen, M. (2003) *When is food luxury?*, in World Archaeology, vol. 34, Taylor & Francis Ltd.

COMPLETE BIBLIOGRAPHY

Yao, A. (2010) *New trends in Europe and emerging luxury goods market*, China Europe International Business School

Wessels, Prof. D. (2006) *Consumer Loyalty in the Airline Industry*, The Wharton School of the University of Pennsylvania

**

2012 Annual Results for the twelve months ended January 31st, 2013 (2013), Prada Group, available on www.pradagroup.com

2012 annual report - overview of the group - review of operations (2012) Hermés International, available on www.finance.hermes.com

2012 Senior Management Program in Banking (2012), swiss finance institute

2013 first-half report (2013) Kering, available on www.kering.com

2013 Luxury Goods Worldwide Market Study (2013) Bain&Company and Fondazione Altgamma, available on www.bain.com

Annual Report (2012) LVMH, available on www.lvmh.com

Annual Report 2012 (2012) Fast Retailing Co. Ltd, available on www.fastretailing.com

Annual Report 2012 (2012) L'Oreal, available on www.loreal.com

Annual Report 2012 (2012) Luxottica, available on www.luxottica.com

Annual Report 2012 (2012), PVH

Annual Report 2012 (2012) Swatch Group, available on www.swatchgroup.com

Annual Report 2011 (2011), Volkswagen

Annual Report and Accounts 2012 (2012), Richemont

Annual Report and Accounts 2013 (2013) Richemont, available on www.richemont.com

COMPLETE BIBLIOGRAPHY

Annual Report as of April 30, 2013 (2013) Christian Dior, available on www.dior-finance.com

Annual Report at 31 December 2012 (2013) Fiat Spa, available on www.fiat.com

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 - Hyatt Hotels Corporation (2012), United States Securities and Exchange Commission

Bain Consumer Products Brief - Africa (2010) Bain&Company, available on www.bain.com

Best Brazilian Brands 2012 (2012), Interbrand, available on www.interbrand.com

Best Global Brands 2012 (2012), Interbrand

Best Global Brands 2013 (2013) Interbrand, available on www.interbrand.com

Best Retail Brands 2012 (2012) Interbrand, available on www.interbrand.com

BrandZ Top100. 2010 (2010), MillardBrown

BrandZ Top100. 2011 (2011), MillardBrown

BrandZ Top100. 2012 (2012), MillardBrown

BrandZ Top100 2013 (2013), MillardBrown

Consolidated and Statutory Financial Statements at 31st December 2012 (2012), AEFEE, available on www.aeffe.com

Dicionário Houaiss Da Língua Portuguesa (2001) Círculo de Leitores

Document de Référence (2009), LVMH, available on www.lvmh.com

Document de Référence 2011 (2011), PPR, available on www.kering.com

Earning Release 2T13 (2013), inbrands

Fact Sheet: Industry Statistics (2012), IATA

COMPLETE BIBLIOGRAPHY

Fast Retailing Results for Fiscal 2013 and Estimates for Fiscal 2014 (2013) Fast Retailing Co. Ltd, available on www.fastretailing.com

Feedback Autumn Conference (2011), Cheuvreux

Forecast on Worldwide Luxury Industry in 2013 - May update (2013) Fondazione Altagamma, available on www.altagamma.it

FT Global 500 2012 (2012) Financial Times, available on www.ft.com

FT Global 500 March 2013 (2013) Financial Times, available on www.ft.com

GG December, January and February '13 (2013), Engel&Volkers

Global TGI Country Comparisons (2010), TGI and Kantar Media

Global Wealth Report 2011 (2011) Credit Suisse Research, available on www.credit-suisse.com

Half-Year Report 2013: Swatch Group - further growth in both sales and profit (2013) Swatch Group, available on www.swatchgroup.com

Half-Year Report as of June 30, 2013 (2013) Luxottica, available on www.luxottica.com

Half-year Review of Operations (2013) Hermés International, available on www.finance.hermes.com

