



THE EXPERIENCE ECONOMY: HOW BRANDS ARE LEADING THE WAY

Petra Freddi 00:02

Good afternoon and welcome, everyone. We're at the end of the second day of Milken Global Conference. By now, you would have seen hundreds of sessions and been in countless meetings, so it's been a really busy number of days. But for this session, I am inviting you to slow down and enter the world of experience. We've seen a lot of changes in the luxury market in the last few years, especially since COVID. And one of the most interesting trends is the shift from people wanting to own less things and experience more things. According to a report by Bain, growth in spending on one-of-a-kind experiences continues to outpace spending on products, and that's wellness, social connection, sport, cultural relevance. So today, we'll meet some of the curators of those luxury experiences. We'll get to find out where they get inspiration and who they partner with. And to get ourselves in the right mindset, I'd like to kick off with a video from Belmond.

[Video plays].

Voiceover [Video: narrated by Tilda Swinton] 01:12

The world moves fast, but you don't have to. Because it's not about the time it takes, but the care that's given. Six minutes for al dente perfection. 60 minutes to feel healed. Six days to embrace the art of slowing down. Many years to grow a garden that nourishes the soul. At Belmond, time isn't spent, it's invested. Immersed in ancestral and contemporary cultures, in yesterday's traditions and tomorrow's rhythms, surrounded by friends old and new. We choose to linger, to contemplate, to savor. In every journey, on every plate, and in every mindful movement, we discover a new pace of travel. Belmond.

Petra Freddi 03:05

Wow. What a masterpiece. I feel like I just went to a cinema. Well, Dan, this idea of slow luxury that we could have seen and felt from your video is the North Star for Belmond for the next five years. Tell us more about your vision for slow luxury.

Dan Ruff 03:24

Thanks, Petra, and great to be here, everybody. I think Petra invited me secretly just to secure your summer holidays. The video, I think, is really representative of what we tried to do, and I've heard it all week. I've heard people say to me, "Oh, yeah, our greatest luxury is time." And I think that in today's world, that is moving so, so, so quickly. The opportunity to slow down, to disconnect from your day-to-day life, and to reconnect to the things that matter most to you is really what we're there for. So I think you see in the video some inspiration. And it's something that actually we've always done. So we have our boats. You saw a glimpse of it—these boats, they're these little *péniches* in France—and they're actually kind of like floating villas. And what's so magic about them is that you're on the water, but actually you can walk on the side of the canals through France faster than the boat will take you because it's about time, it's not about speed. So on this boat, you've got your sommelier who is touring you through the vineyards. You've got your guides who are taking you into the villages. You've got your personal chef who is cooking the magical food of Dominique, who we work with on these boats. And it's really just an opportunity to—with your friends, it's generally two, four, six cabins. You just disconnect, and you enjoy the place that you're in and the people you're with. And that's what we do on the boats, and actually, it's what we do throughout our portfolio. So we have the boats, we have the trains. Our most famous is the Venice Simplon-Orient Express. This is a train that goes between Paris and Venice. And time is the craziest thing on this train, and I'm really bad at articulating it, because it's something you really have to experience to understand, but you get on this train, and—it's one night—it's both incredibly fast, and you feel like you've been on it for a long time. You feel like you're in 1920, and you feel like you're in the future. It is this crazy, crazy time warp, and I love the trains for that. And then our hotel portfolio is kind of the core of slow luxury and what we've always done. So we have hotels like the Splendido in Portofino. This was a 15th century monastery, a place for religious contemplation, a place where people came and disconnected. And then over the generations, it became a place for this amazing Italian concept called *villeggiatura*. This is the idea of the wealthy, the elite in Italy back in the day, they would pack up for the summer, leave the busy, crowded, hustling cities behind, pack up their beautiful trunks, and decamp to a place of natural beauty for a month. And actually that's exactly what it is today, but the world moves faster, and you don't have to, as Tilda said. So people don't come for a month, unfortunately, but it's the same concept. They're coming there to really experience the beauty, to taste the delicious food, to discover the destination in all of its glory, and that's really what slow luxury is all about.

Petra Freddi 06:51

Amazing. Well, that takes me to Inge. Nowadays we talk about the trends, and we're really seeing the growth—but you've been the "Financial Times" spa junkie for over a decade, and you've really seen the early signs of a change of consumer preference—and people starting to be much more interested in spending top money for wellness and longevity rather than buying another item, so accessories or clothing that they could wear. So when did that tipping point start?

