

## A LAUNCHPAD FOR LUXURY

PRAGMA GROUP CEO JOE TABET LOOKS AT THE IMPLICATIONS OF ENTERING DUBAI AS AN INTERNATIONAL LUXURY BRAND



It was only two decades ago that international brands were considered pioneers in the Dubai market; when rewards came with risk, and gaps in the country's commercial infrastructure meant that frustration often went hand in hand with success. Today, the landscape for international enterprises entering the market is virtually unrecognizable. Dubai is a dynamic and ever-evolving hub for retail, travel, hospitality, commerce and industry. The city's young, growing local population and vibrant expatriate community have reset the bar when it comes to their levels of expectation, while a strong GDP has led to high levels of consumer confidence and the second highest household consumption per capita in the world.

2013's winning bid for Expo 2020 only served to underline the Dubai Government's ambitious long-term 2021 framework for the city, a continuation of the policy put in place by His Highness Sheikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, which will reinforce Dubai as a smart and sustainable city, a destination for living, working and leisure pursuits, and a global capital of the Islamic economy.

Globally, the luxury sector is booming – with the Altgamma 2014 Worldwide Markets Monitor noting that worldwide luxury markets reached the \$1 trillion mark last year. Leisure travel is driving much of the growth, with a global trend for experiential pursuits and personal indulgence, reflected in the boosted numbers for hotels, cruises, travel retail and fine foods and beverages.

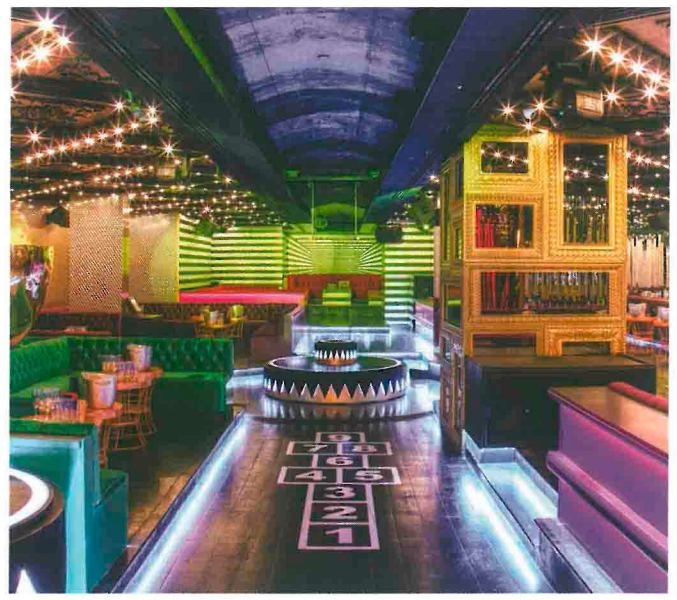
“HIGH LEVELS OF MARKET SATURATION, COUPLED WITH AN INCREASINGLY SOPHISTICATED AND DEMANDING CUSTOMER BASE, MEAN THAT SUCCESS IS NO LONGER JUST RELIANT ON A HIGH-PROFILE BRAND NAME AND ASSUMED CUSTOMER LOYALTY”

In Dubai, which so often acts as a magnifying mirror to global trends, it is no surprise that the city's luxury industries – hospitality, retail, food and beverage, and entertainment – are experiencing similar growth. Over the last two years, numerous premium international brands have opened their doors in the city: Prada, Isabel Marant and Elie Tahari have opened in the retail sector; the F&B sector has welcomed new concepts by big name chefs including Simon Rimmer, Gary Rhodes and Atul Kochhar; the Dubai nightlife scene has been further bolstered by the opening of Provocateur, China White, Pacha and Sass Café, to name but a few; and the hospitality industry has seen the launch of properties by Four Seasons, Marriott Marquise, Conrad and Anantara. Soon, Pragma too will be launching a new branded hotel in Dubai.

However, international luxury brands which are looking to launch in Dubai in 2015 – whether retail, hospitality or food and beverage – face a very different set of challenges to their predecessors.

High levels of market saturation, coupled with an increasingly sophisticated and demanding customer base, mean that success is no longer just reliant on a high-profile brand name and assumed customer loyalty. The city's high net worth consumers are overwhelmed by too much choice in every area of their lives: with extensive online research and word of mouth recommendations among their peers, this 'new Dubai consumer' makes it their mission to make informed, self-educated lifestyle choices, from the music they listen to, where and how they consume their food, to where they rest and where they play.





Thus, in Dubai, innovation and attention to detail are key. Expectations run high when launching an international brand with name-recognition, such as our ongoing partnership with Roberto Cavalli Group for Cavalli Club Dubai and Cavalli Caffè. Customers are looking for all of the promises that come as an integral part of that brand – in the case of Cavalli, for example, that would be a focus on high fashion, Italian flair, a daring, playful edge, and a certain level of luxury and opulence – coupled with the ability to continuously satisfy their own unique needs, and those of the fickle local market. For a brand to even begin to make waves in a city that has seen it all before, providing an exceptional service that stands out above the rest is more likely to leave a positive impression, as is engaging in an open and honest dialogue with existing and new customers, to ensure that the brand develops and stays with its clientele. At Pragma Group, we are looking to achieve this with the launch of Blasé, a VIP concept that sits within Cavalli Club, yet is detached with its own music, menu and mixes. Our aim is to address the whims of the ultra-demanding and sometimes disenfranchised high net worth consumer, through a focus on a bespoke level of customer service that speaks to them directly, and ensures that their experience is individualized, gratifying and, above all, memorable for all the right reasons.

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Our thorough knowledge of Dubai as a city (the natural result of having been operating here as a business for over a decade) has been a major factor in our brands’ success so far – from understanding the people themselves and the many trends and influences that drive them, to a true grasp of the culture (and its accompanying sensitivities) that informs every part of life here in the UAE.

It is highly unrealistic to expect to be able to launch a carbon copy of an existing brand model, no

matter how successful it is elsewhere. When we launched Cirque le Soir in October 2011, it was the very first international club franchise to arrive in the UAE. We modified the concept from the highly successful (and occasionally audacious) original venue in London. The challenge was to modify the daring clothes, costumes and entertainment to fit with the more conservative Dubai market, while maintaining the same level of thrill and excitement that you will find in the London club. The outcome was a venue that still attracts a loyal audience keen to experience an alternative to the usual club scene, which has garnered numerous industry accolades, including being named one of the World’s Finest Clubs, awards from *Hype* and *Time Out* for best urban night, and a nomination for *Time Out Dubai’s* best club.

In a city that is comparatively smaller than its international counterparts, location plays a very important factor for global brands looking to launch in Dubai. Retailers, restaurateurs and hoteliers pay a high premium for choice locations in popular areas, not to mention the right kind of hotel when it comes to licensing, and a suitable site is often a pre-requisite in contractual negotiations.

With the launch of new mega projects, such as the 8 million sq ft Mall of the World, as well as the Dubai Government’s pledge to offer up to 150,000 hotel rooms to a predicted 20 million visitors per year by 2020, indications suggest that the influx of new residents and visitors will continue to drive the growth of high-end hospitality and leisure related concepts, and further push the luxury industries towards an even better, customer service-focused experience for consumers. As the purveyors of international luxury concepts, we are growing with Dubai as it takes its place alongside the other, traditional global luxury hubs – in doing so, it is our duty to ensure that the people who come to Dubai, both old and new, remain as passionate about the city and its offerings as we are.



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