

Abington Advisory

Focus on the luxury sector:
Strengthen the brand value in a crisis
environment

17th July 2020

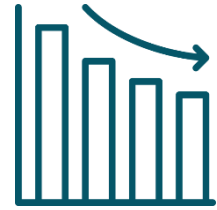


A health crisis which significantly impacts the luxury industry...(1/2)



A pandemic which has begun in an area representing more than 1/3 of total sales¹⁾

(LVMH, KERING, Hermès & RICHEMONT)



A 80% to 100% decrease of travel bookings of Chinese tourists

(between January & February 2020) ¹⁾



A decrease in sales of \$ 40 billions in 2020 ²⁾



An estimated loss of \$ 100 millions in terms of sales revenue in China for the CAPRI group ¹⁾

(Michael Kors, Jimmy Choo, Versace)

Sources :

1. [Coronavirus : L'industrie française du luxe doit-elle s'inquiéter de la crise?](#), 20minutes.fr, 26 février 2020
2. [Coronavirus could cause a €40 billion decline in luxury sales in 2020](#), Vogue Business, 21 février 2020

A health crisis which significantly impacts the luxury industry...(2/2)



Forecast of sales increase through e-commerce (+18%) & social commerce (+24%)¹⁾



20% to 30% of executed sales depend on travel retail and are now impacted ²⁾



65% of consumers reduce their expenses in the fashion sector ¹⁾



« Darwinian Shakeout »
80% of fashion companies will be in distress after 2 months of store closures due to COVID-19 ¹⁾

Sources :

1. [The State Of Fashion 2020 – Coronavirus update, McKinsey & Company | Business Of Fashion, Avril 2020](#)
2. [A perspective for the luxury goods industry during and after, McKinsey & Company, Avril 2020](#)

...requiring short-term exceptional actions & considering long-term perspectives



Mobilize around concrete solidarity actions

(production of hydro-alcoholic gels & masks, creation of support fund)



Engage clients through digital tools

(virtual showroom, live events, e-commerce)



Get ready for « Revenge Shopping »