Inge Theron 07:18

Well, so nice to be here. I'm actually 100 years old. I've had so many treatments. So, as you mentioned, I think the industry has had a massive sort of focus shift, a shift of focus, and where spending on a spa was seen as a luxury, it was seen as a nice-to-have but not a necessity, I think that has changed, and I think it's because we are now able to actually show you that by investing in longevity and this whole idea that treating aging as a disease actually extends your life, we're actually seeing people now invest a lot more. They take it seriously. When I first started at the FT, I was the spa junkie. I was a kind of undercover spy,

and a big win for me at the time would be, "I lost five kilos at Chenot," or, "I connected with my inner child while being mummified in Mexico." True story. Or, "I learned how to meditate down the Mekong like a monk." Again, wonderful experiences. One would argue excellent pursuits. But today, that same time and that same spend, I can offer my clients life. We can actually take your biological age down. So I'm 50 this month. Yay. Thank you. But my biological age is actually 27, and I've—achieved that through over 60 sessions of hyperbaric, a combination of longevity treatments, and you can ask me my stack later if you think I look good. Or not. And so I think now that we've got the innovation and the data to show you that by investing in your health isn't just a luxury, it's absolutely necessity. I'm an old mum. I had my kids at 40, 41, so super important for us these days to really look to the future, and I think that has changed. And I think there's no surprise to see that we're chasing almost 9 trillion in valuation for longevity by 2029. In that same period, luxury is going down because who needs another handbag? Who needs another black dress? And so if you think about buying extra healthy healthspan, healthy years of life with your family or spending on another fancy item, I think we can see what's indulgent and what's not.

Petra Freddi 09:44

Absolutely, and that brings me nicely to Dominique, who is an amazing Michelin star chef. She's actually the first woman in the US to receive three Michelin stars.

Dominique Crenn 10:00

Thank you to my team. I have a great team, so I just want to thank them.

Petra Freddi 10:03

And you really collaborate with so many of these brands that traditionally have been selling accessories or clothing that are starting to expand into experiences. It also is coming into art fairs, like you work with Art Basel, you work with Dior. Tell us about this idea of brand extension into other categories and how you're viewing that?

Dominique Crenn 10:23

First of all, hi, everybody. Everybody's okay? Doing good? It's exhausting, huh? Living. Obviously I chose my path on creativity in the industry of food and hospitality. I always, I think, truly believe in that and also the way that we're doing things. So for me to collaborate with the fashion house Dior, actually, it was in 2012 where I wrote in my journal that I was going to be collaborating with them. Not with them, but with some type of fashion—because I think food and wellness and all of this is about connection. How boring for me to just cook every day and not do anything else. So I think it's maybe to just change perspective and have a different way of looking at things. And also, I love that you say that you don't have to buy a bag every day. Don't say that to Dior because they will be like...! It's about investing in yourself, and what makes you feel good. And luxury comes from here. Not from what you own, so sometimes—but I think for us it was a natural way of doing and exploring and continuing a brand—the Crenn brand—in a way that people can see us differently. But if you want to try it, there is a restaurant called Monsieur Dior by Dominique Crenn in Los Angeles. This is mine. Just down the road on Rodeo Drive.

Petra Freddi 12:23

And we had the pleasure of hosting a dinner there on Saturday night. And it was one of the most amazing experiences I've had in a beautiful store with beautiful products as well. So again, the way brands collaborate and try to innovate to bring you in their stores, to be interested both in the products as well as the food is truly remarkable.

Dominique Crenn 12:42

Yes, and I think as humans, we have lost the connection with ourselves because we are so into a phone. Everybody's on their phone right now, I love it. No, but you guys are, we are on the phone, we are on the internet. We don't connect anymore. And I think that with food and with fashion, we can create an experience that can make you think again about yourself. So, yeah. Take your phone out. Yes.

Petra Freddi 13:12

And also create this whole idea of community around food. And we will be going into the idea of community very shortly. So that brings me to Bertha, who's the first lady of tequila. She actually reinvented tequila. We have a lot of firsts here. Reinvented tequila so that we can sip tequila and really focus on the craftsmanship, and we can enjoy it in the same way we can enjoy whiskey or cognac. So I'd love to roll out a video to give you a better sense of the Casa Dragones experience.

Petra Freddi 14:02

Wow. I'd love to hear about your creative process and this idea behind changing how people consume tequila and changing its positioning, and elevating its pricing and positioning amongst luxury products.

Bertha González Nieves 14:08

So as entrepreneurs, we sought a journey to prove that tequila can compete in the sipping occasion. So for the longest time, we've been building tequila to be drunk and enjoyed in a different way. So we wanted to prove that tequila can be enjoyed in that occasion, and can compete with other categories like whiskey, cognac, and single malts—to give some examples—and deliver and be able to be part of the tequila producers that are actually expanding the tequila repertoire through new experiences of taste. We thought that the only way to do that is to deliver certain style of tequilas that actually invite you to sip and savor, that you actually want to take the time. We're talking about the slowing down the process, right? So this is exactly what we're trying to do in tequila. We're trying to get people to enjoy the aroma, to enjoy the taste, to really go on a journey of taste and be lost in the aftertaste of the product. So everything that we do from a product innovation perspective for each one of our labels to really bring newness to the tequila lover. We feel like we're their explorers. We feel like we're the ones that are going out, going outside into the world and bringing back newness of taste. And for us, it's not only with our juice, with our tequila, but also with the environment that we build, as you saw in the video, that we're trying to build these, we call them ceremonial chambers of taste. Where we get people, and we invite them to an experience of taste, where we take over all of their senses. So that then they give themselves the opportunity to put their phones away, to focus on the experience of taste that starts visually, auditive, all of your different senses. So that at the end, you feel like you actually had something, a very different experience.

