

COMMERCE

Hermes, Cartier on Bluefly: Big Luxury tries discount

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By RACHEL LAMB



Hermes, Cartier and Botkier products are now available on

ecommerce destination Bluefly.com, leading some to wonder if even the most prestigious luxury brands are succumbing to discount fever.

The Cartier Marcello bag, Botkier handbags and Hermes scarves, bags and jewelry can be purchased on-site. Cartier and Botkier products, along with 300 other luxury goods, will be available this week.

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Luxury Daily

“Having iconic brands on Bluefly is important to our customers,” said Melissa Payner, CEO of Bluefly, New York. “They love that we are constantly offering them a variety of luxury brands at an accessible value—it’s part of what sets Bluefly apart from other

retailers.

“For the brands, Bluefly offers wider exposure to a segment of fashion customers that may be younger than the brands’ current target customers, are fashion and social-media savvy and have the potential to become their next generation of avid brand ambassadors,” she said.

“One of our goals at Bluefly is to offer the brands that are most important to our customers at a great value, focusing on the trends that represent the way they want to look right now.”

Will it fly?

Even during the economic recession when luxury brands started circling the drain, the most prestigious such as Chanel, Hermes and Louis Vuitton were dead-set in keeping their high prices the same.

However, with the recent influx of flash-sale sites and discount destinations such as Bluefly, Gilt Groupe and Rue La La available online, many luxury brands are widening their online presence and selling merchandise there.

“Many customer are using online shopping as a way to get the lowest price, so does a high-end luxury brand really want to risk bringing down its image by selling at deep discounts?” said Laura Ries, president of branding consultancy Ries & Ries, Roswell, GA.

“The problem is the short-term or long-term problem,” she said. “It can lead to a lot of short-term excitement and sales about a brand, but the fear is what it might do to the brand in the long term.”

Consumers can get used to only buying products at discounted prices, so when they see regularly-priced retail they will be less likely to pay for it.

Furthermore, if consumers notice that a brand is lowering its standards so that more people can buy it, it could take away from the brand’s prestige.

Luxury used to be only for those who could afford to buy it, and if brands such as Hermes or Cartier is discounting products then they could lose some luster with elite affluent buyers.

“You can’t really go back to charging full price once you have a discount,” Ms. Ries said. “Sometimes, it’s as addictive for the company as much as for the consumer.”

Scarfig down

Brands such as Gucci, Marc Jacobs, Chanel, Prada, Dolce & Gabbana and Emilio Pucci have handbags, accessories, jewelry, fragrances, shoes and apparel on Bluefly.com.

“All of their competitors are doing it, and [Cartier, Botkier and Hermes] are certainly dipping their toes into online shopping sites to see if this would work for them,” Ms. Ries said. “Luxury was something that no one thought would ever go online because people so enjoy the customer service aspect and being in the store to see, touch and smell products.

“However, our lives are changing and we are so busy that we are turning to online shopping, and it’s a great way to get brand awareness in front of a customer,” she said.

Even though these brands, most notably Hermes, are known for keeping high prices despite the stagnant economy over the past two years, Ms. Ries thinks that it could be a good idea for them to be on the sites.

If prestigious luxury brands are going to be on the site, they should at least experiment with quantity and quality, she said.

Hermes’ items available on Bluefly are watches, scarves, bags, shoes, neck ties and belts – a total of 51 items.

Although there seem to be many Hermes items, it should be noted that the average discount given to branded products is 10 percent.

Given the modest discount, the prices are still steep for the average customer.

For instance, a Hermes bag retailing at \$3,650 is available on Bluefly for \$3,285.

Only affluent consumers would be able to buy this bag, indicating that Hermes’ products are still strictly for luxury buyers.

“Bluefly has deep relationships with brands and manufacturers and sells only limited quantities of each product,” Bluefly's Ms. Payner said. “The additions of limited quantities of iconic brands to Bluefly will only help to drive more interest in these luxury fashions from our dedicated base of fashion-savvy customers.”

Final Take

Rachel Lamb, editorial assistant on Luxury Daily, New York