Take the opportunity to reset and rethink the value chain of the industry

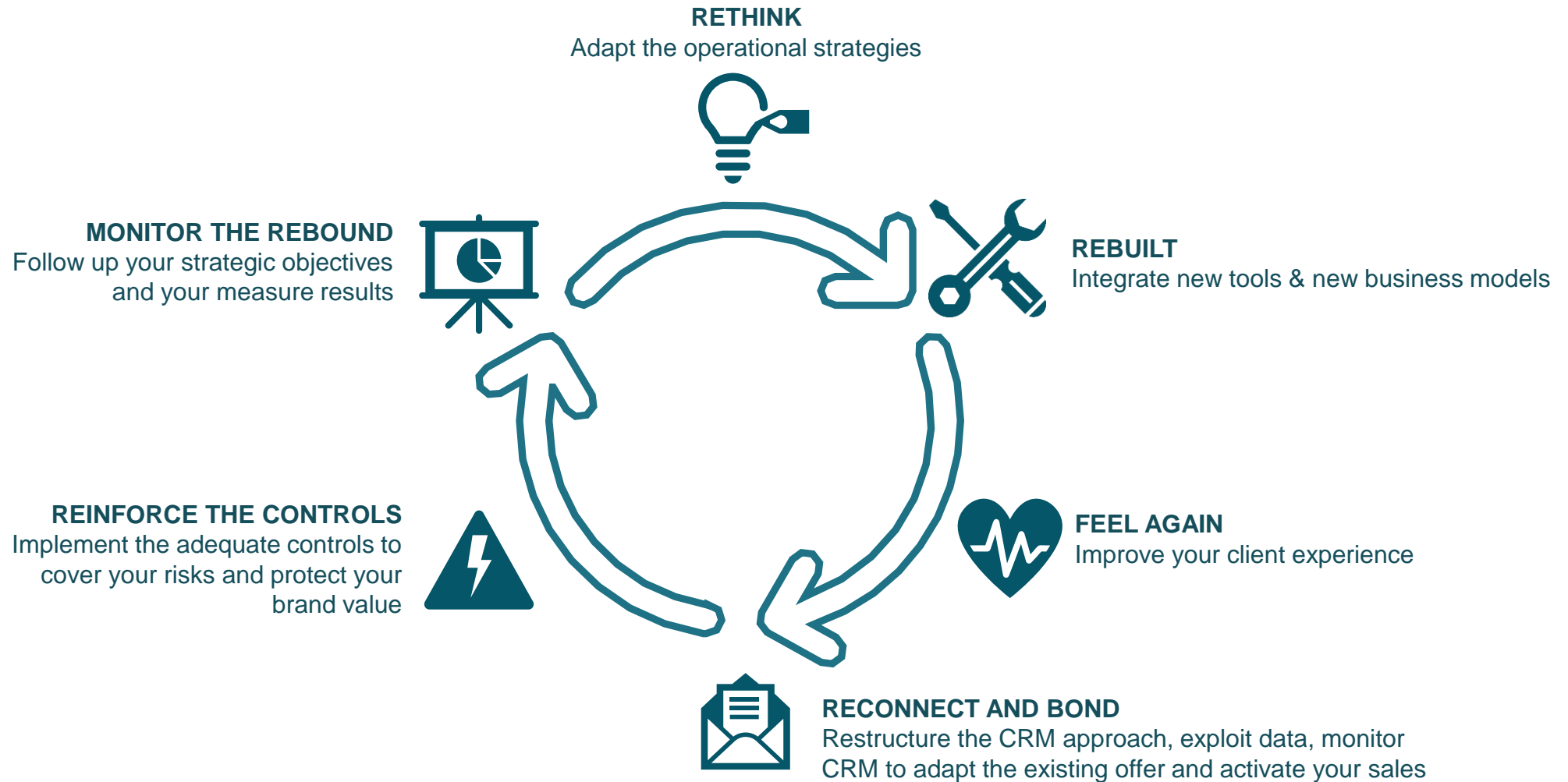
Sources :

[Vogue Business on Coronavirus: The impact on the Luxury industry and learnings from China, Vogue Business, 24 mars 2020](#)

