

COLUMNS

When the labels lost their status: 3 steps to reclaim luxury

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From Cashmere Mist to Liquid Cashmere. Image courtesy of Donna Karan

By [Sarah Clark](#)

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Designer merchandise used to be the ultimate status symbol. The upper class was defined by who they wore. For most others, the closest they could get to a Donna Karan dress was leafing through the glossy pages of Vogue magazine.

Then, the Great Recession took hold, and consumers had to change their buying habits.

In 2005, apparel comprised more than 3.5 percent of total consumer spending.

By 2010, about half of U.S. consumers said they were not spending as much time purchasing items that were not essential. In general, they also were not spending as much money, either.

Designers had to make some difficult decisions if they wanted to keep their doors open and their product moving.

To compensate, brands slashed their prices and reached out to a wider audience via discount stores and outlet malls. In doing so, they sacrificed the very thing that had always defined them their rarity.

How luxury lost its luster

By lowering prices, designer brands such as Michael Kors and Ralph Lauren were able to keep sales strong. But that kind of strategy is not without its consequences.

As brands lowered prices, they lowered their worth, too.

Shares in Michael Kors dropped more than 50 percent in 2015, for example.

More than that, those discounts tarnished their perceived value.

Luxury can be a tricky thing to define, and many consumers equate higher prices with more value.

If consumers can buy a discounted Michael Kors handbag at Marshalls, they have no reason to pay full price at Saks.

Now post-recession, many brands are trying to rectify the situation by pulling merchandise from Marshalls and T.J.

Maxx. Unfortunately, it will not be enough to restore their luxury luster.

A strong public relations strategy, however, will allow brands to generate fresh buzz around their products, convey a new image to their customers, and help them reach a wider audience at the same time.

Start the conversation

Brands that embrace social media are able to address criticism, answer questions, push out deals and promotions, provide social reviews, and engage directly with both prospective and loyal customers.

Yet, premium brands have been slower to engage on social platforms.

When Brandwatch surveyed 32 luxury fashion brands, it found that while the average follower community surpassed 1.6 million, brands tweeted less than twice a day, and they replied and retweeted even less.

Consumers, on the other hand, are leveraging their social platforms to discuss their favorite brands.

Brandwatch found that brand tweets only comprised about 0.37 percent of the conversation, while 99.63 percent came directly from consumers.

Social platforms offer luxury brands a huge opportunity to define their images and aesthetics on their own terms.

With the help of a PR guru, brands can convey their personalities and values to their followers and reclaim their identity as something to be aspired to and desired.

Reposition your brand

If a brand is truly premium and wants to differentiate itself, it should target upper-class audiences across the board those people who value the brand most and will pay a premium for it.

Marshalls and T.J. Maxx are great, but they are not high society.

It is important for brands to position themselves in premium places, such as prestigious magazines targeted at upper-class consumers.

For example, look to American Express' Departures magazine, which is targeted at Platinum card members.

In conjunction with these premium placements, brands need to realign themselves with symbols of luxury and status through appearances at fashion weeks, sports events and themed previews.

PR is an excellent tool for maintaining relevance with luxury consumers. It is used to take branding and create mystery, personality and core values characteristics that upper-class consumers hold in high regard.

Tap into influencers

Luxury brands should consider tapping into influencer engagement.

Popular influencers often hold more clout than even a Kardashian largely because consumers trust their opinions. They have key insights into their communities and can give a luxury brand access to their established following.

Associating with key influencers and getting them to use and promote products can elevate public perception of a brand's image.

Brands can access new regions of the country without stepping foot inside T.J. Maxx and these influencers can even help you host local events.

IT IS NOT too late for luxury brands to recover their elite status, but it will not be easy.

With a solid PR strategy and an effort to understand and reconnect with their core audience, we will soon be jealously eyeing designer gowns in the pages of Vogue magazine.



Sarah Clark is president of Mitchell

*Sarah Clark is president of **Mitchell**, Fayetteville, AR. Reach her at sarah.clark@mitchcommgroup.com.*

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