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RCMOS – Multidisciplinary Scientific Journal The Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year VI, v.1 2025 | Submission: 12/13/2025 | Accepted: 12/16/2025 | Publication: 12/19/2025

The phygital convergence in contemporary luxury: structuring experience ecosystems.

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Phygital convergence in contemporary luxury and phygital convergence in contemporary luxury: structuring experience ecosystems.

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Summary:

This study investigates the transition of luxury brands from a transactional product model to an experiential value ecosystem, using phygital convergence. The analysis proposes that brand legitimacy in the current environment depends on the integration of real-time data with personalized physical hospitality. The methodology is based on a literature review and analysis of luxury market trends from 2020 to 2024. It concludes that brand authority is maintained by preserving its essential codes while adopting agility in digital and physical execution.

Keywords: Luxury. Phygital. Experience. Data strategy.

Summary:

This study investigates the transition of luxury brands from a transactional product model to an experiential value ecosystem through phygital convergence. The analysis proposes that brand legitimacy in the current environment depends on the integration of real-time data with personalized physical hospitality. The methodology is based on a literature review and a study of market trends in the global luxury sector between 2020 and 2024. It concludes that brand authority is maintained by preserving core codes while adopting agility in execution, both digitally and physically.

Keywords: luxury. Phygital. Experience. Data Strategy.

Introduction

The luxury industry, traditionally anchored in the tangibility of material goods and the exclusivity of...

Handicraft production is facing a paradigm shift dictated by the omnipresence of digital transformation.

The contemporary consumer, who moves easily between virtual interfaces and physical stores,

It demands a redefinition of value that transcends traditional luxury standards. The luxury sector is...

no longer defined solely by the material object, but by the qualitative nature of the internal interaction.

an ecosystem that must be simultaneously digitally agile and physically intimate (KAPFERER,

2018).

This article analyzes phygital convergence as the new frontier of brand strategy in 2026. The central point

The thesis posits that technological integration should not be seen as a peripheral sales channel, but rather as...

The fundamental infrastructure upon which the entire brand experience is built. To understand this

During this transition, it's important to observe how the major luxury fashion houses have reconfigured their operations to meet the new demands.

The demand for extreme personalization and experiential delivery that surpasses traditional retail.

models (BAIN & COMPANY, 2025).

Therefore, this study examines how advanced data processing—leveraging the state of the art—is being implemented.

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Customer Relationship Management (CRM) systems enable hyper-personalization previously unattainable. Through a longitudinal analysis of market trends in Paris and New York, this research It elucidates the strategies that define the current leadership in the sector, emphasizing that technology must play a role. as an amplifier of human intuition, rather than a substitute for artisanal creativity. The convergence The boundary between the physical and the digital emerges as the fundamental element for lasting relevance in a volatile global market (MCKINSEY & COMPANY, 2025).

1. The Evolution of Value Architecture

The perception of value in the luxury market has undergone profound historical transformations, evolving from... absolute material possession in pursuit of social distinction and, currently, in pursuit of Curated experiences that align with the individual identity of the consumer. Classic luxury designers. Marketing had already highlighted the importance of "aura" and "ritual." However, technology... The context of the mid-2020s introduces a new dimension: the role of data in facilitating these rituals. (DUBOIS, 2005).

The value strategy of market leaders is anchored in the ability to deliver on a promise of exclusivity. Validated across multiple touchpoints. While production scarcity previously guaranteed exclusivity, The dynamics of the contemporary market demand precision in personalization. The brand is not limited to... To sell an object; to project the role of that object in the consumer's lifestyle through service. Interactions that anticipate preferences before they are explicitly stated.

Furthermore, the evolution of value architecture implies that the physical product is only the tip of the iceberg. of an iceberg composed of services, narratives, and community engagement. The perceived value It is increasingly associated with narrative coherence, in which each brand action must reaffirm their core values. The disconnect between marketing rhetoric and operational execution is the most A common failure factor that leads to the erosion of brand value.

