

"The world is hopefully coming back to the "real economy", having understood with the financial crisis that the virtual economy is fake and dangerous. Today the term "luxury" has been abused, but very soon the real luxury market will re-define it completely".

Luca Bassani Antivari, Chairman & CEO, Wally Yachts

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# Welcome to the future of print

In a world buzzing with digital information, the lifestyle magazine has become a luxury item. With its sumptuous photography and discursive journalism, it's something to linger over and cherish. Reading a magazine is like taking a journey by sea or rail – a moment to savour. That's why the most discerning readers are still passionate about print.

Once you accept this, the appeal of bespoke magazines to luxury brands becomes obvious. What better way of inviting customers to explore your brand universe, that complex galaxy of ideas and values?

With its collection of premium customer magazines, Luxarro has put this theory into practice. Its striking yet subtle designs take advantage of the fact that customer magazines are not obliged to scream for attention from newstands. And it has tailored their contents to the needs of each of its clients and their customers. The results are unique, yet with a distinctive Luxarro touch. This is the magazine as art form. In fact, as its name suggests, Luxarro is something of a luxury brand itself.

By Mark Tungate, author and branding specialist (www.tungateinparis.com)



# Media Trends:

# Why did people fall out of love with the newstand?

"Indeed, I believe the wealthy elite are moving more towards exclusive membership in every aspect of their lives - an advert-filled consumer magazine can be bought by anyone with £5 in their pocket, while brand magazines are sent to a select database of similar-minded individuals who have bought into the particular luxury brand ethos...

Marketing has to be more subtle - large-scale, impersonal advertising works well for mainstream products, but has little pull for the sophisticated consumer. The real problem is the luxury marketers inertia in adjusting despite clear, abundant arguments..."

CEO of European Luxury Brand

# Ads: What if your shop looked like this?

"I haven't thought so much about what the publication should include, rather I've enjoyed what was not in the magazine endless luxury ads, or ads with inferior aesthetics. It simply feels classic without being dowdy.

Carpe Diem Reader Survey 2008

"Many readers get fed up with newsstand publications as they well know that these publications have one objective - to be a vehicle for advertising sales.

On the other hand, a brand's bespoke publication is about communicating about its brand, and is therefore a lot more credible. It is much more credible as the reader knows that this is the publication's only objective."

Carpe Diem Reader Survey 2008

Mintel's research shows clients are allocating more of their marketing budgets to brand magazines, with less dependence on revenue from advertising.

The Customer Publishing Industry. Prepared on behalf of the APA By Mintel Custom Solutions



# The journalist's point of view:

"I think bespoke brand magazines for the luxury market are on the up because of a fundamental crisis of trust."

In essence, the reader has become more intelligent, more informed than before, and often more so than the specialist luxury journalist on the story. In addition, the reader PAYS for the luxury experience. The journalist usually does not.

The luxury brands also command much more power in the conventional publishing industry through the power of ad dollars. This has conspired to create a distrust of the media's coverage of the luxury business, be it fashion, beauty or travel.

Therefore, the editorial advantages of newstand over brand magazines has changed - so much so that if brand magazines are truly innovative, this could be where the future lies. It's a strange moment in the balancing of the scales - and I don't like it because it potentially puts me out of a job as a journalist - but it's inevitable that newstand coverage of luxury is going to lose out to the best of the brand publications. And this momentum is only going to build unless more money is put back again into the journalism where authoritative coverage should/could remain.



**MEDIA TRENDS** 

# Is the sunny newstand really passé?

"The last (printed) magazine? Within twenty-five years a mere 10 percent of the paper-based magazine industry will remain, sustained by connoisseurs, aficionados, and aging Luddites. Paper-based periodicals that do perservere in North America and Europe will do so on a much smaller scale as the stylepress: physically and aesthetically engaging, vibrant creative chronicleres of trends. These will be the last printed magazines."

By David Renard in the "The Last Magazine", a book published in 2006 by Universe Publishing, New York.

Where does all this leave the humble old newstand magazine? "It's scary for us at Dazed," admits Formichetti. "Previously, we've always created what the brands couldn't do. Now that they can do it themselves, I don't know what's going to happen."