...to maintain the operational excellence and preserve the brand value



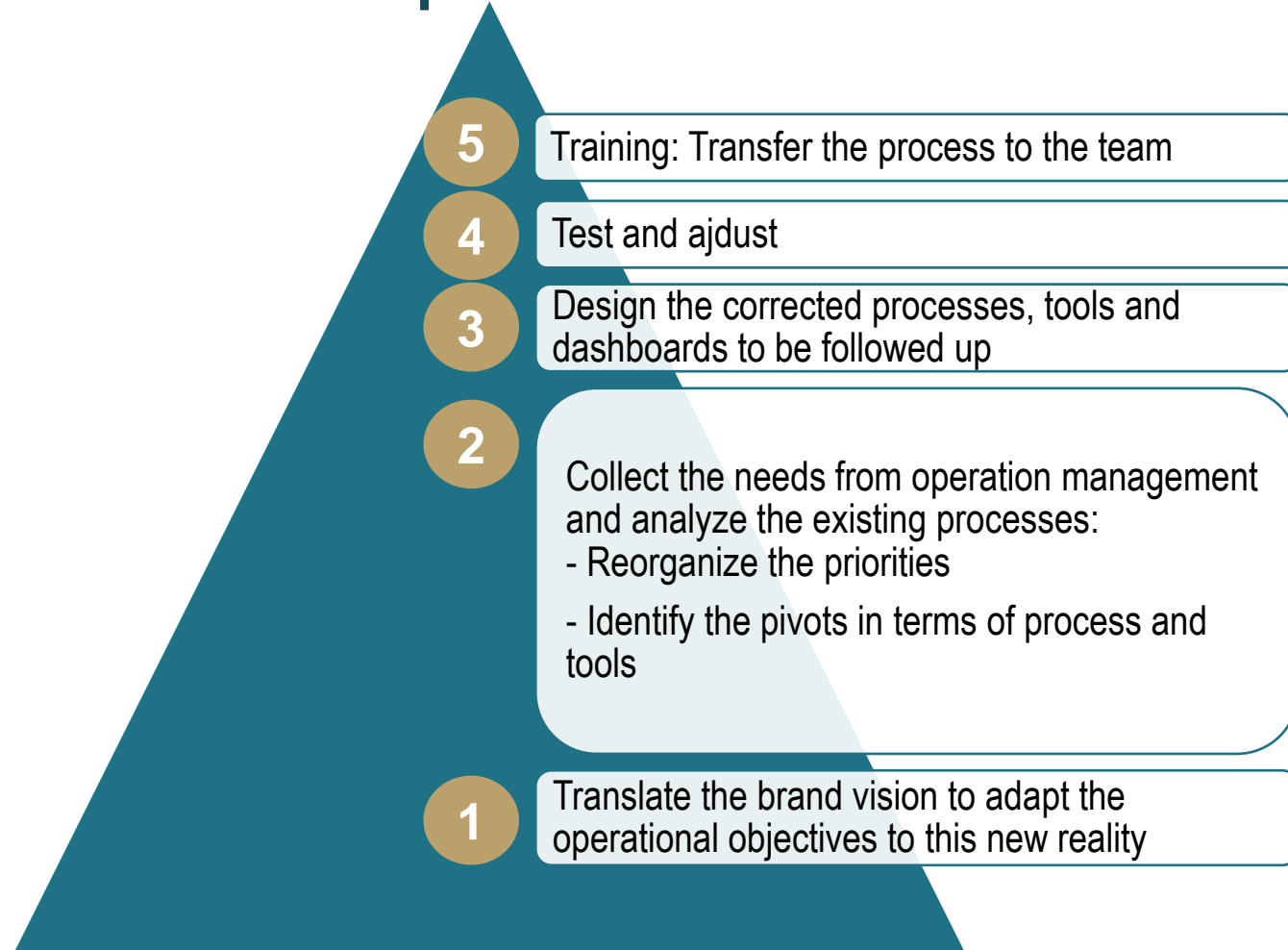
A bootcamp to strengthen the brand value and to prepare the recovery