Technological integration, when executed with strategic intent, amplifies this narrative. The phygital environment allows the brand to communicate its story continuously, from the initial digital contact. From initial interest to the final purchase at the flagship physical store. This seamless journey is what defines modernity. Consumers define absolute luxury as: the absence of friction and the constant presence of excellence. In every detail.

Therefore, contemporary value architecture is a hybrid construction. It is based on an impeccable The product is a valuable tool, but it requires an operational ecosystem that ensures the brand promise is fulfilled. The same level of sophistication, whether on an e-commerce platform or in a Manhattan boutique.

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2. Data as a strategic raw material

If gold and leather were the raw materials of classic luxury, data is the vital input of modern luxury.
Luxury. The ability to capture, sanitize, and interpret consumer behavior is what sets the industry apart.
Leaders and followers in the global market. Luxury, which historically prided itself on anonymity.
or distance, now requires a deep understanding of individual preferences to provide the
expected service level (OKONKWO, 2016).

Processing this data requires ethical rigor and analytical sophistication to protect the client.
Privacy without compromising the delivery of tangible value. It's not just about traffic metrics, but about implementing practices that guarantee privacy.
Intelligence for consumer psychology. The brand that understands the nuances of the individual.
Real-time preference personalization provides an unbeatable competitive advantage in the 2026 market because
It anticipates desires and eliminates the unnecessary noise of mass advertising.

However, an excess of data can lead to analytical paralysis or a robotic marketing approach.
It alienates the discerning consumer. The strategist's role is that of a data curator, selecting information.
Relevant to building identity, discarding what is purely transactional. The brand needs to know
When to use algorithms and when to rely on human judgment to make decisions that affect their operation.
reputation.

The use of Artificial Intelligence (AI) to identify behavioral patterns should not replace human beings.
not to judge, but to amplify it. The synergy between human sensitivity and analytical precision.
This characterizes the contemporary luxury manager. While the machine maps the pattern, the
The professional defines the purpose. This synergy allows for the preservation of the brand's "soul".
Within a digital ecosystem.

Brands that neglect data science become oblivious to the rapid changes in international consumer behavior.
In a globalized market, data-driven agility defines longevity. Ignoring this reality is not a viable stance.
Preserving tradition, but also a strategy of planned obsolescence.

3. The Boutique as a Stage for Experience

The role of the physical store has changed drastically. It is no longer the main point of sale.
But the stage for brand validation. In a world dominated by e-commerce, the physical space must...
To provide what the digital world can never offer: ritualistic tangibility and specialized human contact.
(HENNIGS et al., 2020).

The architecture of each store should, without a doubt, reflect the brand's narrative. Every detail, from...
Olfactory curation, combined with ergonomic design, is part of building perceived value. The physical aspect

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Commercial spaces survive because they are imperfect and human, in contrast to cold, impersonal perfection.
of search algorithms.
Associating the physical space with exclusive events creates an "aura" around the product that...
Retail alone cannot replicate this. Events, masterclasses, and personalized experiences are essential.
Transforming the store into a members' club. It's about merging the real and social environments.
Prestige that makes the brand memorable for high-end consumers.
The training of store employees also needs to evolve to adapt to this new reality. They are no longer
not only salespeople, but also curators of experiences and ambassadors of the brand narrative. The level of sophistication of
Customer service in the store is crucial for customer loyalty, as it is in the physical space that trust is built.
consolidated.

Consequently, luxury physical retail is currently a high-impact tactical branding tool. This validates
The value promised by the digital environment, closing the customer journey cycle. Without a coherent approach.
With a physical strategy, the digital brand loses its anchor in reality and risks being replaced by the next one.
fleeting trend.