Harrods Magazine, June 2010 (2010), Harrods

Interim Financial Report 2013 (2013) Prada Spa, available on www.pradagroup.com

John Taylor, n 14 (2013), John Taylor

Luxury Brands. How to maneuver through this moment of austerity. (2010), Interbrand, available on www.interbrand.com

Luxury Goods Worldwide Market Study 2011 (2011), Bain & Company and Fondazione Altagamma, available on www.bain.com

COMPLETE BIBLIOGRAPHY

Luxury Investment Index Q2 2013 (2013) Knight Frank, available on www.knightfrank.com

Luxury Marketing Outlook 2013 (2013) Luxury Daily, available on www.luxurydaily.com

Market Vision Luxury (2012), pwc, available on www.pwc.com

Marriott International Inc. 2011 Annual Report (2011), Marriott International Inc.

Overview of Private Banking (2008), Ernst&Young

PPR Fundamentals 2011 (2011), PPR, available on www.kering.com

Private Company Financial Report (2013), The Neimar Marcus Group, Inc.
Proxy Statement for the 2013 Annual Meeting of Stockholders and 2012 Annual Report (2013) Limitedbrands, available on www.limitedbrands.com

Rapport financier semestriel au 31 octobre 2012 (2012) Christian Dior, available on www.dior-finance.com

Reference Document (2012), PPR, available on www.kering.com

Relatório Sobre a Riqueza Mundial 2012 (2013), Capgemini
Restoring the reputation of investment and retail banking brands (2011), BrandFinance

The 2007 Guide to Private Banking and Wealth Management (2007), Euromoney

The 2013 Global Retail Development Index. Global Retailers: Cautiously Aggressive or Aggressively Cautious? (2013) ATKearney

The Chinese Millionaire Wealth Report 2013 (2013) Hurun Report and groupm

The economic benefits generated by alliances and joint ventures (2011), IATA

The Power of Brand Investing (2010), Credit Suisse, available on www.credit-suisse.com

The Wealth Report 2013 (2013) Knight Frank

Translation of the french financial documents - Fiscal Year ended December 31, 2013 (2013) LVMH, available on www.lvmh.com

Translation of the French Interim Report - six-month period ended june 30, 2013 (2013) LVMH, available on www.lvmh.com

Va Va Vroom - Luxury Investment Index Q2 2013 (2013) Knight Frank, available on www.kightfrankblog.com/wealthreport

COMPLETE BIBLIOGRAPHY

World Ultra Wealth Report 2013 (2013) Wealth-X, available on www.wealthx.com

Worldwide Luxury Markets Monitor, Spring 2012 Update (2012), Bain & Company and Fondazione Altagamma, available on www.bain.com

Worldwide Luxury Markets Monitor Spring 2013 Update (2013) Bain&Company and Fondazione Altagamma, available on www.bain.com

**

Alexandra (2010) *Fashion 101: Who Owns What*, 9 November, www.searchingforstyle.com, [←http://searchingforstyle.com/2010/11/fashion-101-who-owns-what/→](http://searchingforstyle.com/2010/11/fashion-101-who-owns-what/)

Bhattacharyya, M. (2013) *Luxury Watchmakers Focus on Sustainability*, 5 July, www.luxurysociety.com, [←http://luxurysociety.com/articles/2013/07/luxury-watchmakers-focus-on-sustainability→](http://luxurysociety.com/articles/2013/07/luxury-watchmakers-focus-on-sustainability/)

Bondoux, F. (2013) *Luxury Auto Brands Lead Share of Onlien Search in Brazil*, 9 April, www.luxurysociety.com, [←http://luxurysociety.com/articles/2013/04/luxury-auto-brands-lead-share-of-online-search-in-brazil→](http://luxurysociety.com/articles/2013/04/luxury-auto-brands-lead-share-of-online-search-in-brazil/)

Burkholder, R. and Fang, X. and McEwen, W. and Zhang, C. (2006) *Inside the Mind of the Chinese Consumer*, www.hbr.org, [←http://hbr.org/2006/03/inside-the-mind-of-the-chinese-consumer/ar/1→](http://hbr.org/2006/03/inside-the-mind-of-the-chinese-consumer/ar/1/)