Petra Freddi 17:48

And that also very much leans into this idea of heritage and Mexican heritage, and that's something that Dan also mentioned, that true luxury doesn't get invented from nowhere, but it builds on heritage. How are you thinking about it? And Dan, if you can come on afterwards.

Bertha González Nieves 18:04

So I think for us, we're inspired by tradition, but we're really motivated by innovation. So, tequila actually has an appellation of origin, so you can only harvest and produce tequila in five different states in Mexico. And, it's the first appellation of origin of the American continent. When you really think about it, it's quite spectacular, a part of history. And, so this appellation of origin belongs to Mexico, so we're very focused on bringing news to that category and making sure that we are preserving the appellation so that the next generations can come into it. And that's really the journey that we're on.

Dan Ruff 18:47

I like the idea of this continuity. We talk about perpetuating the legendary art of travel as our “why”, why we exist. So when we think about this concept of contemporary heritage, it is about taking the nugget of the heritage, ensuring that it's always there, and then making it contemporary—and you can imagine that in our design. We're busy renovating our estate, and we just reopened Villa San Michele last week. Villa San Michele sits above the hills of Florence in Fiesole. It's absolutely beautiful. We took two years of meticulously restoring everything, but ensuring that it's contemporary or timeless. But it feels, when you go into it, like it could have always been that way, and that's the magic, I think, of what real luxury is. It is about looking to the future, ensuring that you're perpetuating it, but without losing the soul of the thing.

Petra Freddi 19:45

Talking of soul, that's something that very much comes to my mind when I tasted Dominique's food. It's really not about eating, but experiencing and feeling things. And unfortunately, we can't give you a taster, but I would like to at least show you a video of how amazing it is, and it's held just down the road on Rodeo Drive. So let's roll out Dominique's video.

Petra Freddi 21:15

So pretty. Beautiful and delicious. So nice. So tell me, what inspires your work? And it's interesting because you told me you studied business. You never planned to become a chef, and then coming to America, you turned to cooking.

Dominique Crenn 21:27

Yes, I think, first of all, what inspires me, it's people, it's histories, innovation, it's telling a story also. And I just love what Bertha said. It's that you have to keep who you are within yourself and your story and tell the story with innovation. This is amazing. But I've never used food as just to serve food. I always use food

as a tool to be able to communicate with my guests or others and to learn through it. And it's also to keep—ancestor stories are very interesting. I grew up outside of Paris. I went to business school. My parents are from Brittany, dad's a politician, a terrible cook, actually. My mom, amazing cook, and my grandmother, but they weren't financial. And then it just, I don't know, it's just when I came here it's what I'm supposed to do—if I cook. And I think it's like writing a book or taking a picture or keeping or planting the seed actually for the next generation. And, I think a lot of people are down on a type of luxury because it's like, "Oh, this is luxury tequila. This is luxury. This is very expensive food," or, "I'm going to go to a boat," and it's like we got to stop about how much it costs. It's about what it brings to you and how it makes you feel. And actually, I'm doing that with a lot of purpose and intention, and I hope that people understand this is a need to connect humanity and story together.

Dan Ruff 23:22

Can I share the story from yesterday, Dominique?

Dominique Crenn 23:25

Yeah, go ahead. Which one? We talked a lot during the day.

Dan Ruff 23:28

You're about to find out. So, I was lucky enough to have lunch with Dominique yesterday at this incredible restaurant, and part of my job is traveling around the world and eating at amazing restaurants, and this really is an amazing restaurant. But we're sitting there, and an elderly gentleman comes over and says "I love your dish, but I have this suggestion." And I work with a lot of chefs, and Dominique's response was mind-blowing. She was incredibly polite, and that I would expect. But then what she did is she got on the phone, and she called her whole team, and she said, "Let's check it. Is he right?" Not dismissive, which a lot of three-star chefs would be totally dismissive. She said, "Okay, is he right?" It turned out he wasn't right. But, the fact that she asked the question is really honoring the guest, and I found that truly remarkable.

Petra Freddi 24:27

Well, I feel like we're getting the sense of what are the true ingredients of successful experience. So it's honoring heritage, being able to slow down, really feel, and it's not about the price, but it's how it makes us feel. And I think community and being able to be part of a community is also an important part of it, and that's really something Revolve was able to build. Revolve is actually selling clothing—and really some amazing clothing items, but goes about it in such an innovative way. And 10 years ago already, which was you were the frontrunner in creating a community, working with influencers. Let's roll out the video of your 10th Revolve Festival, which just took place. How many of you have been at the Revolve Festival? Raise your hand. Just one? Well, next year we have to change that. Can you please play the video of Revolve? This is what we missed. It's harder to get there than to Milken Global.

Petra Freddi 25:47

Tell us, where is it taking place?