4. Artificial Intelligence and Personalization at Scale

Artificial intelligence has enabled the luxury sector to resolve a historical paradox: offering exclusivity to a select audience.
A growing audience. Through technology, brands can now offer personalized service on a scale that
Previously, a large number of employees were needed in each store without compromising the essence of the service.
(BCG, 2024).
The implementation of conversational AIs, when designed with the correct brand voice,
It can assist in pre- and post-sales support without compromising elegance. The key is to...
The customer needs to recognize that an efficient system serves them, but that the system also functions as an extension of their needs.
Human understanding of the brand. AI organizes the information; humans provide the emotion.
In addition to communication, AI assists in inventory management and predictive logistics, ensuring efficiency.
The right product is in the right place even before the customer looks for it. This operational invisibility is the
The purest form of luxury for the consumer, who finds what they need without the brand having to do anything about it.
Visible effort. Luxury is also the absence of logistical obstacles.
Predictive analytics capabilities also allow brands to personalize offerings so that customers feel a connection to the brand.
They really know them. Sending an invitation to an event based on their preference history isn't intrusive; it's...
Attention is needed, provided that data processing is transparent and secure. Trust is key in this case.
technological relationship.

However, it is essential to maintain the "human touch" as the final differentiating factor. Technology

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One should act on the levels of efficiency and convenience, leaving aside the levels of relationship, empathy,

and consulting with brand experts. The mistake would be trying to automate it.

Relationships, like luxury, are essentially human connections mediated by technical excellence.

5. Human-Centered Culture

Despite the technological frenzy, the culture of luxury remains essentially human. The strategy for 2026.

It puts the customer at the center — not as a number on a spreadsheet, but as an individual with a story.

Specific aspirations and values. Digitization serves to better understand this individual, not to represent them.

an anonymous data point (HENNIGS et al., 2020).

Successful brands are those that invest in training and retaining their talent, because that talent is...

Responsible for conveying the brand culture to customers. Human capital is the greatest competitive advantage.

A differentiating factor in the luxury sector, surpassing any investment in software. If the employee does not experience the

Brand culture is something the customer will never notice.

Active listening is the most important skill for the modern consultant. The luxury client.

Looking for someone who understands your stage of life and offers solutions that make sense within that context.

context, whether through products or services. Technology should be used to facilitate this listening.

By organizing the client's history, the consultant will have more time for a genuine conversation.

A human-centered culture also implies flexibility. Not all customers want the same type of service.

Some people prefer complete discretion, while others desire community experiences. The brand should

To possess the operational intelligence necessary to identify and serve both profiles with the same expertise.

By prioritizing the human factor, the brand creates a resilience that technology alone cannot offer.

Machines can be replicated, but a high-level service culture is difficult to imitate and impossible to create.

Copy in full. This is the most valuable asset of any successful business.

6. Sustainability and Digital Authenticity

Sustainability has transcended marketing to become an intrinsic value requirement. In the luxury sector,

Sustainability is synonymous with longevity. Durable, repairable products that retain their resale value.

The values are aligned with the expectations of a more conscious consumer (ALTAGAMMA, 2024).

Technology plays a crucial role here through Digital Product Passports (DPPs). The possibility of

Tracking the origin of raw materials and verifying the authenticity of items through blockchain technology provides a new

Level of trust. For the customer of 2026, knowing the history of an object is part of the purchase.

experience.

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Digital authenticity protects the brand against the rapidly evolving counterfeit market. A brand that
Adopting these traceability solutions demonstrates transparency and a commitment to the truth — values.
which form the basis of any luxury relationship. Transparency is the new luxury.
Companies that still treat sustainability as something secondary to their main strategy are doomed to failure.
Failure. Sustainability must be integrated into the design, supplier selection, and product lifecycle.
Management. It's a governance decision that impacts all levels of the value chain.
Therefore, investing in digital authenticity is investing in the longevity of the brand itself. By ensuring
The product is recognized as original and ethical; the company protects the value of its brand and...
It strengthens the bond of trust with its consumers.