Canon, E. (2013) *Engaging UNHW Clients Through Bespoke Marketing*, www.luxurysociety.com, [←http://www.luxurysociety.com/articles/2013/11/engaging-unhw-clients-through-bespoke-marketing→](http://www.luxurysociety.com/articles/2013/11/engaging-unhw-clients-through-bespoke-marketing/)

Canon, E. (2013) *Tier 1, 2 & 3 Cities in China, Which Comes First for Brands?*, 2 July, www.luxurysociety.com, [←http://luxurysociety.com/articles/2013/07/tier-1-2-3-cities-in-china-which-comes-first-for-brands→](http://luxurysociety.com/articles/2013/07/tier-1-2-3-cities-in-china-which-comes-first-for-brands/)

Carlozo, L. (2012) *Banking on Tap (literally): How smartphone apps for Mobile Banking stack up*, www.moneyunder30.com, [←http://www.moneyunder30.com/banks-with-best-mobile-apps→](http://www.moneyunder30.com/banks-with-best-mobile-apps/)

Chesters, A. and Griffin, J. and King, M. and Osborne, H. and Snowdon, G. (2012) *UK banks - consumer apps of the week*, 30 March, www.theguardian.com, [←http://www.theguardian.com/money/appsblog/2012/mar/30/uk-banks-apps-of-the-week→](http://www.theguardian.com/money/appsblog/2012/mar/30/uk-banks-apps-of-the-week/)

COMPLETE BIBLIOGRAPHY

- Clough, S. (2012) *Differentiate or Die: Boring Banks Need Brand Personalities*, 14 June, [www.thefinancialbrand.com](http://thefinancialbrand.com/24268/differentiate-or-die-bank-brand-personality-attributes/), ←<http://thefinancialbrand.com/24268/differentiate-or-die-bank-brand-personality-attributes/>→
- Cruise, S. and Davies, A. (2012) *Private banks work wonders to lure the super-rich*, 17 September, [www.reuters.com](http://www.reuters.com/article/2012/09/17/us-private-banks-wealth-idUSBRE88G0UL20120917), ←<http://www.reuters.com/article/2012/09/17/us-private-banks-wealth-idUSBRE88G0UL20120917>→
- Doran, S. (2013) *Attracting, Serving & Retaining the UHNW Luxury Consumer*, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/10/attracting-serving-retaining-the-uhnw-luxury-consumer>→
- Doran, S. (2013) *Australia: The New Land of Opportunity for Luxury?*, 9 September, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/09/australia-the-new-land-of-opportunity-for-luxury>→
- Doran, S. (2013) *Chanel Overtakes Louis Vuitton in Chinese Share of Search*, 27 June, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/06/chanel-overtakes-louis-vuitton-in-chinese-share-of-search>→
- Doran, S. (2013) *Europe Looks to Luxury in Times of Recession*, 5 June, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/06/europe-looks-to-luxury-industry-in-times-of-recession>→
- Doran, S. (2013) *Interest from BRICs Fuels World Luxury Watch Market*, 24 April, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/04/interest-from-brics-fuels-world-luxury-watch-market>→
- Doran, S. (2013) *It's All About Made to Measure for Luxury Menswear*, 4 July, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/07/its-all-about-made-to-measure-for-luxury-menswear>→
- Doran, S. (2013) *Luxury Goods Spending to reach 217 Billion in 2013*, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/10/luxury-goods-spending-to-reach-217-billion-in-2013>→
- Doran, S. (2013) *Renewed Optimism in the U.S. Luxury Market*, 9 July, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/07/renewed-optimism-in-the-us-luxury-market>→
-