Raissa Gerona 25:49

So this happens in Indio, which is right outside of Coachella grounds. It's not part of Coachella whatsoever. And even just looking at this video, and obviously the team and I produced this whole thing, you'll never realize that we're a retailer. We're a multi-brand retailer. We sell almost 1,200 different brands, from small brands that you've never heard of, like Lovers + Friends, to the really big brands like Ralph Lauren and Nike and Adidas, et cetera. And when I set out to take over the brand and really make it come to life 13 years ago, my pillar actually was to live your best life. And I know that's very contrary to what you see in the videos and what some of the panel speakers are saying up here, but I think when you look good, you feel good. And the reality is we do have to wear clothes, and we have to get things, right? And I think for me, spending time with the people that you want to spend time with—whether it's your best friend's wedding, whether it's going to Revolve Festival, et cetera, that's the feeling that you have, and I think that's what we've been able to do really successfully the last decade, is to create an emotional connection with the consumer. And that's really hard nowadays when you have a lot of other retailers that are not doing really well or brands that are striving to connect with the next-generation consumer. I think that what we've been able to do is say, things come and go in fashion all the time, but this feeling of—you can have the best time by having a good outfit, by going to Pilates, by going to this incredible dinner, by going to Venice, by drinking Casa Dragones in your favorite outfit, freaking priceless. And so that's what I wake up to every single day, is just how do I, again, make sure that our customers, our community, is inspired by that? It's, again, living your best life because trends come and go, but that feeling, to me, lasts forever. And that's what makes my job so fun.

Petra Freddi 28:02

Love it. You were also labelled—so much success here. But I think what's interesting is that in a world where you can rent and resell so much, and you can actually scroll past so much information on social media, you have this amazing traction with influencers and through social media marketing. How do you go about that, and how do you differentiate yourself from lots of others that are trying to do the same thing?

Raissa Gerona 28:30

Yeah, it's obviously evolved so much, and because we've been doing it for so long, I would say that we were probably one of the first people to really work with influencers and put everything on social media. Again, instead of putting your phone away, I'm like, "Put everything on social media. Tell everybody where you are." Obviously, I think there's a perfect balance to that, but for us, it's always about inspiring the consumer. Our consumer, to me, they're the most important people. Without them, I wouldn't have a job. I wouldn't be able to be up here. So how do I inspire the customer—obviously, one of the different avenues would be through an influencer. An influencer now could be an incredible chef, an incredible co-founder. There's so many different types of influencers from when I started doing this years ago. Before, an influencer was just someone who put on a cute outfit and posted on Instagram. Now everybody's an influencer. Even a mom at my school who has 400 followers but is the "room mom", she is so freaking influential because she's telling everybody, "This is where summer camp needs to be. This is the kind of

lunchbox. This is where we're going on spring break." So even the concept of influencing has changed dramatically. So these communities that we've built over time is just so different, and I think for me, it's the most exciting part because anyone can influence anyone and inspire someone to say, "This is what I'm going to wear to a conference. This is what I'm going to wear to spring break. This is what I'm going to wear to a really fancy dinner." And again, that's really my North Star, how do I continue to inspire the customer to live their best life through all these different communities that we've built?

Inge Theron 30:21

I'm going to quickly pop in there as well and just say, when I designed FaceGym as well, it was—10 years ago, people were like, "What? A gym for the face?" And we had no money, and we had to basically sell this entirely new concept, and not a single person knew one muscle of the face. And so all of a sudden, we had to use our customers to actually basically explain to everybody what the FaceGym was. And so creating that community and making the customer the influencer, that's how we've managed to grow the business. And, we've just done our 50th franchise, but it's because we grew this community. We had one word, "Take your face to the gym," and then made sure that everybody posted, "I took my face to the gym today. Did you?" And so boom. And that's basically everybody working together to build a business. And so I think it's really interesting and so important as we build these new categories.

Petra Freddi 31:14

And it's also in terms of social recognition. In the past, you had to have that handbag or a piece of clothing to belong somewhere, and nowadays with social media, people actually share their experiences. So you can be at the beautiful Belmond Hotel drinking Casa Dragones and eating Chef Crenn and share that on your social media, so that is actually becoming a social status as well. Are you using that a lot in your experiences, yes?

Bertha González Nieves 31:40

I mean, for us, of course, because obviously a referral from a friend, if you want to call it a referral, that says, "I tried this tequila, and I fell in love with it, and I was really surprised about the taste. I've never experienced tequila like that before." That is worth everything for us. And I think, for us, building that community is our key priority, right? People believing that tequila can taste like that. People believing that you can actually enjoy a tequila neat, or you can enjoy a tequila with every attention to detail, like Casa Dragones in San Miguel de Allende. The name of Casa Dragones was inspired by a cavalry that masterminded the movement of Mexican independence, in San Miguel. So we love that name. My business partner had a house in San Miguel, that today is La Casa Dragones, that you can go and visit. You can experience tastings, you can experience pairing dinners, you can experience mixology classes, sunset sips, and that became our laboratory of connection. Our laboratory of experiences for people, but also a laboratory for people to connect there and then tell the story of our craft. And I think that is very powerful because when you deliver a one-of-a-kind experience like Revolve does in the festival, when you deliver a one-of-a-kind experience for friends, it's a powerful medium of connection. For us, taste is that connection, and if that's really extraordinary for them, then that becomes something that they take with them. And then that they relay, whether it's in social media, whether it's in reference, whether they buy it as a gift, whether they tell you the story that they had this amazing experience. And that for us is how I'm sitting here today. I mean, without that—we started the company in January 2008. Our first batch was

presented in July 2009, and Facebook had just opened. That was our gift. Thank you very much, Facebook. Because without that, I don't think I would be sitting down here.