7. Strategic Governance of the Ecosystem

The governance model for luxury brands in 2026 requires a structure that balances creative vision.
with the financial discipline of a high-performing company. The federalist model, which allows
Autonomy from local markets, while maintaining unified core values, has proven to be the most effective strategy.
to deal with the cultural diversity of today's market.
Governance is not just about control, but about creating an environment where innovation is...
Flexibility is encouraged, and risks must be managed. The organizational structure needs to be agile and transparent.
Communication channels that connect creative leadership to technology and operations teams. Silos
They are enemies of the phygital brand.
Ecosystem management also involves coordinating with external partners. Whether by collaborating with
Whether it's technology companies, hotel groups, or specialized consultancies, the brand must assert its identity.
Quality and governance standards. Every partnership should reinforce, not dilute, the brand's identity.
Financial discipline, often ignored in creativity-driven companies, should be the foundation. Growth
It must be supported by solid margins, allowing the brand to invest in constant innovation without
relying on excessive leverage. Luxury is the demonstration of management that dominates.
complexity without becoming enslaved by it.
Ultimately, strategic governance means having a long-term vision. In a market of instant gratification,
A luxury brand should be a safe haven of consistency. This stability is generated by solidity.
Governance is what allows a brand to connect with generations of consumers in a lasting way.
relevance.

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Conclusion

The convergence between the physical and digital spheres does not represent the end of traditional methods.

Luxury, but its expansion into a dimension where relevance is measured by the quality of the connection.

and the precision of the experience. Throughout this article, we have observed that technology, far from being...

By dehumanizing the sector, it acts as the central nervous system, enabling the modern luxury brand.

Maintaining a human, personalized, and attentive service in a world of gigantic scale. The success of the maisons.

Mastering the 2026 landscape is directly linked to your ability to orchestrate this duality.

Masterfully.

Leadership in the sector no longer belongs exclusively to those who possess the most coveted design, but rather to...

The manager who masters the data infrastructure and operational governance necessary for transformation.

which translates into the customer experience. The ability to navigate between aesthetic sensitivity and coldness.

Analyzing operational performance is a fundamental requirement for the contemporary luxury market.

Executive. The career paths of the professionals who embody these visions confirm their technical rigor.

It is the greatest ally of creativity in the global luxury market.

Ethics and sustainability, once secondary issues, now define a brand's very ability to be accepted.

In an increasingly demanding global market, conscious luxury is not a trend; it's a fundamental principle.

Brands that fail to demonstrate transparency in their supply chains and accountability regarding their impacts.

They will face not only market rejection, but also the obsolescence of their business models in the face of new trends.

social regulations and values.

The role of the luxury manager has therefore become a constant exercise in cultural curation. It is

It is necessary to know how to distinguish technological noise from structural progress.

Curatorship, applied systematically and based on solid governance, ensures that the brand's prestige is maintained.

It was not eroded by excessive exposure or poor management of the experience. The brand continues to be a beacon of

Excellence in a sea of undifferentiated offerings.

Technology, by democratizing access to information, has made the luxury consumer more well-informed.

and consequently, more critical. This new level of demand is excellent news for brands that have

Mature processes. Mediocrity has nowhere left to hide. The 2026 market punishes a lack of...

preparation is important, but it exponentially rewards those who build their reputation on solid, ethical foundations and

technologically advanced fundamentals.

The trajectory of expansion and success of the companies we observed suggests that agility is not essential.

They imply a lack of depth. On the contrary, the most agile organizations are those with greater depth and more...

well-documented processes. The phygital structure is the result of mature governance that does not

fearing innovation. However, this subjects it to scrutiny regarding quality and brand identity, ensuring that

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Ultimately, luxury remains the pursuit of absolute excellence.

We conclude this analysis by reiterating that the trajectory of luxury in the 21st century will be marked by...

by brands that embrace complexity. Instead of shying away from digital convergence, these brands

They integrated it to enhance their service, refine their curation, and protect the integrity of their name.

May we be ready to continue this evolution, always grounded in rigor, science, and persistence.

In search of the incomparable.

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