Reinvent yourself and refocus on operations



RETHINK
Adapt the operational strategies



- GOVERNANCE
- MARKETING
- SALES
- PURCHASING
- LOGISTICS
- HUMAN RESOURCES
- IT
- FINANCE

Integrate a clear roadmap to recover



REBUILD

Integrate new tools and new business models



1. Define the target results to be obtain



2. Analyze the existing processes



3. Design the target process and define the needed specifications



4. Support in finding the adequate agile tech solution provider



5. Test the solution on field and intermediate with the solution provider



6. Knowledge transfer to the team

GOVERNANCE

MARKETING

SALES

PURCHASING

LOGISTICS

HUMAN RESOURCES

IT

FINANCE

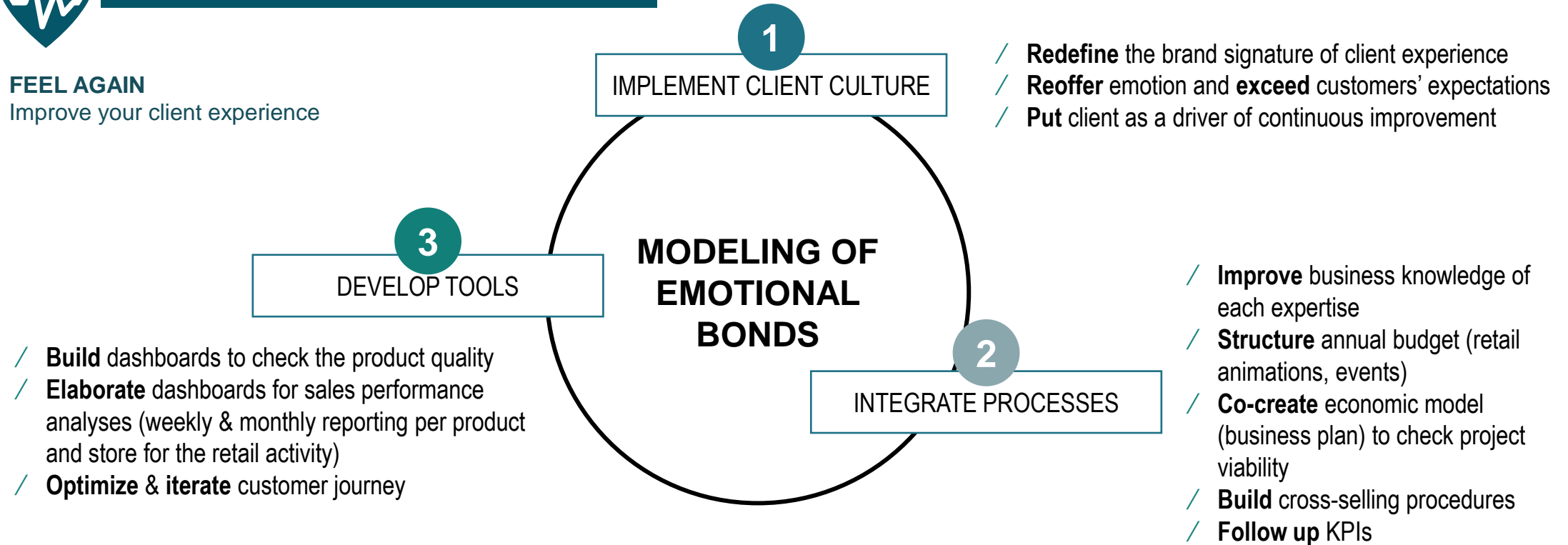
Offer new sensations and exceed expectations in terms of client experience



How to achieve the wow effect ?

FEEL AGAIN

Improve your client experience



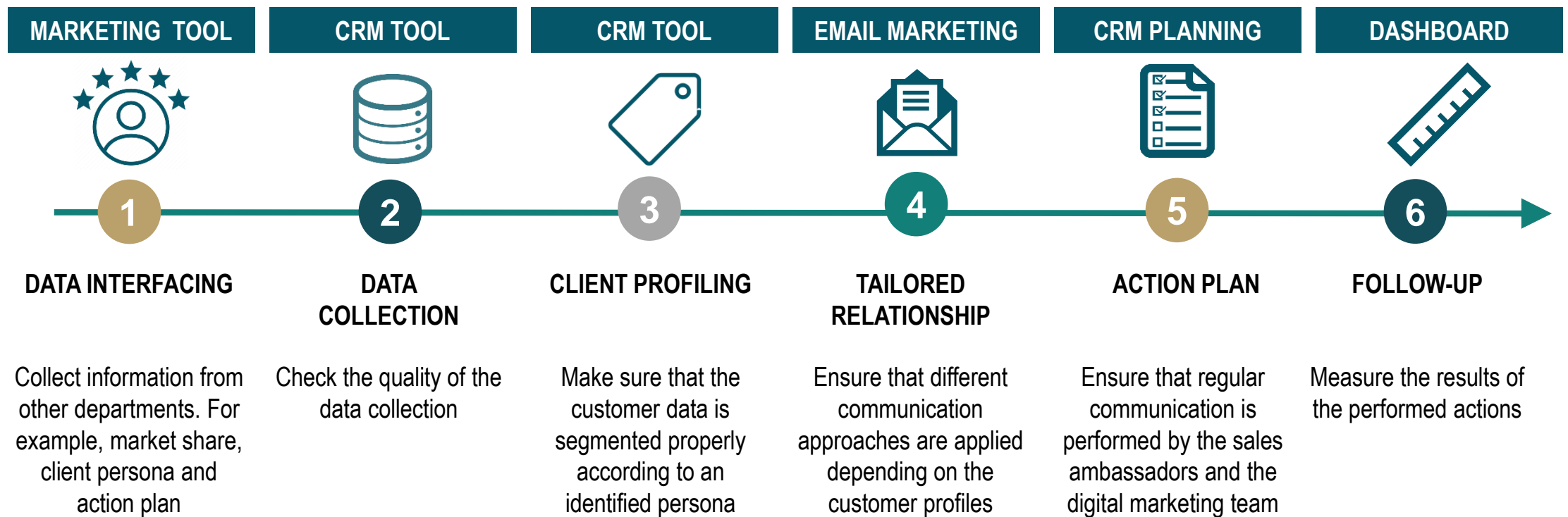
- GENERAL MANAGEMENT
- MARKETING
- SALES
- COMMUNICATION
- HUMAN RESOURCES
- IT
- FINANCE

