

COLUMNS

Disney X Coach: The long-term effect

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The perception of the Coach brand differs by audience. To some, mainly middle class United States consumers, Coach is perceived as luxury. To others, well versed in the "true" world of luxury, Coach is not even close to being defined as a luxury brand.

That being said, Coach has been an interesting brand to watch. It has made several changes over the years and followed several cues from luxury brands, which has resulted in financial success.

The positive

First, a handful of Coach's products have become more sophisticated. The overall design, shape, color and materials of their handbags started to look and feel more premium.

Second, it has become slightly more discreet. While not true for all products, some have replaced the Coach logo to more secondary view. It could be argued that some need more of a knowing eye to spot certain Coach products these days.

Third, the accessibility of the brand has seen a slight shift. The price point of the Rogue Bag 25 line, for example, ranges from \$595 to \$1,500. Although price is subjective, the increase in price makes the brand not quite as accessible as before.

All things considered, Coach seemed to be headed in the right direction.

And then, on June 17, Coach launched the Disney x Coach 1941 collaboration. The collection, as part of the 75th anniversary of Coach, included 34 different products.

The collection centers on Mickey Mouse, offering various Mickey Mouse handbags, sneakers, T-shirts and accessories. The collection generated interest and buzz to some, while to others, including myself, it generated confusion.

What is the connection between the two brands? And who is finding the collection even remotely desirable?

Let us start with what the Disney brand represents. Imagination. Fun. Youthfulness. As Coach creative director Stuart Vevers was quoted, "I've always seen Mickey as a playful rebel at heart and a timeless symbol of joy and creativity. That spirit reinforces the new youthful perspective we are bringing to luxury at Coach."

OK. So, yes, Disney is a magical place and Mickey is a cultural icon of that world. Was it the association of those

feelings that Coach wanted to capitalize on? Or, as many luxury brands do, focus on the experience of being in a certain time or place in this case Disney World. Or, is it the marriage of two American brands? An opportunity to amplify Coach's American heritage?

It could be any or all of those things. But still, who is buying?

Is it the quintessential middle class Americans that Coach is known for serving, who also either love or wish to experience anything related to Disney? Is this a play for the Asian market that gravitates toward anything American, and has a cultural fondness of Mickey and other animated icons?

Or, is it that I am out of the loop completely? Maybe the trendsetters in Brooklyn are all walking down the street with Mickey proudly displayed on their accessories.

Whoever the audience is, it has been selling. Many products have sold out, and the conversation around the partnership has been buzzing.

Regardless, Coach seems to have taken a different turn. After following so many of the right steps, it has now made a move that takes the brand further away from the aspirational world of luxury.

The negative

Coach is inviting too many people into the brand.

The Disney collaboration may widen its audience, which for Coach means the potential for more revenue. But when it comes to the brand, the more a luxury brand becomes relevant, the more it dilutes the overall brand value.

Responding to demand may hurt Coach.

One of the reasons for the Disney X Coach collaboration was based on the success of the previous Coach X Peanuts collection.

If Coach continues collaborations, does Coach then become an ingredient brand? Will more people become excited on the brand that Coach is partnering with rather than the actual Coach brand?

Loyalty now does not mean loyalty in the future.

Take Tiffany & Co., for example. It is well known for the success of its silver heart bracelet, which was widely successful in the short term, but the company failed to re-engage that audience to come back in the store to buy anything else.

Coach cannot afford to lose any customers.

ALL IN ALL, Coach has led with product over brand.

For Coach, this may be fine for now. It exists in a mid-tier universe, a challenging retail environment, and need to please shareholders.

But think of the opportunity for Coach if it instead led with brand over product. If it thinks of the long term instead of the short term. The Coach of today could be a different Coach tomorrow.

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