Petra Freddi 33:27

Amazing. Well, I love the social media for Belmond because that really takes us on the journey, and there are so many hotel groups that do social media, but yours stands out. How do you find that edge? What's the special sauce for you?

Dan Ruff 33:41

Well, you mentioned it felt like you'd gone to the movies. We do try to be cinematographic about the whole thing, and very carefully choose the photographers we work with. And it's an interesting balance. We have photographers who do our commercial photography, but they are exceptional. This is not your typical commercial photographer. But then more than anyone else, I think, we work with artists, and these images are not meant to make you book a room. These images are made to make you dream and appreciate the art of the image itself. So it's the balance of these two things, coupled with the mom, who goes for spring break, and this is hugely important for us. It is the recommendation. It's her images juxtaposed against our professional commercial photographer, juxtaposed against the artist, that gives the ultimate guest the confidence that this beautiful art piece and this commercial piece and this pretty bad photo taken by the mom, they all articulate the same story—and that's really what works well for us.

Petra Freddi 34:54

That goes also back to the idea of authenticity, because with AI and technology, there's so much fake stuff out there. So actually, this whole conference was about AI and how AI is changing and disrupting and evolving in every aspect of our life.

Dan Ruff 35:11

You won't see AI images—we had one, three months ago, where we were launching Villa San Michele in Florence, and the team, the agency, whoever it was, came up with this short video of the vines growing on the facade of Villa San Michele. We put it up. I and the brand leader saw it. We killed it immediately because we should never use fake images to articulate the genuine beauty that we have. We don't need to.

Inge Theron 35:42

And that goes in our service. It goes in the way we portray our brand as well. Yeah, I think for us as well, whenever we saw a real person posting a snatched look, that was authentic, literally, the sales went through the roof. And the engagement on real social media is just through the roof because it's authentic and powerful.

Bertha González Nieves 36:05

Well, it's really about documenting your story. Right? Everybody within their own means, it's about documenting your story. So for us, it's also the same thing, right? For us, it's just like really being able to capture that in a way that is genuine and it's authentic, and it's connecting with people without having to create stories artificially.

Petra Freddi 36:24

Absolutely. And I also hope for all of you, that as you're enjoying Milken Global, you can also help us create those stories on social media about Milken Institute. The hashtag is #MIGlobal! But we've heard so much about AI throughout this conference and some of those ideas are not just encouraging, they are also kind of worrying. And I know, Inge, you are working on the potential fallout of AI. Tell us about your next plan.

Inge Theron 36:51

I was actually thinking this is such a relief just to even be in a panel where we're not talking about, are you a doomer or a boomer? And so I hate to take us back to this, but it's quite interesting. So my side hustle is FaceGym, but my real job is I actually have an architectural design firm, and historically, we have had architects and designers, as you'd expect. So we only work in longevity, and we had gym designers, and we had the token doctor. Today, we've had to increase our talent pool. We have futurists. We have a scientific advisory board. I have performance specialists. I even have a human optimization expert. Don't ask me what he does. And that's because we are working on these cities of the future. We are working on these dedicated longevity islands currently being reclaimed, and these places are opening in 15, 20 years if we're lucky. So how are we even thinking about what to build, how to build? If you just think about the fundamentals of designing a destination for wellbeing, what's the architecture? What will be the staff? What's the percentage of AI labor? How do we plan for that? How do we power for that? What's going to be the physical AI adoption? Are people going to be coming to our resorts with their AI companion? What's that customer journey? What's the user experience? Where do you plug them into the room? Do they sleep with you? We have to answer these very difficult questions, and none of us really know. So that's just on the practical side of this. But if we then also look at what are we solving for? What are the real human crises? Some cold plunges with hydrogen and some infrared saunas isn't going to cut what's coming, and I think when we sit with some of our scientific advisory board, and I'll just give you one example, we're seeing this future of cognitive decline. We call it cognitive atrophy. And that's because we're already seeing a massive unloading of anything difficult. If it takes time to think, if it's hard, if it's reasoning, or it's complex, "Oh, call Claude. Let me just quickly ask Claude and then let me just triple-check with Gemini or run it past Chat," and then I'm checking one chatbot against each other. But we're already seeing this cognitive decline, and the brain is a muscle, so you got to use it or lose it. And so, again, I think what's so ironic is that we'll be building these places for the future with bells and whistles and a clever circadian lighting with sound and smells all choreographed to support you. But fundamentally, what we're going to be teaching you is what you were born with, is how to reason, and we're going to have to bring in some cognitive complexity into some of these protocols because the second-generation AI natives don't understand, won't understand how to make things, how to fix things, how to think about things. We were speaking to Stephanie just yesterday. We're going to have to teach you how to crochet or how to play an instrument again. So we're going forward to come all the way back to actually teaching people how to be human again. Something that we've known for 10,000 years, and so I think it's really—We can't predict the

future, but we're actually literally trying to think about all the things that make us human, and then making sure that that is trained and exercised as a discipline for these spaces of the future.