Tailor your relationship with your customers and increase brand loyalty

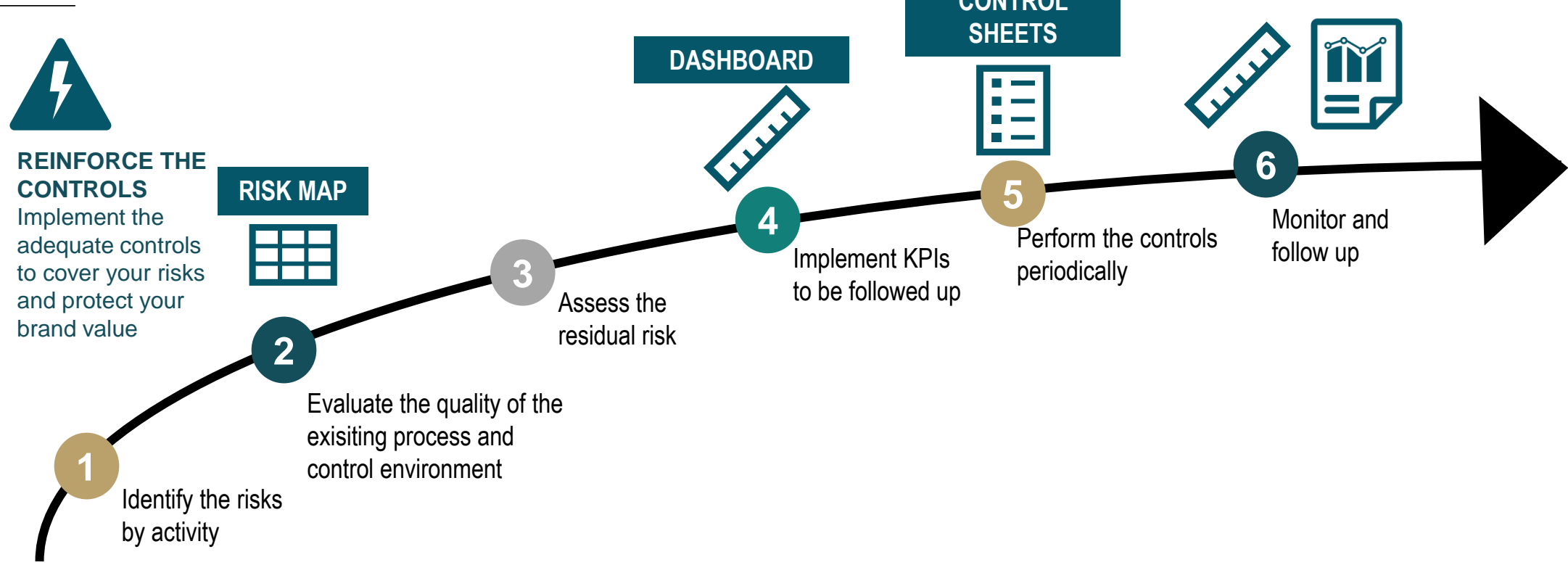


RECONNECT AND BOND

Restructure the CRM approach, exploit data, monitor CRM to adapt the existing offer and activate your sales