International Herald Tribune. Branding the magazine world By Fleur Britten Wednesday, February 13, 2008



#### **MEDIA TRENDS**

### Future Marketing Directions for Luxury Brands

Low Love: General, Public and Open to Everybody





High Love:→ Personal,– Exclusive and– by Invitation Only

Low Respect: Commercial, Passive and Product centric

By Mette Kristine Oustrup 2008. Model inspired by Kevin Roberts "Lovemarks"

# Brand Building: Why do Brand Magazines do the job so well?

PERKONOMICS: A new breed of perks and privileges, added to brands' regular offerings, is satisfying consumers' ever-growing desire for novel forms of status and/or convenience, across all industries. The benefits for brands are equally promising: from escaping commoditization, to showing empathy in turbulent times. One to have firmly on your radar in 2009. www.trendwatching.com

# Bespoke Brand magazines

are projected year-on-year growth of 10%. What explains this staggering growth?

#### 1. Engagement

The magazine engages its readers. So they spend an average of 25 minutes reading it. No other medium can give you this sort of quality time with your target market. One in four people actually pick up a magazine three or more times before they finish with it. Typically 62% keep theirs for a week or more.

#### 2. Brand relationships

Customer magazines form stronger brand relationships. Brand loyalty increases by a third

#### 3. Behaviour change

The research showed the customer magazine's ability to change behaviour. Nearly half of a title's readers acted or responded after reading the latest issue. This dwarfs response rates from other media where 3% constitutes extreme success.

#### 4. Increased sales

The most important, and the most tangible, indication of the customer magazine's effect must be what it does to a brand's sales. On average the research found sales increased by 8%.

APA: Milward Brown Research (www.25minutes.co.uk)

# The Customer Loyalty Score

The probability that the customer will choose your brand rather than competitors at next purchase occasion.

APA: Milward Brown Research (www.apa.co.uk)

"Branding is about communicating the context in which the product exists. That is something that is very difficult to do when restricted by the format of traditional advertising. Websites tend to be too passive and brochures too product centric. With a brand magazine one can craft the context of the product in as many pages one likes."

Peter Karlsson, General Manager, Nakamichi Corporation Ltd

Customers with Magazine 39

Customers without
Magazine
(Control group)
30

Difference: +9

## Budgets?

For many, the magazine actually is in place of advertising.

One insider estimates budgets of £150,000-plus, or \$295,000, an issue, with which they can afford the best contributors and production.

"Whatever they cost," says Jeremy Leslie, author of the book magCulture, "magazines are a cost-effective way of communicating brand values.

It's a natural move: all want content about themselves out there. The consumer then takes a great wad of marketing home with them - the magazine brings the brand to life."

International Herald Tribune. Branding the magazine world By Fleur Britten, Wednesday, February 13, 2008



# Benchmark: What makes a particular publication appeal to us?

"I have been asking luxury brands how they are affected in times of financial turmoil. They reply that luxury customers invest in hand crafted, high quality products that repay them over time. These clients have a one-to-one relationship with a craftsman based on trust and mutual respect. This stronger connection weathers any economic storms."

Mark Tungate, author and branding specialist (www.tungateinparis.com)



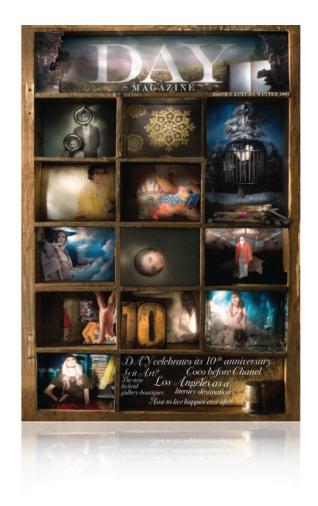
# Magazines with a sense of place

What makes a particular publication appeal to us? Why does opening one magazine feel like walking into a favourite restaurant or the home of a friend, while another feels alien – like a bar where the people are dressed strangely and the music is not to our taste?

Obviously there's the subject matter. Rather like the people we enjoy socialising with, the articles need to be engaging. Then there's the matter of our surroundings. In a bar, a restaurant or a home, it's all about colour, lighting, furniture design, temperature – the combination that feels right.

