

RETAIL

## Consumer-centric luxury brands see the most growth: Kantar

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Chinese actor Li Bingbing for Gucci. Image credit: Gucci

By SARAH RAMIREZ

NEW YORK - Recent growth in the luxury industry has been propelled by brands that have mastered balancing heritage and innovation in response to changing consumer tastes.

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Luxury brands grew 28 percent in brand value in 2018, according to the BrandZ Most Valuable Global Brands Report. As an executive from Kantar explained at the Luxury Marketing Forum on Sept. 26, brands need to manage exclusivity with popular appeal and adaptability.

"Older consumers still desire to own a luxury product," said Sana Carlton, group senior vice president at **Kantar Millward Brown**. "With the millennial audience, luxury is starting to mean a more expansive thing.

"[Luxury] means more around that whole experience," she said. "It means a different way of receiving things."

*Luxury Marketing Forum was organized by Luxury Daily, with venue sponsor UBS*

### Brand boosts

Fashion labels Louis Vuitton, Herms and Gucci are the most valuable luxury brands in the world. Louis Vuitton and Gucci, along with Dior, are also the fastest-growing luxury brands.

Louis Vuitton has reached a brand value of \$41.1 billion by embracing more contemporary trends.



*Louis Vuitton's Twist handbag. Image credit: Louis Vuitton*

In a bold display of creativity, Louis Vuitton has worked with Jeff Koons on two retail collections inspired by the artist's "Gazing Ball" series that reinterprets master works from painters such as Da Vinci and Monet ([see story](#)).

Gucci has turned to digital media to create unique brand experiences beyond its stores.

For instance, users can use an augmented reality feature on the Gucci mobile application to virtually personalize their space with pieces from the new Gucci Dcor collection ([see story](#)).



*Burberry's app now lets users project Burberry designs onto their surroundings. Image credit: Burberry*

Affluents today expect brands to create complete ecosystems around them and are accustomed to being engaged through various means, including ecommerce. Strong ecommerce strategies appeal to younger consumers, especially when matched with a sense of immediacy.

Gucci and Burberry are among the high-end labels that have partnered with online retailer Farfetch for "Show to Door" collections.

To kick off the partnership, Burberry and Farfetch presented a "Show to Door" collection from the label's February 2018 runway. For 24 hours after the show, Farfetch offered an around-the-clock delivery service in London for pieces, including reissued archival designs ([see story](#)).

#### Modern appeal

To justify premium prices and drive sales, luxury brands need to be timeless as well as timely. Even in-store experiences need to combine tradition with today's trends.

Jeweler Tiffany & Co.'s flagship store in New York is getting a major renovation next year.

The Manhattan store has been at the same location on Fifth Avenue since 1940, but now it will be receiving a significant visual makeover. The renovation is expected to help Tiffany draw in more customers to the brand's legendary location.

The new design will focus on bringing a modern sensibility to the historic store ([see story](#)).

Digital media also gives brands an opportunity to share their stories and reach new audiences.

French fashion label Chanel has a film series detailing its history and the inner workings of its business. Each engaging installment of "Inside Chanel" features archival footage and delve deeper into the brand's heritage.

The life and inspiration of Coco Chanel is central to the appeal of the Chanel brand ([see story](#)).

"Brand name means something," Ms. Carlton said. "It's a story, a dream, an aspiration."

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