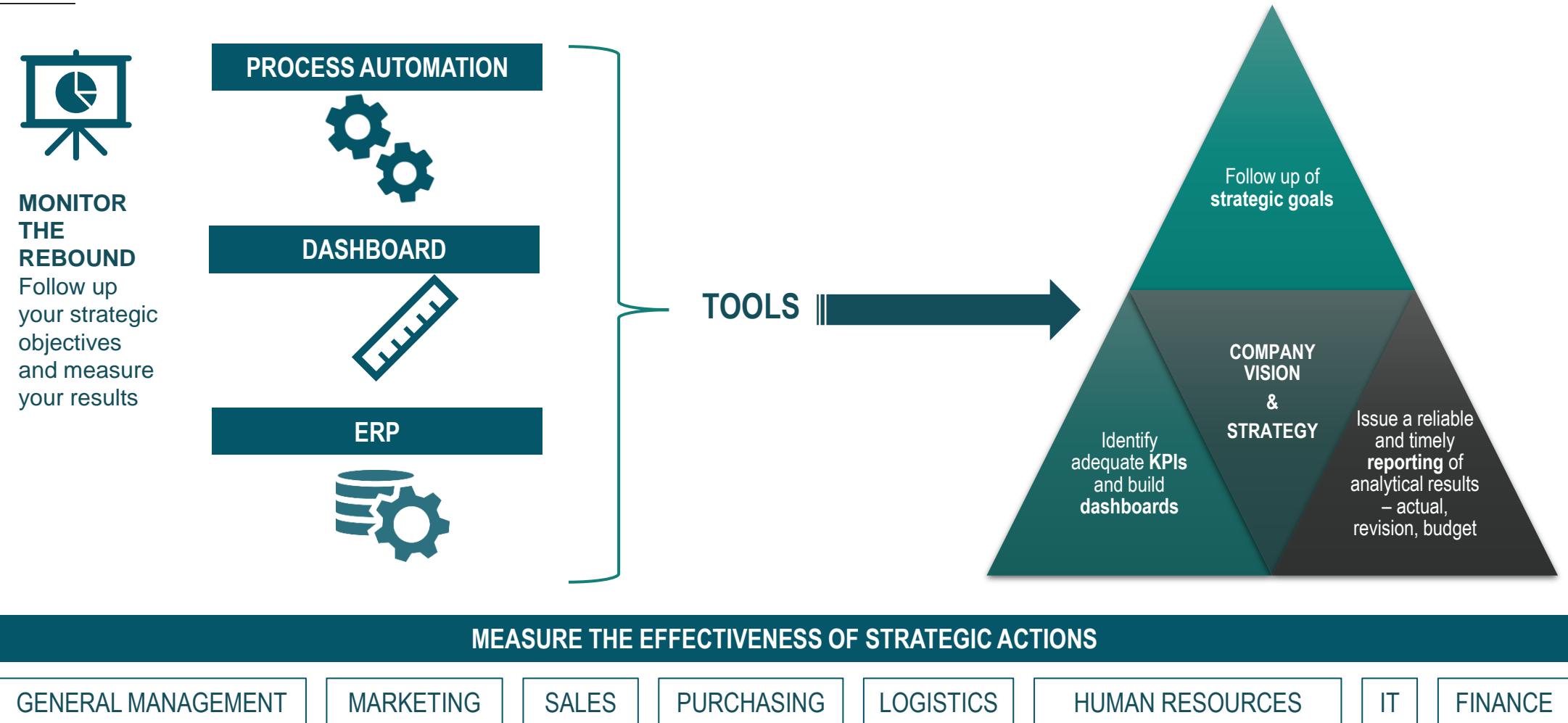
Risk prevention: protect your brand value