COMPLETE BIBLIOGRAPHY

- Doran, S. (2013) *To Infinity and Beyond: The Next Frontier of Luxury Travel*, 4 September, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/09/to-infinity-and-beyond-the-next-frontier-of-luxury-travel>→
- Doran, S. (2013) *Understanding Brazil's Next Generation of Wealth*, 3 September, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/09/understanding-brazils-next-generation-of-wealth>→
- Doran, S. (2013) *What the 2013 BranZ Top 100 Means for Luxury*, 29 May, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/05/what-the-2013-brandztm-top-100-means-for-luxury>→
- Dougherty, D. and Murthy, A. (2009) *What Service Customers Really Want*, [www.hbr.org](http://hbr.org), ←<http://hbr.org/2009/09/what-service-customers-really-want/ar/1>→
- Feld, A. and Jackson, A. (2013) *Luxury Stocks Lose Favor as Confidence Holds: EcoPulse*, [www.bloomberg.com](http://mobile.bloomberg.com), ←<http://mobile.bloomberg.com/news/2013-10-21/luxury-stocks-lose-favor-as-confidence-holds-ecopulse.html>→
- Fischer, S. (2013) *Luxury: For the Masses or the Individual?*, 24 May, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/05/luxury-for-the-masses-or-the-individual>→
- Flora, L. (2013) *5 Must Know facts About China's Millennials*, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/10/5-must-know-facts-about-chinas-millennials>→
- Flora, L. (2013) *China's Luxury Price Growth Stagnates to Seven-Year Low*, 26 July, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/07/chinas-luxury-price-growth-stagnates-to-seven-year-low>→
- Flora, L. (2013) *Luxury Watch Market A Crucial Factor In Swiss-China Trade Talks*, 19 June, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/06/luxury-watch-market-a-crucial-factor-in-swiss-china-trade-talks>→
- Flora, L. (2013) *What is Really Behind China's Luxury Slowdown?*, 27 May, [www.luxurysociety.com](http://luxurysociety.com), ←<http://luxurysociety.com/articles/2013/05/what-is-really-behind-chinas-luxury-slowdown>→
- Fontaine, E. (2013) *French champagne group Moet launches 'made in India' bubbly*, AFP
-

COMPLETE BIBLIOGRAPHY

Forshay, S. (2011) *How Luxury Brands Can Use Mobile to enhance the In-store Experience*, 31 January, www.luxurysociety.com, ←<http://luxurysociety.com/articles/2011/01/how-luxury-brands-can-use-mobile-to-enhance-the-in-store-experience>→

Gollan, D. (2013) *Key Insights from the 2013 World Ultra Wealth Report*, 16 September, www.luxurysociety.com, ←<http://luxurysociety.com/articles/2013/09/key-insights-from-the-2013-world-ultra-wealth-report>→

Gollan, D. (2013) *The 7 Most Significant trends at Baselworld 2013*, 21 June, www.luxurysociety.com, ←<http://luxurysociety.com/articles/2013/06/the-7-most-significant-trends-at-baselworld-2013>→

Karabeli, S. (2013) *How Luxury Brands Are Engaging the UHNW Consumer*, 1 August, www.luxurysociety.com, ←<http://luxurysociety.com/articles/2013/08/how-luxury-brands-are-engaging-the-uhnw-consumer>→

King, J. (2013) *Ultra-high-net-worth population decreases in Brazil, China:report*, www.luxurydaily.com, ←<http://www.luxurydaily.com/ultra-high-net-worth-populations-slow-in-brazil-china-report/>→

Ko, N. (2013) *Ledbury Research: Luxury Market Insight Report 2013*, 3 June, www.luxurysociety.com, ←<http://luxurysociety.com/articles/2013/06/ledbury-research-luxury-market-insight-report-2013>→

La Roche, J. (2012) *Presenting: 9 exclusive clubs wallstreeters are dying to get into*, 22 May, www.businessinsider.com, ←<http://www.businessinsider.com/members-only-clubs-2012-5?op=1>→

Lawson, J. (2013) *Chinese Crackdown on Luxury to Drive Demand*, 6 August, www.luxurysociety.com, ←<http://luxurysociety.com/articles/2013/08/chinese-crackdown-on-luxury-to-drive-demand>→

Lamb, R. (2012) *Brazil, Chile offer more luxury growth opportunities than US, Europe: study*, 14 June, www.luxurydaily.com, ←<http://www.luxurydaily.com/brazil-chile-gearing-up-for-global-retail-expansion-study/>→