Magazine design, too, is a question of environment. Luxarro knows that when it comes to creating the right brand magazine, instinct is not enough. Its in-house tool, Elemental Experience Design, helps it build relevant magazines by expertly analysing the personality of a company and its customers. The result: magazines people want to spend time with.

By Mark Tungate, author and branding specialist (www.tungateinparis.com)

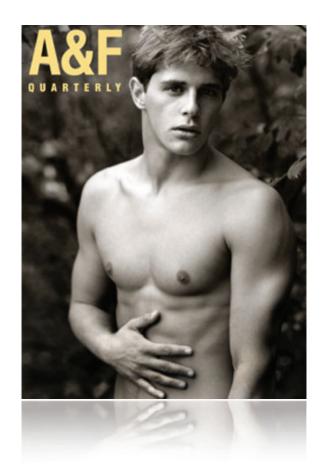


# The creative: DAY magazine

It's not often you can pick up a magazine that effectively combines inspiring fashion, informative articles and interesting typography. This kind of exceptional creativity is the formula for winning longevity that has kept the likes of Dazed and Confused, iD and PaperMag running for decades.

Denmark's Day Magazine is an advertisement free companion publication to fashion label DAY Birger et Mikkelsen. Following the company's biannual collection seasons, only 6,000 editions of each issue are printed. Now on its second issue, the magazine covers global fashion, retail developments and outstanding art movements from around the world. This issue features a group of respected fashion forecasters and trend watchers who write about their favourite designers, artists and films.

JC Report, 28 August 2008



# The daring: A&F Quarterly

"In fact the controversial magazine, was relaunched this April to help celebrate the first anniversary of the London flagship and is onsale exclusively there for £50. The first issue Return to Paradise is a 200-page, hardbound book featuring imagery from Bruce Weber again, and editorial led by Tyler Brûlé."

"the new niche publishing" Allyson Rees, LA, WGSN 28.05.08 "...while Abercrombie & Fitch has returned to form with the fashion photographer Bruce Weber (so expensive that U.S. Vogue is said to afford him only twice a year) and no "product" shots in the 200-page hardbound publication. The result is much more magazine than catalogue: Read it and weep, Vogue."

International Herald Tribune. Branding the magazine world By Fleur Britten. Wednesday, February 13, 2008



# The edgy: Acne Paper

A new ACNE boutique has just opened in the Palais Royal garden in Paris, and from now on LFG will distribute the bi-annual magazine ACNE PAPER.

Printed in A3 format, this is an authoritative summary of trends, with an edgy, directional style that reproduces on paper ACNE's whole universe and philosophy.

Art, fashion, photography, culture ... something to satisfy everyone's curiosity!

In this latest edition, there are lots of different visions of exoticism: from Christian Lacroix dresses to Douanier Rousseau's paintings via the Swedish Ballet.

www.littlefashiongallery.com

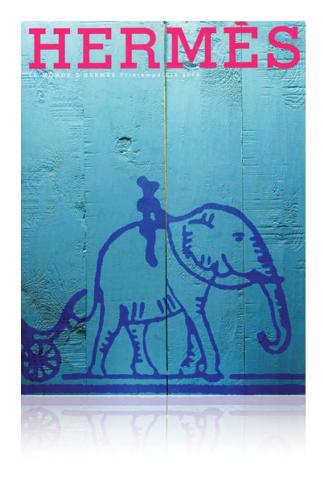


# The bold: Capella

Capella is the first international people & party magazine.

The people - a hand-picked invitation list of who's who of the über-wealthy, aristocrats and stars. The parties - the most exclusive and sophisticated corporate and private events that the rest of the world can only dream of being invited to...

http://www.luxarro.com/capella.html



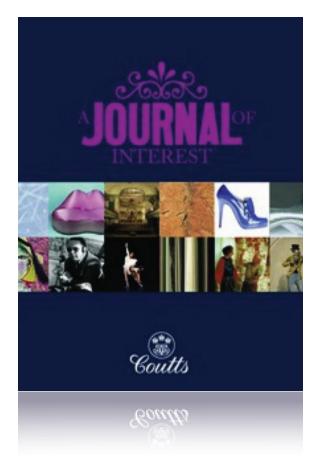
# The inspirational: Le Monde d'Hermès

"Hermès Magazine translates the suggestion of the season (every new one has a different theme), beautiful photography and illustrations.."