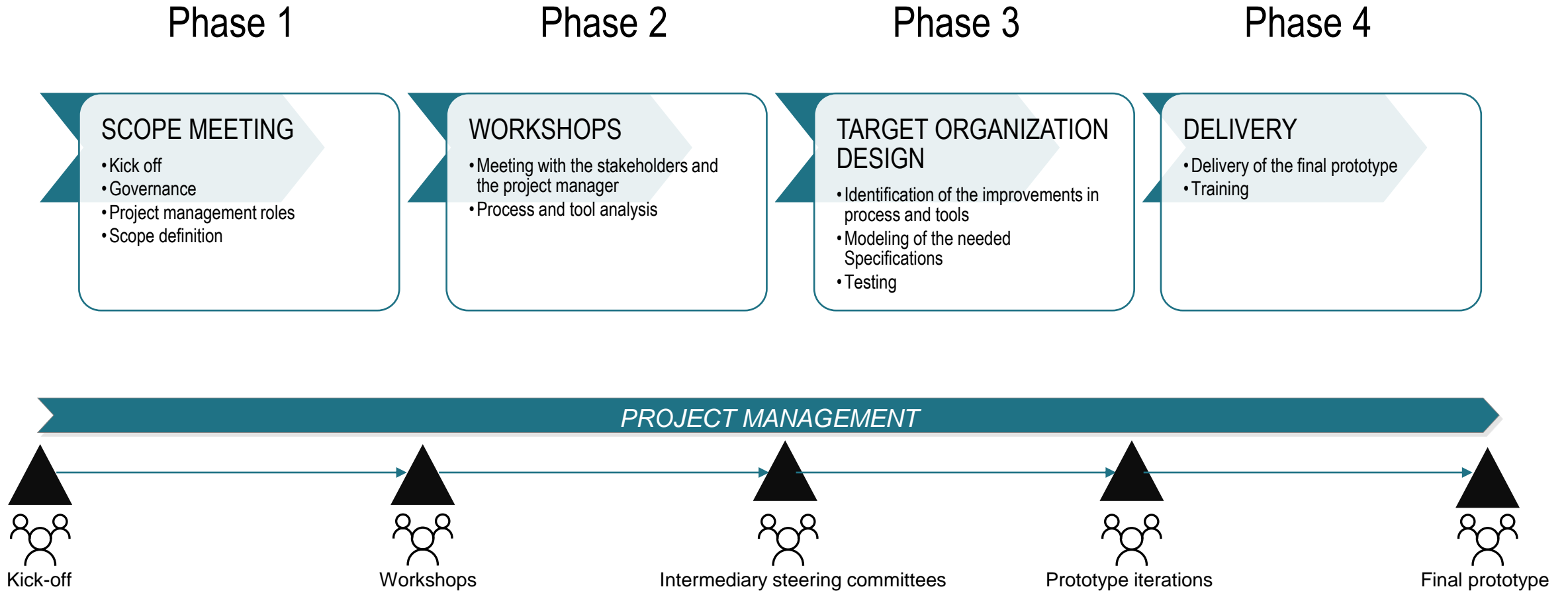
OPERATIONAL RISKS LEADING TO POTENTIAL FINANCIAL LOSSES AND A DECREASED BRAND VALUE