Lawson, J. (2013) *Logo Driven Luxury Brands Look to Reduce Visibility*, 6 May, www.luxurysociety.com, ←<http://luxurysociety.com/articles/2013/05/logo-driven-luxury-brands-look-to-reduce-visibility>→

COMPLETE BIBLIOGRAPHY

Lumb, R. (2012) *The Global Banking Leaders of the Future*, 24 October, www.blogs.hbr.org, ←<http://blogs.hbr.org/2012/10/the-global-banking-leaders-of/>→

Lamb, R. (2012) *Top 10 luxury brand mobile apps of H1*, 23 July, www.luxurydaily.com, ←<http://www.luxurydaily.com/top-10-luxury-brand-mobile-apps-of-h1/>→

Moorad, Z. (2013) *Luxury brands turn attention to Africa*, www.bdlive.co.za, ←<http://www.bdlive.co.za/africa/africanbusiness/2013/11/04/luxury-brands-turn-attention-to-africa>→

Sanderson, R. (2013) *LVMH acquires majority stake in Cova*, www.ft.com, ←<http://www.ft.com/intl/cms/s/0/77ad1d7e-df35-11e2-a9f4-00144feab7de.html#axzz2m3jjZkAT>→

Smith, D. (2013) *Banks need to focus on user experience says IDEO design director Anne Pascual*, 20 June, www.wired.co.uk, ←<http://www.wired.co.uk/news/archive/2013-06/20/wired-money-anne-pascual>→

Todé, C. (2007) *Credit Suisse learns about customer experience from top down*, 23 May, www.dmnews.com, ←<http://www.dmnews.com/credit-suisse-learns-about-customer-experience-from-top-down/article/95665/#>→

Young, R. (2008) *Building fashion empires of their own*, 25 September, www.nytimes.com, ←http://www.nytimes.com/2008/09/25/style/25iht-rconglom.1.16472654.html?pagewanted=all&_r=1&→

Warwick-Ching, L. (2012) *Private banks go the extra mile*, 9 November, www.ft.com, ←http://www.ft.com/cms/s/2b9c116c-2804-11e2-ac7f-00144feabdc0,Authorised=false.html?_i_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2F2b9c116c-2804-11e2-ac7f-00144feabdc0.html%3Fsiteedit%3Duk&siteedition=uk&_i_referer=#axzz2fLwEwo78→

Wylie, I. (2006) *Talk to our customers? Are you crazy?*, 1 July, www.fastcompany.com, ←<http://www.fastcompany.com/57087/talk-our-customers-are-you-crazy>→

Zeveloff, J. (2012) *Meet the Average Chinese Millionaire: 39, Plays Golf And Owns an iPad*, 1 August, www.businessinsider.com, ←<http://www.businessinsider.com/meet-the-average-chinese-millionaire-39-plays-golf-and-owns-an-ipad-2012-8>→

IMAGE CITATIONS

NOTIONAL DOCUMENT

page 4 . image - Liberty Department Store, London
source - www.liefasawidower.com

page 10 . image - Gulfstream G550
source - www.gulfstream.com

page 16 . image - Louis Vuitton window
source - www.thecraftsdebt.marthestewart.com

page 20 . image - Burj Khalifa
source - www.techjost.com

page 25 . image - Gucci watch artisan
source - www.gucci.com

page 49 . image - Fiat 500 Abarth
source - www.fiat500abarth.us

page 52 . image - Luxury shopper
source - www.asianmalerevolutions.com

page 58 . image - Sushi Sho's chef
source - www.jackisnotdull.com

page 67 . image - AMEX(RED)
source - www.red.org

page 70 . image - El Celler de Can Roca
source - www.aniolresclosa.com

page 110 . image - Bentley iPad set
source - www.extravaganzi.com

IMAGE CITATIONS

STRATEGIC DOCUMENT

- page 4 . image - Bugatti Atlantic
source - www.imgur.com
- page 9 . image - Prada Store, Shanghai
source - www.flickr.com
- page 10 . image - Qeelin campaign
source - www.independent.co.uk
- page 12 . image - Bernard Arnault
source - www.glamurama.uol.com.br
- page 14 . image - Silverkris Lounge, Changi airport
source - www.flickr.com
- page 16 . image - Missoni Hotel Kuwait
source - www.cntraveler.com
- page 24 . image - Virgin Galactic
source - www.policymic.com
- page 28 . image - Hotel Fasano, Rio de Janeiro
source - www.blta.com.br
- page 32 . image - Basel World
source - www.independentjewellers.com
- page 33 (below) . image - Bentley iPad set
source - www.extravaganzi.com
- page 35 . image - Singapore F1 Grand Prix
source - www.teambhp.com
- page 36 . image - Hublot LaFerrari
source - www.swisswatchbrands.org
-