Petra Freddi 40:32

And that's also one of the themes that really came out throughout this conference, is about the need of keeping what is truly human. How do we preserve it? And I also believe that this whole increase of interest in real-life experiences and experiences and being at the Milken conference, we've never been more sold out, is behind this idea that people want to connect in real life. They want to have in-person, authentic conversations. They want to know it's real information, and they want to experience great things, which is something we're able to provide, and that's really feeding the trend that we're seeing here on the panel. But it's not all gloom and doom when it comes to AI. There's a lot of upside as well, and certainly a lot of potential, and brands like Revolve are really tapping into that in terms of being able to personalize. Tell us how you're using it to your advantage.

Raissa Gerona 41:25

I think I'll start off again with saying customers are so important to us, and providing them the best customer experience has always been our goal for the last 23 years. Revolve's been around for that long, which is crazy. And one of the things that we're trying to do is really curation and customization for the customer. As I mentioned, there's 1,200 brands on the website at any given time, and then 65,000 SKUs. So there's so much to choose from. And so what we've been able to do is really customize when someone comes on the website and based on, obviously, previous searches and what they've bought to make sure that it's curated to what they like. I think another thing that we've been testing and have seen massive success is through search. So we were using a third-party search for our search on the site, and our AI team built something that was better. And what it's able to do is really tag and find products based on how our customers speak. So if you search right now "black dress," there's like 5,500 black dresses that pops up on the website. But our customer, she's so focused on occasion-driven. Again, she's traveling to Venice all the time. She's—best friend's wedding, all these things, Grecian vacation. So we want to be able to search based on those experiences, and we're now able to populate again and curate to the customer based on how she speaks versus just something super simple like "a black dress". Like again, what do I wear to a conference? I think that makes things much, much easier and just digestible for the customer so it doesn't feel overwhelming. And I'd say the last thing, there's just so many different AI tools that we're using to maximize the customer experience, is virtual AI styling. Oftentimes, women are just trying to figure out "What should I wear? What looks good with what?" Or, "If I already have this black dress, what shoes can go with this?" And so really finding tools to make sure that not only does she continue to buy from us, but also what does she have in her closet already that can style back and make the perfect outfit?

Petra Freddi 43:35

That's amazing. I wish I knew about a few days ago when I was figuring my outfit. How are you using AI across your portfolio? Who wants to go?

Dan Ruff 43:45

So, what's important to us is that the AI is never guest-facing, actually. So for us, we think that luxury hospitality in the future will differentiate from the rest of the industry because the human interaction will be the thing that makes it luxury. If you go to a three-star hotel in a couple of years, it'll be completely automated, right? And that might be good. Your experience might be better. But not luxury. So we will, and we are using AI to really empower our teams to deliver better personal service. And that's everything from—today, our contact centers get thousands of emails a day, and historically, it just goes into a queue, and it gets answered. Now, and this is not hugely innovative, but it's just a basic AI thing, we're able to bring the bookings that someone said, "Hey, I want to book tomorrow for \$30,000," and the thing—we bring that to the top of the queue. And the person who said, "Oh, I'm traveling to Maroma in Mexico in six months' time, can you add an extra bed to the room?" Well, perhaps that's not our number one priority. It's good for our business, it's also meaningless for the guest experience, and the person feels happy because they get responded to straight away on the booking. We do other things. Like our concierges are inundated with requests as well. So that's a way that our concierge can use the AI to deliver, and we've trained specific agents to allow us to draft responses that then the concierge goes and customizes before sending it out to the guest. Because it always has to be human at the end. It always needs that human judgment. The concierge will always have to have the personal relationship with the person. But the AI will just make them better at their jobs.

Petra Freddi 45:45

Any other examples that you'd like to share with the audience, of AI, or is it not really touching the catering world?

Dominique Crenn 45:51

Well, I think there's some tiers of restaurant that I think in a few years will be just totally AI. I think probably fast food and I think there is already a restaurant like this. But AI is a tool for us. I think we have to keep connecting—we tried to use AI to respond on the phone. Didn't work out very well. We got like 10,000 emails like, "Oh, nobody's answering my question." So I think this human connection, it's very difficult for me to just change it. But I think for me, we have to look at AI as a tool. We have AI in our industry for a long time. There is an oven where you put in things, you want this roasted. That number, it's been around for a long time in a different way. But I think at a luxury level, I'm not sure if it's something that's going to work all the way. And it's interesting, there's a friend of mine, I'm going to tell you, was on a boat with a lot of AI major people. And probably everybody, you guys know their names, and then it was just so funny. She came to dinner. We're in the south of France, you won't believe what the conversation was. And there is one thing that they said AI is not going to destroy. It will be hospitality, craftsmanship, and a connection with the other. And all these industry that are here, will never be affected too much by it.