- PROCESS DYSFUNCTIONS
- REPUTATION
- REGULATORY
- FRAUD
- SAFETY
- BUSINESS INTERRUPTION
- PHYSICAL LOSS OR DAMAGE

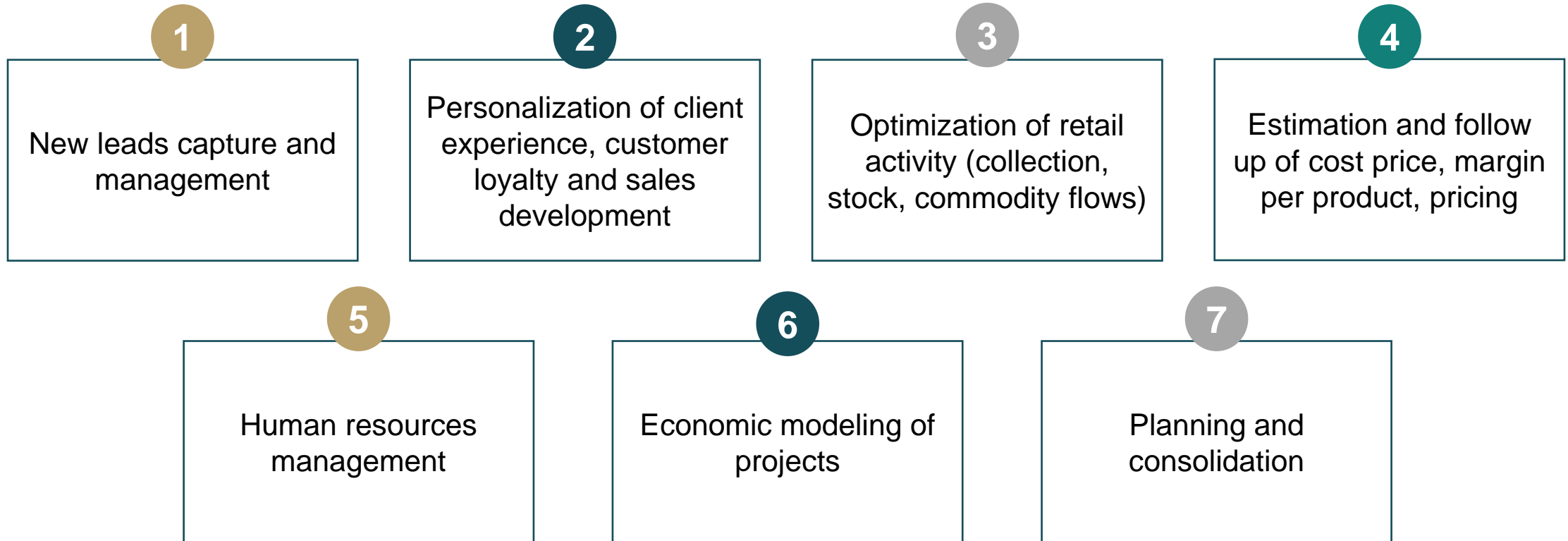
Drive your strategy and grow your brand value



Abington: a Darwinian approach...



...combined with the implementation of solutions which allow to rebound quickly



Software companies



Our key assets



HIGH DEGREE OF EXPERTISE

Abington experts support management teams daily and stand at the forefront of new trends and methodologies



A SOLID JOB KNOWLEDGE

EPM Abington consultants all have an experience in operations and have a strong understanding of the issues by department (marketing, sales, controlling, finance, IT)



A RIGOROUS PROJECT MANAGEMENT

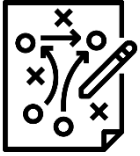
We rely on well-equipped and efficient processes to guarantee the management of a project at the expected quality levels within the required deadlines, by mobilizing and if necessary, involving a large ecosystem



CREATIVITY IN THE TEAM ONBOARDING

We search for the "wow" effect and the good "buzz" in the meeting or workshop animation, to increase the impact of the message and the willingness of participation and contribution of stakeholders

An agile & responsive company offering a wide expertise range



Strategy



Data & Analytics



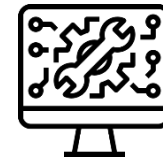
**Marketing &
Customer Experience**



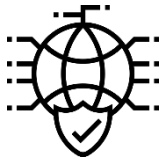
**Finance & Performance
Management**



Supply Chain



Information Technology



**Digital Trust &
Cybersecurity**



Digital Transformation



Change Management



Eric.gallardo@abingtonadvisory.com

Tidiane.diop@abingtonadvisory.com

Bako.rambintsoa@abingtonadvisory.com

Sara.elkhouyaali@abingtonadvisory.com

Abington Advisory
16 rue de Monceau
75008 PARIS