IMAGE CITATIONS

SERVICE DOCUMENT

page 4 . image - Singapore bay
source - www.tastydestination.com

page 6 . image - Lagos Fashion Week
source - www.hummingbirdrevolution.com

page 9 . image - Galeries LaFayette
source - www.myretailmedia.com

page 11 . image - H.Stern
source - www.moveisfenix.com.br

page 13 . image - Fressgrass, Frankfurt
source - www.de.academic.ru

page 15 . image - Bay of Luanda
source - www.ugo.cn

page 17 . image - Dubai International Airport
source - www.dev.athrav.com

page 19 . image - Comme Des Garçons, Paris Fashion Week
source - www.purple.fr

page 30 . image - Porsche Panamera Hybrid
source - www.autoscara.com

page 34 . image - Bertelli and Prada
source - www.economiaweb.it

page 38 . image - MacLaren P1
source - www.hdcarwallpapers.com

page 53 . image - Airport Lounge, Helsinki
source - www.finnair.com

page 60 . image - Bentley iPad set
source - www.extravaganzi.com

IMAGE CITATIONS

MOBILE APP

page 5 . image - log in
source - www.hardgraft.com

page 13 . image - invest
source - www.lincah.com

page 25 . image - purchase
source - www.hardgraft.com

DIAGRAM CITATIONS

NOTIONAL DOCUMENT

page 30 . Innovation Cloud
José Bronze

page 33 . Brand value %change 2012-2013 (top 8)
José Bronze

Brand value of most valuable luxury brands (top11)
José Bronze

page 38 . APOGÉE's offering map
José Bronze

page 63 . Country distribution of: Chinese Male Millionaires' Preferred Brands for Gifting - top15 & Chinese Female Millionaires' Preferred Brands for Gifting - top10
José Bronze

page 74 . Executive penetration of Equity and Debt Instruments
José Bronze

page 79 . US\$bn invested by private investors in commercial property in 2009.
José Bronze

DIAGRAM CITATIONS

STRATEGIC DOCUMENT

page 8 . Personality profiles of some major financial brands
José Bronze

page 9 . Simplified market alliance diagram of Apogée
José Bronze

Prada - brand value and value growth in 2013
José Bronze

page 13 . Competitors
José Bronze

page 15 . It's worth paying extra for quality goods (any agree)
José Bronze

I like to stand out in a crowd (any agree)
José Bronze

page 18 . US\$bn invested by private investors in commercial property in 2009.
José Bronze

page 19 . top HNWI population changes between 2012 and 2022 by continent,
country and city
José Bronze

page 21 . Wealth source of UHNWIs
José Bronze

Most common Industries of UHNWIs | Most common job titles of UHNWIs
José Bronze

Marital status of UHNWIs | Education of UHNWIs (% with at least a
Bachelor's degree)
José Bronze

Luxury consumption indexes of UHNWIs
José Bronze

DIAGRAM CITATIONS

page 22 . Apogée's system map
José Bronze

page 26 . Change of perception by decontextualization
José Bronze

page 28 . Number of luxury brands per country in the following ranks
José Bronze

page 34 . Brand access to each member tier in Apogée
José Bronze

page 38 . HNWI city hubs in China and Japan
José Bronze

page 41 . % of the total global luxury market by area & % of forecasted growth rate by area
José Bronze

page 42 . SWOT chart
José Bronze

page 43-44 . PIC
José Bronze

DIAGRAM CITATIONS

SERVICE DOCUMENT

page 7 . 2013 HNWI's population by area & 2012-2013 YoY HNWI's population growth rate by area & 2013 total HNWI's population's wealth
José Bronze