Petra Freddi 47:44

And I can echo that because on our weekend events when we do these amazing brunches here in Beverly Hills in private residences, we had a number of AI experts who all agreed that even if they could apply AI to all these experiences, they wouldn't want it because no one would have woken up and listened to four

robots, instead of listening to four people, that they wanted to connect in real life, that they wanted to shake hands and meet and share ideas. So I think we're all ripe for thriving.

Inge Theron 48:13

We're designing some of these homes of the future, and we're actually seeing the opposite. So we're actually seeing by having a really smart interface that's subliminal, so it can still look as beautiful as your Florence chateau. But it's not dumb architecture anymore. The house is now clever, and it's all automated, so you can walk in, and it'll know you had a terrible day, and it'll immediately adjust the sound, the light, and the smell to down-regulate you and actually put you into a place where you can communicate with your kids instead of being an awful mother. It's very good for you, actually, Dominique. There's a new system coming in where it can say, "Oh, you know what, Inge, you know what's in the fridge today? You've got all of this," and it'll actually give you the expiry of what's in the fridge, and then give you a recipe to cook. So again, we're seeing this idea of basically making our homes smarter, making the water—and quickly seeing the quality of the air—I live in Milan. It can sometimes be worse than Delhi when it comes to pollution—and so having these systems in place, we can actually curate and craft our homes and create homes that heal you. And so we're seeing an enormous amount of innovation. And it can still look as beautiful as Belmond, you know?

Dan Ruff 49:36

I actually don't think so.

Inge Theron 49:37

I'll show you my house.

Dan Ruff 49:38

Okay. I think that the behind-the-scenes technology 100 percent is going to improve experience. But I think the greatest luxury, where the value will always be, is the human imperfection that comes with the craftsmanship. So the robots might be able to make that house perfect. That's not what we want. A robot probably could copy Dominique's best dish perfectly. That's not what we want. We want the human imperfection, the passion that goes into putting those little droplets on the plate. That's where the value is, and that's where it's going to be in the future.

Dominique Crenn 50:10

But I think luxury also come from being able to think. AI is all about data, and there's a lot of data. If you read books from the beginning of the Roman Empire, it's incredible what's—so. Thinking—my kids, they're 12 years old. They don't have a phone. They don't have a computer. They just have books. And the way

they think, it's incredible. And so we have to keep—we are a computer here. If we don't think anymore, if we don't have any brain anymore, and somebody else telling us to do things, I don't know. I'm just—something's going to happen with humanity. I don't know.

Petra Freddi 51:00

Well, two thoughts that came to mind, one was actually listening to all these sessions that we had over these days between Emma Grede and Tom Brady and Serena Williams. A lot of their talent came from overcoming difficulties, and it feels like AI will make our lives perfect, but even when it's sunny every day, and you're eating caviar every day, that becomes boring, and you will be triggered by much smaller things that currently you don't even experience. Do you think that will take also away our ability to overcome things and build inner resilience, and in some ways we'll be in this constant search for perfection and won't be satisfied because that's just part of human nature?

Inge Theron 51:38

A quick one is friction creates growth. If we remove all friction from our lives, to your point, it would be—I think someone just mentioned in a chat just previously, that with basically where it's going, we overestimate the immediate impact of technology, and underestimate the long-term impact. And I think that's kind of probably where we're at right now with the fact that everything is going to be so easy for us, and we're going to have to find ways, again, it goes back to that complexity, the cognitive complexity. We're going to have to find some ways to make you grow.

Bertha González Nieves 52:19

I think, by definition, humankind is problem solvers, right? So probably those things are going to continue to evolve in a way, we're going to have different tools to solve those problems. But I do think that certain generations, probably some of us that are here today, we'll be collectibles in a way because we'll be the first generation that didn't grow up with a computer in school. Or didn't have a cellphone in school. Or didn't have five TVs in a house, or only two telephones. So those things, we're a generation that we're defining problems in a very different way than the generation today that the kids that are in school today that are five years old, AI is going to just be in everything that they do. So I think the question rather than being afraid of it is, how far is that going to be able to take us? So I do believe that we are creative minds. We're wired to be creative minds, right? So maybe the problems that we solve, those are not going to be problems that the new generation is going to have to solve. They're going to solve other things. But I do believe that the human touch for hospitality or for experience creative, I think that will never go away. We're just hearing how Inge is creating the new home. Imagine the ability that will give you. Right? I was just drooling about thinking about it and I can't wait.

Inge Theron 53:36

And the robots are already very good at mixing margaritas!