Lucia Radessi, Italy, on Luxarro Questionnaire 2008

"It does a fantastic job making us interested in their products and giving us inspiration in fashion, art etc.."

Anne Sofie, Denmark on Luxarro Questionnaire 2008



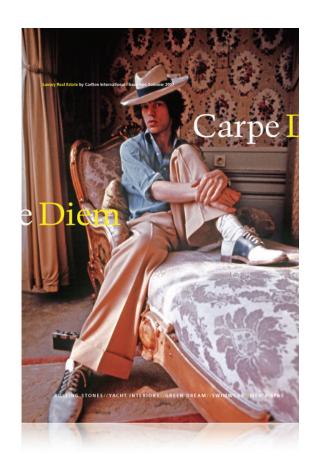
# The understated: A Journal of Interest

The magazine, launched at the end of 2006, marks the bank's publishing debut and is a major move away from the conspicuous-consumption led content of other luxury magazines.

A deliberately understated journal, the magazine mixes customer profiles with features covering such topics as historical figures, fashion and business insight to create a unique publication geared around ideas rather than transient styles.

Sent to each of Coutts' 45,000 private banking members on an annual basis, A Journal of Interest has managed to break the mould for a financial services customer title while also staying relevant to its customers.

http://www.apa.co.uk



# The exclusive: Carpe Diem Magazine

Carpe Diem is a tri-annual magazine, sent to 3,500 property clients who have bought or sold a second home, with a value of up to €100million. Some readers...

"I work for a company with the word 'luxury' in our name, yet we don't seem to live up to that name. Carpe Diem is simply the quintessence of luxury and has impressed several of my colleagues and friends." Daniel Roth, USA Carpe Diem Reader Survey 2008 "People who see Carpe Diem? All of my family staff, guests and friends!"

Sir David Charles Porter MIMI SAE, UK Carpe Diem Reader Survey 2008

"People who see Carpe Diem? 5-10 people minimum. I see it as valuable to receive it since many of our friends are potential buyers."

Dorte Wiene, Denmark Carpe Diem Reader Survey 2008

#### ABOUT & CONTACT DETAILS

#### METTE KRISTINE OUSTRUP Partner, Darling PR

A Danish National and a graduate in International Business and Marketing, Mette Kristine Oustrup originally joined the start-up phase of fashion group St. Martins and later went to Hong Kong as Head of Special Projects for global lifestyle brand DIESEL.

Her next adventure as Co-Founder of the French trend agency Style-Vision involved working with great brands, while building bridges to other trend agencies like Culture of Future, TrendWatching. com, Designboom and WGSN. It also gave her the opportunity to start up the Round Table events which were held every May and October at the Grand Hotel Cap-Ferrat in the South of France, supported by the Financial Times. Kristine joined the Luxarro full-time early 2007 to oversee the concept design of the different publications, as well as heading Affinity Marketing and PR under Darling PR.



Contact: kristine@darling-pr.com or call + 33 645288307

DARLING PR,
6, rue d'Alger, 06400 Cannes, France

#### PAUL COLEMAN Publisher, Luxarro Publishing Ltd.

In his 13 years in the London publishing industry, Paul was working on many of best known and most loved consumer magazines including Vogue, ELLE, Vanity Fair, Hello, FHM, House & Garden, The Face and Tatler. His experience includes being involved in the launches of five magazines which notably included the exciting launch of the UK version of Condé Nast Traveller back in 1997.

Leaving the UK in 2001, Paul came to settle in the South of France to set up a private club in which members joined to take advantage of super cars and yachts. Combining his zest for entrepreneurial spirit and experience from the luxury industry, top publishing companies and an address book that contains the best writers, designers and photographers in the world, Paul launched Luxarro in the summer of 2006.



Contact: Paul.Coleman@luxarro.com or call +33 679680559
LUXARRO PUBLISHING,
6, rue d'Alger, 06400 Cannes, France