page 8 . HNWI world population | Five-year forecast
José Bronze

HNWI world population | Ten-year forecast
José Bronze

HNWI world population | 2022 Forecast
José Bronze

page 10 . HNWI population change YoY 2012-2013
José Bronze

Increase in billionaire population ('12-'22) by area and country
José Bronze

Increase in HNWI population ('12-'22) by area and country
José Bronze

page 12 . HNWI population change YoY 2012-2013
José Bronze

Increase in billionaire population ('12-'22) by area and country
José Bronze

Increase in HNWI population ('12-'22) by area and country
José Bronze

page 14 . HNWI population change YoY 2012-2013
José Bronze

Increase in billionaire population ('12-'22) by area and country
José Bronze

Increase in HNWI population ('12-'22) by area and country
José Bronze

DIAGRAM CITATIONS

page 16 . HNWI population change YoY 2012-2013

José Bronze

Increase in billionaire population ('12-'22) by area and country

José Bronze

Increase in HNWI population ('12-'22) by area and country

José Bronze

page 18 . HNWI population change YoY 2012-2013

José Bronze

Increase in billionaire population ('12-'22) by area and country

José Bronze

Increase in HNWI population ('12-'22) by area and country

José Bronze

page 20 . Changing popularity of investments of passion

José Bronze

Knight Frank Luxury Investment Index Q2 2013

José Bronze

Luxury Spending Share of leading luxury brand outlets (excluding concessions)

José Bronze

page 21 . Passion Investments allocations by HNWIs Q1 2013

José Bronze

page 22 . Worldwide Luxury Goods Market '11-'12 growth by area (□b) & 2013 expected growth rate by region (□b)

José Bronze

page 23 . Worldwide Personal Luxury Goods Market Trend

José Bronze

page 24 . 2012 estimated luxury market by country & 2013 forecasted luxury market growth (LATAM)

José Bronze

DIAGRAM CITATIONS

YoY Luxury market growth in China 2010-2011-2012E-2013F
José Bronze

2013 China Personal Luxury Goods Market by segment trend
José Bronze

page 25 . 2012 estimated luxury market by country & 2013 forecasted luxury market growth (MEAST)
José Bronze

2012 estimated luxury market by country & 2013 forecasted luxury market growth (APAC)
José Bronze

Luxury Market share by country in APAC
José Bronze

page 26 . 2013 FT Global 500 top luxury companies
José Bronze

% of companies in each sub-sector
José Bronze

Luxury companies' - clustered by currency - share value appreciation over the last 3 years (Euros)
José Bronze

page 27 . Luxury companies' - clustered by currency - share value appreciation over the last 3 years (Swiss Francs)
José Bronze

Luxury companies' - clustered by currency - share value appreciation over the last 3 years (Hong Kong Dollars)
José Bronze

Luxury companies' - clustered by currency - share value appreciation over the last 3 years (Japanese Yens)
José Bronze

page 28 . 2013 FT Global 500 top luxury companies by country
José Bronze

DIAGRAM CITATIONS

page 29 . 2013 FT Global 500 top luxury companies characteristics in millions (currency unit) except if otherwise stated (and except for share value)

José Bronze

Dividends per share

José Bronze

Earnings per share

José Bronze

page 33 . Apogée's offering map

José Bronze

page 35 . Apogée's Indexed Deposit Account Specifications Chart

José Bronze

page 36-37 . Apogée's Open-End Hybrid Boutique Investment Fund Specifications Chart

José Bronze

page 39 . Apogée's Point Attribution Chart

José Bronze

page 43 . Apogée's ideal geographical expansion

José Bronze

page 45 . Apogée's extended system map

José Bronze

page 53 . Apogée's simplified unbundled business model diagram

José Bronze

page 54 . CRM Business Model Canvas

José Bronze

page 56 . PRM Business Model Canvas

José Bronze

page 58 . Infrastructure Management Business Model Canvas

José Bronze



Apogée

Apogée is a three-party service. It provides a platform for the harmonic functioning of private banking, their clients and luxury brands.