Dan Ruff 53:41

I think creativity comes through constraint. So what Dominique can do in a tiny little kitchen on our boat, or what some of our chefs on our train can do in these tiny little kitchens, actually, the food is more impressive than the food created in giant industrial kitchens because of the constraints that they manage through. People love that. People really appreciate the luxury of something that was done through constraint. And yeah, AI is going to take some constraints away, but we'll figure out new constraints for sure. For sure. And that is where the luxury is going to be. It's going to be experiencing the things that were done with some challenge. And it's impossible to predict what the constraints will be, but we'll experience them, and we'll fight through them, and that's what luxury experiences will be in the future.

Petra Freddi 54:35

Well, unfortunately, we're nearly at time, and we'll be all heading to our evenings of experiences, some amazing networking and dinner. I would love for each of you to share with our audience your final thoughts on what is the next experience you're working on, or what is the next experience you're looking to test out. It can be from each other, from other ideas that you have, and where can we do that?

Dominique Crenn 54:59

One thing is I want to invite everyone to—a lot of people are investing in AI. I want to invite also people to think about investing in hospitality and experiences because we need that, too. It's an amazing business, and it's been overlooked, I think, for a long time. And yes, maybe the balance at the end of the revenue might not be as high as others, but there is no price when there is community and experiences that we're trying to offer. It's priceless for me. So we have to think also this way, and that's a smart way of doing it.

Petra Freddi 55:46

So what's the experience you're looking to try out? So my question is, in closing, could you all share, because we have four minutes left, an experience you're looking forward to trying out or you're working on right now?

Dominique Crenn 56:00

Well, everything that I'm working on is about bringing community together, and collectivity. And we were talking about the Belmont, I was with Dan yesterday, about the Belmont, and bringing new ways of experiences within our own experiences. So it's collaborative and well, just having fun. I just want people to have fun and to have experiences, and to wake up in the morning and say, "Wow, this is great, and now I'm going to go to Inge, and I'm going to experience..."—

Inge Theron 56:33

— "And do some intense gym workout"—

Dominique Crenn 56:34

—And Bertha, when it comes, let's do some tequila shots—and buy some clothes on Revolve—to make a better day.

Raissa Gerona 56:42

All the things. Yeah. My answer is very similar. It's just about connection. That's really how I was able to build Revolve, my career, and that's how I continue to build now, is whether it's me asking Bertha, "I want to come to Mexico City. I want to experience this." It's these relationships, but also, again, connecting with the consumer, really understanding and listening to what they want. I think the concept of connection, again, is not going to be one that AI replaces. So, I'm betting and going all in on connection.

Bertha González Nieves 57:14

And for us, in our journey, what we're looking to do is to really be able to bring new news to that tequila lover, through taste. Really surprise people, for them when they try the product, that they're really going on a new journey. And we hope to have the opportunity to do that. We're always obsessed with that opportunity. And we're always looking for the white space or for the inspiration, whether it's in a restaurant, or it's in a trip, or it's in a hike. Wherever it is, there's always a little bit of a new idea that will enable us to bring something new to the tequila lover.

Dominique Crenn 57:46

I have to say, I always say, "Tequila is the new champagne." No, I love tequila, so, tequila is amazing.

Dan Ruff 57:59

I'm going to propose an itinerary. So, you get on the Observatoire, which is a carriage on the VSOE that we designed with the artist JR. It is an entire carriage, one cabin with a bathtub and a skylight. You take the train, the Venice Simplon-Orient-Express from Paris, and normally it goes to Venice, but this time let's go to Portofino, and we do these special trips. We get off in Portofino, and we'll check you into Villa Beatrice. Villa Beatrice is the most amazing hospitality asset I've ever been to in my life. It's 180-degree views on top of Portofino, overlooking the bay and the other bay, and it's a couple hundred meters away from our hotel, the Splendido. So when you get bored of your family, you go up and you hang out at the pool with everybody at the Splendido, and that is what I would like to do in the coming months.

Inge Theron 58:57

And so, listen, our industry is changing faster than anything. Speed of light. But I suppose we're very excited by the positive impact that AI is having. I think where I'd put my money is probably waiting to see which peptides the FDA actually approves, because that's going to be big. I'll tell you later what I think, but that's definitely a big area to keep a focus on. And I'm also very excited by this administration's forward-gazing look at the psychedelic journeys that are helping people with PTSD. So, I think we're all going to probably want to go on one of those after this Milken Conference. And we can just call it PTSD, because this has been quite an experience. But no, I think from that perspective, tomorrow is definitely going to be better than today, within the longevity space. Some of the technologies that are coming to market will really change people's lives in the most extraordinary way possible. So, very excited to be in our industry. We're going to be bigger than the pharmaceutical industry, so happy days for us.

Petra Freddi 1:00:00

And I am very excited about all the in real-life experiences that the Milken Institute is convening, and having all of you with us for the last few days, and also tomorrow. Thank you so much for joining us, and enjoy the rest of your evening.

Disclaimer: This transcript was reviewed by individuals for accuracy and serves as a reference. However, it may still contain errors or omissions. Please verify any critical information independently.